

TANF RECIDIVISM: A PROFILE OF WELFARE RETURNS IN MARYLAND

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EXECUTIVE SUMMARY

The goal of the reformed welfare system, Temporary Assistance for Needy Families (TANF), is for adults to make a successful exit from welfare to gainful employment. The reality, however, is that the post-welfare lives of families are complex and their independence from welfare is fragile. In the early years of welfare reform, one in five Maryland families returned to welfare within one year of their exit. However, in the 2012 update of our *Life after Welfare* series, findings indicate that a permanent transition from welfare to work is increasingly difficult for some recipients, especially given the slow recovery from the Great Recession. Nearly one-third (32.2%) of Maryland's post-recession leavers returned to welfare within one year compared to 28.2% of pre-recession leavers.

Ample research was completed on families that returned to welfare prior to welfare reform and in its early years. However, more recent information on recidivating families is limited, but vitally important, especially in the context of the current economy. Therefore, this report provides an update to the topic of recidivism. We focus on returns to welfare occurring between April 1998 and March 2010 in Maryland's Temporary Cash Assistance (TCA) program. We examine changes in the rate of returns to welfare over time, the characteristics of families that return, as well as the welfare histories of these families and their employment outcomes.

Returns to Welfare

Three-fifths (61.2%) of families did not return to welfare within two years of their exit (non-recidivists), 13.8% returned to TCA within two to three months of their exit (short-term recidivists), and one-quarter (25.0%) returned within 4 to 24 months of exit (mid-range recidivists).

Returns to welfare reached a high point in 2001, where 43.3% of exiting families

returned to welfare within two years of their 2001 exit. This coincides with the recession of 2001. Recidivism rises again in 2006, which may be the beginning signs of the Great Recession. For example, a family exiting in September 2006 could have returned 15 months later in December 2007 at the beginning of the recession. Since 2006, returns to welfare have continued to increase from 39.3% to 45.6%, indicative of the slow recovery of this recession.

Demographic Characteristics

Caseheads from the short-term and mid-range recidivist cohorts share a similar profile: an African American woman in her early 30's who has never been married and about half of these women had not earned a high school degree. On the other hand, non-recidivists were more likely to have a high school education, more likely to be married, and less likely to be African American. Furthermore, non-recidivists were significantly more likely to be designated as work-exempt, such as a child-only case, while most recidivists were work-eligible.

Welfare History

In the five years prior to exit, short-term recidivists received an average of 30 months of TCA, compared to 26 months for the mid-range recidivists and 23 months for the non-recidivists. Regardless of their recidivism status, however, most families received 12 months or less of TCA in the welfare spell that culminated in their exit.

Three in ten (28.3%) short-term recidivists exited due to a work sanction, while only one in seven (14.6%) exited because their income was above the eligibility limit. On the other hand, nearly three in ten mid-range recidivists (27.7%) and non-recidivists (28.8%) exited due to income above limit. One-quarter (25.4%) of mid-range recidivists exited due to a work sanction, compared to one in seven (14.6%) non-recidivists.

Employment and Earnings

Short-term recidivists had the lowest employment participation among the three cohorts. In the quarter of exit, 34.9% of short-term recidivists were employed. By the fourth quarter after exit, slightly more (37.7%) short-term recidivists were working. In fact, short-term recidivists were the only cohort to experience a continued increase in employment after exit. In the quarter of exit, average quarterly earnings were \$2,281 and by the fourth quarter after exit, quarterly earnings had increased by nearly \$1,000 to an average of \$3,262.

Mid-range recidivists experienced a 12 percentage point increase in employment in the quarter of exit to 52.4%. This increase in employment is most likely related to the exit from TCA, however the decline in employment participation in each subsequent quarter is also likely a contributing factor to their return. Employment participation decreased to 42.9% by the fourth quarter after exit. Average quarterly earnings for the mid-range recidivists reach a high of \$2,915 in the quarter after exit. Consistent with their employment, however, earnings declined in each subsequent quarter. By the fourth quarter after exit, average quarterly earnings had decreased by \$150 to \$2,762.

Non-recidivists' employment began to increase in the first quarter before exit and reached a high of 50.6% in the first quarter after exit. Employment participation then remained stable, around 50 percent, for the

three subsequent quarters. While employment remained stable, earnings continued to increase for non-recidivists in each quarter beginning with the quarter of exit. This is likely a key reason for their ability to remain independent from welfare. In the first quarter before exit, non-recidivists were earning an average of \$3,151, and by the fourth quarter after employment, earnings had increased by more than \$1,600 to \$4,804, on average.

Summary

The demographic profile of recidivists, whether short-term or mid-range, is very similar, however, short-term recidivists tend to have a slightly longer history with TCA and lower levels of employment participation. Earnings among the two recidivist cohorts ranged between \$2,000 and \$3,000, although the earning patterns differ: short-term recidivists have decreasing earnings right around the quarter of exit, but experience an increase over time, while mid-range recidivists experience an increase around the quarter of exit, but subsequent earnings decrease. On the other hand, employment participation among non-recidivists is stable after exit and earnings continue to increase. It is likely that the demographic differences between non-recidivists and recidivists play a role in these employment findings: non-recidivists are more likely to have a high school diploma, older on average, and more likely to be designated as work-exempt while receiving welfare.

INTRODUCTION

The policy environment of the Temporary Assistance for Needy Families (TANF) program embraces a strong welfare-to-work approach. This coupled with the still struggling economic recovery, calls attention to a key aspect of TANF participation: returns to welfare. Welfare recipients who exit welfare but later return to government assistance are known as recidivists. While the goal of the reformed welfare system is for adults to make a successful exit from welfare to gainful employment, the reality is that the post-welfare lives of poor families are complex and their independence from welfare is fragile. In the early years of welfare reform, one in five Maryland families returned to welfare within one year of their exit (Born, Ovwigho, & Cordero, 2002). However, in the 2012 update of our *Life after Welfare* series, findings indicate that the permanent transition from welfare is increasingly difficult for some recipients, especially given the slow recovery from the Great Recession. Nearly one-third (32.2%) of post-recession leavers returned to welfare within one year of their exit, compared to 28.2% of pre-recession leavers (Nicoli, Logan, & Born, 2012).

Our knowledge of the events that precipitate a family's return to cash assistance is limited. Based on a recent review of case narratives documenting the eligibility of families, caseworkers' notes referenced barriers to employment that necessitated a return to welfare—access to child care, disabilities, unstable housing, and limited human capital, for example (Passarella, Born, & Roll, forthcoming). Furthermore, clients found it difficult to maintain the paperwork and appointments associated with eligibility or to fulfill the program requirements related to work participation, resulting in either closures due to lack of verification information or work sanctions.

Further examination of the circumstances surrounding a welfare return can help

identify which recipients are potentially at risk for reentry. With this information, program managers can target specific services to these clients, ensuring a smoother, more economically stable and lasting transition off cash assistance. Given the current state of the economy and the recent growth of TANF caseloads in Maryland and nationwide (Loprest, 2012), it is important to examine the families who are unable to make a permanent exit from welfare, and determine what, if any, changes have occurred in the population. To that end, this report looks at recidivism from April 1998 through March 2010 in Maryland, and answers the following:

1. What is the rate of recidivism and how has that changed over time?
2. What are the demographic and case characteristics of families that return to welfare?
3. What are the welfare and employment patterns of recidivists?

This report, one in a series of recidivism reports, seeks to provide an updated profile of families who return to welfare. Its findings are especially timely because, concurrently, a sophisticated client assessment and barrier identification protocol, the Online Work Readiness Assessment (OWRA), is being implemented across the state. The purpose of OWRA is to provide a fuller understanding of clients' life circumstances and, in particular, the barriers they face. This information, in turn can be used to craft a service plan tailored to meet identified needs so that clients' chances of making a lasting exit from welfare are enhanced. Information about recidivists—those who left welfare, but subsequently returned—should thus be of interest and utility as the state moves forward with the implementation of OWRA. Among other things, it can be argued that a reduction in returns to welfare after exit would be one indicator of success for the OWRA initiative.

BACKGROUND

Returns to welfare were common under the old program, Aid to Families and Dependent Children (AFDC). Estimates show that between one-third and two-thirds of AFDC recipients that exited experienced at least one subsequent welfare spell (Ellwood, 1986; Greenberg, 1993; Harris, 1996; Pavetti, 1993). However, with the 1996 reform, the welfare program known as Temporary Assistance to Needy Families (TANF) emphasized the temporary nature of welfare via a federal 60-month time limit and the requirement to participate in a work-related activity that would encourage a welfare exit due to employment. Returns to welfare decreased in the early years of TANF, but were still a reality of the welfare program.

Nationally, about one in five families who exited TANF between 1997 and 1999 returned to welfare within one year (Loprest, 2002). In Maryland, recidivism patterns were consistent with national recidivism rates—one in five (20.2%) families returned to welfare within a year of exit (Born et al., 2002). In these initial examinations of recidivism, sanction-related closures were more likely to result in a return to welfare as were having younger children, limited work history, no high school education, poor health, and being African American. Nonetheless, the conclusion was that the majority of families were able to exit welfare permanently and that clients were making exits for employment; this was a positive finding for welfare reform. Less optimistic, however, is the fact that welfare recipients were more likely to obtain employment in the service occupations or in administrative or clerical positions, which tend to be low-paying jobs that require minimal skills, limiting welfare leavers' ability to remain self-sufficient (Strawn, 2010).

Now, more than a decade after the publishing of these initial reviews of recidivism, some things have changed, while others have remained the same. First,

since most welfare recipients were able to obtain employment in lieu of welfare, there is limited research on welfare returns after the early years of reform. In Maryland, while we have not specifically focused on recidivism, we have continued to document the rate of recidivism and some characteristics associated with the families that return in our annually updated *Life after Welfare* series. Second, due to the nearly two decades since welfare reform, there are a greater number of potential families that could return to welfare than in the earlier years. Third, the rates of return have increased since those early years of reform. Currently, three in ten (29.0%) Maryland families return within one year of exit and slightly more than one-third (36.8%) return within two years (Nicoli, Logan, & Born, 2012). After five years, the risk of recidivism stabilizes, with very few leavers returning after the five year mark.

As with the early years, sanctioned leavers are more likely to return to welfare, but those who exit due to income above limit are also likely to return to welfare, suggesting some barriers to maintaining employment. Maryland welfare recipients are also more likely to return if the client is residing in Baltimore City, has more than one child or younger children, and has never been married. Other barriers often impede self-sufficiency as well, including limited education, a longer history with cash assistance, and no employment in the exit month (Nicoli et al., 2012).

