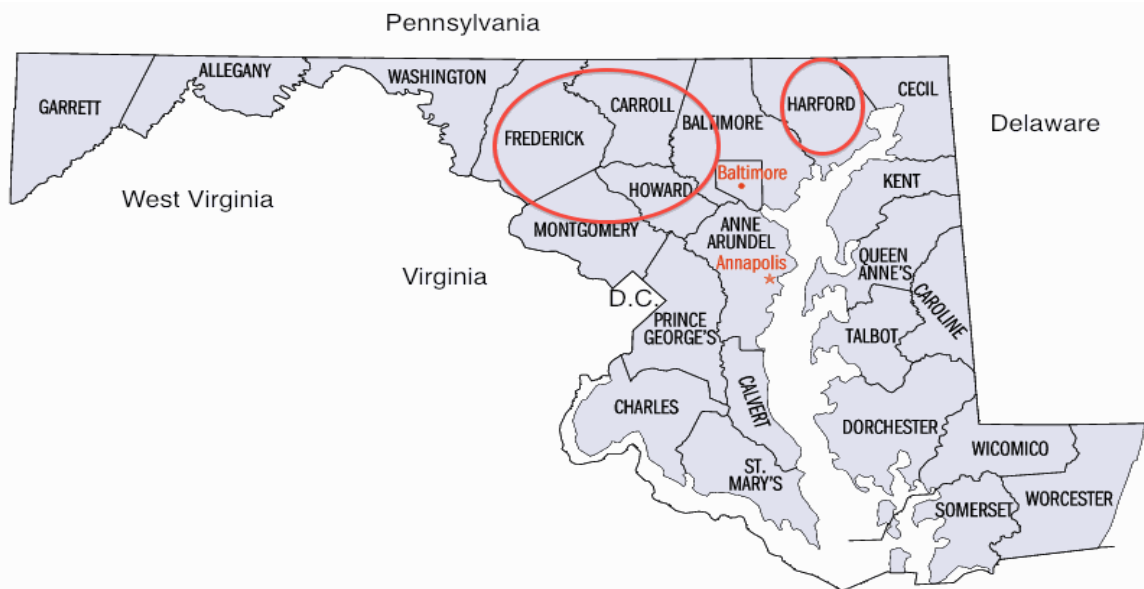


LIFE AFTER WELFARE: METRO REGION

CORRENE SAUNDERS, PHD, LETITIA LOGAN PASSARELLA & CATHERINE E. BORN, PHD



The 2011 update to Maryland's landmark longitudinal study of welfare leavers, *Life after Welfare*, revealed that even in the toughest economic climate, most families who receive cash assistance do so temporarily, most welfare exits are still permanent, and work effort among cash assistance customers remains relatively high, both before and after receiving assistance (Born, Saunders, Williamson, and Logan, 2011).

Nonetheless, there are challenges. Compared with Pre-Recession leavers, those who exited welfare in Maryland during or after the Great Recession received more months of assistance before making their exit, tended to have lower employment rates both before and after their welfare spell, and were slightly more likely to return to benefits. All around the state, program managers and public leaders strive to find interventions that will offset the loss of resources and jobs in their communities. In a diverse state like Maryland, the approach varies by location.

The *Life after Welfare* study uses a random

sample of welfare recipients from every jurisdiction within the state to provide an accurate portrayal of how leavers are faring throughout the state. In order to develop a more local perspective, however, we need to examine the data by region.

Resources are limited everywhere, and the distribution of resources can be complicated. Certain trends, such as changes in family composition of welfare recipients or changes in the work and welfare outcomes of welfare leavers, may alter the types of resources individual jurisdictions need in order to be successful. In general, statewide averages are necessary and useful for policy changes, particularly because states are required to report their performance to the federal government. Statewide averages, however, are heavily influenced by larger jurisdictions. In order to develop programs and initiatives that are relevant throughout the state, it is important to understand regional variation.

Thus, this report provides many of the same types of analyses found in the full *Life after Welfare* report, but specifically for the counties within the Metro region of the state.

