

## LIFE AFTER WELFARE: PRINCE GEORGE'S COUNTY

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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 Prince George's County. 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.

### Prince George's County Characteristics<sup>1</sup>

Geographically, Prince George's County borders Washington, D.C. and Virginia, and is home to 834,560 of Maryland's 5.7 million residents (14.6%). It is a minority-majority county: 64.5% of residents are African American, 19.2% are Caucasian, and (regardless of race) 14.9% are Hispanic. The median household income is \$71,242, which is slightly above the state average. Major employers include several large hospitals and other healthcare providers, large retail stores such as Target, Wal-Mart, and Home Depot, and a large headquarters for UPS (Maryland DLLR, 2012).

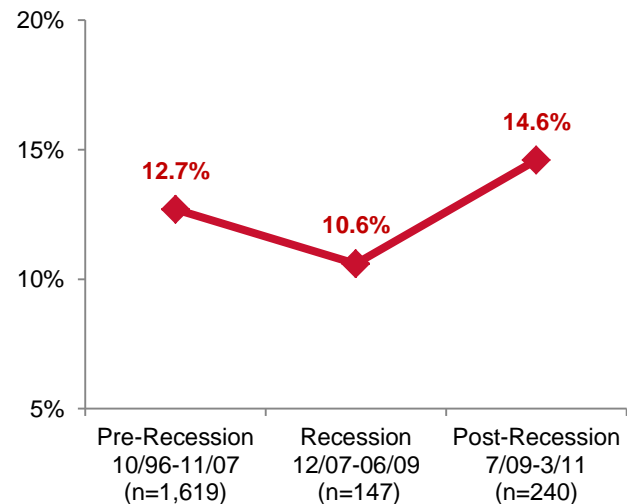
Although the poverty rate is below the state average (7.4% versus 8.0%), the rate of child poverty is slightly higher (25.2% versus

24.3%). High school graduates make up 86.1% of the population, and 29.9% of residents have a bachelor's degree or higher, both slightly below that of the state.

### Characteristics of Welfare Leavers

Prince George's County welfare leavers make up approximately 12% of our total sample of welfare leavers, which is about what would be expected given its share of the general population (approximately 14%). As shown in Figure 1, the proportion of welfare leavers from Prince George's County relative to other places around the state has varied over time, though not in a predictable pattern. The proportion of leavers from Prince George's County declines between the Pre-Recession and Recession cohorts, from 12.7% to 10.6%. Then, in the Post-Recession cohort, Prince George's County leavers represented nearly 15 percent of the state's welfare leavers (14.6%). Thus, in the Post-Recession cohort, Prince George's County has the second highest proportion of leavers overall (Baltimore City has the highest).

**Figure 1. Prince George's County: Percent of Total Statewide Exiting Cases**



<sup>1</sup> Data obtained from U.S. Census Bureau State and County QuickFacts website: <http://quickfacts.census.gov/qfd/states/24/24003.html>.

As presented in Table 1, the typical welfare leaver in Prince George's County is an African American (91.6%) female (95.2%) in her early 30's (mean=33.20) who has never married (76.9%) and has at least a high school education (76.6%). Apart from some fluctuations in the percent of caseheads who never married, there is very little change in demographic characteristics for welfare leavers in Prince George's County over time. Compared with the average welfare leaver across the state, Prince George's County leavers are more likely to be African American (91.6% vs. 74.0%) and more likely to have at least a high school education (76.6% vs. 61.4%).

In terms of case characteristics, Table 2 reveals that welfare leavers in Prince George's County have average case sizes on par with the statewide average (mean=2.62 vs. 2.60), but a higher proportion of single-parent cases (55.3% vs. 49.2%). The percent of single-parent cases increases in Prince George's County, from 49.7% in the Recession cohort to nearly three out of five (58.8%) cases in the Post-Recession cohort. Two-parent cases also are more common among Post-Recession leavers than Recession leavers (6.3% vs. 2.7%, respectively).