It appears also that recessions may also play a role in increased returns to welfare. Loprest (2003) examined recidivism during the mild recession of 2001 and found that TANF returns increased to 25% from 20%. This is also consistent with findings from the Great Recession. In Maryland, less than three in ten (28%) families that exited before the Great Recession returned to TCA (Temporary Cash Assistance, Maryland's TANF Program) within one year compared

to one-third (32%) of families who exited after the recession (Nicoli et al., 2012). Clearly, the inability to obtain a job due to the economy is a barrier to exit, however, barriers to employment are common to most welfare recipients and may likely play a role in recidivism.

It is well documented in the literature that welfare recipients face significant barriers, such as limited employment history, poor health or disability, and low educational attainment (Bloom, Loprest, & Zedlewski, 2011; Danziger & Seefeldt, 2002; Ovwigho, Saunders, & Born, 2008). These barriers often impede recipients in obtaining and securing permanent, gainful employment (Bloom et al., 2011; Williamson, Saunders, & Born, 2011). A forthcoming report found that welfare recipients often have chaotic lives, in which they are juggling low-wage work with other barriers such as lack of transportation, child care, or affordable housing (Passarella et al., forthcoming). Some of these barriers related to child care or transportation, for example, can be ameliorated with agency intervention, but other barriers—disabilities or mental illness—require substantially more resources to resolve. Furthermore, employment was common among the recidivists, but based on the case narratives, there were obstacles that kept clients from making a permanent exit, at least from their initial attempts at self-sufficiency.

Experiencing these barriers, may result in a return to welfare. However, more than eight in ten caseheads have at least one barrier to employment and one-third or more experience multiple barriers at a time, and yet, the recidivism rate is not nearly so high (Bloom et al., 2011; Williamson et al., 2011). Therefore, despite experiencing barriers, the majority of recipients who leave welfare, do not return to assistance. Returns to welfare may be related to the severity of barriers or the type of barriers a client faces.

Assessment is the key to determining the type and number of barriers that a client experiences. This knowledge informs caseworkers about the work-eligible or work-exempt status of clients as there may be some clients that are coded as work-eligible who may need to overcome significant barriers before work is a viable option. Knowledge of barriers also allows caseworkers to provide transitional services where necessary—child care or transportation—or may indicate the need for supplementary activities before a client searches for employment, such as continued education. Understanding the clientele within a local welfare office will assist caseworkers in helping families take real steps toward independence and avoid any returns to welfare. Statewide implementation of the Online Work Readiness Assessment (OWRA) is meant to provide caseworkers with precisely the type of detailed and nuanced, individualized client information needed to further the goals of client independence and fewer returns to welfare.

While there was ample research on returns to welfare under AFDC and in the early years of TANF, more recent and relevant research, especially within the context of the economy, is virtually non-existent. To that end, we attempt to help fill this gap in the literature by examining this population, which represents a significant portion of the welfare caseload. Today's study uses our standard *Life after Welfare* sample to look at a sub-sample of welfare recidivists, excluding churners, from April 1998 through March 2010. More importantly, today's report will provide imperative information to staff, program managers, and policymakers alike, allowing them to design and implement appropriate policies and programs accordingly. The information should be particularly germane as the OWRA project rolls out and begins to yield case-specific and actionable information.

METHODS

Sample

In every month since October 1996, we have drawn a five percent random sample of welfare cases that closed in Maryland, resulting in a total sample of 23,856 cases for our *Life after Welfare* series through March 2012. For this report, however, we are excluding the following cases:

- Cases that closed between October 1996 and March 1998 (n=3,171): In March 1998, Maryland transitioned from the Automated Information Management System (AIMS) to the Client Automated Resources and Eligibility System (CARES). This conversion resulted in some missing data on program participation in the first few years of TANF; therefore, we exclude cases that exited welfare between October 1996 and March 1998.
- Cases that closed between April 2010 and March 2012 (n=2,960): To ensure that all cases have a full 24 months of follow-up data, we exclude cases that left welfare after March 2010.
- Churners (n=5,576): We exclude all cases that closed and then reopened within 30 days, which we refer to as “churners”. A prior study of recidivism in Maryland found that 31.3% of leavers returned to welfare within one year of exit; however, when churners were excluded, the recidivism rate was only 20.2% (Born et al., 2002).¹ These churning cases represent a different type of recidivism that requires different ameliorative strategies.

¹ The recidivism rates by inclusion of churners or not for the current sample can be viewed in Appendix A.

Thus, today’s report includes the subset of sampled cases that closed for at least one month, from April 1998 through March 2010 (n=12,149). For the purposes of today’s study, we have grouped sample cases into three mutually exclusive categories, as detailed below.²

- Short-term Recidivists (n=1,677): Cases that returned within 2 to 3 months of exit.
- Mid-range Recidivists (n=3,034): Cases that returned within 4 to 24 months of exit.
- Non-Recidivists (n=7,438): Cases that did not return within 24 months of exit³.

Data Sources

Study findings are based on analyses of administrative data retrieved from computerized management information systems maintained by the State of Maryland. Demographic and program participation data were extracted from the Client Automated Resources and Eligibility System (CARES) and employment and earnings data were obtained from the Maryland Automated Benefits System (MABS).

² These three categories were selected based on preliminary analysis of cases that returned to welfare within 3, 6, 12, and 24 months of exit (Appendix B). The case and payee characteristics of non-recidivists were very different from the recidivists’ categories, while the four recidivist categories were all very similar. However, the three-month recidivists differed from the other recidivist categories on the following indicators: less likely to exit due to income above limit and to be employed. For these reasons, we created two groups of recidivists: those that returned within 2 to 3 months of exit and those that returned within 4 to 24 months of exit.

³ While we label this cohort ‘non-recidivists’, we do this because they did not return to welfare within 24 months of exit. This does not imply that they have not returned to welfare at a later date or won’t return in the future. In fact 20.3% (n=1,513) returned to welfare at some point after 24 months.

CARES

CARES became the statewide automated data system for certain DHR programs in March 1998. CARES provides individual and case level program participation data for cash assistance (AFDC or TCA), Food Supplement (formerly Food Stamps), Medical Assistance, and Social Services. Demographic data are provided, as well as information about the type of program, application and disposition (denial or closure), date for each service episode, and codes indicating the relationship of each individual to the head of the assistance unit.

MABS

Our data on quarterly employment and earnings come from the Maryland Automated Benefits System (MABS). MABS includes data from all employers covered by the state's Unemployment Insurance (UI) law and the unemployment compensation for federal employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment. Independent contractors, commission-only salespeople, some farm workers, members of the military, most employees of religious organizations, and self-employed individuals are not covered by the law. Additionally, informal jobs—for example, those with dollars earned “off the books” or “under the table”—are not covered.

The MABS system only tracks employment in Maryland. The state shares borders with Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia, and out-of-state employment is relatively common.

Overall, the rate of out-of-state employment by Maryland residents (17.5%) is over four times greater than the national average (3.8%)⁴. Out-of-state employment is particularly common among residents of two very populous jurisdictions (Montgomery County—29.9% and Prince George's County—42.2%), which have the 5th and 3rd largest welfare caseloads in the state, and out-of-state employment is also common among residents of two smaller jurisdictions (Cecil County—29.9% and Charles County—35.3%). One consideration, however, is that we cannot be sure the extent to which these high rates of out-of-state employment also describe welfare recipients or leavers accurately.

Finally, because UI earnings data are reported on an aggregated, quarterly basis, we do not know, for any given quarter, how much of that time period the individual was employed (i.e., how many months, weeks or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salary from these data. It is also important to remember that the earnings figures reported do not necessarily equal total household income; we have no information on earnings of other household members, if any, or data about any other income (e.g. Supplemental Security Income) available to the family.

Data Analysis

This profile of recidivists uses univariate statistics based on a random sample of case closures between April 1998 and March 2010 to describe returns to welfare and their cases. When appropriate, we also use chi-square and ANOVA tests to make comparisons between groups.

⁴ Data obtained from U.S. Census Bureau website <http://www.factfinder.census.gov> using the 2009-2011 American Community Survey 3-Year Estimates for Sex of Workers by Place of Work—State and County Level (B08007).

FINDINGS: RETURNS TO WELFARE

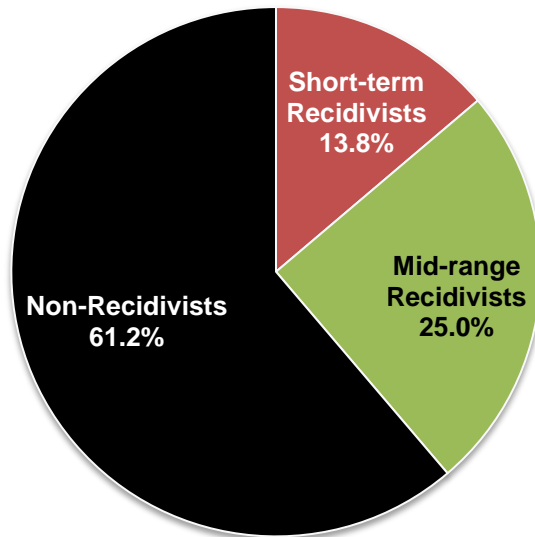
After welfare reform, a 60-month federal time limit was placed on cash-assistance benefits.⁵ Consequently, every month an individual spends on welfare is critical. Specific characteristics, such as exiting without securing employment or experiencing barriers to employment—limited human capital, having younger children who require child care, disabilities—may increase the likelihood that a family will return to welfare and accrue additional months toward their time limit (Nicoli et al. 2012; Passarella et al., forthcoming).

⁵ The federal government will continue to fund up to 20% of the state's caseload that exceeds the 60-month time limit if the families are granted a hardship exemption. Hardship exemptions above the 20% limit must be funded through state funds. For more information on time limits, visit our website: <http://www.familywelfare.umaryland.edu/timelimitsreports.htm>

As has been well documented in our previous studies, and most-notably, our *Life after Welfare* series, most clients who exit welfare do not return. As shown in Figure 1, six in ten (61.2%) families that exited welfare between April 1998 and March 2010 did not return to welfare within 24 months of their exit. More than one in ten (13.8%) families returned to welfare within two to three months of exit, the short-term recidivists. One-quarter (25.0%) of families returned to TCA within 4 to 24 months of their exit, referred to as mid-range recidivists throughout this report.

In this chapter, we further examine the recidivism rates of this sample of welfare leavers. First, we compare the cumulative recidivism rates of the current sample to the sample from a prior study documenting recidivism in the early years of TANF (Born et al., 2002). Then we review the rates of returns to welfare by year, followed by a review of recidivism at the local level.