This study is issued at a time of ongoing economic fragility and turmoil for families, state, local, and national governments and, indeed, the entire world. In the United States, unemployment and the number of Americans looking for work remain at high levels, consumer confidence is quite low, income inequality is rising, growth is proceeding at a snail's pace at best, and the number of Americans applying for Supplemental Nutrition Assistance (formerly Food Stamps) has reached record high levels. Therefore, to capture changes in outcomes of welfare leavers likely due to the turmoil of the Great Recession, many analyses will separate leavers by cohorts. Specifically, we look at the following cohorts: 1) Pre-Recession leavers, those who left between October 1996 and November 2007; 2) Recession leavers, cases closing between December 2007 and June 2009; and 3) Post-Recession leavers, welfare exits between July 2009 and March 2011.

Metro Region Characteristics¹

The Metro region includes four counties in Central Maryland: Carroll, Frederick, Harford, and Howard Counties. This region accounts for approximately 16% of the state's population with approximately 170,000 people in Carroll County, 240,000 people in both Frederick and Harford Counties, and nearly 300,000 people in Howard County. The region is mostly suburban and is supported largely by education, health, and retail employers (Maryland DLLR, 2012). There are several manufacturing firms in Carroll and Harford Counties and several large research and consulting firms in Frederick and Howard Counties that provide contractual services to the federal government.

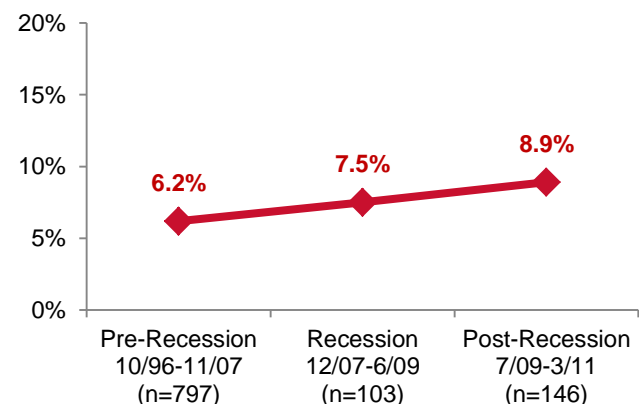
In each of the counties in this region, approximately half of the residents are female, and the average household has approximately 2.7 people. The vast majority

of residents in the Metro region are Caucasian, though Frederick and Howard Counties are somewhat more diverse. In Howard County, nearly one in five residents is African American and one in seven is Asian American. Throughout the region, at least nine in ten adults aged 25 or older have at least their high school degree, and approximately three in ten also have at least a bachelor's degree. The rate of college education is notably higher in Howard County (58.7%), which is one of the top five most affluent counties in the country.² Accordingly, the poverty rate is relatively low in the Metro region, ranging from 4.5% in Howard County to 6.5% in Harford County.

Characteristics of Welfare Leavers

The sample of welfare leavers that make up the *Life after Welfare* study in the Metro region represent 6.6% (n=1,046) of all leavers in the sample. When the sample is separated into cohorts, as in Figure 1, we can see that the proportion of welfare leavers from the Metro region has increased over time, from 6.2% of the state's welfare leavers during the Pre-Recession cohort to 8.9% in the Post-Recession cohort.

Figure 1. Metro Region: Percent of Total Statewide Exiting Cases



¹ Data obtained from U.S. Census Bureau State and County QuickFacts website: <http://quickfacts.census.gov/qfd/index.html>

² <http://www.washingtonpost.com/wp-srv/special/local/highest-income-counties/>

Table 1 presents demographic information about welfare leavers in the Metro region, by cohort. Overall, the typical payee is a female (94.0%) in her early to mid-thirties (mean=33.20 years). In this region, approximately two in five (44.1%) welfare leavers are African American, and three in five (62.0%) have never married. High school education is somewhat more likely (69.2%) for welfare leavers in this region than in the state as a whole (61.4%).

Comparing across cohorts, there really are very few shifts in the demographic profile of a typical welfare leaver in the Metro region. Leavers who exited in the Recession and Post-Recession cohorts are slightly more likely to be African American and to have never-married than those in the Pre-

Recession cohort, but otherwise most other indicators remained relatively flat over time.

In terms of case characteristics, Metro region welfare leavers are on par with the statewide average in the average size of the assistance unit (2.59 persons vs. 2.60 persons) and in the percent of child-only cases (19.0% vs. 18.8%). Two-fifths (41.3%) of the caseload are single-parent cases and few (4.9%) are two-parent cases. Again, there are no real shifts or changes in the profile of a typical case over time in the Metro region, which is somewhat unique considering that most other locales did have some changes in their caseload and profile of typical welfare leavers particularly between the Pre-Recession and Recession cohorts.

