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EXECUTIVE SUMMARY

In the last 15 years, Maryland families have endured two economic recessions. The first was the Great Recession, which lasted 18 months and ended in 2009. It had a slow recovery period, evidenced by declining and stagnated wages and slow employment gains (Center on Budget and Policy Priorities [CBPP], 2022a). The second was the pandemic-induced recession. In contrast, this recession was sudden and intense, lasted two months during 2020, and has had a quicker recovery. However, the effects of the pandemic-induced recession have continued into 2022 and have notably impacted women, Black and Hispanic/Latinx workers, and workers without a bachelor's degree (CBPP, 2022b). During both of these periods of economic volatility, families turned to Maryland's safety net for income support, evidenced by the rise in Temporary Cash Assistance (TCA, Maryland's version of the federal Temporary Assistance for Needy Families [TANF] program) and the Supplemental Nutrition Assistance Program (SNAP) caseloads during these periods (McColl & Passarella, 2019; Passarella & Smith, 2021; Hall, 2021a).

This annual installment of *Life after Welfare* provides an overview of 35,258 families who left TCA between July 2012 and December 2021, covering the fallout of both recessions. Analyses are divided into three distinct economic periods: (1) the latter part of the Great Recession recovery (July 2012 – June 2016), (2) a period of economic stability (July 2016 – March 2020), and (3) the pandemic recession and early recovery (April 2020 – December 2021). Comparing the outcomes of TCA leavers over time provides insight into the effects of different economic periods on some of Maryland's most vulnerable families. This chapter summarizes the report's key findings:

Case Characteristics

Case characteristics largely remained stable over time, although there were some changes as a result of the pandemic.

- The majority (63%) of TCA recipients were children. Most cases had one (51%) or two (26%) children and one adult recipient (74%).
- Half (52%) of pandemic cases ended their *first* TCA spell upon exit, a roughly 25 percentage point increase over the economic stability (27%) and great recession recovery (26%) cohorts.
- Families utilized TCA for brief periods. Most (79%) families had 12 or fewer months of *continuous* TCA receipt and nearly three in four (73%) families had 24 or fewer months of *cumulative* receipt in the previous five years.
- The most common case closure reasons were: (1) income above eligibility limits (25%), (2) noncompliance with the work requirement (24%), and (3) did not maintain eligibility (18%). Notably, only 2% of pandemic leavers exited after noncompliance with the work requirement, largely due to the state's suspension of work requirements during the pandemic.

Adult Recipients' Demographics

The typical adult recipient on an exiting case is a Black (68%) or White (25%) woman (87%). Typically they are 35 years or younger (69%), never married (75%), and completed at least high school (77%).

- Compared to adults in the great recession recovery cohort, adult leavers in the pandemic cohort were less likely to be female (83% vs. 88%) or Black (58% vs. 69%). On the other hand, pandemic leavers were twice as likely to have education after high school (18% vs. 9%) and were more likely to be 31 years or older (60% vs. 47%).

Employment and Earnings

In general, employment and earnings increased between the year prior to TCA receipt and the year after TCA exit. Earnings remained substantially low, however.

- More than half (54%) of exiting adult recipients worked prior to their TCA entries, and more than three in five (62%) worked in the first year after exit, a gain of eight percentage points.
- Recipients in the pandemic cohort, however, did not experience employment gains. Rather, they had an eight percentage point *decrease* in employment from pre-TCA to post-exit (61% to 53%).
- Recipients earned a median of $12,232 in the first year after exit. By the fifth year after exit, recipients earned a median of $18,880 annually, an increase of 54% over five years.

Industries of Employment

Many recipients were employed in low-wage industries following their exits from TCA.

- Some of the common industries in which leavers were employed include administrative and support services (18%), restaurants (13%), general retail (6%), and food and beverage retail (4%). Median quarterly earnings in these industries ranged from approximately $2,600 to $3,500.
- One in six leavers was employed in one of the following higher-paying health care industries: nursing homes (7%), outpatient health care (6%), and hospitals (4%). These industries had median quarterly earnings above $5,000.

Returns to TCA

Most families did not return to the TCA program after their exit.

- Nearly one in five (18%) families returned to TCA within one year of exit; nearly one in three (31%) made an initial return within five years of exit.

Income Supports after Exit

Families relied on additional income supports after their exits from TCA.

- Although the majority (74%) of families had an open child support case at exit, only one third (34%) had an order for current support. When there was an order for child support, more than three quarters (77%) of families received a payment. Families received a median of $2,040 in the first year after exit.
- Most families continued to participate in SNAP (87%) and MA (91%) in the year after exit. More than one in four (27%) families received TSS, and one in seven (14%) received SSI.

The findings in this report indicate that the families who utilize the TCA program do so for short periods of time and many do not make a return to the program after exit. Adults are also likely to work after exit. However, earnings remain substantially low, even five years after leaving TCA. Consequently, families frequently rely on other income supports to help provide for their children. These income support programs are vital to Maryland's families in both recovering and vibrant economies.

INTRODUCTION

In the last 15 years, Maryland experienced the effects of two devastating, national recessions, (Center on Budget Policies and Priorities [CBPP] 2022a; CBPP 2022b) the likes of which had not been experienced since the early 1980s (Sablik, 2013). Although the Great Recession and the pandemic-induced recession were quite different in their nature (Birinci & Amburgey, 2021), they both triggered shocks in Maryland's economy. While the Great Recession had a slow and drawn-out recovery, the recovery from the pandemic has been comparatively swift due to unprecedented state and federal aid (CBPP, 2022a; CBPP, 2022b; CBPP, 2022d; Birinci & Amburgey, 2021). Still, both recessions disproportionately impacted low-income workers and people of color (Leachman & Williams, 2021; Barnes et al., 2022; U.S. Department of Labor, 2022) and the pandemic's effects were especially detrimental to women (Kennedy, 2021; U.S. Department of Labor, 2022).

Several factors contributed to the pandemic recession's disproportionate effects. For one, decades of systemic discrimination impacting job opportunities ensured a disproportionate number of women and people of color worked in industries hit hardest by the recent pandemic (U.S. Department of Labor, 2022). These industries—such as leisure and hospitality, retail, education, and health services—have also been slower to recover (U.S. Department of Labor, 2022). Moreover, women's roles as primary caregivers meant women left the workforce at higher rates than men in order to care for children who were home instead of at school or in child care (Huz et al., 2021; Kennedy, 2021; U.S. Department of Labor, 2022).

The impacts of both recessions prompted increases in safety net caseloads in Maryland, including the Temporary Cash Assistance program (TCA, Maryland's version of the federal Temporary Assistance for Needy Families [TANF] program) and the Supplemental Nutrition Assistance Program (SNAP) (McColl & Passarella, 2019; Passarella & Smith, 2021; Hall, 2021a). In fact, the pandemic recession led to historic highs in participation for both TCA and SNAP.

The purpose of this *Life after Welfare* annual update is to provide stakeholders with an overview of families who left the TCA program, including outcomes such as employment, earnings, and program participation. This year's installment examines 35,258 families who left TCA between July 2012 and December 2021. The report divides families into three cohorts that align with shifts in the economy: (1) the *great recession recovery* cohort, comprised of families who left the TCA program between July 2012 and June 2016 when the economy was still recovering from the Great Recession; (2) the *economic stability* cohort, comprised of families who exited between July 2016 and March 2020, during a period in which the economy was stable and unemployment was low; and (3) the *pandemic* cohort, comprised of families who exited between April 2020 and December 2021, during the height of and early recovery from the pandemic.

Comparing the outcomes of TCA leavers by cohorts provides insight into the effects of different economic periods on financially vulnerable families. Given that these families are also among those who were most impacted by the recent recession, and who are now navigating rising inflation (Bernstein & Tedeschi, 2021; Works, 2021; Arnon et al., 2022), it is important to understand their outcomes. This insight allows for informed policy-making and programmatic decision-making that can support families in their journeys towards financial stability.

METHODS

This chapter describes the methodological approach for the 2022 update to the *Life after Welfare* study. It provides information about sample selection, data sources, and data analysis techniques. Appendix A provides a table that briefly describes how the population and sample for this annual report have changed over time.

Population

The sample for this study was drawn from the population (n=225,334) of TCA cases that (a) closed between July 2012 and December 2021 and (b) remained closed for at least two months. Cases that close and reopen quickly (i.e., churners) have unique characteristics. These cases often close because an adult missed an agency appointment, failed to submit required paperwork, or some similar issue (Born et al., 2002; Hall & Passarella, 2020). In practice, once these issues are resolved, the case reopens. The purpose of the *Life after Welfare* study is to examine outcomes after families make a more permanent exit from the TCA program. Consequently, this study excludes from the population the 79,346 cases that closed and reopened within two months. In addition, if a case or its adult recipient members were represented more than once (e.g., had multiple closures) during the study period, one closure was randomly selected for inclusion in this study and duplicates were removed (n=53,286).[1] Combined, churners and duplicates accounted for 58% of the total population. After excluding these case closures plus an additional 3,833 cases that did not have jurisdiction or other information available to identify duplicates, there were 89,111 case closures from the population of interest.

Population Summary

There were **225,334** case closures between July 2012 and December 2021. We excluded:

- 79,346 cases that did not remain closed for two months (churners)
- 53,286 duplicate observations (e.g., multiple closures)
- 3,833 cases that did not have a jurisdiction or other information in the data system

Final Population: 89,111 unique case closures

Sample

There were 89,111 unique, non-churn TCA case closures between July 2012 and December 2021. From this population, a stratified random sample of 35,258 case closures was selected for inclusion in the study. The sample was stratified by cohort and jurisdiction to ensure a representative sample.

Cases included in this study fall into one of three cohorts, determined by the period in which the case closed. Figure 1 provides a visual representation of the three cohorts included in this study:

1. Great recession recovery (n=18,978 cases): cases that closed between July 2012 and June 2016, when the unemployment rate consistently fell, and the TCA caseload decreased by approximately 30%;

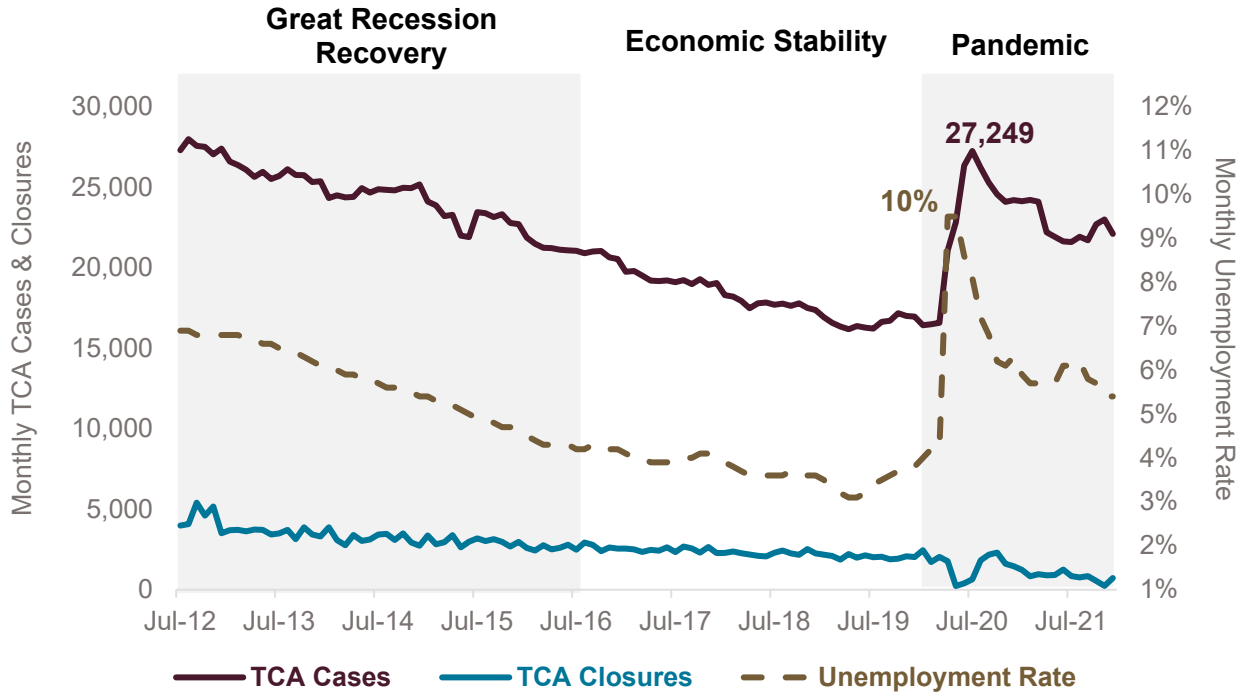
[1] There are a handful of adult recipients who are represented in the population more than once. This can happen when an adult is a member on more than one case during the study period, and both cases are randomly selected into the sample. This can also happen when an adult closes their case, and the case is reopened under a different assistance unit number. Data cleaning procedures capture most of these duplicates.

2. Economic stability (n=12,086): cases that closed between July 2016 to March 2020, when the unemployment rate was consistently around 4% and the TCA caseload decreased by an additional 30%; and
3. Pandemic (n=4,195): cases that closed between April 2020 and December 2021, during the peak of the economic shock caused by the pandemic.

After identifying cohorts, we took a random sample of case closures from each of Maryland's 24 jurisdictions in each cohort. Through this process, we over-sampled smaller jurisdictions and cohorts and under-sampled larger jurisdictions and cohorts. The main advantage of this sampling strategy is that it allows us to examine the closed TCA cases in each jurisdiction and produce valid estimates for the state as well as each jurisdiction within each cohort.

To ensure state-level analyses reflect the true distribution of TCA closures, we use sample weights to correct for the under- and over-sampling of jurisdictions and cohorts. Applying these sample weights ensures that each of Maryland's 24 jurisdictions within each cohort accounts for the same percentage of case closures in the sample as it does in the statewide population of closures. Appendix B provides the information used to construct the stratified sample. For all state-level analyses in this report, we utilize the sample weights shown in Appendix B.

Figure 1. TCA Cases, TCA Closures, and Unemployment Rate
July 2012 through December 2021



Note: The TCA case data come from statistical reports provided by the Maryland Department of Human Services, Family Investment Administration: http://dhs.maryland.gov/business-center/documents/. The seasonally-adjusted unemployment data come from the Bureau of Labor Statistics Local Area Unemployment Statistics: https://www.bls.gov/lau/.