Figure 1. Returns to Welfare



Cumulative Recidivism Rates

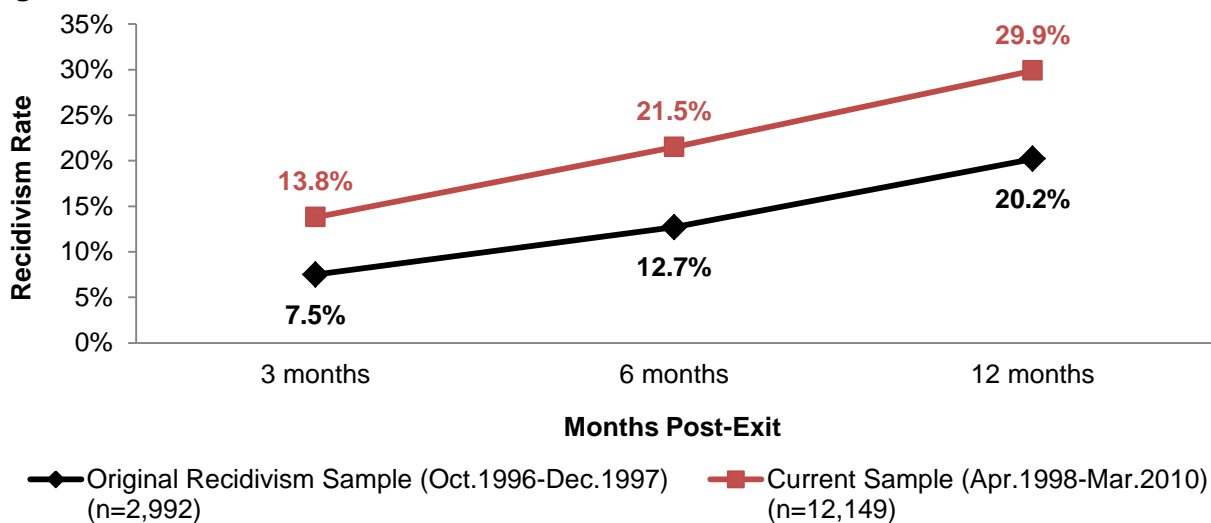
In the early years of welfare reform, policymakers were interested in who was leaving welfare and their outcomes. Generally, researchers found that clients were exiting welfare for work, yet, Loprest (2002) found that one in five welfare recipients exiting between 1997 and 1999 returned to cash assistance within one year of exit. As shown in Figure 2, researchers at the University of Maryland, School of Social Work also found that 20.2% of Maryland leavers (October 1996 to December 1997) returned to welfare within one year (Born et al., 2002). Less than one in ten (7.5%) of these earlier leavers returned to welfare within three months of exit, and one in eight (12.7%) families returned to welfare within six months.

This initial review of recidivism examined the first 15 months into welfare reform, while the current sample in this report covers more than 10 years of leavers. As can be

seen in Figure 2, recidivism has increased. Nearly one in seven (13.8%) leavers returned within three months of exit, one in five (21.5%) returned within six months of exit, and three in ten (29.9%) returned within one year of exit.

There may be several possible reasons for this increase in returns to welfare. The longer time period covered by the current sample allows for a larger number of exiting families, thereby increasing the number of families that can potentially return to welfare. Recessions may also play a role in increased returns to welfare. Loprest (2003) examined recidivism during the mild recession of 2001 and found that TANF returns increased to 25% from 20%. This is also consistent with findings from the Great Recession. In Maryland, less than three in ten (28%) families that exited before the Great Recession returned to TCA within one year compared to one-third (32%) of families who exited after the recession (Nicoli et al., 2012).

Figure 2. Cumulative Recidivism Rates⁶



Note: Valid percentages reported.

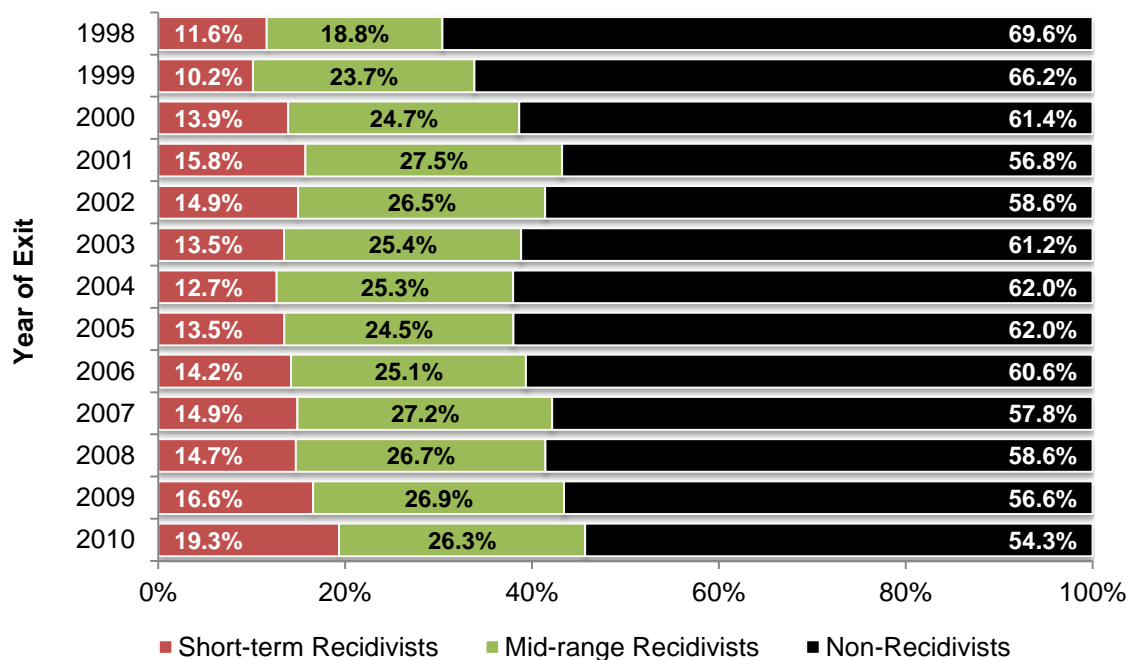
⁶ The cumulative recidivism figures presented here are not mutually exclusive as are the cohorts examined in Figure 1 and throughout this report. In the cumulative rate, for example, those that returned to welfare within three months of exit are also included in the 6-month and 12-month recidivism figures.

Recidivism by Year

As stated previously, most families that exit welfare do not return. In fact, three-fifths (61.2%) of leavers do not return within two years of their exit. To examine the changes in recidivism over time, Figure 3 provides the percent of families that returned to welfare by the year in which their cash assistance case closed. Most years have a non-recidivism rate near the average of 61.2%, however the first and last years exhibit the range. In 1998, seven in ten (69.6%) exiting families had not returned to welfare, while just over half (54.3%) of families exiting in 2010 did not return to welfare.

Returns to welfare reached a high point in 2001, where 43.3% of exiting families returned to welfare within two years of their 2001 exit. This coincides with the recession of 2001, in which clients may have found it more difficult to maintain jobs after their exit. Recidivism decreases after 2001 and levels off until 2006. This may be the beginning signs of the Great Recession. For example, an exit in September 2006 could have returned 15 months later in December 2007 at the beginning of the recession. Since 2006, returns to welfare have continued to increase from 39.3% to 45.6% in 2010, indicative of the slow recovery of this recession.

Figure 3. Recidivism by Year***



Note: The 1998 year excludes cases exiting prior to April 1998 and the 2010 year excludes cases that exited after April 2010. Valid percentages are reported. * $p < .05$, ** $p < .01$, *** $p < .001$

Recidivism by Region

Maryland, bordered by four states and the District of Columbia, varies widely across its 24 jurisdictions in their economies, culture, and welfare population. Intrastate differences can often be masked by examining only statewide data which tends to be a reflection of the larger jurisdictions. Therefore, Table 1 presents the recidivism rates by 10 Maryland regions (Appendix C has the rates by each jurisdiction).

Short-term recidivism was relatively uncommon in most regions. Ten percent or less of families experienced a short-term return to welfare in six of the ten regions. The Western Maryland region had the lowest average of short-term recidivism at 4.4% followed by Southern Maryland (6.3%). The other four regions with low rates of short-term recidivism—Lower Shore, Upper Shore, Metro, and Montgomery County—had rates at or closer to ten percent. Short-term recidivism was slightly higher in the larger jurisdictions ranging from 11.5% in Baltimore County to 17.4% in Baltimore City.

Mid-range recidivism was much more common, which is partially a function of the longer time period in which families could return to welfare (4 to 24 months of exit). Excluding Baltimore City, all regions had mid-range recidivism rates below the state average of 25.0%. Of these nine regions, the Metro region (23.4%) and Upper Shore (23.1%) were at the high end of the mid-range recidivism rates while Prince George’s County (16.2%) was at the low end. Three in ten (30.5%) exiting families returned to welfare within 4 to 24 months of exit in Baltimore City, however.

The most consistent finding, nevertheless, is that most recipients do not return to welfare within two years of exiting. Even in Baltimore City, which has the highest recidivism rate, more than half (52.1%) of exiting families did not return to welfare. All the other regions have a non-recidivism rate about two-thirds or more, ranging from 65.2% in Anne Arundel County to 77.2% in Western Maryland.

Table 1. Regional Recidivism Rates***

	Short-term Recidivists (Returned to TCA within 2-3 months) (n=1,677)	Mid-range Recidivists (Returned to TCA within 4-24 months) (n=3,034)	Non-Recidivists (Did not return to TCA within 24 months) (n=7,438)
Baltimore City (n=5,817)	17.4%	30.5%	52.1%
Prince George’s (n=1,433)	12.3%	16.2%	71.5%
Baltimore County (n=1,354)	11.5%	20.6%	67.9%
Anne Arundel (n=646)	13.6%	21.2%	65.2%
Montgomery (n=510)	10.2%	18.0%	71.8%
Metro (n=756)	9.5%	23.4%	67.1%
Upper Shore (n=497)	9.9%	23.1%	67.0%
Lower Shore (n=385)	8.6%	21.6%	69.9%
Western Maryland (n=386)	4.4%	18.4%	77.2%
Southern Maryland (n=365)	6.3%	20.3%	73.4%
Maryland	13.8%	25.0%	61.2%

Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

FINDINGS: CASEHEAD AND CASE CHARACTERISTICS

Based on findings from *Life after Welfare*, there are some risk factors associated with welfare returns in Maryland (Nicoli et al., 2012). Families from Baltimore City with an unmarried mother who has not finished high school are more likely to return to cash assistance within one year compared to a high school graduate from Maryland's 23 counties. Cases closed due to non-compliance with work requirements are more likely to return than those cases closed due to employment income above the eligibility threshold. Families who have received cash assistance for more than two of the previous five years are also more likely to return within one year of exit. In this chapter, we review the demographic characteristics of the caseheads and the cases of short-term recidivists, mid-range recidivists, and non-recidivists to determine whether there are more distinct differences among these cohorts.

Demographic Characteristics of Caseheads

As shown in Table 2, the typical casehead among the short-term recidivists was an African American (83.9%) woman (97.0%) who had never been married (82.3%) and was, on average, about 32 years old (mean=31.9). Approximately half (54.3%) of these caseheads were 30 years old or younger, with one-third (32.3%) between the ages of 20 and 25. One-third (32.0%) were 36 years or older. Half (48.9%) of caseheads also had not earned a high school diploma.

