University of Maryland School of Social Work

# LIFE AFTER WELFARE

## 2024 ANNUAL UPDATE


Haley Smith, BA
Senior Research Analyst

Lauren A. Schuyler, PhD
Assistant Research Director

Letitia Logan Passarella, MPP
Research Director


Public Policy Research

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For additional information about the report, contact Lauren A. Schuyler (410.706.2763; laurenschuyler@ssw.umaryland.edu) at the School of Social Work. Please visit our website, https://www.ssw.umaryland.edu/familywelfare/ for additional copies of this and our other reports.

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# Executive Summary

Maryland families have experienced large economic fluctuations over the past decade. Between 2016 and 2020, Maryland's economy was strong and unemployment rates were low (U.S. Bureau of Labor Statistics [BLS], 2024). Then in March 2020, an environment of economic uncertainty and public safety measures induced by the pandemic triggered historically high unemployment rates (BLS, 2024). Low-income workers disproportionately experienced job loss during this period (Office of Human Services Policy, 2021). In the waning of the pandemic's economic impacts, unemployment achieved a record low, reaching 1.9% in April 2023 (BLS, 2024). Utilization of safety net programs, such as the Temporary Cash Assistance (TCA) program, grew and contracted with the state's unemployment rate (see Smith et al., 2024). While the post-pandemic economy has exceeded many pre-pandemic projections, some families still face financial challenges (Center for Budget and Policy Priorities [CBPP], n.d.).

One of the most pressing financial challenges facing families is child care. While an issue before the pandemic, pandemic-related provider closures and contemporary state-specific challenges have left child care hard to find and often unaffordable (January, 2023; Capital News Service, 2024b; Capital News Service, 2024c). Lack of accessible and affordable child care can make it hard for adults to work. Additionally, rising inflation between 2021 and 2023 (Wallace, 2024) and wages that have not kept pace with the cost of living (Office of the Comptroller, 2024) have exacerbated families' financial hardship. In conjunction with these issues, women in Maryland are experiencing lower workforce participation rates compared to the national average, with child care and pandemic related job-loss being likely contributing factors (Office of the Comptroller, 2024).

This annual installment of *Life after Welfare* provides an overview of families who recently exited Maryland's TCA program, including families who exited during the strong pre- and post- pandemic periods as well those who exited during the turbulent pandemic period. This report includes 61,735 families who left the TCA program between July 2016 and June 2023 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 post-pandemic period following the pandemic recession (January 2022 – June 2023). 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. It can also yield insights to how the program might further provide support to families. This chapter summarizes the report's key findings:

**Characteristics of Exiting Cases**

*Many, but not all, case characteristics that experienced a shift during the pandemic period have reverted towards typical, pre-pandemic patterns.*

- The majority (66%) of TCA recipients were children. Most cases had one (50%) or two (26%) children and one adult recipient (73%).
- Half (48%) of cases in the post-pandemic cohort ended their first TCA spell upon exit, which was an 8 percentage point decrease from cases in the pandemic cohort (56%) and a reversion towards the percentage in the economic stability cohort (34%).
- Families utilized TCA for brief periods. Most (70%) families had 12 or fewer months of continuous TCA receipt, and seven in 10 (68%) families had 24 or

fewer months of cumulative receipt in the previous 5 years.

- Families in the post-pandemic cohort had an average of 21 months of continuous TCA receipt. This is greater than both the economic stability (12 months) and the pandemic cohorts (14 months). Likely, increased receipt in the post-pandemic cohort was due to the economic conditions of the pandemic as well as pandemic-era policy flexibilities and individual family circumstances.
- The most common case closure reasons were: (1) income above eligibility limits (28%), (2) did not maintain eligibility (19%), and (3) work sanctions (14%). Notably, pandemic-era flexibilities and the state's revised work sanction policy means this closure reason has been phased out in both the pandemic and post-pandemic cohorts.

**Adult Recipient Demographics**

*The typical adult recipient on an exiting case is female (86%) and identifies as Black (65%) or White (25%). Likely, they are 31 years or older (55%), never married (74%), and have at minimum completed high school (78%).*

- Adults in the pandemic (83%) and post-pandemic (83%) cohorts were less likely to be female compared to leavers in the economic stability cohort (88%). Leavers in the economic stability (69%) and post-pandemic (62%) cohorts were more likely to identify as Black compared to leavers in the pandemic cohort (59%). Similarly, they were more likely to have never been married (77% and 73%, respectively), compared to the pandemic cohort (70%).
- These patterns signify a return to pre-pandemic adult recipient characteristics. However, adult leavers in the post-pandemic cohort were slightly older than adults in the other two cohorts, with a median age of 35.

**Employment and Earnings**

*Overall, 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 (58%) leavers worked in the year prior to their TCA entries, and more than three in five (62%) leavers worked in the 1st year after exit, an increase of 4 percentage points.
- Employment of adult leavers in both the economic stability and post-pandemic cohorts increased 7 percentage points between the year before TCA and the year after exit. Employment, however, decreased 3 percentage points in the pandemic cohort, likely a result of the pandemic's turbulent economic environment.
- Median earnings after exit increased over time, from $15,235 in the 1st year after exit to $20,336 by the 5th year, but earnings remained below the 2023 poverty threshold for a family of three ($24,860).

**Sectors of Employment**

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

- Adults commonly worked in lower-wage sectors, such as retail trade (17%), administrative and support services (17%), and accommodation and food services (14%). Median quarterly earnings in these sectors were between $3,500 and $4,300.
- The most common sector of employment in the quarter after exit was health care and social assistance (24%). This was also the sector with the highest median quarterly earnings ($6,145). These earnings, however, are likely not enough for a family to achieve financial self-sufficiency.

### Returns to TCA

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

- Three in 10 (31%) families returned at least once to the TCA program within 5 years of program exit. If families returned, they often did so within 1 year of exit.[1]

### Income Supports after Exit

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

- The majority (66%) of families had an open child support case at TCA exit. However, only three in 10 (29%) had an order for current support. When there was an order for child support, three quarters (75%) of families received at least one payment. The median amount of support received in the 1st year after exit was $2,089. In the post-pandemic period, however, payment receipt and the median annual amount of support received was lower compared to the other two cohorts.

- Most families participated in SNAP (84%) and MA (95%) in the year after exit. One in four (26%) families received TSS and one in seven (15%) received SSI.

- In the 1st year after exit, only 5% of families had income exclusively through work. Many (55%) families received income from a combination of work and safety net benefits and/or child support in their 1st post-exit year or through only safety net benefits and/or child support (34%).

Collectively, the findings in this year's *Life after Welfare* update indicate that families are vulnerable during both strong economies and in downturns. Characteristics and patterns may fluctuate during these periods, but overall, findings generally remain consistent. Findings indicate that families typically utilize TCA for short periods of time, and many do not make a return after exit. Adults are also likely to work after exit, but median earnings are too low to independently support a family in Maryland. As a result of low earnings after exit, many TCA families qualify for and utilize safety net programs, especially the Supplemental Nutrition Assistance Program (SNAP) and Medical Assistance (MA) post-exit. TCA as well as SNAP and MA provide a crucial safety net for Maryland families experiencing barriers to financial self-sufficiency.

[1] Families who had less than a 2-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.

# Introduction

Over the last decade, Maryland's economy experienced a remarkable range of extremes, oscillating between unprecedented peaks and a profound downturn. Between 2016 and March 2020, Maryland's economy was strong, reaching historically low unemployment rates.[2] The onset of the pandemic, though, led to historically *high* unemployment rates,[3] disproportionately affecting low-income workers (Office of Human Services Policy, 2021). Then, from November 2021 through July 2023, the unemployment rate consistently decreased (BLS, 2024). The state reached a new record low unemployment rate of 1.9% in April 2023 (BLS, 2024). Maryland families felt the effects of these highs and lows, evidenced by the rise and fall of participation in safety net programs such as the Temporary Cash Assistance (TCA) program (Smith et al., 2024).

Although the labor market has been strong over the last few years, families still face substantial challenges to self-sufficiency. First, Marylanders face the rising cost and shortage of child care providers, the latter of which is a result of both federal and state-specific challenges (January, 2023; Capital News Service, 2024b; Capital News Service, 2024c). Second, Marylanders face economic challenges. For example, throughout 2022 and 2023, families battled the rising costs of goods and services. Although inflation cooled throughout 2023 (Wallace, 2024), wages did not keep pace with the cost of living (Office of the Comptroller, 2024). In addition, women in Maryland have dropped out of the workforce at a rate twice the national average since the start of the pandemic (Office of the Comptroller, 2024; Cox, 2024).

The purpose of the *Life after Welfare* 2024 update is to provide outcomes information for the families who exited the TCA program during the three distinct economic contexts experienced over the last several years. This update provides particular focus on families who left TCA in 2022 and 2023. Specifically, this report examines 61,735 families who left TCA across three cohorts: (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 post-pandemic cohort, which includes families who left TCA between January 2022 and June 2023, when the unemployment rate declined.

Delivering annual updates on TCA families' outcomes after program exit provides stakeholders with valuable insights. First, it provides information about earnings estimates which are essential to families achieving self-sufficiency. Second, it details the supportive services that families rely upon after cash benefits end. Finally, it provides comparative analyses over time to identify trends. Altogether, this information gives the Maryland Department of Human Services, policymakers, and advocates, a clearer understanding of the precarious circumstances Marylanders face even after they exit TCA.

[2] In November and December 2019, Maryland's seasonally adjusted unemployment rate was 3.2%, the lowest rate on record for Maryland at that time U.S. Bureau of Labor Statistics [BLS] (2024).

[3] In April and May 2020, Maryland's seasonally adjusted unemployment rate was 9.0% and 8.8%, respectively, the highest rates on record for Maryland since 1979, which is the 1st year of unemployment on record for Maryland at the U.S. Bureau of Labor Statistics (2024).

# METHODS

This chapter describes the methodological approach for the 2024 update to the *Life after Welfare* study. It provides details about the population, data sources, and data analysis techniques.

## Population

Similar to the 2023 *Life after Welfare* report, the 2024 report incorporates the entire population of closures during the study period.[4] This most recent update examines case closures occurring between July 2016 and June 2023, during which there were a total of 147,385 closures. Due to several exclusions to the population outlined below, the report has a final population of 61,735 case closures.

### *Excluding Churners*

The *Life after Welfare* studies focus on the families who left the TCA program, as determined by case closures. Specifically, this study defines a closure as a case that maintained at least a two-month break in TCA benefits after closure. 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 experienced 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 47,597 cases that reopened the month immediately after the closure (i.e., partial churners) and 10,190 cases that reopened within two months, resulting in a one-month break in benefits (i.e., churners). These exclusions collectively accounted for 67% 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[5] 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 in this chapter*).

### *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.[6] For the 2024 update, 22,501 duplicates were removed from the population of closures, accounting for 26% of all exclusions.

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[4] Appendix A provides a table that describes how the population and sample for this annual report have changed over time.

[5] 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.

[6] 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 for inclusion. 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.

*Excluding Cases with Missing or Inaccurate Information*

The remaining 7% (n=5,362) 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 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. Cases were also excluded, if: (1) the case had no head of household or no other case members (which is likely a data error); (2) the case's head of household was less than 16 years old at the time of case closure; or (3) the case had a closure code that did not indicate a closure (e.g., *TCA application opened in error*).

**Population Summary**

There were **147,385** case closures between July 2016 and June 2023. We excluded:

- 47,597 cases that closed and reopened the next month without a benefits disruption (partial churners)
- 10,190 cases that reopened within two months, i.e. had a 1-month break in benefits (churners)
- 22,501 observations of cases with multiple closures
- 5,362 cases missing necessary information about the case or its members.

**Final Population: 61,735 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 2024 update, this study highlights TCA closures in the post-pandemic period and subsequent outcomes for families who left the program. This report specifically compares these outcomes to those of families who exited TCA before and during the COVID-19 pandemic. As a result, case closures are separated into the following three cohorts:

1. Economic stability (n=34,830): cases that closed between July 2016 and March 2020, during a period characterized by a consistently low unemployment rate around 4% and a 30% reduction in the TCA caseload;

2. Pandemic (n=12,361): cases that closed between April 2020 and December 2021, marking the peak of the economic shock caused by the pandemic; and

3. Post-pandemic (n=14,544): cases that closed between January 2022 and June 2023, when the unemployment rate declined from the pandemic period and eventually reached record lows and many program flexibilities introduced during the pandemic era expired.

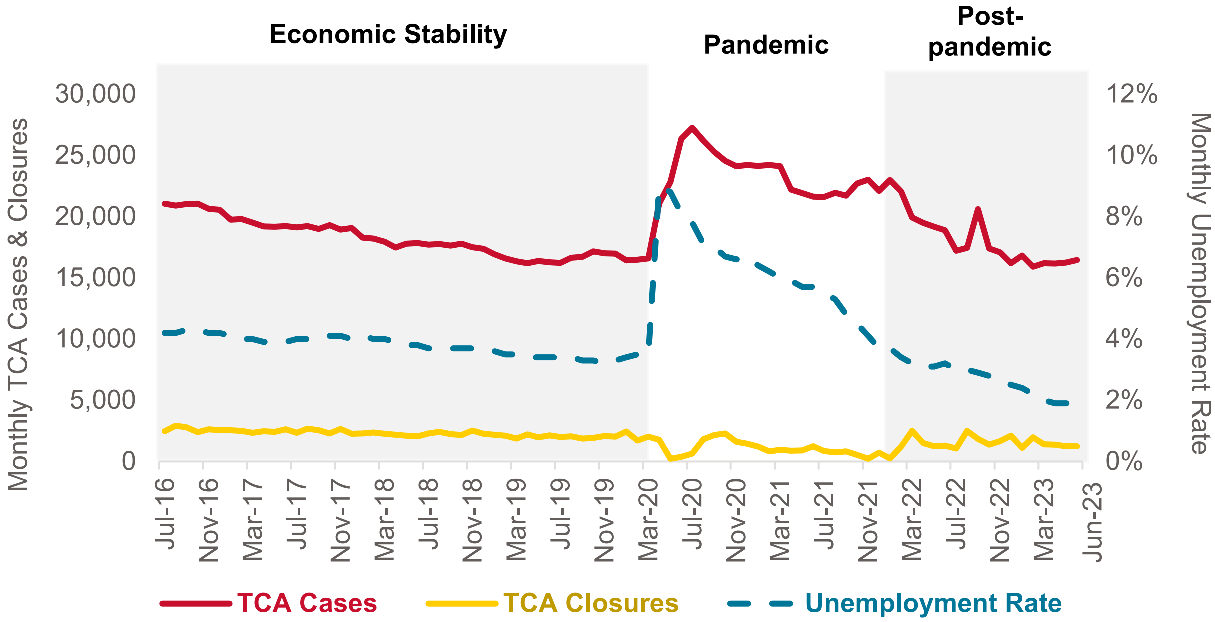
Figure 1 visually illustrates these three cohorts. Generally, the number of TCA cases fluctuates in response to changes in the unemployment rate, decreasing during periods of low unemployment and increasing during periods of higher unemployment. While the number of TCA case closures is substantially smaller relative to the number of TCA cases, it is worth noting that closures have been declining throughout this period.[7]

[7] 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

## 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 to account for missing data.[8] Second, adult recipients missing identification information are excluded from employment analyses because it is not possible to obtain their employment data (n=283). Third, adult recipients younger than 16 in the year prior to their TCA spells are excluded from pre-TCA spell employment analyses (n=47). However, they are included in all other employment analyses. Lastly, the population 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 2023. Cases that closed between January and June 2023 for example, do not have 1 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 2023*




**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/.

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

[8] 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.[9] 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/Latin*x* 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 (14%) is over four times greater than the national average (3%).[10] Among adult TCA recipients in the state, however, out-of-state employment is less common, and previous investigations indicate that we

[9] 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.

[10] Data were obtained from the U.S. Census Bureau website (data.census.gov) using the 2018–2022 American Community Survey 5-Year Estimates for Commuting Characteristics by Sex (S0801).

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 (35%) and Montgomery County (21%), which have the third and fifth largest TCA caseloads in the state. It is also high in two less-populated jurisdictions, Charles County (30%) and Cecil County (27%). 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.[11] 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.

[11] 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.

The cash assistance program is designed to help families in crisis who have little to no financial resources available to them. Families are often driven onto the program as a result of vulnerable experiences, including job loss or fleeing domestic violence (Azito Thompson et al., 2023). Families with extremely low incomes may also seek TCA to help them afford basic needs, such as diapers, rent, or clothing (Azito Thompson et al., 2023). For many, cash assistance is a program of last resort (Falk, 2023). Families applying for cash assistance may not qualify for unemployment insurance, paid leave,[12] or other financial-assistance resources that provide stabilization during tough financial times.