The final weighted sample for this study is 35,258 closed TCA cases. There were 31,052 adult recipients on the selected, weighted cases. Due to weighting, some counts throughout may not add to the expected total. For example, in the demographics table in the first chapter, the total number of adult recipients in each cohort does not add to 31,052.

Sample Summary

There were **89,111** unique case closures.

We selected a stratified random sample to yield a 99% confidence level with a 3% margin of error.

- We over-sampled jurisdictions and cohorts with fewer case closures, and under-sampled jurisdictions and cohorts with more case closures.

We created sample weights to account for over- and under-sampling in order to produce valid state-wide estimates.

Final Sample: 35,258 closed TCA cases with 31,052 adult recipients

This sample yields valid statewide and jurisdictional results with a 99% confidence level and a 3% margin of error. These parameters are more rigorous than the generally accepted parameters in quantitative research, giving us more confidence in the accuracy of our results. The practical meaning of these parameters is that 99% of the time, the sample proportions—such as the percentage of returns to TCA—lies within ± 3% of the true percentage of returns (i.e., the rate that would be found if every case in the population were reviewed).

Sample Exclusions

There are multiple reasons why sampled cases and individuals are excluded from some analyses. This section provides the most common reasons for exclusions. First, some information, such as the reason for case closure or the educational attainment of an adult recipient, may be missing from the administrative data we use for analyses. In these instances, valid percentages are provided to account for the missing data.[2] Second, adult recipients are excluded from employment analyses if they are missing identification information because we are unable to obtain their employment data (n=4). Adult recipients who were younger than 16 in the year before they began receiving TCA as an adult are also excluded from pre-TCA employment analyses (n=1); however, they are included in all other employment analyses. Lastly, the sample size decreases as we examine outcomes after exit due to limited follow-up data. This 2022 update includes program participation follow-up data through March 2022 and employment follow-up data through December 2021. Cases that closed between April 2021 and December 2021, for example, are excluded from analyses that examine one year after exit because they do not have one year of follow-up data.

Data Sources

Study findings are based on analyses of administrative data retrieved from computerized management information systems maintained by the State of Maryland. Demographic and program participation data were extracted from the Client Automated Resources and Eligibility System (CARES) and the Eligibility and Enrollment (E&E) system. Employment and earnings data were obtained from the Maryland Automated Benefits System (MABS). Child support data were obtained from the Child Support Enforcement System (CSES). Data on Supplemental Security Income (SSI) receipt come from a State Data Exchange extract. Finally, the Maryland Department of Human Services (DHS), through a data-sharing agreement

[2] Valid percentages are percentages that exclude missing data in calculations.

with the Maryland Department of Health (MDH), obtained data on Medical Assistance participation.

E&E and CARES

E&E and CARES are the administrative data systems for safety net programs managed by DHS. CARES was operational between March 1998 and November 2021. The migration to E&E began in April 2021 and all jurisdictions were migrated to E&E by November 2021. Both E&E and CARES provide individual and case-level program participation data for Temporary Cash Assistance (TCA), Supplemental Nutrition Assistance Program (SNAP), and other services as well as demographic data on participants. Certain demographic data in this report reflect the limited nature of the administrative data systems used (e.g., gender is a binary field). Race (e.g., Black, White) and ethnicity (i.e., Hispanic/Latinx) data represent individuals who self-identify or for whom case managers assign a race and ethnicity (DHS, 2008). This report uses the combined non-gendered term Hispanic/Latin*x* in place of Hispanic or Latino to be inclusive.

MABS

Data on quarterly employment and earnings as well as North American Industry Classification System (NAICS) codes (i.e., industries) come from the MABS system. This system includes data from all employers covered by the state's Unemployment Insurance (UI) law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment. Adults engaged in alternative work arrangements, including independent contractors, commission-only salespeople, some farm workers, members of the military, most employees of religious organizations, and self-employed individuals are not covered by the law and, consequently, are not represented in our employment data. Additionally, informal jobs in which individuals and their employers do not report earnings to the government for income tax purposes (Nightingale & Wandner, 2011) are not covered. Despite limitations, empirical studies suggest that UI earnings are preferred to other types of data in understanding the economic well-being of welfare recipients (Kornfeld & Bloom, 1999; Wallace & Haveman, 2007).

The MABS system only tracks employment in Maryland. The state shares borders with Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia, so out-of-state employment is common. The percentage of out-of-state employment by Maryland residents (16%) is four times greater than the national average (4%).[3] Among adult TCA recipients in the state, however, out-of-state employment is less common, and previous investigations indicate that we obtain generally accurate statewide employment estimates even when excluding out-of-state data. Nonetheless, we may underestimate employment participation at the jurisdictional level. Out-of-state employment is common in two populous jurisdictions, Prince George's County (39%) and Montgomery County (25%), which have the third and fifth largest TCA caseloads in the state. It is also high in two less-populated jurisdictions, Charles County (32%) and Cecil County (31%). These four jurisdictions may be especially affected by the exclusion of out-of-state employment data.

Since UI earnings data are reported on an aggregated, quarterly basis, we do not know, for any given quarter, how much of that time period an individual was employed (i.e., how many months, weeks, or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salaries

[3] Data were obtained from the U.S. Census Bureau website (data.census.gov) using the 2016– 2020 American Community Survey 5-Year Estimates for Sex of Workers by Place of Work—State and County Level (S0801).

from these data. It is also important to remember that the earnings figures reported do not necessarily equal total household income; we have no information on earnings of household members who are not listed on the TCA case, and we do not have data about all sources of income.

CSES & CSMS

The Child Support Enforcement System (CSES) has been the statewide automated information management system for Maryland's public child support program since March 1998. In November 2021, Maryland began migrating jurisdictions to a new data system: the Child Support Management System (CSMS). All jurisdictions began operating in CSMS in September 2022. Both systems support the intake, establishment, location, and enforcement functions of the Child Support Administration and contain identifying information and demographic data on children, obligors, and custodians receiving services from the IV-D agency.[4] Data on child support cases and court orders including paternity status and payment receipt are also available.

SSI Extract

Through the State Data Exchange, DHS receives an extract of data related to SSI applications, denials, and payments from the federal Social Security Administration. This extract is used to determine whether any individuals received SSI payments. SSI is a federal program that provides monthly cash payments to low-income adults and children who are disabled. In order to receive assistance, adults and children must prove that (a) they have limited income and resources and (b) their disabilities are serious and long-term.

Medical Assistance

Enrollment data for Maryland Medicaid and the Maryland Children's Health Program (CHIP)—together referred to as Maryland Medical Assistance program—are maintained in the Maryland Health Benefit Exchange system by MDH. Data for this report were provided by DHS through a data sharing agreement between MDH and DHS. To account for missing data, we utilized multiple imputation based on key predictor variables.

Data Analysis

In this report, we utilize descriptive and inferential statistics to describe the cases and experiences of families who left TCA. When appropriate, we use ANOVA to compare averages between cohorts. To compare categorical variables between cohorts, we utilize Pearson's chi-square statistic. Throughout this report, we present the p-values for appropriate analyses to show statistical significance. Statistical significance is a measure of how confident we are that our results are not due to chance. Statistical significance is not a measure of practical significance; in other words, statistical significance does not tell us which findings may have practical meaning to case managers or program managers.

[4] The public child support program is authorized under Title IV-D of the Social Security Act and is often referred to as the IV-D program.

CHARACTERISTICS OF CASES AND ADULT RECIPIENTS

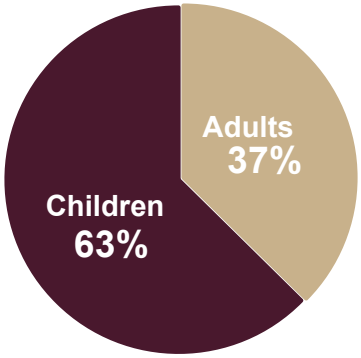
The two recent recessions drove a substantial number of families to seek support from Maryland's Temporary Cash Assistance (TCA) program, including many who had never sought cash assistance previously. This first chapter provides an overview of the characteristics of families who left the program between July 2012—as the economy was recovering from the Great Recession—and December 2021, the latter part of the pandemic. Information in this chapter includes descriptions of recipients on exiting cases, the demographic profile of adult recipients, and families' histories with the TCA program. Examining characteristics of exiting families within the time frame of this report can provide stakeholders with important information about TCA leavers as they navigate both strong and weak economies.

Recipients on Exiting Cases

The purpose of Maryland's TCA program is to aid families with children by providing adult caretakers with services that support their family's self-sufficiency (DHS, n.d.-b.). Since many of DHS's services focus on adults, this report also focuses on adult recipients. However, it is important to note that the program serves mostly children. As Figure 2 shows, slightly less than two in three (63%) recipients on exiting cases were children and just over one in three (37%) were adults.

Exiting families had a variety of compositions. In terms of recipient children, most exiting TCA families had between one (51%) and two (26%) children per case (Table 1). About one in five (19%) families were larger families—consisting of three or more children. Although uncommon, there were also cases (5%) that did not include any children. These cases were instances in which the head of the household was pregnant or there were other unique circumstances, such as subsidized adoption.

Figure 2 . Recipients on Exiting Cases
July 2012 through December 2021
(n=35,258 cases)



Most (74%) cases had one adult recipient and a small portion (7%) of exiting cases had two or more adult recipients (Table 1). Prior examination of families receiving TCA showed that the percentage of TCA families with two adult recipients increased over the past two years (Passarella & Smith 2021; Smith and Passarella 2022). The rise in two-parent TCA cases is related to the COVID-19 pandemic which created economic conditions that increased the number of adults in a household without income.

While most exiting cases included at least one adult recipient, adult caretakers do not always receive TCA benefits for themselves. In the study period, an additional one in five (19%) cases were child-only. In child-only cases, an adult (i.e., a family member or an ineligible parent) is caring for the child, but the adult does not meet eligibility requirements so only the child receives benefits.

Table 1. Recipients per Exiting Case

July 2012 through December 2021
(n=35,258 cases)

	Percent	Count
Total Number of Recipients		
1 recipient	17%	6,136
2 recipients	40%	14,134
3 recipients	23%	8,189
4 or more recipients	19%	6,782
Number of Child Recipients		
No children	5%	1,804
1 child	51%	17,858
2 children	26%	9,032
3 or more children	19%	6,561
Number of Adult Recipients		
No adults	19%	6,690
1 adult	74%	26,237
2 adults	7%	2,322

Note: Cases with no children typically include a pregnant head-of-household; otherwise, the child on the case receives disability, subsidized adoption, or foster care payments. Percentages might not add to 100% due to rounding. Valid percentages reported.

Many of the children on exiting cases were young. This means obtaining child care for kids too young to attend school is a critical component for adult recipients to reenter the workforce (Shwe, 2021a). Between July 2012 and December 2021, the average age of the youngest child on an exiting case was six years. However, nearly half (45%) of families had a child who was five years or younger.

The annual cost of child care varies by jurisdiction, but Maryland has some of the highest child care costs in the country (Economic Policy Institute, 2020). The average yearly cost of child care for a single four-year old child in the state is $10,254 (Economic Policy Institute, 2020). Depending on a family's jurisdiction, child care costs are between 17% to 33% of median household income (Maryland Family Network, 2020). Unfortunately for TCA leavers, the pandemic additionally complicated issues of child care for low-income families, with centers closing or experiencing difficulties finding employees even throughout 2022 (Bhattarai & Fowers, 2022; Lurye, 2022; Wallace, 2022).

THE AVERAGE AGE OF THE YOUNGEST CHILD ON EXITING CASES WAS SIX YEARS, THOUGH 45% HAD A CHILD ON THE CASE WHO WAS FIVE YEARS OR YOUNGER.

One important resource to help TCA leavers obtain necessary child care is the Maryland Child Care Scholarship (CCS) program. This program is part of a larger federal and state partnership that provides child care assistance to low-income families so they can work or attend education or training activities (Division of Early Childhood, n.d.-b.). Scholarships are awarded based on priority: current TCA families have the highest priority. In federal fiscal year (FFY) 2019, this resource helped over 11,000 low-income families in Maryland work or pursue education and training options (Office of Child Care, 2021).

Since the start of the pandemic, Maryland has taken steps to improve the CCS program. First, the Maryland Department of Education used funds from the federal American Rescue Plan Act of 2021 to award Child Care Stabilization grants to eligible facilities (Division of Early Childhood, n.d. -a). These grants provided child care facilities with additional money to address personnel and other costs throughout 2021 (Division of Early Childhood, 2021). Second, in the 2022 legislative session, Maryland adopted a package of legislation that will improve the CCS program. Beginning in SFY 2024, House Bill 995 will expedite families' approvals, providing presumptive eligibility so families do not have to wait weeks for their approvals (Annie E. Casey Foundation, 2022; HB 995, 2022). Such efforts to improve child care availability and efficiency in the wake of the pandemic, especially for TCA families, will be critical since child care considerations impact caretakers' abilities to find and maintain employment (Meyer & Pavetti, 2021; Bhattarai & Fowers, 2022; Wallace, 2022).

Demographics of Adult Recipients

Previous *Life after Welfare* reports have demonstrated that the composition of TCA leavers can change over time with economic shifts (Hall & Passarella, 2021; McColl & Passarella, 2019). Understanding characteristics of adult leavers provides information about who is exiting the program during different economic periods. To that end, Table 2 explores the demographic characteristics of adult recipients who exited the TCA program during the study period and compares leavers by cohort.

As Table 2 shows, those who exited the TCA program during the great recession recovery and the economic stability periods had largely similar characteristics. For example, 88% of leavers in both cohorts were female. Leavers in these cohorts were also equally likely to be Black (69%) and nearly seven in 10 (68%) recipients were between the ages of 20 and 35 years old. The same percentage (76%) of recipients in both cohorts were also never married. While leavers in the economic stability cohort were a bit more likely to have completed higher levels of education, roughly three in four leavers in each cohort (73% vs. 77%) graduated high school or had some post-secondary education.

