Family Welfare Research & Training Group

Life after Welfare:
Annual Update

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EXECUTIVE SUMMARY

This 2012 annual update to Maryland's landmark, legislatively mandated *Life after Welfare* research series comes more than three years after the official end of the Great Recession. Tens of millions of Americans, however, are still feeling the recession's repercussions daily, largely because unemployment remains high. Even highly-educated adults are having a hard time finding work, and the labor market facing younger adults, persons of color, and those with a high school education or less is even more difficult. Perhaps the most telling indicator of our shared distress is that, today, an unprecedented one in every seven Americans receives help to put food on the table through the Supplemental Nutrition Assistance Program.

Although Maryland has fared better than most states during these troubles, it has not been immune. The unemployment rate here is lower than in many states, but it is still twice what it was at the recession's outset. State revenues have begun to recover, and prudent fiscal policies have blunted some pain, but significant stressors remain. Maryland's low-income families have also been hit hard by this economic tsunami. Temporary Cash Assistance (TCA) caseloads have risen since 2007, the first increase since 1996, in part because many families who never received TCA had to seek financial help. Other families, who left welfare for work in the years when jobs were plentiful, have had to come back on aid. These trends confirm that, indeed, welfare caseloads are a leading indicator of economic downturn and a lagging indicator of recovery.

Our findings must be viewed in this larger context. One must also be aware of the challenges facing the Department of Human Resources' central office, all 24 local Departments of Social Services across Maryland, and TCA clients. Their daily reality is this: there are more families on aid now than five years ago, and clients struggle, with caseworkers' help, to find jobs. Meanwhile, federal program rules and penalties are unbending and have become more stringent since the 2005 Deficit Reduction Act. With less flexibility and more clients, states must now achieve work participation rates substantially higher than those required in years when the country was in the middle of a prolonged economic expansion. Failure to meet the required rates could lead to hefty financial penalties, which would harm state budgets, safety net programs, and low-income families.

This is the current 'life after welfare' environment. Under these circumstances, and with the uncertainty of TANF reauthorization, having up-to-date, large-scale, longitudinal data about the characteristics of those whose welfare cases close, and about what happens to them afterward, is crucial. It permits policy and program decisions to be based on empirical data, which helps ensure that the choices made are in the best interests of the State of Maryland and its low-income children and families.

Toward that end, this 2012 report provides information about the characteristics and post-exit situations of 16,904 families who left TCA for at least one month between October 1996 and March 2012. Using multiple administrative data systems, we describe clients and cases at the time their TCA cases closed and track their employment and earnings over time. We also explore their use of work supports, receipt of child support, and subsequent returns to TCA. In addition to reporting findings for the entire sample of 16,904 families, we divide these families into three cohorts based on when their case closure occurred to see how the Great Recession is affecting welfare leavers. Specifically, we examine: (1) pre-recession leavers (n=12,792) with closures between October 1996 and November 2007; (2) recession leavers (n=1,381) with closures between December 2007 and June 2009; (3) post-recession leavers (n=2,731) with closures

between July 2009 and March 2012. Key findings include the following:

- The profile of the typical exiting adult and her TCA case remains generally the same as it has been in the past: an African-American woman in her early 30s who has never married and resides in Baltimore City. She has finished 12th grade but has no further education and has one or two children, the youngest of whom is about 5 ½ years old.

- Two changes across cohorts are notable. While Baltimore City accounts for the most closures in all three periods, its share of the total declines over time, from 46.2% before the recession to 35.8% afterwards, continuing a trend seen last year. Additionally, about half of recession and post-recession cases have at least one child less than three years of age, compared to about 40% of pre-recession cases.

- Short welfare spells are common. The vast majority (74.3%) of leavers spend a year or less on TCA before exit. Recession (85.7%) and post-recession (81.0%) leavers are even more likely to have very short spells. Long, uninterrupted welfare spells have become rare. About one in five (21.5%) pre-recession leavers received welfare for more than 49 of the past 60 months, compared to only 5.7% of post-recession leavers.

- As in previous years, "income above limit" (27.4%) is the most common reason for case closure among all leavers, followed by work sanctions (18.1%) and "did not reapply" (15.8%). However, the cohorts differ. Work sanctions have nearly doubled (14.9% before the recession) and are the most common code among recession (28.5%) and post-recession (27.5%) closures. In contrast, the code related to finding a job, "income above limit", was most common before the recession, and work sanctions were not even in the top three.

- The women in these cases are not strangers to the world of work. Seven in 10 worked before coming on TCA, before their TCA case closed, and in the two years afterward. Substantial work effort has been a consistent finding in every *Life after Welfare* report going back at least 10 years.

- The recession's effects on employment are apparent. Recession (64.5%) and post-recession (62.4%) leavers had significantly lower post-exit employment rates than pre-recession leavers (72.9%), despite having more education, less welfare use, and at least equivalent prior work experience. In light of economic conditions, the rate for post-recession leavers is impressive, but is a full 10 percentage points lower than the rate among pre-recession leavers.

- Work effort persists over time. From the first through the eighth year after exit, working, and not receiving welfare, was the most common outcome among our cases. Most leavers who worked at the time their TCA case closed continue to work over the years, and their earnings grow dramatically. Quarterly earnings more than double, from $3,266 in the first year after exit to $6,726 in the 15th year after exit. Annual earnings almost double, rising from $11,717 in the first year after exit to $23,198 in the 15th year after exit.

- Most families do not return to TCA, no matter when their cases closed.

When returns do occur, they are usually within the first 12 months. For more than a decade, we have consistently found that if a family can remain independent for at least three years, they are unlikely to return in the future.

- The risk factors associated with returning to TCA have not changed. They are: residing in Baltimore City, being a person of color, being younger, never having married, having less than a 12th grade education, having younger children, being work-sanctioned, and not working in the quarter in which the case closed. Cases closed during and after the recession are also more likely to return to TCA within the first year, again suggesting that the recession has hampered some families' abilities to make a permanent exit.

- Some families appear to be neither working nor back on cash assistance after TCA case closure. However, even though our data sources are limited, we find that the large majority, more than 85%, of these so-called 'disconnected' families do have some identifiable source of support, such as Medical Assistance (MA) or Food Supplement (FS) allotments.

- Over two-thirds of families take part in the FS or MA work support programs in the first few months after exit. Participation remains considerable in all post-exit years. For both programs, recession and post-recession leavers' participation rates are significantly higher than pre-recession leavers' participation rates.

- Child support from an absent parent or parents is an important source of post-TCA income for some families. One in four (26.5%) families received a child support disbursement in the first year after exit. Among those who received them, the average amount of disbursements increases from $1,918 in the first year after exit to $3,291 in the 15th year after exit.

Several messages reverberate throughout this report. One is that the macroeconomic 'life after welfare' environment is difficult and this reality is reflected in our results. Leavers' outcomes are positive, but cases closed during the recession and, especially, cases closed since then, appear to be having a harder time leaving welfare, finding work, and remaining off welfare. It seems evident that the recession has impeded their efforts because post-recession adults are more likely to be high school graduates, to have equivalent if not better work histories, and to have less welfare use. These results are consistent with those reported last year and continue to signal the depth and breadth of the recession's effects, as well as their persistence.

This is far from the only important recurring theme, however. Other less visible, but important, messages are also present. One is that over the 16 years of Maryland welfare reform, thousands of women have been able to leave welfare for work and have not returned. Many thousands of low-income children have benefited from the reliable source of income TCA provided when their families faced tough times. Then, too, Maryland has aggressively and successfully increased awareness of support programs such as MA and FS and made it much easier to apply for services. TCA benefit levels have been held harmless, and bipartisan commitment to Maryland's widely-respected cash assistance program has never wavered.

There are more specific positives to keep in mind as well. Many former cash assistance recipient families in Maryland have experienced desirable outcomes and

continue to do so. The earnings of employed leavers, for example, steadily rise over time. Most women worked before receiving welfare, and receiving aid does not diminish their desire to be employed again. Most work within the first year after TCA case closure, and work effort persists for many years thereafter. These trends speak well of clients' motivation to remain independent and to caseworkers' diligent efforts to help them reach this goal. Importantly also, in 2012, as has been true each and every year, the majority of welfare exits are permanent ones. Most families leave welfare and never return, including those whose cases closed during or since the recession's official end.

Challenges remain. Chief among these is to figure out how Maryland can best move forward in a reformed welfare environment that emphasizes work when there is not enough work available. This is a hard question, but Maryland has a valuable resource to help us collectively figure out the correct answer for our state. We have reliable, large-scale, longitudinal data about who has left welfare and what happens to them when they do. Few other states have this resource.

Maryland's original 1996 welfare reform plan was based on empirical data. It is not surprising, therefore, that its fundamental approaches have withstood the test of time, as *Life after Welfare* results continue to confirm. The state's bipartisan, data-informed approach to welfare policy-making has served us well in the past. We are confident that it can serve Maryland equally well as we face today's daunting challenges.

INTRODUCTION

This 2012 update to Maryland's landmark, legislatively-mandated *Life after Welfare* research series comes during a time of prolonged economic hardship. The Great Recession, the longest recession since World War II, may have officially ended some three years ago, but states and families still struggle with its effects. In July 2012, to illustrate, Maryland's unemployment rate was 7.1%, better than the national average, but still more than double the state rate (3.1%) at the outset of the recession in December 2007 (Bureau of Labor Statistics, 2012). Nationally, 141,000 jobs were added in July 2012 (Bureau of Labor Statistics, 2012). This was the largest increase since March and exceeded estimates, but is well below what is needed. At a monthly job creation rate of 141,000, it is estimated that it will take well over a decade to return to pre-recession employment levels (The Hamilton Project, 2012). In short, this is "the mother of all jobless recoveries," as opined by an official at the Federal Reserve Bank of Atlanta (quoted in Freeland, 2012).

A very unusual post-recession set of programmatic circumstances also inform and influence findings in the 2012 *Life after Welfare* report. Today's welfare system began in 1996. Then and now the system was intended to promote work participation, welfare-to-work transitions, and time limits on adults' benefit receipt. As prior *Life after Welfare* reports show, the new system worked well when the economy was booming and jobs were plentiful; most adults left welfare, they worked, and their families did not come back on the assistance rolls.

But some important things are different now. Unemployment rates and long-term unemployment are much higher. Jobs are more difficult to come by, even for the well-educated. Cash assistance caseloads have risen as new families have fallen on hard times and former recipients have been unable to maintain their financial independence. Other important things remain the same. The cash assistance system remains very job- and work-focused, federal funding is static, states face large penalties if they do not meet strict federal work participation mandates crafted when work was much easier to find, and recipients still face time limits and work requirements that reflect pre-recession assumptions about job availability and job growth.

For policymakers, program managers, and advocates, the important 'real world' questions raised by the recession and its aftermath are also the two queries which have guided the *Life after Welfare* study since its inception in 1996: who is leaving welfare and what happens to them when they do? Of particular importance now, however, is to understand how the outcomes of post-recession welfare leavers compare with those who exited in earlier, more robust economic times and what the practical implications of any differences might be.

Fortunately, our state is well positioned to ask and empirically answer these questions. Due to the determination of the advocate community and the bipartisan foresight of the General Assembly, Maryland has been collecting data on welfare leavers since October 1996 through the *Life after Welfare* project. This ongoing longitudinal study provides state and local policymakers the capacity to make decisions based on empirical data, a resource that policymakers in most other states lack. A dynamic perspective on how welfare leavers are managing their lives is also ensured because new cases are added to the *Life after Welfare* study each month. Also, because data have been collected for over fifteen years now, long-term outcomes as well as short-term ones can be assessed, and we can compare current welfare leavers with those who left in better economic times. Being able to make decisions based on reliable, empirical data

gives our state's elected and appointed officials—as well as needy families—an enormous advantage in confronting still staggering economic challenges and stagnant funding while having less flexibility than was available previously.

The situation remains difficult for clients, caseworkers, program managers, and elected officials, and the path ahead for cash assistance is unclear. Especially in such uncertain times, valid empirical data about who is leaving welfare and what happens to them when they do offers the best guide to the future and the best yardstick against which various policy and program design options can be assessed. Thus, in this 2012 edition of *Life after Welfare*, we examine the characteristics and outcomes of 16,904 families with a welfare case closure in Maryland from October 1996, the first month of reform, to March 2012, the last month for which data were available for this report. We look at three cohorts of leavers: (1) those whose cases closed prior to the recession; (2) those whose closures occurred during the recession; and (3) those whose cases have closed since the recession's official end. We address the following research questions:

1) What are the demographic and case characteristics of Maryland's welfare leavers?
2) What are the administrative reasons for case closure?
3) How many (and how soon do) families return to the cash assistance program?
4) What are leavers' short- and long-term employment patterns before and after closure?
5) What are leavers' combined work and welfare outcomes?
6) After exit, how do families package other supports (Supplemental Nutrition Assistance, Medical Assistance (including MCHP) and child support)?

We pay close attention to the first post-exit year, exploring client demographics, administrative case closure reasons, short-term employment outcomes, returns to assistance, and the use of work supports. We also examine mid-range and longer-term outcomes and compare leavers in the late 1990s to those in the late 2000s. As envisioned when advocates and legislators banded together to mandate that we study "life after welfare" in Maryland, the research findings reported herein and in earlier annual reports continue to provide decision-makers with the opportunity to base programmatic decisions on high-quality longitudinal data. In times such as these, when unemployment remains stubbornly high and people who desperately want to work cannot find a job, it is essential that empirical evidence, such as the *Life after Welfare* reports, be available to inform policy and program decisions that affect low-income children and families in our state.

METHODS

This chapter summarizes our methodological approach to the *Life after Welfare* study in general and includes details on sampling and data analysis for this report in particular.

Sample

In October 1996 (the beginning of welfare reform) and every month since, we have drawn a five percent random sample of welfare cases that closed in Maryland, resulting in a total sample of 23,856 cases. We include all Temporary Cash Assistance (TCA, Maryland's version of the federal Temporary Assistance for Needy Families program) cases that closed in the sampling population, regardless of the reason for case closure or the length of time the case remained closed. However, the findings presented in this annual update exclude sampled cases that closed and then reopened within one month (n=6,952), which we refer to as "churners". In a previous study we compared churners to other recidivists and to non-recidivists, and we found that churners are more likely to have experienced case closure because of missing an appointment for redetermination of ongoing eligibility, suggesting that the closure was unintended (Born, Ovwigho, & Cordero, 2002). Thus, today's report includes the subset of sampled cases that closed for *at least one month*, from October 1996 through March 2012 (n=16,904).

Data Sources

Study findings are based on analyses of administrative data retrieved from computerized management information systems maintained by the State of Maryland. Demographic and program participation data were extracted from the Client Automated Resources and Eligibility System (CARES) and its predecessor, the Automated Information Management System/Automated Master File (AIMS/AMF); employment and earnings data were obtained from the Maryland Automated Benefits System (MABS); and child support data were obtained from the Child Support Enforcement System (CSES).

CARES and AIMS/AMF

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

MABS

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

The MABS system only tracks employment in Maryland but because the state shares borders with Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia, out-of-state employment is relatively common. Overall, the rate of out-of-state employment by Maryland residents (17.5%) is over four times greater than the

national average (3.8%)[1]. Out-of-state employment is particularly common among residents of two very populous jurisdictions (Montgomery County, 29.8%, and Prince George's County, 42.4%), which have the 5th and 3rd largest welfare caseloads in the state. Out-of-state employment is also common among residents of two smaller jurisdictions (Cecil, 31.1%, and Charles, 34.6%, counties). One consideration, however, is that we cannot be sure the extent to which these high rates of out-of-state employment also describe welfare recipients or leavers accurately.

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

CSES

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

Data Analysis

This annual update report uses univariate statistics based on a random sample of case closures during the sampling period (October 1996 through March 2012) to describe welfare leavers and their cases. When appropriate, we also use chi-square and ANOVA tests to compare the characteristics of pre-recession leavers (October 1996 through November 2007, n=12,792) with those who left during the Great Recession (December 2007 through June 2009, n=1,381) and those who left welfare after the Great Recession (July 2009 through March 2012, n=2,731).

[1]Data obtained from U.S. Census Bureau website http://www.factfinder.census.gov using the 2008-2010 American Community Survey 3-Year Estimates for Sex of Workers by Place of Work—State and County Level (B08007).

FINDINGS: CASEHEAD AND CASE CHARACTERISTICS

In this chapter we present a demographic profile of caseheads whose welfare cases closed for at least one month in Maryland since 1996. We also examine whether or not their cases were work-mandatory at the time of closure and what administrative reason was listed for the case closure that brought the case into our study sample. All analyses divide the sample into pre-recession, recession, and post-recession cohorts to see whether there are any noticeable differences depending on the timing of the case closure.

What are the demographic characteristics of caseheads?

As shown in Table 1, following, the typical welfare leaver is an African-American (73.5%) woman (95.2%) in her early 30s (mean age=32.73) who has never married (75.2%) and has finished 12th grade but has no further education (56.7%). This profile is much like that of a typical payee on the active caseload (Nicoli, Logan, & Born, forthcoming). We also find that, on two of the three variables (gender and age), leavers' profiles are very similar across time. There are no statistically significant differences in gender or age across the three time cohorts.

There are some statistically significant differences across the three cohorts in race, marital status, and education, however. Table 1 reveals that African-Americans are a smaller share of the post-recession group (69.1%) than they had been in the pre-recession cohort (74.6%). Correspondingly, there is a slight increase over time in the percentage of leavers who are Caucasian (from 22.8% to 24.5%) and an even larger increase over time, in percentage terms, in the share of all leavers who are neither African-American nor Caucasian (from 2.6% to 6.4%). We can see from the table, too, that marital status also varies somewhat depending on when the case closed. The percent of married leavers is about the same in all three periods (roughly 8%), but the percent never-married goes up by about three percentage points over time while the percent who are separated, divorced or widowed goes down by about the same amount.

The most obvious difference among cohorts is in educational attainment. Two of every five (40.0%) pre-recession leavers had less than a 12th grade education, compared to slightly fewer than one in three (31.7%) whose cases closed after the recession. In contrast, just over two-thirds (68.3%) of post-recession leavers had at least a 12th grade education, compared to only three-fifths (60.0%) who left before the recession started. The most recent leavers, the post-recession cohort, tend to have more years of schooling than those who left welfare in earlier years, a fact which will be important when assessing post-exit outcomes.