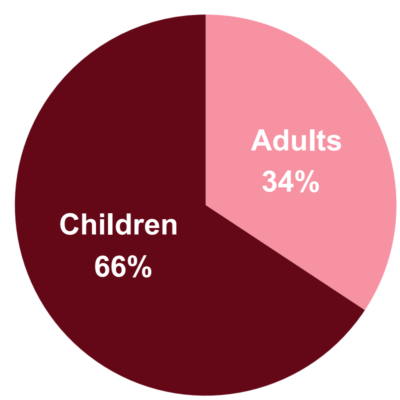
Although designed to help in instances of extreme financial instability, many TCA families experience poverty even before coming onto the program (Congressional Research Service, 2017). Often, families have barriers that can inhibit full self-sufficiency, including inadequate educational attainment and poor health (Dworsky & Courtney, 2007; Nicoli, 2018; McColl & Passarella, 2019b; Hall, 2021b). Maryland jurisdictions screen families for barriers as part of the program application process, as well as provide resources to try and help families overcome obstacles while receiving cash assistance (FIA, 2022a). Jurisdictions and their staff, however, cannot easily remediate all of their customers' barriers (Schuyler et al., 2024).

A family's individual circumstances, including their barriers to self-sufficiency, can determine how long they utilize TCA. Understanding the characteristics of TCA leavers, including patterns of receipt, may help inform program and policy updates that increase self-sufficiency. This chapter describes the number of family members receiving benefits, characteristics of adult recipients, and their geographic distribution within the state. Additionally, this chapter highlights the number of months families received TCA benefits and their reasons for program exit.

**Recipients on Exiting Cases**

The TCA program exclusively supports families with dependent children (Maryland Department of Human Services [DHS], n.d.-b). Families receiving TCA are, on average, comprised of one adult and one or two dependent children (Smith & Passarella, 2023; Smith et al., 2024). In other words, the program supports nearly two children for every one adult. This composition is similar for families exiting the TCA program. As Figure 2 displays, 66% of exiting recipients were children. Adults comprised the remaining 34% of recipients.

**Figure 2. Recipients on Exiting Cases**
*July 2016 through June 2023*
*(n=61,735 cases)*




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

[12] Beginning in July 2026, Maryland will offer paid family leave for up to 12 weeks for circumstances such as the birth or adoption of a new child or illness of oneself or a close family member. To be eligible for benefits, an employee must have worked for at least 680 hours in Maryland in the 4 calendar quarters before leave is taken (Maryland Department of Labor, n.d.).

Children receiving TCA benefits are typically young. Among exiting families, the average child was 7 years old, and over half of families (55%) had at least one child on the case who was 5 years or younger. The young age of children means that many families need child care in order for adults to be able to work.

The **average age** of the youngest child on exiting cases was **7 years**, though over **half (55%) of families** had a child on the case who was **5 years or**

Maryland recognizes that child care is essential for TCA families to both find and maintain employment. One way the state helps TCA families with child care is through 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. Additionally, it extends transitional child care assistance after families exit the TCA program (Maryland State Department of Education [MSDE], n.d.). However, securing reliable child care is often challenging for TCA families (Schuyler et al., 2024).

One factor complicating child care is the lack of providers. Similar to most of the country, Maryland faces an ongoing shortage of child care providers exacerbated by mass closures during the pandemic (January, 2023). Since the pandemic began in March 2020, Maryland has lost 15% of its child care providers (Capital News Service, 2024b) and some jurisdictions have experienced even larger losses. For example, St. Mary's County experienced a 27% decrease in providers, the largest in the state (Capital News Service, 2024a). Additionally, CCS is only applicable for approved providers (MSDE, n.d.). However, approved child care providers do not always accept CCS participants. Recent examinations have found that this may be related to challenges with the program such as payment timelines, which may impact providers' willingness to participate in the program (Capital News Service, 2024c; Schuyler et al., 2024). As a result, this means even with a child care scholarship, parents and caregivers may experience difficulty finding an approved provider who accepts CCS payments, especially in certain jurisdictions.

As previously demonstrated in Figure 2, twice as many children as adults received TCA in the study period. However, each TCA family is unique in its structure. Table 1 demonstrates the distribution of recipients on exiting cases. Families were most likely to have two (39%) or three (23%) recipients on a case, accounting for 62% of all cases. This closely mirrors the typical household size in Maryland, which is between two and three people (U.S. Census Bureau, n.d.-b). Roughly one in five (17%) exiting families consisted of just one member receiving benefits while another one in five (20%) had four or more recipients.

Most commonly, families had one (50%) or two (26%) children who received TCA benefits (Table 1). Additionally, cases generally had one adult recipient (73%). Families headed by single adults are more prevalent in the TCA program compared to all Maryland families (37%) (FRED, n.d.).[13] Likely, this is a reflection of several points. First, one-parent households are more likely to experience poverty compared to two-parent households and need resources such as cash assistance (Annie E. Casey Foundation, 2022). Second, single-parent families are more likely to be impacted by unexpected financial disruptions. For example, events such as school closures

[13] Data for Maryland is from 2022.

and breakdowns in child care, as occurred during the pandemic, are more likely to affect a single parents' abilities to work, and thus their financial positions (Parolin & Lee, 2022). Third, two-parent families are much more likely to exceed the income eligibility criteria for the program (Hahn et al., 2016b), and resulting, are less likely to be represented in the TCA caseload.

**Table 1. Number of Recipients per Exiting Case**
*July 2016 through June 2023*
*(n=61,735 cases)*

| | Percent | Count |
|---|---|---|
| **Total Recipients** | | |
| 1 recipient | 17% | 10,469 |
| 2 recipients | 39% | 23,883 |
| 3 recipients | 24% | 14,328 |
| 4 or more recipients | 20% | 12,306 |
| **Child Recipients** | | |
| No children | 5% | 2,825 |
| 1 child | 50% | 30,212 |
| 2 children | 26% | 15,950 |
| 3 or more children | 20% | 11,999 |
| **Adult Recipients** | | |
| No adults | 20% | 11,992 |
| 1 adult | 73% | 44,412 |
| 2 or more adults+ | 8% | 4,582 |

**Note:** Cases with no children typically include a pregnant head-of-household; otherwise, the child on the case receives disability, subsidized adoption, or foster care payments. +35 cases had more than two adult recipients. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data

### Demographic Characteristics of Adult Recipients

Examining demographic characteristics of adult recipients provides information on the parents and caretakers the program serves. Such information can be used to help improve the program and its outcomes, including providing context for initiatives focused on increasing program equity (see Schuyler et al., 2024 for an example). Table 2 details the demographic characteristics of adult leavers during this study period.

The typical adult TCA leaver has remained similar for over a decade (see Hall et al., 2015 for reference). Between 2016 and 2023, the typical leaver was female (86%) and identified as either Black (65%) or White (25%), with an average age of 34 years (Table 2). The typical leaver likely finished high school (78%), never married (74%), and did not have a documented long-term disability during their TCA spell (92%).[14] The characteristics of leavers, however, varied by exit cohort, reflecting differences in those who left the TCA program during distinct economic periods.

Largely, variation in demographic patterns during this study period occurred between the economic stability cohort and the pandemic cohort, likely attributable to the economic impacts of the pandemic. During the pandemic, there was a large spike in the TCA caseload between April 2020 and December 2021 (see Figure 1 in the *Methods* chapter). Families driven onto the program during this period of increased unemployment and school and daycare closures (Shwe, 2021; Buchwald, 2023; Torry, 2023) had a more diverse range of characteristics (i.e., more male recipients, married recipients, recipients with higher educational attainment) than families receiving TCA in the years prior (Passarella & Smith, 2021; Smith & Passarella, 2022). This affected some of the characteristics of

[14] A TCA spell is the consecutive months of TCA benefit receipt between the most recent application and case closure examined for this report.

leavers in the pandemic cohort. Notably, however, demographics of the post-pandemic cohort were not as impacted by the pandemic. Characteristics of leavers in the post-pandemic cohort, consequently, demonstrated a reversion to characteristics of the economic stability cohort.

The shift in race and ethnicity of leavers between cohorts highlights the pandemic shift and post-pandemic reversion. In the economic stability cohort, seven in 10 (69%) recipients identified as Black (Table 2). That share decreased to six in 10 (59%) recipients in the pandemic cohort but increased in the post-pandemic cohort (62%). Conversely, the percentage of White and Hispanic/Latinx leavers increased from the economic stability cohort to the pandemic cohort (24% to 29% for White leavers; 3% to 7% for Hispanic/Latinx leavers) before decreasing in the post-pandemic cohort (24% for White leavers; 5% for Hispanic/Latinx leavers).

This *Life after Welfare* update also reports the percentage of leavers who identify as Asian and Indigenous Peoples. Unlike Black, White, and Hispanic/Latinx leavers, the percentage of leavers who identified as Asian did not revert to pre-pandemic trends in the post-pandemic cohort. Instead, the percentage of Asian leavers increased continuously in all cohorts, from 3% in the economic stability cohort to 6% in the post-pandemic cohort (Table 2). The percentage of leavers who identified as Indigenous Peoples remained consistent (1%) in all three cohorts of leavers.

The educational attainment of leavers followed a similar pattern to race and ethnicity. For instance, the share of leavers who had education beyond high school was 11% in the economic stability cohort and grew to 18% in the pandemic cohort. However, this did revert towards pre-pandemic trends, and only 15% of leavers in the post-pandemic cohort had any education beyond high school. The share of leavers who did not complete high school followed an inverse trend (Table 2).

Notably, this reversion pattern did not occur for gender or marital status. In the economic stability cohort, 12% of leavers were male (Table 2). This increased to 17% in the pandemic cohort and remained at 17% in the post-pandemic cohort. One in eight (11%) leavers in the economic stability cohort were married. This increased to 17% in the pandemic cohort and remained stable at 16% in the post-pandemic cohort. Likely, these sustained increases reflect more heterosexual married families seeking cash assistance as a result of the pandemic. This pattern also mirrors the 2023 active caseload (i.e., families actively receiving TCA in SFY 2023) (Smith et al., 2024). It is unclear why an increase in male leavers has persisted in recent years, but it will likely continue to affect patterns of adult recipient leavers in subsequent *Life after Welfare* updates.

Long-term disability status also did not revert to pre-pandemic trends. Adult recipients receive a long-term disability designation if they had a disability for at least 12 months at any point during their TCA spell and provided case managers with appropriate documentation to substantiate the disability (FIA, 2022a). In the economic stability cohort, 12% of TCA leavers had a long-term disability (Table 2). However, this percentage dropped to 4% in the pandemic cohort and 3% in the post-pandemic cohort. Along with educational attainment, disability is also a common barrier inhibiting adult recipients' ability to work (Gleason & Nicoli, 2015; McColl & Nicoli, 2018). It is important to note that there were changes in how disabilities were captured in the administrative data during the pandemic, and it is unclear if these changes still affect leavers' disability status designation in the pandemic and post-pandemic cohorts.

Recipient age, in comparison to other characteristics, has been increasing for many years. Though incremental, this trend occurred prior to, and continued throughout, this study period (Smith & Passarella, 2023). For example, in the *Life after Welfare 2016* update, which includes leavers between 2004 and 2016, the average age of a TCA leaver was 33 years old and the median age was 30 years old. Additionally, about one third (35%) of leavers were 25 years or younger (Passarella et al., 2016). In this update, the average age of leavers in the economic stability cohort was 33 years and the median age was 31 (Table 2). Although these ages are similar to the 2016 update, recipients were not as young: only 23% of recipients were 25 or younger. Age increased throughout the study period of this report. In the post-pandemic cohort, leavers' average age rose to 35 years and median age to 34 years. Additionally, only 15% of leavers were 25 years or younger, a decrease of 20 percentage points from the 2016 update. While it is unclear why age has been increasing, one reason might be that younger adults are not seeking out TCA benefits. They might be choosing to forgo cash assistance even if they know they qualify or they might be unfamiliar with the program (Shrivastava & Azita Thompson, 2022). Additionally, women are increasingly having children later (Osterman et al., 2024). As a result, this might increase the age of program receipt for families with children.

**Table 2. Demographics of Adult Recipients on Exiting Cases, by Cohort**

| | Economic Stability *7/2016 to 3/2020 (n=29,169)* | Pandemic *4/2020 to 12/2021 (n=11,672)* | Post-pandemic *1/2022 to 6/2023 (n=13,840)* | Total *7/2016 to 6/2023 (n=54,681)* |
|---|---|---|---|---|
| **Gender** | | | | |
| Female | 88% | 83% | 83% | 86% |
| Male | 12% | 17% | 17% | 14% |
| **Race/Ethnicity** | | | | |
| Asian^ | 3% | 4% | 6% | 4% |
| Black^ | 69% | 59% | 62% | 65% |
| Hispanic/Latinx | 3% | 7% | 5% | 5% |
| Indigenous Peoples^† | 1% | 1% | 1% | 1% |
| White^ | 24% | 29% | 24% | 25% |
| Other^ | 0% | 0%** | 2% | 0%** |
| **Marital Status** | | | | |
| Never married | 77% | 70% | 73% | 74% |
| Married | 11% | 17% | 16% | 13% |
| Previously married⁺ | 12% | 14% | 11% | 12% |
| **Age** | | | | |
| Under 20 | 2% | 2% | 2% | 2% |
| 20-25 | 21% | 18% | 13% | 18% |
| 26-30 | 25% | 23% | 22% | 24% |
| 31-35 | 20% | 21% | 24% | 21% |
| 36 & older | 32% | 36% | 39% | 34% |
| Average [Median] | 33 [31] | 34 [32] | 35 [34] | 34 [32] |
| **Highest Education Level** | | | | |
| Did not finish high school | 24% | 18% | 20% | 22% |
| Finished high school# | 76% | 82% | 81% | 78% |
| *> High school only* | 65% | 64% | 66% | 65% |
| *> Post secondary education* | 11% | 18% | 15% | 13% |
| **Disability Status‡** | | | | |
| Long-term disability | 12% | 4% | 3% | 8% |
| No long-term disability | 88% | 96% | 97% | 92% |

**Note:** Gender, race, and ethnicity categories come from predetermined fields in the state administrative database. ^Non-Hispanic/Latinx. †Indigenous Peoples includes individuals who identify as Native American, American Alaska Native, Native Hawaiian, or other Pacific Islander. ⁺Previously married includes individuals who are divorced, separated, or widowed. #General Education Development Program (GED) certificates are included in high school completion rates. ‡An adult recipient is classified as disabled if they had a documented long-term disability (i.e., 12 months or more) at any point in the year prior to their exit. **Values under 0.5% are rounded to 0%. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

### Residence of Families on Exiting Cases

Maryland's population is concentrated in the center of the state, in the areas surrounding the Baltimore and District of Columbia metropolitan areas. Outside of the state's center are less populated, but diverse regions, including agricultural communities in the western panhandle and coastal communities along the eastern shore. The state's geographic variation has implications for TCA recipients, including the industries in which they are likely to find employment, their access to public transportation, and the availability of child care (Schuyler et al., 2024). Since Maryland has a decentralized cash assistance program (e.g., state-supervised and jurisdiction-administered), families' residences can even impact their experiences with the program and the services they receive to help remediate barriers to self-sufficiency (see Schuyler et al., 2024 for details).

Since location can have an impact on families' outcomes after exit, it is important to examine the residence of leavers. To that end, Table 3 provides the distribution of exiting families across Maryland's jurisdictions. The more populous jurisdictions are displayed individually while the less populous jurisdictions are grouped into regions. The most populous jurisdictions include Anne Arundel County, Baltimore City, Baltimore County, Prince George's County, and Montgomery County. Collectively, these jurisdictions account for more than two thirds of the state's population and approximately two thirds of the state's TCA caseload (Maryland State Archives, n.d.; Smith et al., 2024).

Overall, Baltimore City (30%) had the largest share of TCA leavers in the state (Table 3). Baltimore County (13%) and Prince George's County (12%) had the second and third largest shares, respectively. While lower, Anne Arundel County (8%) and Montgomery County (7%) also comprised a sizeable portion of exiting cases. Together, these five jurisdictions accounted for 70% of families who left in this study period.

Similar to demographic trends, the residence of leavers in the largest jurisdictions fluctuated between the economic stability cohort and the pandemic cohort, and mostly reverted towards pre-pandemic trends in the post-pandemic cohort. For example, in the economic stability cohort, more than one third (35%) of exiting families lived in Baltimore City (Table 3). This percentage decreased to 20% in the pandemic cohort and then increased to 27% in the post-pandemic cohort. Largely, Baltimore City's decreased share of leavers in the pandemic cohort was due to larger growth in other jurisdictions during the pandemic period (Passarella & Smith, 2021). This included increases between the economic stability and pandemic cohorts in Anne Arundel County (8% to 10%) and Montgomery County (6% to 10%). Both jurisdictions, however, have returned to their pre-pandemic percentages in the post-pandemic cohort. Baltimore County (13% to 14%) and Prince George's County (10% to 14%) also experienced increases in their share of exiting families between the economic stability and pandemic cohorts. However, both counties have maintained their elevated percentage of leavers in the post-pandemic cohort (14% and 16%, respectively).