Table 2. Demographics of Adult Recipients on Exiting Cases

	Great Recession Recovery *7/2012 to 6/2016 (n=16,882)*	Economic Stability *7/2016 to 3/2020 (n=10,242)*	Pandemic *4/2020 to 12/2021 (n=3,927)*	Total Sample *7/2012 to 12/2021 (n=31,052)*
Gender* **				
Female	88%	88%	83%	87%
Male	12%	12%	17%	13%
Race/Ethnicity* **				
Black^	69%	69%	58%	68%
White^	25%	24%	30%	25%
Hispanic/Latinx	3%	4%	7%	4%
Other^	3%	3%	5%	3%
Marital Status* **				
Never married	76%	76%	68%	75%
Married	12%	12%	18%	12%
Previously married+	12%	12%	15%	12%
Age* **				
Under 20	2%	2%	1%	2%
20-25	27%	23%	18%	25%
26-30	23%	25%	21%	23%
31-35	18%	20%	19%	19%
36 & older	29%	31%	41%	31%
Average*** [Median]	32 [30]	33 [31]	34 [33]	33 [31]
Highest Educational Attainment* **				
No high school diploma	27%	23%	17%	24%
Completed high school#	64%	65%	65%	66%
Education after high school	9%	12%	18%	11%

Note: ^Non-Hispanic/Latinx. +Previously married includes individuals who are divorced, separated, or widowed. #General Education Development Program (GED) certificates are included in high school completion rates. Education after high school can include college, vocational education, or job training. Percentages may not add to 100% due to rounding. Valid percentages reported. *p<.05, **p<.01, ***p<.001

The pandemic, however, brought many new and different families onto the TCA program (Passarella & Smith, 2021; Smith & Passarella, 2022). As a result, the characteristics of TCA leavers also changed compared to previous cohorts of leavers. For example, pandemic leavers were less likely to be female (83% vs. 88%) and more likely to be married or previously married (33% vs. 24%) compared to the economic stability cohort. The ethnic and racial composition of the exiting caseload also changed: pandemic leavers were less likely to be Black (58% vs. 69%) and more likely to be White (30% vs. 24%), Hispanic/Latinx (7% vs. 4%), or another race (5% vs. 3%) when compared to the economic recovery cohort. In fact, between the great recession recovery and pandemic cohorts, the percentage of leavers who identified as Hispanic/Latinx (4% to 7%) or another race (3% to 5%) roughly doubled.

Adult recipients leaving TCA in the pandemic cohort were also older. In the great recession recovery cohort, more than one quarter (29%) of leavers were 36 years of age or older. This increased in the economic stability cohort (31%), and again in the pandemic cohort (41%). Across cohorts, the median age also increased from 30 to 33.

Leavers' educational attainment also increased. While the percentage of adults with *only* a high school diploma remained stable across cohorts (nearly two thirds of leavers), the percentage who had additional education after high school doubled from 9% in the great recession recovery cohort to 18% in the pandemic cohort. Unlike many of the other demographic changes, however, the increase in educational attainment began prior to the pandemic (Hall & Passarella, 2020; McColl & Passarella, 2019; Passarella & Smith, 2021; Smith & Passarella, 2022). Despite some changes over time for gender, race and ethnicity, marital status, age, and education, it is important to remember that single women, many of whom are women of color, are the group most likely to utilize TCA (Smith & Passarella, 2022). Importantly, as demonstrated in Table 2, this remains true regardless of whether the economy is strong (such as during the economic stability period) or facing a crisis (such as the COVID-19 pandemic).

Residence of Families on Exiting Cases

Over the last decade, Maryland's population grew by 13% (U.S. Census Bureau, 2021). The state also became the most demographically diverse state along the east coast following the 2020 census (U.S. Census Bureau, 2021). In addition to the state's demographic diversity, Maryland is also geographically diverse. The central region of the state is heavily populated along the I-95 corridor, which includes Baltimore City and the suburbs of the District of Columbia (D.C.), with more rural areas in the west of the state, and coastal communities on the state's eastern shore. The demographic and geographic diversity makes Maryland unique. It also emphasizes the importance of understanding the regions in which exiting families live. For example, industries, unemployment rates, and access to resources, like transportation, differ between areas. As a result, location provides important context for an adult's ability to earn, the industries in which they can likely find employment, and the services available to help them find and sustain employment (e.g., child care).

Table 3 displays the residence of families who exited the TCA program over the entire study period (July 2012 to December 2021) and by cohort. The table shows the distribution of residence amongst the five largest jurisdictions, which include: Anne Arundel County, Baltimore City, Baltimore County, Montgomery County, and Prince George's County. These jurisdictions are shown individually since they are home to two thirds (65%) of the state's population and subsequently comprise the majority (72%) of the state's TCA caseload (Smith & Passarella, 2022; U.S. Census Bureau, n.d.). The remaining jurisdictions are grouped into regions since they make up much smaller shares of the state's population and TCA caseload.

Among the five largest jurisdictions, Baltimore City had the largest share (33%) of TCA leavers. This makes sense given that Baltimore City consistently has the highest share of the

state's active TCA caseload (Passarella & Smith, 2021; Smith & Passarella, 2022). Baltimore County and Prince George's County had the second and third highest shares of TCA leavers, respectively (13% and 11%), followed by Anne Arundel County (7%) and Montgomery County (6%). For the remaining regions, the percentage of statewide leavers ranged from 8% in the Metro region to 4% in the Lower Shore.

By cohort, the proportion of statewide leavers for each area was similar for the great recession recovery and the economic stability cohorts. However, there were shifts in the proportion of leavers from each region during the pandemic. The largest shift was in Baltimore City, which had 34% of statewide leavers in the economic stability cohort but only 19% of leavers in the pandemic cohort. The decrease in Baltimore City and the increases elsewhere are not overly surprising. Baltimore City has experienced a decreasing percentage of active TCA cases and of statewide leavers for several years (Passarella & Nicoli, 2017; Hall & Passarella, 2021; Smith & Passarella, 2022).

Almost all other regions experienced increases in their share of leavers.[5] The Metro region (8% to 11%), Anne Arundel County (7% to 9%), Prince George's County (10% to 15%), and Montgomery County (6% to 10%) experienced the largest increases in their shares of leavers. Less populated regions, such as the Southern Maryland Region, had smaller increases (5% to 6%).

Table 3. Residence of Exiting Families***

	Great Recession Recovery *7/2012 to 6/2016 (n=18,978)*	Economic Stability *7/2016 to 3/2020 (n=12,086)*	Pandemic *4/2020 to 12/2021 (n=4,195)*	Total Sample *7/2012 to 12/2021 (n=35,258)*
Baltimore City	35%	34%	19%	33%
Baltimore County	13%	13%	14%	13%
Prince George's County	11%	10%	15%	11%
Metro MD Region Carroll, Harford, Howard, & Frederick Counties	8%	8%	11%	8%
Anne Arundel County	7%	7%	9%	7%
Montgomery County	6%	6%	10%	6%
Western MD Region Garrett, Allegany, & Washington Counties	5%	7%	6%	6%
Southern MD Region Calvert, Charles, & St. Mary's Counties	5%	5%	6%	5%
Upper Shore Region Cecil, Kent, Queen Anne's, Caroline, Talbot, & Dorchester Counties	6%	5%	6%	5%
Lower Shore Region Worcester, Wicomico, & Somerset Counties	4%	4%	5%	4%

Note: Percentages may not add to 100% due to rounding. *p<.05, **p<.01, ***p<.001.

[5] The Western Maryland region was the only other region in the sample to experience a decrease in its share of leavers after the start of the pandemic (decreasing from 7% to 6%).

Previous TCA Receipt

The TCA program is for families to use temporarily and as needed. Examining patterns of receipt for those leaving provides information about how often and how long families interact with the program. Table 4 shows characteristics of previous TCA receipt as well as patterns of prior receipt for each cohort.

The first analysis in Table 4 examines the percentage of leavers exiting their first TCA spell.[6] In total, three in 10 (30%) recipients ended their first TCA spell upon exit. This percentage was similar for the great recession recovery (26%) and economic stability (27%) cohorts. However, the percentage of families exiting their first TCA spell in the pandemic cohort was much higher, with over half (52%) of leavers ending their first TCA spell. Given the influx of new families during the beginning of the pandemic (Smith & Passarella, 2022), it is not surprising that the percentage of families ending their first TCA spell was highest in the pandemic cohort.

The next analysis examines consecutive months of TCA receipt. Most families in the study period utilized TCA resources for short periods of time, emphasizing the *temporary* aspect of the program. As Table 4 shows, four in five (79%) families utilized TCA for one year or less before exiting and an additional one in 10 (11%) had between one and two years of consecutive receipt before their exits. Longer-term receipt was rare, with only 9% of families having 25 months or more of consecutive receipt. The propensity of families to only utilize TCA for brief periods is also reflected by the median length of consecutive receipt, which was six months.

Patterns of consecutive receipt were similar for the great recession recovery and economic stability cohorts. Unsurprisingly, the nature of the COVID-19 crisis impacted patterns of consecutive receipt for the pandemic cohort. Notably, families in the pandemic cohort had longer periods of consecutive receipt: 70% of families had 12 or fewer months of consecutive receipt, which was nine percentage points lower than the economic stability cohort (79%) and 12 percentage points lower than the great recession recovery cohort (82%). Comparatively, one in six (18%) pandemic families had 13 to 24 consecutive months of TCA benefits, which was roughly seven percentage points higher than both the economic stability and great recession recovery cohorts (10% and 11%, respectively). Median months of consecutive receipt also increased from six months in the economic stability and great recession recovery cohorts to nine months in the pandemic cohort.

These findings indicate that more families in the pandemic cohort utilized TCA consecutively for *more than* one year instead of *less than* one year like in previous cohorts. There are a few reasons for this. For one, the economic impact of the pandemic caused many to lose jobs; the industries hardest hit and slowest to recover were industries in which TCA recipients often work, such as leisure, hospitality, and education (U.S. Department of Labor, 2022). Second, the majority of TCA recipients are women (Smith & Passarella, 2022). Women during the pandemic disproportionately left the workforce to care for children (Huz et al., 2021; Kennedy, 2021; U.S. Department of Labor, 2022). These two factors likely drove families onto TCA initially and delayed their exits from the program. Third, Maryland implemented automatic redeterminations for TCA eligibility and waived work requirements to better support families during the COVID-19 crisis (DHS, 2020a; 2020b; 2020c; 2021a). Consequently, families were able to stay in the program continuously, which, as a result, increased months of receipt.

[6] A TCA spell refers to a period of consecutive months of program receipt. Families can have more than one spell of consecutive months of receipt.

Table 4. Previous TCA Receipt

	Great Recession Recovery *7/2012 to 6/2016* *(n=18,978)*	Economic Stability *7/2016 to 3/2020* *(n=12,086)*	Pandemic *4/2020 to 12/2021* *(n=4,195)*	Total Sample *7/2012 to 12/2021* *(n=35,258)*
First TCA Spell* **				
Exit ends first spell	26%	27%	52%	30%
TCA Spell				
Consecutive Months* **				
12 months or fewer	82%	79%	70%	79%
13 to 24 months	10%	11%	18%	11%
25 to 36 months	3%	4%	4%	3%
37 to 48 months	2%	2%	2%	2%
49 to 60 months	1%	1%	1%	1%
More than 60 months	2%	3%	4%	3%
Average*** [Median]	10 [6]	12 [6]	14 [9]	11 [6]
5 Years before Exit				
Cumulative Months* **				
12 months or fewer	50%	54%	67%	53%
13 to 24 months	21%	18%	15%	20%
25 to 36 months	12%	10%	5%	10%
37 to 48 months	7%	6%	3%	6%
49 to 60 months	10%	12%	10%	11%
Average*** [Median]	19 [13]	19 [11]	14 [8]	18 [11]

Note: The TCA spell is calculated as the difference (in months) between the exit month and the month of the most recent TCA application for all recipient adults. If any adult recipient on the exiting case has prior TCA receipt the case is not coded as a case ending a first spell. *p<.05, **p<.01, ***p<.001.

The final analysis in Table 4 shows patterns of cumulative receipt over the past five years. In total, half (53%) of all TCA leavers had 12 or fewer months of cumulative receipt and an additional one in five (20%) had between 13 and 24 months of cumulative receipt. Median receipt, which was 11 months, also reflects the fact that most families only had up to two years of cumulative program receipt during the previous five years.

Like *consecutive* months of receipt, *cumulative* months of receipt differed for the pandemic cohort compared to the great recession recovery and economic stability cohorts. Table 4 shows that the pandemic cohort had *fewer* months of *cumulative receipt* compared to the other cohorts. The percentage of leavers with 12 or fewer months of cumulative participation was 67% in the pandemic cohort compared to 50% in the great recession recovery and 54% in the economic stability cohorts. This means a higher percentage of participants in the pandemic cohort had 12 or fewer months of total TCA participation in the last five years. This is also emphasized by the finding that only 15% of families in the pandemic cohort had between 13 and 24 months of cumulative receipt, which is six percentage points lower than families in the great recession recovery cohort (21%) and three percentage points lower than families in the economic stability cohort (18%). Median receipt, which also corroborates this finding, was only eight months in the pandemic cohort but 13 months in the great recession recovery and 11 months for the economic stability cohort.

Although the *increase* in consecutive months of receipt and *decrease* in cumulative months of receipt for the pandemic cohort might seem contrary, the findings fit within the context of pandemic policy. Automatic redeterminations during the pandemic and in its aftermath allowed families to stay on the TCA program in ways they could not in the prior cohorts, which increased the months of consecutive receipt for this cohort of leavers. Table 4 also shows that many families were ending their very first TCA spell in the pandemic cohort compared to the other cohorts. These families had no history of prior receipt, so their exits from the program during the pandemic period meant that even if new leavers received more consecutive months of benefits, the overall cumulative months of receipt for these families was relatively low.

Case Closure Reasons

Families exit TCA for a variety of reasons, including voluntary exits, having income over the program threshold—which might be related to work or child support—as well as administrative reasons such as not complying with necessary paperwork or work requirements. Table 5 shows the most common reasons families exited the TCA program during the study period and by cohort.