Mid-range recidivists, those that returned between 4 and 24 months of exit, shared a similar profile. They, too, were likely to be an African American (82.4%) woman (96.8%) who had never been married

(85.0%). They were also in their early 30s, with an average age of 29.96 years. Three in five (62.5%) caseheads were 30 years old or younger, while roughly one-quarter (23.2%) were 36 years or older. Similar to the short-term recidivists, half (49.2%) of the caseheads among the mid-range recidivists had not earned a high school diploma.

On the other hand, families who did not return within two years of exit had a markedly different demographic profile. Non-recidivists were also most likely to be female (93.9%), but were older on average (mean=34.50), with more than half (53.4%) over the age of 30. Compared to the recidivists, non-recidivists were less likely to be African American (71.1%), less likely to have never been married (70.5%), and were more educated, with less than one-third (31.6%) lacking a high school degree.

These findings continue to confirm the profile of recidivists found in our other reports although we find no significant demographic differences between short-term and mid-range recidivists. An unmarried mother without a high school degree is much more likely to return to welfare. These characteristics are likely not the reason a casehead returns to welfare, rather the barriers associated with these characteristics probably make a successful exit difficult. Unmarried mothers may not have another income in the household to support the family or have the support system to assist with child care, transportation, and housing. Women without a high school degree are also likely to obtain jobs that are low-wage, low-skilled, and sometimes temporary work, decreasing the chances for the family to maintain self-sufficiency.

Table 2. Casehead Demographic Characteristics

	Short-term Recidivists (Returned to TCA within 2-3 months) (n=1,677)	Mid-range Recidivists (Returned to TCA within 4-24 months) (n=3,034)	Non-Recidivists (Did not return to TCA within 24 months) (n=7,438)
Gender***			
Female	97.0% (1,622)	96.8% (2,922)	93.9% (6,950)
Male	3.0% (51)	3.2% (98)	6.1% (452)
Race***			
African American	83.9% (1,375)	82.4% (2,435)	71.1% (5,093)
Caucasian	14.0% (229)	15.2% (449)	25.7% (1,827)
Other	2.1% (34)	2.4% (70)	3.2% (229)
Age***			
Younger than 20	6.4% (108)	7.8% (236)	4.5% (334)
20 – 25	32.3% (542)	36.2% (1,097)	24.0% (1,785)
26 – 30	15.6% (262)	18.5% (560)	18.2% (1,353)
31 – 35	13.7% (229)	14.4% (438)	14.5% (1,075)
36 & older	32.0% (536)	23.2% (703)	38.9% (2,891)
Mean [Median] Age***	31.90 [29.36]	29.96 [27.41]	34.50 [32.12]
Marital Status***			
Married	5.4% (88)	4.0% (118)	9.5% (680)
Never Married	82.3% (1,342)	85.0% (2,503)	70.5% (5,020)
Divorced, Separated, or Widowed	12.3% (200)	11.0% (325)	20.0% (1,423)
Education***			
Less than grade 12	48.9% (655)	49.2% (1,217)	31.6% (1,707)
Finished grade 12	47.7% (639)	47.7% (1,180)	61.5% (3,321)
Additional education after grade 12	3.4% (46)	3.2% (79)	6.8% (369)

Note: Due to missing data for some variables, cell counts may not sum to column totals. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Case Characteristics

Table 3 provides the case characteristics for short-term recidivists, mid-range recidivists, and non-recidivists. Again, we find that short-term and mid-range recidivists share similar case characteristics. A short-term recidivist case typically consisted of two (38.1%) or three (25.8%) people, with an average of 2.77 persons per case, while mid-range recidivist cases were composed of two (42.0%) or three (29.0%) people with an average of 2.72 persons. More than eight in ten cases had one adult in the assistance unit (83.6%-short-term recidivists; 88.2%-mid-range recidivists). Seven in ten (70.9%) short-term recidivist cases and three-fourths (76.2%) of mid-range recidivist cases had one or two children in the assistance unit. The youngest child in the household of the average mid-range recidivist case was about one year younger than that of the short-term recidivist (4.76 years vs. 5.32 years). Lastly, seven in ten recidivist cases (70.6%-short-term; 73.2%-mid-range) were designated as a part of the work-eligible population, meaning that the casehead is required to participate in a work-related activity and may be included in the federal work-participation rate.

The typical non-recidivist case also had an assistance unit with two (39.9%) or three (23.7%) people including one (52.3%) or two (26.0%) children. However, a very important difference between the recidivist and non-recidivist cases is the proportion of child-only cases. These are cases where only the child is calculated in the benefit

amount, excluding the adult casehead on the case. One in five (21.5%) non-recidivist cases were child-only, compared to only 13.9% and 9.6% of the short-term and mid-range recidivists, respectively. Furthermore, the youngest child in the non-recidivist household was slightly older with an average age of six, and more than two-fifths (43.5%) of these cases were designated as work-exempt, suggesting that the casehead was exempt from participating in a work-related activity for reasons such as a child under the age of one, a child-only case, a disability, or caring for a disabled household member.

Child-only cases are very different from typical, single-parent cases (Saunders, Hetling, Ovwigho, & Born, 2012). First, child-only cases are mostly headed either by a family member that does not require cash assistance for themselves such as a grandparent or an aunt or uncle, or they are headed by a parent who is receiving Supplemental Security Income (SSI) and therefore is not eligible for TCA. As such, child-only cases are not subject to the 60-month time limit since the adult casehead is not a recipient on the case. Second, adults of child-only cases are more likely to be older, to have been married, more likely to be employed, and have higher earnings compared to adults in a typical, single parent household. Third, child-only cases have longer welfare histories, have been on welfare without interruption for longer periods of time, and often only exit cash assistance when the youngest child has reached the age of majority.

Table 3. Case Characteristics

	Short-term Recidivists (Returned to TCA within 2-3 months) (n=1,677)	Mid-range Recidivists (Returned to TCA within 4-24 months) (n=3,034)	Non-Recidivists (Did not return to TCA within 24 months) (n=7,438)
Size of Assistance Unit (AU)***			
1 person	11.9% (198)	8.8% (266)	19.1% (1,418)
2 people	38.1% (636)	42.0% (1,269)	39.9% (2,960)
3 people	25.8% (431)	29.0% (877)	23.7% (1,761)
4 or more people	24.2% (404)	20.1% (608)	17.3% (1,285)
Mean [Standard Deviation]	2.77 [1.28]	2.72 [1.16]	2.49 [1.20]
Number of Adults in AU***			
Child-Only	13.9% (233)	9.6% (289)	21.5% (1,595)
1	83.6% (1,401)	88.2% (2,667)	74.9% (5,565)
2	2.4% (41)	2.3% (69)	3.6% (265)
Mean [Standard Deviation]	0.89 [.39]	0.93 [.34]	0.82 [.47]
Number of Children in AU***			
0	4.2% (70)	3.6% (108)	3.9% (291)
1	43.6% (730)	45.4% (1,373)	52.3% (3,883)
2	27.3% (458)	30.8% (931)	26.0% (1,930)
3 or more	24.9% (417)	20.3% (614)	17.8% (1,323)
Mean [Standard Deviation]	1.87 [1.19]	1.79 [1.09]	1.67 [1.04]
Age of Youngest Child in the Household***			
Mean [Standard Deviation]	5.32 [4.71]	4.76 [4.33]	6.00 [5.19]
Child under 3 Years	44.5% (724)	47.9% (1,410)	41.3% (2,888)
Caseload Designation***			
Work-Eligible	70.6% (242)	73.2% (434)	56.5% (693)
Work-Exempt	29.4% (101)	26.8% (159)	43.5% (534)

Note: Due to missing data for some variables, cell counts may not sum to column totals. Valid percentages are reported. The coding for caseload designation was changed in October 2007, therefore, we only present the caseload categories for the cases that exited in October 2007 or later (n=2,163).

*p<.05, **p<.01, ***p<.001

FINDINGS: WELFARE USE

In our *Life after Welfare* annual report, we have consistently found that families have short spells leading up to their exits from welfare. In fact, three-fourths of families received 12 or fewer months of continuous TCA receipt before their exit (Nicoli et al., 2012). These short spells could be the result of a higher sanctioning rate for noncompliance with program rules or it could represent the cultural transition from an entitlement program under AFDC to a temporary program under TANF. In this chapter, we review the TCA histories of short-term recidivists, mid-range recidivists, and non-recidivists histories as well as the reason for the case closure.

Welfare History

Three different welfare indicators are provided in Table 4—the length of the exiting spell, the number of months of TCA receipt in five years before exit, and the number of months counting towards the federal time limit. The length of the exiting spell represents the number of continuous months of receipt a family had leading up to their exit. Just as the *Life after Welfare* report documents short exiting spells for most leavers, the findings here also point to short exiting spells for recidivist cases as well. About eight in ten of both short-term recidivists (78.1%) and mid-range recidivists (83.0%) received cash assistance for 12 or fewer months. This finding is also consistent among the non-recidivist cases, in which three-fourths (76.9%) received 12 or fewer continuous months of TCA leading up to their exit. Less than five percent of all three cohorts received four years or more of continuous welfare receipt. The average exiting spell of the mid-range recidivists (9.32 months) was about three months shorter than short-term recidivists (12.50 months) and non-recidivists (12.67 months).

The number of months of TCA receipt in the previous five years provides the total cumulative, but not necessarily consecutive,

number of months that a family had in the five years before their exit. This measure accounts for all the spells of cash assistance receipt within the five years before their exit. On average, short-term recidivists received over two years (29.74 months) of cash assistance receipt in the five years before exit. One-quarter of the short-term recidivists received 12 or fewer months of TCA (26.6%) or between 49 and 60 months (24.3%). Mid-range recidivists received an average of just over two years (26.09 months) of TCA in five years before exit. Three in ten (30.8%) received 12 or fewer months of TCA and less than one in five (16.6%) received 49 or more months. The non-recidivists had the lowest number of months of receipt in the five years before exit—less than two years (22.80 months), on average. More than two in five (42.4%) families received 12 or fewer months of assistance and one in seven (14.7%) had 49 or more months.

The final indicator of welfare use in Table 4 is the total number of months a family had used towards their federal time limit at the time of the case closure that brought them into our study sample. Maryland enforces a 60-month time limit, however, as federal law permits, the state grants hardship exemptions to families that experience difficulties in obtaining self-sufficiency. These hardship exemptions allow families to continue receiving TCA beyond the 60-month time limit. If more than 20 percent of the caseload surpasses the time limit, states must use their own funds to assist families. In Maryland, only six to seven percent of the caseload has exceeded the federal time limit and received a hardship exemption (Logan, Saunders, & Born, 2012).

