

# LIFE AFTER WELFARE

## 2023 ANNUAL UPDATE

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## EXECUTIVE SUMMARY

The most recent economic recession, caused by the COVID-19 pandemic, ended the longest period of economic recovery and workforce expansion in U.S. history (U.S Bureau of Labor Statistics [BLS], 2021; Center for Budget and Policy Priorities [CBPP], 2022b). As a result of the recession, many found themselves unemployed and women, low-income households with children, and workers of color had some of the largest decreases in workforce participation (Bateman & Ross, 2020; Bauer et al., 2020; CBPP, 2022a). In 2021, indicators of economic well-being, such as unemployment and the Gross Domestic Product (GDP), returned to pre-pandemic levels (Harris & Mehrotra, 2022; Harris & Sinclair, 2023). During the recovery from the pandemic, safety net utilization rates declined (Hembre, 2023) and women's share of the workforce increased (Bhattarai & Melgar, 2023; Henderson, 2023), as did real-wages for low-income workers (Zhang & Saving, 2022).

However, within the recovery period some low-wage workers are struggling to find dignified employment that offers fair pay (Miller et al., 2023), and high inflation rates have stressed the budget of low-income families (Jayashankar & Murphy, 2023). Additionally, there is still a scarcity of child care providers, an issue worsened by the pandemic (January, 2023). This can hinder the ability of parents, especially single parents, to work.

This annual installment of *Life after Welfare* provides an overview of families who recently exited Maryland's Temporary Cash Assistance (TCA) program, including those who left in the environment of pandemic recovery described above. This report includes 52,235 families who left the TCA program between July 2016 and June 2022 and analyses are divided into three distinct economic periods: (1) the period of economic stability prior to the pandemic (July 2016 – March 2020); (2) the pandemic

period (April 2020 – December 2021); and (3) the period of recovery following the pandemic recession (January 2022 – June 2022). 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:

### Characteristics of Exiting Cases

*Case characteristics that experienced a shift during the pandemic period have largely returned to typical patterns.*

- The majority (66%) of TCA recipients were children. Most cases had one (50%) or two (26%) children and one adult recipient (73%).
- Two in five (40%) cases in the pandemic recovery cohort ended their first TCA spells upon exit, which was a 16 percentage point decrease from cases in the pandemic cohort (56%) and similar to the percentage observed in the economic stability cohort (35%).
- Families utilized TCA for brief periods. Most (72%) families had 12 or fewer months of continuous TCA receipt, and seven in 10 (71%) families had 24 or fewer months of cumulative receipt in the previous five years.
- Families in the pandemic cohort and pandemic recovery cohort had longer average periods of continuous TCA receipt (14 and 21 months, respectively) compared to the economic stability cohort (13 months). Likely, this increase was due to the economic conditions of the pandemic as well pandemic-era policy flexibilities, like automatic benefit redeterminations.

- The most common case closure reasons were: (1) income above eligibility limits (28%), (2) did not maintain eligibility (19%), and (3) work sanctions (15%). Notably, work sanction closures were nearly absent among pandemic recovery cases as a result of the state's new sanctioning policy.

### Adult Recipient Demographics

*The typical adult recipient on an exiting case is a Black (66%) or White (25%) woman (86%). She is 31 years or older (55%), never married (75%), and has completed at least high school (78%).*

- Compared to adults in the pandemic cohort, adult leavers in the pandemic recovery cohort were more likely to be female (86% vs. 82%) or Black (66% vs. 59%) and more likely to have never married (76% vs. 71%). This marks a return to pre-pandemic adult recipient characteristics. However, adult leavers in the pandemic recovery cohort were older than adults in the other two cohorts, with a median age of 34.

### 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.*

- Almost three in five (59%) 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 3 percentage points.
- In the quarter before exit, 38% of adult leavers in the pandemic recovery cohort worked and 46% worked in the quarter after exit, which is a gain of 8 percentage points. This is a reversal

from the pandemic cohort in which a lower percentage of leavers worked in the quarter after TCA exit (43%) compared to the quarter before entry (44%).

- Median earnings after exit increased over time, from \$14,200 in the first year after exit to \$18,948 by the fifth year, but earnings remained below the 2022 poverty threshold for a family of three (\$23,030).

### Industries of Employment

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

- Adults commonly worked in lower-wage industries, such as administrative and support services (17%), restaurants (12%), general retail (5%), and food and beverage retail (4%). Median quarterly earnings in these industries were between \$3,000 and \$4,000.
- One in five leavers was employed in one of the following higher-paying industries: outpatient health care (8%), residential care facilities (7%), hospitals (4%), and professional, technical, and scientific services (3%). These industries had median quarterly earnings of about \$5,500 to \$7,500.

### Returns to TCA

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

- One in six (16%) families returned to TCA after a two to 11 month break in benefits; about one in three (31%) made an initial return within five years of exit.<sup>1</sup>

<sup>1</sup> Families who had less than a two-month break in TCA benefits—churners—are excluded from this analysis (see the *Methods* chapter for more details).

When including churners, returns to the program would be substantially higher.

## **Income Supports after Exit**

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

- Although the majority (68%) of families had an open child support case at exit, only three in 10 (30%) had an order for current support. When there was an order for child support, three quarters (76%) of families received payments. Families received a median of \$2,140 in support in the first year after exit.
- Most families participated in SNAP (86%) and MA (95%) in the year after exit. One in four (24%) families received TSS and one in seven (14%) received SSI.
- After exit, families' income was rarely exclusively from work. In the first year after exit, 56% of families received income from a combination of work, safety net benefits, or child support, and only 4% of families had income through only work.

The findings in this report indicate that the families who utilize TCA are mostly one-parent households, with one or two children, who are enduring a difficult period. Families typically utilize the program for short periods of time, and many do not make a return after exit. Adults are also likely to work after exit but many work in low-wage industries. Consequently, adults frequently rely on other income supports to help provide for their children. These income support programs are vital to Maryland families experiencing financial difficulties. This is true regardless of whether those difficulties arise from macro-economic factors, like a recession, structural barriers to self-sufficiency, or individual circumstances.

## INTRODUCTION

Over the last two decades, the U.S. economy has had periods of growth punctuated by recessions. The most recent recession, caused by the COVID-19 pandemic, ended the longest interval of economic recovery and workforce expansion in U.S. history (BLS, 2021; CBPP, 2022b). Accompanying the economic downturn of the pandemic recession was the largest ever spike in enrollment and utilization of safety net resources (Hembre, 2023). Women, low-income households with children, and workers of color suffered an outsized, negative effect on workforce participation (Bateman & Ross, 2020; Bauer et al., 2020; CBPP, 2022a). Mostly, this was because of the pandemic's impact on certain industries, namely the service industry (Barnes et al., 2021), as well as women largely bearing child care responsibilities as schools entered remote learning and day care centers closed (Miller, 2021).

In 2021, the country's unemployment rate and gross domestic product (GDP) returned to pre-pandemic levels (Harris & Mehrotra, 2022; Harris & Sinclair, 2023). Within the U.S.'s strong recovery period (Milesi-Ferretti, 2021), women have not only regained the share of the workforce they lost during the pandemic but have now increased their workforce percentage (Bhattarai & Melgar, 2023; Henderson, 2023). Additionally, earnings increased for low-wage workers, even when accounting for inflation (Zhang & Saving, 2022).

Despite these positive indicators, the post-pandemic economy faces distinct challenges, especially for low-wage workers. For one, some low-wage workers are struggling to find jobs. Jobseekers, especially those without a bachelor's degree, cite insufficient pay and either no or very slow responses from employers as a barrier to finding work (Wirtz, 2023). Low-wage workers also faced substantial pandemic-related job loss or were deemed

essential workers, risking their health to continue working (Miller et al., 2023). As a result, many are now seeking employment in stable positions that pay proportionally to a job's risks and responsibilities (Miller et al., 2023).

In addition to the challenges of finding dignified employment, inflation has also increased. Low-income families, and particularly low-income families of color, are disproportionately impacted by the rising costs of goods, since household necessities often represent a larger share of their budgets (Jayashankar & Murphy, 2023). One particular source of inflation stress for low-income families is rent (Bailey, 2022). Another source is food. In Maryland, over 300,000 families said they were unable to provide enough food to their children due to high grocery costs (Brown, 2023).

Exacerbating issues of employment and inflation for low-income families is child care. During the pandemic, many child care facilities had to close and there is still a shortage of providers (Mader, 2022). Centers that were able to remain open through the pandemic and recovery periods with American Rescue Plan Act funds face uncertainty as funding expires (January, 2023). Maryland is no exception to these child care troubles (January, 2023). The state has made loans available for child care centers to increase the availability of facilities (LeBoeuf, 2023). However, without child care, many families cannot consistently work.

When low-income families in Maryland are unable to find jobs for which they are qualified or secure child care, they may turn to the Temporary Cash Assistance (TCA) program, the state's version of the federal Temporary Assistance for Needy Families (TANF) program, for interim help. Often, families utilize the program for only brief periods to stabilize their situation before exiting. The purpose of the *Life after*



*Welfare* series 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 52,235 families who left TCA between July 2016 and June 2022. The report divides families into three cohorts that align with shifts in the economy: (1) 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; (2) the pandemic cohort, comprised of families who exited between April 2020 and December 2021, during the height of and early recovery from the pandemic; and (3) the pandemic recovery cohort, which includes cases that closed between January and June 2022 when the unemployment rate recovered and many program flexibilities introduced during the pandemic era expired.

As the worst parts of the economic impacts of the COVID-19 pandemic recede, many economic indicators, such as GDP, unemployment rates, and safety net utilization, have reverted to pre-pandemic levels (Harris & Mehrotra, 2022; Hembre, 2023; Harris & Sinclair, 2023). TCA families, who are low-income, often families of color, and often headed by women, match the characteristics of those most impacted by the pandemic's tribulations. They also are likely to be struggling with issues of inflation post-pandemic (Jayashankar & Murphy, 2023). Child care shortages may additionally impact their ability to work or switch jobs. Given that many parts of life have *returned to normal*, it is important to comparatively analyze outcomes of TCA families to examine how the state's most vulnerable families are faring compared to TCA leavers before and during the pandemic. Additionally, it may provide insights that might inform policy and program decisions so that families can become financially stable in the post-pandemic economy.

## METHODS

This chapter describes the methodological approach for the 2023 update to the *Life after Welfare* study. It provides details about the population, data sources, and data analysis techniques.

### Population

In contrast to previous *Life after Welfare* reports that used samples for analyses, the 2023 update incorporates the entire population of closures.<sup>2</sup> This update examines case closures occurring between July 2016 and June 2022, during which there were a total of 133,089 closures. Due to several exclusions to the population outlined below, the report has a final population of 52,235 case closures.

### Excluding Churners

The *Life after Welfare* studies focus on the families who left the TCA program. Specifically, this study considers closures that maintained at least a two-month break in TCA benefits. As a result, the study excludes churners. Cases that close and reopen quickly, commonly referred to as 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 indicating that families still needed benefits and were not yet ready to make a permanent exit from the TCA program.

Consequently, this study excludes 47,626 cases that reopened the month immediately after the closure (i.e., partial churners) and

7,684 cases that reopened within two months, resulting in a one-month break in benefits (i.e., churners). These exclusions collectively accounted for 68% of the omitted case closures. The largest group among these exclusions—partial churners—did not have a break in TCA benefits. Partial churners had a documented closure but quickly resolved the issue so that TCA benefits were received both in the closure month<sup>3</sup> and the subsequent month. Although these cases are excluded from the final population, we are unable to identify partial churners in the new administrative data system (see additional information on *data sources* below).

### Excluding Multiple Closures

Families may experience multiple case closures as they strive to achieve economic stability. While this study examines the duration of TCA receipt across all instances of benefit receipt, only one closure is included in the final population. Hence, all cases with multiple closures or any adult case members included on multiple case closures, had a single closure selected at random for inclusion in the study and any duplicates were removed.<sup>4</sup> For the 2023 update, 18,173 duplicates were removed from the population of closures, accounting for 22% of all exclusions.

### Excluding Cases with Missing Information

The remaining 10% (n=7,371) of exclusions were related to issues in the administrative data system during the closure month. This includes cases with incomplete information regarding case members or the head of

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<sup>2</sup> Appendix A provides a table that describes how the population and sample for this annual report have changed over time.

<sup>3</sup> The closure month is the last month in which benefits were received, and this is the date used in the report to represent the closure.

<sup>4</sup> 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 case number. Data cleaning procedures capture most of these duplicates.

household as well as cases with duplicate eligibility information. Typically, data discrepancies are resolved within the data system. However, since the data could not be verified in the observation month, these case closures were excluded from the population.

### Population Summary

There were **133,089** case closures between July 2016 and June 2022. We excluded:

- ◆ 47,626 cases that closed and reopened the next month without a benefits disruption (partial churners)
- ◆ 7,684 cases that did not remain closed for two full months (churners)
- ◆ 18,173 observations of cases with multiple closures
- ◆ 7,371 cases missing necessary information about the case or its members.

**Final Population: 52,235 unique case closures**

### Cohorts for Analysis

The *Life after Welfare* series separates closures into cohorts based on changes to the economy or the policy landscape. For the 2023 update, this study continues to highlight the impact of the COVID-19 pandemic on TCA closures and subsequent outcomes for families who left the program.

As such, case closures are separated into the following three cohorts:

1. Economic stability (n=33,847): cases that closed between July 2016 and March 2020, during a period characterized by a consistently low unemployment rate of around 4% and a 30% reduction in the TCA caseload;
2. Pandemic (n=12,774): cases that closed between April 2020 and December 2021, marking the peak of the economic shock caused by the pandemic; and
3. Pandemic recovery (n=5,614): cases that closed between January and June 2022, when the unemployment rate recovered and many program flexibilities introduced during the pandemic era expired.