**Table 1. Prince George's County: Demographic Characteristics of Welfare Leavers**

	% Female	Mean Age	% African American	Never Married	% HS Degree or Higher
<b>Prince George's County (n=2,006)</b>	<b>95.2%</b>	<b>33.20</b>	<b>91.6%</b>	<b>76.9%</b>	<b>76.6%</b>
Pre-Recession (n=1,619)	95.1%	33.36	91.9%	75.5%	75.3%
Recession (n=147)	96.6%	33.90	89.3%	87.8%	80.0%
Post-Recession (n=240)	95.0%	31.75	90.9%	79.1%	79.2%
<b>Maryland (n=15,818)</b>	<b>95.2%</b>	<b>32.77</b>	<b>74.0%</b>	<b>75.0%</b>	<b>61.4%</b>

**Note:** Valid percentages are reported.

**Table 2. Prince George's County: Case Characteristics of Exiting Cases**

	Mean Case Size	% Single-Parent	% Child-Only	% Two-Parent
<b>Prince George's County (n=2,006)</b>	<b>2.62</b>	<b>55.3%</b>	<b>19.6%</b>	<b>4.9%</b>
Pre-Recession (n=1,619)	2.62	-	-	-
Recession (n=147)	2.62	49.7%	21.1%	2.7%
Post-Recession (n=240)	2.68	58.8%	18.8%	6.3%
<b>Maryland (n=15,818)</b>	<b>2.60</b>	<b>49.2%</b>	<b>18.8%</b>	<b>3.8%</b>

**Note:** We present caseload designations for the last two cohorts (n=387 in Prince George's County; 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 who received 12 or fewer months of *consecutive* welfare benefits in the single welfare spell leading up to their exit. As is true across the state, most families exited after a welfare spell of 12 months or less. Prince George's County had the lowest percent of leavers (64.5%) in the state who exited welfare after a spell of 12 months or less during the Pre-Recession period, followed by a dramatic increase in short welfare spells over time.

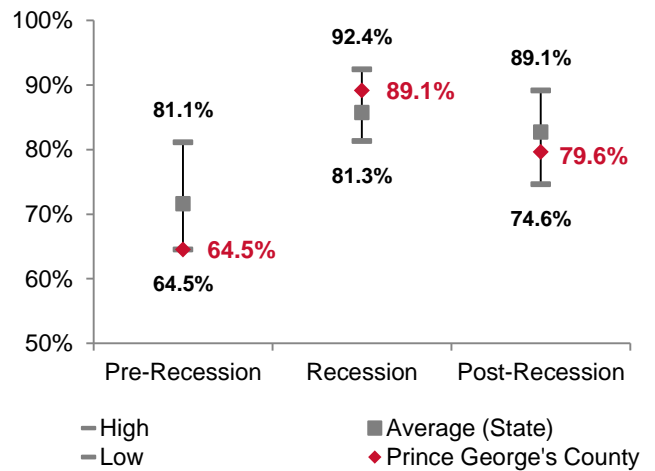
Among leavers in the Recession cohort, nearly nine out of ten (89.1%) leavers exited after 12 months or less of consecutive benefit receipt, which was higher than the statewide average. Leavers in the Post-Recession cohort are slightly less likely to have an exiting spell of 12 months or less, but these short spells still account for eight out of ten exits (79.6%).

The second measure, depicted in Figure 3, is the average number of months of cash assistance benefits received in the previous five years (or 60 months), regardless of whether those months were consecutive or not. As shown, Prince George's County leavers who exited during or after the recession have much shorter welfare histories, on average, than those who exited before the recession. In the Pre-Recession cohort, the average welfare leaver in Prince George's County received cash assistance for approximately 27 out of the previous 60 months. Among leavers in the Recession cohort, the average welfare history is only 15 months out of the previous 60, and in the Post-Recession cohort, the average was 16 months.

It is important to note that our study only includes welfare leavers, and not current welfare recipients. The fact that leavers have such dramatically shorter welfare histories during and after the recession years could reflect an increase of newcomers among the welfare caseload (for more information, see Saunders, Young, and Born, 2010), or it