Over the study period, the most common reason families left the TCA program was due to having income above the program limit (25%). When cases close due to income above the limit, it may be due to sources of earned income from employment or sources of unearned income such as child support or unemployment insurance. The second most common reason families exited the program was due to noncompliance with the work requirement (24%). As a condition of TCA receipt, adult recipients who are work-eligible must participate in a work-related activity. Failure to comply with this requirement can result in case closure. The third most common reason families left TCA was because they did not maintain their eligibility (18%). Eligibility is not maintained if a family does not submit required documents that demonstrate a continued need to be in the program.

Closure reasons varied across cohorts. The largest difference was for cases that closed due to noncompliance with the work requirement, which greatly decreased over time. As shown in Table 5, 30% of families in the great recession recovery cohort left due to noncompliance with the work requirement. This percentage decreased by seven percentage points (23%) in the economic stability cohort and decreased further to 2% of families in the pandemic cohort.

This large change, however, is not without cause. For one, the percentage of cases that closed due to noncompliance with work requirements has been generally decreasing since the great recession recovery period started (McColl & Passarella, 2019; Hall & Passarella, 2020; Hall & Passarella, 2021). Secondly, during the pandemic, the state suspended required work-related activities for those who had good cause (e.g., needing to take care of a child) (DHS 2020a; 2020c; 2020d). The good cause exemption meant very few families needed to engage in work-related activities during the pandemic, therefore there were fewer exits during the pandemic period for failure to comply with work requirements. This exemption expired January 2022 (DHS, 2021b). However, even with the expired exemption, it is likely that the percentage of cases that closed due to noncompliance with the work requirement will remain low. Beginning in January 2022, Maryland ended full-family sanctions for failure to comply with work requirements. Instead, case managers must provide families a 30-day conciliation period for each instance of noncompliance to address barriers to participation. If an adult recipient still does not comply, case managers reduce the adult's portion of the TCA benefit by 30% (DHS, 2021b).

The second largest difference was for cases that closed due to income above the TCA limit. In the great recession recovery cohort, 22% of cases closed due to income above the eligibility threshold. This percentage increased to 24% during the economic stability period and spiked to 42% in the pandemic cohort. One reason for this increase was pandemic-related policy changes. During the pandemic, the federal

government expanded states' abilities to provide UI benefits to those who lost jobs not typically covered by UI (U.S. Department of Labor, n.d.). Benefit amounts were also increased and those out of work could receive an additional 13 weeks of UI benefits. In fact, between April and December 2020, 17% of TCA cases closed because UI benefits pushed families over the TCA limit (Hall & Passarella, 2021). Provisions for these temporary federal pandemic UI programs ended in September 2021 (CBPP, 2022c). Additionally, this spike in closures due to income above the eligibility limit is related to the decrease in cases that closed for noncompliance with the work requirement.

Similarly, the percentage of cases that closed due to a family's failure to maintain eligibility also changed between cohorts—albeit with less difference. Families fail to maintain eligibility when program requirements are not followed, including submitting necessary paperwork. In the great recession recovery cohort, 17% of case closures were due to not maintaining eligibility. That increased to 20% during the economic stability cohort but then fell sharply to 13% of case closures in the pandemic cohort. Most likely, this change is also related to the automatic redeterminations instituted during the pandemic. During the period of automatic redeterminations, families did not have to submit documents showing continued need to maintain their TCA benefits (DHS, 2020a; 2020b; 2020c; 2021a).

While the top three closure reasons account for two thirds (67%) of case closures, there are several other reasons families may exit the program. As Table 5 shows, 11% of families who left the program became ineligible, 8% left because they did not reapply for benefits at redetermination, 6% of leavers requested their case closure, 5% did not cooperate with the child support requirements of the TCA program,[7] and 4% exited the program due to other reasons. These case closure rates were similar across all three cohorts, with a couple of exceptions. Between the economic stability and pandemic cohorts, there was a four percentage point increase (11% to 15%) in cases that closed because the family became ineligible. Additionally, for cases that closed because the family did not reapply, there was a three percentage point increase (7% to 10%) between the economic stability and pandemic cohorts.

Table 5. Case Closure Reasons***

	Great Recession Recovery *7/2012 to 6/2016 (n=18,978)*	Economic Stability *7/2016 to 3/2020 (n=12,086)*	Pandemic *4/2020 to 12/2021 (n=4,195)*	Total Sample *7/2012 to 12/2021 (n=35,258)*
Income above limit	22%	24%	42%	25%
Noncompliance with the work requirement	30%	23%	2%	24%
Did not maintain eligibility	17%	20%	13%	18%
Ineligible	10%	11%	15%	11%
Did not reapply	8%	7%	10%	8%
Customer requested closure	6%	6%	6%	6%
Noncooperation with child support	4%	6%	7%	5%
All other closing codes	3%	3%	6%	4%

Note: Percentages may not add to 100% due to rounding. *p<.05, **p<.01, ***p<.001.

[7] Maryland also ended full-family sanctions for families who do not cooperate with child support requirements in December 2021. If an adult does not comply with the child support process, there is a 30-day conciliation period to come into compliance. If the adult does not come into compliance within the 30 days, the total grant amount is reduced by 25% (DHS, 2021b).

EMPLOYMENT

Work requirements have been a component of the federal TANF (Temporary Assistance for Needy Families) program since its inception. To that end, Maryland engages adult recipients in work-related activities, such as finding paid employment, education, or training while they receive cash assistance benefits. The goal of these activities is to help families pave paths to self-sufficiency (DHS, n.d.-b.), thereby making permanent exits from the program. However, two decades of research on exiting TCA families suggests that some recipients do not attain self-sufficiency after leaving the program.[8] This was especially true during the Great Recession (McColl & Passarella, 2019), and preliminary evidence suggests it is true for the most recent pandemic-induced recession and recovery (Hall & Passarella, 2021).[9]

The purpose of this chapter is to provide additional evidence on adult recipients' employment and earnings after leaving TCA. Specifically, it explores employment, earnings, and the industries in which recipients work. Similar to the previous chapter, this chapter contrasts adults who left during the recent pandemic recession with adults who left during the periods of economic recovery and stability that followed the Great Recession.

Notes for Employment Analyses

These analyses include adult recipients' employment that is covered by UI in the State of Maryland. Please refer to the methods chapter for more details.

Median earnings represent the middle point that divides the income distribution of employed adult recipients into halves. One half of the distribution has earnings at or below the middle point, and the other half has earnings at or above that point. All earnings have been standardized to 2021 dollars.

To our knowledge, this chapter is the first-ever comparison of employment outcomes among cash assistance recipients who left during the last two economic recoveries.

Employment and Earnings before and after Exit

Consistent with previous *Life after Welfare* updates, Figure 3 shows that more than half (54%) of adult recipients worked in the year prior to their TCA spells. Across cohorts, recipients' engagement with employment prior to entering TCA increased. Over the 10 years covered by this sample, pre-TCA employment increased by 10 percentage points. Approximately half (51%) of adult recipients in the great recession recovery cohort were employed prior to entry compared to three fifths (61%) of adults in the pandemic cohort.

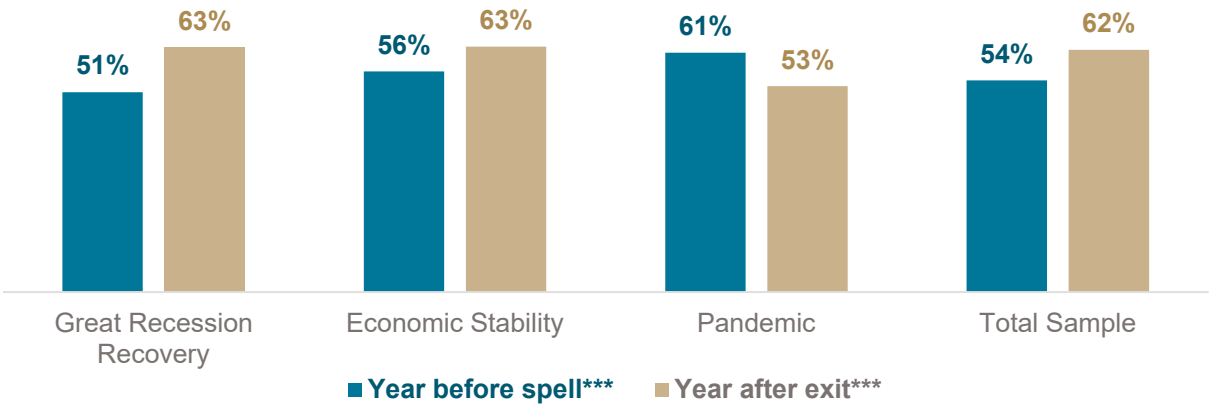
Figure 3 also provides the percentage of adult recipients who were employed in the year after their exits from TCA. In general, the percentage of adult recipients who were employed in the year after exit was higher than the percentage who were employed in the year before their TCA receipt. For the total sample, there was an increase of eight percentage points (54% to 62%). More than three in five (63%) adults in the great recession recovery cohort were employed in the first year after exit, a difference of 12 percentage points from their pre-TCA employment. More than three in five (63%) adults in the economic stability cohort were also employed in the year after exit, an increase of seven percentage points.

The pandemic cohort is an exception to the pre-TCA to post-TCA employment pattern typically shown in the *Life after Welfare* updates. As Figure 3 shows, only about half (53%) of adults in the pandemic cohort were employed in the year following their exits from TCA. This was a

[8] *Life after Welfare* annual reports are available at: https://www.ssw.umaryland.edu/familywelfare/safety-net-research/life-after-welfare-series/.

[9] The National Bureau of Economic Research (NBER) classified the short but severe economic decline in early 2020 as an economic recession (NBER, 2021).

Figure 3. Annual Percentage of Adult Recipients Employed in Maryland
Year before TCA Spell and Year after Exit



Note: *Year after exit* data exclude leavers in the pandemic cohort who exited TCA after December 2020 because they did not have one year of follow-up data at the time the data were retrieved. Counts are not shown because they differ between the *Year before TCA spell* and the *Year after exit* due to sample exclusions detailed in the methods chapter. Valid percentages reported. *p<.05, **p<.01, ***p<.001.

decrease of eight percentage points from their pre-spell employment. This finding is consistent with an earlier finding provided in the 2021 *Life after Welfare* update, which examined only the first *quarter* after exit for some pandemic leavers (Hall & Passarella, 2021). This finding—an overall decrease in pre-spell to post-exit employment during the pandemic—is a first for the TCA program. Even adult recipients who left TCA during the Great Recession had small gains in employment (Passarella et al., 2016).[10]

Recipients in the *great recession recovery* and *economic stability* cohorts experienced **employment gains** between the year before entry and the year after exit. This was **not true** for the *pandemic* cohort.

Additional context clarifies this unique employment finding. In this report, employment data extend through December 2021, which means one full year of follow-up employment data was available for only part of the pandemic cohort. Specifically, only those who left the TCA program between April and December 2020 had one year of follow-up. The first year of follow-up for these leavers, then, extends through the employment and child care challenges that persisted throughout 2021. In general, working women and low-income parents (Kennedy, 2021; Bhattarai & Fowers, 2022)—the primary recipients of the TCA program—continued to struggle with securing child care throughout 2021. When parents could not find adequate child care, they were unable to maintain steady employment and lost pay, a corollary of the pandemic's disproportionate impact on low-income families (Bhattarai & Fowers, 2022). In Maryland, specifically, accessing child care was difficult even throughout 2021 as providers across the state faced increased expenses and staff shortages; moreover, in less than two years, hundreds of child care providers in Maryland permanently closed (Shwe, 2021b).

[10] Some *Life after Welfare* reports released prior to 2016 show that employment was less common after exiting TCA. However, those employment analyses are not comparable to analyses in this chapter. Prior to 2016, employment analyses in the annual updates included other adults on the TCA case who were not recipients, such as a grandmother caring for her grandchild. From 2016 forward, employment analyses only examined adult recipients. The 2016 update provides a comparable analysis (Passarella et al., 2016).

Throughout 2021, women continued to experience employment disruptions (U.S. Department of Labor, 2022). Although the economy began to rebound relatively quickly, some industries (e.g., retail, hospitality) were still experiencing the effects of the pandemic through the end of 2021 (Barr et al., 2021) and women's employment remained below pre-pandemic levels (CBPP, 2022e). Given the child care and employment context of 2020 and 2021, the change in typical employment patterns for pandemic TCA leavers is less surprising.

Despite these findings, there are early signs of a rebound in employment among TCA leavers. Additional analyses that this report does not show examined the percentage of TCA leavers who were employed in the *quarter* before receipt and the *quarter* after exit (rather than the *year* before and the *year* after). These analyses show that recipients who left in 2020 experienced a decline in quarterly employment from pre-TCA to post-exit. However, recipients who left in 2021 experienced an *increase* in quarterly employment from pre-TCA to post-exit. This suggests that recipients who left earlier in the pandemic had a harder time securing employment than recipients who left later, which aligns with the recovery throughout 2021 and 2022.

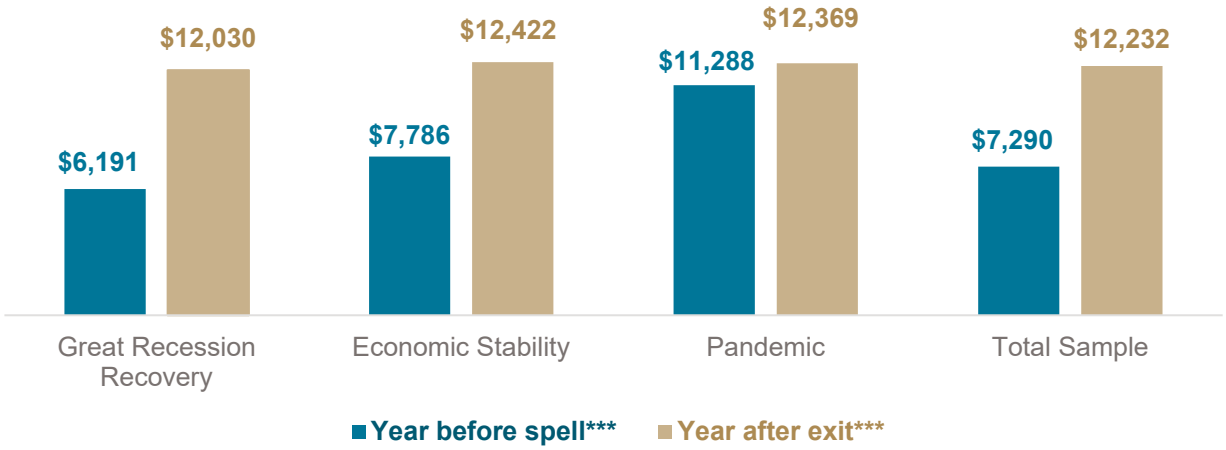
In addition to employment, this section explores the median earnings for adult recipients who were employed before TCA entry and after TCA exit. *Life after Welfare* findings consistently show that the typical TCA recipient has higher median earnings in the years following their exits compared to their median earnings prior to their TCA spells. Figure 4 provides this analysis for the three cohorts in this report. As shown, for the entire sample, median earnings increased by 68%, or nearly $5,000 ($7,290 to $12,232) between pre-TCA spell and post-TCA exit.