Figure 1 visually illustrates these three cohorts. Generally, the number of TCA cases fluctuates in response to changes in the unemployment rate, decreasing during periods of low unemployment and increasing during periods of higher unemployment. While the number of TCA case closures is substantially smaller relative to the number of TCA cases, it is worth noting that the number of case closures has been declining throughout this period.<sup>5</sup>

### Exclusions from Analyses

Throughout this report, cases and individuals are excluded from some analyses. This section outlines the most common reasons for exclusions. First, some information, such as a case closure reason or educational attainment information, may be missing from the administrative data. In these instances, valid percentages are used

<sup>5</sup> Case closures exceeded 2,000 cases each month throughout most of the economic stability period. Throughout the pandemic period, case closures dropped substantially to less than 1,000 cases in most months. This is unsurprising, given that the automatic recertification flexibility during the pandemic allowed families to continue benefit receipt without submitting redetermination paperwork (Family

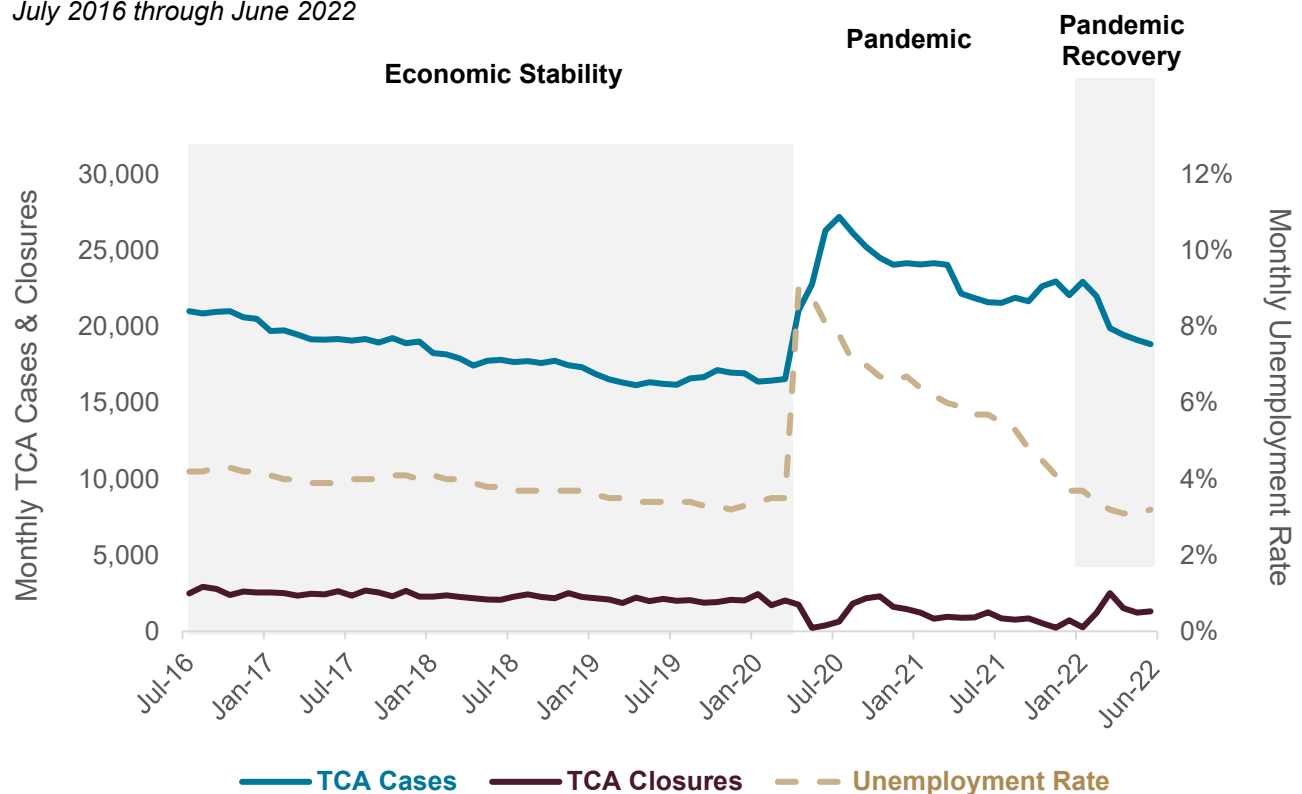
Investment Administration [FIA], 2021a). Automatic redeterminations expired during the pandemic recovery period, and case closures increased. However, outside of the March 2022 peak of 2,500 closures, case closures remained well under 2,000 cases.

to account for missing data.<sup>6</sup> Second, adult recipients missing identification information are excluded from employment analyses because it is not possible to obtain their employment data (n=132). Third, adult recipients younger than 16 in the year prior to their TCA spells are excluded from pre-TCA spell employment analyses (n=82). However, they are included in all other employment analyses. Lastly, the sample

size decreases as we examine outcomes after exit due to the limited availability of follow-up data. For this update, program participation and employment follow-up data are available through December 2022. Cases that closed between January and June 2022 for example, do not have one year of follow-up data so they are excluded from any analyses that require it.

**Figure 1. TCA Cases, Closures, and Unemployment Rate**

*July 2016 through June 2022*



**Note:** The TCA case data come from the statistical reports provided by the Maryland Department of Human Services, Family Investment Administration: <https://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/>

<sup>6</sup> Valid percentages are percentages that exclude missing data in the calculations.

## 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 Eligibility and Enrollment (E&E) system and its predecessor, the Client Automated Resources and Eligibility System (CARES). Employment and earnings data were obtained from BEACON and its predecessor, the Maryland Automated Benefits System (MABS). Information on child support orders and payments came from the Child Support Management System (CSMS) and its predecessor, the Child Support Enforcement System (CSES).

### *E&E & CARES*

E&E and CARES are the administrative data systems for safety net programs managed by the Maryland Department of Human Services (DHS). CARES was operational between March 1998 and November 2021. The migration to E&E occurred between April and November 2021.<sup>7</sup> 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 (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 (FIA, 2008). This report uses the combined non-gendered term Hispanic/Latinx in place of Hispanic or Latino to be inclusive.

### *BEACON & MABS*

Data on quarterly employment and earnings as well as North American Industry Classification System (NAICS) codes (i.e., industries) come from the BEACON and MABS systems. BEACON became the fully modernized unemployment insurance system in September 2020. These data include 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, gig-workers, 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 the 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 actually preferred to other types of data in understanding the economic well-being of welfare recipients (Kornfeld & Bloom, 1999; Wallace & Haveman, 2007).

The BEACON and MABS systems only track 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 (15%) is over four times greater

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<sup>7</sup> Given the transition to a new data system, there may be unknown data issues. Hence, comparisons with

previously reported data should be interpreted with caution.

than the national average (3.5%).<sup>8</sup> Among adult TCA recipients in the state, however, out-of-state employment is less common, and previous investigations indicate that we obtain 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 (37%) and Montgomery County (23%), which have the third and fifth largest TCA caseloads in the state. It is also high in two less-populated jurisdictions, Charles County (31%) and Cecil County (30%). These four jurisdictions may be especially affected by the exclusion of out-of-state employment data. As a result of Maryland's high rates of out-of-state employment and the data limitations described, it is important to regard employment data as representing *minimum* levels of employment.

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 the individual was employed (i.e., how many months, weeks, or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salaries 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 members of the TCA case, and we do not have data about all sources of income.

### **CSMS & CSES**

CSES was the statewide automated information management system for

Maryland's public child support program beginning in March 1998. Maryland migrated jurisdictions to a new data system, CSMS, between November 2021 and September 2022. Both systems support the intake, establishment, location, and enforcement functions of the Child Support Administration (CSA) and contain identifying information and demographic data on children, obligors, and custodians receiving services from the IV-D agency.<sup>9</sup> Data on child support cases and court orders including paternity status and payment receipt are also available.

### **Data Analysis**

In this report, we utilize descriptive statistics to describe the cases and experiences of the population of families who left TCA within the study period. In previous iterations of this report, which relied on a sample of leavers, we additionally utilized inferential statistics, such as the Pearson's chi-square statistic and ANOVA, as well as p-values, to compare differences between groups and demonstrate whether differences were statistically significant. Inferential statistics are not needed for analyses of populations.

Common descriptive analysis used in this report includes mean values, which is the mathematical average of a set of numbers, and median values. A median value is the middle point of a distribution organized from lowest to highest. Extreme values do not affect the median, which is why it is sometimes preferred over the mean. We also report valid percentages, which is a percentage that excludes missing data from the calculation of categorical distributions and averages.

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<sup>8</sup> Data were obtained from the U.S. Census Bureau website ([data.census.gov](https://data.census.gov)) using the 2017–2021 American Community Survey 5-Year Estimates for Commuting Characteristics by Sex (S0801).

<sup>9</sup> 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 & ADULT RECIPIENTS

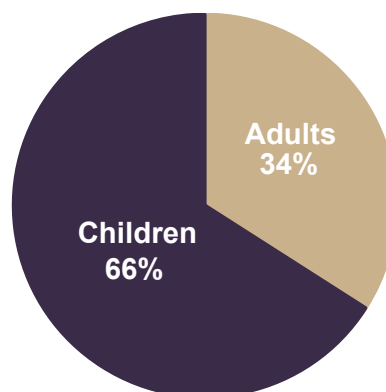
Families seek cash assistance when a change in the economy, such as the pandemic-induced recession, or a change in individual circumstances results in unemployment. Families who utilize TCA often face at least one barrier to self-sufficiency, such as health issues or inadequate educational attainment (Dworsky & Courtney, 2007). Ideally, services provided to TCA families—both during benefit receipt and in their transition off cash assistance—help families to address some of the barriers they face and improve their long-term self-sufficiency.

With the types of challenges families face in mind, this chapter provides an overview of who left cash assistance between July 2016 and June 2022. Specifically, it identifies the number of family members receiving benefits, characteristics of adult recipients, and their geographic distribution within the state. Additionally, the number of months families received TCA benefits and the reasons they exited the program are discussed. Understanding the characteristics of TCA leavers can help inform program and policy updates that aid families in reaching self-sufficiency.

### Recipients on Exiting Cases

The cash assistance program is available only to families with children, including expecting parents, and the majority of the program's beneficiaries are children. As shown in Figure 2, children comprised two in every three (66%) recipients on exiting cases between July 2016 and June 2022. The remaining one third (34%) of TCA recipients were adults or other caregivers who were the parents of these children.

**Figure 2. Recipients on Exiting Cases**  
*July 2016 through June 2022*  
(*n*=52,235 cases)



**Note:** Valid percentages are reported to account for missing data.

Children are generally eligible for TCA benefits from birth until age 18 (FIA, 2022b).<sup>10</sup> Many families receiving TCA benefits, however, have young children in their households. Half (50%) of families had at least one child under the age of five, and the average age of the youngest child was seven years old. This has implications for child care needs among employed adults, underscoring the importance of the Child Care Scholarship (CCS) program. The CCS program provides child care support to adults who are working, in school, or participating in an approved activity while they are receiving TCA benefits, and it extends transitional child care assistance after they exit the TCA program (Maryland State Department of Education [MSDE], n.d.). However, the stay-at-home orders during the COVID-19 pandemic forced many child care centers to close (Stern & Baye, 2021). Those that remained open were largely sustained by funding from the American Rescue Plan Act, and the expiration of these funds may lead to additional closures (MSDE, 2021; January

<sup>10</sup> Maryland does provide exceptions for individuals who are older than 18 and meet certain criteria (FIA, 2022b).

2023). Furthermore, the implementation of the education funding plan known as the *Blueprint for Maryland's Future* might inadvertently limit the availability of child care providers that serve children too young for school, as these providers transition to support the preschool needs of this new education plan (January, 2023).

The **average age** of the youngest child on exiting cases was **seven years**, though **half (50%)** had a child on the case who was **five years or younger**.

The size of a TCA family closely mirrors the typical household size in Maryland, which is between two and three people (U.S. Census, n.d.-b). As outlined in Table 1, approximately two fifths (39%) of families had two TCA recipients, while one quarter (23%) had three recipients, accounting for 62% of all TCA families. Most often, there was one (50%) or two (26%) children on a case along with a single adult (73%). It is worth noting that single parents are overrepresented in the TCA program. This overrepresentation is likely a reflection of two points. First, one-parent households are more likely to experience poverty compared to two-parent households (Annie E. Casey Foundation, 2022). Second, two-parent families are much more likely to exceed the income eligibility criteria for the program (Hahn et al., 2016).

**Table 1. Recipients per Exiting Case**

*July 2016 through December 2022*

*(n=52,235 cases)*

	<i>Percent</i>	<i>Count</i>
<b>Total Number of Recipients</b>		
1 recipient	18%	9,150
2 recipients	39%	20,454
3 recipients	23%	12,169
4 or more recipients	20%	10,366
<b>Number of Child Recipients</b>		
No children	4%	2,335
1 child	50%	26,011
2 children	26%	13,583
3 or more children	20%	10,210
<b>Number of Adult Recipients</b>		
No adults	20%	10,536
1 adult	73%	38,025
2 adults	7%	3,578

**Note:** Cases with no children typically include a pregnant head-of-household or in which the child on the case receives disability, subsidized adoption, or foster care payments and is not eligible for TCA benefits. Valid percentages are reported to account for missing data.



## Demographic Characteristics of Adult Recipients

The demographic characteristics of adult recipients on exiting cases have exhibited incremental changes throughout the *Life after Welfare* annual updates. For example, the race and ethnicity and gender compositions of exiting caseloads have changed over time, consistent with changes in the active TCA caseload (see the *Life after Welfare*, 2015 update for comparison as well as *Life on Welfare* updates). For the exiting caseload covered in this report, an adult recipient is most likely a Black (66%) or White (25%) woman (86%) in her early thirties with an average age of 33 years old (Table 2). Typically, she has never been married (75%) and has completed at least a high school education (78%). Although this typical profile holds true across all three cohorts, there are noteworthy distinctions within the pandemic cohort.

The surge of new recipients during the pandemic caused sudden, sharp changes in adult recipients' characteristics. For example, among recipients who came onto TCA during the pandemic, there was an increased representation of men, White or Hispanic/Latinx recipients, married recipients, and recipients with post-secondary education (Passarella & Smith, 2021). These characteristics are also evident among those who exited during the pandemic, as detailed in Table 2. Most demographic characteristics of leavers who exited in the pandemic recovery cohort, however, align with the pre-pandemic profile.

For instance, in the pandemic cohort the percentage of male recipients on exiting cases increased to 18% which was 6 percentage points higher than the economic stability cohort (12%). The percentage of men subsequently decreased to 14% during the pandemic recovery cohort. The increase

in male recipients on exiting cases may be related to an increase in married adult recipients. The percentage of adult recipients who were married increased from 11% among economic stability leavers to 16% among pandemic leavers and back down to 13% among those in the pandemic recovery cohort. As the rate of married couples exiting the program declined, so did the rate of exiting male leavers.

While two thirds (66%) of all adult recipients on exiting cases were Black, this percentage declined among the pandemic leavers, accompanied by an increase of White and, to a lesser extent, Hispanic/Latinx recipients. In the economic stability cohort, seven in 10 (68%) adult recipients were Black but this decreased to 59% in the pandemic cohort. Among pandemic recovery leavers, the percentage of Black recipients (66%) closely mirrored the economic stability cohort. On the other hand, the percentage of White (24% to 29%) and Hispanic/Latinx (4% to 7%) recipients grew between the economic stability and pandemic cohorts and then declined in the pandemic recovery cohort to 23% and 5%, respectively.

Educational attainment followed a similar pattern between the three cohorts. In all cohorts, about two in three adult recipients completed high school as their highest level of education. However, nearly one in five (17%) pandemic leavers completed post-secondary education, compared to 11% of leavers in the economic stability cohort and 13% of leavers in the pandemic recovery cohort.

Age was the only demographic characteristic in which the pandemic recovery cohort did not revert towards the economic stability cohort's trends. However, the age of TCA recipients has been on the rise, and this trend predates the pandemic (Smith & Passarella, 2023). This is also part of a national trend for cash assistance

recipients.<sup>11</sup> In particular, the average age of adult recipients increased from 33 in the economic stability cohort to 34 in the pandemic cohort, and then increased again to 35 in the pandemic recovery cohort. Further, the percentage of adult recipients in the two oldest categories rose for each

cohort. Adult recipients who were between 31 and 35 years increased from 20% in the economic stability cohort to 24% in the pandemic recovery cohort. Similarly, adult recipients who were 35 and older increased from 32% to 39%.

