

FULL FAMILY SANCTIONS: LONG-TERM OUTCOMES OF SANCTIONED WELFARE LEAVERS

PAMELA C. OVWIGHO, PhD
RESEARCH DIRECTOR

NICHOLAS KOLUPANOWICH, BS
RESEARCH ANALYST

CATHERINE E. BORN, PhD
PRINCIPAL INVESTIGATOR

OCTOBER 2010



UNIVERSITY OF MARYLAND
SCHOOL OF SOCIAL WORK
525 WEST REDWOOD STREET
BALTIMORE, MD 21201

ACKNOWLEDGEMENTS

The authors would like to thank Michael Funk, Jamie Haskel, Daniel Kott, Tamiko Myles, Kathryn Patterson, Nikol Shaw, & Somlak Suvanasorn for their assistance in the collection and processing of data for this report.

This report was prepared by the Family Welfare Research and Training Group, School of Social Work, University of Maryland, 525 West Redwood Street, Baltimore, Maryland 21201 with support from its long time research partner, the Maryland Department of Human Resources.

For additional information about the report or the study, please contact Dr. Catherine Born at the School of Social Work (410.706.5134, cborn@ssw.umaryland.edu) or Correne Saunders (410.706.2763, csaunders@ssw.umaryland.edu). Please visit our website, www.familywelfare.umaryland.edu, for additional copies of this and our other reports.

TABLE OF CONTENTS

List of Tables	
List of Figures	
Executive Summary	
Introduction	1
Background.....	3
Methods	5
Sample.....	5
Data Sources	5
Data Analysis	6
Findings: Baseline characteristics.....	7
Demographic and Case Characteristics.....	7
Core Caseload Designations	10
Supplemental Security Income (SSI) Applications.....	11
Welfare and Employment Histories.....	13
Welfare Utilization	13
Employment Experiences	15
Findings: Post-Exit Employment & Welfare Outcomes.....	17
Employment Outcomes.....	17
Welfare Recidivism	23
Combined Employment & Welfare Outcomes.....	25
Findings: Child Support and Other Work Supports.....	28
Child Support Case Status and Receipt.....	28
Child Support Case Status.....	28
Child Support Receipt	31
Other Work Supports	33
Food Supplement Participation Rates.....	33
Medical Assistance Participation Rates	35
Conclusions	37
References.....	39
Appendix A. Data Availability and Sample Size by Cohort.	41
Appendix B. Participation Rates with Churners Excluded.	42

LIST OF TABLES

Table 1. Demographic Characteristics of Exiting Payees and Cases	9
Table 2. Core Caseload Designations	11
Table 3. Welfare History	14
Table 4. Quarters Worked and Average Earnings: Eight Quarters before Exit.....	16
Table 5. Amount of Child Support Received.....	32
Table 6. Medical Assistance/M-CHP Participation Rates by Exit Cohort.....	36

LIST OF FIGURES

Figure 1. Timing of Most Recent SSI Application	12
Figure 2. Employment History.....	15
Figure 3. Total Percent Working	18
Figure 4. Mean Earnings by Quarter.....	20
Figure 5. Mean Earnings by Year after Exit	22
Figure 6. Cumulative Recidivism Rates	24
Figure 7. Work & Welfare Status over Time	27
Figure 8. Child Support Status over Time	30
Figure 9. Post-Exit FS Participation Rates.....	34

EXECUTIVE SUMMARY

Full family sanctions were one of the most controversial measures included in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996. Some raised concerns about their potential harmful effects on families and children, but others argued that such severe penalties were necessary to get clients' attention and help them take the new rules of a reformed welfare program seriously.

In today's current economic and policy climate, sanctions for non-compliance with welfare program rules remain of particular concern. The Deficit Reduction Act (DRA) increases pressure on states to get and keep clients engaged in work activities and expands the definition of which clients are counted in work participation rate calculations. At the same time, the number of jobs lost nationally each month is in the six figures and the unemployment rate hovers near 10 percent. The harsh reality is that when one in ten Americans are unemployed, it is almost certainly more difficult for those leaving welfare rolls – whether voluntarily or through a full-family sanction – to find and keep jobs.

Thus, for policy makers, program managers, and advocates, the families affected by full family sanctions rightfully remain a population of concern. Previous studies indicate that, among other things, their outcomes are—at least initially—less positive than those of clients whose cases close for other reasons. The question remains, however, as to how these families fare over the long term. That is, it is important to examine what happens to them over time. Do they return to welfare? If they return, are they able to exit again? And, last but not least, do sanctioned adults eventually “catch up” with other exiters in terms of employment and earnings? Such questions are critical not only for the well-being of families but also for our state as it attempts to maintain a solid and effective welfare program in the midst of great economic uncertainty.

This report, part of our *Life after Welfare* series, fills in some gaps in our knowledge about full family sanctions. Using a wealth of administrative data, including up to nine years of follow up data on employment and earnings, we present information on the characteristics and outcomes of 15,259 families that exited Maryland's welfare rolls between April 1998 and March 2008. We compare the characteristics and outcomes of those whose cases were closed because of a full family sanction for non-compliance with work (n = 2,770) to those who exited for other reasons (n = 12,094). We also present data separately for families whose cases closed because of a full-family sanction for non-cooperation with child support (n = 395). Our research findings are briefly summarized in the following bullets:

Demographics

- Three in five (61.1%) work-sanctioned cases were located in Baltimore City at the time of case closure, compared to one-half (51.6%) of non-sanctioned cases and just less than one-half of child support sanctioned cases (45.2%). Thus, work-sanctioned caseheads and cases were more likely to reflect the population and general caseload of the City. That is, they were younger, more likely to be African-American, and more likely to have never married, compared to other leavers.

Core Caseload Designation

- In terms of core caseload designation, nearly all (90.4%) of work-sanctioned cases were in the “core” caseload at the time of case closure, which includes cases with a more traditional welfare case profile (i.e. a single, work-ready mother). In contrast, less than half of child support-sanctioned (42.8%) or non-sanctioned (47.3%) cases had this profile; instead, they were more likely to be “non-core” cases, including child-only cases and those with other various exemptions that set them apart from the traditional case profile.

SSI Applications

- Work-sanctioned leavers were nearly three times as likely to apply for SSI benefits after their TCA case closure (19.8%) than before (7.2%). This pattern was not observed among either of the other two groups of leavers, suggesting that perhaps the work sanction itself served to bring to light a disability that was interfering with the ability to work and otherwise may have gone unnoticed or untreated. The difference in SSI application rates before and after case closure was much less dramatic for child-support sanctioned (11.9% before vs. 13.2% after) and non-sanctioned (14.4% before vs. 17.6% after) leavers.

TANF History

- In terms of welfare participation history, sanctioned exiters had shorter recent continuous welfare spells (approximately 10 months) compared to non-sanctioned exiters (approximately 16 months). In terms of cumulative benefits in the preceding five years, however, child support-sanctioned exiters had received fewer months of assistance (22 months), on average, than work-sanctioned (31 months) and non-sanctioned leavers (28 months).

Employment History

- Although caseheads in all three groups of leavers had similar pre-exit employment rates, those who were employed among the work-sanctioned group tended to have less work stability (measured in average number of quarters worked) and lower average earnings (approximately \$1,700 per quarter) than employed caseheads in either the child support-sanctioned (approximately \$2,800 per quarter) or non-sanctioned group (approximately \$2,500 per quarter).

Employment Outcomes

- During the first nine years after exiting, employment rates for caseheads in each of the three groups hovered around forty percent, though employ-

ment was always most likely for caseheads of non-sanctioned closed cases. Although work-sanctioned caseheads start out with the lowest employment rate overall, by the ninth follow-up year, child support-sanctioned caseheads actually are the least likely to have Maryland UI wages (33%, compared to 36% among work-sanctioned caseheads and 41% among non-sanctioned caseheads).

- Among those with any Maryland UI wages during the nine-year follow-up period, work-sanctioned caseheads had the lowest initial earnings (on average, \$1,883 quarterly) and child support-sanctioned caseheads had the highest initial earnings (on average, \$3,510). Over time, average quarterly earnings increased steadily among both non-sanctioned (from \$3,032 to \$5,472) and work-sanctioned leavers (from \$1,883 to \$4,559) but only slightly for child support-sanctioned leavers (from \$3,510 to \$4,287). The same pattern was evident when looking at average annual earnings.

TANF Recidivism

- In general, sanctioned clients (both work and child support-sanctioned) have higher rates of recidivism than other leavers, and work-sanctioned clients have higher recidivism rates than those who were sanctioned for non-cooperation with child support. Specifically, after excluding churning (immediate returns to TANF the month after case closure), two-fifths (40%) of work-sanctioned clients received at least one additional month of assistance by the end of the first post-closure year, compared to one-third (35%) of child support-sanctioned clients and one-fourth (27%) of those whose cases had closed for another reason.

Combined TANF & Employment Outcomes

- Over time, leavers in all three study groups were more likely to have Maryland UI wages and less likely to receive

TCA. However, the trends are somewhat more positive for work-sanctioned and non-sanctioned leavers than for child support-sanctioned leavers. That is, by the ninth follow-up year, approximately one-half of work-sanctioned (47%) and non-sanctioned (48%) leavers had UI wages, regardless of whether they also received some TCA, compared to only two-fifths (38%) of child support-sanctioned leavers. In addition, while disconnection from both TCA and Maryland UI wages need not necessarily be negative (if, for instance, an individual had another source of reliable income that is not reported in the UI wage system, or became employed in another state), child support-sanctioned leavers were slightly more likely to be in this strata (50%) by the ninth follow-up year than either work-sanctioned (43%) or non-sanctioned leavers (45%).

Child Support Outcomes

- By the ninth follow-up year, two-fifths of work-sanctioned (41%) and non-sanctioned (39%) leavers have an active child support case with money (either current support or arrears) due, compared to one in five (23%) child support-sanctioned leavers. Also, overall, we find that if a child support order is not in place at the time of TANF case closure (regardless of closure reason), it is not likely that a case or support order will be established in the months and years following the exit.
- Overall, child support receipt during the follow-up period was not typical for any group of leavers. That is, during the first full post-welfare year and each year thereafter, only roughly three in ten work-sanctioned and non-sanctioned leavers received any child support, and only one in five of those who had been child support-sanctioned.
- Among the minority of leavers who did receive child support income during the follow-up period, average annual amounts of child support received did increase over time for all three groups. Among work-sanctioned leavers, to illu-

strate, the total amount of support received was, on average, \$1,336 in the first post-welfare year and \$2,144 in the ninth post-welfare year. For the other two groups, the comparable figures were: \$1,337 and \$2,438 (child support-sanctioned cases) and \$1,628 and \$2,462 (other leavers).

Other Work Supports

- Participation in the Food Supplement (FS) program remained high among former welfare leavers in all three of our study groups, even through the ninth follow-up year. Among those with nine full years of follow-up data available, more than two-fifths of exiters received at least one month of FS benefits, regardless of the reason for their original TCA case closure. As in each of the nine follow-up years, however, work-sanctioned leavers were more likely than leavers in the other two groups to receive FS benefits (59% among work-sanctioned leavers, 48% among child support-sanctioned leavers, and 47% among non-sanctioned leavers).
- Overall, Medical Assistance (MA) participation is high – upwards of 90% for at least one family member – for all groups during the first two years after exiting. Participation tended to drop off over time such that by the ninth year after exiting, only two-thirds of former TCA assistance units have at least one member who is receiving MA. Additionally, in general, work-sanctioned leavers had the highest rates of MA participation, followed by child support-sanctioned leavers and then cases that closed for other reasons.

Our findings confirm the trends evident in earlier studies and are cause both for optimism and some concern. First, the fact that work-sanctioned leavers had the lowest initial earnings and never quite caught up to their peers suggests they may lack the skill sets needed to obtain employment and/or advance on a career ladder. Future research should include separate analyses for those who were sanctioned and remained

off welfare compared to those who returned, presumably complying with their work activity requirement, and then subsequently exited.

Second, the combined welfare and work outcome data present a more encouraging post-exit picture of work-sanctioned leavers. In particular, over time, this group tends to more closely resemble other leavers. Most importantly perhaps, they do not appear to be at greater risk of being disconnected from work and welfare than their non-sanctioned peers.

Finally, unique to our analyses is the inclusion of child support-sanctioned cases. Particularly noteworthy among these leavers is that, over time, they are the least likely to have an active child support case with support due and the least likely to receive any income from the formal child support system. Over time, they are also more likely to become disconnected from both TCA and child support, with only sporadic increases in Maryland UI wages.

Despite these less-than-stellar outcomes for child support-sanctioned leavers, it may not be feasible to relax the child support enforcement requirements or sanctions. However, it may be worth investigating incentivizing compliance with the child support requirements in addition to sanctioning. Roff (2010), for example, found that states with higher child support income disregards tend to have higher rates of formal child support orders than states with lower disregards. In addition, Cook & Caspar (2006) found some evidence that non-custodial parents paid more when there was a switch from partial to a full pass-through of child support for current welfare recipients.

The DRA included some provisions to allow more flexibility and reduce the overall cost of experimenting with these types of incentives. Importantly, the DRA reduces the cost to states of “passing through” a portion of child support collections to TCA families. Thus, now may be the opportune time for Maryland to revisit its (then cost-driven)

mid-1990s decision not to adopt the pass through.

Overall, the goal of full-family sanctioning in Maryland has always been to help clients and not to hurt them. Today’s findings suggest that while that may be the case for work-sanctioned payees, more or different approaches may be needed to encourage child support compliance in the long term.

INTRODUCTION

Full family sanctions were one of the most controversial measures included in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996. Some raised concerns about their potential harmful effects on families and children, but others argued that such severe penalties were necessary to get clients' attention and help clients take the new rules of a reformed welfare program seriously.

In today's current economic and policy climate, sanctions for non-compliance with welfare program rules remain a concern. The Deficit Reduction Act (DRA) increases pressure on states to get and keep clients engaged in work activities and expands the definition of which clients are counted in work participation rate calculations. At the same time, the number of jobs lost nationally each month is in the six figures and the unemployment rate hovers near 10 percent. The harsh reality is that today, when one out of ten Americans are unemployed, it is almost certainly more difficult for those leaving the welfare rolls – whether voluntarily or through a full-family sanction – to find and keep jobs.