Maryland's smaller jurisdictions, grouped into five regions—the Metro Maryland region, the Western Maryland region, the Southern Maryland region, and the Upper and Lower Shore regions—comprised 30% of the exiting caseload in this study period. Their share of the exiting caseload ranged from 8% in the Metro Maryland Region to 4% in the Lower Shore (Table 3). Given their lower shares of the exiting caseload, each region experienced either a small (e.g., 1 to 2 percentage point) change in its share of exiting TCA families between cohorts or no change. While smaller, the TCA programs in these areas are nonetheless important. For instance, the

TCA program serves nearly two in three (63%) children in Somerset County, part of the Lower Shore Region (Smith et al., 2024). Comparatively, this is a larger percentage of children than Baltimore City's program, which serves less than half (45%) of its children, and well above the statewide average (14%) of children served (Smith et al., 2024).

**Table 3. Residence of Exiting Families, by Cohort**

| | Economic Stability *7/2016 to 3/2020 (n=34,830)* | Pandemic *4/2020 to 12/2021 (n=12,361)* | Post-pandemic *1/2022 to 6/2023 (n=14,544)* | Total *7/2016 to 6/2023 (n=61,735)* |
|---|---|---|---|---|
| **Baltimore City** | 35% | 20% | 27% | 30% |
| **Baltimore County** | 13% | 14% | 14% | 13% |
| **Prince George's County** | 10% | 14% | 16% | 12% |
| **Metro MD Region** Carroll, Harford, Howard, & Frederick Counties | 8% | 10% | 8% | 8% |
| **Anne Arundel County** | 8% | 10% | 8% | 8% |
| **Montgomery County** | 6% | 10% | 6% | 7% |
| **Western MD Region** Garrett, Allegany, & Washington Counties | 6% | 6% | 6% | 6% |
| **Southern MD Region** Calvert, Charles, & St. Mary's Counties | 5% | 6% | 5% | 5% |
| **Upper Shore Region** Cecil, Kent, Queen Anne's, Caroline, Talbot, & Dorchester Counties | 5% | 6% | 5% | 5% |
| **Lower Shore Region** 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

A variety of factors can influence the duration of a family's TCA spell. One contributing factor is a family's needs. When families apply for TCA, they should be assigned to one or both activities based on their circumstances: (1) a qualifying work activity (e.g., job searching or work readiness); or (2) a support services activity (FIA, 2022a).[15] Support service activities focus on remediation of employment barriers or improving well-being and include barriers such as disability or having a child under age 1 (Schuyler et al., 2024).

Assignment to certain activities may influence the length of a family's TCA spell. For instance, the goal of most work activities is to help families find employment and move off of the TCA program as quickly as possible. If an adult recipient is able to find a new job quickly, their period of TCA receipt may only last several months. A single parent with a child under age 1, however, may receive TCA for up to 12 months under the state's policy (FIA, 2022b).

Additionally, economic conditions may influence spell length. Not only does the

[15] Beginning October 2022, new TCA recipients are exempt from work participation activities for their first 6 months of program receipt (FIA, 2022b).

number of families seeking TCA increase during economic downturns (e.g., the recent pandemic recession or the Great Recession), but families may experience difficulty finding work during these periods. As a result, their spell length might be longer than they anticipated. The converse is often true in periods of strong economic growth (McColl & Passarella, 2019a).

Changes to program policy may also have an impact on TCA receipt. For instance, at the start of the pandemic in March 2020, Maryland temporarily instituted the automatic redetermination of TCA eligibility, which extended through December 2021 (DHS, 2020; FIA, 2021a). This interim policy change allowed families to have a secure source of income during a turbulent economic period and consequently, increased their months of program receipt. Another potentially consequential program change is the end of full-family sanctions for non-cooperation with child support and non-compliance with work requirements (FIA, 2021b).[16] Instead of a case closure for failure to comply, families receive partial financial sanctions and their full benefit amount is restored once they come back into compliance (FIA, 2021b). Additionally, families receive unlimited reconciliation periods (FIA, 2021b). For some families, the previous sanction policy may have prematurely ended their TCA spells. Under the revised policy, families' cases remain open during sanctions, leading to increased spells.

It is important to note that although many factors influence the months a family receives TCA—including their individual circumstances, wider economic conditions, and program policy—families typically utilize TCA for short periods of time (Smith et al., 2024). Additionally, long-term program receipt is rare (Hall et al., 2020). To better understand how patterns of TCA program receipt change over time, and in the context of changing economic conditions and program policy, this section explores: (1) the percentage of families who were new to the TCA program; (2) the number of consecutive months families received benefits during their TCA spell;[17] and (3) the number of cumulative months families received benefits in the 5 years prior to exit.

*New to TCA*

During the study period, approximately two in five (42%) families exited their first program spell (Table 4). Similar to the trends observed in the demographic section, the percentage of new families exiting their first spell shifted between the economic stability and pandemic cohorts. In the economic stability cohort, 34% of exiting families ended their first TCA spell. This spiked to over half (56%) of families ending their first spell in the pandemic cohort. New families might have been driven onto TCA for the first time due to (1) sudden business closures at the start of the pandemic, which affected employment opportunities, and (2) parents forgoing employment to be home due to online learning and the closure of child care centers (Karpman et al, 2020; Kashen et al., 2020; Urban Institute, n.d.). The percentage of new families exiting their first TCA spell dropped to 48% in the post-pandemic cohort. While the percentage is still higher than the economic stability cohort, the decrease indicates that the share of new families exiting the program is returning to pre-pandemic patterns.

*Consecutive TCA Benefits*

Consecutive months of receipt (i.e., a TCA spell) is the number of months of consistent program receipt between the most recent application date and the case closure date. As mentioned previously, many factors can

[16] The revised policy on child support sanctions became effective in December 2021 while the revised policy for work sanctions began January 2022 (FIA, 2021b).

[17] A TCA spell is the consecutive months of TCA benefit receipt between the most recent application and case closure examined for this report.

influence the number of months a family receives benefits. Families, however, typically have relatively short periods of TCA receipt. As Table 4 shows, most (70%) families had 12 or fewer months of consecutive TCA receipt. Additionally, less than one in five (15%) families accumulated more than 2 years of consecutive benefits. The average spell length in the study period was 15 months. While the average consecutive receipt was slightly longer than a year, this is largely due to the extenuating circumstances caused by the pandemic. It also demonstrates how economic and policy conditions influence receipt patterns between cohorts.

In the economic stability cohort, the average length of consecutive receipt was 12 months and increased slightly to 14 months in the pandemic cohort. Markedly, both cohort's averages were less than the *total average* for the study period. This is because the post-pandemic cohort's average was 21 months, consequently raising the average overall.

Examining categorical months of consecutive receipt provides additional insight into how receipt patterns changed during different economic periods. Leavers in the economic stability cohort were more likely to have 1 year or less of consecutive receipt compared to the pandemic cohort (79% vs. 72%) (Table 4). Conversely, leavers in the pandemic cohort were more likely than those in the economic stability cohort to have 1 to 2 years of consecutive receipt (18% vs. 11%).

The variation in receipt, however, proliferated in the post-pandemic cohort, highlighting that leavers in this cohort experienced longer TCA spells. For example, fewer families (48%) had only 1 year or less of consecutive receipt. Additionally, one quarter (23%) of families in the post-pandemic cohort experienced 1 to 2 years of consecutive receipt. This is higher than in both the economic stability and pandemic cohorts. Further highlighting the post-pandemic cohorts longer period of receipt is the finding that one in five (19%) exiting families had 2 to 3 years of consecutive receipt. Few families in the economic stability (4%) and pandemic (3%) cohorts experienced receipt that long.

The economic downturn of the pandemic and temporary policy flexibilities, such as automatic redeterminations of TCA eligibility, contributed to an increase in consecutive receipt amongst leavers in the pandemic and post-pandemic period. Seven in 10 (70%) leavers in the pandemic cohort and half (52%) of leavers in the post-pandemic cohort began receiving TCA during the height of the pandemic period (April 2020-December 2021).[18] Automatic redeterminations of TCA benefits allowed families to almost continuously receive benefits from March 2020 to December 2021 when redeterminations were reinstated (DHS, 2020; FIA, 2021a; Office of Policy Analysis, 2021).[19] Given the state's high unemployment rate during the height of the pandemic, combined with COVID-19 interruptions to schools and child care, it makes sense that families who sought TCA during the pandemic period needed the leniency of automatic redetermination and experienced longer continuous receipt compared to families in the economic stability cohort. Given many families in the post-pandemic cohort entered the program around the same period as families in the

[18] Analysis not shown.

[19] Between July and October 2020, there was a lapse in Maryland's automatic redetermination policy. During those 4 months, TCA redeterminations resumed, and some families lost benefits (Office of Policy Analysis, 2021). These case closures are captured in the pandemic cohort and further explain the shorter TCA spells of the pandemic cohort relative to the post-pandemic cohort. That is, some pandemic cohort closures were prematurely closed due to this lapse in policy while other cases did not close until the automatic redetermination policy expired during the post-pandemic period.

pandemic cohort, but left months later, it additionally makes sense why the post-pandemic cohort had even more months of continuous benefits receipt.

**Seven in 10 (70%) families** in the pandemic cohort and **five in 10 (52%) families** (in the post-pandemic cohort **began receiving TCA** between **April 2020 and December 2021,** the height of the pandemic period.

A second reason for increased spell length in the post-pandemic cohort compared to the pandemic cohort might be related to Unemployment Insurance (UI). Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the federal government expanded eligibility for unemployment insurance (UI) benefits. Under the expanded eligibility rules, families who did not ordinarily qualify for the program could potentially receive benefits. Nearly one in five (19%) leavers in the pandemic cohort received UI after exiting TCA. Comparatively, only 1% of families exiting the post-pandemic cohort received UI.[20] This suggests that during the pandemic, some families ended their TCA receipt and began receiving UI. This might have resulted in shorter spells for families in the pandemic cohort than they might otherwise had if UI was not available to them.

*Cumulative TCA Benefits*

The analysis of consecutive receipt examines the months of receipt for a family's most recent TCA spell.[21] Families, however, may cycle on and off the cash assistance program, resulting in multiple spells (Wood et al., 2008; Hall, 2021b). Analysis of cumulative receipt captures a family's long-term receipt pattern by counting the months of receipt in a family's most recent spell plus any additional months received in the 5 years before their most recent case closure. Many factors that influence consecutive receipt patterns can also influence patterns of cumulative receipt, including individual barriers to employment and overall economic conditions.

In the study period, families had an average of 21 months of cumulative receipt over the 60-month period before their program exit (Table 4). Most families (68%) had no more than 2 years of cumulative benefits. Cumulative receipt for families was rarely long-term, with only about one in 10 (12%) families accruing between 4 and 5 years of receipt.

Cumulative receipt varied by cohort. Likely, the economic circumstances as well as some of the pandemic-era policy changes (i.e., automatic redetermination of TCA benefits) impacted receipt patterns across cohorts. In the economic stability cohort, two thirds (67%) of leavers had 2 years or less of cumulative TCA receipt (Table 4). An additional 12% of economic stability leavers had between 2 and 3 years of cumulative receipt. Comparatively, pandemic cohort leavers had fewer months of cumulative receipt (81% had 2 years or less). Only 6% of cases in the pandemic cohort had 2 to 3 years of receipt, half the share of the economic stability cohort. The lower cumulative rates of receipt in the pandemic cohort are in line, however, with its large share of first-time recipient families. As noted above, over half of families in the pandemic cohort were new to the program. Additionally, many families entered and exited TCA between April 2020 and December 2021, a relatively abbreviated period of time to accrue cash assistance, leading to lower total months of receipt.

[20] Only 2% of families in the economic stability cohort received UI after TCA exit.

[21] See *Methods* chapter for details on how families with multiple TCA spells are selected into the data.

Leavers in the post-pandemic cohort had more months of cumulative receipt compared to both the economic stability and pandemic cohorts. In the post-pandemic cohort, only 58% of leavers had 2 years or less of cumulative receipt, but one in five (22%) leavers had 2 to 3 years of cumulative receipt, the most of all three cohorts (Table 4). A large reason for increased cumulative receipt in the post-pandemic cohort is families' longer months of consecutive receipt. As a result of the pandemic and policies such as the automatic redetermination of benefits, over half (52%) of families in the cohort accrued TCA receipt since the initial months of the pandemic. Furthermore, the post-pandemic cohort had fewer new families than the pandemic cohort, meaning more families on the caseload had previous TCA spells, increasing overall cumulative receipt in the cohort.

### Table 4. Previous TCA Receipt, by Cohort

| | Economic Stability *7/2016 to 3/2020 (n=34,830)* | Pandemic *4/2020 to 12/2021 (n=12,361)* | Post-pandemic *1/2022 to 6/2023 (n=14,544)* | Total *7/2016 to 6/2023 (n=61,735)* |
|---|---|---|---|---|
| **First TCA Spell** | | | | |
| Exit ends first spell | 34% | 56% | 48% | 42% |
| **TCA Spell Length** ***Consecutive Months*** | | | | |
| 12 months or fewer | 79% | 72% | 48% | 70% |
| 13 to 24 months | 11% | 18% | 23% | 15% |
| 25 to 36 months | 4% | 3% | 19% | 8% |
| 37 to 48 months | 2% | 2% | 4% | 3% |
| 49 to 60 months | 1% | 1% | 2% | 1% |
| More than 60 months | 3% | 3% | 4% | 3% |
| Average [Median] | 12 [6] | 14 [8] | 21 [16] | 15 [8] |
| **5 Years before Exit** ***Cumulative Months*** | | | | |
| 12 months or fewer | 46% | 59% | 35% | 46% |
| 13 to 24 months | 21% | 22% | 23% | 22% |
| 25 to 36 months | 12% | 6% | 22% | 13% |
| 37 to 48 months | 8% | 4% | 9% | 7% |
| 49 to 60 months | 13% | 10% | 11% | 12% |
| Average [Median] | 21 [14] | 17 [11] | 24 [22] | 21 [14] |

**Note:** A TCA spell is a period of consecutive months during which families receive benefits without exiting the program. 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

Families exit the TCA program due to a number of reasons. Reasons can include an adult recipient re-entering the workforce and earning income above the program's eligibility threshold or a customer not returning necessary program paperwork. When a family leaves the TCA program, case managers provide a closure code for the case in the administrative data system. Policy changes and program updates impact the usage of certain closure codes. Table 5 demonstrates how these closures codes have changed between cohorts.

The most common closure code in this study period is *income above the limit* (28%). *Income above the limit* denotes cases that are no longer eligible for cash assistance because their income exceeds the program eligibility criteria. Families can exceed the threshold for both earned income, such as income from employment, and unearned income, such as UI benefits (Md. Code Ann., Dept. of Human Services § 03-03 (2004). In both the economic stability and post-pandemic cohorts, roughly one in four cases (24% and 27%, respectively) closed due to income. However, 40% of cases closed due to *income above the limit* in the pandemic cohort. Potentially, despite a struggling economy, some adult recipients in the pandemic cohort may have secured employment and began to earn income above the eligibility threshold, causing their cases to close.

More likely, two pandemic-era program flexibilities contributed to the large increase of this closure code in the pandemic cohort. First, during the pandemic period, work requirements were suspended, meaning cases could no longer close due to failure to meet work requirements. Similarly, automatic redeterminations meant cases no longer closed for certain reasons. As a result of other case closure reasons being used less frequently during the pandemic period, the share of cases that closed due to income above the limit increased.

#### Case Closure Definitions

- **Child support sanction:** Family did not comply with the child support process required to maintain TCA benefits or did not have a good cause waiver. Beginning in December 2021, child support sanctions no longer result in case closures.
- **Customer requested closure:** Family elected to discontinue TCA benefits.
- **Did not maintain eligibility:** Family did not submit required information regarding eligibility or did not comply with the eligibility process such as compliance with their Family Independence Plan.
- **Did not reapply:** Family did not recertify their eligibility for TCA when required, did not provide all documentation to recertify benefits, or missed the redetermination appointment.
- **Income above limit:** Family's income from employment or unearned income from child support, disability payments, Unemployment Insurance, or other sources exceeds the income eligibility requirements.
- **Ineligible:** Family did not meet the TCA program's eligibility criteria, such as a deceased head of household or no dependent children.
- **Residency:** Family did not to submit required documents to verify residency or no longer resides in Maryland.
- **Work sanction:** Work-eligible adult recipient(s) on a case did not participate in the approved work activities required to maintain TCA benefits. Beginning in January 2022, work sanctions no longer result in case closures.

Second, as noted in the discussion of program receipt, one in five (19%) families in the pandemic cohort left TCA and received UI. As a source of unearned income, UI counts towards TCA's income eligibility threshold. For some of these families, then, receipt of UI could have triggered a case closure due to having income above the eligibility limit.