In our sample of leavers, a small percentage of short-term recidivists (7.0%), mid-range recidivists (4.8%), and non-recidivists (2.2%) exceeded the federal time limit. Two-fifths (40.0%) of short-term recidivists used two years or less toward

their five-year limit, compared to about half of mid-range recidivists (47.8%) and non-recidivists (49.2%). There is also a sizable portion of the sample that has been exempted from the time limit, demonstrated by the percent of cases with zero months counting towards the time limit. This phenomena is most notable among the non-recidivists in which three in ten (29.8%) families had zero months of receipt counting toward the time limit. On average, short-term recidivists had accumulated the most months counting toward the federal time

limit—22.83 months compared to 21.22 months among mid-range recidivists and 13.48 months among the non-recidivists.

These findings of previous cash assistance receipt are comparable to findings from our annual reports. We know, from our updates to the *Life on Welfare* and *Life after Welfare* series, that cash assistance in Maryland is used by struggling families who face hard times. Very few families come onto welfare and stay for an extended time. This is also reflected in the table below, regardless of recidivism status.

Table 4. Welfare History

	Short-term Recidivists (Returned to TCA within 2-3 months) (n=1,677)	Mid-range Recidivists (Returned to TCA within 4-24 months) (n=3,034)	Non-Recidivists (Did not return to TCA within 24 months) (n=7,438)
Length of Exit Spell***			
12 months or fewer	78.1% (1,310)	83.0% (2,519)	76.9% (5,719)
13 to 24 months	11.8% (198)	10.6% (323)	12.0% (894)
25 to 36 months	3.6% (61)	2.9% (87)	4.3% (317)
37 to 48 months	1.8% (31)	1.3% (39)	2.1% (155)
49 to 60 months	1.1% (18)	0.7% (22)	1.2% (89)
More than 60 months	3.5% (59)	1.5% (44)	3.5% (264)
Mean [Median]***	12.50 [6.18]	9.32 [5.09]	12.67 [6.00]
Standard Deviation	23.01	15.94	22.57
TCA Receipt in the 5 Years Before Exit***			
12 months or fewer	26.6% (445)	30.8% (933)	42.4% (3,151)
13 to 24 months	19.4% (325)	22.6% (685)	20.2% (1,502)
25 to 36 months	16.2% (271)	17.7% (536)	12.8% (954)
37 to 48 months	13.6% (228)	12.4% (377)	9.9% (738)
49 to 60 months	24.3% (407)	16.6% (503)	14.7% (1,092)
Mean [Median]***	29.74 [27.00]	26.09 [23.00]	22.80 [16.00]
Standard Deviation	19.09	17.89	18.43
TCA Counter***			
0 Months	20.2% (339)	15.4% (466)	29.8% (2,214)
1 to 24 months	40.0% (671)	47.8% (1,452)	49.2% (3,665)
25 to 48 months	26.8% (449)	26.8% (813)	16.3% (1,213)
49 to 60 months	6.0% (100)	5.1% (156)	2.5% (186)
More than 60 months	7.0% (118)	4.8% (147)	2.2% (160)
Mean [Median]***	22.83 [17.00]	21.22 [17.00]	13.48 [8.00]
Standard Deviation	22.42	19.82	16.51

Note: Due to missing data for some variables, cell counts may not sum to column totals. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Case Closure

In this section, we address why recipients left welfare (Figure 4) and the length of the exiting spell by those reasons (Table 5). These findings are based on administrative case closure codes that are recorded by caseworkers in an electronic database. Previous analyses indicate that closing codes significantly understate the true rate of work-related closures because payees may not notify the agency when they have found work (Ovwigo, Tracy, & Born, 2004). Despite the limitations of administrative case closure codes, they do correlate with important post-closure outcomes such as employment and returns to cash assistance (Ovwigo et al., 2004).

Figure 4 displays the administrative case closing reasons for short-term recidivists, mid-range recidivists, and non-recidivists. Nearly three in ten (28.3%) short-term recidivist cases were closed due to a work sanction. These returns to welfare are expected as the work sanction is intended to bring clients into compliance with the program rules. In fact, prior research has shown that work sanctioned cases return to welfare at a higher rate than cases closed for other reasons (Williamson, 2011). One quarter (25.4%) of mid-range recidivists were also work sanctioned compared to one in seven (14.6%) non-recidivists. We also see, in Table 5, that work sanctions occur rather quickly regardless of recidivism status—clients had an exiting spell of about eight months, on average, with a median of about four months before closure.

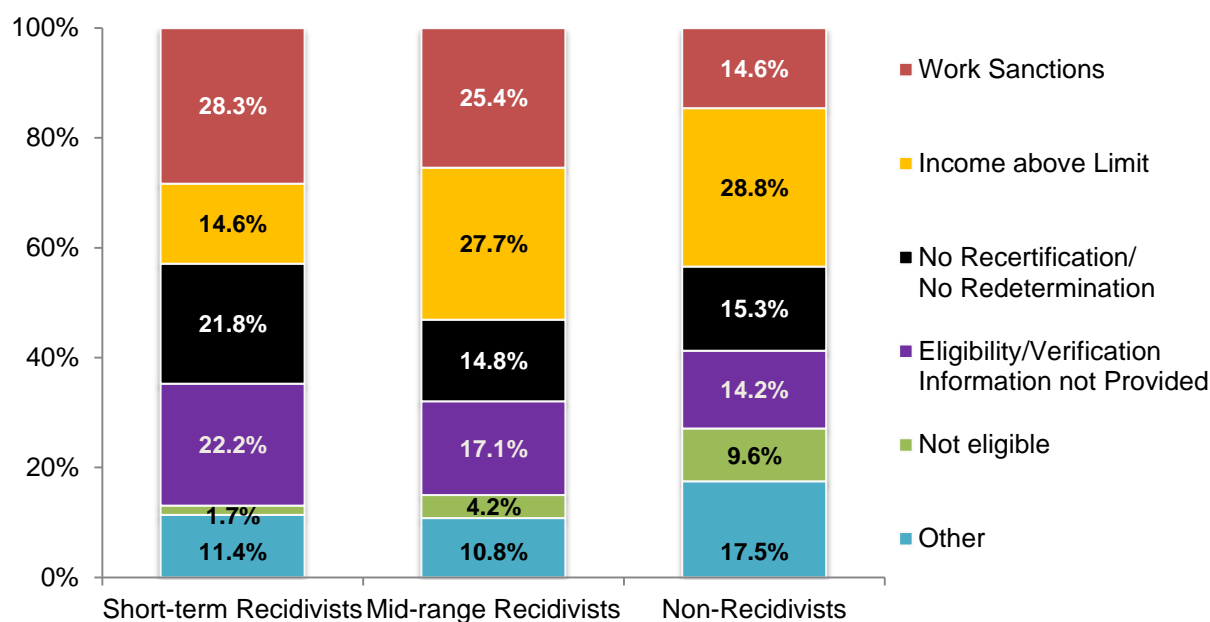
Income above limit is a code generally used when a client obtains employment and the earnings from that employment make the family ineligible for benefits. This is a positive finding among welfare leavers, because it achieves the welfare-to-work goal. Few (14.6%) short-term recidivists exit due to income above limit compared to more than one quarter (27.7%) of mid-range recidivists. Although this is a positive closure reason, we know that these families

returned to welfare. During a review of case narratives, we found that while some clients were able to obtain employment, they were unable to maintain that job for any number of reasons (Passarella et al., forthcoming). First, the lack of or access to transitional benefits, such as child care, made it difficult for clients to maintain work. Second, families were dealing with issues related to disabilities or unstable housing that made it problematic for clients to focus on work. Also, clients experienced human capital barriers such as limited work experience, no high school education, or inadequate literacy and mathematical skills that made fulfilling employment tasks challenging. Nonetheless, it is encouraging that nearly three in ten (28.8%) non-recidivists exited welfare because of income above limit and have not returned to welfare.

Short-term recidivists with a closure code of income above limit had an exiting spell lasting more than one year (14.26 months), on average, suggesting that they may have a harder time securing employment. Mid-range recidivists had the shortest average exiting spell for this closure reason (9.28 months), so there was minimal difficulty securing employment, but there may be some difficulty in maintaining it. The exiting spell was just under one year (11.05 months), on average, for non-recidivists.

Another common cause for closure among the short-term recidivists is the inability to maintain the paperwork associated with benefit receipt or to attend scheduled meetings for recertification. More than two in five families experienced a closure related to either no recertification (21.8%) or the verification information was not provided (22.2%). In other research, we have also documented the recent increase in the use of closure codes related to lack of verification information; these codes have increased by 10 percentage points to 21.9% of closures statewide (Hall et al., 2012). The use of these codes, however, is lower among the mid-range recidivists (31.9%) and non-recidivists (29.5%).

Figure 4. Reasons for Case Closure***



Note: Valid percentages reported. * $p < .05$, ** $p < .01$, *** $p < .001$

Table 5. Average Exiting Spell by Case Closure Reason***

	Short-term Recidivists (Returned to TCA within 2-3 months) (n=1,677)		Mid-range Recidivists (Returned to TCA within 4-24 months) (n=3,034)		Non-Recidivists (Did not return to TCA within 24 months) (n=7,438)	
	Mean	[Median]	Mean	[Median]	Mean	[Median]
Work Sanctions	8.35	[4.47]	7.22	[3.61]	8.86	[4.14]
Income above Limit	14.26	[5.42]	9.28	[5.03]	11.05	[4.68]
No Recertification/ No Redetermination	19.54	[10.07]	13.54	[9.69]	15.77	[9.73]
Eligibility/Verification Information not Provided	10.64	[5.52]	7.68	[4.83]	10.06	[4.96]
Not Eligible	23.00	[6.11]	16.57	[7.13]	22.03	[9.33]
Other	9.08	[4.57]	8.37	[4.40]	12.80	[5.75]

To our knowledge, this is the one of only a few research studies that looks at welfare spell length, case closure reason, and recidivism together. Results are intriguing, particularly because they suggest that, in some programmatically important ways, the mid-range recidivists resemble non-recidivists, while in other ways they appear more similar to short-term recidivists who come back on welfare within 60 to 90 days. Most notably, mid-range recidivists tend to mirror short-term recidivists in that both groups are much more likely to have experienced a work sanction than are clients who did not return to welfare. The work sanction rate was 28.3%, to illustrate, among short-term recidivists and 25.4% among mid-range recidivists, but only 14.6% among the non-recidivists. On the other hand, the mid-range recidivists much more resembled the non-recidivists in terms of the percentage of cases that closed with the employment related code of income above limit. More specifically, the shares of mid-range recidivists (27.7%) and non-recidivists (28.8%) closed with this code were nearly double the share among short-term recidivists (14.6%).

It is also interesting to note that with regard to paperwork and appointment related closures, the mid-range recidivists are more similar to the non-recidivists than to the short-term recidivists, among whom these closures are fairly common. Among the short-term recidivists, failure to provide information and failing to complete the redetermination process accounted for more than two-fifths (44.0%) of all closures. In contrast, these two codes accounted for less than one-third of closures among the mid-range recidivists (31.9%) and non-recidivists (29.5%).