Early studies of the use and effects of sanctions found great variability across states. Sanctioning rates, to illustrate, ranged from 5% to 45% over a one year period. When the observation period is 18 to 24 months, sanction rates range from 31% to 52% (Meyers, Harper, Klawitter, & Lindhorst, 2006; Pavetti, Derr, Kirby, Wood, & Clark, 2004).

The available empirical data also indicate that those who are sanctioned differ from other welfare recipients in several ways. Most notably, they are more likely to belong to a racial minority, have less education, and have more barriers to employment, including physical and/or mental health problems (Goldberg & Schott, 2000). Studies also documented that sanctioned adults tend to have poorer initial employment outcomes than their non-sanctioned counterparts (Bloom & Winstead 2002; Born, Caudill, & Cordero, 1999; Meyers et al. 2006, Pavetti et al. 2004).

Moreover, while not unexpected, it is also true that sanction rates tend to increase over time, as has been the case in Maryland. In the first year of welfare reform, 8.3% of all exits occurred because of a full family sanction. By the seventh year of reform, however, the sanction rate had doubled to 16.8% (Ovwigbo, Saunders, Kolupanowich, & Born, 2005). Most recently, our October 2009 *Life after Welfare* report shows that sanctions account for about three of every 10 case closures. This is nearly six percentage points higher than in the preceding year and about double the rate between 1996 and 2007 (Born, Ovwigbo, Kolupanowich and Patterson, 2009).

For policy makers, program managers, and advocates, the families affected by full family sanctions rightfully remain a population of concern. Previous studies indicate that, among other things, their outcomes are—at least initially—less positive than those of clients whose cases close for other reasons. The question remains, however, as to how these families fare over the long term. That is, it is important to examine what happens to them over time. Do they return to welfare? If they do return, are they able to exit again? And, last but not least, do sanctioned adults eventually “catch up” with other exiters in terms of employment and earnings? Such questions are critical not only for the well-being of families, but also for our state as it attempts to maintain a solid and effective welfare program in the midst of great economic uncertainty.

This report, part of our *Life after Welfare* series, fills in some gaps in our knowledge about full family sanctions. Using a wealth of administrative data, including up to nine years of follow up data on employment and earnings, we present information on the characteristics and outcomes of 15,259 families that exited Maryland's welfare rolls between April 1998 and March 2008. We compare the characteristics and outcomes of those whose cases were closed because of a full family sanction for non-compliance with work ($n = 2,770$) to those who exited for other reasons ($n = 12,094$). We also present data separately for

families whose cases closed because of a full-family sanction for non-cooperation with child support (n = 395). Our essential research questions are:

- 1) What are the demographic and case characteristics of sanctioned families versus other welfare leavers?
- 2) What are the TANF and employment histories of sanctioned families versus other welfare leavers?
- 3) What are the outcomes of sanctioned families versus other welfare leavers regarding employment and recidivism?
- 4) What are the outcomes of sanctioned families versus other welfare leavers in terms of child support and other work supports?

BACKGROUND

In today's extraordinarily difficult economic climate, it would be reasonable to assume that transitions from welfare to work are more challenging. According to the Bureau of Labor Statistics, the national unemployment rate rose to 9.5% by the summer of 2009 and reached 10% several months later (BLS, 2010). Maryland's unemployment rate remains lower than the national average, but its June 2009 rate (7.1%) was significantly higher than the 4.2% rate in June 2008 (BLS, n.d.). These rates are undoubtedly higher among the low-wage and low-skilled working population, many of whom are former welfare recipients. Moreover, Food Supplement (formerly Food Stamp) caseloads are at their highest recorded levels and many new entrants have little or no history of prior assistance use (Ov- wigho, Kolupanowich & Born, 2008).

The stress of a faltering and uncertain economy has compounded what is already a challenging environment for welfare program managers. In order to meet more stringent federal work participation rate requirements and avoid fiscal penalties, states must ensure that every client who can participate in work activities is doing so. In such an environment, one could expect that sanctioning rates might increase. This is because sanctioning in some form is the required program response to certain types of client behavior or lack thereof.

Specifically, to encourage recipients to cooperate with program requirements, states can impose either partial or full-family sanctions. With partial sanctions, a family's assistance grant is reduced, either by a percentage or flat amount, if noncompliance or non-cooperation occurs. With a full-family sanction, the entire welfare grant is terminated. Some states use a combined approach, where a partial sanction is used for the first instance of noncompliance, escalating to a full sanction if non-compliance continues. In 2008, five states plus the District of Columbia were using partial sanctions for both initial and subsequent instances of noncompliance, 22 (including Maryland) used full-family sanctions for both,

and 23 used a combination of the two (Urban Institute, n.d.).

Although the subject of heated debate at the time, Maryland elected to adopt a full family sanction at the onset of welfare reform, which terminates the family's entire assistance payment upon the first instance of noncooperation with work or child support requirements. This choice was motivated not by a desire to artificially reduce caseloads but rather by a desire to bring families into compliance. In addition, it was presumed that if sanctioned families returned to assistance (i.e. came into compliance) this would present a good opportunity for more thorough assessment of employment barriers and service needs.

Given the potentially severe consequences of a full family sanction, it is not surprising that several studies conducted in the early years of welfare reform focused on who is sanctioned and what happens to them (see, for example: Goldberg & Schott, 2000; Lee, Slack & Lewis, 2004; and Pavetti, Derr & Hesketh, 2003). One study of sanctioned cases in four states found that sanctioned TANF recipients were more likely to have characteristics that are associated with longer welfare stays and lower rates of employment. The study noted that, all else equal, those who are younger, less educated, or have never been married are significantly more likely to experience an initial sanction-related grant reduction or to be fully sanctioned and, further, that African-Americans were more likely to be sanctioned than were clients of other ethnic backgrounds (Pavetti et al. 2004).

Maryland was among the first states to empirically report on the topic of full family sanctions. Our first report on the subject, completed in 1997, looked at the first fully sanctioned families in our state (Born & Caudill, 1997). The second, issued in 1999, found that full family sanctions accounted for seven percent of all case closings in the first 18 months (October 1996 through March 1998) of welfare reform. At that time, key risk factors for sanctioning included non-Baltimore City residence, early childbearing, and being a Caucasian casehead (Born, Caudill & Cordero,

1999). In the quarter following case closure, sanctioned adults were less likely to be employed and, on average, those who did work earned less than non-sanctioned exiters. We also found, not surprisingly, that sanctioned cases had high rates of early returns to welfare. One in three returned within 90 days suggesting that, as intended by advocates of the full family sanction policy, the adult had come into compliance with program requirements.

As in many other states, however, Maryland's implementation of welfare reform moved at a slower pace in its major city (Baltimore) than it did in the rest of the state. Thus, the earliest sanction cases were disproportionately from Maryland's 23 counties; this largely accounts for the higher initial sanctioning risk and rate among Caucasians.

In sum, the early literature on sanctioned cases raised a number of concerns. Among these was the possibility that sanctioned families' characteristics or circumstances might impede the successful transition from welfare to work. Another was that these families might face one or more perhaps hidden barriers that, under the old, open-ended welfare system, might never have surfaced. Although early research reports generally found that most sanctioned adults either complied with program rules and returned to the welfare rolls or found employment, concerns about their long-term prospects remain valid.

Today's report presents an updated look at the phenomenon of full family sanctioning in our state and provides extensive longitudinal information. Our essential goal is to describe who is being sanctioned and what happens to them after that event occurs. By including up to nine years of follow up data, we are able to speak to how sanctioned families fare over the long term and how their outcomes compare to the outcomes of families who left welfare for other reasons. Moreover, because our study includes families sanctioned up to and through March 2008, our findings supply critical information about how they survive during a recession. Study results also provide a solid empirical basis for policy makers and program managers as they strive to cope with rising caseloads, persistently elevated unemployment rates, and incrementally escalating rates of full family sanctions.

METHODS

In this chapter, we present a description of the sample for our study. Our data sources are also discussed.

Sample

The cases analyzed in this study are a subset of the *Life after Welfare* sample.¹ Specifically, in this report we limit our analyses to families whose TCA cases closed during the 10 year period between April 1, 1998 and March 31, 2008. The sample of 15,259 cases is divided into three groups based on the administrative case closing code:

- 1) Full family sanction for non-compliance with work activities (n=2,770);
- 2) Full-family sanction for non-cooperation with child support (n=395); and
- 3) All other closing reasons (n=12,094).

The study sample includes cases regardless of how long they remained closed. That is, unlike our annual *Life after Welfare* analyses, today's analyses include "churners," or cases that closed for only a short period of time (at least one day but less than one month). Because many sanctioned families return to the welfare rolls very quickly, it is important to include them in this study to give the most complete picture of who is sanctioned and what happens to them in both the short and long term.

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 in the study month and later were extracted from the Client Automated Resources and Eligibility System (CARES). Historical data on welfare program

participation prior to April 1998 were extracted from the predecessor of CARES, the Automated Information Management System/Automated Master File (AIMS/AMF). Data regarding former recipients' child support receipt are from Maryland's Child Support Enforcement System (CSES). Finally, employment and earnings data were obtained from the Maryland Automated Benefits System (MABS).

CARES

CARES became the statewide automated data system for certain DHR programs in March 1998. Similar to its predecessor AIMS/AMF, CARES provides individual and case level program participation data for cash assistance (AFDC or TCA), Food Supplement benefits, and Medical Assistance. 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.

CSES

The Child Support Enforcement System (CSES) contains child support data for the state. Maryland counties converted to this system beginning in August 1993 with Baltimore City completing the statewide conversion in March 1998. The system includes identifying information and demographic data on children, noncustodial parents and custodial parents receiving services from the IV-D agency. Data on child support cases and court orders including paternity status and payment receipt are also available. CSES supports the intake, establishment, location, and enforcement functions of the Child Support Enforcement Administration.

¹ For a full description of the *Life After Welfare* study methodology please see Born, Ovwigho, Kolupanowich, & Patterson, 2009.

MABS

Quarterly employment and earnings data are from the Maryland Automated Benefits System (MABS) which includes all employers covered by the state's Unemployment Insurance (UI) law (approximately 93% of Maryland jobs). Independent contractors, sales people on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees, and self-employed persons who employ no paid individuals are not covered. "Off the books" or "under the table" jobs are not included, nor are jobs located in other states.

Maryland shares borders with Delaware, Pennsylvania, Virginia, West Virginia and the District of Columbia and most Maryland counties border at least one other state. Thus, out of state employment is quite common. According to the 2000 census, in some Maryland counties, more than one of every three employed residents worked outside the state and, overall, the rate of out-of-state employment by Maryland residents (17.4%) is roughly five times greater than the national average (3.6%)². Such employment is especially common among residents of two very populous jurisdictions (Montgomery, 31.3% and Prince George's Counties, 43.8%), which have the 5th and 2nd largest welfare caseloads in the state. Also notable is the fact that there are roughly 150,000 federal jobs in Maryland (Maryland Department of Planning, 2010) and the majority of state residents live within commuting distance of Washington, D.C., where federal jobs are even more numerous. Thus, readers are reminded that our lack of data on federal civilian and military employment continues to depress our employment findings to an unknown extent.

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 (e.g. 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. For example, 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 study is intended to provide an empirical description of the characteristics and circumstances of those who left welfare due to a full-family sanction between 1998 and 2008. In addition, the study makes comparisons between those who were sanctioned and those who experience case closure for other reasons. Chi-square and ANOVA were used to test for differences between the groups.

² Data obtained from U.S. Census Bureau website <http://www.factfinder.census.gov> using the Census 2000 Summary File 3 Sample Data Table QT-P25: Class of Worker by Sex, Place of Work and Veteran Status, 2000.

FINDINGS: BASELINE CHARACTERISTICS

In this chapter, we explore the characteristics of sanctioned families compared to other welfare leavers. The first section describes their demographic and case characteristics, followed by a summary of families' utilization of Supplemental Security Income (SSI), and their historical employment and welfare participation. Subsequent chapters examine families' post-exit outcomes.

Demographic and Case Characteristics

The demographic and case characteristics of our sample, divided into three groups based on their exit reason, appear in Table 1, following this discussion. Overall, the typical payee exiting Maryland's welfare rolls was a never-married, African-American woman in her early 30s at the time of the case closure that brought her into our study sample. This description generally fits for all three of our study groups, although there are statistically (though perhaps not practically) significant differences on all variables examined. The most notable differences are in the average age of payees, place of residence, percent of child-only cases, and the percent of cases with at least one child under three years of age.

On average, non-sanctioned payees are older than sanctioned payees. The average age among non-sanctioned payees is roughly 34 (mean=33.9) compared to an average of 31 years among those who were sanctioned for child support (mean=31.3) or work non-compliance (mean=30.6).

Consistent with the ethnic composition of the state's active TCA caseload, Table 1 shows that, regardless of exit reason, the majority of caseheads are African-American. Although the absolute differences are relatively small, we nevertheless find that work-sanctioned caseheads are significantly more likely to be African-American (83.0%) than are those who exit because of a child support sanction (77.7%) or other reason (74.7%). This is un-

doubtedly related to the fact that work-sanctioned leavers were more likely to have cases in Baltimore City (61.1%), which has a more concentrated African-American population in general, compared to those who were sanctioned for child support noncompliance (45.2%) or left for other reasons (51.6%).

Outside Baltimore City, Prince George's County and Baltimore County accounted for the next largest shares of cases in all three groups, but again, the percentages varied by exit group. Considering these three jurisdictions together (Baltimore City, Baltimore County, and Prince George's County), we find that they accounted for four-fifths (80.6%) of all work sanctions, three-fourths (75.9%) of all child support sanctions, and almost three-fourths of all other exits (73.7%).

The three exit groups are similar, also, in that the large majority of payees in each group—at least three of every four—had never been married. Even so, sanctioned payees are more likely to be never married than payees whose cases closed for other reasons (74.6%) and work-sanctioned payees are more likely to never have married (84.3%) than payees who experienced a child support sanction (80.4%).

Regardless of case closing reason, the typical exiting case has two or three persons in the assistance unit. One statistically significant and program-related difference among the exit groups in this area concerns the proportion of child-only cases. There are virtually no child-only cases among those who were work-sanctioned (0.4%), whereas among child support-sanctioned cases (21.9%) and cases closed for all other reasons (22.1%), child-only cases account for roughly one of every five families.³ This finding no doubt largely

³ Child-only cases are not typically closed due to a work sanction. Upon review of electronic case narratives, the few child-only cases in our sample that were work sanctioned seem to have been closed in error. The benefits were either restored or the closing code was later updated to reflect the correct administrative reason for case closure. We based our groups on the case closing reason code provided in the month of case closure.

reflects the fact that adults in child-only cases are not subject to work requirements and thus, in general, are not subject to work sanctioning.