Case closure due to *work sanction* is one of the closure reasons most impacted by recent policy changes. A *work sanction* case closure is due to a work-eligible adult failing to participate in required work activities. In the recent past, *work sanction* was the most common case closure reason, accounting for nearly one third of all closures (McColl & Passarella, 2019a). In this study period, 14% of all cases closed due to a work sanction, and it was the third most frequent closure reason behind *income above the limit* and *did not maintain eligibility* (Table 5). In the economic stability cohort, however, *work sanction* (24%) and *income above the limit* (24%) were both the most common case closure reasons. Notably, the work sanction code was phased out in the pandemic (2%) and post-pandemic (0%) cohorts.[22]

Policy changes impacted the use of the *work sanction* closure code in the pandemic and post-pandemic cohorts. Temporary program flexibilities allowed the state to suspend work requirements during the pandemic period (DHS, 2020). Additionally, after the suspension ended in September 2020, adult recipients could obtain good cause waivers for work requirements due to pandemic-related issues (Maryland Department of Legislative Services, 2021). Together, the pandemic-era changes led to the large decrease (-22 percentage points) of work sanction case closures observed in the pandemic cohort. Beginning in January 2022, Maryland's new partial sanction policy took effect, meaning cases would no longer close due to failure to meet the work requirement (FIA, 2021b). Instead, cases receive a deduction in their grant amount until they comply with the work requirements (FIA, 2021b).[23] This policy took effect at the beginning of the post-pandemic cohort, meaning cases that closed in this cohort and beyond should no longer have closure codes for failure to comply with work requirements.

The change from full-family work sanctions to partial work sanctions likely influenced the share of case closures for other common closing codes. Notably, the use of *did not maintain eligibility* and *did not reapply*, increased markedly in the pandemic cohort. *Did not maintain eligibility* includes several closure reasons that identify when a family does not submit required documents to demonstrate continuing need or does not comply with certain eligibility requirements. For instance, a families' case can close if they do not comply with components of their Family Independence Plan, which is intended to help families achieve self-sufficiency (FIA, 2022a). *Did not reapply* denotes that a family's case closed because they did not submit an application during their redetermination period or did not comply with all processes to recertify their benefits. In the study period, these two closure reasons accounted for 32% of all case closures; with 19% of cases closing due to *did not maintain eligibility* and 13% closing due to *did not reapply* (Table 5).

In the economic stability cohort, *did not maintain eligibility* was the third most common case closure reason, accounting for 20% of closed cases, and *did not reapply* was used in 7% of closures. The percentage of cases that closed due to *did not maintain eligibility* fell to 14% in the pandemic cohort, likely related to closure policies under the automatic redetermination of benefits program flexibility. *Did not reapply* increased slightly to 10%. Potentially, this slight increase might be related to the lapse in the automatic redetermination exemption during the pandemic period (Office of Policy Analysis, 2021), when some families had to unexpectedly reapply for benefits.

[22] See note in Table 5 for additional details regarding pandemic and post-pandemic case closures due to work sanctions.

[23] Work requirement sanctions are different for minor parents. Minor parents, parents ages 16 to 17, must have 80% attendance in school or an alternative education program in order to be in compliance with work requirements (FIA, 2022a).

Together, these two closure reasons —*did not maintain eligibility and did not reapply*— comprised nearly one in four (24%) case closures in the pandemic cohort. In the post-pandemic cohort, however, these two closure reasons accounted for over half (53%) of closures, with *did not maintain eligibility* being used in 22% of post-pandemic cases and *did not reapply* comprising 31% of closure reasons. In fact, *did not reapply* was the most commonly used closure reason in the post-pandemic cohort and *did not maintain eligibility* the third most common reason. As more families exit the program after the end of full-family sanctions, it will be important to observe if other large changes in closing codes emerge.

**Table 5. Case Closure Reasons, by Cohort**

| | Economic Stability *7/2016 to 3/2020 (n=34,830)* | Pandemic *4/2020 to 12/2021 (n=12,361)* | Post-pandemic *1/2022 to 6/2023 (n=14,544)* | Total *7/2016 to 6/2023 (n=61,735)* |
|---|---|---|---|---|
| Income above limit | 24% | 40% | 27% | 28% |
| Did not maintain eligibility | 20% | 14% | 22% | 19% |
| Work sanction | 24% | 2% | 0%* | 14% |
| Ineligible | 11% | 17% | 8% | 11% |
| Did not reapply | 7% | 10% | 31% | 13% |
| Child support sanction | 6% | 7% | 1%* | 5% |
| Customer requested closure | 6% | 5% | 4% | 5% |
| Residency | 2% | 3% | 2% | 2% |
| All other closing codes | 1% | 2% | 5% | 2% |

**Note:** The *All other closing codes* category includes 36 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). However, in the post-pandemic cohort there appeared to be 100 case closures due to child support sanctions and 23 case closures due to work sanctions. The authors completed a full case record review for a sample of these cases and discovered a potential administrative data system error that suppressed the case closure code in the system. The case record shows that families were notified of the actual reason for case closure (often for not completing the recertification process). The authors could not investigate the case record for all families. Therefore, cases are still listed in Table 5 as sanction closures although these are likely system errors and families' cases closed for other reasons. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

# EMPLOYMENT

The TCA program's goal for most families is a permanent exit from the program through sufficient employment. Only in families with specific circumstances (e.g., a family receives a good cause waiver for domestic violence), may adult recipients be exempt from program work requirements. To facilitate independence through work, Maryland's cash assistance program provides many resources to help adult recipients attain adequate employment. Resources include helping to connect recipients with work, job training, and education so they can make a permanent exit from the program (State of Maryland, 2020).

Previous investigations, however, have found adult recipients often do not achieve self-sufficient earnings after exit, with earnings remaining close to the federal poverty level for a family of three.[24] Often, families face barriers preventing self-sufficiency and the structural effects of poverty are hard to break (Williams, 2023). Given the program's emphasis on self-sufficiency through employment, it is important to continually examine leavers' employment patterns to inform program and policy decisions.

To that end, this chapter provides information on leavers' employment and earnings after TCA exit. Specifically, this includes comparisons of employment participation and earnings prior to receiving TCA and after exit, employment and earnings trends in the 5 years after exit, and the sectors in which adult TCA leavers most frequently find employment. This chapter also provides comparisons by cohort.

Importantly, there are limitations to available employment data. First, 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) is 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, so it is not uncommon for Marylanders, including some TCA leavers, to work out of state. Consequently, the data do not include employment for any leavers who worked outside of Maryland. Due to these data limitations, it is important to acknowledge that employment findings represent *minimum* employment levels for TCA leavers.

[24] See previous *Life on Welfare* reports for reference.

# 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 to report employment retention for leavers of all state TANF programs (Hahn, 2023).

Employment retention outcomes outlined by the FRA are different from the employment analyses reported in *Life after Welfare*. 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. Additionally, both the *Life after Welfare* study and FRA requirements exclude churners, but each defines churners differently (see the *Methods* chapter for more information on churners). Whereas *Life after Welfare* currently defines churners as families with a 2-month or less break in TANF benefits, FRA defines churners as families with a 3-month or less benefit break. FRA employment outcomes will include the percentage of work-eligible leavers who are employed in the 2nd quarter after exit as well as their median quarterly earnings in each state. Additionally, the percentage who remain employed in quarter 4 and their quarter 4 earnings will be reported for each state. The figure below provides an estimate of FRA measures in Maryland among work-eligible leavers between July 2016 and December 2022.

In Maryland, half (51%) 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 $5,352. Among those who were employed, most (81%) retained their employment in the 4th quarter after exit. Moreover, median quarterly earnings increased to $6,300 in the 4th quarter.

In the **2nd quarter** after TCA exit, half **(51%)** of adult recipients were employed. Median quarterly earnings were **$5,352**.

Over eight in 10 **(81%)** of those adult recipients were also employed in the **4th quarter** post-exit. Median quarterly earnings increased to **$6,300**.

**Note:** Analyses include work-eligible adult recipients who had a 3-month break in benefits and had 1 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 and use national level employment sources (Office of Family Assistance, 2024).

### Employment before TCA Receipt and after TCA Exit

Adult TCA recipients often have recent work histories before coming onto the program. As Figure 3 shows, nearly three in five (58%) leavers worked in the year prior to their TCA spell. Although pre-TCA spell employment was over 50% for all cohorts, there was slight variation. Pre-spell employment in the economic stability cohort was on par with the percentage for the study period, with 58% of leavers employed in the year before coming onto TCA. This percentage increased to 61% of adult recipients with pre-spell employment in the pandemic cohort. While small, the increase in previous employment observed between the economic stability and pandemic cohort is presumably related to the sudden job loss that occurred in the beginning of the pandemic months (Hembre, 2023). During that period, many previously working families unexpectedly found themselves without consistent employment and turned to cash assistance for help (Hembre, 2023). While there was a decrease in pre-spell employment between the pandemic and post-pandemic cohort, pre-spell employment in the post-pandemic cohort (54%) is similar to employment levels in prior reports, potentially representing a reversion to pre-pandemic trends (Hall & Passarella, 2020).

Employment increased for leavers after exit, is a consistent finding over time (Hall & Passarella, 2020; Smith et al., 2022). As Figure 3 shows, for the entire study period, employment in the year after TCA exit increased 4 percentage points, from 58% to 62%, in the year before TCA entry compared to the year after exit. While leavers were more likely to work after TCA exit compared to before entry, there was variation between cohorts.

In the economic stability cohort, employment for leavers increased by 7 percentage points, from 58% of leavers having pre-spell employment to 65% having

**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.

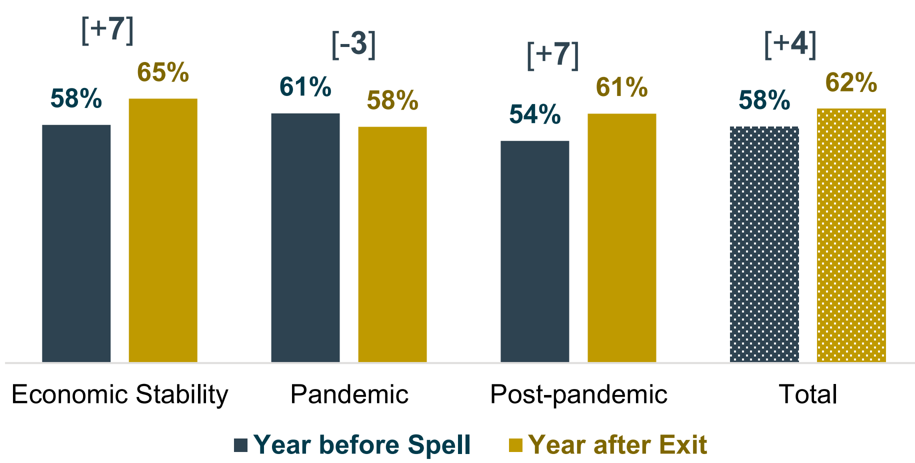
At the time of retrieval, follow-up employment data for adult recipients was only available through December 2023. As a result, leavers in the post-pandemic cohort who exited after December 2022 are excluded from analyses that require at least 1 year of post-exit employment data.

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 2023 dollars.

employment after exit. In the pandemic cohort, however, employment observably *decreased*, dropping 3 percentage points between the year before TCA entry (61%) and the year after exit (58%). Although not a large decrease, it is important to discuss. One explanation for the decrease might be that families in the pandemic cohort exited TCA because they qualified for other cash resources, such as UI. As mentioned in the previous chapter, nearly one in five (19%) pandemic cohort leavers received UI after TCA exit, a much higher rate than in the economic stability and post-pandemic cohorts. As a result, the percentage of leavers with post-spell employment would decrease. Another explanation is that families in the pandemic cohort might have had difficulty securing employment post-exit. The study period of the pandemic cohort, April 2020 through December 2021, had high levels of unemployment (BLS, 2024). Additionally, industries in which TCA leavers often find work, such as the restaurant industry and general retail industry, suffered disproportionate job losses as a result of the pandemic (Center on Budget and Policy Priorities [CBPP], 2021; Stang, 2021). This, too, could have contributed to lower post-spell employment in the pandemic cohort. Finally, during the pandemic period, there was also a spike in gig-work employment (National Bureau of Economic Research, 2023). Leavers participating in gig-work are not included in Figure 3 data, due to limitations in employment data.

Importantly, however, the post-pandemic cohort returned to previously observed employment trends. This *Life after Welfare* report is the first update for which 1 year of post-exit employment data is available for some leavers in the post-pandemic period. As Figure 3 shows, there was a 7 percentage point increase in employment after TCA exit in the post-pandemic cohort, with employment growing from 54% pre-TCA spell to 61% post-exit. Furthermore, adult recipients in the post-pandemic cohort who began program receipt after December 2021, when the economic effects of the pandemic largely subsided, had higher rates of employment after exit compared to recipients who came on prior (65% vs. 61%).[25] This is similar to the rate of post-exit employment for the economic stability cohort, again potentially marking a reversion to pre-pandemic trends. Recipients who left TCA in the post-pandemic period exited into an economy with low unemployment (BLS, 2024) and strong labor force growth for workers between 24 and 54 years old (Council of Economic Advisors, 2024).

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




**Note:** *Year after Exit* data excludes leavers in the post-pandemic cohort who did not have 1 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.

[25] Analysis not shown.

### Earnings before TCA Receipt and after TCA Exit

Earnings, similar to employment, typically increase after TCA exit. Figure 4 examines adult recipients' earnings in the year before their TCA spell and in the year after exit. Median annual earnings for all adult recipients in the year before TCA receipt was $9,612. Pre-spell earnings varied by cohort. In the economic stability cohort, adult leavers had median earnings of $8,379 and increased to $12,603 in the pandemic cohort. Most likely, the increase in pre-spell pandemic cohort earnings is related to some of the different characteristics of families who entered TCA at the start of the pandemic. This includes recipients with higher rates of employment as well as higher rates of post-secondary education, both of which are associated with increased earnings (Passarella & Smith, 2021; Smith & Passarella, 2022). Earnings were also higher than the study period median in the post-pandemic cohort ($10,406) but marked a slight decrease from the pandemic cohort.

Post-TCA exit, leavers in this study period earned about 58% more annually compared to their pre-TCA median earnings ($9,612 vs. $15,235) (Figure 4). While earnings increased for leavers in all cohorts, amounts differed. In the economic stability cohort, wages in the year before TCA and the year after TCA exit increased by 71% ($8,379 to $14,304). However, the increase in the pandemic cohort was lower, with earnings between pre-TCA spell ($12,603) and post-TCA exit ($15,899) growing by only 26%. Although smaller than the median increase in the economic stability cohort, a median increase of 26% is still sizable. Additionally, some circumstances of the pandemic period help contextualize this finding.

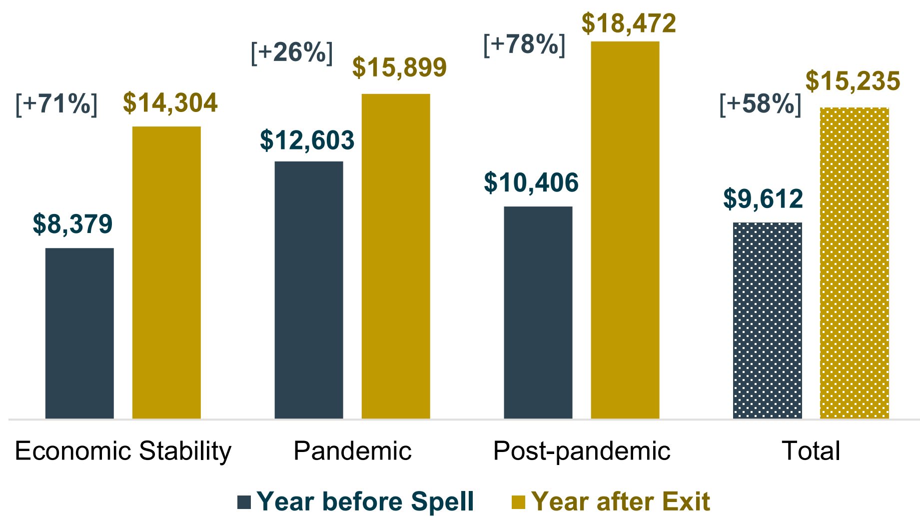
For one, many leavers (70%) in the pandemic cohort came onto TCA during the height of the pandemic period. These recipients had characteristics not only associated with higher rates of employment (i.e., educational attainment), but higher earnings as well (Passarella & Smith, 2021; Smith & Passarella, 2022). As a result, their pre-TCA earnings represented families who had relatively stable employment but were driven onto the program as a result of the pandemic. After their TCA exit, they likely resumed similar types of employment, leading to smaller earnings growth from pre-spell to post-exit.