Table 1. Metro Region: Demographic Characteristics of Welfare Leavers

	% Female	Mean Age	% African American	Never Married	% HS Degree or Higher
Metro Region (n=1,046)	94.0%	33.20	44.1%	62.0%	69.2%
Pre-Recession (n=797)	93.8%	32.99	43.0%	59.5%	68.1%
Recession (n=103)	93.2%	33.65	50.0%	71.6%	72.3%
Post-Recession (n=146)	95.9%	34.01	45.8%	68.8%	72.2%
Maryland (n=15,818)	95.2%	32.77	74.0%	75.0%	61.4%

Note: Valid percentages are reported.

Table 2. Metro Region: Case Characteristics of Exiting Cases

	Mean Case Size	% Single-Parent	% Child-Only	% Two-Parent
Metro Region (n=1,046)	2.59	41.3%	19.0%	4.9%
Pre-Recession (n=797)	2.57	-	-	-
Recession (n=103)	2.56	40.6%	19.8%	4.0%
Post-Recession (n=146)	2.72	41.8%	18.5%	5.5%
Maryland (n=15,818)	2.60	49.2%	18.8%	3.8%

Note: We present caseload designations for the last two cohorts (n=249 in the Metro region; n=3,012 in the State) since the data are not available prior to February 2004 and coding changed in October 2007. Valid percentages are reported.

Pre-Exit Welfare History

We examine two measures of welfare history. The first, depicted in Figure 2, is the percent of leavers with an exiting welfare spell that lasted for 12 consecutive months or less. We consider this to be a short welfare spell, and a good measure of the short-term or temporary use of welfare. In each cohort, approximately eight out of ten welfare leavers in the Metro region exited after a welfare spell of 12 months or less, though there is a notable increase from 77.3% in the Pre-Recession cohort to 84% in the Recession and Post-Recession cohorts.

The second measure, depicted in Figure 3, is the average number of months of cash assistance benefits received in Maryland in

the previous five years regardless of whether those months were consecutive or not. This provides a more long-term look at welfare history. As shown, in the Metro region, the average number of months of assistance in the previous five years was below the state average in every cohort. In both the Pre-Recession and Post-Recession cohorts, Metro region leavers had among the shortest welfare histories in the state (an average of 21.05 and 12.74 months, respectively). This means that in the Post-Recession cohort, the average welfare leaver in the Metro region was relatively new to welfare, at least in Maryland, having accumulated just over 12 months of Maryland cash assistance in the five years before this exit.

Figure 2. Metro Region: Percent of Cases with an Exiting Spell of 12 Months or Less

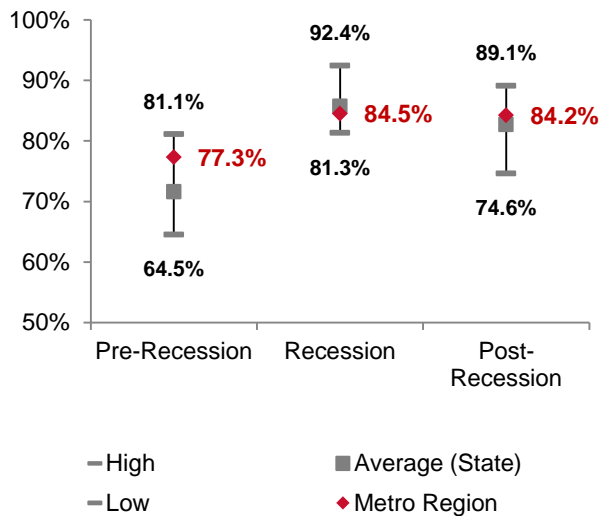
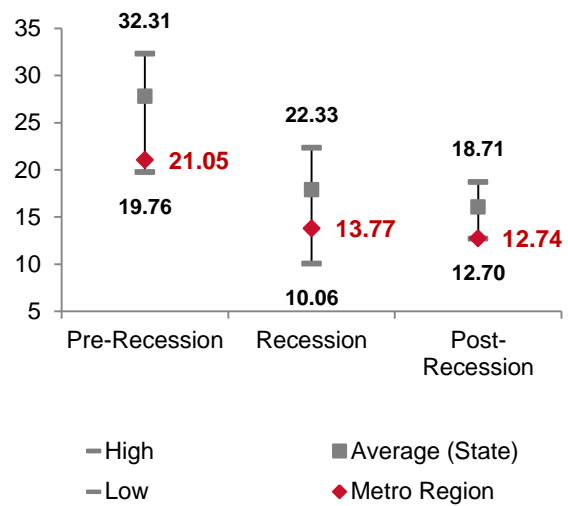