Table 1. Demographic Characteristics of Exiting Payees

	Pre-Recession 10/96 – 11/07 (n=12,792)		Recession 12/07 – 6/09 (n=1,381)		Post-Recession 7/09 – 3/12 (n=2,731)		Total Sample (n=16,904)	
Gender (% female)	95.4%	(11,971)	94.5%	(1,305)	94.5%	(2,582)	95.2%	(15,858)
Mean Age (Standard Deviation)	32.78	(10.97)	33.05	(11.81)	32.32	(11.49)	32.73	(11.12)
Race* **								
African American	74.6%	(9,038)	72.2%	(971)	69.1%	(1,828)	73.5%	(11,837)
Caucasian	22.8%	(2,761)	24.5%	(329)	24.5%	(649)	23.2%	(3,739)
Other	2.6%	(314)	3.3%	(44)	6.4%	(168)	3.3%	(526)
Marital Status* **								
Married	7.8%	(871)	7.7%	(103)	8.1%	(214)	7.8%	(1,188)
Never Married	74.2%	(8,321)	78.9%	(1,053)	77.2%	(2,050)	75.2%	(11,424)
Divorced, Separated, or Widowed	18.0%	(2,017)	13.4%	(179)	14.7%	(391)	17.0%	(2,587)
Education* **								
Less than grade 12	40.0%	(3,072)	35.4%	(449)	31.7%	(816)	37.6%	(4,337)
Finished grade 12	60.0%	(4,615)	64.6%	(818)	68.3%	(1,762)	62.4%	(7,195)
Additional education after grade 12	5.8%	(445)	4.1%	(52)	6.2%	(161)	5.7%	(658)

Notes: Due to missing data for some variables, cell counts may not sum to cohort totals. In particular, education status is missing for most leavers who exited before April 2000. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

What are the characteristics of cases?

Table 2 shows that the typical sample case is a two to three person assistance unit (mean=2.59 persons), with one or two children (mean=1.72 children), residing in Baltimore City (44.2%). On average, the youngest child in the home is about 5½ years old (mean age=5.54), but in two-fifths of all cases (42.8%), there is at least one child under three years of age. Finally, less than one in five cases (16.7%) is child-only (i.e., no adults are included in the grant).

On most case-level variables, the profile is similar regardless of when the case closure took place. There are no statistically significant differences, for example, in average assistance unit size or average number of children in the unit. The percent of child-only cases differs only marginally over time (16.2%, 19.0%, 18.0%), although the difference is statistically significant. The same is true with regard to the average age of the youngest child in the home (means=5.66 years, 5.02 years, 5.25 years). There is a more pronounced difference across time periods in the percentage of households with at least one child under three years of age, however. Almost half of all cases which closed during (49.4%) or since (48.7%) the recession had at least one young child in the home, compared to two-fifths (40.8%) whose cases closed before the recession began. This difference is statistically significant, and because of its possible implications concerning child-care needs, could be programmatically significant as well.

The most notable change is in the geographic distribution of closing cases. Baltimore City accounts for the plurality of all closures study-wide (44.2%) and in each separate time period. However, the City's share of closures declined by more than 10 percentage points over time (from 46.2% in the pre-recession cohort to 35.8% in the post-recession cohort). Baltimore County also accounted for a smaller share of closures in the recession (10.8%) and post-recession (10.0%) periods than it had before the economic downturn (11.5%).

Trends were less clear-cut in Anne Arundel and Prince George's counties. In the former, the share of statewide closures rose during the recession (from 5.1% to 7.2%), but has declined slightly since the recession's end (6.7%). The opposite was true in Prince George's County whose share of all closures went down during the recession (from 12.7% to 10.6%), but rebounded to 14.4% in the most recent period. All other regions' shares of closures increased over time.

Table 2. Case Characteristics

	Pre-Recession 10/96 – 11/07 (n=12,792)		**Recession** 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/12 (n=2,731)		**Total Sample** (n=16,904)	
Region***[2]								
Baltimore City	46.2%	(5,903)	41.9%	(578)	35.8%	(978)	44.2%	(7,459)
Prince George's County	12.7%	(1,619)	10.6%	(147)	14.4%	(393)	12.8%	(2,159)
Baltimore County	11.5%	(1,469)	10.8%	(149)	10.0%	(273)	11.2%	(1,891)
Montgomery County	4.4%	(560)	4.8%	(66)	5.8%	(157)	4.6%	(783)
Anne Arundel County	5.1%	(652)	7.2%	(100)	6.7%	(183)	5.5%	(935)
Metro Region	6.2%	(797)	7.5%	(103)	9.1%	(249)	6.8%	(1,149)
Southern Region	3.0%	(389)	4.3%	(59)	4.0%	(109)	3.3%	(557)
Western Region	3.4%	(431)	4.6%	(64)	4.8%	(132)	3.7%	(627)
Upper Shore Region	4.1%	(529)	5.0%	(69)	5.0%	(136)	4.3%	(734)
Lower Shore Region	3.3%	(423)	3.3%	(46)	4.4%	(119)	3.5%	(588)
Mean Assistance Unit Size (Standard Deviation)	2.60	(1.19)	2.60	(1.24)	2.56	(1.22)	2.59	(1.20)
Child-only cases**	16.2%	(2,063)	19.0%	(262)	18.0%	(491)	16.7%	(2,816)
Mean # of Children (Standard Deviation)	1.73	(1.06)	1.75	(1.09)	1.68	(1.08)	1.72	(1.07)
Age of Youngest Child Mean*** (Standard Deviation)	5.66	(4.82)	5.02	(4.89)	5.25	(5.07)	5.54	(4.87)
Percent with a child under age 3***	40.8%	(4,955)	49.4%	(653)	48.7%	(1,282)	42.8%	(6,890)

Notes: Due to missing data for some variables, cell counts may not sum to cohort totals. The age of the youngest child considers all children within the household, regardless of whether they were included in the calculation of the TCA grant amount. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

[2] The regions are: Metro (Carroll, Frederick, Harford, & Howard Counties); Southern (Calvert, Charles, & St. Mary's Counties); Western (Allegany, Garrett, & Washington Counties); Upper Shore (Caroline, Cecil, Dorchester, Kent, Queen Anne's, & Talbot Counties); and Lower Shore (Somerset, Wicomico, & Worcester Counties).

What is the core caseload category?

In order to appropriately differentiate and thus better meet the non-cash needs of TCA customers, Maryland uses a categorization approach through which each case is designated as being either a "core," or standard, work-mandatory case, or a "non-core" case, which may or may not be work-mandatory but does have special circumstances. Non-core cases are further disaggregated into several groups (e.g., child only, two parent, etc.) based on a hierarchy. Some non-core cases may fit the criteria for more than one category; in these situations, the hierarchy built into the case classification system determines the category into which the case will be placed. The case classification system has been revised several times and, as a result, we only have consistent data for our recession and post-recession sample cases.

Table 3 below shows core caseload designations for the two cohorts of closing cases. Findings are similar across time periods. During (47.2% core, 52.8% non-core) and after (48.2% core, 51.8% non-core) the recession closures were fairly evenly split between core and non-core cases. When compared with the active caseload, it should be noted that, in both time periods, 'core' cases are a significantly larger share (by 10 percentage points or more) of all closing cases than 'core' cases have been of any average, annual active caseload (Williamson, Saunders & Born, 2010; Nicoli, Logan & Born, forthcoming). This is important because 'core cases' are the ones specifically targeted for welfare-to-work services, counted in work participation rate calculations, and subject to sanctioning for non-compliance with work program requirements. All else equal, 'core' cases are thus the ones we might expect to be most likely to experience case closure. This does indeed appear to be the case, because in the recession and post-recession periods, 'core' cases are closing at rates higher than their representation in the active caseloads during the same years.

Table 3 also shows which types of non-core cases closed and, again, findings are similar across time. Child-only cases were most common, accounting for just under one-fifth of all closures in both periods (19.1% and 18.1%) and for a plurality of all non-core closures in both time periods too (36.1% and 35.0%). Child under one and earnings cases were the only other non-core cases to exceed six percent of the sample. In both periods, earnings cases represented about 9% of all closures and 17% of all non-core closures while child under one cases were 11.8% and 9.7% of all closures in the recession and post-recession cohorts, respectively. Together child-only, child under one, and earnings cases accounted for nearly three-quarters of all non-core closures between December 2007 and March 2012.

Non-core cases marked with one of the three disability-related codes (short-term disabled, long-term disabled, caring for disabled household member) were also not uncommon. Considering the three disability categories together, we find that these cases accounted for about 8% of all closures and about 15% of all non-core case closures both during and after the recession.

Table 3 does show two small, but perhaps important, differences between the two time periods in terms of closures accounted for by two-parent cases and cases with a child under one. Two-parent cases are just under 3% (2.8%) of all recession closures (about 5% of all non-core closures then), but about 5% (4.9%) of all post-recession closures and about 9% of all non-core closures. This change over time could result from any number of factors or a combination of factors. For example, more two-parent case closures could just reflect the fact that there has been an increase of two-parent families on aid recently (Nicoli, Logan, & Born, forthcoming). Or, perhaps families with two parents present had more success recently in leaving welfare for work or experienced

work sanctioning. Without further analysis, however, we cannot say definitively why the uptick in two-parent closures took place, or what, if anything, the uptick might imply going forward.

There was also a roughly two percentage point difference over time in the share of all closures accounted for by cases coded as having a child less than one year of age. However, these cases comprised a larger share of recession era closures (11.8%) than they did of post-recession closures (9.7%). This is, again, a relatively small change over time, but one worth noting nonetheless. Among other things, this particular work exemption is, by definition, time-limited. That is, while the exemption can be used more than once, the cumulative number of exempted months cannot exceed 12 in a lifetime. Moreover, we know from earlier *Life after Welfare* reports that when a case of this type closes, the most common post-closure outcome is employment and no receipt of welfare within at least the first year. It is impossible from these descriptive data to ascertain the reasons for the slight decrease over time in the share of closures accounted for by cases with a child under one, however.

Table 3. Core Caseload Groups During and After the Great Recession

	Recession 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/12 (n=2,731)	
Core Caseload Category				
Core Case	47.2%	(646)	48.2%	(1,317)
Non-Core Case	52.8%	(723)	51.8%	(1,413)
Type of Non-Core Case*				
Special Family Type				
Child-only	19.1%	(261)	18.1%	(495)
Two Parent Cases	2.8%	(39)	4.9%	(134)
Disabilities				
Short-term Disabled	1.3%	(18)	1.2%	(32)
Long-term Disabled	5.1%	(70)	5.4%	(148)
Caring for Disabled Family Member	1.4%	(19)	1.0%	(26)
Other				
Child Under One	11.8%	(161)	9.7%	(265)
Earnings Cases	8.8%	(120)	8.9%	(244)
Domestic Violence	0.9%	(12)	1.0%	(28)
Needy Caretaker Relative	0.8%	(11)	0.9%	(24)
Legal Immigrant	0.9%	(12)	0.6%	(17)

Notes: Core caseload designations are not available for any leavers prior to February 2004, and the coding changed in October 2007 to include separate categories for two-parent and legal immigrant families. Thus, for clarity and ease of interpretation, we only present the core caseload categories for the most recent two cohorts (n=4,112). Since the core caseload designations are based on an administrative hierarchy, the child-only counts from Table 2 do not match Table 3; the former counts are based solely on the number of children and adults in the assistance unit. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

What is the reason for case closure?

As part of the process by which a cash assistance case is closed, the case manager must select a reason for closure from a finite list of choices available in the automated system, CARES. The list of codes is lengthy, but the administrative case closing code chosen still may not completely or accurately describe why the case closed. This may be especially true for clients who do leave welfare for work. To illustrate, "income above limit" is the closing code most often used when the adult has found work. At present, clients who find work and report this to the agency usually find that their income is too high to permit the family to receive a partial assistance grant because of the relatively low level of income disregards. Also, not everyone who leaves welfare for work reports their new employment to the caseworker. Some call and request that their case be closed, while others choose not to reapply when their period of eligibility ends. In these cases, the closure codes (and our study findings) would not reflect the fact that the client found employment; instead, in the examples above, the cases would most likely be coded as "requested case closure" and "did not reapply," respectively.

It is for reasons such as those above that our findings about case closing reasons almost certainly understate the true rate of work-related closures, perhaps by a non-trivial amount. Several years ago, for instance, we compared UI wage data with TCA case closing codes. The former showed that more than half of sampled adults had jobs in the quarter in which their TCA cases closed; the administrative closing data, in contrast, showed that less than 30% of closures were coded as "income above limit" (Ovwigho, Tracy & Born, 2004). Despite their limitations, though, administratively-reported reasons for case closure still provide useful information, particularly as we are interested in patterns over time. We also know from previous studies that certain case closing codes are associated with important post-closure outcomes, such as employment and recidivism, and are also our best measure for tracking work sanctions[3].

Figure 1 displays the distribution of administrative case closure codes across the pre-recession, recession, and post-recession cohorts. There are statistically significant differences across cohorts, particularly in the use of three codes: (1) "income above limit"; (2) "did not reapply"; and (3) work sanction. For the pre-recession cohort, income above limit was the most common reason listed for case closure (28.6%) and did not reapply was second (17.6%). For the recession and post-recession cohorts, a work sanction is the most common reason listed for case closure (28.5% recession, 27.5% post-recession) and income above limit is second (25.2% recession, 23.0% post-recession). The percentage of leavers with a "did not reapply" designation also decreased substantially, going from over 17% (17.6%) in the pre-recession period to 10% for the recession and post-recession cohorts (10.1% in both cohorts).

Most likely, the rise in the percentage of leavers who exit as a result of work sanctions is the confluence of two factors: the Great Recession and changes in policy at the federal level. The 2005 Deficit Reduction Act, in practice, required states to engage a larger percentage of their caseloads in work activities and created a more stringent definition of work activities. Now that the Great Recession has pushed more families onto assistance, and states have to meet work participation rates that are more onerous, it is not surprising that a larger percentage of cases are closing as a

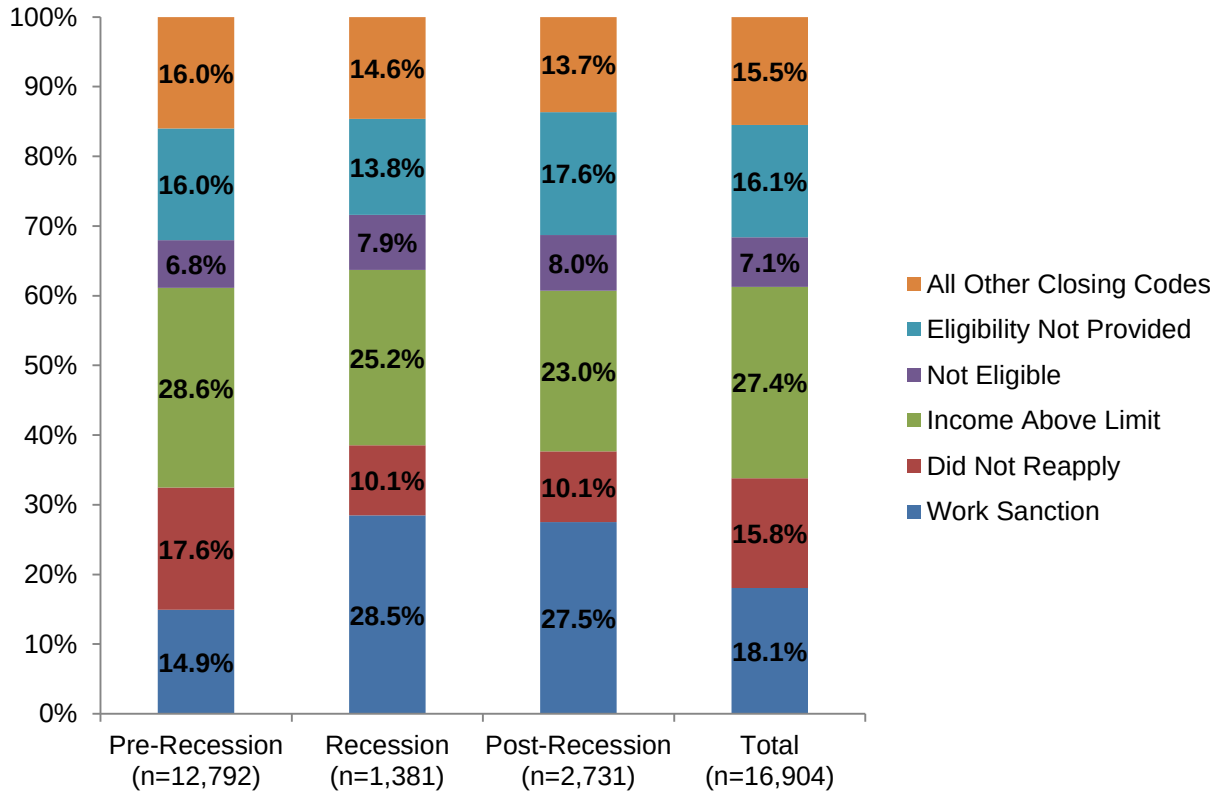
[3] Maryland uses the full-family sanction, so work-mandatory TCA recipients who refuse to participate in assigned work activities have their cases closed and their benefits discontinued. Their cases are re-opened when they come into compliance. Cases may be re-opened one day after the first instance of noncompliance, 10 days after the second instance of noncompliance, and 30 days after the third and any subsequent instances of noncompliance.

result of work sanctions. In previous reports, we have found that work-sanctioned leavers are different from other leavers in important ways, such as likelihood to return to TCA (Born, Saunders, Williamson, & Logan, 2011). It is worth watching this trend to see if it continues after the effects of the Great Recession have receded. If the percentage leaving due to work sanctions is still high, that will strongly suggest that the DRA has altered entrance and exit patterns for TCA.

The other major trends—the decline in "income above limit" and "did not reapply"—may be related to the Great Recession as well. As unemployment rose during the recession, and has remained high since the recession officially ended, work has been difficult to find for many Americans, including TCA recipients. There simply are not enough jobs—in no small measure because the jobs recovery since the Great Recession ended has been the weakest in the post-World War II era (Rothwell, 2012).

With little work available, transitioning from welfare to work may be more a function of luck than of agency and client effort. The declines in these codes combined with the rise in work sanctions means that there is increased risk of leavers in the recession and post-recession cohorts being disconnected from both work and welfare. Nationally, research has found that the percentage of single mothers who neither work nor receive cash assistance has been rising; in the 2004 to 2008 period, they constituted about 20% of all low-income single mothers (Loprest & Nichols, 2011). We examine the phenomenon of "disconnection" among welfare leavers elsewhere in this report.

Figure 1. Reasons for Case Closure***



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

FINDINGS: WELFARE USE

In this section we examine leavers' histories with welfare and how many leavers return to TCA after the exit that brought them into this study. We also investigate the factors that are associated with a return to TCA and whether recidivism varies across the pre-recession, recession, and post-recession cohorts.

What are leavers' histories with the welfare program?

Table 4, below, shows both how long caseheads received TCA before the exit that placed them into our sample and how many months they received TCA in the five years before that exit. Both measures indicate that leavers do not have extensive TCA histories. Three in four (74.3%) caseheads had received TCA consecutively for one year or less when they exited, and over half (57.7%) received TCA for two years or less in the five years prior to that exit. This means that most recipients are using TCA as it is intended to be used: as a stopgap measure when the labor market is unable to provide a job that supports a family.

Trends in the pre-recession, recession, and post-recession periods reveal that, on average, leavers have shorter welfare spells prior to exiting today than they did in the past. In the pre-recession period, the average length of the spell leading up to case closure was just over 15 consecutive months (15.10 months), but between eight and ten consecutive months (8.13 and 9.72) in the recession and post-recession periods, respectively. Similarly, the average number of months of cumulative, but not necessarily consecutive, TCA receipt in the previous five years was over a bit more than two years (27.78 months) for the pre-recession cohort but just under 18 months (17.88 and 15.56) for the recession and post-recession cohorts, respectively. In part, these patterns may reflect higher rates of sanctioning in the more recent time periods. However, they also likely reflect longer-term shifts. That is, as TCA becomes more institutionalized, and memories of the open-ended, time-unlimited Aid to Families with Dependent Children program fade, recipients are likely to spend less time, both consecutively and cumulatively, on assistance.