**Table 2. Demographics of Adult Recipients on Exiting Cases**

	Economic Stability 7/2016 to 3/2020 (n=28,204)	Pandemic 4/2020 to 12/2021 (n=12,352)	Pandemic Recovery 1/2022 to 6/2022 (n=5,397)	Total 7/2016 to 6/2022 (n=45,953)
<b>Gender</b>				
Female	88%	82%	86%	86%
Male	12%	18%	14%	14%
<b>Race/Ethnicity</b>				
Black^	68%	59%	66%	66%
White^	24%	29%	23%	25%
Hispanic/Latinx	4%	7%	5%	4%
Other^	4%	5%	6%	5%
<b>Marital Status</b>				
Never married	76%	71%	76%	75%
Married	11%	16%	13%	13%
Previously married*	12%	13%	11%	12%
<b>Age</b>				
Under 20	2%	2%	1%	2%
20-25	20%	19%	13%	19%
26-30	25%	23%	22%	24%
31-35	20%	21%	24%	21%
36 & older	32%	35%	39%	34%
Average [Median]	33 [32]	34 [32]	35 [34]	33 [32]
<b>Highest Educational Attainment</b>				
Did not finish high school	24%	19%	21%	22%
Finished high school#	76%	81%	79%	78%
> High school only	65%	64%	65%	65%
> Post-secondary education	11%	17%	13%	13%

**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 are reported to account for missing data.

<sup>11</sup> Based on authors' analysis of the Office of Family Assistance annual reports titled Characteristics and Financial Circumstances of TANF Recipients

(FFY2011- FFY2021) which can be found here: <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports>.

## Residence of Families on Exiting Cases

Part of understanding the families who exited the TCA program is knowing where they live. Maryland, though small in size, has a rich diversity of communities encompassing urban centers, suburbs, rural regions, and shore towns. Such 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).<sup>12</sup>

Table 3 displays the residence of families who exited the TCA program between July 2016 and June 2022. 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 three fourths of the state's population and subsequently comprise the majority of the state's TCA caseload (Smith & Passarella, 2023; U.S. Census Bureau, n.d.-a). 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 (31%) of TCA leavers. 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 (8%) and Montgomery County (7%). For the remaining regions, the percentage of statewide leavers ranged from 8% in the Metro region to 4% in the Lower Shore.

Parallel to many of the characteristics observed among adult recipient leavers, geographical trends also underwent changes during the pandemic period but have since reverted to pre-pandemic trends. For instance, in the pandemic cohort, only 20% of all closures occurred in Baltimore City, which is in contrast to 34% of closures in the economic stability cohort and 36% in the pandemic recovery cohort. Meanwhile, the percentage of closures occurring in the counties of Prince George's (10% to 14%), Anne Arundel (7% to 9%), and Montgomery (6% to 10%), as well as the Metro Maryland region (8% to 10%), all increased by at least 2 percentage points between the economic stability and pandemic cohorts. Likely, the increased percentages of leavers were a result of the higher than average caseload growth experience by these jurisdictions during the pandemic period (Passarella & Smith, 2021).<sup>13</sup> The jurisdictional distribution of closures returned to pre-pandemic percentages during the pandemic recovery period when each of these jurisdictions was within 1 percentage point of the economic stability distribution. The only exception was Prince George's County in which the percentage of leavers was more closely aligned with that of the pandemic cohort. In the remaining four regions—Western Maryland, Southern Maryland, Upper Shore, and Lower Shore—closures represented 4% to 6% of all statewide closures in each respective region and across each cohort.

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<sup>12</sup> The TCA snapshot series provides jurisdictional-level information, such as the top industries of employment, for TCA families in each of Maryland's jurisdictions.

<sup>13</sup> The Metro Maryland region (which includes Carroll, Harford, Howard, and Frederick counties) is an exception and did not experience higher than average growth during this period.

**Table 3. Residence of Exiting Families**

	Economic Stability 7/2016 to 3/2020 (n=33,847)	Pandemic 4/2020 to 12/2021 (n=12,774)	Pandemic Recovery 1/2022 to 6/2022 (n=5,614)	Total 7/2016 to 6/2022 (n=52,235)
<b>Baltimore City</b>	34%	20%	36%	31%
<b>Baltimore County</b>	13%	14%	13%	13%
<b>Prince George's County</b>	10%	14%	13%	11%
<b>Metro MD Region</b> Carroll, Harford, Howard, & Frederick Counties	8%	10%	7%	8%
<b>Anne Arundel County</b>	7%	9%	8%	8%
<b>Montgomery County</b>	6%	10%	5%	7%
<b>Western MD Region</b> Garrett, Allegany, & Washington Counties	6%	6%	6%	6%
<b>Southern MD Region</b> Calvert, Charles, & St. Mary's Counties	5%	6%	4%	5%
<b>Upper Shore Region</b> Cecil, Kent, Queen Anne's, Caroline, Talbot, & Dorchester Counties	5%	6%	4%	5%
<b>Lower Shore Region</b> Worcester, Wicomico, & Somerset Counties	4%	4%	4%	4%

**Note:** Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

### Previous TCA Receipt

Long-term dependence on cash assistance benefits in Maryland is rare (Hall et al., 2020). Most adult recipients are required to participate in work-related activities, such as employment, on-the-job training, or job search among other activities to help them secure employment and exit the program. Grant amounts are also low and are not enough to support a family (Thompson et al., 2023).

While most families typically experience short periods of benefit receipt, external economic conditions and policy changes can influence spell length. For example, the state established the automatic redetermination of TCA benefits during the

pandemic (Maryland Department of Human Services [DHS], 2020). This policy change, combined with the economic conditions of the pandemic, may have led families to stay on the program longer than they would have otherwise. A second example is the end of full-family sanctions in Maryland for non-cooperation with child support and non-compliance with work requirements<sup>14</sup> (FIA, 2021b). In lieu of case closure (full-family sanction), families experience only a partial reduction<sup>15</sup> in their TCA benefits. Therefore, families continue to receive reduced TCA benefits and their benefit amount is restored in full once requirements are met (FIA, 2021b). This policy change potentially impacts the duration of benefit receipt for families in the TCA program.

<sup>14</sup> The revised policy on child support sanctions became effective in December 2021 while the revised policy for work sanctions began January 2022 (FIA, 2021b).

<sup>15</sup> A partial work sanction results in a 30% reduction of the adult recipient's portion of the TCA grant, and a

partial child support sanction results in a 25% reduction of the entire TCA grant amount (FIA, 2021b).

Examining histories of receipt, then, is important context for understanding how economic and policy changes impact receipt patterns. To that end, this section explores benefit receipt through three key perspectives: (1) the percentage of families who were new to the TCA program; (2) the number of months families received benefits during their TCA spell;<sup>16</sup> and (3) the number of months families received benefits in the five years prior to exit.

### *New to TCA*

Between July 2016 and June 2022, about two in five (41%) families were new, meaning their exits ended their first spell of cash assistance receipt (Table 4). The percentage of new families exiting the program changed substantially during the pandemic. During the period of economic stability, about one third (35%) of families were in their first TCA spells when their cases closed. During the pandemic, however, nearly three in five (56%) families were receiving their first spell of TCA benefits. As the economy worsened and families grappled with the effects of pandemic-related factors such as unemployment, stay-at-home orders, and remote learning for students, more families sought temporary assistance. Subsequently, as the economy improved, there were fewer families requiring cash assistance, and the percentage of new families decreased to 40% during the pandemic recovery cohort.

### *Consecutive TCA Benefits*

Another measure of TCA receipt—and an indication that families receive TCA benefits on a short-term basis—is the length of families' most recent TCA spells. As shown in Table 4, nearly three in four (72%) families received benefits consecutively for one year or less between their most recent TCA application and case closure. Less

than one in five (16%) families received benefits consecutively for one to two years, and one in 10 (11%) received more than two years of consecutive benefits.

The average consecutive benefit receipt for all exiting families was 14 months. This average was slightly lower in the economic stability cohort (13 months) but increased slightly in the pandemic cohort (14 months) and substantially in the pandemic recovery cohort (21 months). Compared to economic stability leavers, pandemic leavers were less likely to have one year or less of consecutive benefits (78% vs. 71%) and more likely to have one to two years (11% vs. 19%). In the pandemic recovery cohort, only two in five (39%) leavers received one year or less of consecutive receipt, which is 32 percentage points lower than the pandemic cohort. Additionally, two in five (39%) pandemic recovery leavers received one to two years of consecutive benefits, and 15% received two to three years.

Longer spell lengths among families in the pandemic and pandemic recovery cohorts are likely a result of the economic repercussions of the pandemic coupled with pandemic-related program flexibilities, such as automatic benefit redeterminations. However, the pandemic cohort experienced a modest increase in consecutive months of receipt compared to the economic stability cohort while the pandemic recovery cohort's increase was much larger. The majority of leavers in both the pandemic cohort (70%) and pandemic recovery cohort (74%) began their TCA spells during the pandemic period between March 2020 and December 2021. Circumstantial differences might explain why, despite coming onto TCA during similar periods, the pandemic cohort cases closed earlier than those in the pandemic recovery cohort, impacting their total months of consecutive receipt.

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<sup>16</sup> A TCA spell is the consecutive months of TCA benefit receipt between the most recent application and case closure examined for this report.

**Seven in 10 families in the pandemic (70%) and pandemic recovery cohorts (74%) began receiving TCA between April 2020 and December 2021, the height of the pandemic period.**

For instance, families in the pandemic cohort may have left the program because they began receiving unemployment insurance (UI) benefits, which had expanded eligibility under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. In fact, in the pandemic cohort, one in five (19%)<sup>17</sup> families received UI benefits after exiting TCA. Comparatively, only 1% of families in the pandemic recovery received UI after exiting.

Alternatively, families in the pandemic cohort may have exited during a four-month lapse in automatic redeterminations in which many TCA cases were closed (Office of Policy Analysis, 2021). These premature closures may have contributed to shorter TCA spells for some families. Families in the pandemic recovery cohort did not experience this lapse in redeterminations and likely benefited from the full period of automatic redeterminations between March 2020 and December 2021. Pandemic recovery families exited the program during the first six months (January–June 2022) after automatic redeterminations ceased, leading to their substantially longer TCA spells.

### *Cumulative TCA Benefits*

Even though some families may have short TCA spells, they may cycle on and off the program, accumulating multiple benefit spells (Wood et al., 2008; Hall, 2021). This next measure accounts for these cycles by providing the total number of months of TCA benefits that families received in the five years before their cases closed. This measure includes all the months of their

most recent TCA spell (discussed above) as well as any additional months received within the five-year period. On average, families received 20 months of TCA benefits over the 60-month period before their exits (Table 4). About half (48%) of families received benefits for one year or less in the previous five years, and one quarter (23%) received benefits for one to two years. On the longer end of benefit receipt, only one in 10 (12%) families received four to five years of TCA prior to their exits.

Patterns of previous receipt differed across cohorts. Pandemic leavers had *fewer* months of cumulative receipt compared to the economic stability cohort, while pandemic recovery leavers had *more* months of receipt relative to the other two cohorts. In the economic stability cohort, roughly seven in 10 (68%) families had two years or less of cumulative receipt in the five years before exit. In the pandemic cohort, 80% of families had cumulative receipt of two years or less. The higher percentage of pandemic cohort leavers with low cumulative receipt makes sense given that most of these leavers were new to the TCA program and did not have much prior program history.

Conversely, many pandemic recovery leavers came onto the program during the same period as the pandemic leavers, but they were less likely to be new, meaning they had previous program receipt. Consequently, there was a substantial reduction in pandemic recovery leavers who only received one year or less of TCA benefits in the previous five years and an increase in leavers receiving one to two years. Between the pandemic and pandemic recovery cohorts, the percentage of those receiving one year or less decreased by 30 percentage points from 58% to 28%, while the percentage of those receiving one to two years increased from 22% to 36%.

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<sup>17</sup> Analysis not shown.

The reasons for this substantial shift in patterns of cumulative TCA receipt are likely consistent with the reasons outlined for consecutive TCA receipt. That is, these may be families who had much longer TCA spells due to the effects of the pandemic (including difficulty finding employment and

child care) (CBPP, 2022a.; Mader, 2022; January, 2023), as well as automatic redeterminations. Combining these longer spells with the fact that many had previous TCA receipt culminates in more months of TCA benefits than observed in the other two cohorts.

**Table 4. Previous TCA Receipt**

	<b>Economic Stability</b> 7/2016 to 3/2020 (n=33,847)	<b>Pandemic</b> 4/2020 to 12/2021 (n=12,774)	<b>Pandemic Recovery</b> 1/2022 to 6/2022 (n=5,614)	<b>Total</b> 7/2016 to 6/2022 (n=52,235)
<b>First TCA Spell</b>				
Exit ends first spell	35%	56%	40%	41%
<b>TCA Spell</b>				
<b>Consecutive Months</b>				
12 months or fewer	78%	71%	39%	72%
13 to 24 months	11%	19%	39%	16%
25 to 36 months	4%	4%	15%	5%
37 to 48 months	2%	2%	3%	2%
49 to 60 months	1%	1%	1%	1%
More than 60 months	3%	3%	3%	3%
Average [Median]	13 [6]	14 [9]	21 [18]	14 [8]
<b>5 years before Exit</b>				
<b>Cumulative Months</b>				
12 months or fewer	47%	58%	28%	48%
13 to 24 months	21%	22%	36%	23%
25 to 36 months	11%	6%	16%	10%
37 to 48 months	8%	4%	8%	7%
49 to 60 months	13%	10%	12%	12%
Average [Median]	21 [14]	17 [11]	24 [22]	20 [13]

**Note:** The first TCA spell is determined by the benefit history of all adult recipients on the case; if any adult recipient on the exiting case had prior TCA receipt, then the case is not coded as ending a first spell. The length of the TCA spell is calculated from the start of the observed TCA application to the month of TCA exit. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

## Reason for Case Closure

When a family leaves the TCA program, caseworkers identify the reason for their departure in the administrative data system. These reasons are generally programmatic in nature, such as the customer failing to return required paperwork or receiving income that makes the family ineligible for benefits. These recorded closure reasons, as presented in Table 5, offer insights into how their usage has evolved over time and corresponds to programmatic changes.

*Income above the limit* is the most common reason for case closures, with nearly three in 10 (28%) families exiting due to exceeding income thresholds. Both earned and unearned income are used to determine eligibility, and families often exceed the eligibility threshold once they secure employment. The percentage of cases closing due to income limits varied greatly by cohort. In the economic stability cohort, one quarter (24%) of cases closed for this reason. However, during the pandemic cohort, income related closures reached 40%, even as employment participation declined among these leavers (as depicted in Figure 3). Two main factors likely contributed to this surge. First, during the pandemic period, work requirement waivers and automatic redeterminations meant there were fewer options for case closure reasons. Second, many families who came onto the program during those initial months of the pandemic may have begun receiving unemployment insurance benefits resulting in a closure for unearned income.<sup>18</sup> Unsurprisingly then, income above the limit closures declined to 21% in the pandemic recovery period with the

expiration of the work requirement waivers, pandemic-related work exemptions (*discussed below*), automatic redeterminations, and the UI benefits program extension. In the pandemic recovery cohort, income above the limit fell to the third most common closure reason after paperwork related closures.