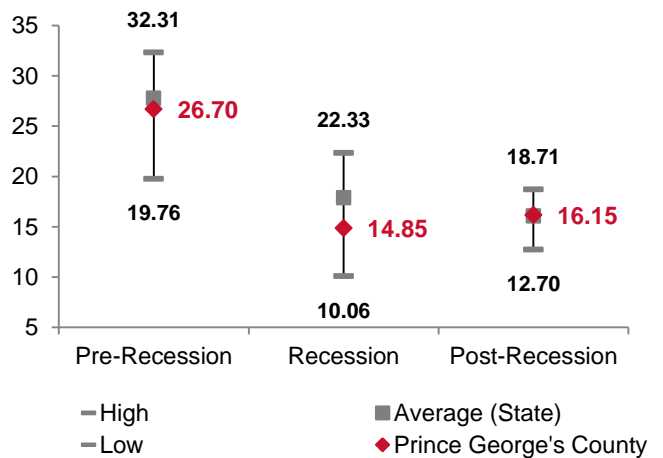
could mean that those with longer welfare histories are less likely to exit welfare during the Recession and Post-Recession eras. More nuanced analyses are needed to sift through these two possible explanations.

**Figure 2. Prince George's County: Percent of Cases with an Exiting Spell of 12 Months or Less**



**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.

**Figure 3. Prince George's County: Average Number of Months of Cash Assistance in Previous Five Years**

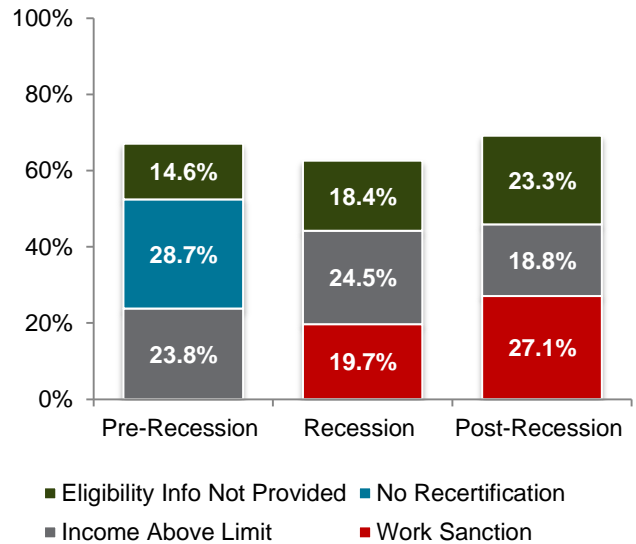


### Reason for Case Closure

Figure 4 presents the three most common administrative closure codes that were recorded for Prince George's County welfare leavers, by cohort. In every cohort, approximately one out of five leavers exited with an administrative closure code indicating they had income above the eligibility threshold (gray bars). Among leavers who exited during the Pre-Recession cohort, nearly three out of five (28.7%) exited because they failed to return to the office for recertification of their eligibility. The proportion of exiting cases with this reason recorded in the administrative data quickly drops off over time, so that by the Recession and Post-Recession cohorts it is no longer among the top three reasons for case closure.

As occurred around the state, work sanctioning emerges as a top closure code for leavers who exited in the Recession and Post-Recession cohorts. During the recession, approximately one out of five (19.7%) leavers are sanctioned for noncompliance with work requirements, and in the months following the recession, nearly three in ten (27.1%) received a full-family work sanction. The administrative closure codes do not always reveal the full circumstances surrounding a welfare exit, so it is unclear whether there is actually a change in the behavior of welfare clients over time (e.g., that caseheads are less likely to miss recertification appointments or work activity assignments over time), or simply a change in coding policies (e.g., in a situation where a casehead misses both an appointment for redetermination and a work activity, it is possible they are more likely to be coded with a non-recertification reason code in the Pre-Recession cohort but a work sanction in the later cohorts).

**Figure 4. Prince George's County: Top 3 Closing Codes**



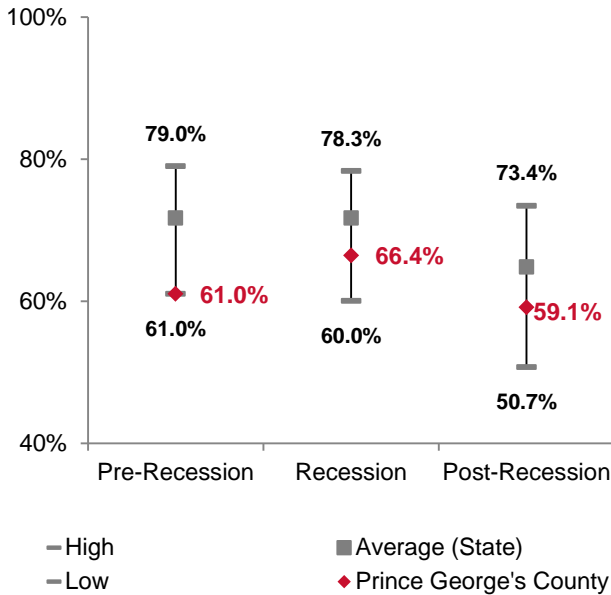
**Note:** In Maryland, work sanctions are imposed for noncompliance with work-related activities and are full-family sanctions which require compliance before the family can again begin receiving cash benefits. Valid percentages are reported.