The last notable and statistically significant differences displayed in Table 1 concern the ages of children in the assistance units. Here we see that, on both variables examined, child support sanction cases are significantly different than the other two groups. That is, on average, the youngest child in a child support sanction case is about 4.4 years of age, roughly one year younger than in work sanction (5.4 years) or other cases (5.8 years). Notably, too, almost three in five (57.2%) child support-sanctioned cases include at least one child under the age of three. This compares to about two in five among work-sanctioned (42.0%) and other exiters (41.1%).

In sum, we find that both types of sanctioned cases are likely to be headed by a younger payee who has never married. For child support-sanctioned cases, the most obvious 'risk' factors relate to having relatively young children in the home, especially having a child younger than three years of age. Work-sanctioned cases, in contrast, are more likely to be in Baltimore City. This particular finding, however, largely reflects the reality that Maryland's work-mandatory clients (those subject to work sanctioning) are disproportionately concentrated in Baltimore City.

Table 1. Demographic Characteristics of Exiting Payees and Cases

	Work Sanctioned (N = 2,770)	Child Support Sanctioned (N = 395)	Other Leavers (N = 12,094)
Payee's Gender (% female)*	96.4% (2,665)	97.0% (382)	95.2% (11,449)
Payee's Age***			
Mean (Standard deviation)	30.56 (7.88)	31.27 (11.01)	33.94 (11.90)
Payee's Racial/Ethnic Background***			
African American	83.0% (2,300)	77.7% (307)	74.7% (9,035)
Caucasian	13.5% (374)	14.7% (58)	19.5% (2,363)
Other	3.2% (91)	7.3% (29)	5.1% (627)
Region⁴***			
Baltimore City	61.1% (1,692)	45.2% (178)	51.6% (6,230)
Prince George's County	7.2% (198)	15.0% (59)	11.9% (1,438)
Baltimore County	12.3% (339)	15.7% (62)	10.2% (1,228)
Metro Region	3.6% (100)	6.1% (24)	5.7% (684)
Anne Arundel County	3.9% (108)	6.6% (26)	5.4% (650)
Montgomery County	3.3% (92)	3.6% (14)	3.5% (428)
Upper Eastern Shore Region	3.5% (97)	3.0% (12)	3.5% (426)
Western Maryland Region	1.8% (49)	1.0% (4)	2.7% (331)
Lower Eastern Shore Region	2.2% (62)	2.3% (9)	2.7% (323)
Southern Maryland Region	1.1% (30)	1.5% (6)	2.8% (340)
Marital Status***			
Married	3.4% (92)	6.1% (23)	7.6% (883)
Never Married	84.3% (2,301)	80.4% (304)	74.6% (8,623)
Divorced/Separated/Widowed	12.3% (337)	13.5% (51)	17.8% (2,053)
Assistance Unit Size***			
Mean (Standard deviation)	3.04 (1.22)	2.58 (1.36)	2.55 (1.25)
% child-only cases***	0.4% (12)	21.9% (86)	22.1% (2,662)
Number of Children***			
Mean (Standard deviation)	2.02 (1.20)	1.79 (1.26)	1.74 (1.11)
Age of Youngest Child***			
Mean (Standard deviation)	5.35 (4.49)	4.43 (4.79)	5.79 (4.95)
% with a child under 3***	42.0% (1,150)	57.2% (210)	41.1% (4,740)

Note: Due to missing data for some variables, counts may not sum to the total number of cases. Valid percentages are reported. *p<.05 **p<.01 ***p<.001

⁴ The regions are as follows: Metro (Carroll, Harford, Howard, and Frederick); Western (Allegheny, Garrett, and Washington); Southern (Calvert, Charles, and St. Mary's); Upper Shore (Cecil, Kent, Queen Anne's, Caroline, Talbot, and Dorchester); and Lower Shore (Worcester, Wicomico, and Somerset).

Core Caseload Designations

From the outset, Maryland's TANF/TCA program has been empirically-based, client-focused and outcome-oriented. Consistent with this mindset, targeted efforts were made early on to help work-ready clients transition from welfare to work, so that resulting savings could be directed at clients with more barriers or impediments. This orientation, along with consideration of the now more stringent DRA work participation rules and requirements, is reflected in the state's routine empirical analysis of the size and distribution of its so-called 'core caseload'.

The 'core caseload', broadly defined, is the subset of all TCA cases which, in general, are subject to federal work requirements and included in work participation rate calculations. More specifically, core cases can be identified by what they are not. In Maryland, with few exceptions, core cases do not have earnings; are not headed by a disabled adult, caretaker relative or someone caring for a disabled household member; do not have a domestic violence waiver; and have no child under the age of one year.

The core caseload construct is an important program guidance tool, and Table 2 shows how our three leavers groups are distributed across the core caseload categories. Nearly all (90.4%) work-sanctioned cases were coded in the automated system as part of the core caseload and nearly all of the remaining cases (5.4%) were earnings cases where the adult was working but perhaps not enough hours to meet the TANF requirement.

Not surprisingly, the distributions of child support sanctioned cases and other leavers across the caseload groupings are quite different. A significant proportion of cases in both groups were core cases: 42.8% (child support) and 47.3% (other leavers). Next most common in both groups were child-only cases—23.5% and 24.4% for child support and other leavers, respectively. Notably, roughly one in five (19.3%) child support sanctioned cases are in the "Child under 1" category, indicating that the adult payee is exempt from TANF work requirements because she is caring for an infant but was sanctioned for non-cooperation with child support. Other leavers (7.1%) and work-sanctioned cases (0.8%) have much lower proportions of such cases.

Table 2. Core Caseload Designations***

	Work-sanctioned (N = 1,065)	Child Support Sanctioned (N = 166)	Other Leavers (N = 3,614)
Core Cases	90.4% (963)	42.8% (71)	47.3% (1,709)
Child-only Cases	0.3% (3)	23.5% (39)	24.4% (883)
Earnings Cases	5.4% (57)	3.6% (6)	12.1% (436)
Child Under 1 Cases	0.8% (8)	19.3% (32)	7.1% (258)
Long-term Disabled Cases	1.5% (16)	3.0% (5)	5.0% (179)
Paid Relative Caretaker Cases	0.3% (3)	3.0% (5)	2.2% (79)
Temporary Disabled Cases	0.2% (2)	1.8% (3)	0.8% (30)
Domestic Violence Cases	0.9% (10)	0.6% (1)	0.9% (31)
Caring for Disabled Household Member Cases	0.3% (3)	2.4% (4)	0.2% (9)

Note: The percentage of cases designated as child-only in the core caseload analysis may differ slightly from the percentage of child-only cases presented in Figure 1 because they are based on two different data sources, at two different time points. Table 1 is based on the number of adults included in the grant amount paid at the beginning of the month of exit. Table 2 is based on the core caseload calculations performed at the end of the month. In addition, the records included in Table 2 are a subset of the total sample described in Table 1 because core caseload data are not available prior to April 2004. *p<.05 **p<.01 ***p<.001

Supplemental Security Income (SSI) Applications

A significant body of literature documents that families are often burdened by barriers that keep them on welfare or out of work. Among work-sanctioned cases, concerns have been raised that hidden barriers (those that have not yet been acknowledged by the client or recognized by the welfare agency) may impede clients' ability to comply with program requirements. Because physical health problems and disabilities are among the most common barriers, we use data on Supplemental Security Income (SSI) applications as a crude proxy to assess whether serious health barriers, actual or perceived, may be more common among work-sanctioned cases.

In Figure 1, following this discussion, we present SSI application rates for caseheads both before and after the TANF exit that brought them into our sample. As presented, across all groups, approximately three in ten caseheads applied for SSI

overall, including applications most recently made both before and after case closure. However, the timing of the most recent application is quite telling. Among work-sanctioned cases, the SSI application rate after exiting is more than double the SSI application rate before exiting (19.8% vs. 7.25%). In both of the other two groups of leavers, the rates after case closure increased only slightly (by 1.3 percentage points and 3.2 percentage points for child support-sanctioned cases and other leavers, respectively).

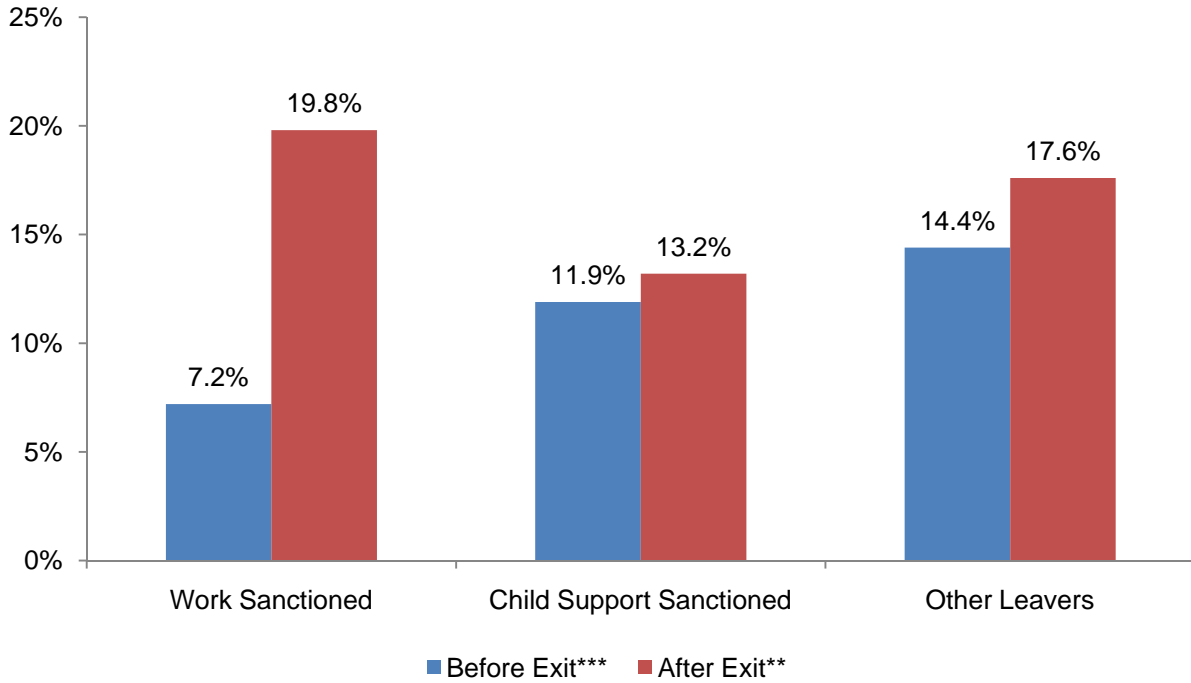
It should be noted that our data do not permit us to determine how many of the adults and children who made application for SSI benefits were ever approved for payment. National data on hearing dispositions for all SSA cases (including SSI and SS disability claims) suggests, however, that the approval rate is less than 40 percent overall (SSA, 2010).

Regardless of outcome, these application data are informative because they suggest

that a significant minority of adults in our sample—at least one in four—perceived their own health status as being poor enough to prompt an application for disabili-

ty benefits, and that work-sanctioned individuals were more likely to apply for these benefits after case closure.

Figure 1. Timing of Most Recent SSI Application



Note: * $p < .05$, ** $p < .01$, *** $p < .000$

Welfare and Employment Histories

This last section of our baseline findings chapter describes clients' experiences with cash assistance and UI-covered employment leading up to their welfare exit. We begin with a discussion of welfare utilization.

Welfare Utilization

Table 3, which follows this discussion, displays data on two measures of welfare utilization. The first is the number of consecutive months of welfare receipt since the most recent application that culminated in the case closure or sanction that brought the case into our sample. The second measure expresses the cumulative, though not necessarily consecutive, months of TCA receipt during the five years immediately preceding the closure or sanction.

The top section of Table 3 shows that most families, regardless of exit group, received assistance continuously for one year or less since last applying for TCA. Roughly eight in ten work-sanctioned (78.4%) and child support-sanctioned (81.0%) cases had exiting spells of 12 or fewer months, compared to seven in ten (70.2%) of those who left welfare for other reasons. For all three groups, the next most common situation was having received TCA for between 13 and 24 months. The percentages were 13.9%, 12.2%, and 15.2% for work sanctioned, child support sanctioned, and other leavers, respectively.

Considering both the percentage of cases with 12 or fewer months of continuous receipt and the data on mean (average) spell length, the general point from this section of Table 3 is that, compared to other welfare leavers, sanctioned exiters have had shorter, recent, continuous welfare spells. No doubt this finding is influenced, at least in part, by the fact that prior research has shown that sanctions tend to be imposed within the first few months after a welfare spell begins (Pavetti, Derr & Hesketh, 2003).

The bottom half of Table 3 shows that when we consider cumulative TCA receipt (regardless of the number of spells) in the five years prior to exit, a very different story emerges. There was a much more diffuse pattern in terms of the total number of months of aid. Diffusion was particularly evident within the work-sanctioned cohort, where roughly one-fifth of clients fell into each category. That is, one in five (20.0%) had 12 or fewer months of total welfare use in the past 60 months and 21.2%, 18.8%, 16.9% and 23.0% had 13-24 months, 25-36 months, 37-48 months, and 49-60 months of aid, respectively. In general, child support sanction cases and other exiters tended to have been less reliant on cash assistance in the preceding five years. Nearly half (48.5%) of child support-sanctioned cases and not quite one in three (31.6%) of all other cases had one year or less of cumulative aid.

These differences are statistically significant and, not surprisingly, so are the differences in average number of cumulative months of aid. Child support-sanctioned cases had the lowest average (21.9 months), followed by non-sanctioned leavers (28.0 months), and work-sanctioned cases (31.0 months).

These findings confirm the wisdom of not relying on current spell length as a sole indicator of welfare dependency. Table 3 shows that doing so leads to a misleading picture of actual welfare use over time. This is especially important to keep in mind with regard to work-sanctioned clients. *Life after Welfare* and other studies consistently show that work-sanctioned clients have high rates of returning to assistance, usually within a few months of the sanction. When returning sanctioned clients are assessed, the case review and planning process for future compliance with and success in welfare-to-work efforts should take into account the adult's long-term welfare use, not just the length of the welfare spell immediately preceding a sanction.