These findings suggest that, all else equal, program strategies aimed at increasing the size of the non-recidivist population, by decreasing the size of the mid-range recidivist population, could potentially be very beneficial, both to the clients themselves and to the state's overall welfare-to-work efforts. As the state continues to roll out the OWRA initiative, our results would seem to rather clearly indicate that the use of this assessment tool with clients who are returning to welfare after the have been off for a period time (roughly 4 to 24 months) might be particularly helpful in promoting relatively quick, work-related and lasting re-transitions from the assistance rolls to employment payrolls.

FINDINGS: EMPLOYMENT AND EARNINGS

Since the inception of welfare reform, the emphasis has been about moving recipients from welfare into paid employment, commonly referred to as welfare-to-work. The federal law requires that states meet a 50 percent work participation rate⁷, ensuring that work-eligible individuals are in a work-related activity. This chapter examines the employment patterns and earnings for short-term recidivists, mid-range recidivists, and non-recidivists.

In Figures 5 and 6, we examine employment and earnings for each cohort in three different time periods: two years before spell entry, two years before their exit from cash assistance, and two years after exit. It is evident that individuals who leave welfare, whether they return or not, are no strangers to work. We consistently see that about seven in ten of all leavers worked at some point in all three time periods. We also find, in Figure 6, that each cohort's average earnings decreased in the two years before exit, likely because they were receiving cash assistance at some point during that period. Similarly, each cohort's earnings increased in the two years after exit, as well, a positive indicator for working leavers.

The short-term recidivists have the lowest level of employment participation although the majority is still working—69% were working before spell entry and before exit. After exit, however, employment participation decreased by about four percentage points to 65.7%. Total average earnings for those working in the two years before spell entry were only \$12,700 and decreased by about \$1,600 in the two years before exit. After exit, earnings were higher than they were before spell entry, with an average of \$14,169.

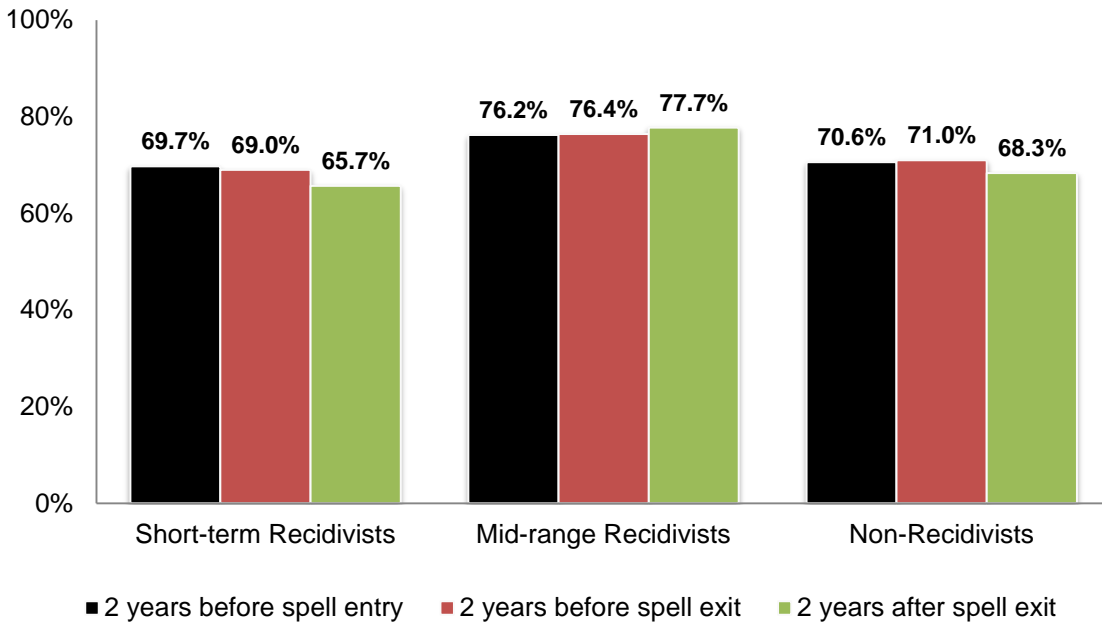
⁷ The work participation rate is 90% for two-parent households.

On the other hand, employment after exit increased slightly for mid-range recidivists. Three-quarters were working before spell entry and exit and 77.7% were working after exit. Average earnings for mid-range recidivists were lowest among the three groups in each time period, although very similar to the short-term recidivists. In the two years before spell entry, mid-range recidivists were earning \$12,409, on average, and this decreased by about \$1,600 in the two years before spell exit. After exit, earnings had increased to \$13,214, about \$1,000 lower than the short-term recidivists.

Employment in the two years after exit was also slightly lower for non-recidivists as it was for the short-term recidivists. About 71% of non-recidivists were working before spell entry and exit, but 68.3% were working in the two years after exit. Earnings among working non-recidivists were substantially higher than the two recidivist cohorts in all three time periods. In the two years before spell entry, non-recidivists were earning an average of \$19,461, about \$7,000 more than the recidivists. Although fewer non-recidivists were working in the two years after exit, for those who were working, average earnings were \$27,538, more than \$10,000 higher than short-term and mid-range recidivists.

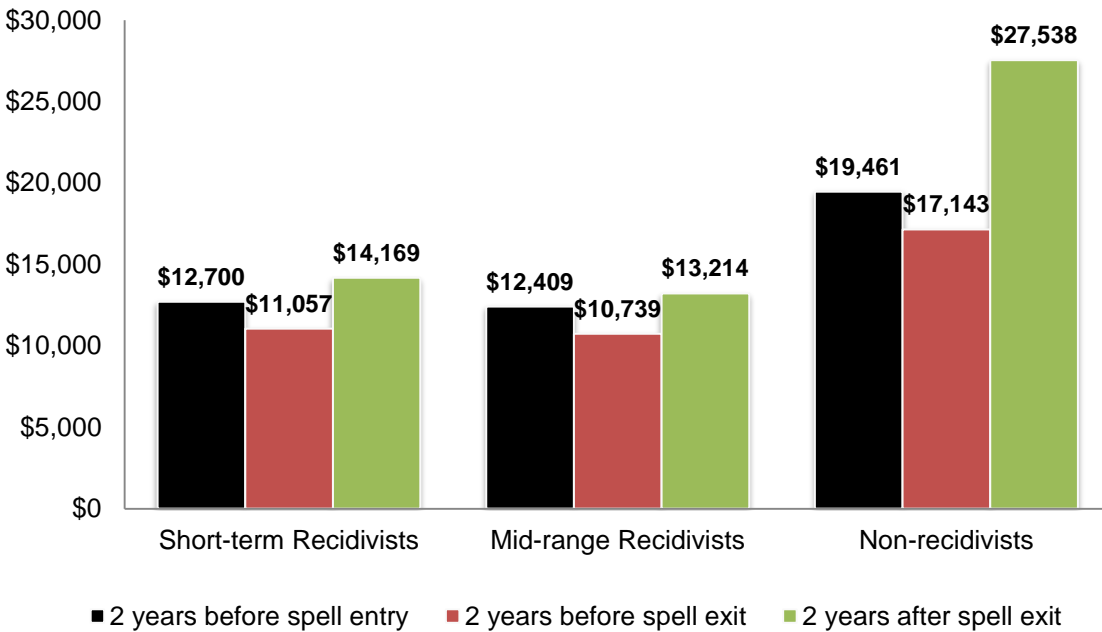
Considering that non-recidivists are nearly 15 percentage points more likely to have a high school diploma and three percentage points more likely to have education beyond high school compared to the recidivist cohorts, it is likely that non-recidivists have employment opportunities among higher wage jobs. In the review of narratives for recidivist cases, we found that their employment opportunities, conversely, were in retail and fast food such as Wendy's, JC Penny's, and Safeway. Increasing the human capital of welfare recipients may a way to reduce returns to welfare and enhance the odds of a permanent exit from welfare.

Figure 5. Percent Employed before Spell Entry, before Exit, and after Exit



Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Figure 6. Average Total Earnings before Spell Entry, before Exit, and after Exit***



Note: Wages are standardized to 2011 dollars. Earnings figures are only for the individuals who are working. *p<.05, **p<.01, ***p<.001

Quarterly Employment and Earnings

The previous employment and earnings findings, again, make it clear that the mid-range recidivist cohort shares some characteristics with short-term recidivists, but is on par with the non-recidivists on others. More specifically, Figures 5 and 6 show that mid-range recidivists, like the short-term recidivists, have relatively low earnings before, during, and after their receipt of welfare. At the same time, the mid-range recidivists have employment rates that are not only higher than those among the short-term recidivists, but also higher than the rates among non-recidivists. To the authors, this offers further evidence that positive results might be relatively easy to achieve if focused assessment and individualized planning were targeted to clients who reapply for assistance after a period of independence, particularly those who, like the mid-range recidivists in our study, have strong histories of attachment to the labor force.

While the previous analyses provide insight into the longer-range employment and earnings for welfare leavers, it does have its limitations. That is, a client who has been working in the two years after exit could be working for one quarter, all eight quarters, or one month. We can examine quarterly employment in order to delve deeper into employment participation, but we are still unable to determine participation at the monthly, weekly, or hourly level due to the structure of the MABS data. Nonetheless, this does allow us to see how employment changes over time. Therefore, Figure 7, following this discussion, provides the employment participation of short-term recidivists, mid-range recidivists, and non-recidivists in each of the four quarters before exit, the quarter of exit, and each of the four quarters after exit. Figure 8 provides the average quarterly earnings for the same time periods.

The general finding from Figure 7 is that short-term recidivists have the lowest level of quarterly employment participation, while employment among mid-range recidivists and non-recidivists track together through the quarter of exit, but diverge after that with non-recidivists maintaining steady employment. The overall pattern of employment participation before exit from welfare is similar among all three cohorts—there is a decrease in employment participation through the four quarters before exit and it begins to rise at the quarter of exit or just before exit. However, the employment participation after exit reveals some interesting patterns that could be related to their recidivism status.

Just over one-third (35.1%) of short-term recidivists were working in the fourth quarter before exit from welfare and this decreased incrementally to 30.5% in the quarter before exit. In the quarter of exit, however, employment increased to 34.9%. As we know, these families returned to welfare very quickly, and that is demonstrated by the decline in employment to 32.8%. After that, employment increases for the short-term recidivists through the fourth quarter after exit to 37.7%. This may suggest that the quick return made by short-term recidivists was necessitated by an immediate barrier, but that they were able to secure and maintain employment after that.