Figure 3. Metro Region: Average Number of Months of TCA in Previous Five Years



Note: Figures with the 'High' and 'Low' markers represent the Maryland counties with highest and lowest average or percent of cases with that particular indicator. For example, in Figure 2, the 'High' marker represents the county with the highest percent of cases with an exiting spell of 12 months or less. Valid percentages are reported.

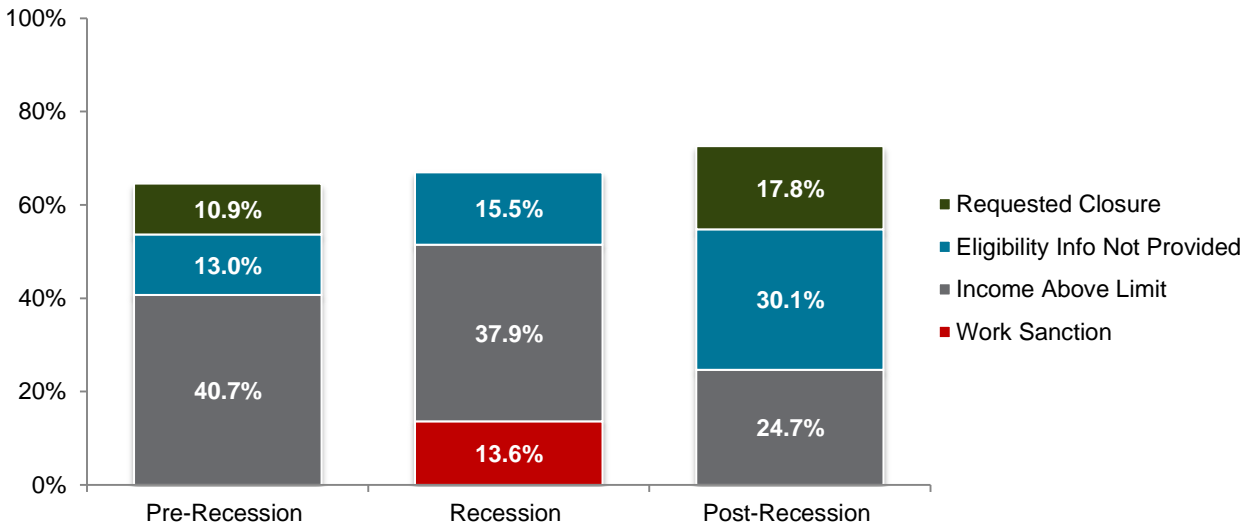
Reason for Case Closure

Figure 4 presents the three most common administrative closure codes that were recorded for Metro region welfare leavers, by cohort. There was a dramatic increase in closures occurring because eligibility information was not provided, either in the weeks following the initial application or at a point of redetermination for continued eligibility. While this closure code accounted for approximately one in seven closures among Pre-Recession and Recession leavers (13.0% and 15.5%, respectively), this code was recorded for nearly one in three closures (30.1%) during the Post-Recession period. This finding may be related to the relatively short duration of welfare spells (i.e., if cases are being closed shortly after opening due to missing eligibility information), though more detailed analysis is needed to fully

understand whether and how the two trends are related.

Another interesting point revealed in Figure 4 is the lack of work sanctions among the top three closure codes in the Post-Recession cohort. This occurs in only two other locales around the state—Southern and Western regions—while most regions experienced an increased use of full-family work sanctions. Finally, in the Pre-Recession cohort, Metro leavers are among the most likely in the state to experience case closure due to having income above the limit, accounting for two in five (40.7%) exits. Closures of this type became less common over time, and by the Post-Recession cohort, only one in four (24.7%) leavers experience case closure due to having income above the eligibility limit.