This hypothesis is lent credence by another finding in Table 4 which is that long-term welfare use has declined substantially since welfare reform in 1996. More than one in five (21.5%) leavers in the pre-recession cohort received TCA cumulatively more than 48 of the previous 60 months. In the recession cohort that drops to 7.2% and decreases even further to 5.7% in the post-recession cohort. Despite the unprecedented level of economic distress in the recession and post-recession periods, leavers are spending less time on assistance than they did in the better economic times of the pre-recession period.

Table 4. Welfare History

	Pre-Recession 10/96 – 11/07 (n=12,792)		Recession 12/07 – 6/09 (n=1,381)		Post-Recession 7/09 – 3/12 (n=2,731)		Total Sample (n=16,904)	
Length of Exit Spell								
12 months or fewer	71.6%	(9,159)	85.7%	(1,183)	81.0%	(2,213)	74.3%	(12,555)
13 to 24 months	13.9%	(1,773)	8.8%	(122)	12.5%	(341)	13.2%	(2,236)
25 to 36 months	5.3%	(676)	2.5%	(35)	2.9%	(78)	4.7%	(789)
37 to 48 months	2.8%	(354)	1.1%	(15)	1.1%	(31)	2.4%	(400)
49 to 60 months	1.7%	(212)	0.7%	(9)	0.7%	(19)	1.4%	(240)
More than 60 months	4.8%	(613)	1.2%	(17)	1.8%	(49)	4.0%	(679)
Mean*** [Median]	15.10	[7.15]	8.13	[4.24]	9.72	[5.49]	13.66	[6.51]
Standard Deviation	25.34		14.33		16.38		23.51	
TCA Receipt in the 5 Years Before Exit* **								
12 months or fewer	31.1%	(3,976)	50.5%	(697)	57.0%	(1,557)	36.9%	(6,230)
13 to 24 months	19.4%	(2,475)	24.6%	(340)	25.4%	(693)	20.8%	(3,508)
25 to 36 months	15.3%	(1,960)	11.6%	(160)	8.3%	(226)	13.9%	(2,346)
37 to 48 months	12.7%	(1,629)	6.2%	(85)	3.7%	(100)	10.7%	(1,814)
49 to 60 months	21.5%	(2,747)	7.2%	(99)	5.7%	(155)	17.8%	(3,001)
Mean*** [Median]	27.78	[24]	17.88	[12]	15.56	[11]	24.99	[20]
Standard Deviation	19.21		15.44		14.43		18.88	

Note: The length of exiting spell is calculated as the difference (in months) between the exit month and the month of the most recent TCA application. Due to small instances of missing data, cell counts may not sum to column totals. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

How many leavers return to welfare?

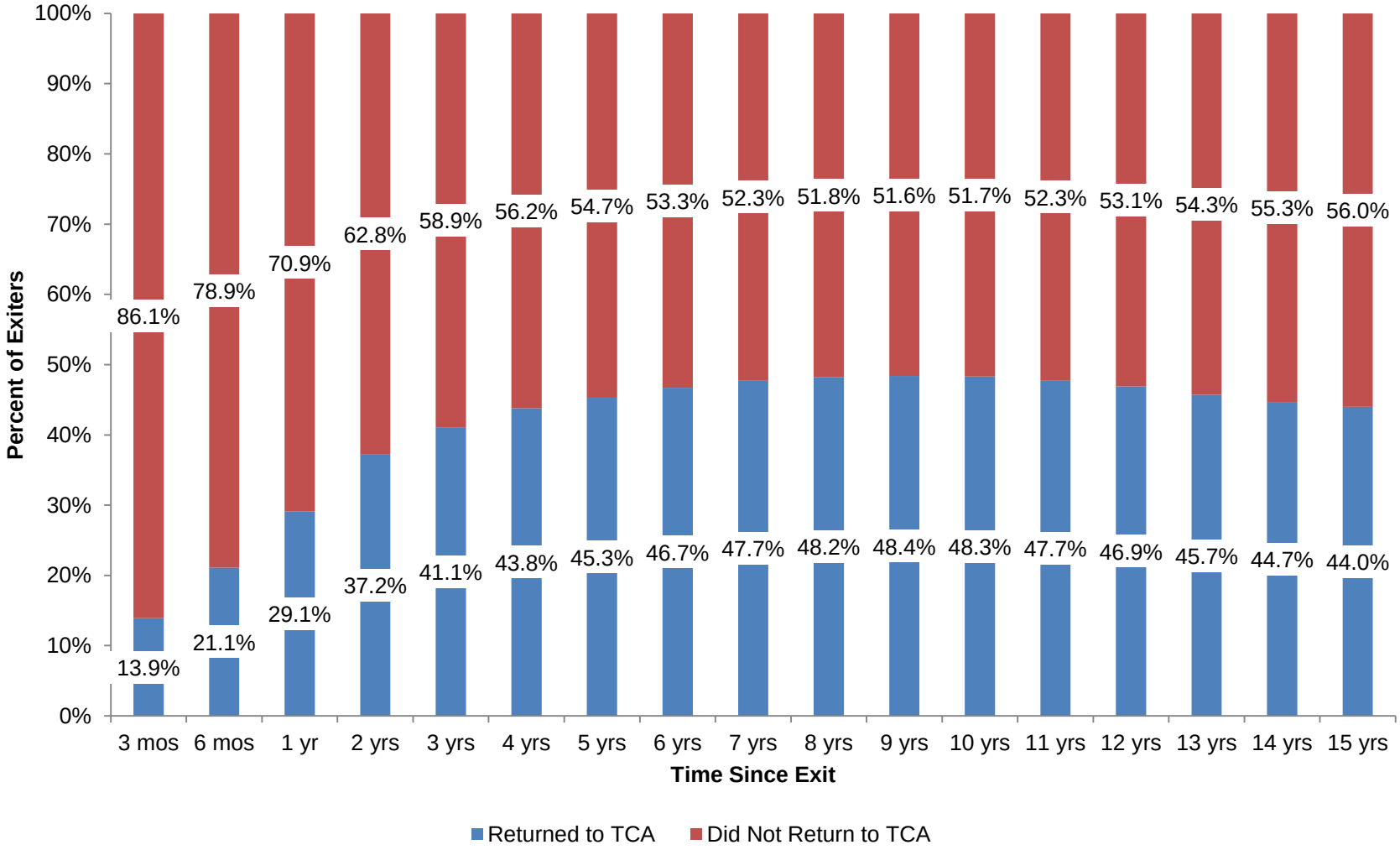
One key concern about families who experience a welfare case closure is the possibility that they may return to welfare. The ideal situation would be that all leavers find full-time, permanent jobs and never return to TCA, but that ideal is difficult, if not impossible, to achieve in reality. Most adults in these families have a high-school education, at best, placing them at a disadvantage in the highly competitive labor market where jobs increasingly require higher levels of education and/or training. Moreover, the jobs that are available to the typical adult in our sample may not provide a reliable source of full-time income. Life circumstances can also change. A child may be diagnosed with a serious medical condition, a job may be lost, or child support may disappear if the noncustodial parent becomes incarcerated. Life off welfare can be a precarious balance for many families whose cases close, and sometimes the only feasible solution to a multitude of problems is to return to assistance.

Fortunately, as Figure 2, below, shows, many leavers are able to exit TCA permanently. Well over half (56.0%) of the first cohort of leavers remained off TCA for the entire 15 years between the exit that brought them into this study and March 2012. This significant achievement demonstrates that caseworkers are committed to helping customers achieve independence and that clients do want to be independent. It also proves that Maryland's

bipartisan, data-driven approach does provide clients with the skills they need to remain off assistance permanently.

Figure 2 also indicates, as we have noted in previous editions of *Life after Welfare*, that the risk of returning to TCA is highest in the first two years after exit. At the end of six months, about one in five (21.1%) leavers have returned to TCA and, by the end of two years, a bit more than one in three (37.2%) had returned. Figure 2 also suggests that, after five years, the risk of recidivism stabilizes and very few clients return after this point in time. Because the vast majority of leavers who return to TCA do so within two years, these findings suggest that adequate support in the first one to two years is crucial. Leavers are usually eligible for Food Supplement and Medical Assistance; to the extent that leavers know they are eligible and use the programs, they may be able to remain off TCA. Additionally, the receipt of child support has been shown to decrease the likelihood of recidivism (Srivastava, Ovwigho, & Born, 2001). While it may not be possible in the current fiscal climate, another strategy would be occasional follow-up visits or other contact from caseworkers or community partner agencies to see if there is any aid the state or nonprofit organizations could provide to help families maintain their hard-won independence. Maryland already helps many families avoid returning to TCA through child care subsidies, Food Supplement outreach efforts, and other programs, but some additional instances of recidivism may be preventable through other means as well.

Figure 2. Cumulative TCA Recidivism Rates



Note: Differences in sample size across follow-up periods result in the appearance that cumulative returns to welfare decrease over time. See Appendix A for sample sizes for each follow-up period.

What are the risk factors for recidivism?

Families who return to TCA may differ in important ways from families who are able to remain off TCA permanently. By investigating what characteristics recidivists have that non-recidivists do not, policymakers can design interventions to help more leavers stay off TCA. Toward this end, we report differences in payee characteristics, case characteristics, TCA history, and work history between leavers who returned to TCA within the first year and those who did not. We focus on the first year after exit because, as Figure 2 shows, that is when leavers are at the highest risk of returning to TCA. Over one in four (29.1%) leavers returned within one year of exit, meaning that most of the leavers who returned did so within that timeframe.

As Table 5 indicates, the caseheads who return in the first year after exit have a number of statistically significant differences from those who do not return in the first 12 months. Returning caseheads are more likely to be female (97.1% vs. 94.5%) and to live in Baltimore City (55.6% vs. 40.7%). Returners are also younger, on average, (mean age 30.74 vs. 33.60), and they are more likely to be African-American (82.0% vs. 70.7%) and to have never married (83.0% vs. 71.5%). Returning adults are also less likely to have finished 12th grade (64.5% vs. 78.5%). All of these characteristics are associated with less earning potential and more difficulty in the labor market. Although not definitive, these findings suggest one key reason that recidivists come back to TCA is because they are unable to find or keep a job that pays enough to support a family.

Recidivists and non-recidivists also differ on case characteristics. Recidivists have larger assistance units (2.75 persons vs. 2.53 persons) and more children on each case (1.83 children vs. 1.69 children). Their cases are less likely to be child-only (10.7% vs. 19.1%), and the youngest child on the case is younger, on average, in recidivist families than in non-recidivist families (5.08 years vs. 5.79 years). All of these differences also indicate that recidivists may have more difficulty in the labor market than non-recidivists.

The bottom half of Table 5 looks at recidivists' and non-recidivists' histories with TCA and their recent work histories. In the five year period preceding the case closure that brought them into our study sample, we see that, on average, recidivists received TCA for four more months than non-recidivists (28.60 months vs. 24.50 months). This difference is fairly small in absolute terms, but it is statistically significant. Recidivists are also far more likely to have had their cases closed due to a work sanction (25.8% vs. 14.5%) and less likely to have their cases closed due to high income (22.0% vs. 29.8%). In the case of work-sanctioned caseheads, recidivism may actually indicate that the sanction is having the desired effect of getting caseheads to comply with program requirements. Thus, for these clients especially, recidivism should not necessarily be regarded as a negative outcome. Regardless, their greater likelihood of leaving due to a work sanction and lesser likelihood of leaving due to high income suggest that many recidivists are less likely to have voluntarily experienced a welfare case closure. This might suggest that, going forward, at least some portion of recidivists might need more intensive post-return services in order to keep them motivated and moving forward on the welfare to work path.

Finally, we examine recidivists' and non-recidivists' recent histories with Maryland UI-covered employment. Interestingly, the percent of recidivists who were employed in the previous two years (70.8%) is almost identical to the percent of non-recidivists who were employed in that same period of time (70.6%). For each group, seven in 10 leavers had worked at some point in the two years prior to their exits. Recidivists and non-recidivists differ in employment in the quarter in which they exited TCA, however. Just over two in five (42.9%) recidivists were employed in the quarter in which they exited TCA compared to one of every two (50.3%) non-recidivists. This indicates that, in terms of employment participation, what separates recidivists and non-recidivists is employment shortly before or shortly after exit, not longer-term employment history.

Table 5. Comparison of TCA Recidivists and Non-Recidivists

	Did Not Return in 1st Year (n=11,216)		Returned in 1st Year (n=4,602)		Total (n=15,818)	
Casehead Characteristics						
% Female***	94.5%	(10,413)	97.1%	(4,416)	95.2%	(14,829)
% in Baltimore City***	40.7%	(4,554)	55.6%	(2,555)	45.0%	(7,109)
Mean*** [Median] Age	33.60	[31.13]	30.74	[28.29]	32.77	[30.37]
% African American***	70.7%	(7,509)	82.0%	(3,636)	74.0%	(11,145)
% Never Married***	71.5%	(7,120)	83.0%	(3,487)	74.9%	(10,607)
% Who Did Not Finish Grade 12***	21.5%	(2,415)	35.5%	(1,636)	25.6%	(4,051)
Case Characteristics						
Mean*** [Median] AU Size	2.53	[2]	2.75	[2]	2.60	[2]
Mean*** [Median] Number of Children	1.69	[1]	1.83	[2]	1.73	[1]
Percent Child-Only Cases***	19.1%	(2,137)	10.7%	(491)	16.7%	(2,628)
Mean*** [Median] Age of Youngest Child	5.79	[4.16]	5.08	[3.47]	5.58	[3.91]
Percent with a Child Under 3***	41.3%	(4,378)	44.9%	(2,002)	42.3%	(6,380)
TCA History						
Mean*** [Median] Months of Receipt in Last 5 Years	24.50	[19]	28.60	[26]	25.69	[21]
% Closed due to Work Sanction***	14.5%	(1,626)	25.8%	(1,187)	17.8%	(2,813)
% Closed due to High Income***	29.8%	(3,346)	22.0%	(1,014)	27.6%	(4,360)
Work History						
% Employed in Last 2 Years	70.6%	(7,924)	70.8%	(3,257)	70.7%	(11,181)
% Employed in Exit Quarter***	50.3%	(5,641)	42.9%	(1,975)	48.1%	(7,616)

Notes: Due to small instances of missing data, cell counts may not sum to column totals. Employment analyses exclude individuals for whom we have no unique identifier (n=99). In addition, one-year follow-up data were not yet available for leavers with a critical month of April 2011 or later, and are therefore excluded from this analysis. Details regarding data availability can be found in Appendix A. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Does recidivism vary by cohort?

Given the persistently high unemployment that has accompanied the Great Recession and the subsequent jobless recovery, one might expect recidivism to be more common in the recession and post-recession cohorts than in the pre-recession cohort. To see if this is the case, we examine rates of recidivism in the three, six, and 12 months after exit by cohort, presented in Table 6.

As anticipated, recidivism is more prevalent in the recession and post-recession cohorts than in the pre-recession cohort at all three measuring points. The differences are only statistically significant at six months and one year post-closure, however. At three months, recession and post-recession leavers are slightly more likely to have returned (13.7% pre-recession, 15.5% recession, and 14.3% post-recession) and are even more likely to have done so by six months post-exit (20.5% pre-recession, 23.8% recession, 22.6% post-recession). One year after exit, about one in three (33.3%) recession and post-recession (32.2%) leavers has returned to TCA, compared to 28.2% of those whose cases closed before the recession hit. The differences in recidivism rates across cohorts are never more than five percentage points, but their statistical significance at six months and one year indicates that recidivism does vary by cohort and, further, that the Great Recession is likely responsible for at least some of the returns to TCA.

Table 6. Recidivism by Exit Cohort

	Pre-Recession 10/96 – 11/07 (n=12,792)	**Recession** 12/07 – 6/09 (n=1,381)	**Post-Recession** 7/09 – 3/12 (n=2,731)	**Total Sample** (n=16,904)
3 Months Post-Exit				
Returned to TCA	13.7% (1,749)	15.5% (214)	14.3% (348)	13.9% (2,311)
Did not return	86.3% (11,043)	84.5% (1,167)	85.7% (2,088)	86.1% (14,298)
Valid N	12,792	1,381	2,436	16,609
6 Months**				
Returned to TCA	20.5% (2,623)	23.8% (329)	22.6% (491)	21.1% (3,443)
Did not return	79.5% (10,169)	76.2% (1,052)	77.4% (1,683)	78.9% (12,904)
Valid N	12,792	1,381	2,174	16,347
12 Months***				
Returned to TCA	28.2% (3,612)	33.3% (460)	32.2% (530)	29.1% (4,602)
Did not return	71.8% (9,180)	66.7% (921)	67.8% (1,115)	70.9% (11,216)
Valid N	12,792	1,381	1,645	15,818

Note: Follow-up data are available through March 2012, so 3-month, 6-month, and 12-month data are unavailable for some leavers in the most recent, post-recession cohort. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

FINDINGS: EMPLOYMENT

One major change that came with welfare reform was a greater emphasis on moving recipients into paid employment. According to the "work-first" philosophy embedded in TANF, any job is better than no job, and having a job may provide a steppingstone to find a better one. To a large degree, the cash assistance system now revolves around getting recipients ready to enter and remain in the workforce. In this work-oriented system, the federal emphasis has been on measuring states' work participation rates but that is a process measure. In reality, the outcome that matters is employment. Thus, in this findings chapter we discuss leavers' histories with Maryland UI-covered employment and their employment patterns after their welfare case closure by cohort.

What are leavers' pre- and post-exit employment experiences?