This may also be partially explained by the earnings of short-term recidivists displayed in Figure 8. Average quarterly earnings continued a steady decline from the fourth quarter before exit at \$2,854 through the first quarter after exit, in which earnings were \$500 lower, on average, at \$2,267. Although, there were more short-term recidivist clients working in the quarter of exit, earnings were still declining for this cohort. However, in the second quarter after exit, earnings make a substantial climb. Between the second quarter after exit and fourth quarter after exit, earnings increased by more than 40% to \$3,262. These increased earnings are likely related to the

increase in employment participation during the same time period, suggesting again, that these short-term recidivists returned initially due to some barrier or even a work sanction, but were able to secure and maintain employment after that return.

Employment for the mid-range recidivists tracked closely to the non-recidivists in the quarters leading up to the exit, increased by nearly 10 percentage points in the quarter of exit, only to decrease again, nearly converging with the rate among the short-term recidivists by the fourth quarter after exit. Two in five (39.5%) mid-range recidivists were working in the fourth quarter before exit, and this declined over the next few quarters to 36.4%. In the quarter before exit, there was an increase to 40.6% employment participation and another substantial increase in the quarter of exit to 52.4% employment. This increase in employment around the date of exit is likely related to the reason for exit from welfare. However, employment declines after the exit, slowly at first to 51.5% in the first quarter after exit, and then at a much faster pace until it drops 10 percentage points to 42.9% in the fourth quarter after exit. Based on the definition of a mid-range recidivist, we know that these families returned to welfare at some point in or after the second quarter of exit. This means that this decreased employment may be related to their eventual return to welfare.

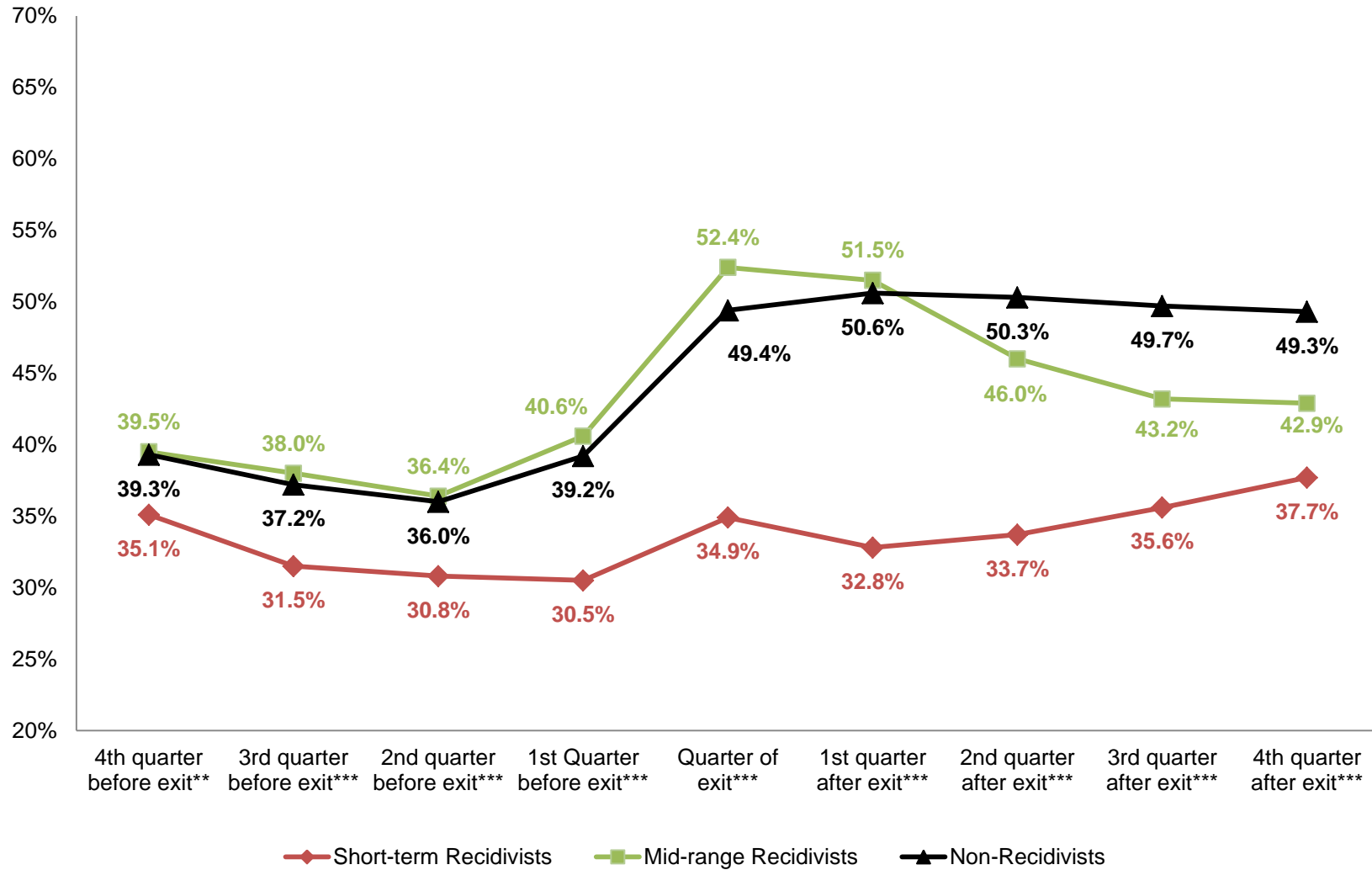
Mid-range recidivists had lower average quarterly earnings than the short-term recidivists from the fourth quarter before exit through the quarter before exit, dropping as low as \$2,091, on average, the lowest earnings of any cohort. However, earnings increased by nearly \$600 in the quarter of exit along with the corresponding spike in employment participation. The earnings continued to increase to its highest point for the mid-range recidivists in the first quarter after exit (\$2,915). Along with the decreased employment in second to fourth quarters after exit, average quarterly earnings also decreased to \$2,762. In the fourth quarter

after exit, mid-range recidivists were earning less than the short-term recidivists. In fact, the mid-range recidivists only earned more than the short-term recidivists in the two quarters of their highest employment—quarter of exit and the first quarter after exit. Mid-range recidivists may have difficulty maintaining employment, perhaps due to barriers to employment, and it appears they are limited to low-wage work.

Quarterly employment participation of the non-recidivists actually followed that of the mid-range recidivists very closely through the quarter of exit, and then the non-recidivists pattern diverged into a stable level of employment while the mid-range recidivists' employment decreased. The non-recidivists quarterly employment participation began at 39.3% in the fourth quarter before exit and decreased through the second quarter before exit to 36.0%. The first quarter before exit began to see a slight increase in employment and then a sharp increase in the quarter of exit to 49.4%. The following quarters remained stable around 50 percent, suggesting that stability in employment may be key to the non-recidivists ability to remain off welfare.

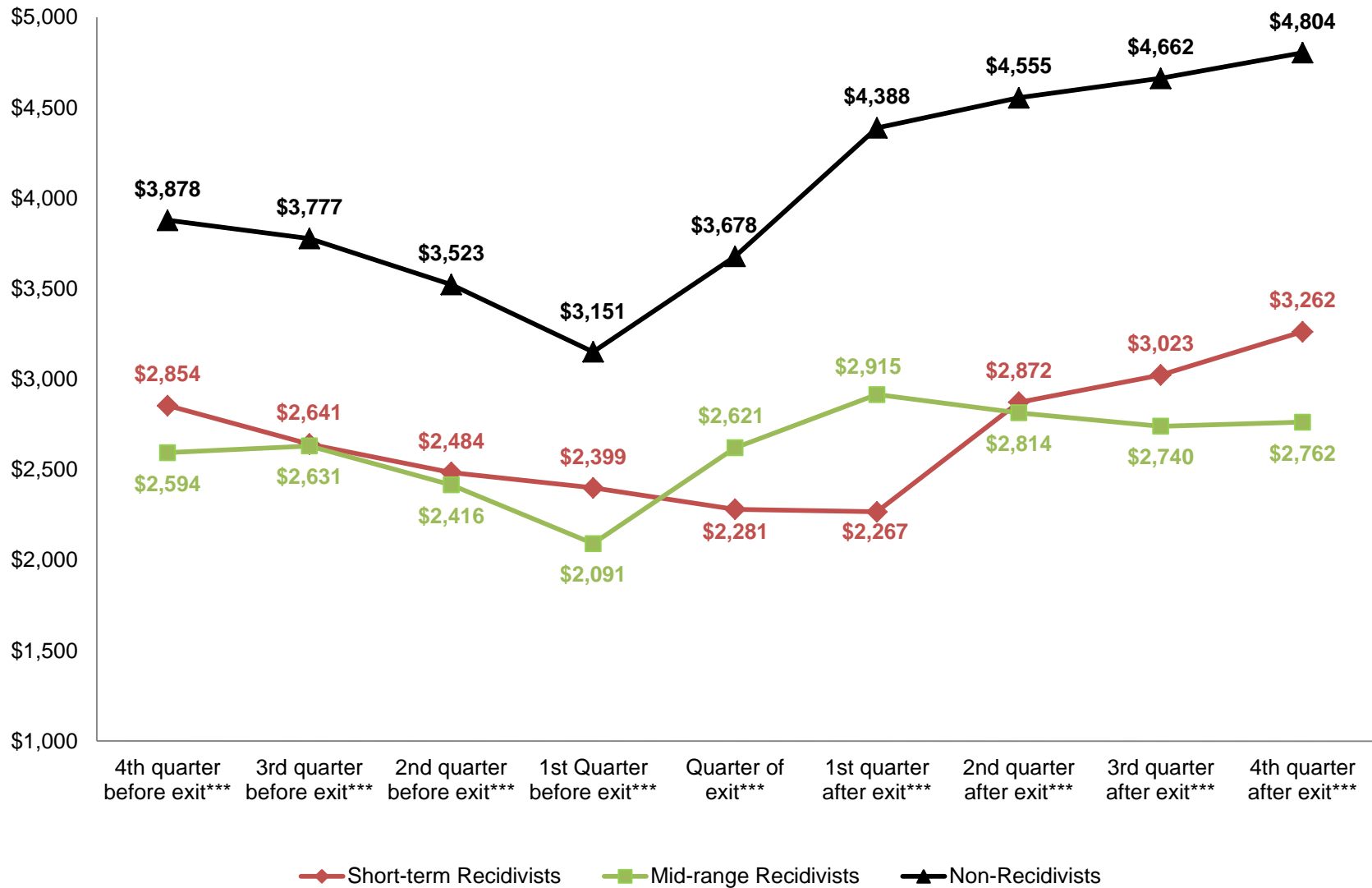
Earnings for the non-recidivists were higher in all quarters by nearly \$1,000, on average, compared to the short-term and mid-range recidivists. However, just like the recidivists, non-recidivists experienced a decline in quarterly earnings leading up to their exit; their lowest quarterly earnings were \$3,151, on average, in the quarter before exit. Unlike both cohorts of recidivists, non-recidivists' earnings continued to increase in each subsequent quarter from \$3,678 in the quarter of exit to \$4,804 in the fourth quarter after exit. It appears that the non-recidivists have an advantage over the recidivists in that their earnings during this time period are always higher. This may be related to characteristics of the non-recidivists—more educated, more likely to be married, older—or possibly, these clients do not have any or few barriers to employment that limit their opportunities.