Figure 4. Metro Region: Top 3 Closing Codes

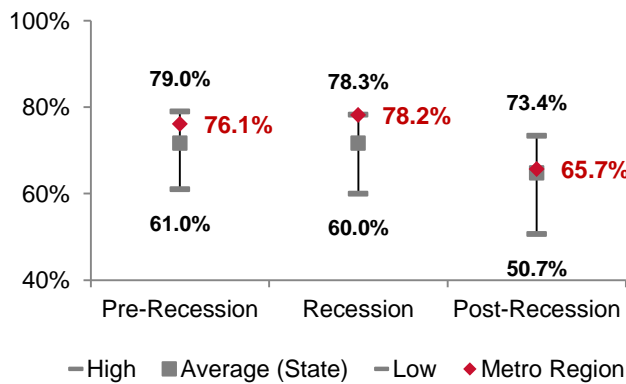


Note: Valid percentages are reported.

Pre-Exit Employment

In this section we examine the work history of welfare leavers in the two years leading up to the exit. As depicted in Figure 5, pre-exit employment among Metro region leavers was higher than average in the Pre-Recession and Recession cohorts, but about average in the Post-Recession cohort. In the Pre-Recession and Recession cohorts, at least three in four welfare leavers in the Metro region have some reported earnings from a Maryland job covered by Unemployment Insurance (UI) in the previous two years (76.1% and 78.2%, respectively). Among leavers in the Post-Recession cohort, two-thirds (65.7%) had reported UI earnings.

Figure 5. Metro Region: Percent Working in the Two Years before Exit



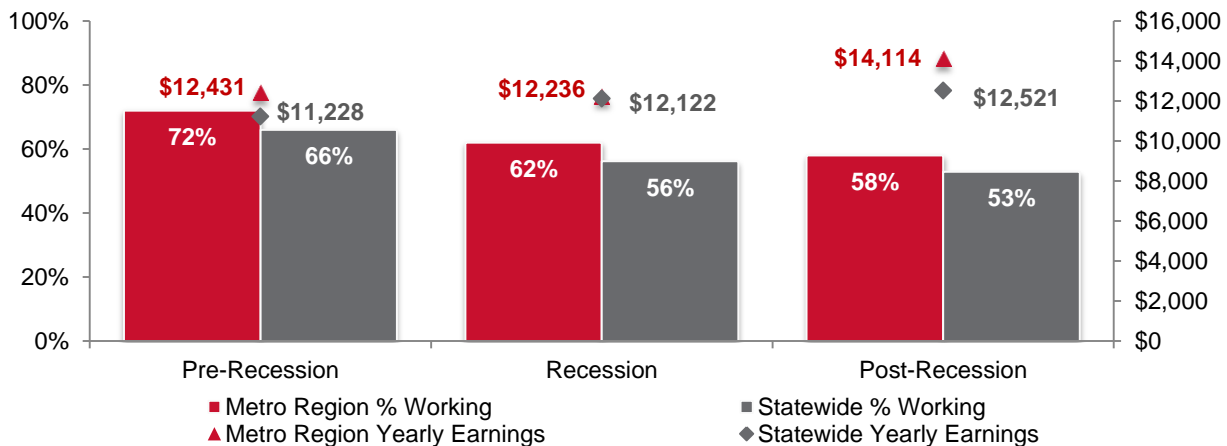
Note: Valid percentages are reported.

Post-Exit Employment

Figure 6 shows two related measures of post-exit employment for Metro region welfare leavers in each of the three cohorts. The bars show the percent of leavers, in each cohort, with reported earnings in a Maryland UI-covered job at any point in the four quarters following the exit quarter, both in the Metro region and in Maryland as a whole. As depicted, despite a drop in employment over time, Metro leavers are consistently more likely than a typical Maryland welfare leaver to have been employed in the year following their exit from cash assistance. In the Pre-Recession cohort, approximately seven in ten (72%) leavers were employed, compared with six out of ten leavers in either the Recession (62%) or Post-Recession (58%) cohorts.

Figure 6 also shows average earnings for the year following the welfare exit, in both the Metro region and across the state. Overall, Metro welfare leavers who are employed in a Maryland UI-covered job tended to earn slightly more, on average, than a typical welfare leaver in the state. Average earnings increased from just over \$12,000 in the Pre-Recession and Recession cohorts to about \$14,000 in the Post-Recession cohort.