For over a decade, *work sanctions*—closures for cases in which work-eligible adult recipients failed to participate in required work activities—had been the most common reason for case closures, representing just under one third of all closures (McColl & Passarella, 2019). However, the use of work sanctions has declined in more recent years (Smith et al., 2022). In this update, 15% of all cases closed for work sanctions. Among the economic stability leavers, work sanctions were the second most common closure reason, nearly on par with income above the limit closures (23% vs. 24%). However, work sanctions nearly disappeared during the pandemic cohort accounting for only 2% of closures. This decline can be attributed to Maryland's rapid response to the COVID-19 pandemic, in which work requirements were suspended in order to prioritize customer health (DHS, 2020). Once the suspension expired, adult recipients could obtain pandemic-related exemptions, called good-cause exemptions, to the work requirement (Shantz et al., 2022). Finally, there were practically no work sanctions during the pandemic recovery cohort due to a policy shift in which work sanctions no longer result in case closure; instead, families face a partial reduction to their TCA grant amount until the adults on the grant comply with work requirements<sup>19</sup> (FIA, 2021b).

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<sup>18</sup> One in five (19%) cases in the pandemic cohort received UI compared to just 2% in the economic stability cohort and 1% in the pandemic recovery cohort.

<sup>19</sup> The policy for child support sanctions was also revised to a partial reduction in benefits. However, there were 32 cases that closed due to child support

sanctions and 8 cases that were closed due to work sanctions in the pandemic cohort. It is likely that the combination of a new data system and new policy may have resulted in these closures occurring.



Another portion of TCA families faced case closures as a result of paperwork. Closure reasons related to paperwork include *did not maintain eligibility* and *did not reapply*.<sup>20</sup> Combined, paperwork-related closures accounted for 29% of all closure reasons. However, this percentage varied greatly by cohort. The combination of these paperwork-related closures accounted for nearly three in every five (57%) closures in the pandemic recovery cohort. This was a substantial increase from the other two cohorts in which paperwork-related closures comprised about one quarter of closures in the economic stability (27%) and pandemic

(24%) cohorts. Several factors likely contributed to this uptick in the pandemic recovery cohort. For one, there has been a gradual reduction in the number of closures over time (see the *Methods* section for additional details). This may be related to the fact that sanctions no longer close cases, thereby limiting the number of cases subject to closure. Moreover, the list of potential closure reasons has become more restricted without the use of full-family sanctions. This means other closure reasons, such as administrative closing codes, now have an increased share of total case closures.

**Table 5. Case Closure Reasons**

	Economic Stability 7/2016 to 3/2020 (n=33,847)	Pandemic 4/2020 to 12/2021 (n=12,774)	Pandemic Recovery 1/2022 to 6/2022 (n=5,614)	Total 7/2016 to 6/2022 (n=52,235)
Income above limit	24%	40%	21%	28%
Did not maintain eligibility	19%	14%	29%	19%
Work sanction	23%	2%	0%*	15%
Ineligible	11%	17%	7%	12%
Did not reapply	8%	10%	28%	10%
Child support sanction	6%	7%	1%*	6%
Customer requested closure	6%	5%	4%	5%
Residency	2%	2%	2%	2%
All other closing codes	1%	3%	8%	2%

**Note:** The *All other closing codes* category includes 32 closure reasons, each with less than 1% of case closures.

\*Starting in December 2021 and January 2022, respectively, child support sanctions and work sanctions no longer result in case closures (FIA, 2021b). During this policy transition period, 32 cases in the pandemic recovery cohort still closed due to child support sanctions as did 8 cases for work sanctions. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

<sup>20</sup> The category of *did not maintain eligibility* includes closure reasons such as no required verification information, failure to give information to establish eligibility, and non-cooperation with the eligibility

process. The category of *did not reapply* includes closures for failure to reapply for benefits.

## EMPLOYMENT

A principal tenant of TCA is to reduce families' need for safety net assistance by promoting job preparation and work (State of Maryland, 2020). While this tenant has always been important, the federal Fiscal Responsibility Act of 2023 creates additional emphasis on program outcomes, including employment (Hahn, 2023). Maryland provides TCA recipients support in finding work, job training, and education to help them make a permanent exit from the program (State of Maryland, 2020).

Given the program's emphasis on self-sufficiency through employment, this chapter provides information on leavers' employment and earnings after their TCA exits. Specifically, this includes comparisons of employment participation and earnings prior to receiving TCA and after exit, employment and earnings trends in the five years after exit, and the industries in which adult TCA leavers most frequently find employment. This chapter also provides comparisons of employment and earnings by cohort, elucidating some of the employment differences between those who left during the economic stability and pandemic recovery cohorts versus those who exited during the more economically tumultuous pandemic period.

Previous work experience is a positive predictor of adult recipients' employment outcomes (Ybarra & Noyes, 2019). Figure 3 shows that three in five (59%) adult recipients were employed in the year before their TCA spells, and this percentage was similar across cohorts. In the economic stability cohort, 58% of adult recipients worked in the year before their TCA spells as did 62% of those in the pandemic cohort and 57% in the pandemic recovery cohort. The slight uptick in pre-spell employment in the pandemic cohort is likely related to the economic disruption of the pandemic, when

many employed adults were forced to turn to cash assistance after experiencing pandemic-related job loss (Hembre, 2023), increasing the percentage of leavers in the pandemic cohort who were employed before their spells.<sup>21</sup> Routinely, a higher percentage of adult recipients are employed after exiting the TCA program compared to before their TCA spells (Hall & Passarella, 2020; Hall & Passarella, 2021; Smith et al., 2022). Within the study period of this report, 62% of adult recipients worked in the year after their TCA exits, which is 3 percentage points higher than the year before their TCA spells (Figure 3). In the economic stability cohort, this difference was a 6 percentage point increase in employment for program leavers (58% to 64%). The pandemic cohort, notably, did not maintain this trend.

### 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.

At the time of retrieval, follow-up employment data for adult recipients was only available through December 2022. As a result, the pandemic cohort is excluded from analyses that require at least one-year of post-exit employment data.

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 2022 dollars.

Due to limitations with employment data, employment is under reported for some recipients and findings represent *minimum* employment levels for TCA leavers.

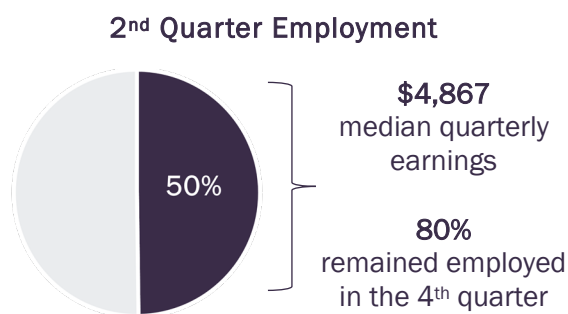
<sup>21</sup> The *Previous TCA Receipt* section provides information on when families began their TCA spells.

## Employment Retention

The [Fiscal Responsibility Act \(FRA\)](#) of 2023 includes revisions to some safety net programs (Penn Wharton, 2023). Among the revisions is a requirement for states to report employment retention for leavers of their TANF programs (Hahn, 2023).

Employment retention outcomes outlined by the FRA are different from the employment analyses reported in *Life after Welfare*. This is because FRA reporting requirements focus on adult recipients who are work eligible at the time of TANF exit. Not all adult recipients are work eligible, and work eligibility status can change over time. The *Life after Welfare* study does not consider work eligibility status at exit when reporting outcomes of TANF leavers and excludes churners. FRA employment outcomes require states to report the percentage of work-eligible leavers who are employed in the second quarter after exit, their earnings in the second quarter after exit, as well as the percentage who remain employed in quarter four. The figure below provides an estimate of FRA measures in the state among work-eligible leavers between July 2016 and December 2021.

In Maryland, **half (50%)** of work-eligible TCA leavers in the *Life after Welfare* population were employed in the **2nd quarter after exit** and had median quarterly earnings of **\$4,867**. Among those who were employed, **most (80%)** retained their employment in the 4th quarter after exit.



**Note:** Analysis includes only adult recipients with one year of follow-up data. These findings do not represent official FRA measures and may differ from future official measures, which will be based on a different time period, use different data sources, and may include churners.

A *smaller percentage* of adult leavers worked after TCA exit in the pandemic cohort compared to the year prior to their spells (62% to 58%).

Several factors potentially contribute to the decrease in post-TCA employment for pandemic cohort leavers. For one, half (51%) of pandemic leavers exited the TCA program between April and December 2020.<sup>22</sup> The unemployment rate for those who exited TCA in this span was relatively high, from 9% in April 2020 to 6.7% in December 2020 (BLS, n.d.). Maryland's unemployment continued to remain high during most of the one-year follow-up period for this group, with rates not dropping below 5% until September 2021 (BLS, n.d.). Additionally, industries in which TCA recipients often work, such as restaurants, general retail, and hospitality, were disproportionately affected by the pandemic and struggled to rebound (Vidovic, 2022; Buchwald, 2023). Combined, these factors indicate jobs might have been harder to find and maintain for leavers in this period. Second, many child care centers closed during the pandemic period and child care remained difficult to find even as the economy improved (Shwe, 2021; Torry, 2023). Leavers in the pandemic cohort might have exited TCA but faced difficulties finding child care, impacting their ability to work. Third, the Coronavirus Aid, Relief, and Economic Security (CARES) act expanded unemployment insurance (UI) eligibility (Acs & Karpman, 2020). Possibly, families who had originally applied for TCA might have become eligible for UI under the expanded rules and exited TCA to receive UI benefits, since it might have offered higher benefit amounts compared to TCA.<sup>23</sup>

Unfortunately, the pandemic recovery cohort did not yet have one year of employment follow-up data at the time of data retrieval to demonstrate whether leavers in this cohort were employed at a higher rate after TCA

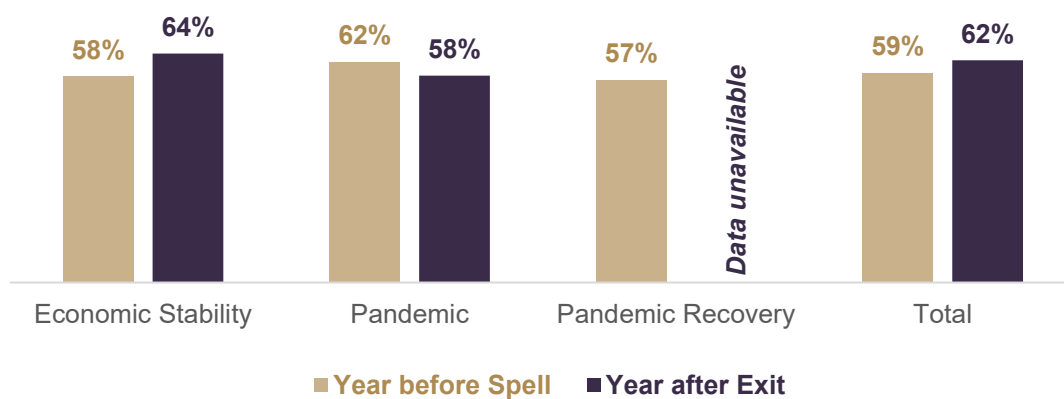
<sup>22</sup> Analysis not shown.

<sup>23</sup> One in five (19%) cases in the pandemic cohort received UI at the time of TCA exit.

exit in comparison to the year before their spells. Leavers in the pandemic recovery cohort, who left TCA between January and June 2022, exited during an economy with relatively low unemployment rates (BLS, n.d.). As the country convalesces from the pandemic, women, who are the majority of TCA adult recipients and faced disproportionate jobs losses during the

pandemic (Bateman & Ross, 2020), have not only recovered from employment loss but have grown in their labor force participation (Bauer & Wang, 2023). Given these factors, it seems promising that leavers in the pandemic recovery cohort will have higher post-exit employment in the year after exit compared to leavers in the pandemic recovery cohort.

**Figure 3. Annual Percentage of Adult Recipients Employed in Maryland**  
*Year before TCA spell and year after exit*



**Note:** *Year after Exit* data excludes leavers in the Pandemic Recovery cohort because this cohort did not have one year of follow-up data at the time data were retrieved. Counts are not shown because they differ between the *Year before Spell* and the *Year after Exit* due to sample exclusions detailed in the methods chapter. Valid percentages are reported to account for missing data.

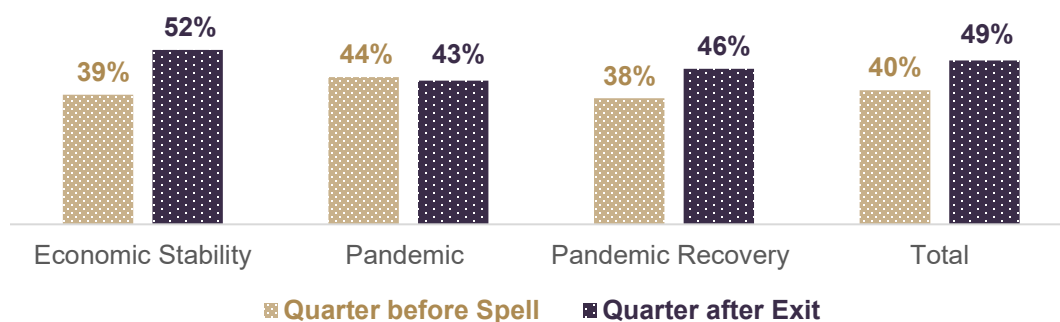
Post-exit employment data is, however, available for the pandemic recovery cohort for the quarter after exit. Employment trends in the quarters before and after TCA exit (Figure 4) are similar to the patterns displayed in Figure 3. Notably, quarterly analysis also shows that a higher percentage of adult recipients in the pandemic cohort (44%) were employed in the quarter before their TCA receipt compared to adult recipients in the economic stability (39%) and pandemic recovery (38%) cohorts.

Similar to the one-year findings is the fact that there was a slight decline in employment in the quarter after exit for

pandemic leavers (44% vs. 43%) and an increase in employment for leavers in the economic stability cohort (39% vs. 52%). In the pandemic recovery cohort, a higher percentage of leavers worked in the quarter after exit (46%) compared to the quarter before their TCA spells (38%). Given the parallels of employment participation patterns by year and by quarter for the economic stability and pandemic cohort, it seems findings for the pandemic recovery cohort suggest a return to pre-pandemic employment trends, in which more leavers were employed after their exits from the TCA program compared to before their spells.

**Figure 4. Quarterly Percentage of Adult Recipients Employed in Maryland**

*Quarter before TCA spell and quarter after exit*



**Note:** Counts are not shown because they differ between the *Quarter before Spell* and the *Quarter after Exit* due to sample exclusions detailed in the methods chapter. Valid percentages are reported to account for missing data.