Earnings varied widely by cohort, however. Recipients in the great recession recovery and economic stability cohorts had the largest gains in median earnings (+$5,839 and +$4,636, respectively). Pandemic recipients, on the other hand, experienced a smaller gain in median earnings (+$1,081). Despite smaller earnings gains, the pandemic cohort had the highest median earnings across all three cohorts for the pre-spell period, while median earnings post-exit were on par with those of the economic stability cohort. The higher earnings prior to the TCA spell are especially noteworthy, given that a higher starting point contributes to the smaller increase in median earnings.

It is important to contextualize the pandemic cohort's higher earnings and smaller earnings gains. This report categorizes recipients by when they exited TCA, although the majority of the adults in the pandemic cohort also entered TCA in or after March 2020.[11] In other words, the pandemic cohort in this report largely represents recipients who both began and stopped receiving TCA between March 2020 and December 2021. This is important context because many of the recipients who began receiving TCA during the pandemic were new recipients who were strikingly different from recipients in prior years. For example, pandemic recipients who were new to TCA had higher levels of educational attainment, were more likely to have prior employment, and had substantially higher pre-TCA earnings compared to new recipients in earlier years (Hall, 2021b; Passarella & Smith, 2021). These characteristics help explain the higher-than-typical earnings for this cohort and the smaller increase in earnings between pre-TCA and post-exit.

[11] Analysis not shown.

Figure 4. Median Annual Earnings among Employed Adult Recipients
Year before TCA Spell and Year after Exit



Note: *Year after exit* data exclude leavers in the pandemic cohort who exited TCA after December 2020 because they did not have one year of follow-up data at the time the data were retrieved. Figure includes only adult recipients who were employed in and had earnings in Maryland. Earnings are standardized to 2021 dollars. Counts are not shown because they differ between the *Year before TCA spell* and the *Year after exit* due to sample exclusions detailed in the methods chapter. Valid percentages reported. *p<.05, **p<.01, ***p<.001.

Annual Employment and Earnings Five Years after Exit

The next two sections of this chapter provide an overview of longer-term employment outcomes by examining annual employment and earnings in the five years after exit. Maryland is unique in examining these data: most states do not systematically and consistently examine longer-term outcomes for cash assistance recipients after their exits. In fact, in a recent meta-analysis of TANF leavers, Safawi and Pavetti (2020) found that Maryland was one of only two states to examine longer-term employment outcomes.

As shown in Figure 5, most adult recipients were employed in the years following their exits from TCA. In the first year after exit, *more* than three in five (62%) adults were employed. By the fifth year after exit, *fewer* than three in five (56%) adults were employed, a decline of six percentage points. These results—decreasing engagement with employment over time—are consistent with results in at least one other state (NSPARC, n.d.) and previous *Life after Welfare* studies.

There are a few reasons why employment engagement may decrease over time. First, Figure 5 includes former recipients who returned to TCA. As previous *Life after Welfare* studies show, between 30% and 40% of recipients who leave TCA return to the program for additional receipt within five years after exiting (McColl & Passarella, 2019; Hall & Passarella, 2020). Given that both employment instability (Nicoli, 2015) and poverty cycling (Wood et al., 2008) are common among recipients, returns to the program are expected.

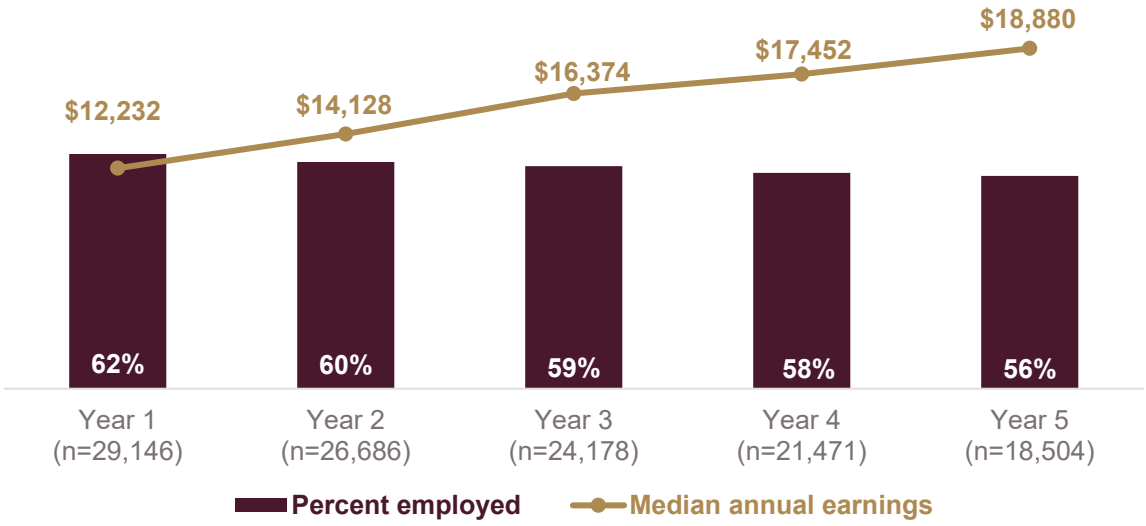
Second, Figure 5 includes adults who worked for an employer not captured in the data due to out-of-state employment, contract work, or informal work. Given that Maryland borders four states and the District of Columbia, out-of-state employment is common in certain jurisdictions, as discussed in the *Methods* chapter. When excluding jurisdictions with the highest out-of-state employment rates, the percentage of TCA leavers employed was higher by as much as three percentage points in the years following

exit.[12] The findings in this report, then, suggest that the employment percentages are a *minimum* level of employment among TCA leavers.

Figure 5 also provides the median earnings for employed adult recipients over the five-year follow-up period. Consistent with previous updates, median earnings increased over time. In the first year after exit, median annual earnings were $12,232. Over time, earnings increased, and by the fifth year after exit, recipients earned a median of $18,880 annually, an increase of 54% over the five-year period. This increase over time parallels earnings gains for TANF leavers documented in other states that have published post-exit earnings (Economic Services Administration, 2022; NSPARC, n.d.).

Despite increases, earnings were still substantially low. In 2021, the Federal Poverty Level (FPL) for a family of three was $21,960 (Office of the Assistant Secretary for Planning and Evaluation, 2021), approximately $3,000 higher than the median earnings for leavers five years after exit. Low earnings after exit are common for TANF leavers, as evidenced by recurring Maryland findings and results from other states (Brooks et al., 2018; Safawi & Pavetti, 2020; Economic Services Administration, 2022). Systemically low earnings are not unique to TANF recipients, though. Recent evidence suggests that three in five low-wage workers remain in low-wage work over a 10-year period, and the longer they are "stuck" in low-wage work, the smaller their chances of upward mobility become (Escobari et al., 2021). Increasingly, low-wage workers are turning to gig work and free-lance opportunities as new sources of income. While this type of work might have certain benefits for low-wage workers, such as setting their own schedules, studies have found that non-standard employment does not necessarily increase families' material security (Karpman et al., 2022).

Figure 5. Adult Recipients' Annual Employment and Median Earnings after Exit



Note: Each year of employment data excludes adult recipients who do not have the corresponding amount of follow-up data. Earnings are shown only for adult recipients employed in the respective year. Earnings are standardized to 2021 dollars. Refer to the *Methods* chapter for other sample exclusions and for details on data limitations. Valid percentages reported.

[12] Analysis not shown.

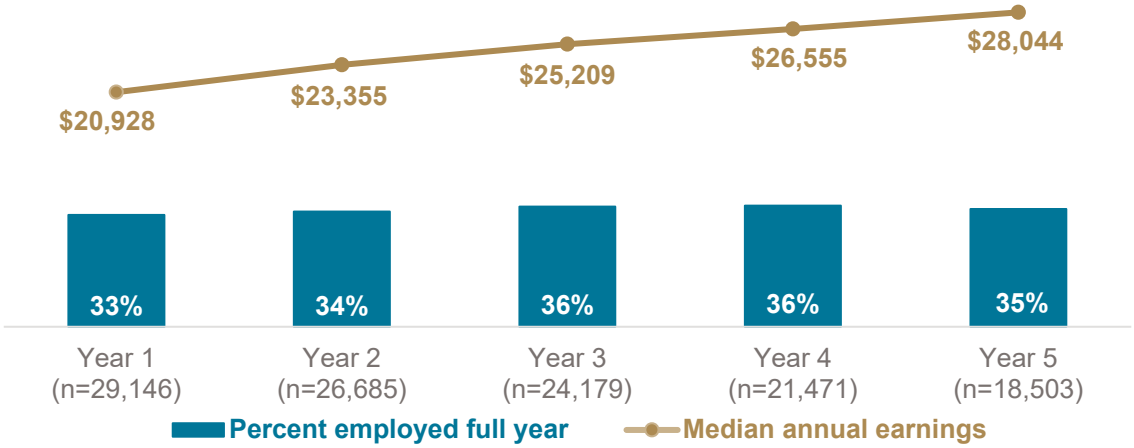
Full-Year Employment and Earnings Five Years after Exit

A recurring finding across TANF studies in multiple states over the years has been that leavers have a tenuous relationship with employment after leaving. While most leavers work, they are not consistently employed (Safawi & Pavetti, 2020). This is true in Maryland as well. As demonstrated in previous *Life after Welfare* reports, only 30% to 40% of leavers are fully employed (i.e., worked four quarters in a year) in the years following their exits (Hall & Passarella, 2020; Hall & Passarella, 2021).

In general, Figure 6 supports previous findings of full-year employment. Exactly one third (33%) of leavers were fully employed in the first year after exit. This percentage increased slightly in the second (34%) and third (36%) years after exit, before stabilizing. The stabilization in the fourth year after exit and subsequent one percentage point decline in the fifth post-exit year diverge from patterns seen in earlier reports. Typically, full-year employment continually increases over time (Hall & Passarella, 2020; McColl & Passarella, 2019). However, the follow-up period covered by Figure 6 captures the effects of the pandemic on earlier cohorts of leavers. For example, recipients in the sample who left TCA in late 2015 are part of the great recession recovery cohort; their fifth year of follow-up data falls in the middle of 2020, at the height of the pandemic recession. Potentially, this affected their employment. Similarly, the pandemic affected the first through fifth years of follow-up for recipients in the economic stability cohort, depending on when they left the program.

When recipients are fully employed, their earnings are consistently higher. Figure 6 provides the median earnings among fully-employed leavers, and shows earnings were substantially higher than when examining all employed leavers. This is consistent with data from at least one other state (Brooks et al., 2018). In the first year after exit, leavers with full-year employment had median earnings of $20,928, more than $8,000 higher than the earnings of all employed leavers. Over time, earnings increased by 34%, reaching a median of $28,044 in the fifth year after exit. These median earnings were higher than the 2021 FPL for a family of three ($21,960; Office of the Assistant Secretary for Planning and Evaluation, 2021), demonstrating the importance of adults finding stable, regular employment.

Figure 6. Full-Year Employment and Median Annual Earnings after Exit



Note: Full-year employment is defined as employment in each of the four quarters in a given year. Each year of employment data excludes adult recipients who do not have the corresponding amount of follow-up data. Earnings are shown only for adult recipients employed in all four quarters in the respective year. Earnings are standardized to 2021 dollars. Refer to the *Methods* chapter for other sample exclusions and for details on data limitations. Valid percentages reported.

INDUSTRY DESCRIPTIONS

Administrative & Support Services
Organizations that support day-to-day operations—clerical, cleaning, and general management activities—and temporary employment services. ***(NAICS 561)***

Restaurants
Full-service or fast-food restaurants as well as caterers and mobile food services. ***(NAICS 722)***

Nursing Homes
Organizations that provide health and social services such as nursing homes, substance abuse facilities, or residential care for the mentally ill. ***(NAICS 623)***

Outpatient Health Care
Outpatient health care facilities, medical and diagnostic laboratories, and home health care services. ***(NAICS 621)***

General Retail
Department stores and other general merchandise stores. ***(NAICS 452)***

Social Assistance
Organizations that provide social services directly to their clients, including food and housing services as well as child day care services. ***(NAICS 624)***

Food & Beverage Retail
Retail stores that sell food and beverages, such as grocery stores and specialty drink stores. ***(NAICS 445)***

Hospitals
Inpatient health services at general and surgical hospitals, psychiatric and substance abuse hospitals, and specialty hospitals. ***(NAICS 622)***

Education
Instruction or training services such as K-12 schools, community colleges, universities, and training centers. ***(NAICS 611)***

Professional, Scientific, & Technical Services
Establishments where an individual or team is responsible for delivering skilled services to a client. ***(NAICS 541)***

Accommodation & Food Services
Establishments that provide lodging and/or prepare food for immediate consumption. ***(NAICS 721)***

Warehousing and Storage
Facilities that store general merchandise and refrigerated goods and offer logistic services related to the distribution of goods. ***(NAICS 493)***

Industries after Exit

The final section of this chapter examines the industries in which TCA recipients worked after exit. Previous research shows that when TCA recipients secure employment in specific industries such as health care, their median earnings are higher (Nicoli, 2014; Hall & Passarella, 2021). To that end, Table 6 provides the most common industries in which TCA leavers worked in the quarter after their exits from the program, along with their median quarterly earnings.