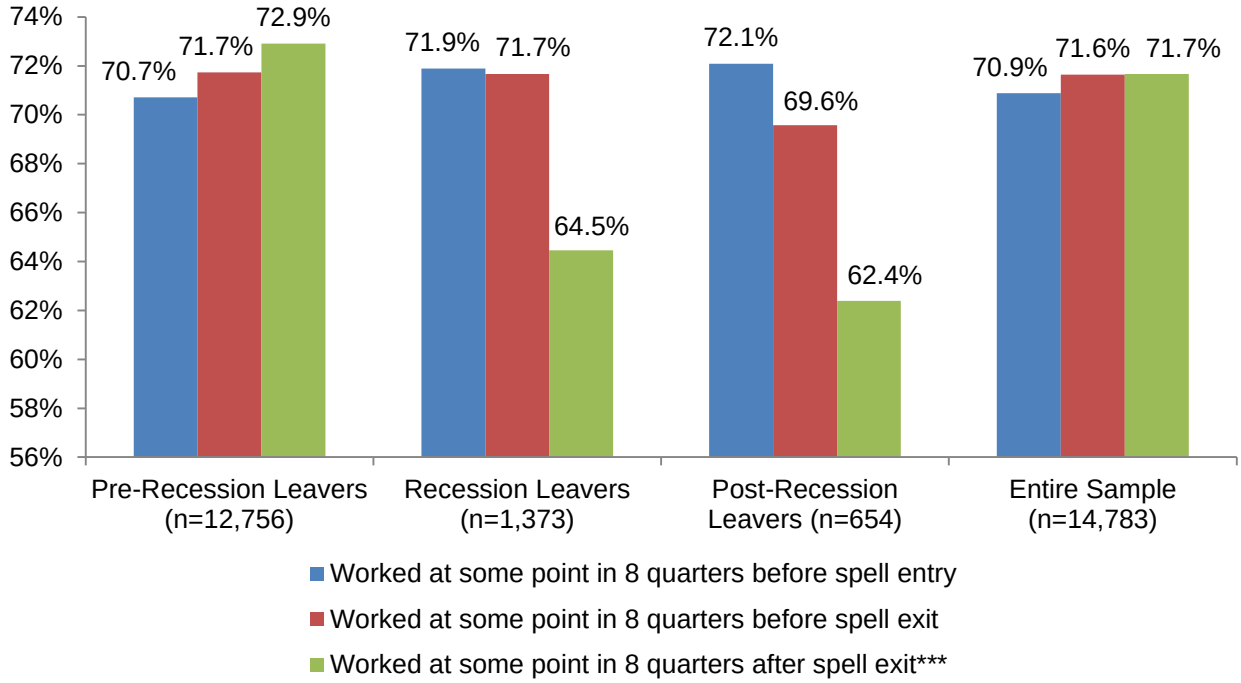
Figure 3, below, shows that caseheads had substantial work experience before entering TCA as well as after exiting TCA. For the entire sample, over seven in 10 leavers worked at some point in the two years prior to entering TCA[4] (70.9%), at some point in the two years before the exit that brought them into this study (71.6%), and at some point in the two years after exiting TCA (71.7%). Substantial work effort has been a consistent finding in every *Life after Welfare* report, dating back more than 10 years. This indicates that the women in our sample had a strong attachment to work before they received TCA, and it also demonstrates that receiving TCA did not weaken their attachment to the labor force.

There are some differences in this pattern by exit cohort, however, and they reflect the devastating effects of the recession. Among pre-recession leavers, about 70% worked before coming onto welfare (70.7%), before their cases closed (71.7%), and in the two years after exit (72.9%). The picture was different and less positive in cases closed during and since the recession. A majority of adults in both groups worked in all three time periods (before, during, and after being on welfare), but their lowest employment rates were observed after the welfare case closure. About seven in 10 worked at some point in the two years before coming onto welfare (71.9% recession, 72.1% post-recession) and in the two years immediately prior to case closure (71.7% recession, 69.6% post-recession). However, in the two years after the exit that brought them into our sample, UI-covered employment rates were 64.5% and 62.4% for the recession and post-recession cohorts, respectively.

Nonetheless, these rates are impressive given educational attainment levels and other demographic characteristics of cases in this study and the fact that their two year post-exit time frames roughly comprise the period from December 2007 through March 2012. Still, the reality is that the percentage of post-recession leavers working in the two years after case closure (62.4%) is a full 10 percentage points lower than it was for pre-recession leavers (72.9%). This is an unsettling trend, but one that almost certainly reflects the state of the economy rather than anything about post-recession leavers. And, when the economy does recover, there is reason to suspect that leavers' employment outcomes will too. Among other things, we know that these women are not strangers to the world of work. Moreover, post-recession leavers actually have slightly higher rates (72.1%) of historical employment (i.e., before welfare), meaning they are coming onto assistance with more work experience, on average. Right now, though, the data paint a clear picture: compared to those who left welfare in the earlier years of reform (1996-2007), recession and post-recession era leavers are having a much harder time finding and keeping work in this very difficult and still quite uncertain environment.

[4] Leavers join this study based on exiting a welfare spell. This entry refers to the beginning of the spell that brought them into this study. That spell may or may not be the first time that leavers received TCA.

Figure 3. Percent Employed before Spell Entry, before Exit, and after Exit



Note: These figures exclude individuals for whom we have no unique identifier (n=99) and individuals who do not have 8 quarters of follow-up data. There is additional missing data for some individuals in the pre-recession (n=162) and post-recession (n=2) cohorts in the 8 quarters before spell entry. Listed Ns include these additional missing data. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Earnings are another important metric to consider. Figure 4 presents trends in total earnings for three time periods (two years before welfare entry, two years before welfare exit, and two years post-exit). Unlike our employment findings, earnings trends are generally positive for the sample as a whole and, separately, for each cohort, meaning that earnings trend upward over time. For the entire sample, leavers earned, on average, $16,375 in the two years before spell entry, about $2,000 less ($14,025) in the two years before spell exit, and over $5,000 more ($21,703) in the two years after spell exit. The sizable increase—over 30%—between total earnings in the two pre-welfare years and two years post-welfare is heartening and suggests that work activities associated with TCA receipt may have helped leavers increase their earning potential.

In terms of cohort differences, the key finding is that more recent cohorts have higher earnings at all three measuring points, on average. As Figure 4 shows, pre-recession leavers averaged $15,808 in the pre-welfare period, compared to $19,464 and $20,634 for recession and post-recession leavers, respectively. All three groups averaged about $2,000 less in the two years leading up to case closure ($13,429 pre-recession; $17,632 recession; $18,221 post-recession). Most importantly, average earnings in the two post-exit years eclipsed before-entry earnings for all three cohorts, although the increase was greatest (nearly $6,000) for those whose cases closed before the recession began. Pre-recession leavers' average earnings were $21,675 in the two years after case closure compared to $21,558 for recession leavers and $22,651 for post-recession exiters.

Our post-recession leavers exhibited the smallest absolute increase in earnings over time (about $2,000), but in all three time periods they earned more, on average, than other leavers, although the difference was not statistically significant in the post-exit period. While we saw earlier that fewer post-recession leavers are working, it does appear that those who are able to leave welfare for work are initially earning more, on average, than those who left welfare in earlier years.

Figure 4. Total Earnings before Spell Entry, before Exit, and after Exit

Note: These figures exclude individuals for whom we have no unique identifier (n=99) and individuals who do not have 8 quarters of follow-up data. Valid Ns vary according to the number of individuals working; listed Ns refer to mean total earnings in 8 quarters before spell entry. Wages are standardized to 2011 dollars. *p<.05, **p<.01, ***p<.001

We take a more detailed, quarter-by-quarter look at each cohort's employment and earnings in the pre-exit and first post-exit year, presenting our findings in Figures 5 and 6, following. Figure 5 displays the percent of adults who were employed in each quarter, beginning with the fourth quarter (i.e. one year) before case closure and ending with the fourth quarter (i.e. one year) after closure by exit cohort. Each cohort of clients is graphed separately.

The specifics differ somewhat by cohort, but the general trends are the same no matter when the case closed: employment rates are lowest before case closure; employment peaks at or shortly after case closure; and employment participation remains higher after exit than it was before exit for all cohorts. However, cohort differences are statistically significant in each quarter examined. Not surprisingly, it is post-recession leavers who fare less well at each measuring point; their employment rates are the lowest in every quarter examined. One year before case closure, to illustrate, about two in five pre-recession (37.2%) and recession (39.8%) leavers were working, compared to about one in three (33.8%) post-recession leavers. In the peak employment quarter as well, post-recession leavers' employment rate (40.5%) is depressed compared to the rates of those who left welfare during (44.4%) or before (50.0%) the recession.

By the end of the first full year after the welfare case closure, Figure 5 shows that employment participation declined slightly for all cohorts. Just under half (48.4%) of pre-recession leavers and about two in five recession (40.7%) and post-recession (38.3%) leavers have employment in a UI-covered Maryland job. The main difference across cohorts lies in where they start. Pre-recession leavers have the highest employment rates at the outset, and although employment among recession and post-recession leavers does go up over time, it never exceeds, or at most points even reaches, the rates observed among those who left welfare in more prosperous economic times.

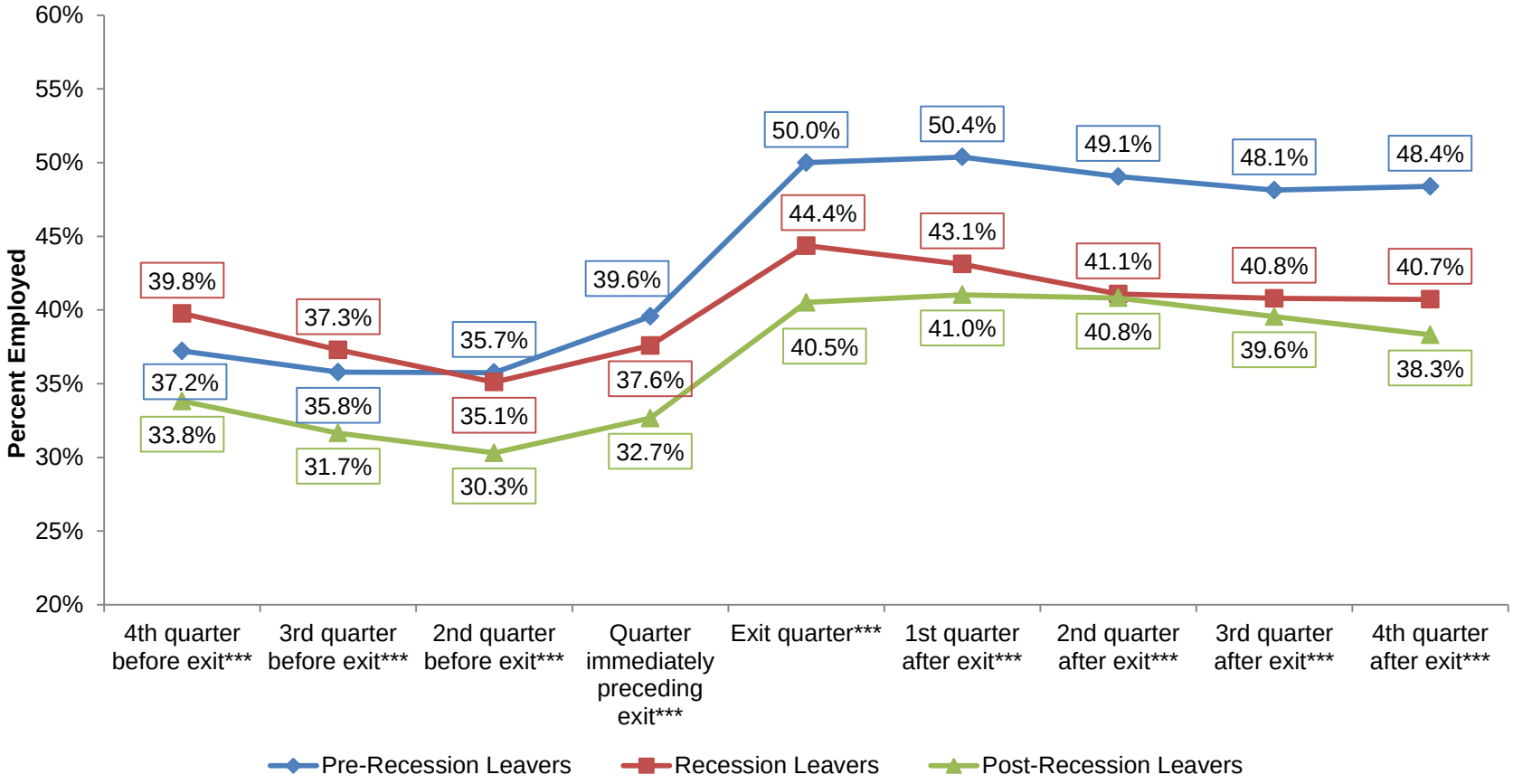
Figure 6 presents findings about mean quarterly earnings over the same pre- and post-exit timeframe and does so separately for each cohort. As with employment participation, the trend over time is largely the same for all three cohorts. Earnings are lowest before the welfare case closure and go up over time such that, by the end of the first full post-exit year, mean quarterly earnings for all three cohorts were larger than they were at the outset (i.e., one year before exit).

Similar to our employment findings, however, mean quarterly earnings do differ by cohort and those differences are statistically significant (in all but one quarter). Likewise, Figure 6 illustrates that, in general, the dollar amounts of clients' mean quarterly earnings at the last measuring point are at least partially a function of what their average quarterly earnings were at the first measuring point. That is, while mean quarterly earnings go up over time in all three groups, the cohort that started with the highest mean earnings was the one that ended with the highest mean earnings as well. In stark contrast to our employment findings, pre-recession leavers have the lowest mean quarterly earnings, even after adjusting for inflation, despite higher employment rates. One year before exit, for example, pre-recession leavers earned $3,207 per quarter, on average, while recession leavers averaged $3,920 and post-recession leavers, $3,979. In the quarter in which the welfare case closure took place, average earnings were $3,215, $3,364 and $3,511 for the pre-recession, recession and post-recession groups, respectively[5].

Throughout the first post-exit year, the earnings trend was generally upward for all three groups, but only the pre-recession cohort experienced positive gains in mean earnings from each quarter to the next, averaging $4,053 in the fourth post-exit quarter. Fourth quarter post-exit mean earnings were also higher for recession ($4,328) and post-recession ($4,483) leavers than they had been in at the time of case closure ($3,364 and $3,511, respectively), but the path to that endpoint was a little bumpy. Among those whose cases closed after the recession officially ended, there was a slight dip in mean quarterly earnings between the first ($4,026) and second ($3,947) post-exit quarters. These leavers' average earnings rebounded in the third ($4,082) and fourth ($4,483) quarters, however. A different sort of hiccup was found with regard to recession leavers. Their mean quarterly earnings steadily increased from $3,075 immediately before case closure to $3,364 in the exit quarter and first ($4,060) and second ($4,369) quarters after exit. This proved to be the earnings peak for recession era leavers, however, as mean earnings were lower in the third ($4,236) and fourth ($4,328) quarters after exit.

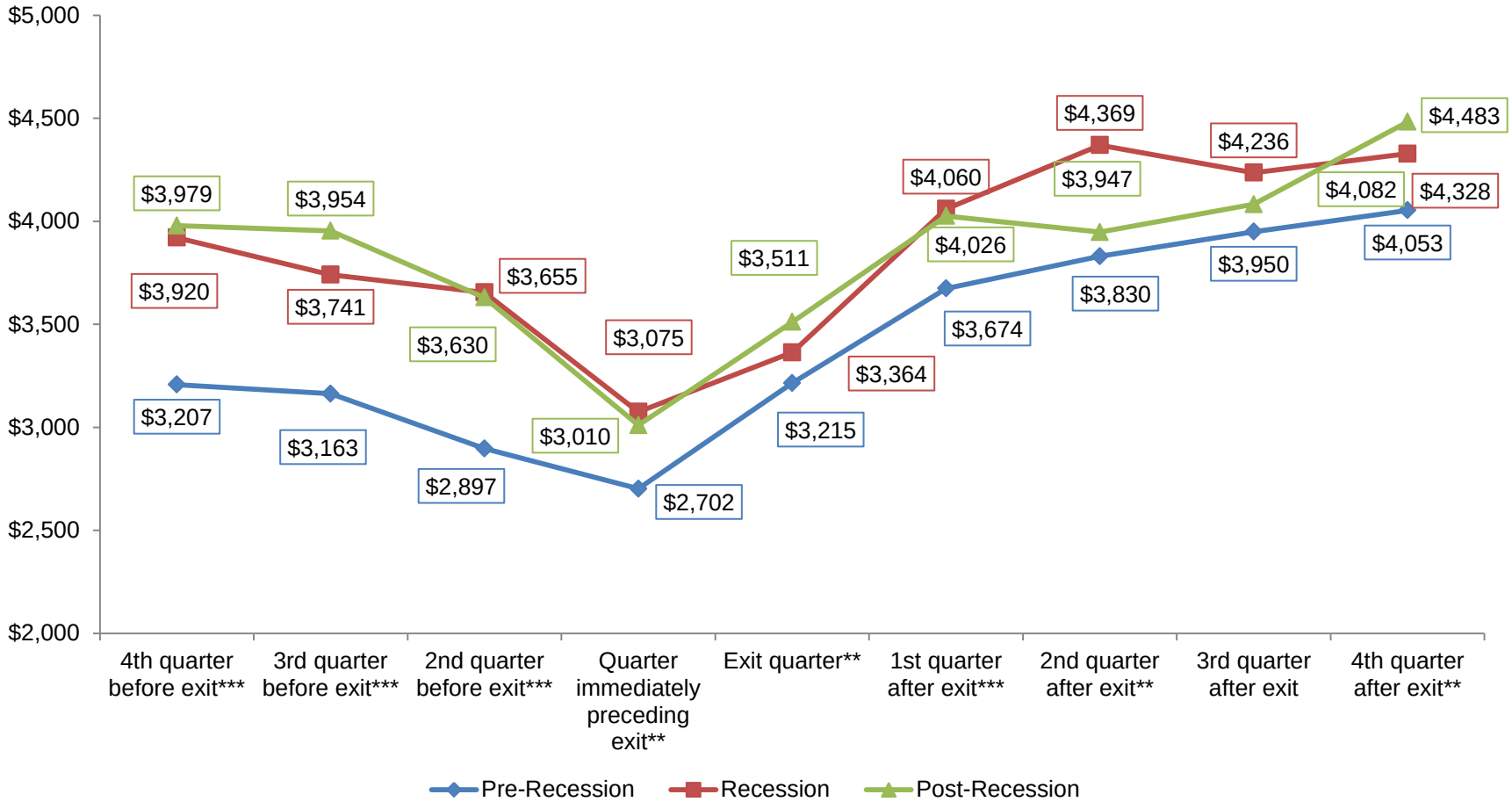
[5] The minimum wage increased incrementally between July 2007 when it was $5.15 and July 2009 when it reached $7.25, the level at which it remains today. This likely has at least a small effect on cohort earnings differences.

Figure 5. Percent Employed Four Quarters before through Four Quarters after Exit



Note: These figures exclude individuals for whom we have no unique identifier (n=99). Additionally, follow-up quarters exclude individuals who do not have a full quarter of follow-up data; therefore valid Ns vary according to the availability of follow-up data. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

Figure 6. Mean Quarterly Earnings Four Quarters before through Four Quarters after Exit



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

What are leavers' long-term employment outcomes?

Maryland has an unrivaled wealth of longitudinal data on welfare leavers' long-term employment and earnings outcomes. This is because of the forethought demonstrated by elected and appointed officials and advocates in envisioning this study when welfare reform began more than 15 years ago. In this section of the chapter we use these rich data to provide a snapshot of the long-term employment outcomes of the adults in our study.

When considering the findings presented, several important caveats must be kept in mind. First, our employment data are specific to Maryland and, within the state, to jobs covered by the Unemployment Insurance (UI) program. Maryland's overall rate of out-of-state employment is nearly five times the national average, so it is almost certain that at least some of the adults in our sample worked outside of Maryland. Although we do not think that this percentage is high, our lack of data on jobs in other states likely does have a depressing effect on findings, albeit one of unknown magnitude.

Second, having as many as 15 years of follow-up data is a treasured and rare resource, but also adversely affects employment findings. Because the length of the study period is so long, as adults move out of state, join the military, marry, retire or pass away, they disappear from our employment data and thus appear not to be working. We try to partially address this issue by looking at the phenomenon of 'disconnection,' families who, after a welfare case closure, cannot subsequently be located in the Maryland cash assistance or employment databases.