## Earnings

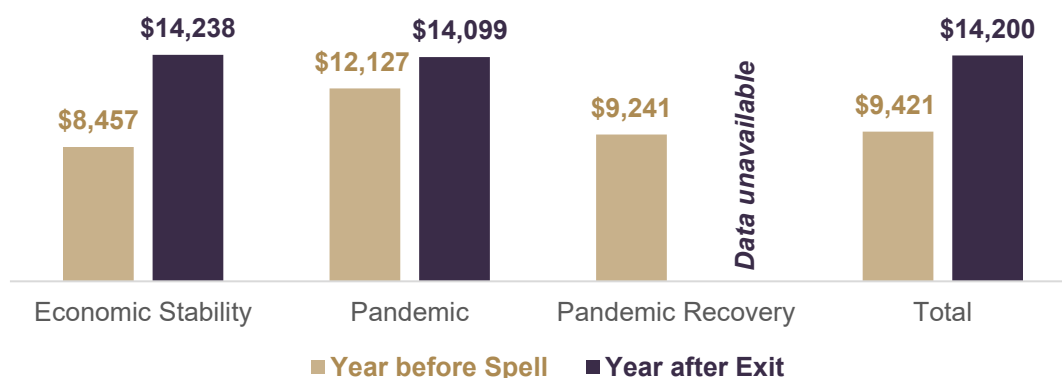
Earnings indicate adult recipients' income from work and provide a basic picture of their financial resources. In the year before their TCA spells, adult recipients had median earnings of \$9,421 (Figure 5). Earnings, however, varied by cohort. Median earnings in the year before TCA were \$8,457 for the economic stability cohort and increased to \$12,127 in the pandemic cohort. In the pandemic recovery cohort, median earnings decreased by nearly a quarter (24%) from the pandemic cohort to \$9,241.

Adult recipients' earnings conventionally increase after their TCA exits relative to before their TCA spells (Hall & Passarella, 2020; Hall & Passarella, 2021; Smith et al., 2022). As Figure 5 shows, this pattern continued to hold in this *Life after Welfare* update. In total, median earnings increased for adult recipients to \$14,200 in the year after exit, a 51% (+\$4,779) growth from pre-spell earnings. Moreover, both the economic stability cohort and pandemic cohort experienced an increase. For the economic stability cohort, adult leavers experienced a large, 68% increase in median earnings,

rising to \$14,238 in the year after exit. The pandemic cohort, however, experienced a less substantial (16%) increase in median earnings, with earnings increasing to \$14,099 in the post-exit period.

Again, the specific circumstances faced by TCA leavers in the pandemic cohort help contextualize this lesser increase in earnings. Leavers in the pandemic cohort earned 43% more in the year before their TCA spells compared to leavers in the economic stability cohort (\$12,127 vs. \$8,457). Many had characteristics associated with higher earnings, such as a history of work prior to TCA as well as higher levels of education (Hall, 2021; Passarella & Smith, 2021). However, they also exited TCA during the pandemic's tenuous economic period, evidenced by the pandemic cohort's decrease in post-TCA employment. Difficulty finding work, COVID-19 interruptions in work and child care, or other pandemic-related difficulties might have impacted their overall earnings during their follow-up period resulting in this group not only having a lesser increase in earnings relative to the economic stability cohort but also lower total earnings in comparison (\$14,238 vs. \$14,099).

**Figure 5. Median Annual Earnings among Employed Adult Recipients**  
*Year before TCA spell and year after exit*



**Note:** *Year after Exit* data excludes leavers in the Pandemic Recovery cohort because this cohort did not have one year of follow-up data at the time data were retrieved. Figure includes only adult recipients who were employed and had earnings in Maryland. Earnings are standardized to 2022 dollars. Counts are not shown because they differ between the *Year before Spell* and the *Year after Exit* due to sample exclusions detailed in the methods chapter. Valid percentages are reported to account for missing data.

Since the pandemic recovery cohort did not have one year of follow-up data available at the time of data retrieval, earnings in the quarter before spell and the quarter after exit (Figure 6) offer comparisons between all three cohorts. Like prior earnings trends, all cohorts experienced earnings increases between the quarter before TCA entry and the quarter after exit. Earnings in the quarter before TCA were highest for the pandemic cohort (\$4,277), but the pandemic cohort had the least amount of growth (27%) in the quarter after exit (\$5,416) compared to the

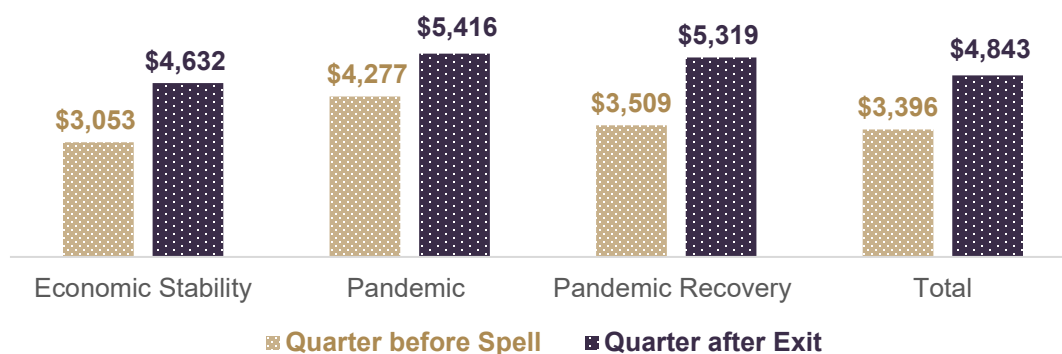
economic stability cohort (\$3,053 to \$4,632) and pandemic recovery cohort (\$3,509 to \$5,319), which each experienced earnings increases of 52%.

In general, earnings patterns in the pandemic recovery cohort seem to be similar to those of the economic stability cohort. Combined with trends in quarterly employment, analysis of the pandemic recovery cohort suggests a reversion to pre-pandemic patterns in employment and earnings for TCA leavers.



**Figure 6. Median Quarterly Earnings among Employed Adult Recipients**

*Quarter before TCA spell and quarter after exit*



**Note:** Figure includes only adult recipients who were employed and had earnings in Maryland. Earnings are standardized to 2022 dollars. Counts are not shown because they differ between the *Quarter before Spell* and the *Quarter after Exit* due to sample exclusions detailed in the methods chapter. Valid percentages are reported to account for missing data.

### Annual Employment & Earnings Five Years after Exit

The previous discussion provided information on how employment and earnings differed for adult recipients before TCA entry and after program exit. This next section focuses on recipients' long-term employment and earnings after program exit, providing a sense of families' financial outcomes. Maryland has been highlighted as one of only a handful of states that regularly reports long-term employment outcomes of TANF leavers (Safawi & Pavetti, 2020).

Consistent with findings in previous *Life after Welfare* reports, Figure 7 shows that more than half of adult recipients worked after TCA exit, but the share of employed leavers fell over time. In the first year after exit, more than three in five (62%) adult leavers worked. Employment steadily decreased to 53% by year five. Context for employment decreases, however, is important.

First, decreasing employment over time reflects the realities of poverty cycling. Many adults who have received cash assistance work in low-wage positions with inconsistent schedules that lack paid leave and benefits (Safawi & Pavetti, 2020). Often, these jobs do not pay adult recipients enough to adequately cover their expenses (Safawi & Pavetti, 2020), and child care needs and health issues are often barriers to work (Hildebrandt & Stevens, 2009). In fact, it is not uncommon for former cash assistance recipients to move in and out of the workforce (Hildebrandt & Stevens, 2009; Wood et al., 2008). Families also sometimes return to cash assistance between employment spells, but many do not (Wood et al., 2008). A past analysis of Maryland's TCA families found that five years after exit, over two in five (41%) families were disconnected from work as well as cash assistance (Smith et al., 2022).

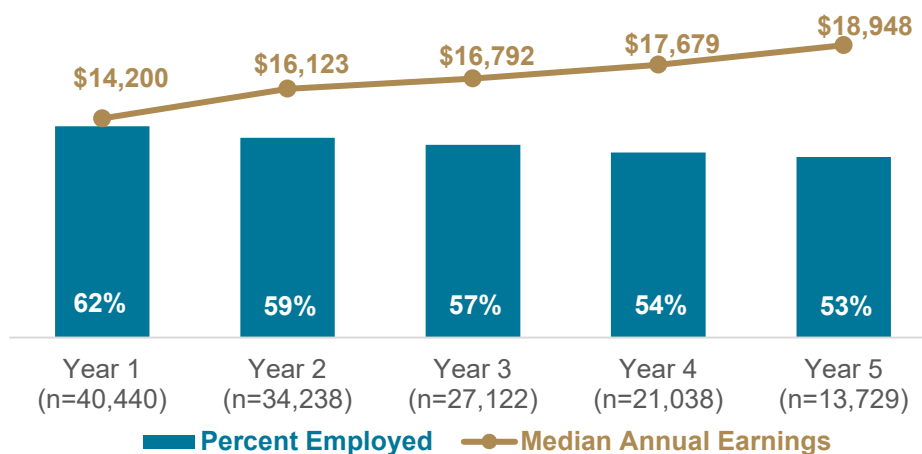
Second, the available employment data has certain limitations. Employment information in this report is limited to UI-covered positions in the state of Maryland (see the *Methods* chapter for more details). Employment for recipients who work in informal positions (e.g., some gig-economy and domestic workers) are not captured in UI data. It is also difficult to estimate how many people work in the informal economy (International Monetary Fund, 2021). Additionally, Maryland borders several other states, as well as the District of Columbia, meaning that it is not uncommon for Marylanders, including some TCA leavers, to work out of state. Consequently, data does not include employment for any leavers who worked outside of Maryland. Due to these data limitations, it is important to acknowledge that employment is under reported and employment findings represent *minimum* employment levels for TCA leavers.

In contrast to employment, adult leavers' earnings increase over time. In the first year after TCA exit, Figure 7 shows that employed adult recipients had median earnings of \$14,200. Median earnings increased more than \$4,000 by year five,

reaching \$18,948. Other states also report increasing earnings for their cash assistance leavers after exit (Economic Services Administration, 2022; NSPARC, n.d.).

Although increases in earnings are positive, earnings remain less than what is necessary to support a family. In 2022, the Federal Poverty Line (FPL) for a family of three was \$23,030, 22% higher than median earnings for TCA leavers five years after exit (Office of the Assistance Secretary for Planning and Evaluation [ASPE], 2022). However, the FPL does not take into account expenses such as transportation and child care (Haider & Schweitzer, 2020). Estimates that do account for necessary living expenses find that a Maryland family with one parent and one child would need an annual salary of over \$80,000 to be fully self-sufficient (Glasmeier, 2023). Low earnings among cash assistance recipients after exit, however, are not unique to Maryland. In states that also report outcomes for cash assistance, earnings are also low (Economic Services Administration, 2022; NSPARC, n.d.) and are mostly likely insufficient for families to independently support themselves.

**Figure 7. Adult Recipients' Annual Employment and Median Earnings after Exit**  
*Five years 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 2022 dollars. Refer to the *Methods* chapter for details on data limitations. Valid percentages are reported to account for missing data.



## Full-Year Employment and Earnings Five Years after Exit

Inconsistent employment, in which someone does not consistently work during the course of a year, contributes to adult recipients' low earnings (Safawi & Pavetti, 2020; Wood, 2008). Figure 7 (above) reflects employment and earnings for adult recipients who worked at any point in a given follow-up year. For example, an adult recipient might have worked in only one quarter during their first year after exit and their earnings subsequently reflect that. Previous *Life after Welfare* reports have found that only 30% to 35% of adult recipient leavers had full-year employment, meaning they worked in all four quarters, during any year after exit (Hall & Passarella, 2021; Smith et al., 2022).

In this update, Figure 8 shows that one third (33%) of adult recipients had full-year employment in their first year after exit. Full-year employment decreased gradually in the second (32%) through fourth (29%) years after exit and stabilized in year five (29%). The declining trend of full-year employment diverges from previously observed patterns. Most likely, this divergence is related to the economic disruption caused by the COVID-19 pandemic.

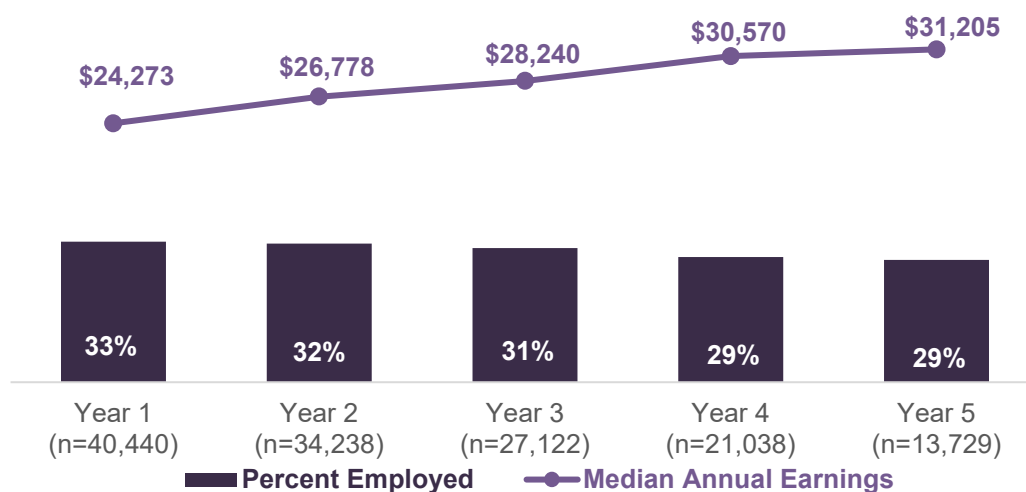
Prior to the pandemic, full-year employment consistently increased for adult leavers between the first and fifth year after exit (Hall & Passarella, 2020; McColl & Passarella, 2019; Nicoli & Passarella, 2018). Cohorts for which the follow-up period was impacted by the pandemic experienced patterns of decreasing or plateauing employment (Hall & Passarella,

2021; Smith et al., 2022). In this update, leavers in both the economic stability and pandemic cohort were impacted. For example, those in the economic stability cohort who left in 2016 might have faced job loss when the pandemic occurred, which would affect their four- or five-year follow-up data. In the pandemic cohort, those who left in the pandemic's initial months exited at a time of high unemployment and economic uncertainty. Adult recipients might have originally exited TCA to work and later lost their job, especially if they were employed in one of the industries that struggled in the pandemic and in recovery, such as restaurants (Ansell & Mullins, 2021; Buchwald, 2023). Likely, the disruption of the pandemic will continue to impact full-year employment patterns for the next several years for any groups whose employment spans this period.

Despite a declining trend in full-year employment, adult leavers who had full year employment earned substantially more compared to all employed leavers. As Figure 8 shows, median annual earnings for *leavers with full-year employment* was \$24,273 in the first year after exit. Median annual earnings increased gradually to \$31,205 by year five, a 29% increase. In comparison, median earnings for *all employed leavers* in the first year after exit was \$14,200 and grew to only \$18,948 by year five. Compared to all employed leavers, earnings for leavers who had full year employment were between \$10,000 and \$13,000 more in each follow-up year. The large difference between earnings for all employed adult leavers and those who worked a full year highlights the importance of consistent work for adult recipient leavers to increase their financial security.

The economic disruptions of the pandemic will impact employment patterns of TCA leavers over the next several years.

**Figure 8. Adult Recipient Full-Year Employment and Median Earnings after Exit**  
*Five years 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 2022 dollars. Refer to the *Methods* chapter for details on data limitations. Valid percentages are reported to account for missing data.