Across all cohorts, the most frequent industries in which TCA leavers worked after their exits were administrative and support services (18%) and restaurants (13%), a finding that has been consistent since the mid-2000s (Passarella et al., 2016). Together, about one in three (31%) leavers worked in these two industries. An additional one in seven worked in either nursing homes (7%) or outpatient health care (6%) after their exits. Finally, one in 10 leavers was employed in either general retail (6%) or food and beverage retail (4%). Employment in industries such as social assistance (5%), hospitals (4%), education (3%), professional, scientific, and technical services (3%), accommodation and food services (2%), and warehousing and storage (2%) were less common in the first quarter after exit.

As previously mentioned, some industries are associated with higher earnings. Median quarterly earnings for TCA leavers were highest among health care industries such as hospitals ($6,652), outpatient health care ($5,548), and nursing homes ($5,040). Industries with the lowest quarterly earnings include general retail ($2,631), restaurants ($2,843), and food and beverage retail ($3,120). The earnings shown in Table 6 suggest the higher-earning health care industries *may* offer chances for upward mobility, while the lower-earning industries *may not* provide opportunities for upward mobility, consistent with previous research (Escobari et al., 2021).

Table 6 also reveals trends in particular industries. Between the great recession recovery and pandemic cohorts, employment decreased by three percentage points in both the administrative and support services industry (18% to 15%) and in restaurants (14% to 11%), two industries with lower than typical quarterly earnings. Three additional industries experienced a two percentage point decrease over the 10-year period, including nursing homes (8% to 6%), general retail (7% to 5%), and social assistance (5% to 3%). The decline in employment in the nursing home industry is unfortunate given that this industry offers some of the highest earnings. This decline is counteracted, however, by a four percentage point increase (6% to 10%) in outpatient health care employment over the same period, another health care industry with high earnings.

In nearly every industry, employed pandemic leavers earned more than leavers in the other two cohorts. For example, pandemic leavers' median quarterly earnings exceeded those of both the great recession recovery and economic stability leavers in each of the health care industries by $650 to $1,300. Even in lower-wage industries such as general retail, pandemic leavers' earnings surpassed that of leavers in the other two cohorts by more than 20%. This outcome is consistent with their higher annual earnings after exit and is likely related to pandemic leavers' higher levels of educational attainment, prior employment, and pre-TCA earnings.

Although insightful, a limitation to the industries analysis is that it does not capture the occupations (i.e., job title or job description) of workers in the industry. For example, an individual who works in a nursing home could be a nursing assistant, an administrative worker, a groundskeeper, a lab technician, or hold some other occupation, which may provide vastly different earnings. Therefore, employment programs for TCA recipients should focus not only on helping recipients secure employment in specific industries but should also focus on upskilling workers to increase opportunities for occupational mobility.

Table 6. Industries and Median Earnings in the First Quarter after Exit***

	Great Recession Recovery *7/2012 to 6/2016*		Economic Stability *7/2016 to 3/2020*		Pandemic *4/2020 to 12/2021*		Total Sample *7/2012 to 12/2021*	
	%	*Quarterly Earnings*	*%*	*Quarterly Earnings*	*%*	*Quarterly Earnings*	*%*	*Quarterly Earnings*
Administrative & Support Services	18%	$3,394	18%	$3,567	15%	$4,538	18%	$3,511
Restaurants	14%	$2,661	13%	$2,976	11%	$3,756	13%	$2,843
Nursing Homes	8%	$4,979	7%	$4,992	6%	$5,644	7%	$5,040
Outpatient Health Care	6%	$5,535	7%	$5,506	10%	$6,142	6%	$5,548
General Retail	7%	$2,549	5%	$2,635	5%	$3,756	6%	$2,631
Social Assistance	5%	$3,939	5%	$4,534	3%	$6,342	5%	$4,105
Food & Beverage Retail	4%	$3,154	4%	$2,879	4%	$3,790	4%	$3,120
Hospitals	3%	$6,700	5%	$6,532	3%	$8,060	4%	$6,652
Education	3%	$3,852	3%	$4,181	3%	$5,677	3%	$3,913
Professional, Scientific & Technical Services	3%	$3,994	3%	$4,715	4%	$7,206	3%	$4,715
Accommodation & Food Services	3%	$3,481	2%	$2,937	3%	$3,126	2%	$3,166
Warehousing and Storage	1%	$4,183	3%	$4,212	3%	$4,268	2%	$4,212
Other	27%	$4,312	25%	$4,510	30%	$5,465	26%	$4,480
Total	**100%**	**$3,722**	**100%**	**$3,972**	**100%**	**$4,984**	**100%**	**$3,891**

Note: This analysis represents the employer with whom the recipient earned the highest wages in the first quarter after exit, among employed adult recipients with industry data (n=14,827). Earnings are standardized to 2021 dollars. Refer to the *Methods* chapter for other sample exclusions and data limitations. Valid percentages reported. *p<.05, **p<.01, ***p<.001.

PROGRAM PARTICIPATION

Many adults find work after leaving the TCA program. Employment, however, does not necessarily mean financial stability. As shown in the previous chapter, median annual earnings were only $12,232, which is roughly half of the federal poverty line for a family of three.[13] Such low earnings might mean that adult recipients struggle to find consistent employment after they exit TCA.

Given employment and earnings, many families continue to utilize safety net resources after their exits. Safety net programs can include the public child support program, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Medical Assistance (MA), Transitional Support Services (TSS), and returning to TCA. Access to safety net programs, such as the ones examined in this section, are extremely important for low-income families, and it is not uncommon for families to be enrolled in several programs at once (U.S. Government Accountability Office [GAO], 2017). This chapter examines families' participation in additional safety net programs, their returns to TCA, as well as their disconnection from resources.

Child Support

As a condition of the program, adults who apply for TCA must cooperate with the process of pursuing a child support order unless they demonstrate good cause not to. If an adult does not cooperate with the child support process, the state may deny or sanction TCA benefits.[14] There are two main reasons it is important for TCA families to comply with the child support process. The first reason is largely administrative. The child support that families are required to establish as a condition of TCA receipt must be signed over to the state to recoup program expenditures (Personal Responsibility and Work Opportunity Reconciliation Act, 1996; Meyer et al., 2007). States often reinvest their portion of recouped child support funds into child support activities such as paternity and support order establishment. However, in 2019, Maryland implemented a pass-through policy (S.B.1009, 2017). The policy allows a portion of current child support payments, that would otherwise be retained by the state, to be passed through to the custodian actively receiving TCA (S.B.1009, 2017).[15]

The second reason families are required to comply with the child support process is to benefit the family. For low-income families, child support is an important source of income and can substantially supplement a family's current resources (Sorenson, 2016; Demyan & Passarella, 2019). The additional income from a child support order provides a benefit to families for a longer duration than their TCA grant, since families only utilize TCA for short periods of

Child Support & TCA

The federal Office of Child Support Enforcement was established in 1975 through Title IV-D of the Social Security Act. Although the primary purpose was to reduce public expenditures on cash welfare, its mission has expanded to include more family-centered initiatives by partnering with organizations that focus on family violence, health care, family relationships, economic stability, and parental engagement. Additionally, TCA funds can be used to provide employment programs for parents to ensure they have the ability to support their children (Office of Family Assistance, 2018).

[13] The federal poverty line for a family of three in 2021 was $21,960 (Office of the Assistant Secretary for Planning and Evaluation, 2021)

[14] In December 2021, Maryland's new partial child support sanction began, which replaced the previous full-family sanction (DHS, 2021b). The new sanction process for noncooperation with child support results in a 25% reduction of the TCA grant after a 30-day conciliation period (DHS, 2021b; H.B. 1313, 2020).

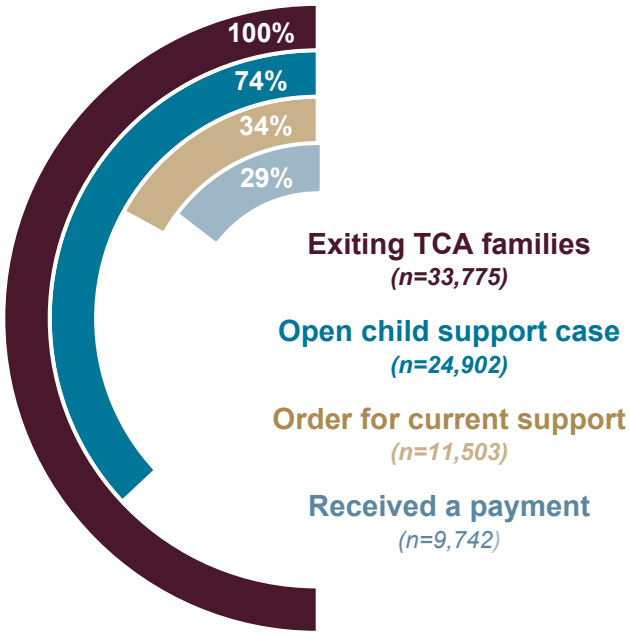
[15] Maryland's pass-through policy allows families with an active TCA case to retain up to $100 of child support for cases with one child and $200 of support for cases with two or more children.

time (Smith & Passarella, 2022). This additional money not only helps provide children with necessary goods but improves the overall financial stability of their households and reduces the likelihood families will return to TCA (Hall & Passarella, 2015; Sorenson, 2016; Demyan & Passarella, 2019; Nepomnyaschy et al., 2021).

Given the benefits of child support as an additional resource for low-income families, it is important to examine the percentage of exiting TCA families utilizing the public child support program. As Figure 7 shows, nearly three quarters (74%) of exiting TCA families had an open child support case in the first year after exit. Although part of the TCA process, some families do not have to open a support case. One reason is if the family receives a good cause waiver for domestic family violence. Previous research has found that roughly half of Maryland's TCA recipients have been victims of domestic violence (Ovwigho et al., 2004). Another reason families may not have an open case is if they are an intact family, meaning both of a child's parents are on the TCA case. As noted earlier in the discussion of case characteristics, 7% of exiting families had two adult recipients on their case and may include intact families.

While a majority of exiting cases had an open child support case, only one in three (34%) had an established current support order. Without a current support order, a custodian cannot receive current support payments or reap the benefits of consistent payments. There are two main reasons a parent may not have a support order within their first year after exit. The first is that the parent faced an issue in the order establishment process, such as locating the other parent. Additionally, the family may exit the TCA program before a support order can be established and the parent may decide to no longer continue the process. This means the case may eventually close (Demyan & Passarella, 2017).[16] Ultimately, only three in 10 (29%) exiting families received at least one child support payment in the year after TCA exit.[17]

Figure 7. Child Support Cases and Payment Status First Year after Exit



Note: This figure excludes leavers in the pandemic cohort who exited after December 2020 because they did not have one year of follow-up data at the time data were retrieved (n=419). Valid percentages reported.

Although only one in three (34%) TCA leavers had a support order in their first year after exit, Figure 8 shows that when a family did have a support order, the family often received at least one support payment. Just over three quarters (77%) of all TCA cases with a current support order received at least one payment in the year after exit. The median annual payment was $2,040 among those receiving support.

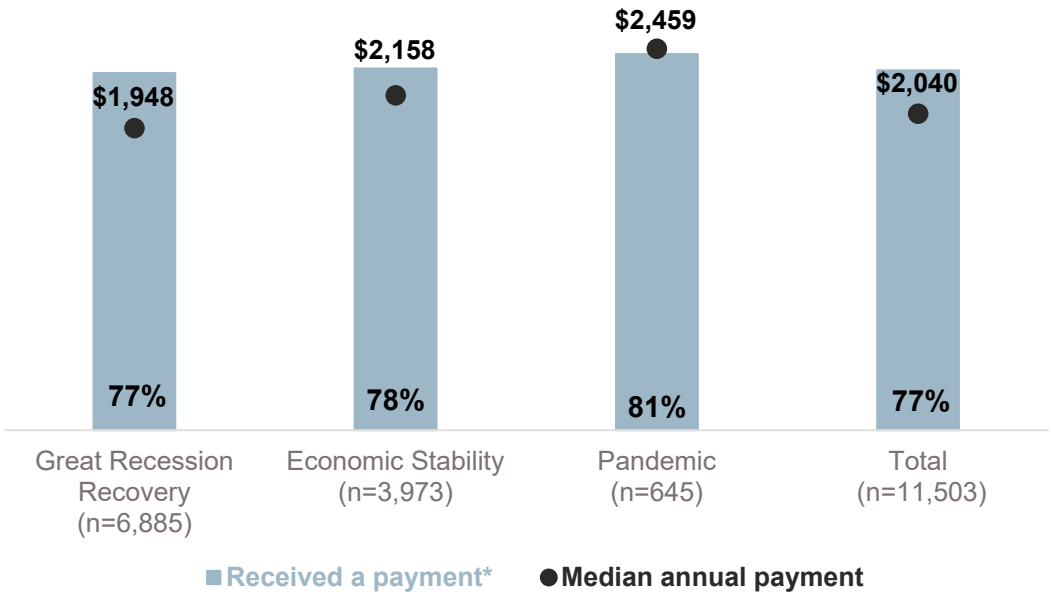
The percentage of families who received a payment and the median annual amount

[16] The most common (39%) child support case closure reason for a family who had received TANF was "no customer contact or cooperation" (Demyan & Passarella, 2017, p. 5). This means that an adult chose to not cooperate with the child support process, which may be due to a variety of reasons.

[17] Although Figure 7 shows that many TCA leavers did not receive formal child support in their first year after exit, research finds that families still might receive in-kind support from the other parent, such as clothes, food, or diapers (Ryznar, 2017).

received has increased over time. For families in the great recession recovery and economic stability cohorts, a little over three in four (77% and 78%, respectively) received a payment in the year after TCA exit. Median annual payments went from $1,948 in the great recession recovery cohort to $2,158 in the economic recovery cohort. For the pandemic cohort, the percentage of families with a support order who received a payment rose to 81%. The median annual payment also increased to $2,459, which is a 26% increase in the median amount from the great recession recovery cohort. The increases in the percentage receiving a payment as well as median annual payment are important, as child support is a key source of income for financially vulnerable parents (Sorenson, 2016).