Another contributing element might be UI receipt. As mentioned previously, a greater percentage of adult recipients in the pandemic cohort received UI benefits in the year after their TCA spells compared to those in the other cohorts. If a leaver received UI benefits after TCA exit and then found employment within that same year, their months of income from employment would be reported in Figure 4, but UI income would not be captured due to data limitations. As a result, earnings for these families might be lower, suppressing median earnings for the cohort.[26] Finally, families who exited in the pandemic cohort left during a turbulent economic period, in which they may have struggled to find employment or experienced another loss of employment due to pandemic circumstances (CBPP, n.d.). Similarly, COVID-19 illness or closures of child care facilities or schools might have forced leavers in the pandemic cohort out of the workforce (CBPP, n.d.) despite initially securing a job after TCA exit, impacting their reported earnings.

[26] Median earnings in the pandemic cohort for leavers who both worked and received UI in the year after exit were $11,430. Median earnings for leavers in the pandemic cohort who worked in the year after TCA but did not receive UI were $17,215.

Compared to the other two cohorts, leavers in the post-pandemic period experienced the largest increase in median earnings between the year before recipients' TCA spells and the year after exit. As Figure 4 shows, median earnings rose from $10,406 in the year before TCA to $18,472 in the year after TCA exit, a 78% increase. Median earnings in the year after exit were also higher than in both the economic stability and pandemic cohorts. One possible reason for this large increase might be that earnings were suppressed by the pandemic. In the post-pandemic cohort, over half (52%) of recipients came onto TCA between March 2020 and December 2021, the peak of the pandemic period. Leavers might have experienced decreased working hours during this period, resulting in lower earnings before eventually seeking TCA. In conjunction with depressed pre-spell earnings, leavers' increased earnings in the post-pandemic cohort might have been due to exit in a strong post-pandemic economy and a rise in pay for low-wage workers (CBPP, n.d.; East et al., 2023). The conjunction of these two circumstances was a sharp increase in median earnings from pre- to post-TCA exit. While workers experienced an overall rise in their real income, inflation in food and housing prices in the post-pandemic economic period probably muted some of economic relief brought by increased earnings (de Vise, 2023).

**Figure 4. Median Annual Earnings among Employed Adult Recipients, by Cohort**
*Year before TCA spell and year after TCA exit*




**Note:** *Year after Exit* data excludes leavers in the post-pandemic cohort who did not have 1 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 2023 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

## Annual Employment & Earnings Five Years after Exit

Consistent employment and adequate earnings are fundamental for TCA leavers to achieve long-term, financial self-sufficiency. Regardless of when they left Maryland's cash assistance program, many factors influence leavers' abilities to work and earn income after exit. These may include individual factors, such as securing a job that allows them to balance employment and parenting responsibilities as well as larger local and state economic factors.

Maryland is one of only a handful of states that regularly reports long-term employment outcomes of cash assistance program leavers (Safawi & Pavetti, 2020). Examination of annual employment and median earnings in the years after TCA exit are shown in Figure 5. As the figure shows, more than half of adult recipients worked in each post exit year. Employment, however, decreased over time. In the 1st year after exit, 62% of leavers were employed. This percentage decreased 7 percentage points by year 5, with only 55% of leavers having known employment.

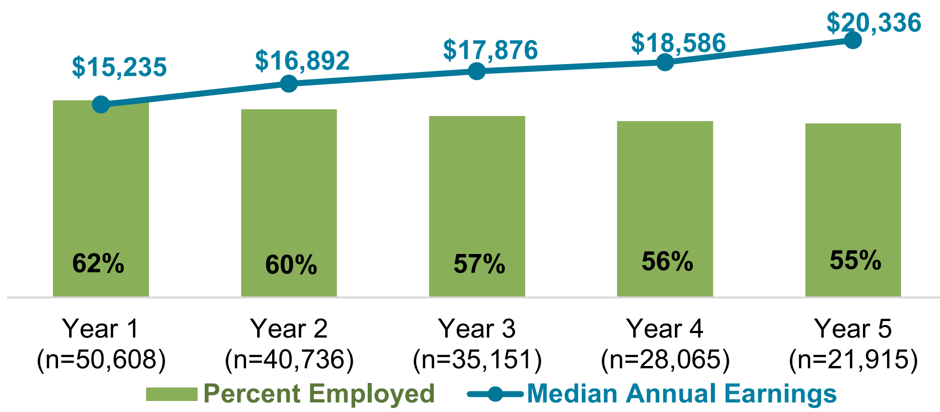
Annual decreases in post-exit employment are consistently observed among TCA leavers (Smith et al., 2022; Smith & Passarella, 2023). It is a trend that also reflects the chronic barriers to employment TCA recipients often face and the realities of low-wage work. The more barriers an adult recipient faces—including lack of appropriate work experiences or education, physical or mental health challenges, or domestic violence—the likelier they are to struggle with employment (Bloom et al., 2011). Maryland's TCA program provides resources to adult recipients to help remedy employment barriers and find suitable work after exit. However, families typically have short spells (see Table 4), and federal regulations limit how long an adult recipient can engage in certain work-development activities (Hahn et al., 2016b). As a result, cash assistance programs may not adequately address adult recipients' employment barriers or leavers might not have received enough quality, evidence-based workforce development programming to significantly improve their employment outcomes over time.

After exit, adult recipients often work in low-wage jobs (Safawi & Pavetti, 2020). Aside from inadequate pay, low-wage jobs typically have unpredictable hourly schedules, offer few benefits, such as health insurance or work from home flexibility, and do not include paid leave (Maye & Banjeree, 2021). They are also some of the first jobs to be cut during an economic downturn, as evidenced by the COVID-19 pandemic (Maye & Banjeree, 2021). Since TCA families are frequently headed by single parents, the challenges that accompany low-wage jobs can be unsustainable while balancing parenting responsibilities, leading to exits from the workforce. Similarly, families receiving cash assistance are more likely to be affected by transportation and child care issues compared to other families and are also more likely to have physical and mental health issues (Hahn et al., 2016b). Recent evidence suggests that Maryland families receiving TCA face such challenges (Schuyler et al., 2024). Such complications can lead adult recipients to attrite from the workforce, and it is not uncommon for former cash assistance recipients to cycle in and out of employment (Hildebrandt & Stevens, 2009; Wood et al., 2008).

In contrast to employment trends, adult recipients' earnings increased in the years following their TCA exits. As Figure 5 shows, in the 1st year after exit, adult recipients had median annual earnings of $15,235. Earnings grew gradually to $20,336 by year 5, representing a median increase of $5,101. While an upward trend in median earnings is positive for families, earnings in all years are insufficient for families to independently support themselves.

The federal poverty line was $24,860 for a family of three in 2023 (Office of the Assistant Secretary for Planning and Evaluation [ASPE], 2023). Based on these earnings, this means that the typical TCA family, even 5 years after exit, lives in poverty. It also means that many families qualify for benefit programs such as the Supplemental Nutrition Assistance Program (SNAP) as well as medical assistance programs (Office of Disease Prevention & Health Promotion [OASH], n.d.). In the aggregate, families are likely not self-sufficient and able to live on only earnings from employment. Maryland TCA families are not alone in this struggle. In states that also report earnings outcomes for cash assistance leavers, earnings increase over time, but remain low (Economic Services Administration, 2024; NSPARC, n.d.).

**Figure 5. 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 2023 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

The employment and earnings findings discussed above (Figure 5) include information about adult recipients who worked *at any point* in a given follow-up year. For example, an adult recipient might have worked in only 1 quarter during their 1st year after exit and their earnings subsequently reflect that. An adult recipient who worked only periodically after their TCA exit will likely have earnings incompatible with self-sufficiency. Leavers who are able to work continuously throughout the year will have higher earnings and an increased likelihood that they can independently support their families. Figure 6 focuses on employment and earnings outcomes for leavers with full-year employment in each post-exit year.

In general, Figure 6 shows that about one third of leavers had full-year employment (i.e., employed in each of the 4 quarters) after TCA exit. Full-year employment fluctuated only slightly between exit years and was 34% in year 1 and 32% in year 5. While slight, this does represent a decrease in full-year employment over time. This finding parallels the small but continuous decrease in full-year employment observed in the previous *Life after Welfare* update. Decreases in full-year employment represent a new trend. In past updates, full-year employment consistently increased over time (see *Life on Welfare* updates between 2019 and 2021).

One plausible explanation for this difference is the timing of the economic disruption and recovery from the pandemic period. Depending on when an adult recipient exited the program, adult leavers with full-year employment in a given year might have lost their employment in a subsequent year as a result of the pandemic. This would impact certain follow-up years for recipients in the economic stability and pandemic cohort. For example, a leaver in the economic stability cohort who left in 2018 might have faced job loss when the pandemic occurred, which would affect their full-year employment status in their 3rd or 4th year after exit. However, they might be able to return to full-year employment in their 5th post-exit year in 2022, as the economic impacts of the pandemic eased and would be captured as having full-year employment in their year 5th year after exit.

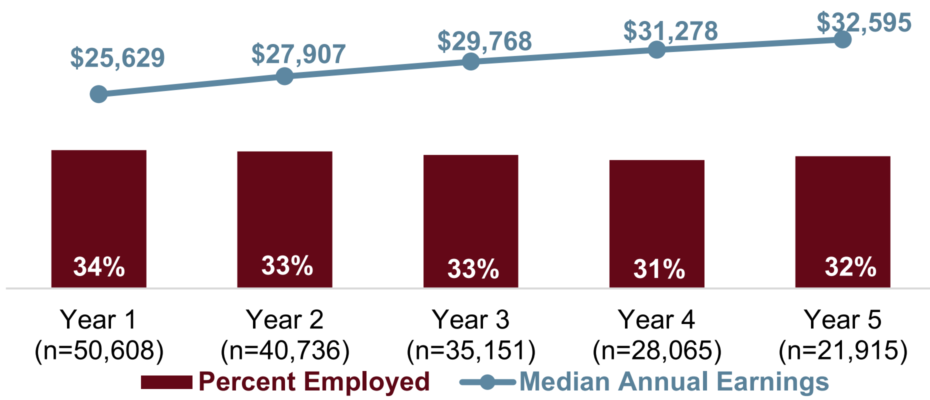
> The **economic disruptions** of the **pandemic** will impact employment patterns of TCA leavers over the **next several years**.

Undoubtedly, the disruption of the pandemic will continue to impact full-year employment patterns for the next several years for leavers whose post-exit period spans the pandemic period. Leavers in the post-pandemic cohort are the only adult recipients in this study period whose post-exit employment data is not directly affected by the pandemic. Future updates of *Life after Welfare* will provide additional insight into how the pandemic affected full-year employment trends. Similarly, it might take some time to determine whether full-year employment reverts to previously observed trends in which it increases for leavers over time.

While full-year employment rates diminished, earnings for adult leavers with full-year employment continuously grew between the 1st and 5th post-exit years. In year 1, median earnings for leavers with a full year of employment was $25,629 (Figure 6). Median earnings increased 27% to $32,595 by year 5. Unsurprisingly, median earnings for those with full-year employment were much greater than median earnings for all employed leavers (Figure 5). For example, median earnings for all employed leavers 1 year after exit was $15,235, which was $10,394 less than earnings for leavers with full-year employment ($25,629). The difference for all employed leavers ($20,336) and leavers with full-year employment ($32,595) in the 5th post-exit year was even slightly larger, with a difference of $12,259.

Earnings differences between *all employed* leavers and leavers who had *full-year employment* highlight the importance of consistent work for families. By year 5, leavers with full-year employment earned slightly over 130% of the federal poverty line for a family of three (ASPE, 2023). While technically above the poverty level, their economic position is still precarious. According to United for ALICE, a Maryland family consisting of one adult and one child in daycare needs to earn around $59,000 to meet their basic budgetary expenses (United for ALICE, n.d.). Moreover, Maryland families earning up to 200% of the federal poverty line still qualify for other safety net benefits, such as SNAP (Food and Nutrition Service, n.d.). Consequentially, many leavers with full-year employment likely struggle to afford basic needs and are likely also not able to be fully self-sufficient. Additionally, while some leavers with full-year employment might be able to retain certain benefits, others might cease to qualify, crossing the threshold of the benefits cliff. For many low-income families, loss of benefits, such as SNAP, places a large strain on their budget (NCSL, 2023).

**Figure 6. Adult Recipients' 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 of the respective year. Earnings are standardized to 2023 dollars. Refer to the *Methods* chapter for details on data limitations. Valid percentages are reported to account for missing data.

### Employment Sectors after Exit

Recipients' earnings are largely related to the occupations they hold and the industries in which they work (Sullivan, 2008; Women's Bureau, n.d.). Although the administrative data used in the *Life after Welfare* annual updates do not provide occupational data, sector data is available through the North American Industry Classification System (NAICS) industry codes (see the *Methods* chapter for more detail). Similarly, while a recipient's specific job role is unknown, wage data provides additional information about general earnings in each sector.

In prior *Life after Welfare* updates, employment was reported by industries.[27] To provide a more comprehensive analysis of employment, this update analyzes fields of employment by *sectors* instead of industries. Sectors represent a grouping of distinct economic activities, which are comprised of related industries (Kenton, n.d.; U.S. Census Bureau, n.d.-a). For instance, the health care and social assistance sector includes outpatient healthcare and residential care facilities, which are each individual industries. While an industry analysis provides more detailed information about adult recipients' employment, it can mask larger trends in employment and earnings across related industries. By categorizing industries into sectors, broader trends in leavers' areas of employment can be provided as well as a general picture of earnings in related fields. To that end, this section explores common sectors of employment for adult recipient leavers employed in their 1st quarter after exit, their earnings, as well as differences between cohorts. Information from this section can be used to inform strategies that support leavers in finding employment in higher paying fields.

Adult leavers employed in the 1st quarter after TCA exit were most likely to work in one of the five sectors listed in Table 6. Largely, these sectors also match the top employment sectors for the state as a whole (Office of the Comptroller, 2024). As Table 6 shows, the most common sector of

[27] NAICS uses six-digit codes to identify specific industries. The first two-digits of the code designate the general sector and the first three digits designate the sub-sector (Bureau of Economic Analysis, n.d.). In this 2024 update of *Life after Welfare*, this analysis has switched from utilizing the 3-digit code to the broader 2-digit sector code.

employment for leavers in the 1st quarter after exit was health care and social assistance, in which nearly one in four (24%) recipients found employment. The second most common sectors of employment were retail trade (17%) and administrative and support services (17%). Slightly less common was employment in the accommodation and food services sector (14%) followed by transportation and warehousing (8%).

### Top Employment Sector Definitions

- **Healthcare & Social Assistance (NAICS 62):** Establishments that provide health care and social assistance for individuals. Industries in this sector can include outpatient health care and residential care facilities, among others.
- **Retail Trade (NAICS 44–45):** Comprises establishments engaged in retailing merchandise and rendering services incidental to the sale of merchandise. Industries in this sector can include general merchandise retailers and food & beverage retailers.
- **Administrative & Support and Waste Management & Remediation Services (NAICS 56):** Performs support activities for the day-to-day operations of other organizations. Includes office administration, clerical services, cleaning, temporary employment services, and waste disposal services among other services. Industries in this sector can include office administration and waste disposal services.
- **Accommodation & Food Services (NAICS 72):** Includes establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. Industries in this sector include hotel accommodations and casinos.
- **Transportation & Warehousing (NAICS 48–49):** Includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Industries in this sector can include warehousing and cargo transportation.

Earnings for employed leavers varied by sector. Adult recipients had the highest quarterly wage in the health care and social assistance sector ($6,145) followed by the warehousing and storage sector ($4,599) (Table 6). Importantly, these sectors are associated with more technical or skilled work, often requiring special licenses, knowledge, or experience in order to obtain employment. For example, a person might need a forklift certification to work in warehousing and storage or a person working in health care might need a Licensed Practical Nursing (LNP) certification in order to work with patients. Median earnings in the administrative and support services sector ($4,273), which includes industries such as office administration and waste removal services, were slightly lower than earnings in the transportation and warehousing sector. The sectors with the lowest median earnings include customer-service oriented work. Median earnings in the quarter after exit were only $3,728 in the retail trade sector and $3,597 in the accommodation and food services sector. While median sector earnings provide an overall idea of the income recipients have from work, it is important to note that earnings may vary by specific industries.[28]

Similar to other employment patterns, sectoral employment and earnings trends changed over time and varied by cohort. The health care and social assistance sector and retail trade sector experienced relatively small changes between cohorts. As Table 6 shows, about one in four leavers worked in the health care and social assistance sector in all three cohorts (24% in the economic stability cohort; 23% in the pandemic cohort; and 25% in the post-pandemic cohort). Similarly, 17% of leavers in the economic stability cohort worked in the retail trade sector in their 1st quarter after exit, as did 18% in the pandemic cohort, and 16% in the post-pandemic

[28] See the sectoral earnings discussion in *Life on Welfare, 2023* for an example of how median industry earnings varied in the health care and social assistance sector.

cohort. The relative stability of employment in the retail sector is a bit surprising, given some industries in this sector, such as clothing retailers, disproportionally experienced job loss during the COVID-19 pandemic (Dorfman, 2022). However, other retail industries such as general retail and grocers, were considered essential businesses during the pandemic and remained open. As a result, they did not experience job loss compared to other industries (Dorfman, 2022). Employment in essential retail industries might explain why there was not a decrease in sector employment for the pandemic cohort.