### Industries after Exit

To complement the employment and earnings analyses, this next section examines the industries in which leavers worked after exit. Industry information can help explain why recipients tend to have low earnings; which industries have higher wages; and possible training, education, and employment strategy needs. The last section of this chapter explores common industries of employment for adult recipient leavers employed in their first quarter after exit, their earnings, as well as differences between cohorts.

The two most common industries of employment for adult TCA recipients in the quarter after exit have consistently been administrative and support services and restaurants (Passarella et al., 2016). Table 6 shows that this finding continued to hold. In this update, three in 10 (29%) adult leavers worked in these two industries, with one in five (17%) working in administrative and support services and one in 10 (12%)

working in restaurants in their first quarter after exit. To a lesser degree, adult recipients also worked in outpatient health care (8%), residential care facilities (7%), and general retail (5%). Industries that were less common among leavers were employment in social assistance (4%), hospitals (4%), food and beverage retail (4%), and warehousing and storage (4%), in which about one out of every 20 TCA leavers found employment. Additionally, some leavers found employment in education (3%), professional, scientific, and technical services (3%), and accommodation (2%).

Earnings for adult recipient leavers varied by industry. Employment in industries associated with more technical or skilled work earned the most. For example, median earnings in the quarter after exit were highest for those who worked in hospitals (\$7,477), professional, scientific, and technical services (\$6,728), and outpatient health care (\$6,023).

**Accommodation (NAICS 721):**

Establishments that provide lodging or short-term accommodations for travelers.

**Administrative & Support Services (NAICS 561):**

Organizations that support day-to-day operations—clerical, cleaning, and general management activities—and temporary employment services.

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

**Food & Beverage Retail**

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

**General Retail (NAICS 455)**

*(previously 452):* Department stores and other general merchandise stores.

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

**Outpatient Healthcare (NAICS**

**621):** Outpatient healthcare facilities, medical and diagnostic laboratories, and home healthcare services.

**Professional, Scientific, & Technical Services (NAICS 541):**

Establishments where an individual or team is responsible for delivering skilled services to a client.

**Residential Care Facilities (NAICS**

**623):** Organizations that provide nursing and residential care for individuals with physical or mental health needs.

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

**Social Assistance (NAICS 624):**

Organizations that provide social services directly to their clients, including food and housing services as well as child day care services.

**Warehousing & Storage (NAICS 493):**

Facilities that store general merchandise and refrigerated goods and offer logistic services related to the distribution of goods.

The industries with the lowest median quarterly earnings include those focused on customer service, such as general retail (\$3,040), restaurants (\$3,317), and food and beverage retail (\$3,612). One way to help adult recipients in lower-paying industries to find employment in areas like health care is through sectoral training programs. These programs provide tailored skills for jobs in in-demand industries to those struggling with sub-standard employment (Hopkins & Mitchell, 2022).

Patterns of employment have changed over time. Notably, there has been a decrease in employment in the administrative and support and restaurant industries between the economic stability and pandemic recovery cohorts. In the economic stability cohort, 18% of adult recipients worked in the administrative and support industry and 13% worked in the restaurant industry. Employment declined to 14% in the administrative support industry and 10% in the restaurant industry in the pandemic recovery cohort. One reason for the decline of employment in these industries might be the pandemic. Jobs in the administrative and support category, for instance, often physically support the day-to-day activities of office buildings (e.g., janitorial work) (Bureau of Labor Market Information, 2021). As companies were forced into remote operations as a result of the pandemic, many working in this industry lost employment (Bureau of Labor Market Information, 2021) and may have chosen to seek employment elsewhere. Additionally, certain industries, such as the restaurant industry, were particularly impacted by the health safety measures of the pandemic (Schnake-Mal et al., 2022) and faced mass closures and workforce loss (Gould & Kassa, 2021). As the economy recovers from the pandemic, workers are seeking higher-paying positions with better working conditions (Schweitzer & Ross, 2021). For adult TCA recipients, this might mean they are looking for and finding work outside of the administrative and support and restaurant industries.

Contrary to declines in the administrative support and restaurant industries, employment in the warehousing and storage industry has grown. Between the economic stability cohort (3%) and pandemic recovery cohort (7%), employment in warehousing and storage grew 4 percentage points, the most of any industry. Likely, more adult TCA leavers will work in warehousing and storage in the future. The state has identified warehousing and storage as a key industry (Maryland.gov, n.d.), and the industry is predicted to continue to grow over the next seven years (Maryland Department of Labor, n.d.). While social assistance is another predicated area of growth in the state and one in which TCA leavers sometimes work (Maryland Department of Labor, n.d.), it is not currently an industry of increased employment for adult TCA leavers.

In addition to changes in industries of employment, Table 6 indicates that earnings have also shifted. TCA recipients in the pandemic cohort had the highest median quarterly earnings (\$5,190) compared to those in the economic stability (\$4,380) and pandemic recovery (\$5,039) cohorts. The greater earnings of adult recipients in the pandemic cohort are likely related to their more unique characteristics, such as higher levels of education and higher pre-TCA spell employment (Passarella & Smith, 2021; Smith & Passarella, 2022). Notably, while earnings in the pandemic recovery cohort did decline from the pandemic cohort, they did not revert to earnings of the economic stability cohort.

In several industries, such as general retail, the decline in median earnings between the pandemic and pandemic recovery cohorts was large (i.e., greater than 10%). Most earnings declines, however, were modest. Earnings in health care related industries declined only 2% between the pandemic and pandemic recovery cohorts.<sup>24</sup> For example, median earnings in the hospital industry shifted from \$7,880 in the pandemic cohort to \$7,737 in the pandemic recovery cohort. Several industries also experienced increased earnings. Median earnings in the social assistance industry increased from \$5,563 in the pandemic cohort to \$6,048 in the pandemic recovery cohort. Earnings also increased in the education industry, the professional, technical, and scientific industry, and for industries in the *other* category.

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

	Economic Stability		Pandemic		Pandemic Recovery		Total	
	7/2016 to 3/2020		4/2020 to 12/2021		1/2022 to 6/2022		7/2016 to 6/2022	
	%	Quarterly Earnings	%	Quarterly Earnings	%	Quarterly Earnings	%	Quarterly Earnings
Administrative & Support Services	18%	\$4,025	15%	\$4,059	14%	\$3,648	17%	\$4,004
Restaurants	13%	\$3,206	11%	\$3,798	10%	\$3,380	12%	\$3,317
Outpatient Health Care	7%	\$5,412	9%	\$7,232	8%	\$7,067	8%	\$6,023
Residential Care Facilities	8%	\$5,439	6%	\$5,725	7%	\$5,250	7%	\$5,466
General Retail	5%	\$2,974	5%	\$3,466	4%	\$2,656	5%	\$3,040
Social Assistance	5%	\$4,870	4%	\$5,563	4%	\$6,048	4%	\$5,110
Hospitals	4%	\$7,427	3%	\$7,880	5%	\$7,737	4%	\$7,477
Food & Beverage Retail	4%	\$3,565	4%	\$3,802	5%	\$3,452	4%	\$3,612
Warehousing & Storage	3%	\$4,453	5%	\$4,671	7%	\$4,110	4%	\$4,433
Education	3%	\$4,617	3%	\$5,772	3%	\$6,768	3%	\$5,108
Professional, Scientific, & Technical Services	3%	\$5,602	4%	\$8,385	4%	\$8,640	3%	\$6,728
Accommodation	2%	\$3,901	2%	\$4,323	2%	\$3,772	2%	\$3,916
Other	25%	\$4,864	29%	\$5,872	27%	\$6,178	26%	\$5,250
<b>Total</b>	<b>100%</b>	<b>\$4,380</b>	<b>100%</b>	<b>\$5,190</b>	<b>100%</b>	<b>\$5,039</b>	<b>100%</b>	<b>\$4,587</b>

**Note:** This analysis represents the employer with whom the recipient earned the highest wages in the first quarter after exit, among employed adult recipients (n=22,000). Earnings are standardized to 2022 dollars. Refer to the *Methods* chapter for data limitations. The *Other* category includes 76 industries, each with less than 2% of employed adult recipients. Percentages may not add to 100% due to rounding.

<sup>24</sup> The residential care facilities industry was the only health care industry that experienced more than a 2% decline in median quarterly earnings between the

pandemic and pandemic recovery cohort, with a decline of 8%.

## PROGRAM RECEIPT AFTER TCA EXIT

Though many adult recipients work after leaving the TCA program, their low earnings often leave them vulnerable to ongoing financial hardships. Not only do adult leavers frequently work in low-wage industries, but these industries may not offer opportunities for full-time, full-year work or provide other compensation such as health insurance (Maye & Banerjee, 2021). While child support can help boost families' incomes, many eligible families do not receive it (Smith et al., 2022) and for those who do, it may not provide enough support. Consequently, families' incomes may be substandard.

As a result of their low-incomes, families who have exited TCA frequently rely upon safety net benefits such as the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), or Medicaid or Maryland Children's Health Program (Smith et al., 2022) and may additionally rely on programs such as the Child Care Subsidy Program, energy assistance, or housing assistance in order to meet their basic needs. Additionally, families may find themselves compelled to return to TCA to alleviate their financial constraints. This final chapter is dedicated to evaluating the extent to which families access child support and other safety net benefits following their departure from the TCA program. It also examines families' disconnection from income and support.

### **Child Support after Exit**

Child support can play a crucial economic role for families, especially for low-income families. For those with incomes below the poverty line, child support payments can represent over 40% of their total income (Sorensen, 2016) and at its most effective, it can even raise them out of poverty (Shrider & Creamer, 2023; Sorensen, 2010).

Federal law mandates that as a condition of cash assistance, families must establish a child support order and sign over their child support rights to the state (Tollestrup, 2023). Child support payments made on behalf of families actively receiving TCA are retained by the state and shared with the federal government to recoup program costs. Beginning in July 2019, Maryland began passing through a portion of all child support payments to TCA families (FIA, 2019a).<sup>25</sup> Many families in the economic stability cohort, however, left TCA before this policy was in effect, and the state retained all child support payments made while they were on the program. For TCA families who were able to receive pass-through, child support payments provided additional income in conjunction with their TCA grant.<sup>26</sup> When families leave the TCA program, regardless of whether they were able to receive pass-through, they receive all current support payments. This provides them with additional income and reduces their chances of returning to cash assistance (Demyan & Passarella, 2019; Hall & Passarella, 2015).

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<sup>25</sup> S.B.1009 (2017) established Maryland's pass-through policy. Instead of the state retaining all of a child support payment made on behalf of an active TCA family, the state now only retains any payment amount greater than \$100 for TCA cases with one child or over \$200 for TCA cases with two or more

children (FIA, 2019a). Details on pass-through receipt for TCA families can be found [here](#).

<sup>26</sup> See previous footnote for details on Maryland's pass-through policy.

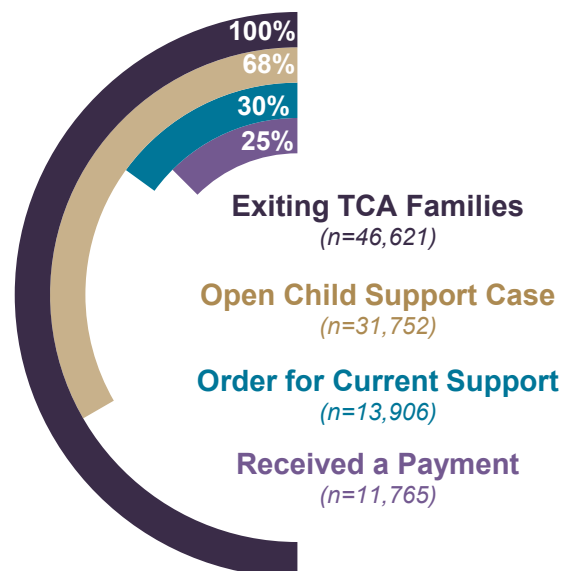
Given the vital role of child support for low-income families, the next few analyses delve into child support outcomes among TCA leavers. Specifically, the next analyses examine the percentage of families who had child support orders in place after leaving the TCA program as well as the percentage who received payments and the amount of those payments.

By and large, cash assistance families cooperated with child support requirements. As shown in Figure 9, during the first year after exit, over two in three (68%) families had an open child support case. Although cooperation with the public child support program is mandatory for TCA families and families face penalties for non-cooperation,<sup>27</sup> it is not appropriate for all cases. For instance, child support is not applicable to families in which both parents are TCA recipients, nor is it required for families experiencing domestic violence.

Despite most families initiating the child support process, only 30% of families had orders for current support within one year of program exit. Families with open cases but no current support orders may still be in the process of order establishment. Process delays might be due to administrative reasons or due to difficulties locating the other parent or establishing paternity. On the other hand, families may stop pursuing orders after exit and their open cases eventually close (Demyan & Passarella, 2017). Families that do not obtain a formal support order may instead rely on informal support from the other parent (Craigie, 2012; Kane et al., 2015). Ultimately, just one quarter (25%) of families received a child support payment in their first year after TCA exit.

<sup>27</sup> In the recent past, failure to cooperate resulted in a full-family child support sanction, in which the TCA case was closed, and all benefits ceased until compliance was met. Beginning in December 2021, however, child support sanctions no longer lead to case closures; instead, the TCA benefit amount is now reduced by 25% (FIA, 2021b).

**Figure 9. Child Support Cases and Payment Status First Year after Exit**



**Note:** This figure excludes leavers in the Pandemic Recovery cohort because this cohort did not have one year of follow-up data at the time data were retrieved (n=5,614). Valid percentages are reported to account for missing data.

Child support outcomes varied by cohort, but these differences are likely attributable to the pandemic. Consequently, families in the economic stability cohort were more likely to have an open child support case, an established support order, and payment in the quarter after exiting TCA compared to the pandemic and pandemic recovery cohorts.<sup>28</sup> During the pandemic, Maryland courts remained closed, making it impossible for families to obtain court-ordered child support. Even after family courts fully reopened in November 2020 (Maryland Courts, n.d.), families still faced substantial delays in securing court dates due to the extensive backlog created by months of inactivity (Williams, 2020). As a result, access to the child support program

<sup>28</sup> Since the pandemic recovery cohort does not have a full year of follow-up data at the time of data retrieval, Figure 10 only examines the quarter after exit for each cohort.

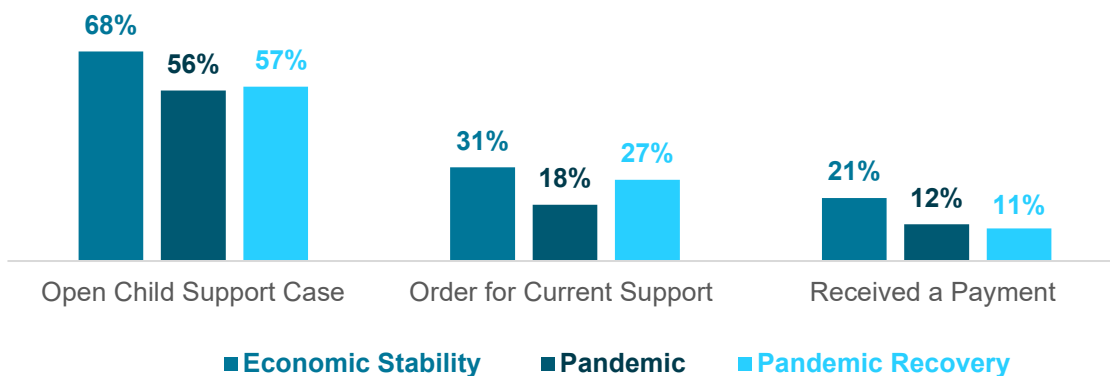


was severely limited throughout the pandemic cohort and access issues may have continued to impact the pandemic recovery cohort.