Table 3. Welfare History

	Work-sanctioned (N = 2,770)	Child support- sanctioned (N = 395)	Other Leavers (N = 12,094)
Length of Exiting Spell***			
12 months or less	78.4% (2,172)	81.0% (320)	70.2% (8,494)
13 - 24 months	13.9% (385)	12.2% (48)	15.2% (1,840)
25 - 36 months	2.8% (78)	2.0% (8)	5.4% (654)
37 - 48 months	1.8% (50)	1.5% (6)	2.7% (328)
49 - 60 months	0.7% (20)	1.5% (6)	1.5% (185)
More than 60 months	2.3% (65)	1.8% (7)	4.9% (593)
Mean***	10.61	9.72	15.80
Median	5.54	5.23	8.68
Standard Deviation	18.40	15.56	25.41
TCA Receipt in 5 Yrs Prior to Exit***			
12 months or less	20.0% (555)	48.5% (191)	31.6% (3,815)
13 - 24 months	21.2% (586)	14.2% (56)	18.8% (2,277)
25 - 36 months	18.8% (522)	11.9% (47)	14.5% (1,758)
37 - 48 months	16.9% (469)	9.9% (39)	12.4% (1,498)
49 - 60 months	23.0% (638)	15.5% (61)	22.7% (2,743)
Mean***	30.97	21.93	28.07
Median	30.00	14.00	24.00
Standard Deviation	18.03	19.14	19.52

Note: Due to missing data for some variables, counts may not sum up to the total number of cases. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Employment Experiences

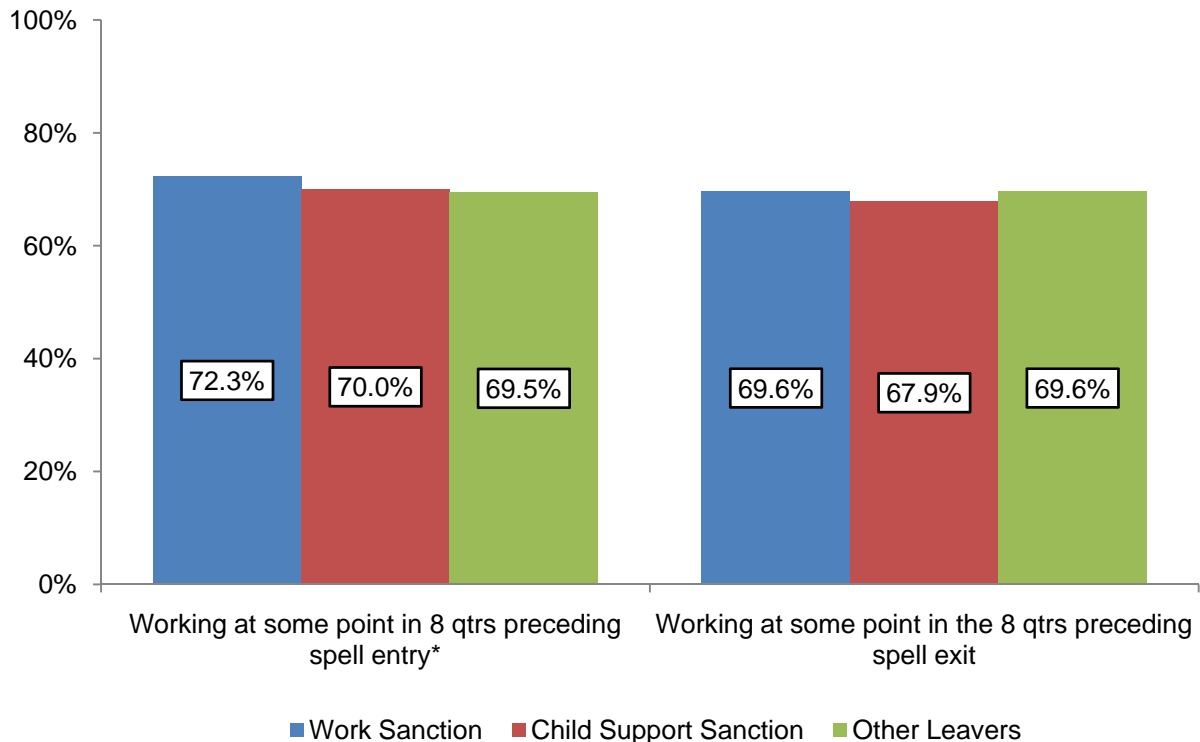
The prior discussion revealed that all three groups of leavers were exiting from relatively short welfare spells, but also that work-sanctioned leavers tended to have been more welfare dependent in the preceding five years than other clients. Here we examine historical employment data to see if there are also differences among our three groups of exiting cases on these variables.

Figure 2, following, shows that about seven of every 10 adults in each group worked in a UI-covered job at some point in the eight quarters (two years) that preceded their welfare spell entry. Differences among our three groups on this measure are statistically significant, but the absolute differences are actually fairly small and probably of little practical significance. Probably more note-

worthy is the finding, shown in the right-most set of bars on Figure 2, that there are no significant differences across groups in the percentage of adults that had worked at some point in the eight quarters preceding the spell exit (i.e. the case closure or sanction that brought them into our study sample).

In sum, a similar proportion of caseheads in all three groups had some UI-covered employment both leading up to their most recent TCA application and leading up to their case closure. The next several analyses focus in on those with at least some reported earnings, and provides more detail on their work stability (in terms of average number of quarters worked over time) and earnings leading up to their welfare exit.

Figure 2. Employment History



Note: Employment preceding spell entry excludes anyone whose welfare spell began before April 1, 1987, and those without a unique identifier. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Despite the similarities in the percent of caseheads working before their TCA exit, when we look at measures of work stability and earnings, we find that work-sanctioned clients do not fare as well as clients in the other two groups on measures of work stability and earnings. First, as shown in Table 4, work-sanctioned leavers who were employed in the two years leading up to their exit worked, on average, in 3.6 of the 8 quarters. Child support-sanctioned leavers, in contrast, worked in 4.7 of 8 quarters and other leavers worked in 4.3 of 8 quarters.

Average quarterly earnings among work-sanctioned adults (\$1,673) were also significantly lower than those for child support-

sanctioned adults (\$2,772) and those who left welfare for all other reasons (\$2,460).

Total average earnings among those who worked at any point during the two year period exhibited the same, albeit more dramatic, pattern. On average, an adult who had been sanctioned for non-cooperation with child support and who worked at some point during the two year period earned \$16,978. Total average earnings were lower among non-sanctioned exiters (\$13,611), but lowest of all for work-sanctioned leavers (\$7,638). These findings may suggest that work-sanctioned adults, on average, may not only work less (i.e. fewer quarters in a year), but may also earn less when they are employed.

Table 4. Quarters Worked and Average Earnings: Eight Quarters before Exit

	Work-sanctioned (N = 1,923)	Child support- sanctioned (N = 267)	Other Leavers (N = 8,365)
Number of Quarters Worked			
Mean***	3.62	4.69	4.26
Median	(3.00)	(5.00)	(4.00)
Quarterly Earnings			
Mean***	\$1,672.73	\$2,772.21	\$2,459.55
Median	\$1,192.81	\$1,681.97	\$1,670.39
Total Earnings			
Mean***	\$7,638.28	\$16,977.52	\$13,611.43
Median	\$3,635.73	\$6,737.17	\$6,224.69

Note: Wages are standardized to 2009 dollars. Mean values only include those with some earnings in at least one quarter. *p<.05, **p<.01, ***p<.001

FINDINGS: POST-EXIT EMPLOYMENT & WELFARE OUTCOMES

Thus far, our analysis has revealed certain demographic differences between sanctioned cases (work and child support) and those that exit welfare for other reasons. In particular, sanctioned payees are slightly younger on average and are more likely to have never been married. Work-sanctioned payees specifically are more likely to reside in Baltimore City and to have larger assistance units. Employment rates in the two years immediately preceding the case closure are similar across all three groups, but work-sanctioned payees who were employed at some point during that period worked in significantly fewer quarters and had significantly lower average quarterly and total earnings than employed adults in the other exit groups.

The ultimate questions of interest, of course, concern clients' employment and earnings patterns after a voluntary or involuntary welfare case closure. This chapter addresses these questions, along with the companion question of returns to welfare (recidivism). We begin our examination of outcomes by considering how many leavers find employment in UI-covered jobs, how much they earn, and what earnings and employment patterns emerge over time. Following that, we consider how many families return to the cash assistance rolls and the timing of those returns.

Employment Outcomes

The first post-exit outcome we examine is the percentage of former payees with a UI-covered job at various post-exit points in time. Figure 3, following, displays this information separately for our three groups. We examined the quarter of welfare exit, each of the first four post-exit quarters, and quarters up to and through the end of the ninth year—the 36th quarter—after case closure.

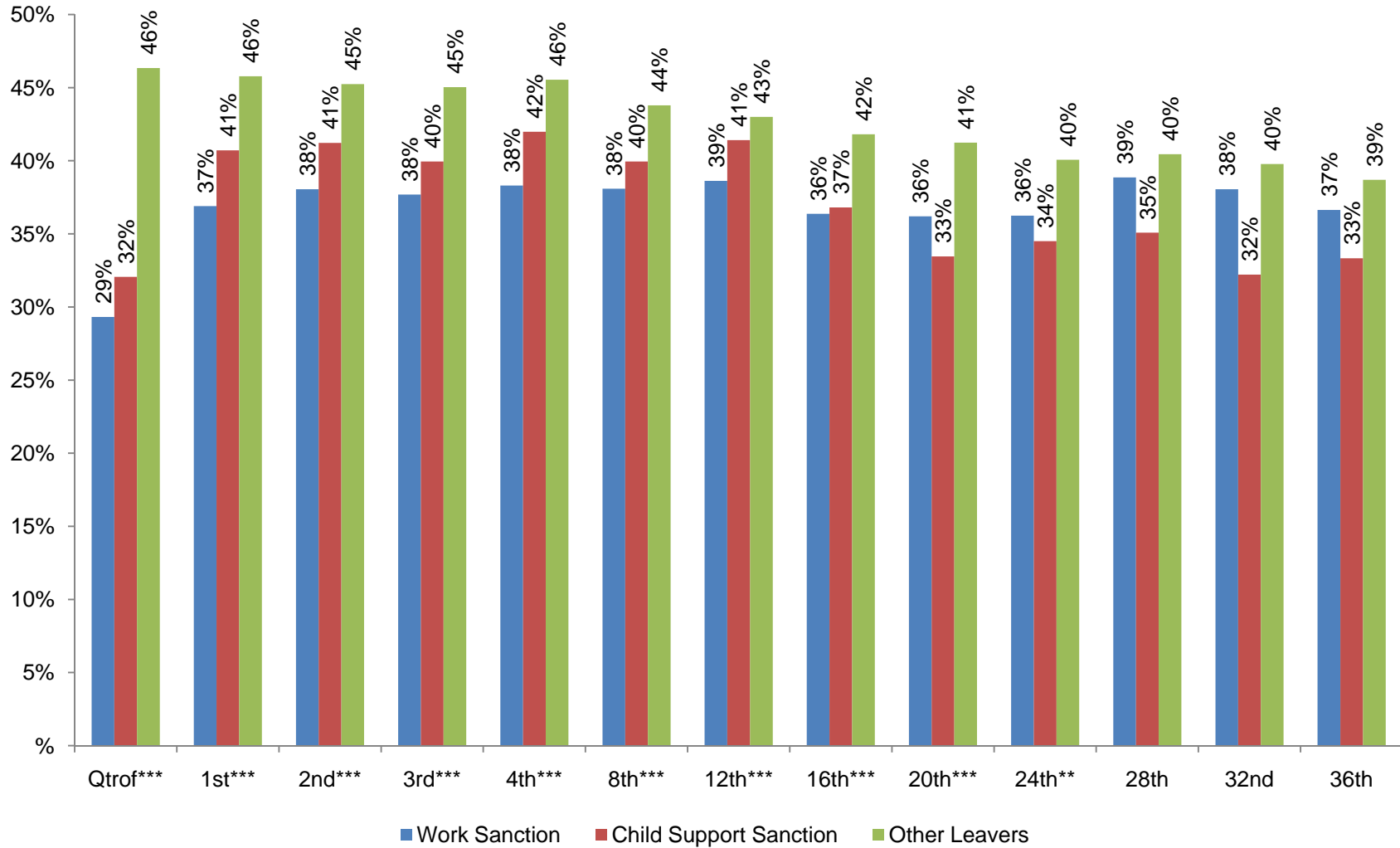
Two general observations are immediately evident in Figure 3. First, between 30% and 50% of payees in each group were working at every measuring point. Second, Figure 3 shows that at the time of case closure and every point thereafter, clients with voluntary welfare exits (not due to either sanction type) were significantly more likely to be working than adults with involuntary closures. At all post-exit observation points, between 40% and 50% of all voluntary leavers had UI-covered employment.

Although these general observations do hold true over time, there are a few variations by group. For both sanctioned groups, the quarter of case closure saw the fewest former payees working (29% work-sanctioned and 32% child support-sanctioned).⁵ Also, among both sanctioned groups, work effort increased incrementally over the next few quarters and years such that by the end of the fourth post-sanction year (the 16th quarter), about four in ten sanctioned payees were working.

Although beyond the power of this descriptive study to explain, it is also interesting to note that among work-sanctioned adults, work effort over time increased more than among those whose cases were closed for non-cooperation with child support. As Figure 3 shows, in the quarter of case closure and at all measuring points through the end of the fourth year, a greater percentage of child support than work-sanctioned cases had UI-covered employment. However, the opposite situation prevails for the fifth through ninth follow-up years. That is, in each of these latter periods, the percent of work-sanctioned adults who were employed was greater than the percentage among adults whose sanction was for non-cooperation with child support.

⁵ The low employment rates in the quarter of case closure could be related to the timing of the TCA exit. Case closures occur on a monthly basis, but wage data are reported quarterly. Thus, we do not know which month within the quarter an individual was receiving TCA benefits, but we know for at least the quarter of exit, she received benefits in at least one month.