In contrast to the consistent share of employment in the health care and social assistance and retail trade sectors, employment in the administrative and support services sector and accommodation and food services sector decreased over time. For instance, nearly one in five (19%) leavers in the economic stability cohort worked in the administrative and support services sector in the 1st quarter after exit (Table 6). That percentage decreased to 14% by the post-pandemic cohort. In the accommodation and food services sector, the share decreased 4 percentage points, from 15% in the economic stability cohort to 11% in the post-pandemic cohort.

Reasonably, declines across cohorts are related to the pandemic. For example, jobs in the administrative and support category often physically support the day-to-day activities of office buildings (e.g., janitorial work, temporary work) (Bureau of Labor Market Information, 2021). As companies moved into remote operations as a result of the pandemic, many working in this industry lost employment (Bureau of Labor Market Information, 2021). This might account for some of the employment decrease observed in the pandemic cohort. Additionally, leavers who previously worked in the sector before TCA might have sought employment in a different sector when re-entering the workforce. In the aftermath of the pandemic, there has been a rise in employees switching sectors, including in administrative and support services (Janicki, 2024). The continued decline in employment in this sector between the pandemic and post-pandemic cohort might be part of what the U.S. Census Bureau refers to as the “great reshuffling” (Janicki, 2024).

The accommodation and food services sector was one of the sectors hardest hit by the pandemic, and many employees in those industries suffered job loss (Niasse, 2023; The Economics Daily [TED], 2023). As a result, it is unsurprising there was a decline in employment in this sector between leavers in the economic stability cohort and pandemic cohort. Further, industries in this sector have experienced some of the slowest economic recovery. For example, employment in the leisure and hospitality industry was still 2% below its pre-pandemic employment rate as of July 2023 (TED, 2023). As a result, leavers in the post-pandemic cohort still might have had difficulty finding employment in this sector. Alternatively, leavers might also be seeking work outside of this sector due to its relatively low pay and susceptibility to job loss.

In comparison, the transportation and warehousing sector experienced an increase in leavers’ employment between the economic stability cohort (7%) and the pandemic cohort (9%). Employment also remained stable in the post-pandemic cohort (9%). This growth is unsurprising given that the sector has been identified as a top business priority for Maryland (Maryland.gov, n.d.). Resultingly, leavers’ employment in the industry may continue to increase.

Similar to sectoral employment, earnings changed over time. Table 6 demonstrates that earnings increased between cohorts. Median quarterly earnings for adult leavers were $4,445 in the economic stability cohort and increased 23% to $5,485 in the pandemic cohort. Despite exiting during a difficult economic period, characteristics more prevalent in the pandemic cohort, such as higher levels of education and higher pre-TCA spell employment, likely led to overall higher earnings post-TCA exit (Passarella & Smith, 2021; Smith & Passarella, 2022). Earnings in the post-pandemic cohort increased to $5,718. Increased earnings are positive for leavers and potentially related to recent wage increases (East et al., 2023).

Median quarterly earnings in each sector largely followed a similar pattern to overall earnings within cohorts. All sectors experienced an increase in median quarterly earnings between the economic stability cohort and the pandemic cohort. The median quarterly earnings increase was highest in the health care and social assistance cohort (+$950) and lowest in the transportation and warehousing sector (+$390) (Table 6). Interestingly, these two sectors were the only ones to experience a decrease in median quarterly earnings between the pandemic and post-pandemic cohorts. Both declines were relatively small though, with median quarterly earnings decreasing 2% in the health care and social assistance sector and 6% in transportation and warehousing. All other sectors had an increase in quarterly earnings between the pandemic and post-pandemic cohorts, however, increases were modest, ranging between 2% in the retail trade and accommodation and food services sector to 10% in administrative and support services.

**Table 6. Employment Sectors and Median Earnings in the First Quarter after Exit, by Cohort**

| | Economic Stability *7/2016 to 3/2020* | | Pandemic *4/2020 to 12/2021* | | Post-pandemic *1/2022 to 6/2023* | | Total *7/2016 to 6/2023* | |
|---|---|---|---|---|---|---|---|---|
| | *%* | *Quarterly Earnings* | *%* | *Quarterly Earnings* | *%* | *Quarterly Earnings* | *%* | *Quarterly Earnings* |
| Health Care & Social Assistance | 24% | $5,829 | 23% | $6,779 | 25% | $6,622 | 24% | $6,145 |
| Retail Trade | 17% | $3,419 | 18% | $4,248 | 16% | $4,368 | 17% | $3,728 |
| Administrative & Support Services | 19% | $3,991 | 15% | $4,746 | 14% | $5,268 | 17% | $4,273 |
| Accommodation & Food Services | 15% | $3,407 | 13% | $3,982 | 11% | $4,088 | 14% | $3,597 |
| Transportation & Warehousing | 7% | $4,510 | 9% | $4,900 | 9% | $4,627 | 8% | $4,599 |
| Other | 19% | $5,857 | 23% | $7,709 | 25% | $7,680 | 21% | $6,646 |
| **Total** | **100%** | **$4,445** | **100%** | **$5,485** | **100%** | **$5,718** | **100%** | **$4,876** |

**Note:** This analysis represents the employer with whom the recipient earned the highest wages in the 1st quarter after exit, among employed adult recipients (n=26,532). Earnings are standardized to 2023 dollars. Refer to the *Methods* chapter for data limitations. Findings are not comparable to reports prior to 2023 due to a change in methodology. The *Other* category includes 15 sectors, each employing 4% or less of all employed adult recipients. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

Most adult recipients work after their exits from cash assistance, commonly in low-wage positions (Safawi & Pavetti, 2020). As a result, most adult recipients do not earn enough money to independently support their families. Furthermore, employment also decreases over time (Figure 5). Decreased participation in the workforce might be associated with the difficulties of low-wage work, including unpredictable schedules, which can make balancing work and parenting responsibilities difficult (Maye & Banjeree, 2021). Recipients' health can also play a key part in their ability to work. Cash assistance recipients are more likely to have health issues than non-recipients, which can impact their employment (Hahn et al., 2016a).

Given that many TCA families are unable to support themselves through working alone, and sometimes experience periods in which they are not able to be in the workforce, this chapter focuses on several programs families may utilize to support themselves. Specifically, this chapter examines families' post-exit participation in the public child support program as well as participation in other safety net benefits. Benefit programs include the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Medicaid or Maryland Children's Health Insurance Program (MA), the Transitional Support Services (TSS) initiative, as well as returns to the TCA program. Lastly, this chapter also examines disconnection from income and benefits as well as how families combine work and safety net benefits in the years after TCA exit to support themselves.

**Child Support after Exit**

Child support is a crucial financial resource for low-income families. For families whose income is 100% of the federal poverty line or less, child support payments can account for over 40% of their total income (Sorensen, 2016). Additionally, in Maryland, child support has been found to lift more than half (52%) of poor families out of poverty and over two in five (45%) out of deep poverty (Demyan & Passarella, 2019). It also reduces families' chances of returning to the cash assistance program (Hall & Passarella, 2015).

Participation in the child support program is a requirement for most TCA families. 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.

In July 2019, however, Maryland began passing through a portion of all child support payments to TCA families (FIA, 2019a).[29] TCA families who exited after July 2019, which includes some families in the economic stability cohort and all families in the pandemic and post-pandemic cohorts, were able to receive passed-through child support payments. The average family who receives pass-through support typically receives several hundred dollars per year in additional income in conjunction with their TCA grant.[30] All families with a child support order, however, receive their whole current child support payment after program exit.

[29] 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).

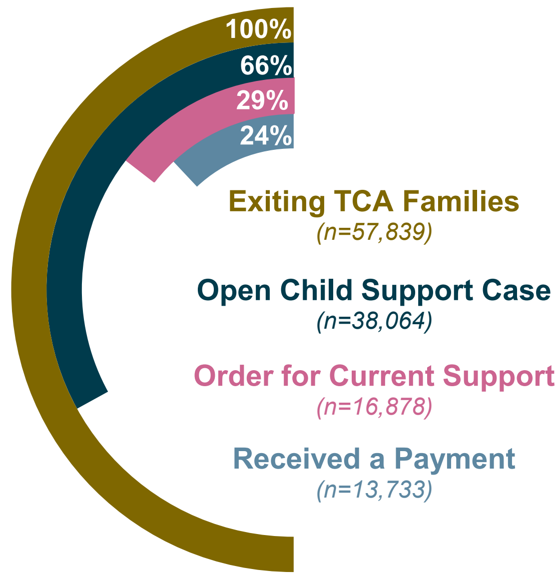
[30] For example, is SFY 2023, TCA families with a child support order received an average of $479 in passed through child support (Smith et al., 2024).

*Child Support Cases and Payments*

When a family comes onto the TCA program, they are referred to their jurisdiction's child support office to obtain a child support order from the non-resident parent (FIA, 2022a). Families in which both parents are TCA recipients do not need to pursue child support orders. Additionally, families may receive a good cause waiver, including in circumstances of domestic violence (FIA, 2022a).[31] Families who are required to participate, but do not cooperate in the support order establishment process face financial penalties for non-compliance.[32] As Figure 7 demonstrates, the majority of leavers began the process, with two thirds (66%) of all leavers having an open child support case in their 1st year after exit.

Fewer families, however, had a current support order. A support order is the determined amount of child supported owed monthly or semi-monthly by the non-resident parent. Figure 7 shows that only 29% of families had a current support order within their 1st year after exit. One reason for the disparity is that child support orders require information from the parent applying for TCA as well as the non-resident parent. Generally, child support orders are established within 90 to 180 days of a child support case opening (DHS, n.d.-a). However, delays can arise if the non-resident parent lives in another state, cannot be located, does not appear for a settlement conference or court hearing, or if there is difficulty verifying income (DHS, n.d.-a). Another reason for the disparity is that, after TCA exit, a family may stop pursuing a support order. While child support is a required condition of TCA receipt, not all families want a formal support order. Families may choose not to pursue a formal support order after exit for various reasons, including not feeling like the order was necessary, feeling as if the other parent was providing what they could without an order, or believing the other parent could not afford to pay child support (Annie E. Casey Foundation, 2024). Ultimately, only 24% of all exiting cases received at least one child support payment in their 1st year after exit (Figure 7).

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




**Note:** This figure includes all leavers except those in the post-pandemic cohort who did not have 1 year of follow-up data at the time data were retrieved (n=3,896). Valid percentages are reported to account for missing data.

[31] See the TCA 500 manual for all circumstances in which a good cause waiver may be awarded.

[32] 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). A TCA application can be denied, however, if cooperation is not met before receiving TCA benefits.

Importantly, Figure 7 demonstrates child support case characteristics and payments after exit for the *entire study period*. Figure 8 does so by cohort, examining case characteristics and payments in the quarter after exit.[33] Analysis by cohort reveals variations in open cases, current orders, and child support payments.

As Figure 8 demonstrates, exiting families in the economic stability cohort were more likely to have completed all parts of the child support process and to have received a payment compared to families in the pandemic and post-pandemic cohorts. Seven in 10 (69%) families in the economic stability cohort had an open child support case compared to about half in the pandemic cohort (55%) and post-pandemic cohort (50%). Similarly, 31% of families in the economic stability cohort had an order for current support but only 18% of families had a current support order in the pandemic cohort. This percentage increased to one quarter (24%) of families in the post-pandemic cohort.

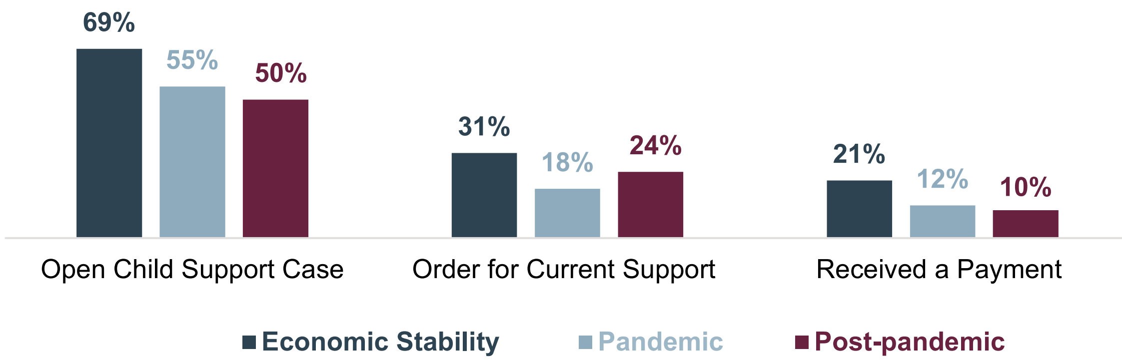
One of the likely reasons for the relative decline in child support cases as well as orders for current support is the pandemic. Many families in both the pandemic and post-pandemic cohort came onto the TCA program during the pandemic period's peak, April 2020 to December 2021. Maryland courts were closed or had partial operations during a portion of that period (April 2020–March 2021), and new child support establishments were delayed (Maryland Courts, n.d.-a; Maryland Courts, n.d.-b.; Williams, 2020). As a result, families might not have had an open child support case or order for current support by their 1st quarter after TCA exit. Additionally, there were more two-parent families in both the pandemic and post-pandemic cohorts compared to the economic stability cohort (Smith & Passarella, 2022). Two-parent families are not required to file for child support. This could have partially contributed to the lower percentage of families with an open child support case or order for current support within those two cohorts.

Another contributing factor could also be the recent change in the sanctioning policy for families who do not comply with TCA's child support mandate (FIA, 2021b). Some families in the post-pandemic cohort, the cohort impacted by the implementation of this new policy, might prefer to receive a deduction in their TCA grant amount than comply with the child support process. Notably, however, a family's TCA application will be denied if they do not comply with child support requirements at the beginning of the application process. More will be known about families' behavioral preferences as families are increasingly exposed to this updated sanctioning policy.

In addition to a higher likelihood of an open case and current support orders, families in the economic stability cohort (21%) were also more likely to receive a child support payment compared to families in the pandemic (12%) and post-pandemic (10%) cohorts. The continued decrease in payment receipt between the pandemic and post-pandemic cohort is concerning. Especially concerning is the lower payment percentage in the post-pandemic cohort, since families in this cohort were also more likely to have a current support order compared to the pandemic cohort (24% vs. 18%). This issue would likely require further qualitative investigation to determine the reasons for the decline in payments.

[33] In using the quarter after exit for Figure 8, all cases in the post-pandemic period can be included. This is because all cases in the post-pandemic cohort have at least one quarter of follow-up data but not all cases have one year of follow-up, depending on when families exited the program.

**Figure 8. Child Support Cases and Payment Status First Quarter after Exit**




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

Since child support is an important income source for low-income families (Sorensen, 2016; Shrider, 2024) it is pertinent to examine how often families with support orders receive payments. Figure 9 reviews child support payments among families *who had an order for current support*, examining differences by cohorts. In general, Figure 9 shows that three in four (75%) families with an order for current support received at least one payment in the year after TCA exit. Median income from payments was $2,089 in the 1st post-exit year.

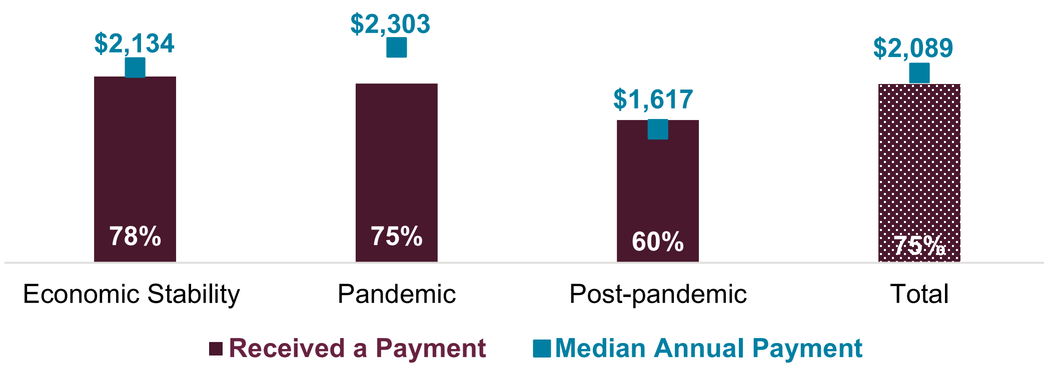
Cohorts differed in payment receipt, however. In the economic stability cohort, nearly eight in 10 (78%) families with a support order received at least one payment in the year after exit. For those families, child support provided a median total of $2,134.[34] In the pandemic cohort, families were slightly less likely to receive a child support payment, with three in four (75%) families receiving at least one payment in the year after exit. Potentially, this decline is related to the economic impacts of the pandemic. Parents owing support might have experienced job loss or other financial hardship during this period that prevented them from being able to make a payment. Median annual payment was slightly higher in the pandemic cohort, however, with families receiving $2,303 in the year after exit.