Figure 8. Percent of Exiting Cases with a Payment and Median Annual Payment
Cases with current support owed



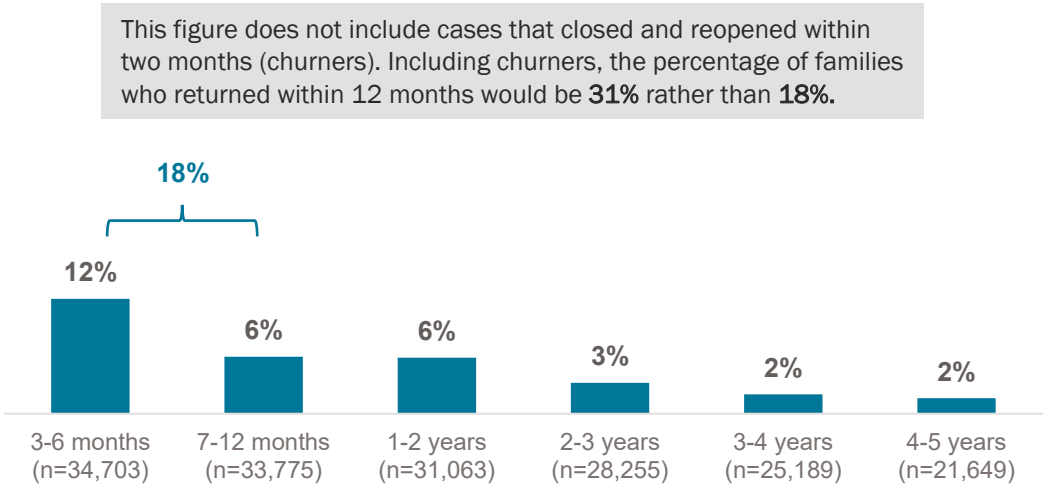
Note: This figure includes exiting TCA families to whom current support was owed in the first year after exit. It excludes families to whom current support was not owed as well as families in the pandemic cohort who did not have one year of follow-up data at the time data were retrieved (n=419). Median amount paid only includes families who had a payment over $0. Payments are standardized to 2021 dollars. Valid percentages reported. *p<.05, **p<.01, ***p<.001.

Returns to TCA

After their initial exits from the program, it is not uncommon for families to return to TCA, even during times of economic stability (Hall & Passarella, 2020). Families may return to the program for a variety of reasons, including challenges finding sustainable employment, lack of child care, or the birth of a new child (Loprest, 2002). Figure 9 examines families who exited the TCA program during the study period and later returned.[18] The analysis only examines a family's first instance of return after their initial program exit. Any subsequent returns are not captured in the analysis.

In this sample of TCA leavers, three in 10 (31%) returned to the TCA program within five years of their initial exit. However, the findings suggest that most families who return do so quickly. One in six (18%) TCA leavers returned to the program within one year of their initial exit.[19] If a family did not initially return to TCA within the first year, their chances of initially returning in each subsequent year were low. As Figure 9 shows, the percentage of families who returned to the program one to two years after exit was 6%. However, only 2% returned by years four to five.

Figure 9. Percentage of Families who Returned to TCA



Note: This figure represents the first return to the TCA program and does not include additional returns. Cases may close and reopen more than once. Counts represent the number of cases with follow-up data. Each year excludes adult recipients who do not have the corresponding amount of follow-up data.

[18] Churners, who are excluded from this sample, are defined as families who exit the program but return within two months, often after their TCA case closed due to administrative reasons (e.g., recertification paperwork or time sheets for the work program). See the *Methods* chapter for more information.

[19] Including churners, 31% of all TCA families returned to TCA within one year.

Additional Program Receipt

Families who utilize TCA are financially vulnerable and struggle to work consistently during the year. Even when families find employment after exit, their earnings are often low, meaning families utilize additional safety net resources to help supplement their incomes and meet their basic needs (GAO, 2017; Safawi & Pavetti, 2020; Hall & Passarella, 2021). Since families frequently utilize safety net resources after their TCA exit, this section examines exiting families' participation in safety net programs and variation across cohorts.

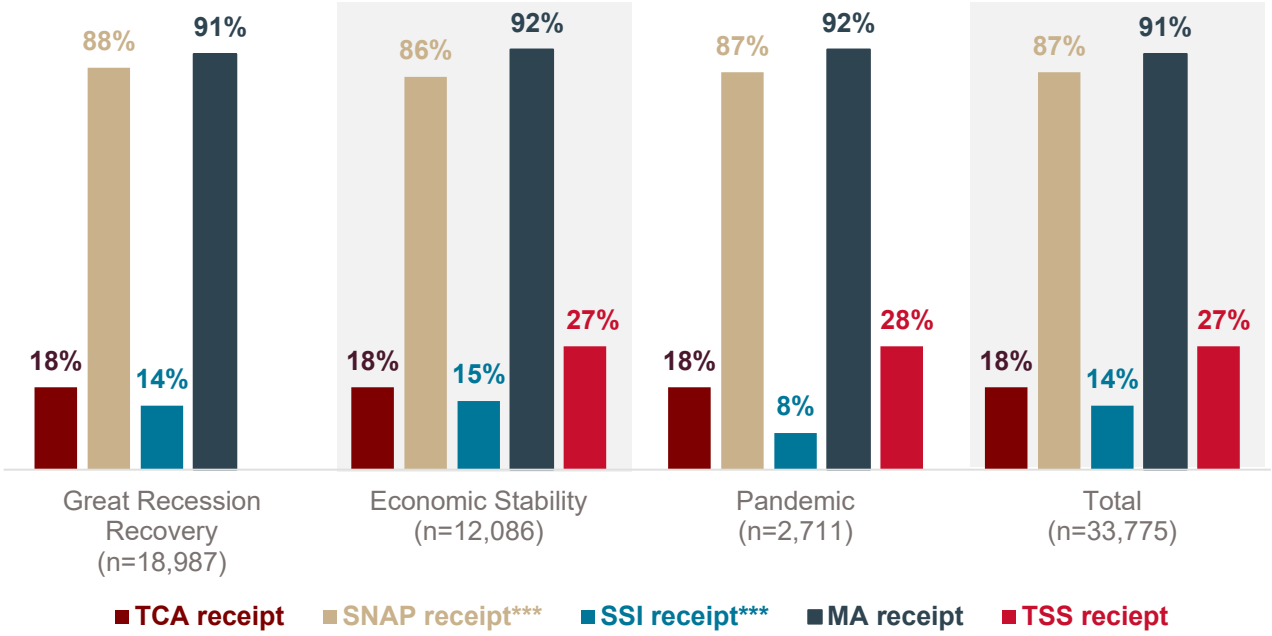
Figure 10 examines participation in select income support programs in the year after TCA exit. In the first post-exit year, almost every (91%) family participated in MA and a majority (87%) participated in SNAP. The high participation rates in these programs are unsurprising, given that SNAP and MA are two of the most-utilized federal safety net programs (King, 2022) and previous *Life after Welfare* investigations continually show high participation (Hall & Passarella, 2020; Hall & Passarella, 2021). Additionally, families automatically receive five months of transitional SNAP benefits after their exit from the TCA program unless their case closed for issues of noncompliance (DHS, 2002). While families do not receive transitional MA benefits, TCA families are likely to still qualify for the program after their exit given their substantially low earnings. [20]

Participation in TCA, SSI, and TSS after exit was less common than participation in SNAP and MA. Only one in six (18%) families returned to TCA in their first year after exit, and one in seven (14%) families participated in SSI within their first post-exit year. While SSI participation is lower than participation in other programs, the focus of the program is targeted to those who are low-income elderly or disabled (Division of Rehabilitation Services, n.d.), which means only a fraction of TCA leavers are eligible for the program. Lastly, one in four (27%) families received TSS in the year after exit. Unlike SNAP or MA, TSS is only available to families who exceeded the TCA program's income requirements as a result of earned income (DHS, 2019). The TSS program was implemented in 2019 to help ease families' transitions away from the TCA program and into employment. TSS benefits are available to a family for three months and are equivalent to their TCA monthly grant amount.

While TCA leavers utilize each safety net program at different rates, participation remained consistent between all three cohorts. Given that each cohort represents a unique economic period with varying levels of unemployment, the similarities across cohorts indicate that additional safety net support is consistently needed for exiting families. Most likely this is a result of the low earnings of families in the years after exit. Most low-wage workers, including TCA recipients, find themselves stuck in low-wage positions that lack opportunity for advancement (Escobari et al., 2021). As a result, families continue to earn insufficient wages and need to utilize safety net resources for additional support (Brooks et al., 2018; Safawi & Pavetti, 2020).

[20] Prior to health care reform in 2015, families exiting TCA qualified for transitional MA benefits. Beginning in 2015, transitional benefits are no longer offered, and MA eligibility is reevaluated when the TCA case closes (DHS, 2020d).

Figure 10. Subsequent Program Participation during the First Year after Exit



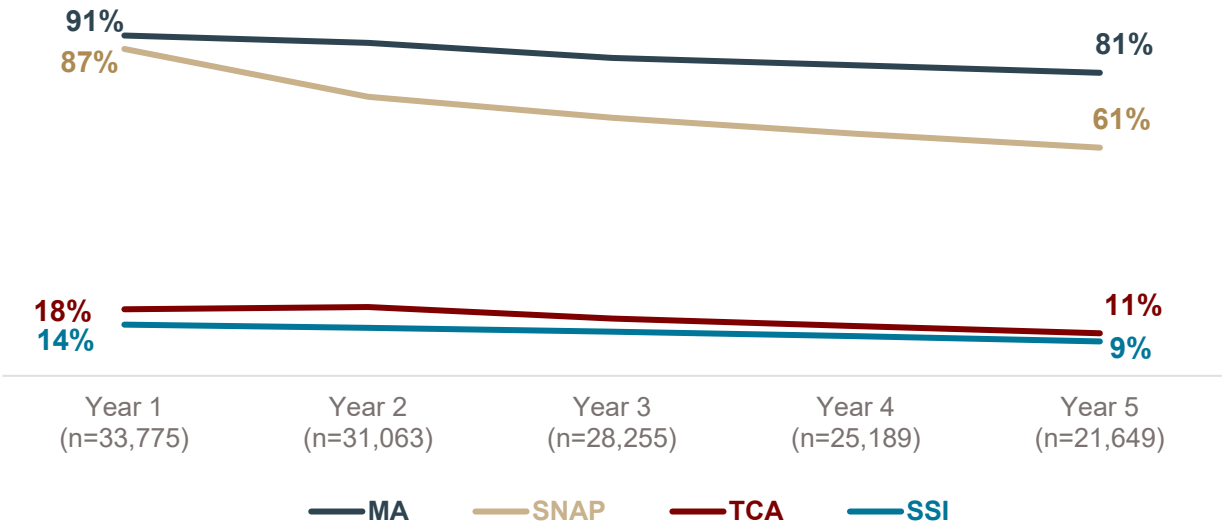
Note: *p<.05, **p<.01, ***p<.001.

Participation in safety net resources did, however, decrease over time. Changes in participation over the five years after exit are shown in Figure 11. While participation in MA and SNAP declined, the majority of families still received these benefits. Between the first and fifth years after exit, participation in MA went from 91% of families to 81%, a 10 percentage point decrease. SNAP participation decreased from 87% of families in the first year after exit to 61% by year five. While this is a 26 percentage point decline, it still means that SNAP reached three out of every five leavers in the fifth year after their TCA exit.

For the lower-utilized programs, such as TCA and SSI, participation in both programs did decrease over time, but not greatly. Participation in TCA fell seven percentage points from 18% in year one to 11% by year five.[21] While most families did not return to TCA in the year after their exit (as also highlighted in Figure 10), the one in 10 (11%) who were utilizing TCA in year five were most likely experiencing particularly difficult barriers to continued employment (Hall, 2021b). SSI participation also decreased, but only by five percentage points (14% to 9%).

[21] The findings in Figure 11 are different from the findings in Figure 9 because Figure 9 only examines a family's *initial* return to the program after their *first* exit in the study period and Figure 11 includes all of their returns after their first exit in the study period.

Figure 11. Subsequent Program Participation during the Five Years after Exit



Note: This figure excludes leavers who exited TCA after December 2020 because they did not have one or more years of follow-up data at the time the data were retrieved (n=1,483). Each year of data excludes adult recipients who do not have the corresponding amount of follow-up data

Disconnection

Connection to income and safety net resources is extremely important to vulnerable families after TCA. Safety net resources help lift low-income families out of poverty and are also important in mitigating deep poverty (Meyer et al., 2007; Sorenson, 2016; GAO, 2017). Given the low earnings of TCA families in the years after exit, continued connection to safety net resources is important for families' abilities to cover necessary expenses (Office of Planning, Research & Evaluation, 2022).

In general, members of disconnected households are not employed or participating in any safety net programs. This report measures two types of disconnection based on the availability of data. The first type of disconnection is from work and welfare. Families who experience disconnection from work and welfare are not employed with a Maryland UI-covered employer and they did not return to the TCA program after exit. The second type of disconnection is from income and benefits. Families who experience disconnection from income and benefits are not employed with a Maryland UI-covered employer and do not receive four income-supporting benefits: TCA, SNAP, SSI, or child support.

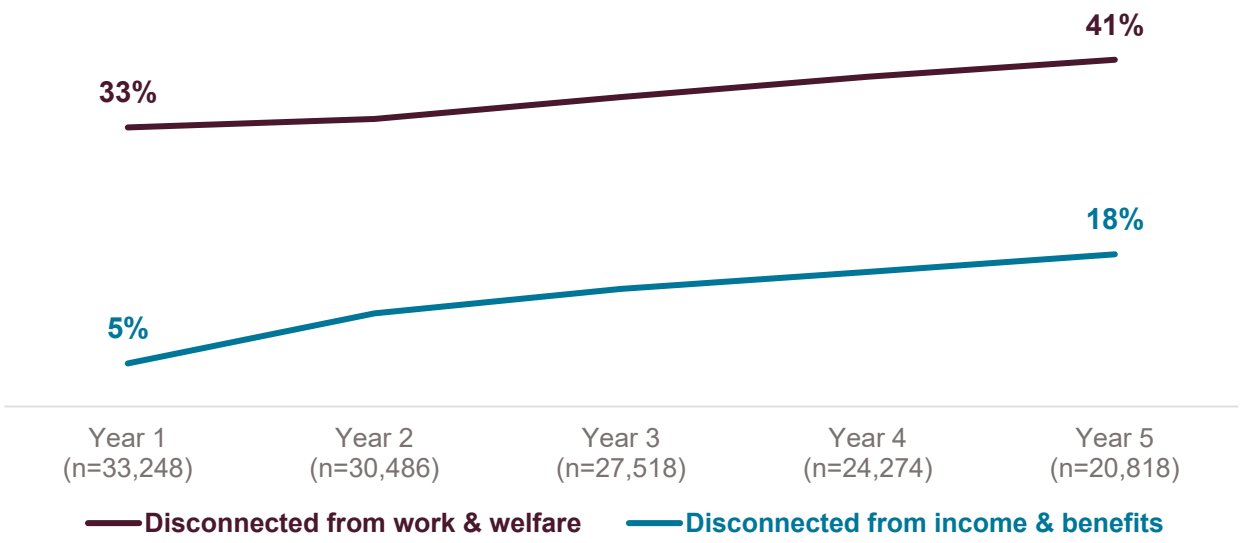
Families who have faced systemic barriers to employment are the most likely to face resource disconnection (Hetling et al., 2015). Single mothers, who are the largest share of adult TCA recipients, are particularly susceptible to disconnection from income and safety net resources (Hetling et al., 2015; Mykyta, 2018. Studies have found that up to 82% of low-income disconnected single mothers live in poverty compared to 54% of non-disconnected low-income mothers (Loprest, 2011). In Maryland, lower levels of education and lack of prior work history are both associated with the likelihood a family will experience separation from work and welfare resources (Gleason et al., 2015).