Figure 3. Total Percent Working



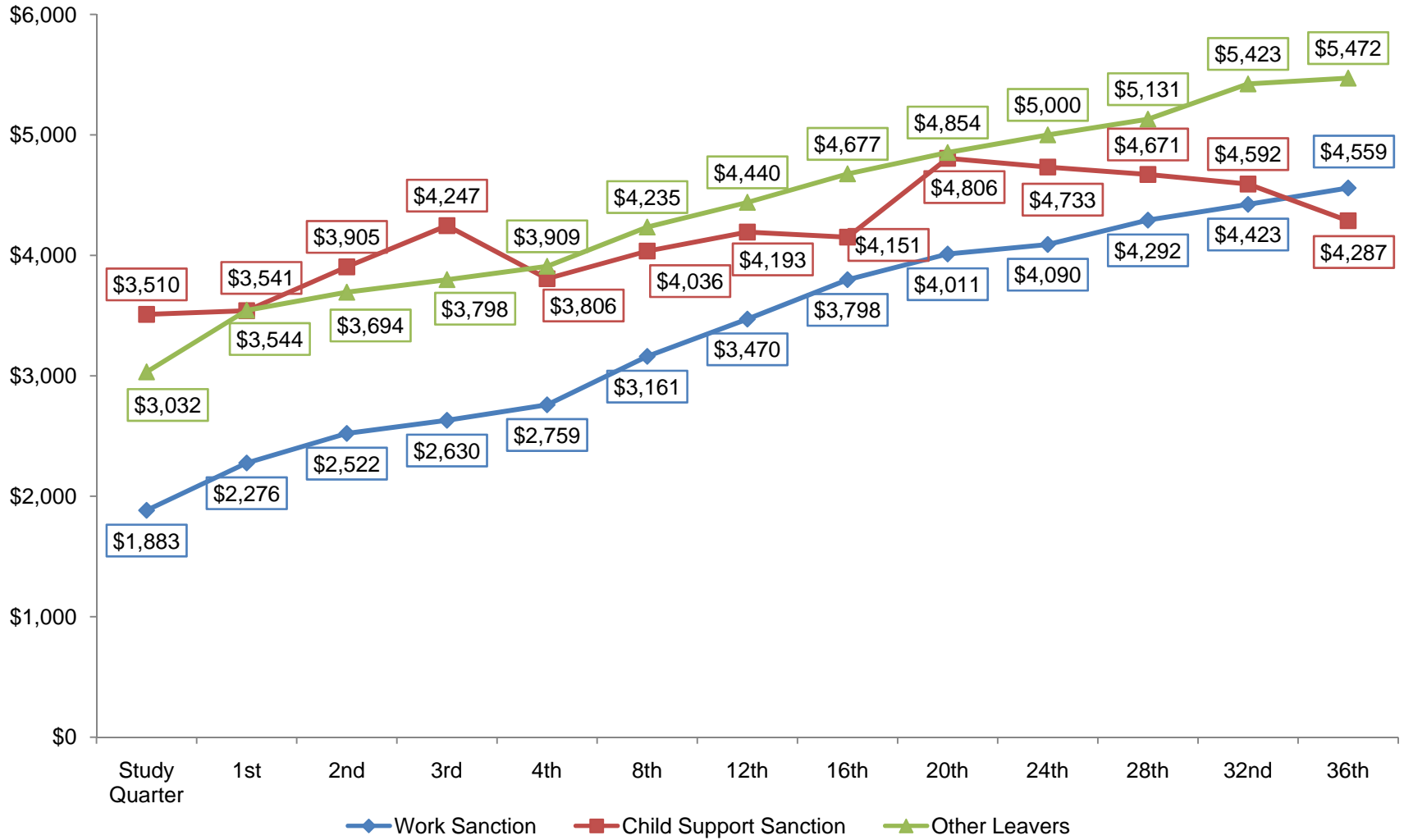
Note: We exclude those without a unique identifier (n=44). Valid percents are reported. *p<.05, **p<.01, ***p<.001

Next we examine the amount of earnings obtained by working adults in our three study groups. As always, this is an important variable to assess. Knowing that a former payee is employed is an important post-welfare outcome, but knowing how much they earned from that employment provides potentially far better insight into how the adult and her family may be faring economically. Figure 4 displays information about the average (mean) quarterly earnings for our three groups at various points in time. Figure 4 begins with earnings in the quarter of welfare case closure and, for all three exit groups, goes up to and through the end of the ninth post-exit year.

A few general points are obvious. First and quite positively, we see that quarterly earnings increase over time for all three groups

such that by the end of the observation period, average quarterly earnings were between \$800 (child support sanction) and roughly \$2,500 (work sanction and all other) higher than they had been in the quarter of welfare case closure. Second, work-sanctioned adults have the lowest initial average quarterly earnings (\$1,883) and lag child support-sanctioned adults (\$3,032) and all other leavers (\$3,510) on this measure by \$1,149 and \$1,627, respectively. Over time, however, work-sanctioned payees catch up so that the gap in average quarterly earnings is smaller by the end of the observation period. In fact, by the end of the ninth year, work-sanctioned leavers earned more than child support-sanctioned leavers by \$272 and lagged other leavers by an average of only \$900.

Figure 4. Mean Earnings by Quarter



Note: Wages are standardized to 2009 dollars, and mean values exclude those with zero earnings and those without a unique identifier available. Differences in wages across groups in all time periods are statistically significant at the $p < .001$ level.

In the next section of this chapter, we look at average annual—rather than average quarterly—earnings among our three groups. These findings are presented in Figure 5, following this discussion. As shown, the annual trends and patterns are very similar to those observed for quarterly earnings. First, average annual earnings increased over time such that among all three groups, average annual earnings were at least \$4,000 greater at the last measuring point than they had been at the outset.

The second consistent finding is that while their average annual earnings also increase quite substantially over time, work-sanctioned clients continue to lag behind non-sanctioned clients in terms of earnings

at the end of the observation period, just as they did in the first post-exit year. To illustrate, Figure 5 shows that mean annual earnings in year one were \$6,593 (work-sanctioned), \$10,269 (child support-sanctioned) and \$11,009 (all other leavers). At the end of the ninth year, mean annual earnings for the three groups were \$14,486, \$14,872 and \$18,005, respectively. Notably, at this last observation point, there is virtually no difference between the adults who had experienced a child support sanction (\$14,272) and those who were work-sanctioned (\$14,486) but both groups continue to lag behind other leavers (\$18,005), albeit for reasons which cannot be determined in this study.

Figure 5. Mean Earnings by Year after Exit



Note: Wages are standardized to 2009 dollars, and mean values exclude those with zero earnings and those without a unique identifier available. Differences in wages across groups in all time periods are statistically significant at the $p < .001$ level.

Welfare Recidivism

Returns to welfare after an exit are not uncommon, as our annual *Life after Welfare* reports and other studies have shown (Born, et al., 2009). For some families, an initial exit does not “stick.” Jobs may end, a working adult gets sick, or some other family crisis creates a need for further cash assistance. And, for sanctioned families in particular, a quick return to TCA is really an expected outcome: TCA program design anticipates that many sanctioned adults will promptly comply with work or child support program requirements and then be permitted to resume benefits. This is because, in Maryland, the ultimate purpose of full family sanctions is to compel compliance so that, while receiving aid, clients take all steps necessary to facilitate a successful transition from dependence on cash assistance to economic independence. Thus, recidivism or returns to welfare after an exit or sanction is a particularly important issue to examine in today’s study which compares sanctioned clients to those who leave for other reasons.

Findings with regard to recidivism are presented in Figure 6. The first set of bars presents information about the extent of virtually immediate (within one month) returns, a phenomenon we call ‘churning’. We present these data separately because an earlier, more extensive study of recidivism during the early years of welfare reform in Maryland suggests that ‘churning’ may well be a distinctly different phenomenon than other, later returns to assistance, with different client risk factors and agency implications (Born, Ovwigho & Cordero, 2002).

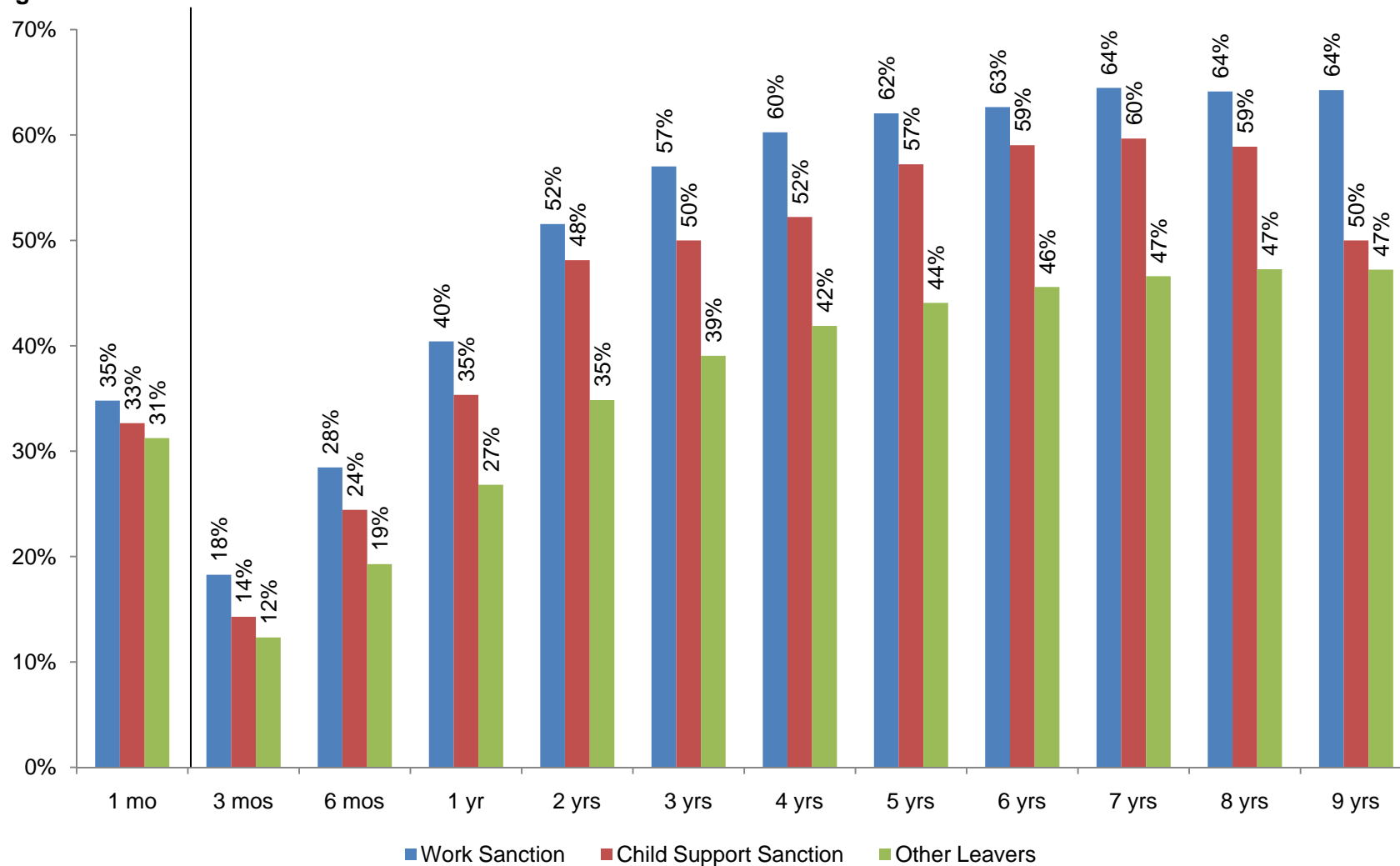
As shown in Figure 6, roughly one-third of clients in each exit group have returned to assistance within one month of case closure. Further, although the absolute differences are fairly small, work-sanctioned (35%) and child support-sanctioned (33%) cases have higher rates of churning than other leavers (31%). This is consistent with our earlier study that found comparable rates of churning and, further, that the highest rates of these immediate returns oc-

curred among clients who had experienced a work sanction.

The remaining sets of bars present cumulative recidivism rates for our three groups, excluding churners, from the third post-exit month through nine years after the case closure. The pattern is clear and consistent over time: sanctioned clients (both work and child support-sanctioned) have higher rates of recidivism than other leavers, and work-sanctioned clients have higher recidivism rates than those who were sanctioned for non-cooperation with child support. By the end of the first post-closure year, to illustrate, two-fifths (40%) of work-sanctioned clients received at least one additional month of assistance, compared to one-third (35%) of child support-sanctioned clients and one-fourth (27%) of those whose cases had closed for another reason.

Figure 6 also illustrates a point that we have made in other of our studies: considering non-churners, when returns to welfare do occur, they tend to happen within the first few months or years after case closure. For all three groups of exiters in this study, we see that the most recidivism occurred within the first year, and after the fourth year, few additional clients in any group returned to aid.

Figure 6. Cumulative Recidivism Rates***



Note: Differences in sample size across follow-up periods result in the appearance that cumulative returns to welfare decrease over time. Churners were included in 1 month calculations, and excluded thereafter. Differences across groups in all time periods are statistically significant at the $p < .001$ level.

Combined Employment & Welfare Outcomes

In the previous sections, we described post-welfare outcomes for our three groups of exiting families, and our results are largely consistent with those we have reported in other studies. Most generally, the outcomes families experience after they leave welfare differ depending on whether the exit was involuntary (a work or child support sanction) or voluntary (all other reasons). Not surprisingly, employment and earnings initially and over an extended period of time tend to be better among those who were not sanctioned. Further, although their average earnings do increase over time, work-sanctioned clients tend to lag behind non-sanctioned leavers at all measuring points up to and through nine years after the sanction which brought them into our study sample. In addition, they are more likely to return to welfare.

While informative, these topic by topic analyses provide only a partial and incomplete picture of what happens to our study families vis-à-vis cash assistance and employment after the case closure. Most particularly, the separate welfare receipt, recidivism, and employment analyses give us no information about the extent to which families may combine employment and TCA benefit receipt. Similarly, the separate analyses do not permit us to describe the extent to which, in the post-exit period, study families are lost to follow-up (i.e. have no UI-covered earnings and no TCA receipt), are totally dependent on cash assistance, or appear to have income only from employment. In this final section, we combine our work and welfare data to examine how study families packaged income after the exit that brought them into our sample and whether packaging varies depending on whether the case closure was a voluntary or involuntary one. For purposes of this analysis, we examine the percentage of leavers in each of our three groups who fall into one of four income packaging categories, based on their post-exit work and welfare status. The four categories are:

- 1) *Employment only*: UI-covered employment during the period but no TCA receipt;
- 2) *Employment and TCA*: UI-covered employment and at least one month of TCA receipt during the period;
- 3) *TCA only*: No UI-covered employment in the period but TCA for at least one month; and
- 4) *No employment or TCA*: Neither UI-covered employment nor TCA receipt in the period.