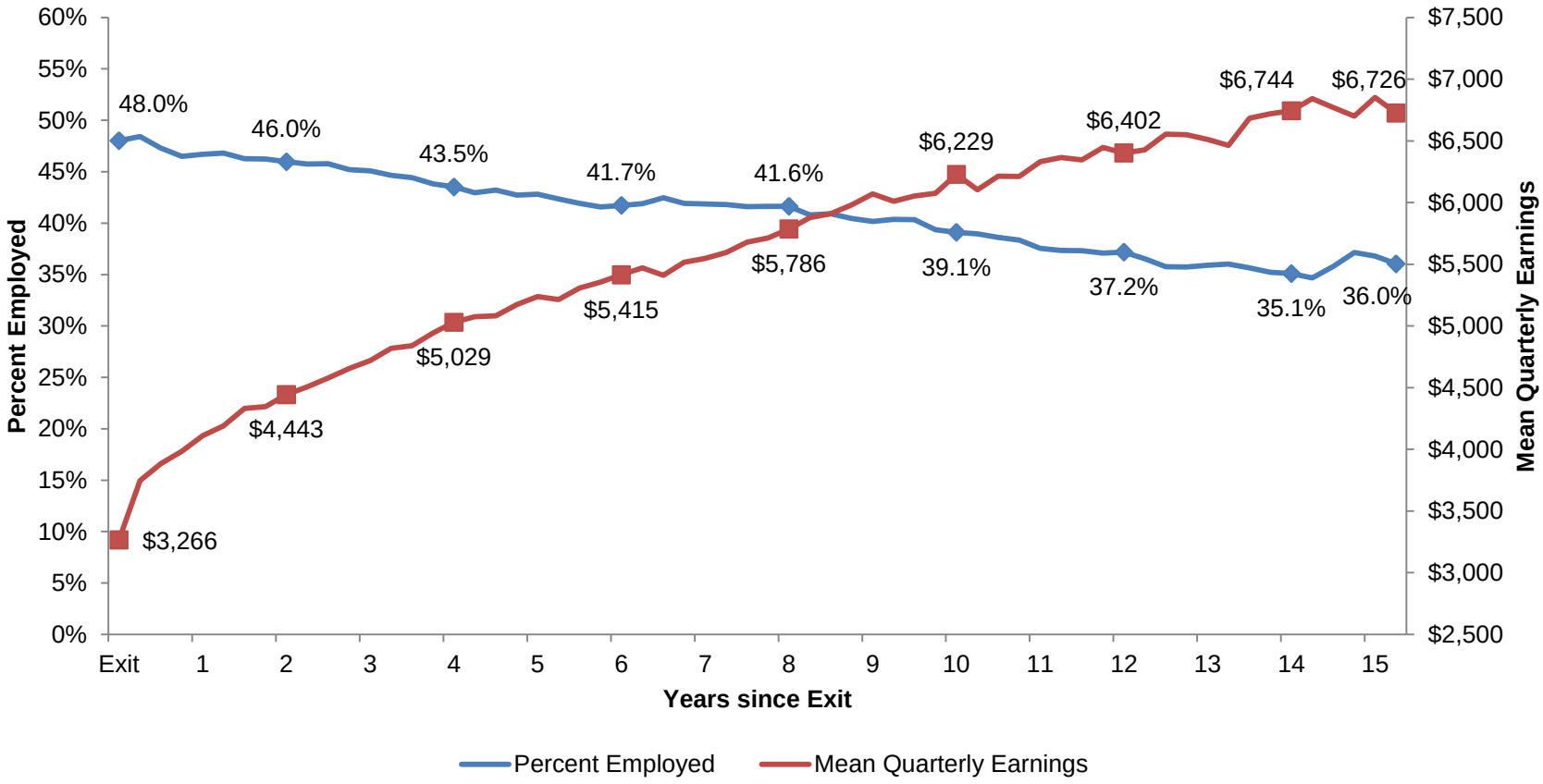
Third, the longitudinal nature of our study means that in the figures which follow, the findings in each subsequent year represent data from a smaller sample than the year before. For example, we have employment data for the quarter of case closure for nearly all sample members (n=16,805) but, for the 15th post-exit year, on only 973—the clients whose welfare cases closed in the early days of welfare reform (i.e., October 1996 to March 1997). The practical impact is that employment findings for follow-up years most proximate to the case closure (e.g., year 1, year 2, etc.) reflect employment over the entire span of time because clients' first post-exit year could have been as early as 1997 (if they exited in 1996) or as late as 2011 (if their case closed in 2010). At the other end of the spectrum, employment data for follow-up years far distant in time from the case closure (e.g., year 13, year 14, etc.) reflect employment in the most recent years. For example, follow-up employment data for year 14 would represent employment roughly between October 2010 and March 2012 for persons whose welfare cases closed between October 1996 and March 1998. In short, the employment data and findings are neither perfect nor complete, for reasons beyond anyone's control. They are by far the best and most reliable, large-scale employment outcome data available in any state, however.

Notwithstanding the caveats above, it is important to describe what we do know about adults' employment and earnings trends over time. We begin with Figure 7, which plots quarterly employment rates and average quarterly earnings from the welfare exit quarter through 61 quarters after exit (15 ¼ years). As shown, the trend lines move in opposite directions: the percent of leavers in Maryland UI-covered employment goes down over time while mean quarterly earnings go up. More specifically, the percent employed is 48.0% in the welfare exit quarter, but 36.0% some 15 years later. As Figure 7 shows, this 12 percentage-point decline occurs very gradually over the study period, but at the end of the follow-up period, employment participation is 25% lower than in the exit quarter.

Everyone would rather see employment rates rise over time, but the endpoint rate of 36% does represent substantial labor force attachment. Our employment rates in later years, remember, reflect the recession and post-recession years of massive job losses, elevated unemployment and little job growth. Then, too, as noted previously, there are many other factors that may affect employment participation or our findings (e.g., marriage, retirement, disability, out-of-state move/job, death).

In contrast to employment participation, which decreases over time, mean quarterly earnings increase over time, more than doubling from the exit quarter ($3,266) to the end of the follow-up period, some 15 years later ($6,726). The considerable growth in quarterly earnings over time indicates that some welfare leavers have been able to remain off TCA because their earnings are consistently high enough to support their families, although some may still require the aid of work supports like Food Supplement benefits and Medical Assistance.

Figure 7. Percent Employed and Mean Quarterly Earnings after Exit

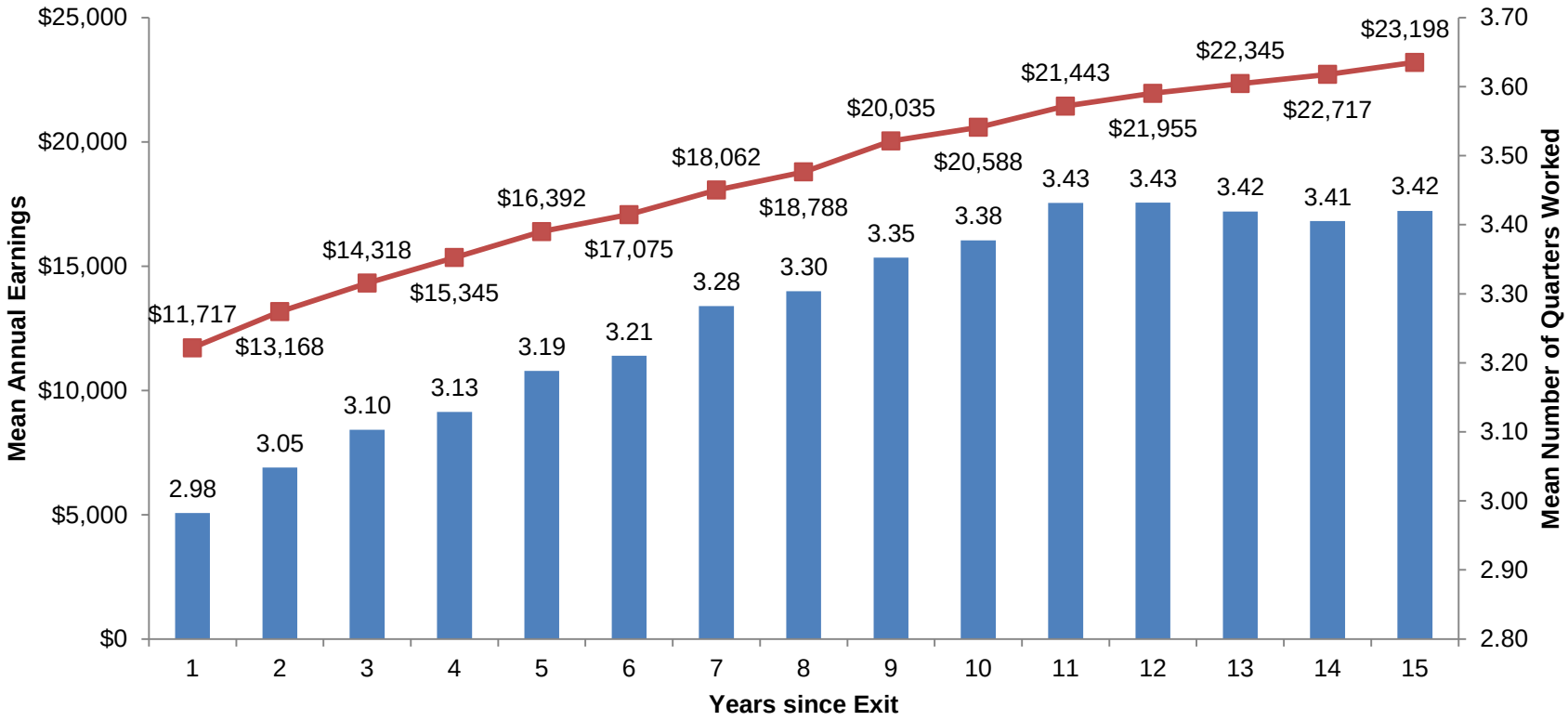


Note: We exclude 99 sample members for whom we have no unique identifier, and mean quarterly earnings only include those who were working. As years since exit increase, the number of individuals in the sample with employment and earnings decrease, so there are 16,805 individuals in the exit quarter and 505 individuals in the 61st quarter after exit. Also, as noted previously, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed or inferred from these data. Finally, wages are standardized to 2011 dollars.

Figure 8 provides a different perspective on long-term employment outcomes. Rather than employment participation and earnings by quarter, Figure 8 gives us a crude measure of adults' work effort and a rough indicator of the monetary return on that effort. That is, it shows the number of quarters per year in which leavers worked, on average, and their average annual earnings. Both trends are positive: the average number of quarters worked per year and average annual earnings increase over time. The increase is particularly steep for earnings, which almost double, increasing from $11,717 in the first year after exit to $23,198 in the 15th post-exit year. Labor force attachment among employed adults is consistent and substantial, never averaging less than three quarters (2.98) per year. Work effort appears to peak around 3.4 quarters (in year 11) and has remained stable since then. The general conclusion would be that employed leavers have quite positive outcomes over an extended period of time; they work in at least three of every four quarters each year and their earnings grow markedly over time.

Several important questions remain, however. Among these questions are the extent to which families' work and welfare statuses change over time, whether there is more fluidity depending on when the case closure took place, and how many families seem to be disconnected from both work and welfare. We explore these issues in the next chapter.

Figure 8. Annual Mean Number of Quarters Worked and Mean Earnings



Note: We exclude leavers for whom we do not have a unique identifier (n=99) and those without a full year of employment data available (March 2011 and after). In addition, average number of quarters worked and average yearly earnings are only for those working. Wages are standardized to 2011 dollars.

FINDINGS: WORK AND WELFARE STATUS

In the preceding chapter, we presented a number of findings about the employment and earnings patterns of the adult caseheads who experienced a cash assistance case closure and were randomly selected into our study sample. A separate, earlier chapter presented information about the extent to which families return to welfare after exiting and the risk factors associated with such returns. Separate examination of these two phenomena is informative and helps us understand trends and emerging issues in each area. With regard to employment, we saw that while work effort is substantial and persistent over time, fewer post-recession leavers work immediately after exit compared to those whose cases closed in the pre-recession era. On the other hand, we also observed that post-recession leavers who find jobs earn more than working adults whose exits took place much earlier. Similarly, it is important for managers to know that while most families leave welfare and do not return, recidivism rates have increased since the recession, remaining at elevated levels today.

In reality, of course, families' lives are complex and dynamic and the range of their possible post-exit outcomes is certainly not limited merely to working or returning to welfare. Moreover, a family's status may change so that, in actuality, they have different outcomes at different points in time. Some of the other possible outcomes for our families (e.g., military enlistment, out-of-state move or job) are beyond our ability to examine at this time, but others are not. Thus, in this chapter, we integrate our work and welfare outcome data to describe families' packaging of and movement among welfare, work, and apparent disconnection from both. This provides additional, valuable information about how 'life after welfare' is unfolding for the families in our study sample, especially now when times are tough for many American families, including those headed by adults with far more education and cutting-edge job skills. For example, if we find that concurrent employment and welfare receipt is common, this would suggest that the adults' jobs have low wages, are unstable, have variable hours, or are temporary or part-time. Conjoint examination of work and welfare status is also important because other research has found that the number of "disconnected" families—those who do not receive cash assistance or participate in the labor force—has been growing since welfare reform (Loprest & Nichols, 2011). Although an earlier study of chronic disconnection among Maryland welfare leavers found that most were, in fact, connected to at least one other support program such as Supplemental Security Income or Medical Assistance, it behooves us to continue to track the phenomenon of disconnection (Ovwigho, Kolupanowich & Born, 2009).

To carry out the integrated work-welfare-disconnection analysis, we assign each sample case to one of four all-inclusive and mutually-exclusive categories:

1) **Work**: Maryland UI-covered employment, no cash assistance (TCA) receipt;
2) **Welfare**: TCA receipt, no Maryland UI-covered employment;
3) **Work & welfare**: TCA receipt and Maryland UI-covered employment; and
4) **Neither**: No TCA receipt and no Maryland UI-covered employment.

These are annual case-level assignments. This means that in each follow-up year (from 1 to 15) for which we have full-year data for the case, it is placed in one of the four categories above, based on whether the data show that the adult worked, was on welfare, did both, or did neither at some point in that year. Across the follow-up period, a case could appear in several different categories, but it could not appear in more than one category each year. It

should be noted that category assignment is based on the presence or absence of work or welfare. The analysis does not control for how many quarters of each year sample adults worked or how many months of each year they received welfare, so it should not be assumed that they spent the entire year doing either.

What are leavers' combined work and welfare statuses over time?

Figure 9 displays work and welfare status separately for each post-exit year, from the first through the fifteenth. As shown, "work only" was the most common status in the first follow-up year (47.1%) and in every year thereafter, up to and including the eighth year. Even in later years, distant from the welfare exit (i.e. years 9 through 15), at least four of every 10 cases are "work only".

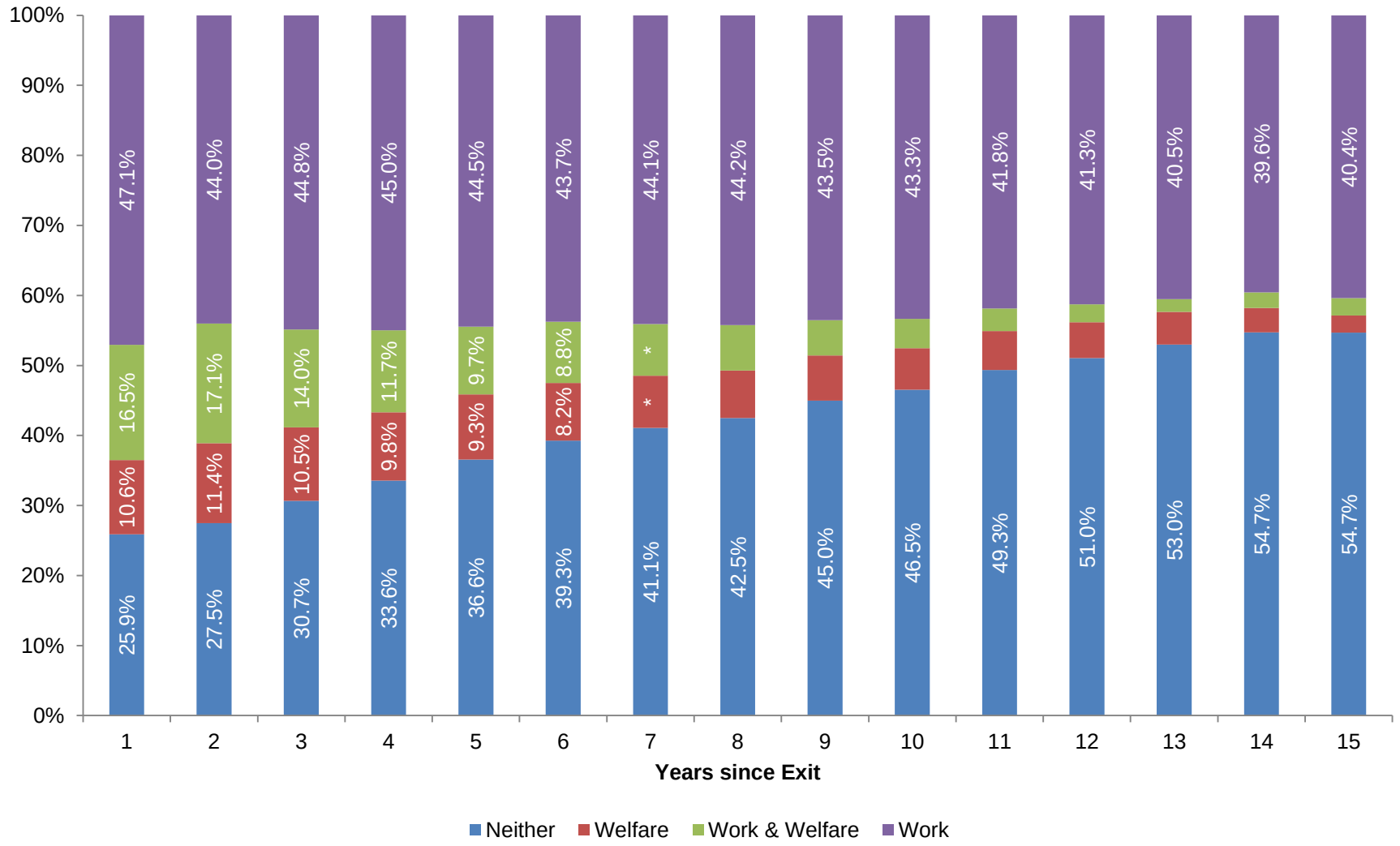
These "work only" figures actually understate how many leavers work because they do not take into account the adults who, in any given year, received welfare but also worked (not necessarily at the same time). In the first post-exit year some 16.5% of adults had this outcome, meaning that more than three-fifths (63.5%) of all adults in our sample had some UI-covered paid employment in their first post-exit year. The percentage of cases in the 'work and welfare' category remains about the same (17.1%) the next year and then declines gradually, but steadily, in each succeeding year. To illustrate, at five years after exit, about one in ten (9.7%) leavers both worked and received TCA and, by 15 years after exit, only 2.5% of cases were in this category.