### Pre-Exit Employment

We next examine the work history of welfare leavers, in the eight quarters (two years) leading up to the exit. Figure 5 presents the percent of leavers in each cohort who had a quarterly wage record in a Maryland job covered by Unemployment Insurance (UI), indicating employment at some point during the two years prior to the exit. Overall, employment rates in Maryland UI-covered jobs are relatively lower in Prince George’s County when compared to the statewide average—likely due to the county’s proximity to Washington D.C.—though employment does fluctuate over time.

Pre-Recession leavers in Prince George’s County are least likely in the state to have employment in the previous two years, with an employment rate of 61.0%. Employment is notably higher among Recession leavers (66.4%), though still lower than the statewide average (71.7%, not labeled). Finally, among all leavers in Prince George’s County, those who exited in the Post-Recession cohort have the lowest employment rate, 59.1%, though it is not the lowest in the state.

**Figure 5. Prince George’s County: Percent Working in the Two Years before Exit**



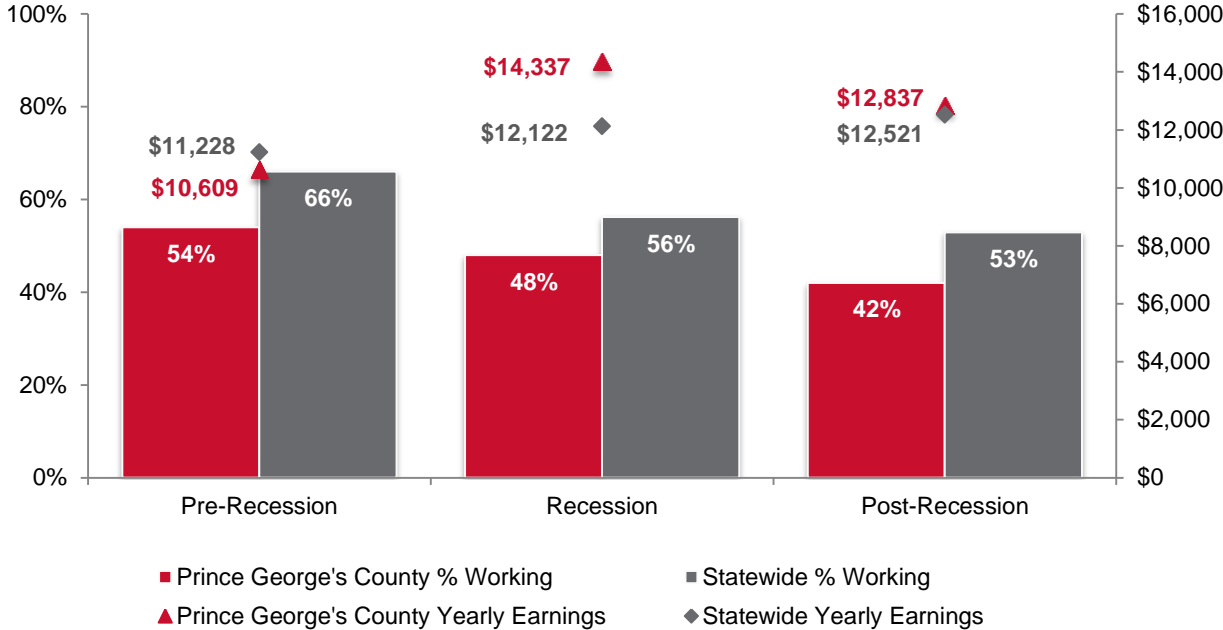
**Note:** Valid percentages are reported.