Results are presented in three separate bar charts (Figure 7) which follow this discussion. There are both similarities and differences among our three exit groups, but certain common trends are evident among all three. First, Figure 7 shows quite positively that the proportion of adults in the ‘employment only’ outcome group increases over time. Second, in all three groups the proportion of clients who are in the ‘no employment and no TCA’ groups also rises. In fact, at the end of the ninth post-exit follow up year, roughly four-fifths of work-sanctioned, child support-sanctioned, and other leavers fell into one of these two categories. What may be most notable here is the fact that the cases that closed because of a work sanction appear no more likely to be disconnected (without employment or TCA) than clients whose cases closed for other reasons.

These findings are not surprising. Virtually all of our past studies of welfare leavers have shown that work effort is persistent among former adult TCA caseheads and that, for the most part, their earnings do tend to increase over time. And, even before the recent Great Recession, several studies documented the growing presence of “disconnected” families, those where the former recipient adult appeared to have neither earnings from employment nor cash assistance receipt (see, for example, Acs & Loprest, 2004; Blank, 2007; Fletcher, Winter

& Shih, 2008). In our own study of disconnected Maryland families, we found them to be a very diverse group (Ovwigbo, Kolupanowich & Born, 2009). During that study's five year follow up period, we found that more than two-fifths of all 'no employment or welfare' families had been child-only TCA cases and roughly three-fifths had income from other sources (e.g. another adult's earnings, child support, Supplemental Security Income).

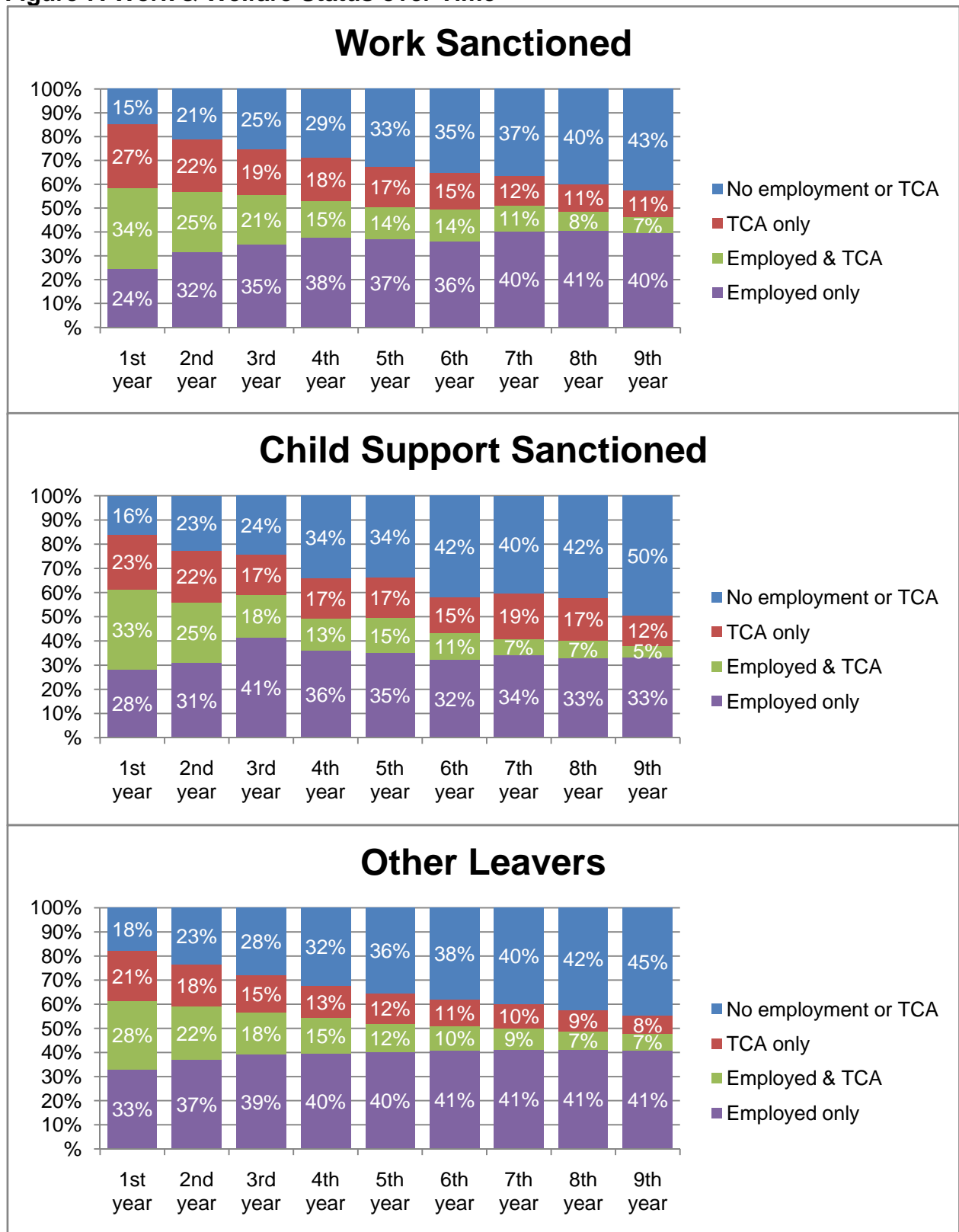
Figure 7 also shows that, as expected, the proportion of families who relied only on cash assistance went down over time among all three groups of exiters. The proportion of clients who had earnings from employment and at least some TCA receipt during the first nine years also went down in all three groups of exiters.

In terms of differences across our three study groups, we see from Figure 7 that, in the first post-exit year, cases that were work-sanctioned were less likely (24%) to be in the 'employment only' group than those who experienced a child support sanction (28%) or those whose exit had been for some other reason (33%). Over the entire follow up period, however, we see that the outcomes for work-sanctioned cases came to more closely resemble the non-

sanctioned leavers, whereas outcomes for the child support-sanctioned leavers are divergent. That is, by the end of the ninth post-exit year, 'employment only' was the most common outcome for both work-sanctioned (40%) and non-sanctioned leavers (41%). Among those whose cases closed because of the imposition of a child support sanction, however, 'employment only' accounted for 33% of all outcomes, and 'no employment or TCA' was slightly more prevalent (50%).

As mentioned, our previous study on disconnected welfare leavers revealed that many of those without welfare and without work were receiving additional supports such as child support, Food Supplement benefits, or Medical Assistance. For those who exited because of a child support sanction, we would be particularly hopeful that they subsequently agreed to comply with child support enforcement and either returned to TCA (if needed) until child support was in place, or left permanently because of a steady child support income. The next findings chapter, then, examines the data on child support status and receipt, as well as receipt of several other work supports, to see whether these hopes bear out in reality over the nine-year follow-up period.

Figure 7. Work & Welfare Status over Time



FINDINGS: CHILD SUPPORT AND OTHER WORK SUPPORTS

The first two findings chapters presented analyses which revealed several important differences between our three study groups in terms of demographic and case characteristics, core caseload designation, timing of SSI applications, and employment and TCA histories and outcomes. In sum, we learned that work-sanctioned payees are more likely to be younger and never married, part of the core TCA caseload, located in Baltimore City, and to have lower earnings leading up to their case closure compared to the other two groups.

After exiting, work-sanctioned payees have the highest TCA recidivism rates (followed by child support-sanctioned payees), and the lowest initial earnings. Over time, however, work-sanctioned payees' earnings increase steadily, narrowing this gap somewhat between them and the non-sanctioned leavers.

Child support-sanctioned leavers' outcomes are less straightforward. Although they start out with earnings higher than work-sanctioned payees, increases over time are slower and more sporadic. By the end of the ninth follow up year, they are only on par with work-sanctioned payees despite having an initial advantage. Furthermore, by the end of the nine-year follow up period, child support-sanctioned payees are more likely to be disconnected from both TCA and employment, and less likely to be working without TCA support.

As mentioned previously, the intent of using full family sanctions to enforce work and child support rules of the TANF program is to encourage compliance. Thus, the hope is that child support-sanctioned leavers subsequently cooperate with the child support requirements and either return to TCA until child support is in place or are self sufficient with child support and without TCA.

There are also other possible scenarios for families that are without welfare and without TCA at some point after exiting, including other income sources such as SSI or other family arrangements such as income from a new spouse or an informal child support agreement. Unfortunately, data is not available to allow us to investigate all of these scenarios, but this final findings chapter presents the information we do have to supplement what we have already learned about sanctioned leavers' post-exit experiences versus other welfare leavers. Specifically, we include information on IV-D child support case status and receipt, Food Supplement (FS) benefits, and Medical Assistance (MA) coverage. We begin with a discussion of child support case status.

Child Support Case Status

Child support is a critical but often overlooked benefit that can provide direct and immediate income support for families who leave welfare to help them remain off the rolls. Former recipients' earnings are often low and regular child support, even in small amounts, can make a large difference in the family's ability to remain off welfare (Srivastava, Ovwigho & Born, 2001). For low-income single mothers in particular, child support can account for a significant proportion of total family income (Sorenson & Zibman, 2000). Thus, in this section of the report we look at child support case status and trends over time for our three groups of leavers to get a sense of the extent to which child support is a potential source of post-welfare income support for families, especially for those who were sanctioned.

Figure 8, following, presents child support case status trends for our three groups over a nine year follow-up period. For the purposes of this analysis, cases are classified into one of three groups, where the former TCA casehead is the custodial parent or custodian and her recorded status in the Maryland automated child support information system is:

- 1) Custodian on an active IV-D child support case and money is owed (including current support, arrears, or both);
- 2) Custodian on an active IV-D child support case, but no money is owed; and
- 3) Not a custodian on any active IV-D child support case in Maryland.

There is a wealth of information contained in the Figure 8 bar charts, but a few key points stand out. All else equal, the general trends observed for all three groups of leavers shows that the current role of child support as a reliable—or even an intermittent—source of supplemental income for study families appears limited. This unfortunate reality is most starkly illustrated by the fact that at no point during the nine follow-up years does the percentage of families to whom money is due exceed 49% (work-sanctioned cases, 2nd and 3rd years).

Although the trends across the three exit groups are similar, there are some statistically significant differences. Roughly speaking, about two-fifths of work-sanctioned and other leavers are due money (current support and/or arrears) at each measuring point (meaning, of course, that three-fifths are not). Because their TCA cases were closed for failure to cooperate with child support (to establish paternity, locate the absent parent, or establish and enforce a support order), it is not surprising that the situation is even more dire among child support-sanctioned cases. Here, no more than approximately one in three clients is owed money at any given point in the follow-up period. These cases are significantly less likely to be owed money in the first few months after sanctioning, and over time, these are significantly less likely to have an active child support case at all.

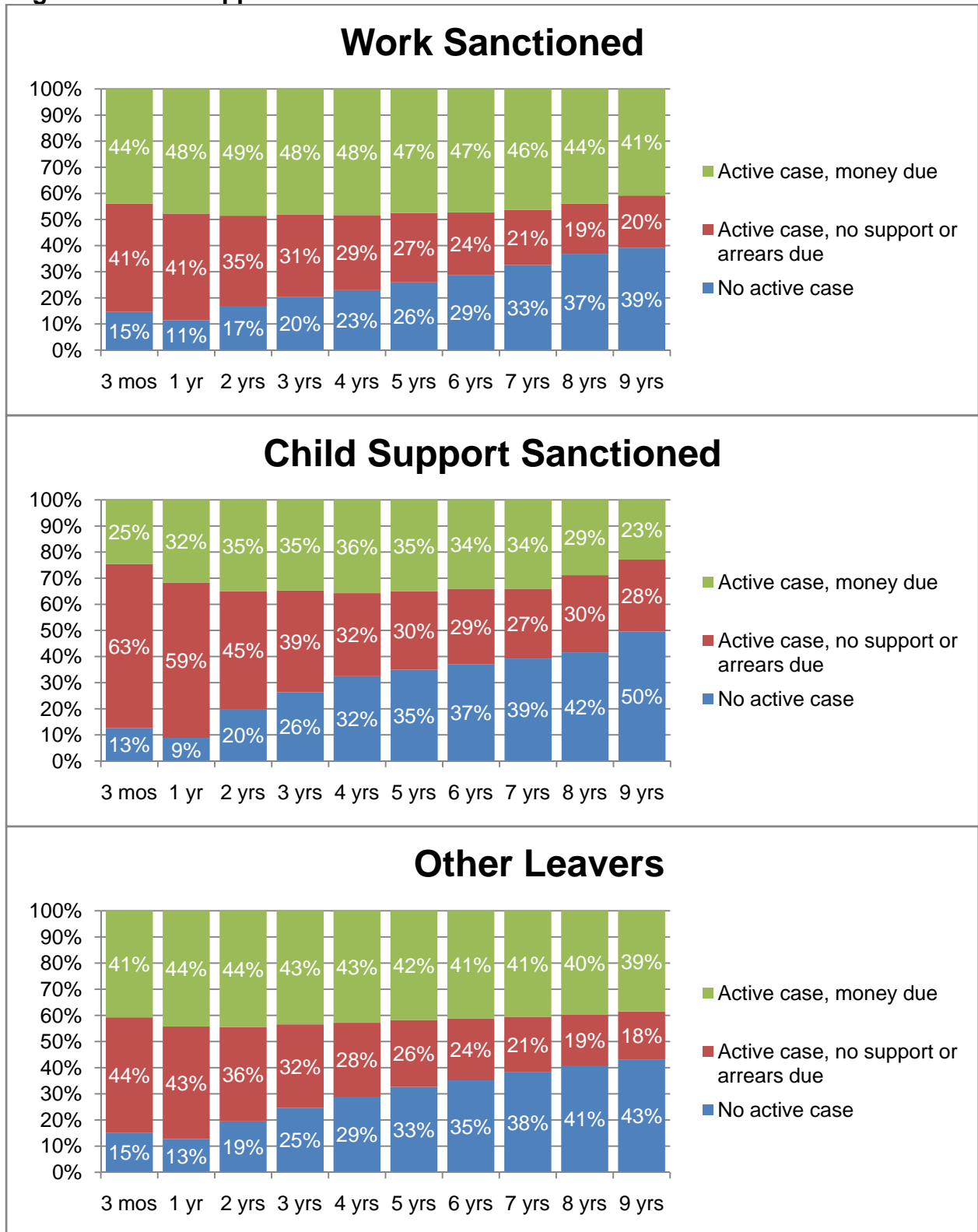
For policy makers and program managers, the most important implication from the findings presented in Figure 8 is that, as discussed elsewhere (Born, Ovwigho, Kolupanowich, & Patterson, 2009), if a TANF recipient does not have a child support order in

place by the time her welfare case closes, the chances are slim that one will be obtained in the future. It would behoove us to make certain that all available actions are vigorously pursued while families are on welfare. To increase the likelihood that families may receive child support and to improve their odds of remaining off welfare, one possible initiative might be to make sure there is a final “check” to ensure that all possible agency actions have been or are being pursued to establish or enforce a child support order before welfare case closure.