The red segments on Figure 9 represent clients who had only cash assistance income. In every follow-up year, only a small fraction of cases are in this category, no more than about one in 10 in any given year. As one would hope, the fraction of clients in this group is highest in the first two years after the welfare exit that brought them into our study sample, then steadily declines over time. In the first post-exit year, one in ten (10.6%) leavers received TCA but had no employment, and the rate was similar (11.4%) in the second year; by the 15th year, however, the rate had declined to just 2.5%. These figures understate the number of cases that receive TCA after case closure because, as noted previously, another and larger group of clients had both cash assistance and employment income. However, these 'welfare only' findings should be considered positive because they make it clear that being wholly dependent on cash assistance for income support is not a common outcome for welfare leavers in our state.

The fourth and final category, represented by the blue portions of Figure 9, indicates cases where the adult neither worked in Maryland UI-covered employment nor returned to TCA. In the first year after exit, one in four (25.9%) leavers fit this description and, in today's welfare lexicon, would be considered 'disconnected'. The size of the 'disconnected' group steadily increases over time, becoming the largest category of the four by the end of the 15-year follow-up period and accounting for a bit more than half (54.7%) of all cases in our sample.

It could be tempting to facilely assume the worst about the 'disconnected' population, but a research project focused exclusively on this group indicates that it would be a mistake to do so. In that project, we found that a majority of households disconnected from work and welfare had income from other sources, most often another adult's earnings, child support and/or Supplemental Security Income. Also, a substantial portion of disconnected leavers were child-only cases that closed because the child left the household. Furthermore, many disconnected leavers were not actually disconnected from all forms of assistance, receiving Food Supplement allotments or Medical Assistance (Ovwigho, Kolupanowich, & Born, 2009). Despite the study's general finding that most 'disconnected' families are not, in fact, totally or permanently disconnected from public or private income support programs, there is no question that the phenomenon of disconnection deserves policy and research attention. Later in this chapter we provide some information about the extent to which *Life after Welfare* cases are disconnected from welfare (cash assistance) and work but are connected to certain other public income support programs.

Figure 9. Work and Welfare Status since Exit



Note: We exclude leavers for whom we do not have a unique identifier (n=99) and those without a full year of employment data available (those exiting between April 2011 and March 2012) In addition, the number of valid cases decreases as the number of years since exiting increases See Appendix A for sample sizes for each follow-up period. Valid percentages are reported. *Percentages in TCA only and Employed & TCA categories both decline from 7.4% in the seventh year after exit to 2.5% in the 15th year after exit.

Does work and welfare status vary by cohort?

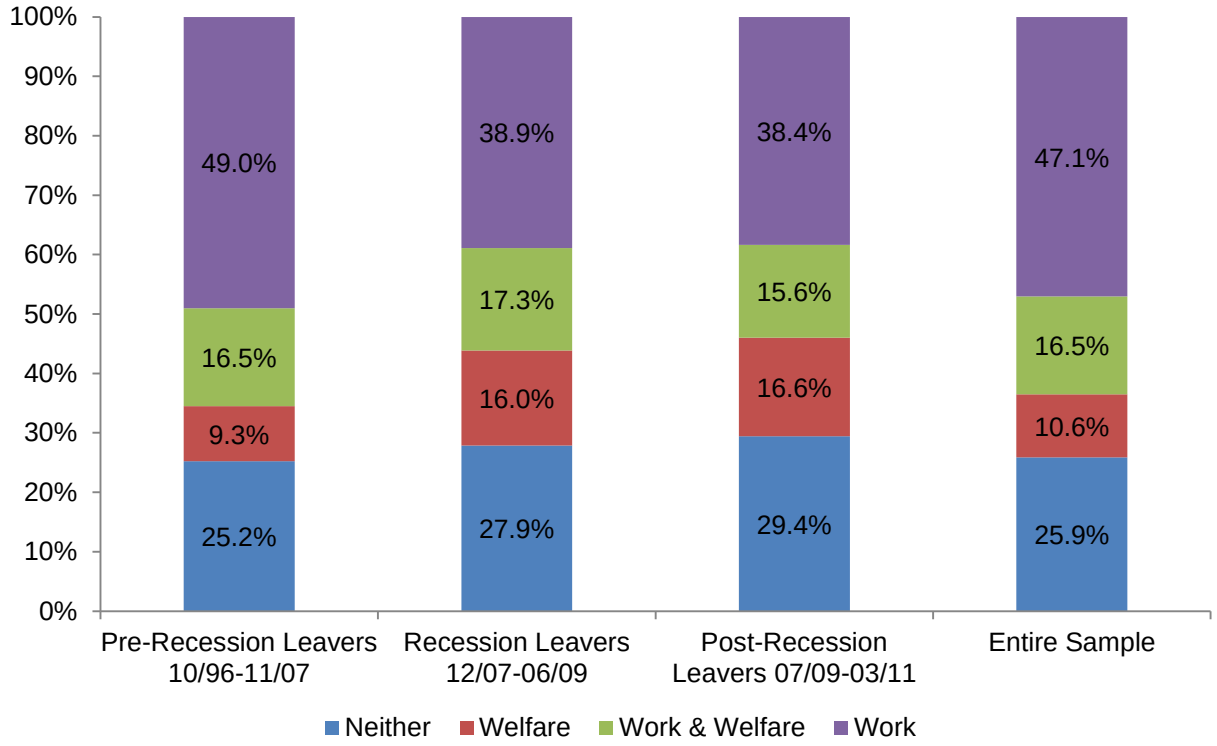
Adults in this study demonstrate long-term workforce involvement: 70% of them worked before coming on welfare and 70% worked after the welfare case closure. However, the destructive effects of the recession are starkly evident in this year's employment outcomes data. At every measuring point, post-recession leavers, as discussed previously, fare less well than other leavers in terms of post-exit employment rates. During the first post-exit year, for example, the UI-covered employment rate among post-recession leavers is a full 10 percentage points lower (38.3%) than the rate among pre-recession leavers (48.4%). This was true even though the post-recession leavers were more likely to have finished high school, to have prior work experience, and to have earned more in the past. Returns to welfare after exit are also significantly more common (by about five percentage points) among those whose cases closed after the economic tsunami struck. It would be surprising if we did not also find cohort differences when we sort cases into the four categories (work only, welfare only, work and welfare, neither) based on which designation fits their experience during the first year after the welfare case closure.

There are no surprises. Figure 10 shows statistically significant differences in first year post-exit work and welfare status by exit cohort. Most tellingly, about half of pre-recession leavers (49.0%) worked and received no cash assistance at all in the first year, compared to slightly fewer than two in five recession (38.9%) and post-recession (38.4%) leavers. The percentage of leavers who combined work and welfare was similar across cohorts (16.5% pre-recession, 17.3% recession, 15.6% post-recession). The picture is unchanged when we consider the 'work only' and 'work/welfare cases together. Two of every three (65.5%) pre-recession leavers work in the first year, compared to 56.3% of recession cases and 54.0% of post-recession cases.

Patterns with regard to the final two categories tell a similar tale. Cash assistance receipt in the first follow-up year is the least common outcome in all three cohorts, but it is noticeably more prevalent among recession (16.0%) and post-recession (16.6%) leavers than among pre-recession leavers (9.3%). Similarly, one in four (25.2%) pre-recession leavers was disconnected from welfare and work in the first post-exit year as were 27.9% of those whose cases closed during the recession. As shown on Figure 10, post-recession leavers had the highest percentage of disconnection—almost three in ten (29.4%) neither worked nor received TCA in Maryland in the 12 months following case closure.

The main differences across cohorts, then, seem to be in the "only" categories: only Maryland UI-covered employment, which was higher prior to the recession, and only TCA receipt, which was lower before the recession. These data strongly imply that recession and post-recession leavers, like so many other Americans, are having more difficulty finding jobs or keeping jobs and, as a result, they are more likely to return to cash assistance. They are also slightly more likely to be disconnected from both work and welfare. This is a trend we will continue to monitor.

Figure 10. Work and Welfare Status 1 Year Post-Exit by Cohort***



Note: One-year follow-up data are not available for leavers in April 2011 and after. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Are disconnected leavers really disconnected?

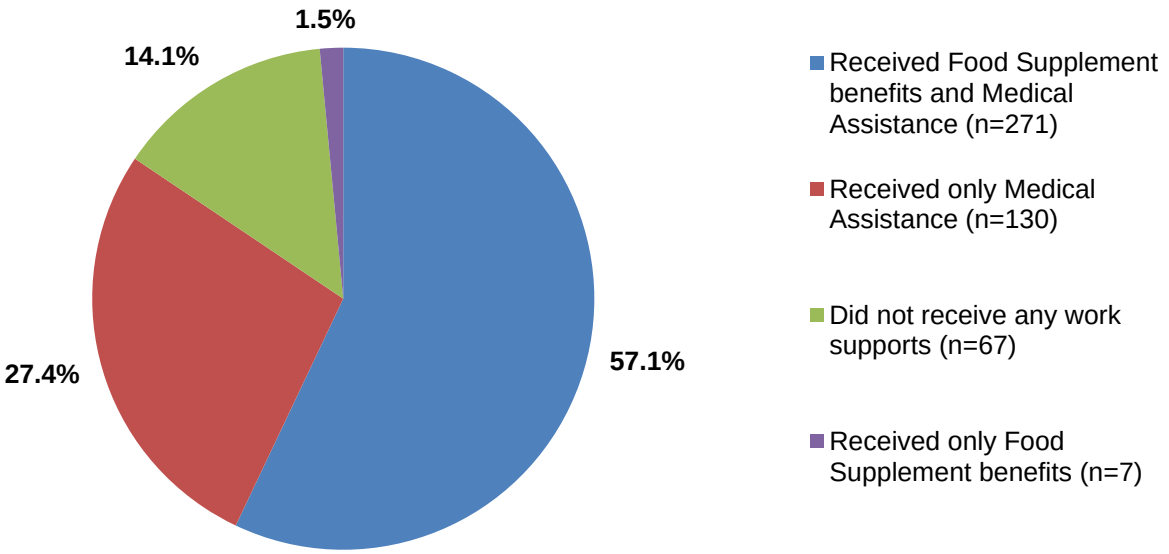
The percentage of leavers who are disconnected from both Maryland UI-covered employment and TCA has been increasing across exit cohorts, so we take a closer look at disconnected post-recession leavers. Our earlier report on disconnected leavers found that many are connected to work supports like Food Supplement, Medical Assistance, and child support (Ovwigho, Kolupanowich, & Born, 2009).

Is this also true among disconnected post-recession leavers? The answer is yes, as illustrated in Figure 11, below. The vast majority of disconnected post-recession leavers are, in fact, connected to at least one work support program. Over half (57.1%) received Food Supplement and Medical Assistance benefits at some point in the first post-exit year. An additional 27.4% participated in Medical Assistance (but not Food Supplement benefits), while a very small percentage (1.5%) received Food Supplement allotments, but were not enrolled in Medical Assistance.

Less than 15% (14.1%) of disconnected post-recession leavers (4.2% of all post-recession exit cases) were truly disconnected based on these data: they did not work in a Maryland UI-covered job or receive TCA and they did not take part in the Food Supplement or Medical Assistance programs in our state. Because our examination of potential work and income support 'connections' is far from exhaustive[6], however, the true rate of disconnection is likely even lower. What we can confirm though is that over 85% of all post-recession families which, at first glance, appear to be disconnected, do have some identifiable source of in-kind or monetary support.

[6] Among other things, we did not examine data on leavers' receipt of Unemployment Insurance, Supplemental Security Income, Social Security, child support, alimony, out-of-state or federal employment, or earnings of other adults who may live in the household.

Figure 11. Work Supports for Disconnected Post-Recession Leavers in the 1st Post-Exit Year



FINDINGS: USE OF WORK SUPPORTS

To facilitate the welfare-to-work transition, leavers may participate in various work support programs. The Food Supplement (FS) Program (Maryland's version of the federal Supplemental Nutrition Assistance Program, SNAP), Medical Assistance/M-CHP, and child support, among others, can assist working parents in making ends meet. In fact, sometimes these supports are what allow clients to transition off and remain independent of cash assistance. For other families, FS and MA receipt may obviate the need for cash assistance at all. For so-called 'disconnected' families in which no one appears to be working or receiving TCA—a group which has been increasing—these programs represent an essential safety net. The SNAP program, in particular, has broad reach and presently serves a record number of individuals, more than 40 million people or one in seven Americans (Garr, 2011). In this chapter we explore the extent to which leavers use Food Supplement, Medical Assistance/M-CHP, and child support services after the cash assistance exit that brought them into this study.

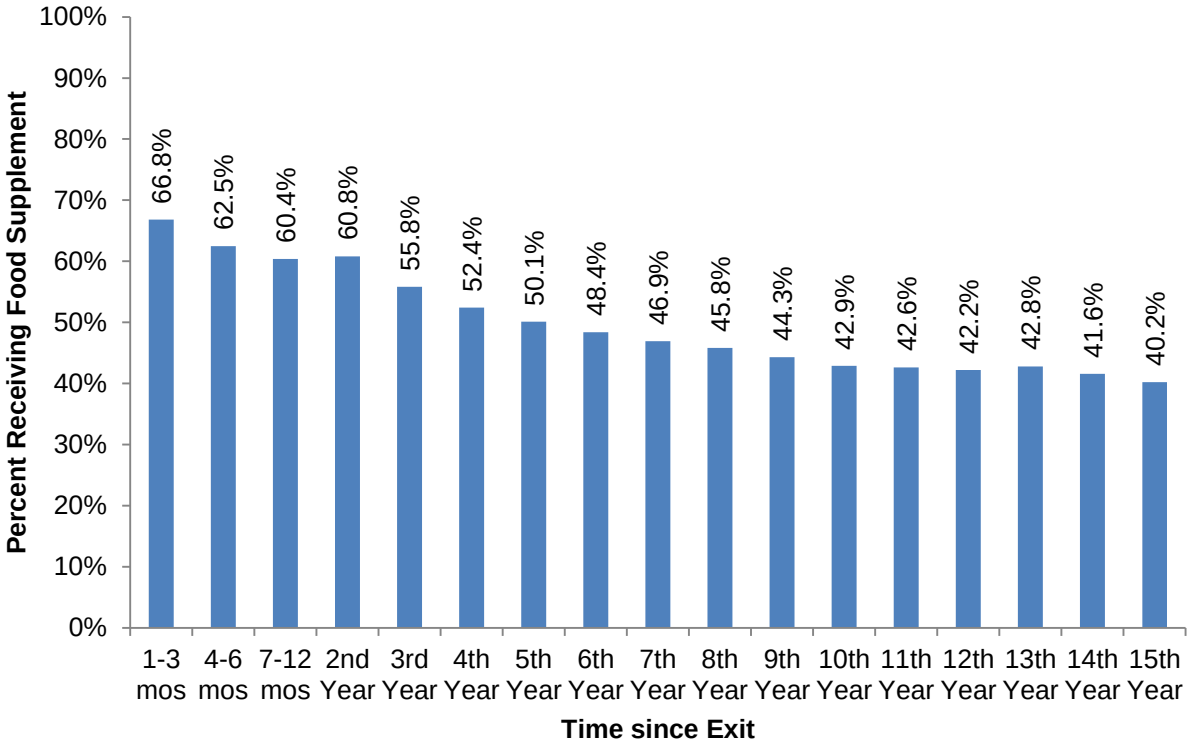
What are the Food Supplement participation patterns?

Figure 12, below, displays the percentage of leavers who received Food Supplement (FS) benefits in the full range of exit periods. In the first three months after exit, two in three (66.8%) leavers participated in the FS program and, through the end of the fifth full year after case closure, half of leavers (50.1%) were enrolled. For the relatively small number of cases for which we have 15 full years of follow-up data, we see that a sizable minority (40.2%) received FS benefits. It is clear that FS participation declines over time, but it is also clear that the program is an essential income support for former cash assistance recipient families, as it is for millions of other American families.

Nationwide, and in most states, FS caseloads have exploded since the beginning of the recession and remain at historically high levels today. FS utilization is also up slightly among the families in our *Life after Welfare* sample. In last year's edition of the *Life after Welfare* report, we noted that the percentage of leavers utilizing the FS program had increased over the previous year across the board, whether measured at the first several months after exit or in any post-exit year (Born, et al. 2011). The same is true this year: the percentage of leavers participating in the FS program has again increased at each post-exit measuring point, as the 2012 figures are about one percentage point higher than last year's figures.

In some ways, this is a welcome indicator. It means that this portion of the safety net is functioning as intended, helping families that have been hurt by the Great Recession. It also suggests that Maryland's concerted and ongoing efforts to reach out to potentially eligible families and to streamline the application process have yielded positive results. These high participation rates also signal that many former recipient families are still experiencing adverse effects of the recession, including having household incomes low enough to qualify them to receive FS supplements.

Figure 12. Post-Exit Food Supplement Program Participation Rates



Note: The amount of available follow-up data varies by exit date. Details on data availability are presented in Appendix A. Valid percentages are reported.

Does Food Supplement participation vary by cohort?

This suspicion that the Great Recession affected FS participation among leavers is corroborated by Table 7. It shows FS participation for the sample as a whole and separately for each cohort at three points in time: 1-3 months after case closure; 4-6 months post-closure; and 7-12 months post-closure. For the entire sample, FS participation was 66.8%, 62.5% and 60.4% at those three measuring points, respectively. There are statistically significant differences among the pre-recession, recession, and post-recession cohorts in all three periods, however. Furthermore, at all three measuring points utilization rates are highest among those whose cases closed most recently (i.e., post-recession leavers).

During the first three months after case closure, less than two-thirds (63.1%) of pre-recession leavers were enrolled in FS benefits, compared to three-fourths (77.0%) of the recession exiters and eight in 10 (80.1%) post-recession leavers. This pattern continues through the other two measuring periods. In months four through six and months seven through 12, fewer than 60% of pre-recession exiters took part in the FS program, compared to roughly 75% of all families whose cases closed during or after the recession. Economic recovery has been slow and unemployment remains high, so FS caseloads are likely to remain at elevated levels at least for the next few years.

Table 7. Food Supplement Program Participation Rates by Exit Cohort

	Pre-Recession 10/96 – 11/07 (n=12,792)		Recession 12/07 – 6/09 (n=1,381)		Post-Recession 7/09 – 3/12 (n=2,731)		Total Sample (n=16,904)	
Months 1-3***	63.1%	(8,076)	77.0%	(1,064)	80.1%	(1,952)	66.8%	(11,092)
Months 4-6***	58.7%	(7,509)	74.9%	(1,034)	77.1%	(1,677)	62.5%	(10,220)
Months 7-12***	57.2%	(7,312)	72.4%	(1,000)	75.3%	(1,238)	60.4%	(9,550)

Note: Follow-up data are not available for all cases in the Post-Recession cohort. Details on data availability are presented in Appendix A. Valid percentages are reported. *p<.05, **p<.01, ***p<.001.

What are the Medical Assistance participation patterns?