Measures of Disconnection

Work & Welfare	Income & Benefits
• MD earnings • TCA benefits	• MD earnings • TCA benefits • SNAP beneftis • SSI benefits • Child support payments

Figure 12 examines disconnection for TCA families five years after program exit. Overall, disconnection increased over time. In year one, one in three (33%) families were disconnected from work and welfare. By year five, two in five (41%) families experienced disconnection. This means there was an eight percentage point increase in the percentage of leavers disconnected from work and welfare in the first five years after exit. A smaller percentage of families were disconnected from both income and benefits. In the first year after exit, only 5% of families were disconnected from income and benefits. The percentage increased over three-fold, to 18%, by the fifth post-exit year. In other words, nearly one in six families had no documented income and were receiving none of the listed benefits in Maryland five years after their TCA exit. The disconnection rates in this report are similar to previous reports (Hall & Passarella, 2020; Hall & Passarella, 2021). While these rates indicate that some families may need help reconnecting to employment and safety net resources, they also show that the majority of TCA recipients remained connected to income, income supports, or both.

Figure 12. Disconnection from Income Sources Five Years after Exit



Note: Each year of data excludes adult recipients who do not have the corresponding amount of follow-up data. Valid percentages reported.

CONCLUSIONS

The TCA program provides short-term relief to families facing economic instability. During economic downturns, this component of the safety net becomes particularly important, as evidenced by rising caseloads during the Great Recession, and more recently, the COVID-19 pandemic (Smith & Passarella, 2022; Passarella et al., 2016). Low-income families are especially vulnerable during these downturns because they often work in industries and positions disproportionately affected by adverse economic conditions and have little or no assets (Lerman & Zhang, 2012; Bateman & Ross, 2021). To that end, this update to the *Life after Welfare* annual series explores characteristics and outcomes of families who left the TCA program during the recovery from the Great Recession, the ensuing period of economic stability, and during the recent pandemic-induced recession.

Consistent with previous installments, this report shows that many caregivers who utilize the TCA program work. In the year before coming onto the TCA program, over half (54%) of all adult TCA recipients were employed, and three in five (62%) recipients worked in the year after program exit. This increase in employment from pre-TCA to post-exit is a pattern that has been observed in previous *Life after Welfare* reports, including during and after the Great Recession (McColl & Passarella, 2019). The pandemic cohort has been an exception to this trend, with a decline in employment after exit (61% to 53%). Most likely, however, this decline is a function of the lack of available child care and the industries most impacted by the pandemic, which created more barriers to workforce re-entry (Kennedy, 2021; U.S. Department of Labor, 2022).

Recipients also experienced earning gains of 68% from pre-TCA to post-TCA exit ($7,290 to $12,232). Recipients' earnings, however, typically kept them below the federal poverty level. Adult recipients, who are mostly women, typically find themselves in low-wage industries partially due to legacies of systemic discrimination limiting their opportunities for employment (U.S. Department of Labor, 2022). Of the 20 lowest-paying occupations, eight are dominated by women and just one is dominated by men (U.S. Department of Labor, 2022). Although this report only covers exits through 2021, increasing inflation from 2021 through 2022 has additionally squeezed the wallets of low-income families (Arnon et al., 2022). For TCA leavers, this means they must spend larger portions of their low earnings to cover basic necessities.

Persistently low earnings, compounded by economic disruptions, all but require TCA leavers to utilize additional safety net programs to make ends meet for themselves and their families. To that end, adults who exit the TCA program because of earned income are automatically enrolled in the TSS program for three months to help ease their transition; furthermore, many families who leave the program are eligible for five months of transitional SNAP benefits (DHS, 2002; DHS, 2019). Moreover, most leavers frequently utilized MA in the years following their exit and SNAP even after the transitional eligibility period.

Additional programs are also important to TCA adults' abilities to work. One example is Maryland's Child Care Scholarship (CSS), which helps thousands of the state's low-income families afford child care while parents work or pursue school or training (Office of Child Care, 2021). Industry-focused training programs are another important resource to help TCA recipients move into higher-paying and more secure jobs. Such programs train low-wage workers, such as TCA recipients, for work in in-demand local industries and provide workers with transferable hard and soft-skills (Katz et al., 2022). These programs are especially helpful for workers without a four-year degree (Holzer, 2022). Maryland also recently became the first state to eliminate four-year degree requirements for thousands of state jobs, substituting instead a high school diploma and relevant work experience (Office of Governor Larry Hogan, 2022). Such an initiative

could employ qualified TCA leavers in state-level jobs, which can offer stable pay and benefits.

Even with programs designed to help low-income adults find sustainable work, the state's TCA program will always be essential. This is true in any economy. Many of the families in this *Life after Welfare* update have faced systemic disadvantages and obstacles that have hindered their route to financial self-sufficiency. TCA leavers, including those who are currently working, need continual safety net support to take care of their families and provide the best possible futures for their children. Monitoring outcomes, and knowing who the state's TCA families are, their participation in programs, and their employment and earnings, is crucial to the long-term success of the current generation TCA caregivers are raising.

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APPENDIX A: LIFE AFTER WELFARE SAMPLE CHANGES: 1997-2022

Study Years	Study Months	Sampling Strategy	Definition of an Exit	Additional Notes
First *Life after Welfare* study (1997) through 2001 updates	1997: 10/96 – 03/97 1998: 10/96 – 03/98 1999: 10/96 – 03/99 2000: 10/96 – 03/00 2001: 10/96 – 03/01	5% simple random sample of all TCA cases that closed each month	Exit defined as a case that closed and **did not reopen on the same day**. Cases that closed and reopened on the same day were excluded from the population before the sample was selected.	N/A
2002 through 2011 updates	2002: 10/96 – 03/02 2003: 10/96 – 03/03 2004: 10/96 – 03/04 2005: 10/96 – 03/05 2006: 10/96 – 03/06 2007: 10/96 – 03/07 2008: 10/96 – 03/08 2009: 10/96 – 03/09 2010: 10/96 – 03/10 2011: 10/96 – 03/11	5% simple random sample of all TCA cases that closed each month	Exit defined as a case that closed and **remained closed for at least one month**. Cases that reopened before one month (churners) were excluded from analyses **after** sample was selected from the population.	N/A
2012 and 2013 updates	2012: 10/96 – 03/12 2013: 10/96 – 03/13	5% simple random sample of all non-churn TCA cases that closed each month	Exit defined as a case that closed and remained closed for at least one month. Cases that reopened before one month (churners) were excluded from the population **before** the sample was selected.	N/A
2014 through 2019 updates	2014: 04/07 – 03/14 2015: 04/07 – 03/15 2016: 04/07 – 03/16 2017: 04/07 – 03/17 2018: 04/07 – 03/18 2019: 04/07 – 03/19	5% simple random sample of all non-churn TCA cases that closed each month	Exit defined as a case that closed and remained closed for at least one month. Cases that reopened before one month (churners) were excluded from the population before the sample was selected.	2014-2019: Changed study months to focus on more recently closed cases 2017-2019: Included **all adult recipients** in analyses. Prior reports focused on payees (head of households) only
2020 update	2020: 07/12 – 06/19	Stratified random sample that yields a 99% confidence interval with a 3% margin of error	Exit redefined as a case that closed and **remained closed for two months**. Cases that reopened before two months (churners) were excluded from the population before the sample was selected.	Sample was redefined to align with state fiscal years, which run from July through June, and to focus on more recently closed cases
2021 and 2022 updates	2021: 07/16 – 12/20 2022: 07/12 – 12/21	Stratified random sample that yields a 99% confidence interval with a 3% margin of error	Exit defined as a case that closed and **remained closed for two months**. Cases that reopened before two months (churners) were excluded from the population before the sample was selected.	Additional months beyond the end of the state fiscal year are included to provide more timely information about families who left during the COVID-19 pandemic

APPENDIX B: POPULATION & SAMPLE WEIGHTS

	Great Recession Recovery						Economic Stability						Pandemic					
	Proportion of Population	*n*	Proportion of Sample	*n*	Applied Weight	Weighted *n*	Proportion of Population	*n*	Proportion of Sample	*n*	Applied Weight	Weighted *n*	Proportion of Population	*n*	Proportion of Sample	*n*	Applied Weight	Weighted *n*
Allegany	0.88%	788	1.57%	553	0.564	312	0.71%	631	1.34%	471	0.530	250	0.23%	201	0.51%	181	0.439	80
Anne Arundel	3.69%	3,285	3.36%	1,183	1.099	1300	2.54%	2,259	2.88%	1,071	0.879	894	1.08%	963	1.80%	633	0.602	381
Baltimore City	19.03%	16,961	4.73%	1,667	4.026	6711	11.58%	10,318	4.45%	1,568	2.604	4082	2.21%	1,965	2.70%	953	0.816	777
Baltimore County	6.89%	6,137	4.03%	1,421	1.709	2428	4.31%	3,840	3.54%	1,248	1.217	1519	1.66%	1,477	2.33%	821	0.712	584
Calvert	0.36%	323	0.78%	275	0.465	128	0.24%	213	0.54%	191	0.441	84	0.12%	108	0.29%	102	0.419	43
Caroline	0.37%	329	0.79%	279	0.467	130	0.20%	181	0.47%	165	0.434	72	0.09%	76	0.21%	73	0.412	30
Carroll	0.57%	504	1.12%	396	0.504	199	0.34%	306	0.75%	263	0.460	121	0.18%	161	0.42%	148	0.430	64
Cecil	1.36%	1,216	2.08%	734	0.655	481	0.87%	772	1.55%	545	0.560	305	0.32%	281	0.69%	244	0.456	111
Charles	1.05%	938	1.77%	623	0.596	371	0.72%	646	1.36%	479	0.534	256	0.29%	261	0.65%	229	0.451	103
Dorchester	0.65%	581	1.25%	442	0.520	230	0.30%	269	0.67%	235	0.453	106	0.10%	92	0.25%	88	0.414	36
Frederick	1.16%	1,036	1.88%	664	0.617	410	0.73%	647	1.36%	479	0.534	256	0.29%	259	0.64%	227	0.451	102
Garrett	0.24%	210	0.54%	189	0.440	83	0.14%	123	0.33%	115	0.423	49	0.07%	62	0.17%	60	0.409	25
Harford	1.46%	1,303	2.17%	765	0.674	516	0.97%	860	1.66%	587	0.580	340	0.41%	364	0.86%	304	0.474	144
Howard	1.20%	1,072	1.93%	679	0.625	424	0.75%	670	1.40%	492	0.539	265	0.38%	337	0.81%	285	0.468	133
Kent	0.20%	178	0.46%	162	0.435	70	0.12%	110	0.29%	104	0.418	44	0.03%	30	0.09%	30	0.396	12
Montgomery	3.15%	2,810	3.16%	1,115	0.997	1112	2.14%	1,904	2.66%	938	0.803	753	1.22%	1,087	1.94%	685	0.628	430
Prince George's	6.11%	5,443	3.91%	1,380	1.561	2154	3.55%	3,167	3.31%	1,168	1.073	1253	1.76%	1,569	2.41%	849	0.731	621
Queen Anne's	0.25%	222	0.56%	198	0.444	88	0.13%	119	0.32%	112	0.420	47	0.08%	74	0.20%	71	0.412	29
St. Mary's	1.20%	1,066	1.92%	676	0.624	422	0.89%	790	1.57%	554	0.564	313	0.31%	279	0.69%	243	0.454	110
Somerset	0.38%	337	0.81%	285	0.468	133	0.30%	270	0.67%	236	0.453	107	0.09%	84	0.23%	80	0.415	33
Talbot	0.14%	128	0.34%	120	0.422	51	0.15%	133	0.35%	124	0.424	53	0.07%	58	0.16%	56	0.410	23
Washington	1.65%	1,470	2.32%	819	0.710	582	1.41%	1,258	2.12%	749	0.665	498	0.46%	407	0.95%	334	0.482	161
Wicomico	1.60%	1,425	2.28%	805	0.700	564	1.00%	895	1.71%	603	0.587	354	0.36%	325	0.79%	227	0.464	129
Worcester	0.23%	202	0.52%	182	0.439	80	0.18%	164	0.43%	151	0.430	65	0.09%	82	0.22%	79	0.411	32
Maryland	**Total Population: 47,964**		**Total Sample: 15,612**		**Weighted Sample: 18,978**		**Total Population: 30,545**		**Total Sample: 12,594**		**Weighted Sample: 12,086**		**Total Population: 10,602**		**Total Sample: 7,052**		**Weighted Sample: 4,195**	

APPENDIX B: POPULATION & SAMPLE WEIGHTS

Totals Across all Cohorts and Jurisdictions	Total Population: 89,111	Total Sample: 35,258	Weighted Sample: 35,258

Note: ^The total population represents the total number of unique (non-duplicate), non-churn cases that closed in each cohort. There were a total of 89,111 unique case closures in Maryland between July 2012 and December 2021, and the sample includes 35,258 cases.

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