Figure 7. Quarterly Employment Before and After Exit



Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Figure 8. Mean Quarterly Earnings Before and After Exit



Note: Earnings figures are only for those working in each quarter. Wages are standardized to 2011 dollars. *p<.05, **p<.01, ***p<.001

CONCLUSIONS

The demographic profile of short-term and mid-range recidivists are very similar: an African American woman in her early 30's who has never been married. Only half of recidivists have a high school diploma, and most of these families are work-eligible cases and therefore subject to sanction. These characteristics provide some clues as to which cases are more likely to return to welfare, although this still describes a typical welfare case in Maryland.

The recidivist cases diverge, however, on welfare use, case closure reason, and employment and earnings. Short-term recidivists have a slightly longer history of welfare use and are more likely to experience a case closure due to a work sanction or not providing information related to eligibility. Not surprisingly, short-term recidivists have low employment participation immediately after exit considering their quick return to welfare. However, employment and earnings continue to increase over time for this cohort, suggesting that more time or more services were needed before these families could make a successful exit from welfare. Mid-range recidivists were more likely to exit due to employment that brought them above the income eligibility threshold, however, employment participation and earnings decreased over the four quarters after exit suggesting that these caseheads were able to obtain employment but unable to maintain it over time.

Clearly recidivists do not fare as well as non-recidivists post-welfare. In a forthcoming report, we find that many returning families reported that access to or maintaining reliable child care services was a reason they could not maintain employment and required additional public assistance. Other families had issues related to housing and transportation. These are factors that can be addressed by agency intervention or referral to assist families as they make the transition from

welfare to work. Other caseheads, however, had limited work experience or education and obtained temporary or seasonal jobs or positions within retail or administrative work, which are generally low-paying and may not provide the income necessary for families to remain self-sufficient. The gap in educational attainment between recidivists and non-recidivists suggests that this likely makes a difference in the ability to obtain and maintain employment that provides self-sufficient wages.

In addition to barriers related to transitional services or limited human capital, families were dealing with disabilities, substance abuse, domestic violence, extreme housing instability, or any combination of these barriers. However, these barriers can remain unknown to a caseworker and never be properly addressed, especially in the independence plans, to assist families in making a permanent exit from welfare. Consistent and reliable assessment is necessary to understand the barriers each family is experiencing and develop a plan to address those barriers in a meaningful way that may result in long-lasting exits.

The Online Work Readiness Assessment (OWRA) is one such tool that will assist caseworkers in identifying barriers to employment. Since the implementation of OWRA is relatively recent, caseworkers will begin to access full profiles of families and their needs as more and more families complete the assessment. Subsequently, more focused and individualized independence plans can be drafted and implemented. Ultimately, one goal of this assessment system is to increase the odds of a successful exit and limit returns to welfare. Certainly, the circumstances surrounding a return to welfare should be addressed via the OWRA assessment, especially for those mid-range recidivists that experience some level of independence from welfare.

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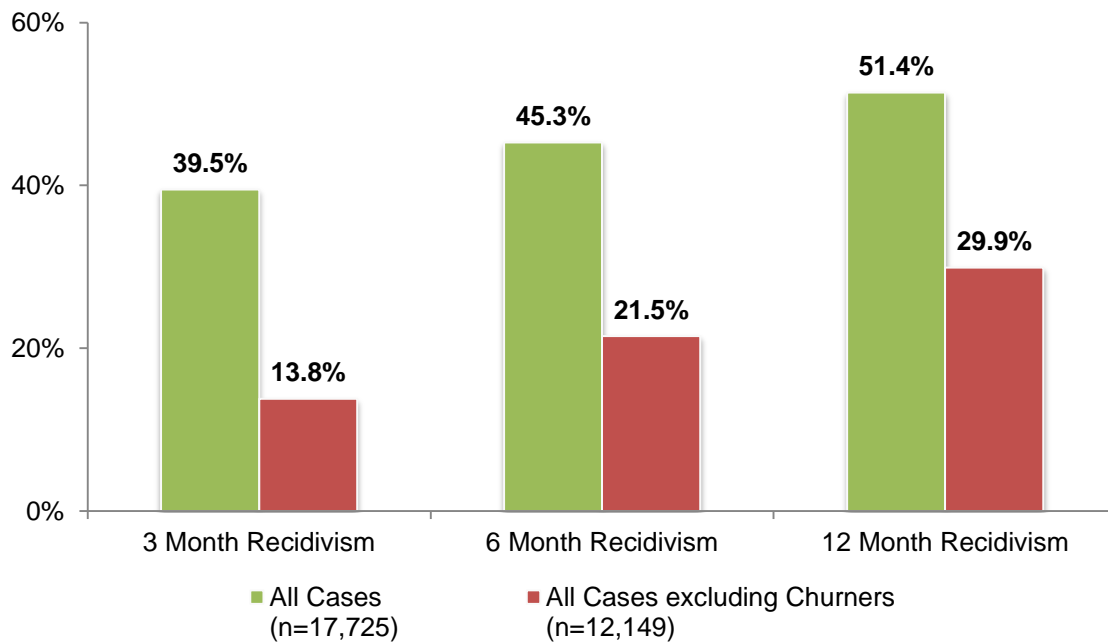
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APPENDIX A: CHURNERS, APRIL 1998 TO MARCH 2010

As shown in Figure A-1, below, when churners are excluded from cumulative recidivism analyses, three in ten (29.9%) families returned to TCA within a year. However, when churners were included in the analysis, half (51.4%) of families returned to TCA within one year. In a previous study, we compared churners to other recidivists and to non-recidivists, and we found that churners are more likely to have experienced case closure because of missing an appointment for redetermination of ongoing eligibility, suggesting that the closure was unintended (Born et al., 2002). This suggests that churners and non-churners are different from other leavers, and therefore will require program staff to implement support services based on their unique situation. Including churners in the recidivism analyses then, paints a deceptive picture and does not capture the true recidivism rate.

Figure A-1. Comparing Rates of Recidivism: All Cases and Cases Excluding Churners



Note: Valid percentages reported.

APPENDIX B: RECIDIVISTS' PROFILES

Table B-1. Selected Characteristics of Non-Recidivists and 3-month, 6-month, 12-month, and 24-month Recidivists

	3-month (n=1,677)	6-month (n=932)	12-month (n=1,024)	24-month (n=1,078)	Non-Recidivist (n=7,438)
Female	97.0% (1,622)	96.7% (896)	97.1% (991)	96.5% (1,035)	93.9% (6,950)
African American	83.9% (1,375)	85.9% (779)	81.6% (813)	80.2% (843)	71.1% (5,093)
Payee Age – Mean [Median]	31.90 [29.36]	30.17 [27.67]	30.31 [27.62]	29.46 [26.87]	34.50 [32.12]
Never Married	82.3% (1,342)	85.3% (773)	84.6% (838)	85.0% (892)	70.5% (5,020)
Did not Finish High School	48.9% (655)	50.3% (381)	48.9% (418)	48.4% (418)	31.6% (1,707)
Baltimore City Resident	60.3% (1,010)	63.3% (589)	55.3% (564)	57.1% (614)	40.7% (3,026)
Work-Eligible	70.6% (242)	73.6% (131)	74.0% (151)	72.0% (152)	56.5% (693)
Exit due to Work Sanction	28.3% (474)	25.9% (241)	26.5% (271)	24.0% (259)	14.6% (1,086)
Exit due to Income above Limit	14.6% (245)	26.4% (246)	28.2% (289)	28.4% (306)	28.8% (2,144)
# of Months of TCA Receipt in Previous 5 Years	29.74 [27.00]	28.27 [25.00]	25.15 [21.00]	25.11 [22.00]	22.80 [16.00]
Worked in 2 Years before Exit	68.8% (1,153)	73.7% (687)	76.5% (783)	77.6% (837)	70.6% (5,254)
Worked in Quarter of Exit	34.8% (584)	47.0% (438)	51.5% (527)	57.1% (616)	49.2% (3,661)
Worked in the Two Years after Exit	65.5% (1,099)	74.8% (697)	76.9% (787)	80.1% (863)	68.0% (5,060)

Note: Three-month recidivists returned to TCA between 2 and 3 months, 6-month recidivists returned between 4 and 6 months, 12-month recidivists returned between 7 and 12 months, 24-month recidivists returned between 13 and 24 months, and non-recidivists did not return to TCA within 24 months. Data on work-eligible status is only available for cases that exited after October 2007. Due to missing data for some variables, cell counts may not sum to column totals. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

APPENDIX C: RECIDIVISM RATES BY JURISDICTION

	Short-term Recidivists (Returned to TCA within 2-3 months) (n=1,677)	Mid-range Recidivists (Returned to TCA within 4-24 months) (n=3,034)	Non-Recidivists (Did not return to TCA within 24 months) (n=7,438)
Baltimore City (n=5,817)	17.4%	30.5%	52.1%
Prince George's (n=1,433)	12.3%	16.2%	71.5%
Baltimore County (n=1,354)	11.5%	20.6%	67.9%
Anne Arundel (n=646)	13.6%	21.2%	65.2%
Montgomery (n=510)	10.2%	18.0%	71.8%
Metro (n=756)	9.5%	23.4%	67.1%
Carroll (n=127)	13.4%	20.5%	66.1%
Frederick (n=165)	7.3%	30.9%	61.8%
Harford (n=306)	8.8%	22.9%	68.3%
Howard (n=158)	10.1%	19.0%	70.9%
Upper Shore (n=497)	9.9%	23.1%	67.0%
Caroline (n=59)	6.8%	22.0%	71.2%
Cecil (n=173)	6.9%	19.1%	74.0%
Dorchester (n=150)	14.0%	29.3%	56.7%
Kent (n=19)	0.0%	15.8%	84.2%
Queen Anne's (n=44)	11.4%	22.7%	65.9%
Talbot (n=52)	13.5%	23.1%	63.5%
Lower Shore (n=385)	8.6%	21.6%	69.9%
Somerset (n=56)	3.6%	26.8%	69.6%
Wicomico (n=281)	10.3%	22.1%	67.6%
Worcester (n=48)	4.2%	12.5%	83.3%
Western Maryland (n=386)	4.4%	18.4%	77.2%
Allegany (n=131)	6.1%	18.3%	75.6%
Garrett (n=51)	2.0%	25.5%	72.5%
Washington (n=204)	3.9%	16.7%	79.4%
Southern Maryland (n=365)	6.3%	20.3%	73.4%
Calvert (n=88)	5.7%	22.7%	71.6%
Charles (n=157)	4.5%	19.1%	76.4%
St Mary's (n=120)	9.2%	20.0%	70.8%