Figure 6. Metro Region: Percent Working and Average Earnings in Year after Exit

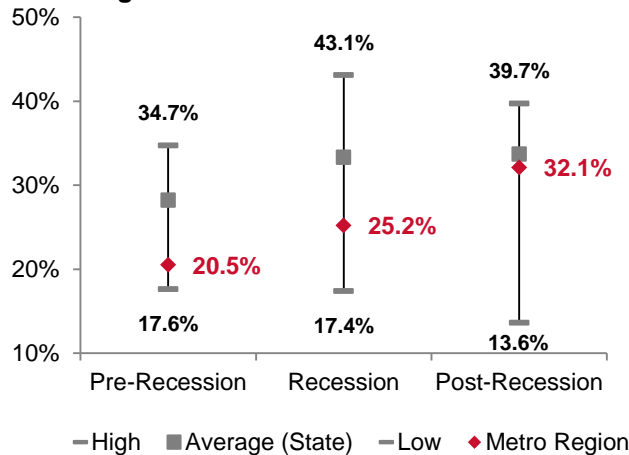


Note: Valid percentages are reported.

Recidivism

In this section we discuss another possible outcome following a welfare exit, a return to benefits. It is important to note that recidivism is not mutually exclusive with employment, and many leavers end up combining work and welfare in the months after they exit. As presented in Figure 7, leavers in the Metro region are less likely than a typical Maryland welfare leaver to return for additional cash assistance within the first year after their exit, particularly in the Pre-Recession and Recession cohorts. Recidivism in this region increased steadily over time, however. One in five (20.5%) leavers in the Pre-Recession cohort returned in the first year, compared with one in four (25.2%) leavers in the Recession cohort and three in ten (32.1%) leavers in the Post-Recession cohort.

Figure 7. Metro Region: Percent of Caseheads Returning to Cash Assistance within One Year



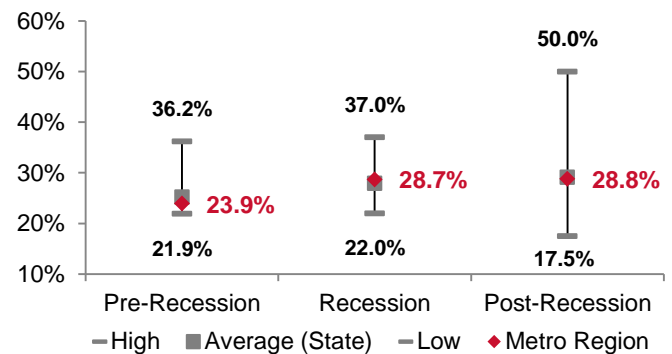
Note: One-year follow-up data are not available for leavers in April 2010 and after. Valid percentages are reported.

Disconnection from Welfare and Work

The final analysis examines the percent of welfare leavers who, for the duration of the first year after their welfare exit, have no employment in a Maryland UI-covered job or any additional months of cash assistance benefits in Maryland. We refer to these leavers as disconnected, though we know from other research that many of them receive other benefits such as Medicaid or Food Supplement, some of them move out of state or become deceased, and still others begin receiving disability-related benefits (Ovwigbo, Kolupanowich, and Saunders, 2009). Still, the measure is important because it helps us more fully understand the range of outcomes for welfare leavers in our state.

As presented in Figure 8, disconnection from work and welfare among Metro region welfare leavers is on par with the statewide average in each cohort. Overall, about one in four leavers in this region has no reported employment or cash assistance during the first year following their welfare exit. Disconnection is slightly less common among the Pre-Recession leavers (23.9%) than among Recession (28.7%) and Post-Recession (28.8%) leavers.

Figure 8. Metro Region: Percent of Caseheads Disconnected in the First Year after Exit***



Note: One-year follow-up data are not available for leavers in April 2010 and after. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Summary: Metro Region

Overall, the findings in this brief reveal a region of the state that has been somewhat insulated from the worst effects of the Great Recession. Although there are certainly declines in post-exit employment during and after the recession, the declines are not as extreme as in other locales around the state. Furthermore, we observe very few shifts in

the characteristics of welfare leavers over time in the Metro region, or in average welfare history or pre-exit employment. Post-exit employment and recidivism are all on par or better than the statewide average, and post-exit earnings remain at or above the statewide average for each cohort.

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For additional information about this research brief, please contact Letitia Logan Passarella (410-706-2479; llogan@ssw.umaryland.edu) or Dr. Catherine Born (410-706-5134; cborn@ssw.umaryland.edu) at the School of Social Work. Please visit our website, www.familywelfare.umaryland.edu for additional copies of this brief and other reports.