Both the percentage of families receiving a payment and the median amount received drastically declined in the post-pandemic cohort. Only three in five (60%) families with an order for current support in the post-pandemic cohort received at least one payment in the year after TCA exit (Figure 9). Similarly, median support received in the post-pandemic cohort declined to $1,617. The decrease in both payments and child support income is troublesome and reflects the findings in Figure 8, which showed that despite more families having an order for support compared to the pandemic cohort (24% vs. 18%), a smaller percentage of families received at least one payment (10% vs. 12%) in the quarter after exit. Again, it is unclear why there is a large decline in the percentage of families with payments within

[34] The amount of child support received by families in Figure 9 is determined by distributions to accounts on the child support case rather than disbursements to custodial parents as previous *Life after Welfare* updates have included. Accounts identify whether disbursements will be made to the state or to the custodial parent and whether the payments are for current support or arrears; only distributions to custodial accounts (both current support and arrears) are included in the amount listed in Figure 9. This change from disbursements to distributions was made due to data limitations within the administrative data system. As a result, the amounts TCA families received may not be directly comparable to prior *Life after Welfare* updates.

the post-pandemic cohort, but it is important to investigate. In addition to increasing families' income, child support payments are correlated with greater involvement in the child(ren)'s live by the parent who owes support and decreased stress for the custodial parent (Cancian & Meyer, 2014; Sorensen, 2016; Nepomnyaschy et al., 2021). Given the positive effects of child support, it is important to increase child support payments among TCA families.

**Figure 9. Percentage of 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 1st year after exit. It excludes families to whom current support was not owed as well as families who did not have 1 year of follow-up data at the time data were retrieved (n=3,896). The median amount paid only includes families who received payments. Valid percentages are reported to account for missing data.

### Returns to the TCA Program

The financial precarity faced by most TCA leavers induces some leavers to return to the TCA program. For example, TCA recipients frequently work in low-wage jobs after program exit. Low-wage jobs often include unpredictable schedules, part-time position assignments, and little or no opportunity for advancement (Gupta & Goldman, 2019). This makes these positions challenging to sustain in the long-term (Gupta & Goldman, 2019). Leavers may quit these positions, or lose employment, due to difficulties coordinating child care and work shifts, and thus need to return to the TCA program. Large-economic shocks that cause mass unemployment, such as the pandemic-induced recession, may also induce families to return to the program (Passarella & Smith, 2021). Additionally, families may also need to return to TCA after exit due to health issues or changes in family circumstances, such as welcoming a new child (Loprest, 2002).

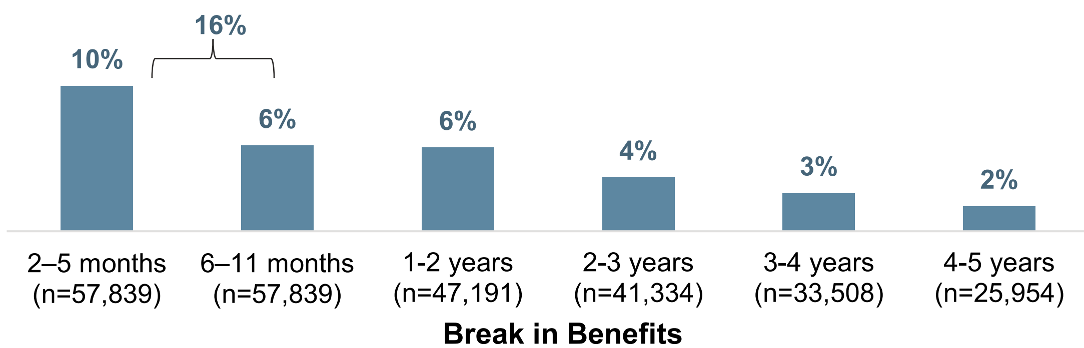
Returns to the TCA program are displayed in Figure 10. The analysis only examines a family's *first* return to the program after their initial program exit. Any subsequent returns are not captured in the analysis. Figure 10 demonstrates that when families return to the TCA program, they generally do so quickly. Upon exit from the program, 10% of leavers returned after a 2- to 5-month break in TCA benefits and 6% of leavers returned after a 6- to 11-month benefit break.[35] Collectively, this means 16% of leavers made an initial return to TCA within a year of program exit.

Initial returns after 1 year were much less common and returns were less likely as the break in benefit period became longer. For

[35] Families who had less than a 2-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 11.

reference, Figure 10 shows that only 6% of families made their first return to the program after a 1- to 2-year break in benefits. That percentage declined steadily, and only 2% of leavers made their initial program return after a program break of 4 to 5 years. Potentially, families' patterns of return indicate that barriers to securing and maintaining employment typically re-emerge quickly after exit, forcing program returns. For some, barriers either do not re-emerge quickly or they might face new employment barriers a year or more after exit, prompting their TCA return.

**Figure 10. Percentage of Families who Returned to TCA by Length in Break of Benefits**
*Among cases with at least one year of follow-up data*




**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 1 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 reports prior to 2023 due to a change in methodology. See the *Methods* chapter on churners for more information. Valid percentages are reported to account for missing data.

### Receipt of Other Safety Net Benefits after Exit

In addition to cash assistance, TCA families are eligible for and often receive other benefits concurrently, including food benefits through the SNAP program and health care coverage through the MA program (Edelstein et. al., 2014). Upon exit, families often continue to receive safety net benefits (Smith & Passarella, 2023). To ease transition off the TCA program, the state offers transitional benefits for families, including 5 months of transitional SNAP benefits (FIA, 2023).[36] Families who exit due to earned income receive 3 months of Temporary Support Services (TSS).[37] Additionally, many families continue to qualify for other benefits after exit, such as Medical Assistance (MA) through Medicaid or the Maryland Children's Health Program as well as SNAP after their guaranteed transitional coverage ends.[38] A portion of TCA leavers also qualify for and receive Supplemental Security Insurance (SSI) after their TCA exits.[39] Figure 11 explores

[36] In order to receive transitional SNAP benefits, families' cases cannot close due to work or child support sanctions. Given the recent changes to Maryland's sanction policy, this only applies to leavers in the economic stability cohort and some leavers in the pandemic cohort. Families are also not eligible for transitional SNAP benefits if they relocate to another state. Additionally, families must also meet other eligibility criteria for SNAP benefits.

[37] The Temporary Support Services (TSS) program came into effect in July 2019 and provides eligible families 3 months of cash assistance payments equivalent to their TCA benefit amount (FIA, 2019b).

[38] MA and the Maryland Children's Health Insurance Program are primary health care programs for low-income families.

[39] SSI is provided to individuals who have disabilities that prevent them from working or working consistently (ASPE, 2015).

families' utilization of other safety net resources in the year after exit and by cohort. The figure also includes families' subsequent use of TCA.

Unlike other findings, participation in safety net programs in the year after exit did not vary much by cohort. As Figure 11 demonstrates, 84% of families participated in SNAP in the year after exit. This share was similar in both the economic stability cohort (86%) and the pandemic cohort (86%). SNAP participation declined to 75% of leavers in the post-pandemic cohort. While the reason for the decline is unclear, participation in Maryland's SNAP program has generally decreased following the pandemic period (Gagliardi et al., 2023). Additionally, due to higher earnings in the post-pandemic cohort (see Figure 4 in the previous chapter), it is possible that a larger share of exiting families exceeded the SNAP income threshold in comparison to the other cohorts. Regardless of the reason for decline, however, a majority of families in the post-pandemic cohort qualified for and received food assistance. The majority of families in all cohorts also utilized MA. Within the study period, over nine in 10 (95%) families received medical assistance and receipt was above 90% in all three cohorts.

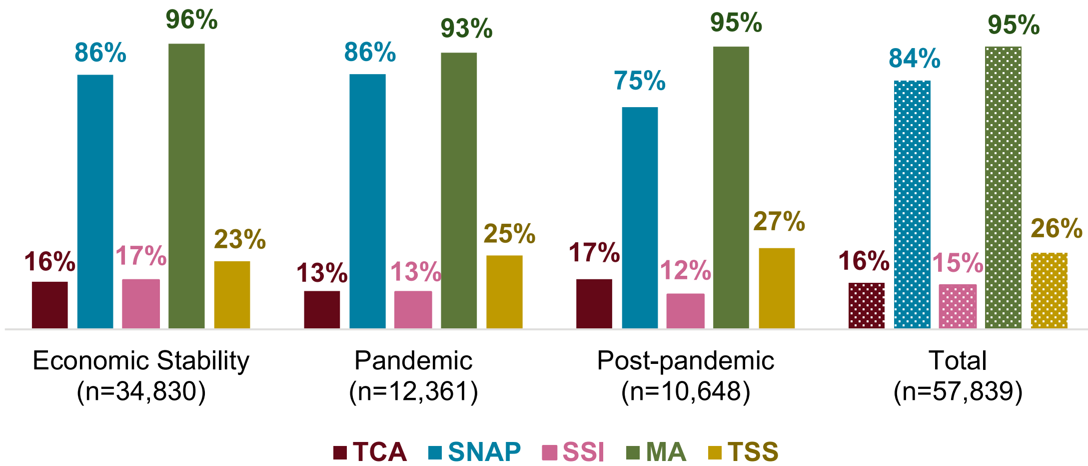
Utilization of TSS, SSI, and TCA was lower when compared to SNAP and MA; however, this corresponds to the objectives of each program. SNAP and MA are designed to be broadly available to low-income households and have higher income eligibility thresholds. TCA, on the other hand, requires families to have no or very little income to qualify. TSS and SSI are only available to very specific groups: TSS is for families exiting TCA due to earned income and SSI is for individuals who have a long-term disability that prohibits or hinders their employment. Families utilized TSS, SSI, and TCA consistently over time, with small variations.

Over the study period, 16% of families utilized TCA in the year after program exit. By cohort, the economic stability cohort (16%) and post-pandemic cohort (17%) had similar rates of participation, but the pandemic cohort had a slightly lower rate of program return (13%). Potentially, this is related to the characteristics of leavers within the cohort, including higher educational attainment and pre-spell employment, both of which are associated with higher earning (Nicoli, 2018; McColl & Passarella, 2019). Additionally, these pandemic leavers were more likely to receive UI benefits after exit. As a result, fewer families were likely to need to return.

SSI participation was 15% in the year after exit. However, participation was highest in the economic stability cohort (17%) and gradually declined in the pandemic (13%) and post-pandemic (12%) cohorts. 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 need. As more leavers exit TCA in the post-pandemic period, it will be important to observe if SSI receipt increases.

Lastly, one quarter (26%) of families received TSS in the year after exit. Unlike SSI, TSS receipt increased between cohorts, growing from 23% in the economic stability cohort to 27% in the post-pandemic cohort. The increase in TSS receipt is unsurprising. TSS is only available to families who exit TCA due to earned income (FIA, 2019b) and exits due to income have increased over the years (see Table 5). As a result, a larger percentage of families appear to be receiving TSS upon exit.

**Figure 11. Program Participation during the First Year after Exit, by Cohort**
*Among cases with one year of follow-up data*




**Note:** This figure excludes leavers in the post-pandemic cohort who did not have 1 year of follow-up data at the time data were retrieved (n=3,896). Valid percentages are reported to account for missing data.

### Benefit Receipt Five Years after Exit

Families largely continue to utilize safety net resources years after exit. For some programs, participation declines over time while in others, receipt remains consistent. Figure 12 shows changes in program receipt in the 5 years after exit.[40] Families' SNAP receipt decreased over time. In the 1st year after exit, 84% of families received SNAP benefits, however, by year 5, only 63% of families participated in the program. Similarly, MA utilization was 95% in the 1st year after exit but dropped to 87% in year 5.

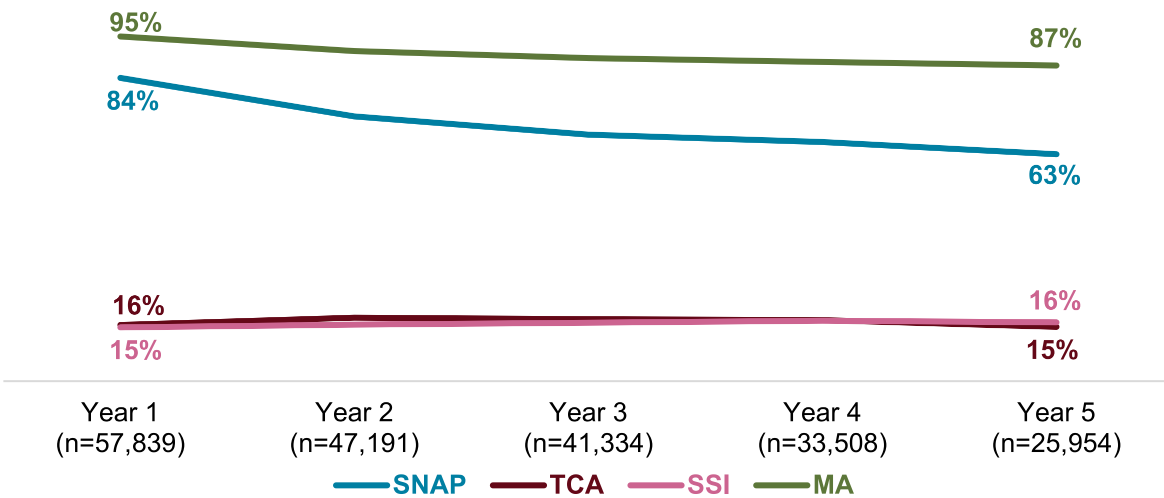
Decreased participation in SNAP and MA benefits over time could be due to a variety of reasons. For instance, both programs have a reapplication period to determine if families remain eligible for benefits (FIA, 2023; Maryland Medicaid Administration, 2022). Some families may choose not to reapply during this period or may no longer meet eligibility criteria. While receipt decreased for both programs in the 5 years after exit, the majority of families still required assistance from SNAP, MA, or both. This highlights the resource insecurity low-income families frequently face and additionally helps to demonstrate how many TCA leavers require ongoing assistance, unable to reach total financial independence 5 years after program exit.

TCA and SSI receipt remained relatively stable for leavers in the 5 years after exit with few leavers utilizing both programs. As previously highlighted in Figure 11, low uptake is unsurprising given the specific nature of both programs. In the 1st year after exit, 16% of leavers re-entered the TCA program. Receipt remained relatively flat and 15% of leavers received TCA in year 5. Similarly, less than two in 10 (15%) families received SSI in the 1st year after exit and the percentage remained comparable in the 5th post-exit year (16%). Low utilization of these programs does not necessarily mean less than one in five families qualify in the years after exit. Both TCA and SSI have high administrative burdens that can make applying and maintaining eligibility difficult (Schweitzer, 2022). These burdens are often largest for

[40] TSS is not included in Figure 12 because it is only available in the first 3 months after a family exits TCA and families cannot receive it otherwise.

marginalized families, including families who are low-income and families who have a disability (Schweitzer et al., 2022). For SSI, it is not uncommon for families to need a lawyer to assist with their application (Schweitzer et al., 2022). Given program burdens, especially around SSI, families may not find the income support enough to undergo the programs' administrative obstacles.

**Figure 12. Program Participation during the Five Years after Exit, by Cohort**




**Note:** Each year of data excludes adult recipients who do not have the corresponding amount of follow-up data. TSS receipt is excluded from this figure because eligible families only receive benefits for the three months immediately following their TCA exit. Valid percentages are reported to account for missing data.

### Disconnection

Analysis of families' employment and earnings post-TCA exit as well as families' utilization of safety net benefits demonstrates that work and benefit receipt is common for leavers after exit. However, not all families are able to find and maintain employment in the years after exit and benefit receipt does not correspondingly increase over time (see Figure 5 and Figure 12). Families who do not receive income through cash assistance or employment are considered disconnected.

Families experiencing disconnection often have many obstacles to work. For instance, single mothers experiencing disconnection are likely to not have completed high school, are more likely to suffer from physical or mental health issues, or are caring for a sick child (Loprest, 2011). They are also more likely than other poor families to suffer from food insecurity and are more likely to live below the poverty line (Loprest, 2003; Blank & Kovak, 2008). Additionally, disconnected families were more likely to have a child in an out-of-home placement such as foster care (Marcenko et al., 2012). Some disconnected families may find themselves without earnings because they struggle with the costs of employment, including child care and transportation (Sandstrom et al., 2014). While most families facing disconnection qualify for help, state policies and program structure may factor into their decision not to seek cash assistance (Hetling et al., 2015).