As shown in Figure 10, about seven in 10 (68%) economic stability families had an open child support case, while less than six in 10 pandemic (56%) and pandemic recovery (57%) families had open child support cases. Orders for current support were established for nearly one third (31%) of economic stability cohort families, but for less than one in five (18%) pandemic cohort families. Likely benefiting from normal court operations, the percentage of pandemic recovery cohort families with orders for

current support rebounded to more than one quarter (27%) of families by the first quarter after exit but was still less than the economic stability cohort. Unfortunately, the percentage of families with child support payments did not also increase. In the economic stability cohort, one in five (21%) families received payments in the quarter after exit compared to just over one in 10 pandemic (12%) and pandemic recovery (11%) cohort families. Additionally, the percentage of families participating in the child support process may change in the future due to recent policy changes, which implement partial family sanctions instead of full-family sanctions for noncooperation with child support (FIA, 2021b).<sup>29</sup>

**Figure 10. Child Support Case and Payment Status First Quarter After Exit**



**Note:** Valid percentages are reported to account for missing data.

The previous two analyses have assessed the degree to which *all* families who left the TCA program received child support payments, highlighting that few ultimately receive a payment. However, it is worth examining child support payments from the perspective of families who had current support orders, since child support can only be received if a current support order is in place. Figure 11 reviews child support

payments solely among families who had an order for current support.

Most families who were owed child support received at least one payment in the year after exit. Among families who were owed support, three in every four (76%) received payments in the year after exit. Families received a median amount of around \$2,100 during that year.

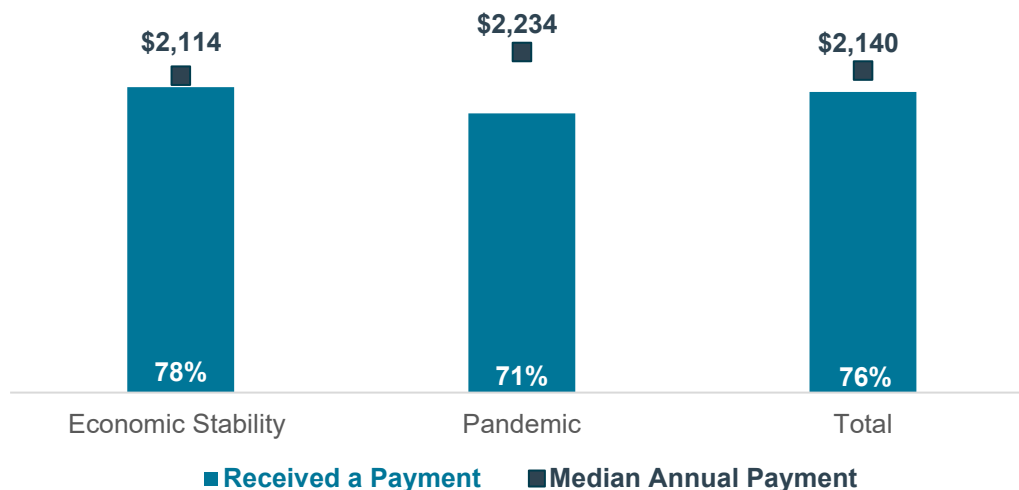
<sup>29</sup> See footnote 27 for more details on the updated child support sanction policy.

There were some differences, however, between cohorts. Nearly eight in 10 (78%) economic stability cohort families who were owed child support received at least one payment in the year after exit compared to just over seven in 10 (71%) pandemic cohort families. The decline in families receiving payments is likely related to pandemic-related job loss and the challenges some parents who owed support faced in meeting their financial obligations. There was a slight upward trend, however, in the median annual payment for families who did receive child support. Families in the economic stability cohort received just over \$2,100 while families in the pandemic cohort received just over \$2,200.<sup>30</sup>

The percentage of families with an order who received payments is positive and demonstrates that when orders are in place, they are effective at providing families with

additional income. However, it is important to note that payments only reflect what families received through the formal child support system. Some families, including those without support orders, may receive informal payments or in-kind support. For example, Nepomnyaschy and Garfinkel (2010) found that fathers provided about \$60 per month directly to the mothers of their children, and about one third provided in-kind support, such as diapers, formula or other food, and clothes. Also, Kane et al. (2015) revealed that disadvantaged fathers—those without a job or with very low earnings—were more likely to provide in-kind support compared to formal or informal cash payments. Even when families do not receive support through the formal child support system, this does not necessarily mean that they went without any assistance from the other parent.

**Figure 11. Percentage of Exiting Cases with a Payment and Median Annual Payment**  
*Among cases with current support owed in the first year after exit*



**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 who did not have one year of follow-up data at the time data were retrieved (n=5,614). The median amount paid only includes families who received payments. Valid percentages are reported to account for missing data.

<sup>30</sup> The pandemic recovery cohort is excluded from this analysis since there was not a full year of follow-up data at the time of data retrieval.



## Returns to the TCA Program

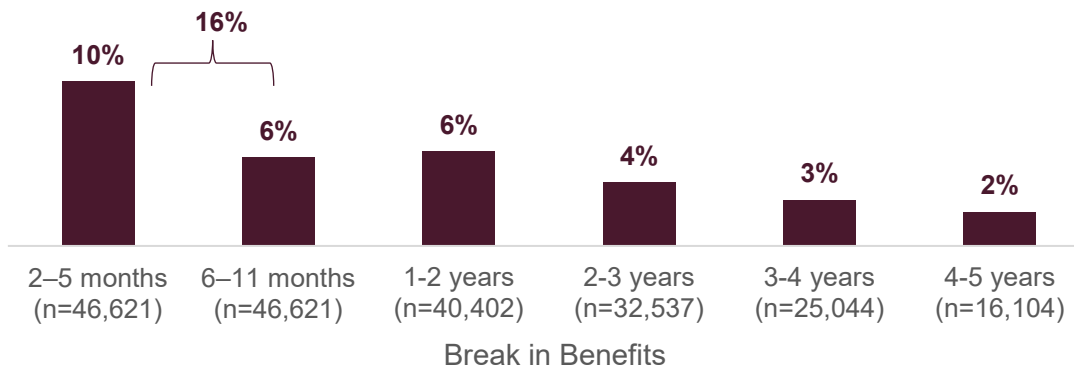
The decision to return to the TCA program is often influenced by a variety of factors. At an individual level, changes in circumstances, such as job loss, or persistent barriers in finding and maintaining employment, such as health issues and educational attainment (Bloom et al., 2011), may lead families back to the program. At a macro level, changes in the economy, such as the pandemic-induced recession, may influence returns. The next analysis, illustrated in Figure 12, explores the percentage of families who returned to the TCA program within the first five years after exit.

Families who returned to the TCA program tended to return quickly. One in 10 (10%)

families made their initial return to the program after a break in TCA benefits lasting two to five months. Another 6% of families returned to the program after a break lasting six to 11 months. Combined, 16% of leavers returned to the program within one year of TCA exit.

Initial program returns after the first year were less common. Between one and two years after their exits, 6% of families returned to the program. Additionally, 4% returned between years two and three, and 5% returned between three and five years after leaving the program. Taken all together, then, less than one in three (31%) families returned to the TCA program within five years of their initial exit, with more than half returning within the first year.<sup>31</sup>

**Figure 12. Percentage of Families who Returned to TCA by Length in Break of Benefits**



**Note:** Although cases may close and reopen more than once, this figure represents the first return to the TCA program for families with at least one year of follow-up data by summing the number of consecutive months families had a break in TCA benefits. 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. Findings are not comparable to previous reports. See the *Methods* chapter on churners for more information.

<sup>31</sup> Families who had less than a two-month break in TCA benefits—churners—are excluded from this report (see the *Methods* chapter for more details).

When including churners, returns to the program would be substantially higher than shown in Figure 12.

## Receipt of Other Safety Net Benefits after Exit

In order to facilitate the transition from welfare to work, families are often eligible for additional supports that increase their prospects for a permanent exit. Maryland encourages permanent exits from the TCA program by providing transitional benefits. For instance, after exiting, many families automatically receive five months of transitional SNAP benefits (FIA, 2023)<sup>32</sup> and some receive three months of Temporary Support Services (TSS).<sup>33</sup> Some families will also receive Medical Assistance (MA) through Medicaid or Maryland Children's Health Program or Supplemental Security Insurance (SSI) after their TCA exits. These programs, however, are not transitional benefits since families are not automatically enrolled upon exit. As the primary health care program for low-income families, many TCA leavers apply for and receive MA after exit. SSI is provided to individuals who have disabilities that prevent them from working or working consistently, and eligible families may be referred to SSI from the TCA program (ASPE, 2015). The next several figures explore families' receipt of these benefits along with additional TCA receipt.

In their first year after exit, nearly nine in every 10 (86%) families received SNAP benefits (Figure 13). This was true for both the economic stability (85%) and pandemic (87%) cohorts.<sup>34</sup> Such high participation can be attributed to the availability of transitional

SNAP benefits as well as the low earnings many families experience post-exit, necessitating supplemental food support. Additionally, nearly all families (95%) received MA in the year after exit, and this varied only slightly by cohort (96% of families in the economic stability cohort received MA as did 93% of pandemic cohort families).

Use of other safety net programs, like TSS, was more limited. TSS helps ease families transition off of cash assistance for those leaving TCA due to earned income (FIA, 2019b) and is only provided for three months (FIA, 2019b). As such, only one quarter (24%) of families received TSS benefits with a slight uptick between the economic stability (23%) and pandemic (25%) cohorts. Additionally, only 14% of families received SSI during the first year after exit, but participation declined from 16% of economic stability cohort families to 11% among pandemic cohort families. Likely, the decline in SSI receipt between cohorts was due to delays in securing timely SSI approval as a result of pandemic disruption (Office of the Inspector General, 2022; USAFacts, 2023) rather than a decrease in program uptake. Lastly, additional TCA receipt remained low. Few families (16%) returned to the program during their first year after exit. However, there was some variation by cohort, and families in the pandemic cohort were slightly more likely to return than families in the economic stability cohort (17% vs. 15%).

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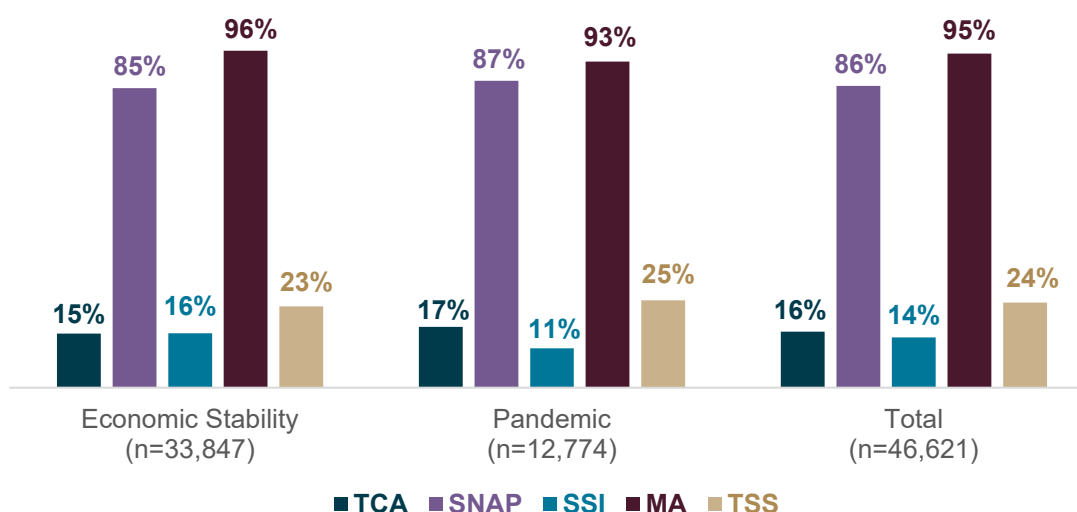
<sup>32</sup> In order to receive transitional SNAP benefits, families' cases cannot close due to work or child support sanctions or due to relocation to another state; families must also meet other eligibility criteria for SNAP benefits.

<sup>33</sup> The Temporary Support Services (TSS) program came into effect in July 2019 and provides families three months of cash assistance payments equivalent

to their TCA benefit amount for cases that closed due to earned income (FIA, 2019b).

<sup>34</sup> The pandemic recovery cohort is excluded from this analysis, since there was not a full year of follow-up data at the time of data retrieval.

**Figure 13. Program Participation during the First Year after Exit**



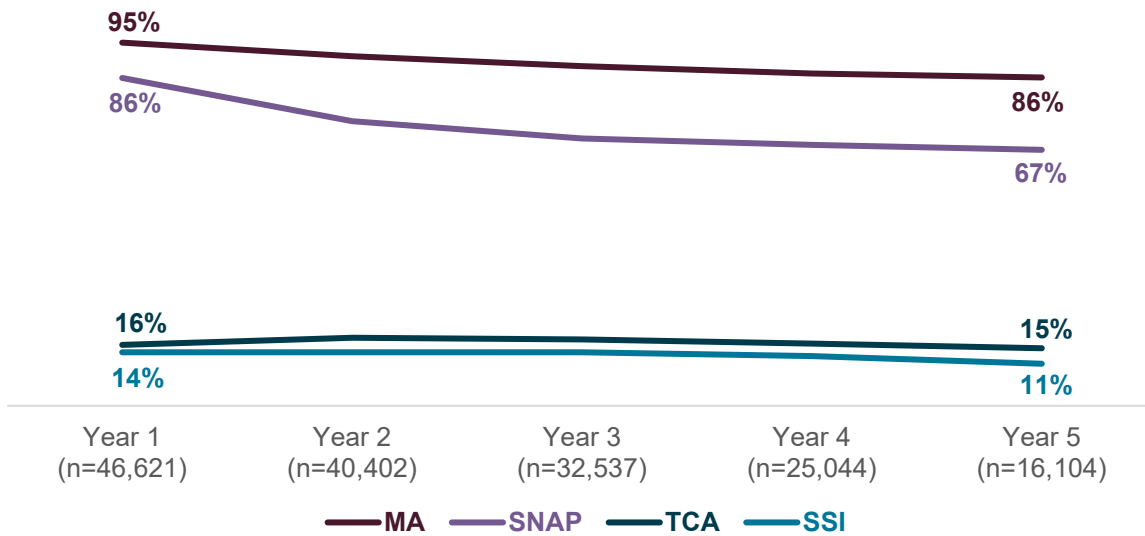
**Note:** This figure excludes the Pandemic Recovery cohort because this cohort did not have one year of follow-up data at the time the data were retrieved (n=5,614).