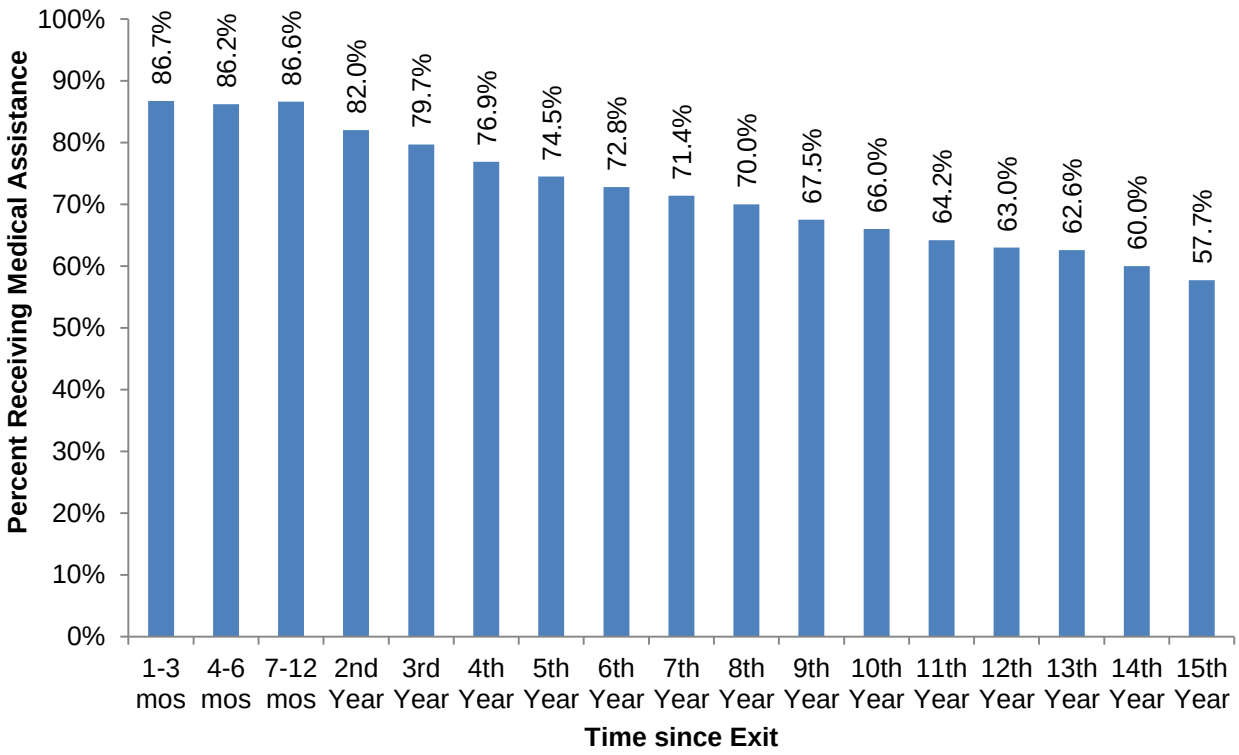
Maryland has been committed to helping its families obtain quality medical care for many years. As a result of the 2008 passage of the Working Families and Small Business Coverage Act, the state increased access to health care for low-income Marylanders years before action was taken at the federal level. With the recent Supreme Court ruling on the Patient Protection and Affordable Care Act, Maryland can now count on federal support for expanding its Medical Assistance (MA) program. Marylanders with incomes below 400 percent of the federal poverty level will be able to use federal subsidies on the Maryland Health Benefit Exchange. These provisions are particularly important for welfare leavers, who often work in positions that may not offer employer-sponsored health insurance. Between the federal and state efforts to reduce the number of uninsured Marylanders, welfare leavers have greater access to health care than they have had at any time in the past.

Figure 13, below, presents the percentage of leavers who had at least one person on the case receiving MA benefits in the months and years after the exit that brought them into this study. [7] We find that over 85% (86.7%) of leavers had at least one person receiving MA in the first three months after exit, and this percentage never declines to less than half of leavers. In the 15th year after exit, slightly less than three in five (57.7%) leavers had at least one case member participating in the MA program. This indicates that a substantial portion of leavers may continue to need assistance in accessing health care long after they exit welfare, even if they never return to TCA. One might expect these numbers to rise further as Medicaid expands. If leavers use subsidies to acquire health insurance on the exchange, however, this may lower the percentage of leavers who receive MA.

As with FS participation, MA participation has increased across the board from our 2011 *Life after Welfare* report. It is a rather small increase, less than a percentage point (e.g. 86.1% received MA in 1-3 months after exit in 2011, 86.7% did the same in 2012), but it does suggest that need has not receded.

[7] Because this percentage represents any child or adult on the assistance unit who received MA benefits, it does not necessarily mean that all people on the case are participating in MA.

Figure 13. Post-Exit Medical Assistance Participation Rates



Note: The amount of available follow-up data varies by exit date. Details on data availability are presented in Appendix A. Valid percentages are reported.

Does Medical Assistance participation vary by cohort?

We also examine if and how MA participation varies by exit cohort in the first one to three months, four to six months and seven to 12 months after case closure. Participation is high in all three cohorts at all three time periods, for children as well as payees. The results, shown in Table 8, are consistent with the cohort-specific Food Supplement findings above. In all three time periods, recession and post-recession cases are significantly more likely to be enrolled in MA than pre-recession cases are, regardless of whether the participating person is the payee or a child. More than seven in 10 (72.1%) payees and four in five children (80.8%) in the pre-recession cohort receive MA in the first three months after exit. In contrast, more than four of five (82.3% recession, 85.7% post-recession) payees and more than nine in 10 children in the recession (92.3%) and post-recession (92.4%) cohorts receive MA in the first three months after exit.

This pattern continues in the later time periods. Children in the recession and post-recession cohorts continue to have a very high level of MA participation in the four to six months and seven to 12 months following the case closure that brought them into this study. More than nine in 10 receive MA in both periods (4-6 months: 91.5% recession, 91.1% post-recession; 7-12 months: 91.4% recession, 90.8% post-recession). Payees in the recession and post-recession cohorts also maintain a level of MA participation in the four to six months and seven to 12 months after exit similar to their level of MA participation in the first three months after exit. Over four in five payees in both cohorts receive MA in the

four to six months (81.0% recession, 83.2% post-recession) and seven to 12 months (80.7% recession, 83.2% post-recession) following the exit that brought them into this study.

Pre-recession leavers adhere to the pattern set in the first three months after exit as well, with seven in 10 (70.5%) payees receiving MA four to six months after leaving and over two in three (68.3%) receiving MA seven to 12 months after leaving. As with the other cohorts and time periods, children have a higher level of participation, as four in five of them receive MA in the four to six months (80.8%) and seven to 12 months (81.4%) after exit.

It is worth noting that MA participation is generally higher than FS participation, suggesting that MA is a particularly important work support. The fact that over 90% of children in the recession and post-recession cohorts receive MA through the first year after exit provides concrete evidence of the great value of this program to families. It also confirms the wisdom of Maryland's unwavering and now long-standing efforts to make health care available to all of its people.

Table 8. Medical Assistance/M-CHP Participation Rates by Exit Cohort

	Pre-Recession 10/96 – 11/07 (n=12,792)		**Recession** 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/11 (n=2,436)		**Total Sample** (n=16,609)	
Months 1-3								
Payee***	72.1%	(9,223)	82.3%	(1,137)	85.7%	(2,088)	74.9%	(12,448)
Any Child***	80.8%	(10,331)	92.3%	(1,275)	92.4%	(2,252)	83.4%	(13,858)
Any Case Member***	84.2%	(10,772)	94.7%	(1,308)	95.5%	(2,327)	86.7%	(14,407)
Valid N		(12,792)		(1,381)		(2,436)		(16,609)
Months 4-6								
Payee***	70.5%	(9,017)	81.0%	(1,118)	83.2%	(1,808)	73.1%	(11,943)
Any Child***	80.8%	(10,337)	91.5%	(1,263)	91.1%	(1,980)	83.1%	(13,580)
Any Case Member***	84.0%	(10,745)	93.6%	(1,293)	94.2%	(2,047)	86.2%	(14,085)
Valid N		(12,792)		(1,381)		(2,174)		(16,347)
Months 7-12								
Payee***	68.3%	(8,739)	80.7%	(1,115)	83.2%	(1,368)	70.9%	(11,222)
Any Child***	81.4%	(10,410)	91.4%	(1,262)	90.8%	(1,493)	83.2%	(13,165)
Any Case Member***	84.9%	(10,857)	93.8%	(1,296)	93.7%	(1,542)	86.6%	(13,695)
Valid N		(12,792)		(1,381)		(1,645)		(15,818)

Note: Follow-up data are not available for all cases in the post-recession cohort. Details on data availability are presented in Appendix A. Valid percentages are reported. *p<.05, **p<.01, ***p<.001.

Do leavers have an open child support case?

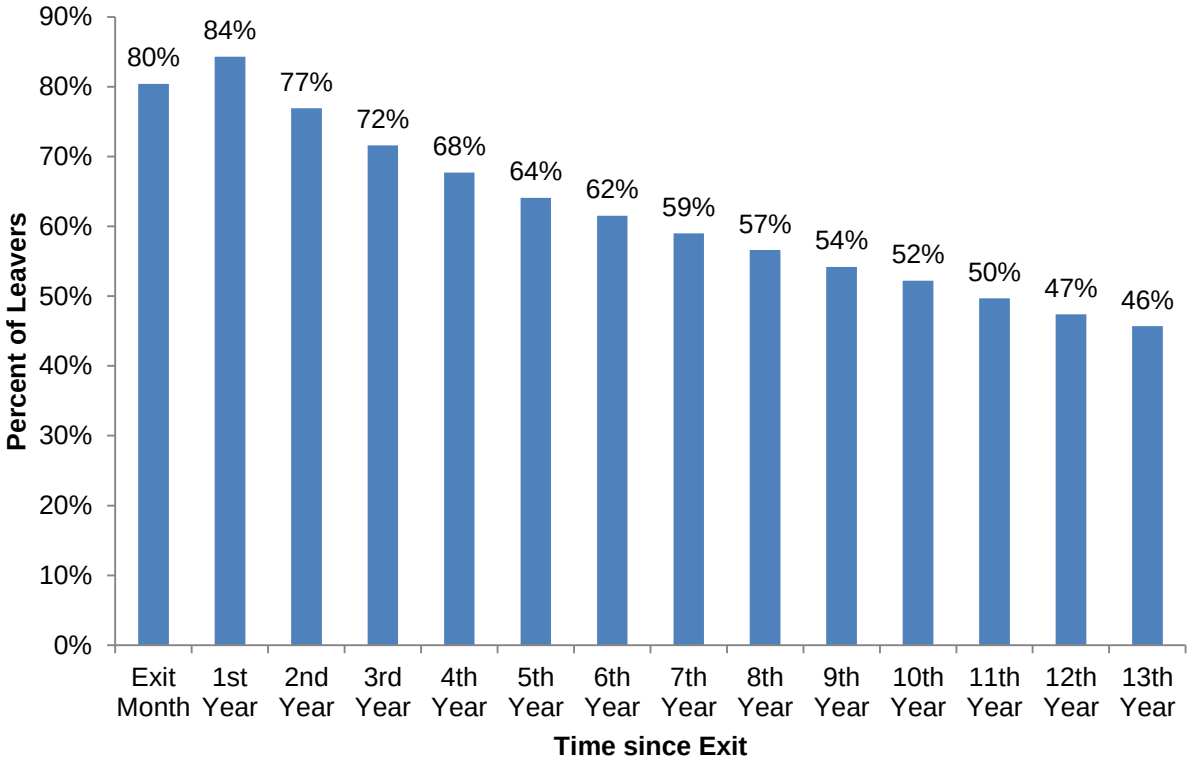
Child support usually does not come to mind as a resource to help families leave welfare or to help them remain off welfare after exiting. It should, because the research is clear that child support income can do both, even when the amounts of support received are not large or payments are not regularly received (Miller, Farrell, Cancian & Meyer, 2005; Huang, Kunz & Garfinkel, 2002; Srivastava, Owvigho & Born, 2001). In low-income families, in fact, child support often accounts for a substantial share of all income, up to one-quarter or more (Sorenson & Zibman, 2000).

We examine child support in this study because of its potential importance to families and because at least 90% of our sample cases may be in need of at least one child support service (i.e., fewer than 10% of sample cases have two parents on the case). All adult applicants for TCA are required to cooperate with child support as a condition of receiving cash assistance benefits, so we are able to look at families' child support case statuses at the time of their welfare case closure and in the first year after exit. We also can report on how much child support income our families received.

We begin by looking at a very basic but fundamentally important issue: the extent to which our TCA exiting families have an active or suspended (i.e., open, not closed) Maryland child support case at various points in time.

Figure 14, below, presents the percentage of leavers who have an open Maryland child support case in the month of their TCA case closure and in each year following this closure. Eighty percent (80.4%) of leavers have an open child support case when they exit, and this rises to 84.3% in the first year after exit. From that point, there is a slow decline. By the 13th year after exit, less than half (45.7%) of leavers still had an open child support case. This decline is not a cause for concern, however, as we would expect the number of cases to decline over time as circumstances change. Children's parents may reunite, other cases could be closed by the state for various reasons, and, ultimately, all children eventually age out of the child support system. Furthermore, there are legitimate reasons why some TCA families may not have open support cases. In two-parent families, both parents may be in the household. In other cases, the noncustodial parent (or both parents) may be deceased, or the state may have granted a 'good cause exception' such as is done when domestic violence between the custodial and noncustodial parents has been documented.

Figure 14. Leavers with Open Child Support Cases at the Time of and After TCA Exit



Note: Cases are only counted if the TCA casehead was listed as the custodian or custodial parent on an active or suspended Maryland child support case, excluding child support cases with a foster care subtype. Exit month and follow-up data are only available for leavers with an exit month of April 1998 or later, and the amount of follow-up data varies by cohort. See Appendix B for details. Valid percentages are reported.

Do open child support cases vary by cohort?

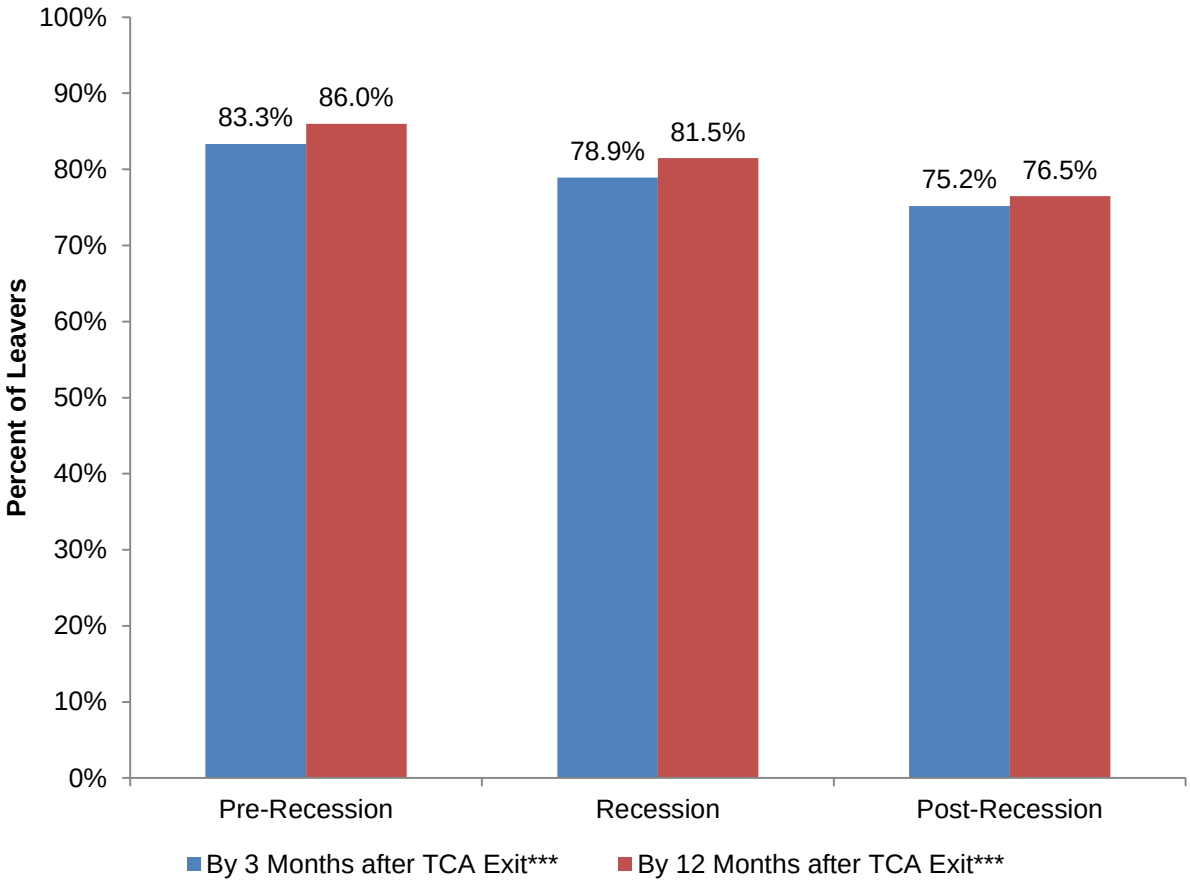
In Figure 15, following, we show, by cohort, the percent of leavers with an open support case three months and 12 months after the cash assistance case closure. Two general trends are evident. First, we see that for all three groups at both points, the large majority of our sample families have open child support cases; at no point was this less than three in four cases (75.2%). Second, within each cohort, more families had open child support cases at the end of the first post-closure year than had open cases at three months post-closure. In absolute terms, these increases were not very large, ranging from 2.7% and 2.6% in the pre-recession cohort and recession cohort, respectively, to 1.3% in the post-recession group. Nonetheless, the upward trend is important because these increases represent real Maryland families for whom the possibility of receiving child support is greater than it had been earlier in the year, all else equal.

On the other hand, Figure 15 also shows that at both the three months' and 12 months' follow-up points, pre-recession leavers are most likely and post-recession leavers are least likely to have open child support cases. Recession-era leavers fall between the other two groups on this measure. Three months after the cash assistance case closure, for example, more than eight of every 10 pre-recession families (83.3%) had an open child support case.

The percentage with an open child support case was 78.9% among recession leavers but 75.2% among the post-recession leavers.

Differences across cohorts are more pronounced, but the general pattern is the same one year post-exit. That is, the share of leavers with an active child support case one year after TCA exit is about 10 percentage points higher in the pre-recession cohort (86.0%) than in the post-recession cohort (76.5%). It is impossible from these basic descriptive data to ascertain what, if any, meaning should be attached to these cohort-specific findings and the observed differences, or what may have caused them. Ultimately, however, having an open child support case is a process measure, not an outcome measure. This is in contrast to the two questions we examine next: how many cases receive child support? And how much do they receive?

Figure 15. Leavers with a Child Support Case after Exit by Cohort



Note: Cases are only counted if the TCA casehead was listed as the custodian or custodial parent on an active or suspended Maryland child support case, excluding child support cases with a foster care subtype. Exit month and follow-up data are only available for leavers with an exit month of April 1998 or later, and the amount of follow-up data varies by cohort. See Appendix B for details. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

How many leavers receive child support in the first year after TCA case closure?