Of course, this type of initiative would be of little help when cases exit because of a full family child support sanction. Our data suggest that children in these cases are the ones least likely to ever have a support order established. The available data do not allow us to speak definitively about why this is so, though likely explanations include a continuing relationship between the parents, an informal child support arrangement, or the custodian’s wish, for whatever reason, to not pursue child support.

Prior research has also demonstrated potential systemic disincentives for TANF recipients to establish formal child support orders such as the lack of a child support pass-through or disregard (Cook & Caspar, 2006; Kaplan & Mayer, 2006; Meyer & Cancian, 2002; Roff, 2010). The DRA included several provisions that allow states more flexibility in minimizing some of these disincentives and reduce the overall cost of doing so, and that may be an avenue worth pursuing in Maryland. Although child support sanctions account for only 2% of all cases in this study (and 15% of all sanctioned cases), the important financial and other benefits to children of having a legal father and to receive parental financial support suggest that further empirical study of this population might be worthwhile to consider.

Figure 8. Child Support Status over Time



Note: Different amounts of follow-up data are available, depending on the date of case closure. Valid percents are reported. Please see Appendix A for a detailed account of data availability.

Child Support Receipt

As just discussed, we find that less than half of our sample cases have either current support or arrears due at any time up to and through nine years after welfare case closure. This result may be viewed positively or negatively, depending on one's perspective about what is realistic to expect from the child support program vis-à-vis former TANF recipient families. Even with a positive view, however, one would have to remember that merely having support due does not guarantee that money will be received. Thus, we examine child support receipt in this section.

As shown in Table 5, following, our analysis of child support receipt among our three groups of exiters reveals that regardless of the reason for welfare case closure, non-receipt of child support is much more common than receipt at all measuring points in the first nine post-welfare years. Moreover, among the minority of families in which at least one support payment was made, the annual amounts received tend to be small. Contrary to hopes that child support-sanctioned payees would come quickly into compliance and subsequently progress in terms of child support enforcement, these cases were significantly less likely than other cases to receive any support paid through the IV-D program. However, in the small number of such cases where any formal support is received, the annual amounts received tend to be larger than for cases in the other two exit groups (work-sanctioned and all other leavers).

It is important to point out that the findings presented in Table 5 are for *all* leavers in our study, not just for those who had an active child support case with current support due at the time of the welfare exit. This certainly has a depressing effect on study findings. It was the appropriate analytic choice,

however, given that our purpose here is to assess the role that child support income actually plays in the economic lives of former TANF families. The reality, at present, is that formal child support income plays no role whatsoever for the large majority of these families. Specifically, at no point over the first nine post-welfare years did more than 30% of cases in any exit group receive any child support. This means, of course, that some 70% of former TANF families received nothing at all over this extended period of time.

The 'bright' spots in Table 5 are that the proportion of families receiving support does increase over time in all three groups, as do the annual amounts of support received. Roughly one in five work-sanctioned (18.3%) and other (17.2%) leavers received child support during the first three months after TANF case closure, as did roughly one in ten (10.1%) child support-sanctioned families. Total average amounts of support received during the first three exit months were relatively low across all three groups but were significantly higher for other leavers (\$425) than for work-sanctioned (\$352) and child support-sanctioned (\$337) exiters.

During the first full post-welfare year and each year thereafter, roughly three in ten work-sanctioned and non-sanctioned leavers received at least some support, as did roughly one in five of those who had been sanctioned for non-compliance with child support. Average annual amounts of child support received also increased over time for all three groups. Among work-sanctioned leavers, to illustrate, average annual support received was \$1,336 in the first post-welfare year and \$2,144 for the ninth post-welfare year. For the other two groups, the comparable figures were: \$1,337 and \$2,438 (child support-sanctioned cases) and \$1,628 and \$2,462 (other leavers).

Table 5. Amount of Child Support Received

	Work-sanctioned	Child Support Sanctioned	Other Leavers
3 Months			
% Receiving Child Support***	18.3%	10.1%	17.2%
Mean** (Median)	\$352 (\$265)	\$337 (\$310)	\$425 (\$328)
1 Year			
% Receiving Child Support***	28.1%	17.7%	26.1%
Mean*** (Median)	\$1,336 (\$875)	\$1,337 (\$938)	\$1,628 (\$975)
2 Years			
% Receiving Child Support*	27.6%	21.0%	26.8%
Mean** (Median)	\$1,627 (\$1,175)	\$1,942 (\$1,112)	\$1,901 (\$1,290)
3 Years			
% Receiving Child Support**	29.8%	24.6%	27.0%
Mean*** (Median)	\$1,735 (\$1,192)	\$2,243 (\$1,314)	\$2,070 (\$1,413)
4 Years			
% Receiving Child Support*	30.5%	24.0%	28.3%
Mean (Median)	\$2,021 (\$1,316)	\$2,457 (\$1,905)	\$2,076 (\$1,500)
5 Years			
% Receiving Child Support*	29.4%	21.1%	27.8%
Mean (Median)	\$2,088 (\$1,369)	\$2,670 (\$1,916)	\$2,212 (\$1,599)
6 Years			
% Receiving Child Support**	30.7%	21.0%	27.4%
Mean (Median)	\$2,153 (\$1,538)	\$2,683 (\$2,106)	\$2,274 (\$1,628)
7 Years			
% Receiving Child Support**	31.7%	23.0%	27.3%
Mean* (Median)	\$1,972 (\$1,309)	\$2,565 (\$1,702)	\$2,270 (\$1,665)
8 Years			
% Receiving Child Support	28.9%	20.1%	26.6%
Mean* (Median)	\$2,044 (\$1,513)	\$2,059 (\$1,486)	\$2,385 (\$1,783)
9 Years			
% Receiving Child Support*	29.4%	17.1%	26.4%
Mean (Median)	\$2,144 (\$1,506)	\$2,438 (\$2,206)	\$2,462 (\$1,823)

Note: Means are provided for cases receiving any support. Different amounts of follow-up data are available, depending on the date of case closure. Valid percents are reported. Please see Appendix A for a detailed account of data availability. *p<.05, **p<.01, ***p<.001

Other Work Supports

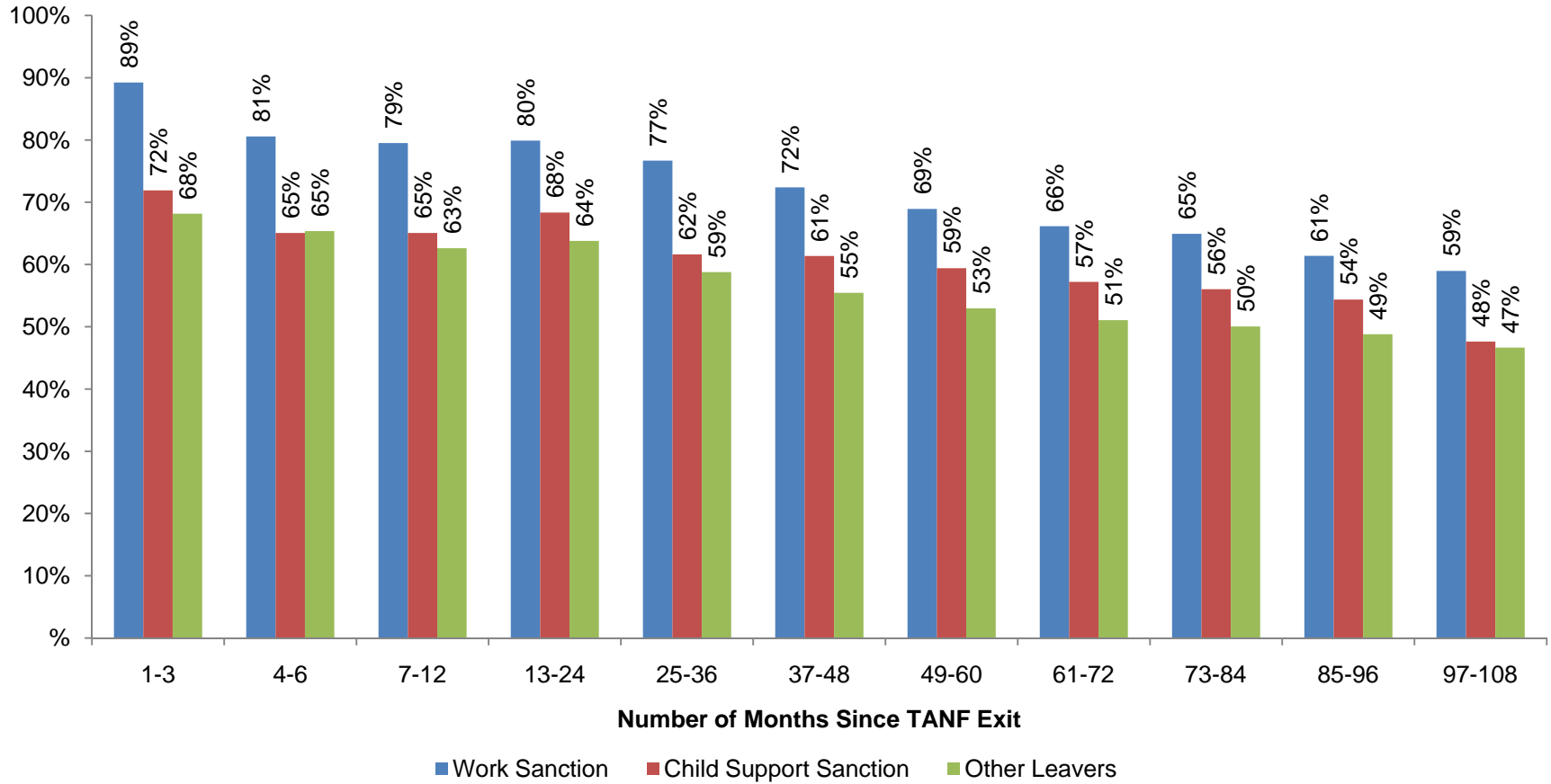
Having reviewed the status of child support due and received following a TCA exit, we now turn to the use of two additional work supports during the post-exit follow up period: Food Supplement (FS) and Medical Assistance (MA). In general, our studies consistently find that for most former recipients, work effort persists and earnings do increase somewhat over time (Born, Ovwig-ho, Kolupanowich, & Patterson, 2009). However, low-income women, including those transitioning from welfare to work, often find jobs where wages are relatively low, benefits may be few, or opportunities for advancement are limited. Undoubtedly, the availability and use of post-welfare benefits, in particular the Food Supplement Program (FS, formerly Food Stamps) and Medical Assistance/M-CHP (MA), can contribute mightily to successful post-welfare outcomes for women. Thus, in this section, we take a look at FS and MA utilization rates among our three groups of exiting cases.

Food Supplement Participation Rates

Figure 9, following, displays FS participation rates for our three study groups for the period immediately after the case closure or sanction which brought them into our sample and for a number of years after that closure. The general pattern is the same one we observed with regard to returns to welfare in the previous chapter. That is, while FS use is high (at least 50% in all three groups) up to and through the seventh post-exit year, the rates are significantly higher, at every measuring point, among those who were work-sanctioned.

In considering these particular findings, however, readers are alerted that some of the difference in FS participation rates between work-sanctioned and other leavers is due to the inclusion of churners (those who returned to cash assistance within one month of case closure or sanction) and the higher rate of such churning among work-sanctioned cases. That is, upon returning to welfare, the vast majority of churners would be categorically eligible to also receive FS. However, when all churners are excluded from the analyses, the general findings do not change: FS utilization rates remain high across all three groups and the rate is highest among cases that had been work-sanctioned. The FS utilization table without churning cases included can be found in Appendix B.

Figure 9. Post-Exit FS Participation Rates



Note: All differences are statistically significant at p<.001 level.

Medical Assistance Participation Rates

Data describing post-closure MA participation rates for adults, children and all case members are displayed in Table 6, separately for our two groups of sanctioned cases and those who left welfare for other reasons. Overall, MA participation at the assistance unit level, presented in the bottom third of the table, is high—upwards of 90%—for all groups during the first two years after exiting. Participation tends to drop off over time such that by the ninth year after exiting, only two-thirds of former TCA assistance units have at least one member who is receiving MA.

Across all groups, participation rates for MA are higher for children than for payees, particularly for the child support-sanctioned leavers and other non-work-sanctioned leavers. This is likely related to the presence of child-only cases among these two

groups, as the casehead who is excluded from the TCA grant is also likely ineligible or excluded from MA.

Additionally, in general, work-sanctioned leavers had the highest rates of MA participation, followed by child support-sanctioned leavers and then cases that closed for other reasons. As was true with regard to FS participation, these rates are influenced to a small degree by the inclusion of churners. As shown in Appendix B, however, excluding churners does not alter the pattern or the participation rates very much.

Finally, it should be noted that these high rates of MA participation are not surprising, given the decoupling of cash assistance and medical assistance that took place some years ago and the deliberate expansion of medical coverage to low-income populations in the past few years.