Families must reapply for SNAP benefits once the transitional period ends and meet all eligibility requirements to continue receiving benefits. Unsurprisingly, SNAP participation declined by more than 10 percentage points between the first and second years after TCA exit (86% vs. 74%) (Figure 14). While SNAP participation continued to decline in the post-exit period, the pace slowed after the second year. Even with the decline in participation, a sizable group—two in every three (67%) families—were receiving SNAP benefits in the fifth year after exit. This high level of participation underscores the ongoing need and potential food insecurity that low-income families face daily even after leaving the TCA program. Participation in MA also declined between the first (95%) and fifth year (86%) after TCA exit. Despite the decline, however, a large majority of leavers continued to receive health care access through the program.

Participation in the TCA or SSI programs, on the other hand, was consistently low after exit. In the five years post exit, TCA receipt remained between 15% and 18% in

each year, and SSI declined from 14% in the first year after exit to only 11% in the fifth year (Figure 14). This is an expected outcome given the eligibility associated with these programs. In particular, both programs are means-tested, which means only families with no or very low earnings will qualify. Additionally, to qualify for SSI, individuals must have a disability, undergo a rigorous application process, and once approved, must complete periodic redeterminations to maintain their benefits. For TCA, the program is designed to be temporary and benefit amounts are accordingly low; there are also work and child support requirements by which adult recipients must abide and bureaucratic processes to which families must adhere. These factors may keep some families from returning to the TCA program despite financial eligibility (Sandstrom et al., 2014; Schweitzer, 2022).

**Figure 14. Program Participation during the Five Years after Exit**



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

The low rates of subsequent participation in the TCA program may suggest that families have been able to achieve independence from the cash assistance program. This is undoubtedly true for some families. However, other families find themselves without any cash assistance and without employment.

Families that do not receive income through TCA or employment are considered disconnected. Disconnected families face many burdens. They are more likely than their counterparts to experience health problems, to suffer from food insecurity, and are more likely to live below the poverty line (Loprest, 2003; Blank & Kovak, 2008). Some families may find themselves without earnings because they struggle with the costs of employment, including child care and transportation (Sandstrom et al., 2014). Others may not be able to work due to lack of child care, a problem exacerbated by the pandemic (Stern & Baye, 2021; January 2023). Even though families faced with employment adversity might be eligible for TCA, some choose not to reapply.

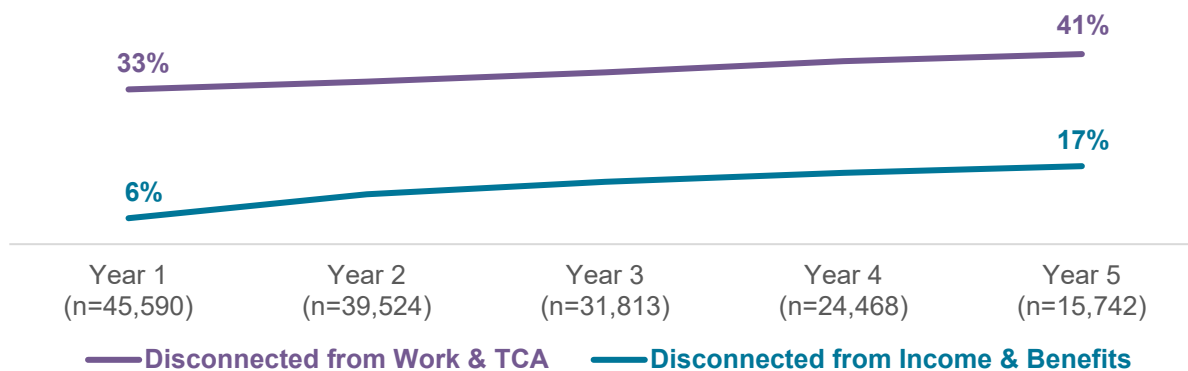
A sizeable percentage of leavers were disconnected from work and TCA benefits following their program exits, as displayed in Figure 15. In the first year after exit, one third (33%) of families faced disconnection. Disconnection from both work and TCA grew by 2 percentage points each year, and by year five, two in five (41%) families had no documented earnings from work or TCA benefits.

However, some families may have had other sources of income or received other safety net benefits which can mitigate the level of disconnection they experienced. Figure 15 also shows the percentage of families who did not have income from employment or child support, nor received TCA, SNAP, or SSI benefits. Few families were entirely disconnected from these income sources and benefits, although this type of disconnection did increase over time. In the first year after exit, only 6% of families were disconnected from all income and benefits. This grew by more than 10 percentage points by year five, representing nearly one in five (17%) families.

Disconnection raises questions about how some families survive. It is possible that true disconnection may be lower than shown in Figure 15 because for some, it is not reasonable to stay connected to the programs reported in these analyses. For example, a retired grandmother caring for her grandchild would not re-enter the workforce or continue receiving TCA once her grandchild reaches the age of majority. Additionally, a family who moved outside of

Maryland would likely not continue to work in the state nor would they receive any state-administered benefits. Furthermore, families might be receiving income or benefits not captured in the available data. This might include non-SSI disability payments, out-of-state employment, gig-work, or earnings of another household member. As a result, the percentage of families disconnected from work, TCA, and other programs may be overestimated.

**Figure 15. Disconnection from Income Sources Five Years after Exit**



**Note:** Income includes earnings and child support payments. Benefits include SNAP, SSI, and TCA. Each year of data excludes families who do not have the corresponding amount of follow-up data and those missing identifying information. Valid percentages are reported to account for missing data.

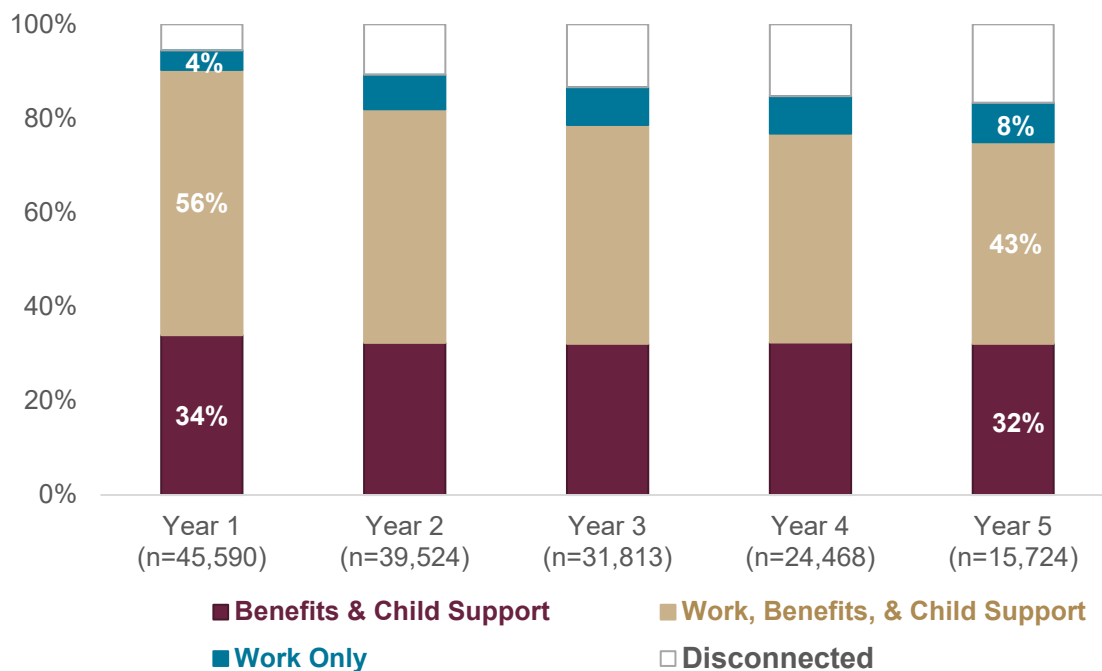
Navigating life after welfare presents a multifaceted challenge for families seeking self-sufficiency. The intersection of employment and safety net benefits becomes a critical focal point in their pursuit of economic stability. For many, securing and sustaining employment is the cornerstone of financial independence, yet often jobs available to TCA leavers do not pay enough for a family to sustain themselves and safety net resources remain a crucial lifeline.

Overwhelmingly, this last chapter has highlighted the degree to which families rely on other benefits, with SNAP benefits playing a prominent role. At the same time, employment findings reveal that many adults are employed after exiting the TCA program. To provide a comprehensive view of families' experiences as they manage the path toward economic stability, the final analysis (Figure 16) delves into how families combine work, child support income, and safety net benefits (TCA, SNAP, and SSI) over the five years following their exits from the TCA program.

On the whole, few rely exclusively on employment for their post-exit income. Only 4% of families had incomes from work alone during the first year after exit, increasing to only 8% by the fifth year. Further analyses not shown here indicate that these are individuals who are more likely to have full-year employment and have higher median earnings that may make them ineligible for other safety net benefits. These families may be more aligned with the concept of Asset-Limited, Income-Constrained, but Employed (ALICE) individuals (United for ALICE, 2023). While ALICE families may not qualify for safety net benefits, they are still financially vulnerable and have little in resources to help them navigate financial challenges.

More commonly, most TCA leavers combined employment with child support income or other safety net benefits. Nearly three in five (56%) families relied on employment with child support or other benefits in the first year after exit. This fell to two in five (43%) families by the fifth year after exit but was still the most common way families supported themselves. Also, fairly common, was families' reliance on child support income in conjunction with other safety net benefits to meet their basic needs. About one in three families in each year were not employed but received child support or other benefits. This analysis underscores the complexities of life after welfare, where employment and safety net programs intersect, and families must work and utilize safety net resources to afford food, shelter, and other necessities.

**Figure 16. Work, Benefits Status, and Child Support Five Years after Exit**



**Note:** Benefits include TCA, SNAP, and SSI. Each year of data excludes families who do not have the corresponding amount of follow-up data and adult recipients missing identifying information. Valid percentages are reported to account for missing data.

## CONCLUSION

Over the past few years, the country has been recovering from the economic effects of the pandemic. For instance, economic indicators such as the unemployment rate and Gross Domestic Product (GDP) reached pre-pandemic benchmarks (Harris & Mehrotra, 2022; Harris & Sinclair, 2023). Consequently, many of the Maryland families driven onto TCA as a result of the pandemic began to exit (Smith & Passarella, 2023), no longer requiring the program's support. This year's *Life after Welfare* update includes families who exited TCA during this pandemic recovery period. It also includes families who exited in the economic stability and pandemic periods and provides comparison across cohorts.

One important theme throughout this update is the return of many typical trends among pandemic recovery leavers following the disruption of the pandemic. This includes patterns in employment and earnings. Typically, the majority of TCA leavers work in the year before their TCA spells and even more work in the year after exit (Hall & Passarella, 2020; Hall & Passarella, 2021; Smith et al., 2022). While this was true in the economic stability cohort (58% vs. 64%), adult recipients who left in the pandemic cohort were slightly less likely to work after exit (62% vs. 58%). Likely, this was due to adult recipients struggling to find employment in a pandemic-affected economy (Buchwald, 2023) and lack of child care (Shwe, 2021; Torry, 2023), among other factors. Examining the quarter before and after exit, leavers in the pandemic recovery cohort seemingly returned to prior employment trends and were more likely to be employed in the quarter after exit compared to the quarter before (38% vs. 46%). Median earnings in the quarter after exit were higher in the pandemic cohort (\$5,416) but fell in the pandemic recovery cohort (\$5,319). Although leavers' earnings in the pandemic recovery cohort decreased

relative to those in the pandemic cohort, their earnings were still higher than the economic stability cohort (\$4,632). This is positive for families and may reflect part of a larger trend in which real wages have increased for low-wage workers (Zhang & Saving, 2022).

Earnings for TCA families for all cohorts, however, are low and keep families below the federal poverty line (ASPE, 2022) and well below living wage estimates for Maryland (Glasmeier, 2023). As a result, many families must continue to participate in safety net resources, such as SNAP and MA, after their exits from TCA and few become fully self-sufficient. In the first year after exit, 56% of former TCA families received benefits or child support in addition to working and only 4% of families supported themselves exclusively through work. By year five, those percentages were 43% and 8%, respectively. This means, five years after exit, less than one in 10 families independently supported themselves through work.

Over the last several years, Maryland has implemented several program and policy changes to help improve outcomes for TCA families. These include changes for families actively receiving TCA and additional support for families after exit. The largest changes for families on the program include the expansion of the child-under-one work exemption (FIA, 2022a); a six-month work exemption for new TCA participants (FIA, 2022a); and the implementation of partial, instead of full-family sanctions for adults who are not in compliance with work and child support requirements (FIA, 2021b). Such updates reduce programmatic barriers for families as they navigate the stresses that brought them onto the program, search for suitable employment, or care for a new child. An additional recent program change that supports families after TCA exit is the creation of the TSS program, which

provides eligible families with three months of additional grant support to ease their transition off of cash assistance (FIA, 2019b). Moreover, Maryland provides child care grants that prioritize TCA families (LeBoeuf, 2023, Maryland State Department of Education, 2023) to reduce barriers to their employment. Finally, to improve the TCA program's effectiveness for Maryland families, the state legislature has commissioned a review of the Family Investment Program to identify best practices for the cash assistance program (H.B.1041).

The changes Maryland has made to better support TCA families and facilitate their financial independence will likely also lead to changes in participation outcomes. For instance, policies that suspend work requirements for new TCA recipients or families who have welcomed a new child might mean those families stay on the program longer, increasing the length of spells. Changes to work and child support sanction policies, in which families no longer face case closures due to noncompliance, might also lead to an increase in families' spell length as well as a decrease in the number of case closures. Longer spells may also mean fewer families return to TCA, since program changes provide them with the opportunity to manage the well-being of

their families or take the time to find quality, well-paying jobs, potentially setting them up for better post-program lives.

Efforts to continually improve the TCA program are vital to bettering families' outcomes and help them become financially stable. The surge of families onto the caseload during the initial months of the COVID-19 pandemic showed how many Maryland families live in financially precarious positions. Often, families in these positions face systemic barriers that make self-sufficiency challenging (Hahn & Simms, 2021). For these families, TCA acts as a point of stabilization. However, leavers often remain in a cycle of poverty (Wood et al., 2008). Understanding the characteristics and outcomes of TCA leavers is important to identifying additional resources to help families become self-sufficient. One such future change might be implementing a trauma-informed approach for recipients and staff within the program (Workforce GPS, 2023a, 2023b). As Maryland considers additional program improvements, two things remain certain: (1) the persistence of structural barriers and periods of economic recession and inflation indicate that TCA will always be an essential safety net program, and (2) every Maryland family deserves dignity and financial security.



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## APPENDIX A: LIFE AFTER WELFARE SAMPLE & POPULATION CHANGES: 1997-2023

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 <b>did not reopen on the same day</b> . 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 <b>remained closed for at least one month</b> . Cases that reopened before one month (churners) were excluded from analyses <b>after</b> 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 <b>before</b> 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 <b>all adult recipients</b> 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 <b>remained closed for two months</b> . 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 <b>remained closed for two months</b> . 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
<b>2023 update</b>	2023: 07/16 – 06/22	Population of closures	Exit defined as a case that closed and had a minimum two-month break in benefits. Cases that reopened before two months (churners) were excluded from the population along with duplicate closures and closures missing necessary information.	Study period aligns with state fiscal years







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