Having an open child support case is a necessary prerequisite to the agency being able to collect support on behalf of a family in our TCA leavers' sample. The mere existence of an open child support case, however, does not mean that a family actually receives any financial support from the other parent.[8] This is because, in any child support matter, public or private, several requirements must be met before financial support can be collected from a parent (or parents, if both are absent) and disbursed to the child's custodial parent or custodian. First, when a child's parents have never been married to one another, legal paternity must be established. Second, in all situations, a court order specifying the amount of support must be obtained. Then and only then is a parent legally obligated to provide financial support. Only when a support order is in place and a public agency (IV-D) support case has been opened[9] can the child support agency's enforcement tools be used to secure regular payment compliance (e.g., through the use of wage withholding). When payments are not made as ordered, these tools can include collecting past-due support through remedies such as tax and lottery intercepts, professional and drivers' license suspensions, bank account seizures, and the like. Then, too, once a family's TCA case has closed, the adult may request that her child support agency case(s) be closed.[10] Determining the whereabouts or employer of the obligated parent can also confound the process at any or multiple points.

Child support is a complicated program, as the truncated and overly streamlined chronology of a case outlined above suggests. The path that must be traveled from the point of case opening to the point where money is actually disbursed to a family is often a twisting and time-consuming one for agency staff and for families. It is not surprising, therefore, that about twice as many families in our sample had an open support case in the year after the TCA case closure (84.3%) than were legally owed current support at some point during that same period of time (40.9%).

In terms of families to whom a current support disbursement was actually made during the year, one can adopt either a glass half-full or a glass half-empty perspective. To be thorough, we present both. Considering <u>all</u> cases in our leavers' sample, about one in four (26.5%) received at least one current support disbursement in the first 12 months after the case closure that brought them into our study sample. However, considering <u>only</u> cases where a court order for current support was in place yields a far rosier picture. Looking through this lens, we see that about two of every three (64.7%) cases who should have received at least one current support disbursement in the year did, indeed, receive at least one.

[8] We refer here to child support payments disbursed to the family by the child support agency. However, when a child receives TCA in Maryland, all support payments made on behalf of that child, up to the amount of the TCA benefits, are retained by the government as reimbursement for the cost of the aid provided. Federal law permits states to 'pass through' a portion of support collected to families on TCA, but Maryland does not do so.

[9] In general, case referrals/openings are "automatic" when the child goes on TCA because cooperating with child support is required. Non-TCA families can also receive the full array of public child support agency services if they file an application for service and pay an application fee.

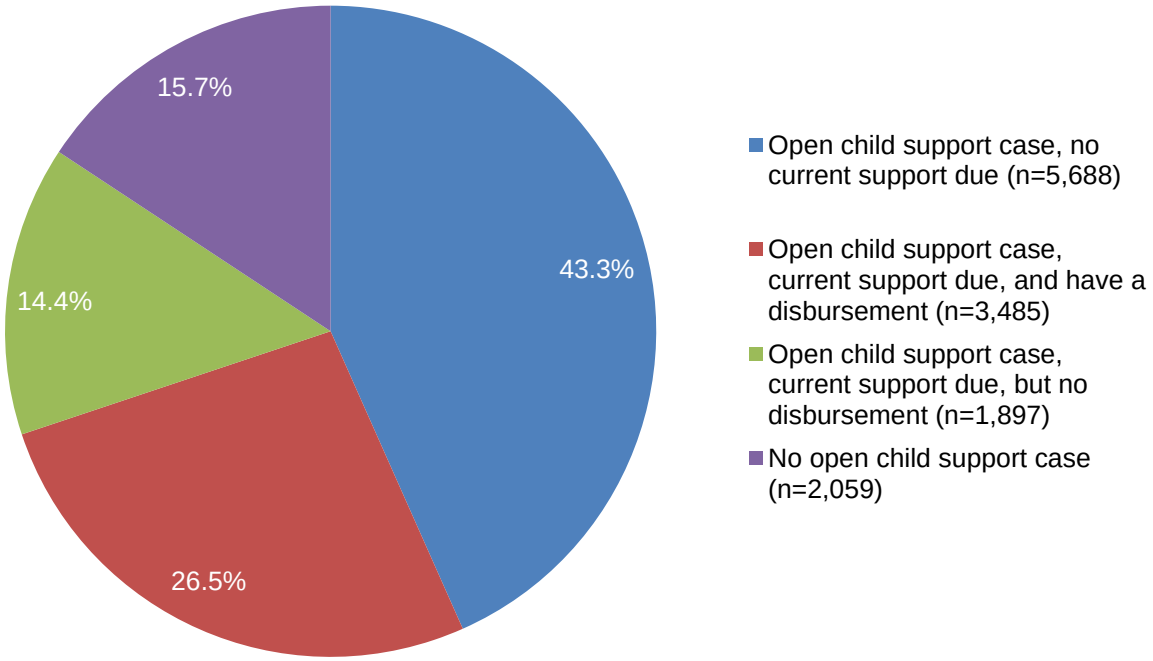
[10] Even so, the support case(s) could remain open on the child support agency's database, if support due while the family was on TCA had not been paid. These amounts would remain 'on the books' as arrears owed to the state, but no further current support would show as being due.

These findings suggest a number of sub-analyses that could be done to further explicate the welfare leavers' post-exit situations vis-à-vis the public child support program in general and their case status with regard to current support obligations in particular, but those are well beyond the scope of this report. Our intent here is to provide readers with some elementary information about the extent to which child support income is functioning as a post-welfare source of income support for Maryland families.[11]

[11] We do routinely carry out Maryland-based child support research projects, however. These reports, along with our cash assistance research reports, can be downloaded free of charge from our website: www.familywelfare.umaryland.edu.

The results paint a mixed picture. On the one hand, the large majority of our families do have open child support cases, a necessary prerequisite to receiving a payment. On the other, only two in five families have an order for current support in place and, among all cases, only one in four received a current support payment in the first year after the cash assistance case closure. However, among those with a current support order who should have received a payment in the first post-exit year, the large majority – two of every three – did, indeed, receive one (or more). What remains to be explored is the question of most practical import to families: among those who do receive child support after welfare case closure, how much do they get?

Figure 16. One Year Post-Exit Current Support Status



Note: Includes only sample members for whom one full year of child support data is available, and who exited TCA in April 1998 or later (n=13,129). See Appendix B for more details on child support data availability. Valid percentages are reported.

How much child support do welfare leavers receive?

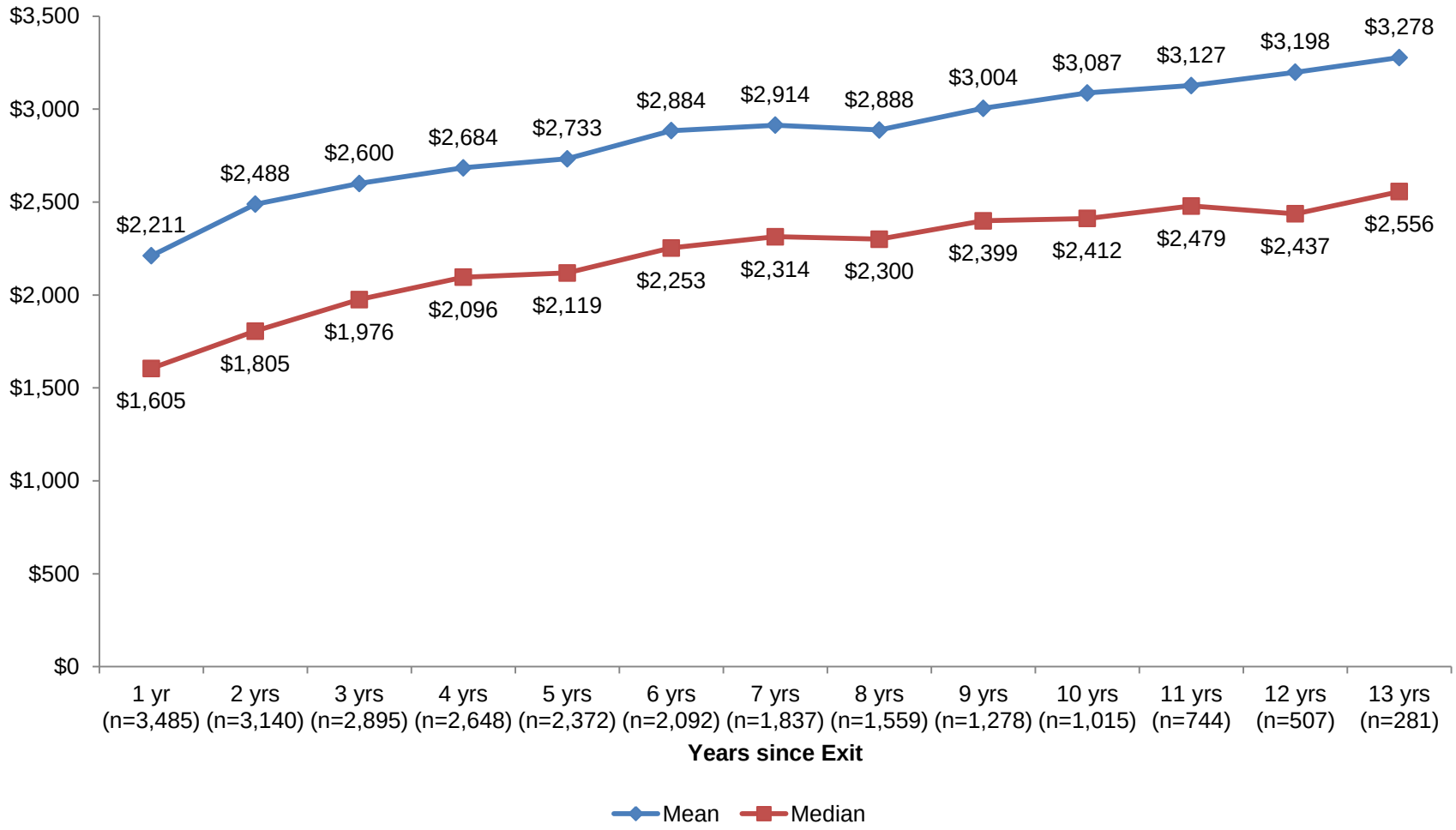
As we noted at the beginning of this chapter section, child support payments can represent a significant portion of total family income, and this is true for the families in this study as well. Most families in this study did not receive any current support disbursements in the first or subsequent post-welfare years, but for those who did, the amounts were not insignificant. Figure 17 makes this point clearly.

Families with an open support case where current support was due and at least one disbursement was received averaged $2,211 in total disbursements during the first post-welfare year. Not surprisingly, the median total disbursement that year was lower ($1,605), indicating that half of the families who received child support income got more than that amount and half got less.

Notably, both the mean and median amounts of the disbursements steadily, albeit slowly, increase over time. In the 10th post-welfare year, to illustrate, the total average annual child support disbursement was $3,087 and the median amount was $2,412.

These are not lavish sums, but in the context of what leavers earn in their first post-exit year, they are not marginal either. As we reported earlier in this document, employed leavers' average annual earnings in the first post-welfare year were $11,717, and we see here that average first-year child support receipt is $2,211. While illustrative only, this suggests that, on average, child support may be able to provide a nearly 20% bump to employed exiting adults' incomes in the first year, potentially enough to help them remain independent.

Figure 17. Mean and Median Total Amount of Current Child Support Received by Year[12]



Note: Excludes sample members with a TCA exit date prior to April 1998, those with an exit date after March 2011, and those who did not receive a current support disbursement. Disbursements are standardized to 2011 dollars. See Appendix B for more detailed information on child support data availability. Valid percentages are reported.

[12] This analysis includes only TCA cases with an open child case where current support was due and a disbursement was received.

CONCLUSIONS

Although the worst economic downturn since the 1930s technically ended in 2009, there is no end in sight to the misery that began during this calamitous event. The pain remains widespread, and most readers of this report probably have at least one family member or friend who has been, and perhaps still is, adversely affected. Individuals' retirement savings have been devastated, homes have been lost, and the pace of recovery remains slow. Unemployment rates remain stubbornly elevated, as even the highly-educated and other middle-class adults continue to have great difficulty finding jobs. For younger persons, persons of color, and those with a high school education or less, employment prospects are even grimmer. Perhaps the most telling indicator of our shared distress is the fact that, today, a record one in every seven Americans receives help to put food on the table through the Supplemental Nutrition Assistance Program (Garr, 2011).

Low-income families like those served by Maryland's highly regarded Temporary Cash Assistance (TCA) program have also been hit hard by this economic maelstrom. Caseloads have increased since 2007, the first increase since welfare reform in 1996. Many families who never received aid before have had no choice but to ask for help. Other families who left welfare in more prosperous times have had to return to assistance, some after having been off aid for many years. Recent trends provide highly visible evidence that welfare caseloads are a leading indicator of economic downturn and a lagging indicator of recovery.

Findings presented in this 2012 update to Maryland's landmark, legislatively-mandated, *Life after Welfare* research project must be interpreted and assessed within this context. Furthermore, there are now more families on aid than there were five years ago, and caseworkers struggle to help clients find jobs in this fiercely competitive labor market. However, federal program performance rules and penalties have become more stringent since the 2005 Deficit Reduction Act. Among other things, more families are subject to work requirements, the definition of acceptable work activities has been restricted, and the "all or nothing" approach to satisfying minimum work hours continues. The bottom line is that, in reality, states are now expected to meet a work participation rate that is substantially higher than the rate they were required to achieve in the boom years of the late 1990s and early 2000s. States, already battered and beleaguered on many fronts, are at heightened risk of not meeting federal performance mandates. If they fail to do so, states' face sizable financial penalties, which their budgets, safety net programs, and low-income families can ill afford.

This is today's "life after welfare" environment and, not surprisingly, these realities are reflected in this year's updated study findings. Our first general conclusion, then, will probably not be a surprising one. That is, in the recession and especially the post-recession years, the agencies' and clients' conjoint efforts to help recipient adults find and keep well-paying jobs and remain off cash assistance have been impeded. Adults whose cases closed during or after the recession are less likely to work than those who left welfare in the years when jobs were easier to come by, even though they are more likely to have finished 12th grade, have equivalent or better work histories, and have less historical welfare use. They also have a slightly higher risk of returning to welfare during the first six to 12 months after leaving. On the other hand, perhaps because they tend to have more education, the most recent leavers who do find employment earn more, on average, than working adults who left welfare earlier. These results are consistent with those reported last year and continue to signal the depth of the recession's effects, as well as the likelihood that these effects are not likely to abate in the near future.

This is not the whole story, however, and far from it. Using a wide angle lens reminds us that there have been successes over the 16-year history of reform in our state. Perhaps especially in these troubled times, at least a few of these should be reiterated. First of all, thousands of women have been able to move from welfare to work and remain in the labor force. Equally important is the fact that many thousands of low-income children have benefited from the reliable source of income that cash assistance provided when their families faced tough times. Moreover, Maryland has been aggressive and successful in expanding awareness of and streamlining access to critical work support programs such as Medical Assistance and Food Supplement benefits. It is commendable, too, that despite serious budgetary stress, benefit levels for vulnerable families in safety net programs have been held harmless, and bipartisan commitment to Maryland's widely-respected cash assistance program has never wavered.

A more focused perspective reveals positives as well. In Maryland, many former cash assistance recipient families continue to experience positive outcomes. The earnings of employed leavers, for example, steadily rise over time. In fact, quarterly earnings for leavers who are working 15 years after exit are more than double the quarterly earnings for employed leavers at exit. This is evidence, we think, of their persistent, if not always stable, attachment to the labor force and their desire for independence. It also speaks to caseworkers' diligent efforts to help clients despite the many challenges both now face. Importantly, too, in 2012, as in every year since the outset of reform in 1996, the data show that the majority of welfare exits are permanent ones. Most families leave welfare and never return, including those whose cases closed during or since the recession's official end, as well as those who left when times were good and jobs were plentiful.

These specific findings about returns to welfare may appear to be simple and straightforward ones, but they are much more than that. They offer profound empirical testimony about these adults' desires to independently care for their families, about the help caseworkers provided to them on their path to independence, and about the fundamental soundness of our state's bipartisan, data-driven approach to welfare reform. The prescience of the advocate community, who clamored for research to document the outcomes of reform, and the wisdom of the legislative mandate that "life after welfare" research be done are also confirmed.

There is no handbook of tried-and-true best practices on how to proceed in a reformed welfare system that emphasizes work when there is not enough work available. Maryland has the next best thing, which few other states possess: reliable, large-scale, longitudinal empirical data about who has left welfare and what happens to them when they do. Having this resource permits us to continue the state tradition of basing policy and program decisions on empirical data, rather than anecdote. It should also help us to avoid becoming distracted by or entangled in what could be another lengthy and contentious TANF reauthorization process. Instead, although the next few years will be challenging, we can continue to work together, in bipartisan fashion, to do what is right for our state and our low-income children and families. With this legacy and with continuously updated empirical data about who leaves welfare and what happens to them when they do, we are confident that Maryland will master today's extraordinary challenges, just as it mastered the unprecedented welfare reform tasks of some 15 years ago.

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APPENDIX A. AVAILABILITY OF EMPLOYMENT AND WELFARE DATA

				Years														
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
				Months														
Sample Months	Exit Quarter	3	6	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180
10/96-3/97	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4/97-3/98	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4/98-3/99	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
4/99-3/00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
4/00-3/01	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
4/01-3/02	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
4/02-3/03	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
4/03-3/04	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓							
4/04-3/05	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓								
4/05-3/06	✓	✓	✓	✓	✓	✓	✓	✓	✓									
4/06-3/07	✓	✓	✓	✓	✓	✓	✓	✓										
4/07-3/08	✓	✓	✓	✓	✓	✓	✓											
4/08-3/09	✓	✓	✓	✓	✓	✓												
4/09-3/10	✓	✓	✓	✓	✓													
4/10-3/11	✓	✓	✓	✓														
4/11-6/11	✓	✓	✓															
7/11-9/11	✓	✓	✓															
10/11-12/11	✓	✓																
1/12-3/12	✓																	
Total Cases	16,904	16,609	16,347	15,818	14,838	13,967	13,076	12,276	11,442	10,490	9,519	8,567	7,569	6,543	5,452	4,345	2,689	974

APPENDIX B. AVAILABILITY OF CHILD SUPPORT DATA

				Years												
				1	2	3	4	5	6	7	8	9	10	11	12	13
				Months												
Sample Months	Exit Quarter	3	6	12	24	36	48	60	72	84	96	108	120	132	144	156
10/96-3/97																
4/97-3/98																
4/98-3/99	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4/99-3/00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4/00-3/01	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
4/01-3/02	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
4/02-3/03	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
4/03-3/04	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
4/04-3/05	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
4/05-3/06	✓	✓	✓	✓	✓	✓	✓	✓	✓							
4/06-3/07	✓	✓	✓	✓	✓	✓	✓	✓								
4/07-3/08	✓	✓	✓	✓	✓	✓	✓									
4/08-3/09	✓	✓	✓	✓	✓	✓										
4/09-3/10	✓	✓	✓	✓	✓											
4/10-3/11	✓	✓	✓	✓												
4/11-6/11	✓	✓	✓													
7/11-9/11	✓	✓	✓													
10/11-12/11	✓	✓														
1/12-3/12	✓															
Total Cases	14,215	14,142	13,650	13,129	12,149	11,278	10,387	9,587	8,753	7,801	6,830	5,878	4,880	3,854	2,763	1,656