Table 6. Medical Assistance/M-CHP Participation Rates by Exit Cohort

	Work-sanctioned	Child support-sanctioned	Other Leavers
Payee received MA			
Months 1-3	95.7%	74.9%	78.4%
Months 4-6	93.0%	72.9%	76.4%
Months 7-12	89.5%	74.4%	73.5%
Months 13-24	82.9%	70.6%	66.4%
Months 25-36	74.2%	59.9%	59.1%
Months 37-48	68.5%	58.8%	54.5%
Months 49-60	64.8%	57.5%	51.2%
Months 61-72	60.2%	55.0%	48.9%
Months 73-84	58.3%	53.4%	46.6%
Months 85-96	52.8%	53.0%	45.1%
Months 97-108	48.7%	49.5%	42.5%
Child(ren) received MA			
Months 1-3	96.2%	88.9%	88.5%
Months 4-6	95.0%	87.6%	87.7%
Months 7-12	93.1%	87.8%	86.3%
Months 13-24	89.4%	82.0%	80.0%
Months 25-36	85.4%	76.8%	76.2%
Months 37-48	81.4%	71.1%	71.9%
Months 49-60	77.9%	65.8%	68.3%
Months 61-72	74.0%	63.3%	64.6%
Months 73-84	70.6%	62.8%	61.4%
Months 85-96	66.4%	59.7%	58.8%
Months 97-108	60.6%	52.4%	54.6%
Anyone received MA			
Months 1-3	97.4%	93.7%	92.2%
Months 4-6	96.4%	92.2%	91.5%
Months 7-12	95.3%	94.2%	90.8%
Months 13-24	92.9%	89.6%	85.6%
Months 25-36	88.7%	83.5%	82.3%
Months 37-48	85.2%	79.5%	78.6%
Months 49-60	82.9%	76.7%	75.7%
Months 61-72	80.1%	75.1%	73.1%
Months 73-84	77.6%	73.3%	70.8%
Months 85-96	74.4%	73.2%	68.9%
Months 97-108	69.6%	65.7%	65.4%

Note: Over time, the sample size for all groups diminishes due to the lack of availability of follow-up data for later cohorts of leavers. Valid percents are reported.*p<.05, **p<.01, ***p<.001.

CONCLUSIONS

Despite the initial controversy caused by the adoption of a full family sanctioning policy in Maryland and some other states, relatively little research has been done to examine the long-term outcomes of those “cut off” from the welfare rolls for failure to comply with work or child support program requirements. Because of the involuntary nature of their exits from welfare, families experiencing a full family sanction have also been a population of some concern to many observers. That concern should be heightened in today’s welfare arena characterized by stiffened work participation requirements, a still-sputtering economy, national, state and local government fiscal stress, and persistently higher than normal unemployment rates.

Notwithstanding the lack of longitudinal research, the sanctioned population has consistently been of interest and concern to Maryland officials since the policy was first adopted. This is evidenced by the multiple empirical studies of the phenomenon that we have undertaken at the state’s request and the inclusion of information on sanctioning in our annual *Life after Welfare* reports and legislative updates. The study described in today’s report builds upon and expands Maryland’s body of knowledge about sanctioned families by providing a long-term picture of employment, earnings, welfare utilization, child support case status and receipt, and the use of food and medical support services during the first nine years after the case closure or sanction.

In many ways, our findings confirm the trends evident in earlier studies and are cause both for optimism and some concern. First, the fact that work-sanctioned leavers have the lowest initial earnings and never quite catch up to their peers suggests that they may lack the skill sets needed to obtain employment or advance on a career ladder. Future research should include separate analyses for those who were sanctioned and remained off the rolls compared to those who returned for further assistance,

presumably complying with their work activity requirement, and then subsequently exited.

Second, the combined welfare and work outcome data present a more encouraging picture of life after welfare for work-sanctioned leavers. In particular, over time, this group tends to more closely resemble other leavers. Most importantly perhaps, they do not appear to be at greater risk of being disconnected from work and welfare than their non-sanctioned peers.

Finally, unique to our analyses is the inclusion of child support-sanctioned cases. Particularly noteworthy among these leavers is that, over time, they are the least likely to have an active child support case with support due and the least likely to receive any income from the formal child support system. In addition, over time, child support-sanctioned leavers are more likely to become disconnected from both TCA and child support after their TCA case closure, with only sporadic increases in Maryland UI wages.

Despite these less-than-stellar outcomes for child support-sanctioned leavers, it may not be feasible to relax the child support enforcement requirements or sanctions. However, prior research suggests it may be worth investigating whether there are other ways to incentivize compliance with the child support requirements in addition to sanctioning. Specifically, Roff (2010) found that states with higher child support income disregards tend to have higher rates of formal child support orders than states with lower disregards. In addition, Cook & Caspar (2006) found some evidence that non-custodial parents paid more when there was a switch from partial to a full pass-through of child support for current welfare recipients.

The DRA included some provisions to allow more flexibility and reduce the overall cost of experimenting with these types of incentives. Importantly, the DRA reduces the cost to states of “passing through” a portion of child support collections to TCA families.

Thus, now may be the opportune time for Maryland to revisit its (then cost-driven) mid-1990s decision not to adopt the pass through.

Overall, the goal of full-family sanctioning in Maryland has always been to help clients and not to hurt them. Today's findings suggest that while that may be the case for work-sanctioned payees, more or different approaches may be needed to encourage child support compliance in the long term.

REFERENCES

- Acs, G., & Loprest, P. (2004). *Leaving welfare: Employment and well-being of families that left welfare in the post-entitlement era*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.
- Blank, R. M. (2007). Improving the safety net for single mothers who face serious barriers to work. *The Future of Children, 17*, 183-197.
- Bloom, D. and Winstead, D. (2002). *Sanctions and welfare reform*. Washington, DC: The Brookings Institution.
- Born, C.E. & Caudill, P.J. (1997). *Full family sanctions in Maryland: A profile of the first affected cases*. Baltimore, MD: University of Maryland, School of Social Work.
- Born, C.E., Caudill, P.J., & Cordero, M.L. (1999). *Life after Welfare: A Look at Sanctioned Families*. Baltimore, MD: University of Maryland School of Social Work.
- Born, C.E., Ovwigho, P.C., & Cordero, M.L. (2002). Returns to welfare under welfare reform. *Administration in Social Work, 26*(3), 53-69.
- Born, C.E., Ovwigho, P.C., Kolupanowich, N., & Patterson, K. (2009). *Life after welfare: Annual update*. Baltimore, MD: University of Maryland School of Social Work.
- Bureau of Labor Statistics, U.S. Department of Labor. (n.d.). Data extracted on September 7, 2010, using *Local Area Unemployment Statistics*. Available online: http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LASST24000003
- Bureau of Labor Statistics, U.S. Department of Labor. (2010). *Household data, historical: A-1. Employment status of the civilian noninstitutional population 16 years and over, 1970 to date*. Available online: <http://www.bls.gov/web/empsit/cpseea1.pdf>
- Cook, S. & Caspar, E. (2006). *Difference-in-Difference evaluation of the Wisconsin Full Child Support Pass-Through Policy: Final report*. Madison, WI: University of Wisconsin-Madison, Institute for Research on Poverty.
- Fletcher, C. N., Winter, M., & Shih, A.T. (2008). Tracking the transition from welfare to work. *Journal of Sociology & Social Welfare, 35*, 115-132.
- Goldberg, H., & Schott, L. (2000). *A compliance-oriented approach to sanctions in state and county TANF programs*. Washington, DC: Center on Budget and Policy Priorities.
- Kaplan, T. & Mayer, V. (2006). *Participant knowledge of the child support pass-through and disregard: Interview with local child support and W-2 staff*. Madison, WI: University of Wisconsin-Madison, Institute for Research on Poverty.
- Lee, B.J., Slack, K., & Lewis, D.A. (2004). Are welfare sanctions working as intended? Welfare receipt, work activity, and material hardship among TANF-recipient families. *Social Service Review, 78*(3), 370-403.

- Maryland Department of Planning. (2010). *Total full and part-time jobs (by place of work) by type and industry, 2001-2008*. Available online: http://www.mdp.state.md.us/MSDC/bea/ca08/Jobs/CA25_MD.pdf
- Meyer, D. R., & Cancian, M. (2002). Exploring potential effects of a child support pass-through and disregard: Did formal child support payments change when mothers went on and off AFDC? In *W2 Child Support Demonstration Evaluation Report on Nonexperimental Analyses, Volume III, Chapter III*. Madison, WI: University of Wisconsin-Madison, Institute for Research on Poverty.
- Meyers, M., Harper, S., Klawitter, M., & Lindhorst, T. (2006). *Review of Research on TANF Sanctions*. Seattle, WA: University of Washington, West Coast Poverty Center.
- Ovwigo, P.C., Kolupanowich, N., & Born, C.E. (2008). *Profile of new Food Supplement cases*. Baltimore, MD: University of Maryland School of Social Work.
- Ovwigo, P.C., Kolupanowich, N., & Born, C.E. (2009). *Disconnected leavers: The circumstances of those without welfare and without work*. Baltimore, MD: University of Maryland School of Social Work.
- Ovwigo, P.C., Saunders, C., Kolupanowich, N., & Born, C.E. (2005). *Caseload exits at the local level: Statewide trends during the first seven years of FIP*. Baltimore, MD: University of Maryland School of Social Work.
- Pavetti, L, Derr, M.K., & Hesketh, H. (2003). *Review of sanction policies and research studies*. Washington, DC: Mathematica Policy Research, Inc.
- Pavetti, L., Derr, M.K., Kirby, G., Wood, R.G., & Clark, M.A. (2004). *The use of TANF work-oriented sanctions in Illinois, New Jersey, and South Carolina*. Washington, DC: Mathematica Policy Research, Inc.
- Roff, J. (2010). Welfare, child support, and strategic behavior: Do high orders and low disregards discourage child support awards? *The Journal of Human Resources*, 45(1), 59-86.
- Social Security Administration (SSA, 2010). *ALJ Disposition Data: FY2010 (Through July 30, 2010)*. Available online: http://www.socialsecurity.gov/appeals/DataSets/03_ALJ_Disp.html
- Sorensen, E., & Zibman, C. (2000). *Child support offers some protection against poverty*. Washington, D.C.: Urban Institute.
- Srivastava, S., Ovwigo, P.C., & Born, C.E. (2001). *Child support receipt among children in former TANF families*. Baltimore, MD: University of Maryland School of Social Work.
- Urban Institute (n.d.). Welfare Rules Database (Table III.B.3). Available online: <http://anfdata.urban.org>

APPENDIX A. DATA AVAILABILITY AND SAMPLE SIZE BY COHORT

Sample Sizes by Follow-up Period with Churners

Follow-up Period	Work-sanctioned	Child support-sanctioned	Other Leavers	Total
Month of Exit	2,770	395	12,094	15,259
3 Month Follow-up	2,770	395	12,094	15,259
1 year	2,770	395	12,094	15,259
2 years	2,770	395	12,094	15,259
3 years	2,522	357	11,318	14,197
4 years	2,285	308	10,427	13,020
5 years	1,986	266	9,457	11,709
6 years	1,705	229	8,467	10,401
7 years	1,400	191	7,471	9,062
8 years	1,080	149	6,395	7,624
9 years	797	105	5,226	6,128

Sample Sizes by Follow-up Period without Churners

Follow-up Period	Work-sanctioned	Child support-sanctioned	Other Leavers	Total
Month of Exit	1,806	266	8,315	10,387
3 Month Follow-up	1,806	266	8,315	10,387
1 year	1,806	266	8,315	10,387
2 years	1,806	266	8,315	10,387
3 years	1,624	238	7,725	9,587
4 years	1,467	203	7,083	8,753
5 years	1,270	173	6,358	7,801
6 years	1,071	144	5,615	6,830
7 years	867	119	4,892	5,878
8 years	658	90	4,132	4,880
9 years	470	64	3,320	3,854

APPENDIX B. PARTICIPATION RATES WITH CHURNERS EXCLUDED

Post-Exit FS Participation Rates without Churners

	Work Sanctioned	Child support-sanctioned	Other Leavers	Total
1-3 months	85.5%	67.7%	60.5%	65.0%
4-6 months	74.3%	59.0%	57.3%	60.3%
7-12 months	74.4%	59.0%	54.8%	58.3%
13-24 months	76.0%	65.0%	57.3%	60.8%
25-36 months	72.8%	58.0%	53.4%	56.8%
37-48 months	68.8%	59.6%	50.8%	54.0%
49-60 months	66.5%	57.2%	48.4%	51.5%
61-72 months	63.3%	54.2%	46.7%	49.5%
73-84 months	61.1%	52.9%	45.6%	48.1%
85-96 months	58.7%	50.0%	44.5%	46.5%
97-108 months	56.4%	48.4%	42.7%	44.5%

Note: Differences across groups are significant at the $p < .001$ level in all time periods. Valid percents are reported.

Medical Assistance/M-CHP Participation Rates without Churners

	Work Sanctioned	Child support-sanctioned	Other Leavers
Payee received MA			
Months 1-3	94.0%	71.4%	74.5%
Months 4-6	90.9%	68.8%	72.6%
Months 7-12	86.8%	71.1%	68.9%
Months 13-24	77.9%	64.3%	59.6%
Months 25-36	70.3%	55.9%	52.7%
Months 37-48	64.6%	55.7%	49.0%
Months 49-60	62.3%	56.1%	45.9%
Months 61-72	57.1%	54.9%	43.8%
Months 73-84	54.6%	55.5%	41.5%
Months 85-96	50.2%	52.2%	40.6%
Months 97-108	47.4%	46.9%	37.7%
Child(ren) received MA			
Months 1-3	95.4%	86.5%	84.7%
Months 4-6	93.9%	84.2%	83.9%
Months 7-12	92.1%	84.6%	82.6%
Months 13-24	87.7%	77.1%	74.8%
Months 25-36	83.5%	72.7%	71.6%
Months 37-48	79.1%	66.0%	67.5%
Months 49-60	75.6%	61.3%	63.8%
Months 61-72	71.5%	56.9%	60.1%
Months 73-84	67.8%	57.1%	57.1%
Months 85-96	65.7%	55.6%	54.7%
Months 97-108	59.1%	50.0%	50.6%
Anyone received MA			
Months 1-3	96.2%	91.4%	89.1%
Months 4-6	95.0%	88.7%	88.4%
Months 7-12	94.1%	91.7%	87.7%
Months 13-24	90.9%	85.3%	80.7%
Months 25-36	86.3%	80.7%	78.0%
Months 37-48	82.9%	75.4%	74.3%
Months 49-60	81.2%	73.4%	71.3%
Months 61-72	78.1%	70.8%	68.5%
Months 73-84	75.0%	69.7%	66.2%
Months 85-96	72.9%	72.2%	64.7%
Months 97-108	67.4%	64.1%	60.7%

Note: Differences across groups are significant at the $p < .001$ level in all time periods. Valid percentages are reported.