Disconnection has increased over time, with more families becoming disconnected since the early 2000s (Danzinger, 2010; Hetling et al., 2015). Figure 13 displays disconnection for leavers in this study period. One in three (33%) leavers were disconnected from work and TCA in their 1st year after exit. Disconnection gradually increased to 40%

by year 5, indicating that two in five families had no known income from work or cash assistance.[41]

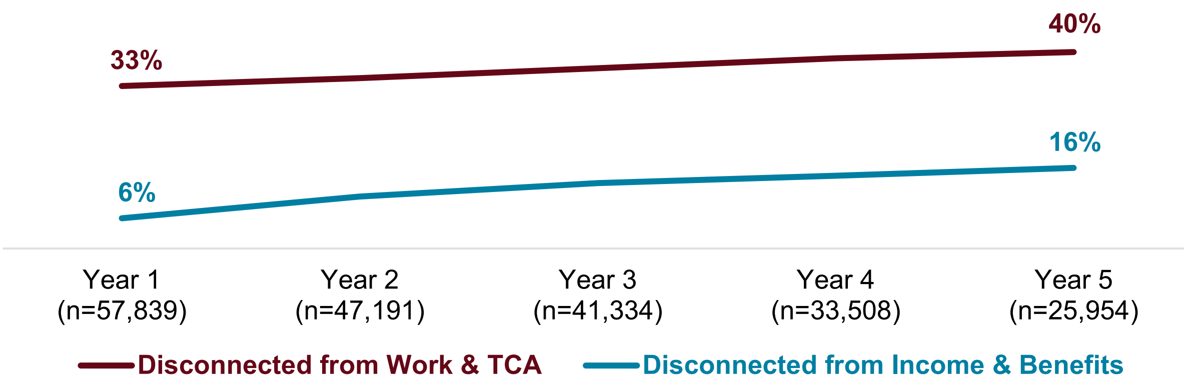
During periods of disconnection from work and TCA, families may be receiving other safety net benefits to help acquire basic necessities or income from child support. Other families, unfortunately, become totally disconnected from benefits shown in Figure 12 (above). Figure 13 also shows the percentage of families who experienced disconnection and did not have income from employment or child support nor support from benefit programs including TCA, SNAP, or SSI after TCA exit. Importantly, few families were totally disconnected from income and benefits. For instance, in the 1st year after exit, fewer than one in 10 (6%) families had no known connection to income or benefits. Disconnection from income and benefits, however, increased over time. By the 5th year after exit, about one in six (16%) families faced total income and benefit disconnection. For families with total disconnection, it is unclear what means they use to support themselves.

| Work & Welfare | Income & Benefits |
|---|---|
| • MD earnings<br>• TCA benefits | • MD earnings<br>• TCA benefits<br>• SNAP beneftis<br>• SSI benefits<br>• Child support payments |

One way disconnected families may be supporting themselves is through informal assistance from family, friends, or their community (Danzinger, 2010; Marcenko et al., 2012). Additionally, adults might work in informal positions, which may include unreported short-term contract work, babysitting, or other domestic labor (Pyles, 2007; Danzinger, 2010). Additionally, some TCA recipients may appear totally disconnected due to this report's definition of disconnection. For instance, a retired grandmother receiving social security might receive TCA while caring for her grandchild. When her grandchild reaches the age of majority, TCA receipt for her grandchild would cease and the grandmother would not be expected to re-enter the workforce. However, she would be categorized as disconnected in this report. Additionally, if a family moved out of Maryland after receiving TCA benefits, any employment in a different state or benefit receipt would be unknown. Subsequently, the family would also be categorized as disconnected. As a result of data limitations, the percentage of families disconnected from work, TCA, and other programs may be overestimated. Nonetheless, since disconnected families are often very vulnerable, it is important to have a gauge of how many TCA families have no known formal income or benefit support after program exit.

[41] Employment likely declines for leavers in the years post-TCA exit due to the barriers they often face. The more barriers an adult recipient faces—including lack of appropriate work experiences or education, physical or mental health challenges, or domestic violence—the likelier they are to struggle with employment (Bloom et al., 2011).

**Figure 13. 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.

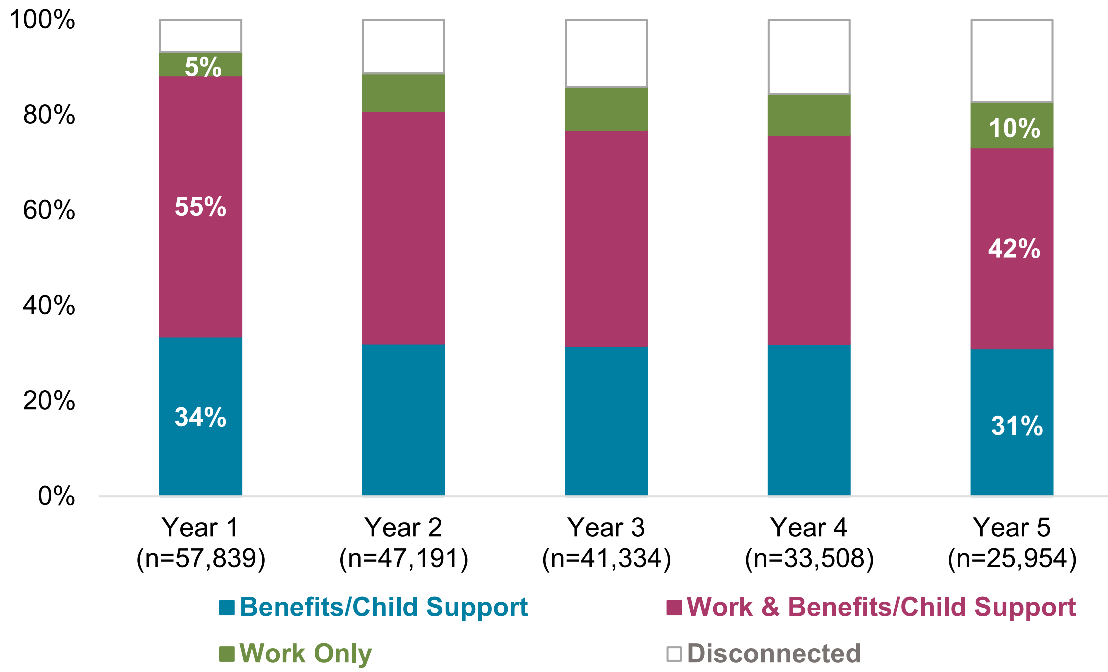
*Income Sources after Exit*

Frequently, TCA leavers find employment in sectors associated with low-wage work after program exit (e.g., retail trade). Regardless of sector, however, leavers likely find employment in low-earning jobs that offer unpredictable scheduling and few benefits with little room for advancement (Gupta & Goldman, 2019). For many, low earnings in undesirable positions requires continual need for safety net programs. Unfortunately, some families become disconnected from income sources and the safety net (see Figure 12). There are, however, also some families who support themselves through only work after exit, a potential indicator of financial stability. This last analysis, Figure 14, examines how families combine work, child support income, and safety net benefits (TCA, SNAP, and SSI) after exit to support themselves. Additionally, this analysis is shown over 5 years to demonstrate how income and safety net utilization changes over time.

In the year after exit, one third (34%) of leavers supported their families through benefits (e.g., TCA, SNAP, and SSI) as well as child support but not through employment. These families might have been experiencing a variety of barriers, such as health issues or child care issues, that kept them out of the workforce. The percentage of leavers supporting their families through only benefits and child support decreased slightly over time to three in 10 (31%) families by year 5. Most commonly, families supported themselves through a combination of work, benefit receipt, and child support. In the 1st year after TCA exit, over half (55%) of families utilized this combination of resources to meet their basic needs. While many families worked and received safety net benefits and child support, utilization of all three decreased to 42% in the 5th post-exit year.

Few families support themselves only through work. As Figure 14 shows, only 5% of families worked and had no benefits or child support in the 1st year after exit. The percentage of families with work-only income increased to 10% by the 5th post-exit year. Many of these families had full-time employment and consequently, higher earnings, compared to families who both worked and received benefits and child support.[42] Families in the work-only category are likely able to financially meet most of their basic needs through their employment. Receipt of child support for qualifying families in this category, however, would likely provide a welcomed income boost. Families in this category also likely face some financial vulnerability and may be considered Asset-Limited, Income-Constrained, but Employed (ALICE) individuals (United for ALICE, 2023). While some 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. Additionally, while it is positive that some families increasingly support themselves through work in the 5 years after exit, the much higher percentage of families who meet their basic needs through a combination of work, child support, and benefits, or only child support and benefits, underscores the complexities of life after welfare.

**Figure 14. Work, Benefits Status, and Child Support Five Years after Exit**




**Note:** Benefits/Child Support indicate that a family received at least one of the following in the post-exit year: TCA, SNAP, SSI, or child support. 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.

[42] In the 5th year after exit, 70% of families who were in the *work-only* category were employed in all four quarters of the year and had median earnings of $45,244. Comparatively, 56% of families in the *work & benefits/child support* category were employed in all four quarters 5 years after exit. Their median yearly earnings were $31,090. Analyses not shown.

# Conclusions

Families exiting Maryland's cash assistance program initially entered the program for a variety of reasons. Individual barriers and challenges to employment, including low educational attainment and health issues, often drive families to enter TCA (Bloom et al., 2011), even during strong economic periods. Large economic downturns, such as the pandemic recession, can also plunge many financially vulnerable families into crisis, leading to a surge in TCA cases (see Hall et al., 2015; Smith & Passarella, 2023). Families similarly exit the TCA program during different economic conditions. This year's *Life after Welfare* update examined the characteristics of families exiting TCA during three distinct economic periods defining the past several years. Families exiting in the economic stability cohort and post-pandemic cohort exited in strong economies with low-unemployment rates (U.S. Bureau of Labor Statistics [BLS], 2024). Conversely, families exiting in the pandemic cohort faced an economy with relatively high unemployment and public safety provisions that impacted all facets of life, including work (Buchwald, 2023) and child care availability (Shwe, 2021; Torry, 2023).

This year's report highlights differences in leavers' post-TCA outcomes in each exiting cohort as well as their similarities. The variations between cohort outcomes are particularly important in this year's report because this is the first update in which 1 year of follow-up data is available for a portion of leavers in the post-pandemic period. Since the post-pandemic cohort in this annual update consists of a large share of families who came onto TCA during the height of the pandemic period (April 2020-December 2021), as well as families who came onto and left after the pandemic's effects waned, it provides additional insight into lingering pandemic effects as well as reversions to pre-pandemic trends.

One important difference noted in this update is employment. In the economic stability cohort, 58% of leavers worked in the year before their TCA spell and 65% worked in the year after exit, an increase of 7 percentage points from pre- to post-TCA. Comparatively, the pandemic cohort had a larger percentage of families working in the year before their TCA receipt (61%) compared to the year after exit (58%), a *decrease* of 3 percentage points. Notably, this is an unusual trend and was likely due to families struggling to find employment and child care (Buchwald, 2023; Shwe, 2021; Torry, 2023) during the height of the pandemic period, as well as some families likely exiting TCA to receive unemployment insurance benefits. Finally, in the post-pandemic cohort, 54% of families worked in the year before their TCA spell and this increased to 61% in the year after exit, an increase of 7 percentage points. This reversion is positive for TCA leavers because employment is associated with an increased likelihood of financial stability (James & Nicoli, 2016). Likely, the stronger economy in the post-pandemic period increased leavers' abilities to secure post-exit employment.

Another notable finding is recipients' pre- and post- employment *earnings*. Median earnings in the year before TCA were lowest in the economic stability cohort and increased 71% in the year after exit. Median earnings were higher in the pandemic cohort, but there was only a 26% increase in median earnings in the year before TCA compared to the year after exit. The post-pandemic cohort, comparatively, had the largest increase (78%) in pre-spell and post-spell median annual earnings. While it is common for families to have an increase in median earnings between pre-TCA and post-TCA exit, a median annual increase of 78% is larger than expected (see Smith et al., 2022 and Hall & Passarella, 2020 for previous *Life after Welfare* analyses). The post-pandemic cohort also had the highest post-exit median earnings. Both the growth between pre- and post-exit median earnings in the post-pandemic cohort as well as the increase in post-exit earnings is positive for families.

However, even the increased median earnings experienced by the post-pandemic cohort are largely insufficient to support a family in Maryland (United for ALICE, 2022). As a result of low earnings, many families across all cohorts utilized additional safety net resources post-TCA exit. Indeed, many families face barriers that make achieving self-sufficiency through work difficult (Bloom et al., 2011). Even 5 years after exit, only one out of every 10 (10%) TCA families supported themselves exclusively through work. Four out of 10 families (42%) obtained their basic needs through a combination of work, safety net benefits, and child support. Despite working, poverty is pervasive for cash assistance families (Pavetti & Zane, 2022). Communities in poverty, including those in rural and urban areas, often have limited resources (i.e., health resources and food access) and often lack adequate educational and employment opportunities that make it difficult for families to earn sufficient incomes (OASH, n.d.) Alleviating poverty, and the detrimental effects it can have on families, requires many policy approaches across a variety of areas (OASH, n.d.).

Maryland's cash assistance program, however, is one piece of this approach—stabilizing families in financial crisis and providing resources to help families overcome barriers to employment. The state does this through workforce development programs and policies that support families, such as the recent child under one exemption. The exemption expands upon federal requirements to allow single TCA parents with a child under one to receive a work requirement waiver until the child reaches 12 months old (FIA, 2022b). Recently, as directed by H.B. 1041 (2022), the state also commissioned a review of the TCA program to evaluate the program's strengths and weakness in how it supports families. Findings and recommendations from the report can further shape TCA into a program that uplifts Maryland's most vulnerable residents (see Schuyler et al., 2024). While cash welfare alone does not mitigate all barriers families face to financial stability, it is an important resource for many families facing financial crisis. Reports, like the *Life after Welfare* series, help ensure stakeholders have relevant and timely information that allow programs like TCA to be effective and accessible to families when they need it most.

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# Appendix A: Life after Welfare Sample & Population Changes: 1997-2024

| 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<br>1998: 10/96 – 03/98<br>1999: 10/96 – 03/99<br>2000: 10/96 – 03/00<br>2001: 10/96 – 03/01 | 5% simple random sample of all TCA cases that closed each month | Exit defined as a case that closed and **did not reopen on the same day**. Cases that closed and reopened on the same day were excluded from the population before the sample was selected. | N/A |
| 2002 through 2011 updates | 2002: 10/96 – 03/02<br>2003: 10/96 – 03/03<br>2004: 10/96 – 03/04<br>2005: 10/96 – 03/05<br>2006: 10/96 – 03/06<br>2007: 10/96 – 03/07<br>2008: 10/96 – 03/08<br>2009: 10/96 – 03/09<br>2010: 10/96 – 03/10<br>2011: 10/96 – 03/11 | 5% simple random sample of all TCA cases that closed each month | Exit defined as a case that closed and **remained closed for at least one month**. Cases that reopened before one month (churners) were excluded from analyses **after** sample was selected from the population. | N/A |
| 2012 and 2013 updates | 2012: 10/96 – 03/12<br>2013: 10/96 – 03/13 | 5% simple random sample of all non-churn TCA cases that closed each month | Exit defined as a case that closed and remained closed for at least one month. Cases that reopened before one month (churners) were excluded from the population **before** the sample was selected. | N/A |
| 2014 through 2019 updates | 2014: 04/07 – 03/14<br>2015: 04/07 – 03/15<br>2016: 04/07 – 03/16<br>2017: 04/07 – 03/17<br>2018: 04/07 – 03/18<br>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<br>2017-2019: Included **all adult recipients** in analyses. Prior reports focused on payees (head of households) only |
| 2020 update | 2020: 07/12 – 06/19 | Stratified random sample that yields a 99% confidence interval with a 3% margin of error | Exit redefined as a case that closed and **remained closed for two months**. Cases that reopened before two months (churners) were excluded from the population before the sample was selected. | Sample was redefined to align with state fiscal years, which run from July through June, and to focus on more recently closed cases |
| 2021 and 2022 updates | 2021: 07/16 – 12/20<br>2022: 07/12 – 12/21 | Stratified random sample that yields a 99% confidence interval with a 3% margin of error | Exit defined as a case that closed and **remained closed for two months**. Cases that reopened before two months (churners) were excluded from the population before the sample was selected. | Additional months beyond the end of the state fiscal year are included to provide more timely information about families who left during the COVID-19 pandemic |
| **2023 and 2024 updates** | 2023: 07/16 – 06/22<br>2024: 07/16 – 06/23 | 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 |

UNIVERSITY of MARYLAND
SCHOOL OF SOCIAL WORK

FAMILY WELFARE RESEARCH &TRAINING GROUP
525 W. Redwood Street
Baltimore, MD 21201
410-706-2479
https://www.ssw.umaryland.edu/familywelfare/