### Post-Exit Employment

Similar to the pre-exit employment findings, Prince George’s County caseheads were less likely to be employed in the year after exit compared to the statewide average. As shown in Figure 6, the percent of caseheads with Maryland UI wages during their first year after exiting declines steadily across the three cohorts, from 54% in the Pre-Recession cohort to 42% in the Post-Recession cohort.

Among those who are employed, we find a notable increase in average earnings between the Pre-Recession and Recession cohorts from approximately \$10,600 to \$14,000. There is then a modest drop in average earnings for those who exited during the Post-Recession cohort, to approximately \$13,000, right around the statewide average).

Figure 6. Prince George's County: Percent Working and Average Earnings in Year after Exit

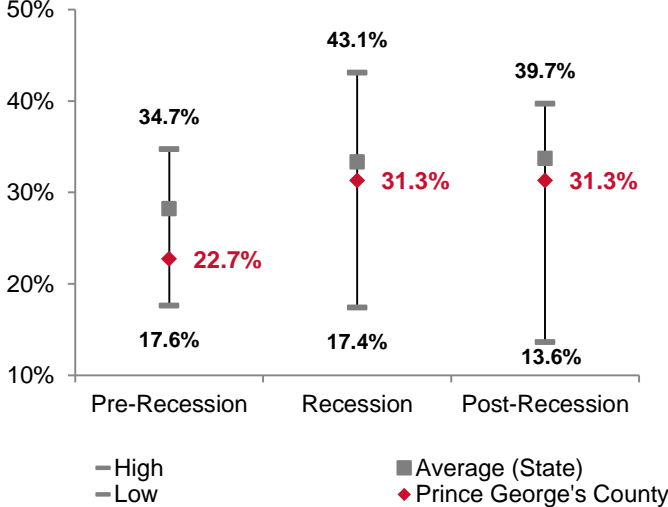


Note: Valid percentages are reported.

Returns to Welfare

Figure 7 presents the percent of leavers that returned to welfare within one year of exit for Prince George's County, relative to the highest, lowest, and average recidivism rates in the state. Returns to welfare in Maryland vary widely by region, but on average returns were less common in the Pre-Recession era than either the Recession or Post-Recession years. In Prince George's County there is a moderate increase in recidivism between the Pre-Recession and Recession cohorts (from 22.7% to 31.3%), and then no change in recidivism between the Recession and Post-Recession cohorts. These rates, while lower than the statewide average, are very similar to the rates found across Maryland.

Figure 7. Prince George's County: 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.

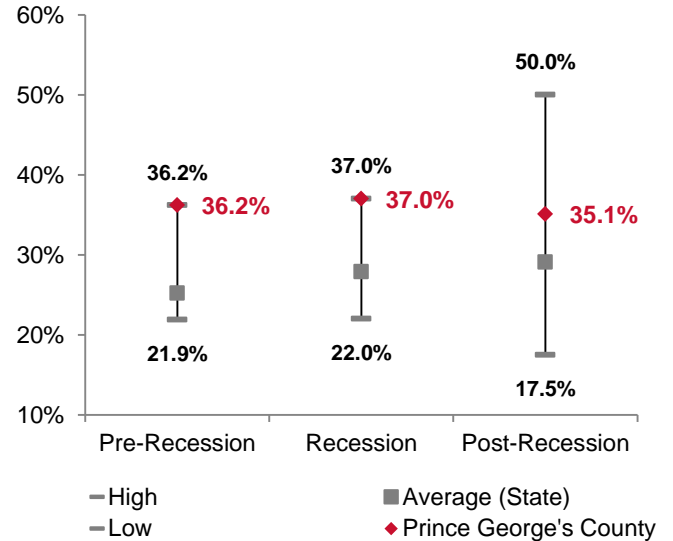
## Disconnection from Welfare and Work

The final analysis examines the percent of welfare leavers who, for the duration of the first year after their welfare exit, have no recorded wages from 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 Food Supplement or Medicaid, some of them move out of state or become deceased, and still others begin receiving a disability-related benefit such as Supplemental Security Income (SSI) (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.

Overall, as presented in Figure 8, Prince George's County leavers have the highest rate of disconnection in the state in the earlier two cohorts, and the rate of disconnection has remained remarkably consistent over time. This is not entirely surprising, as Prince George's County shares a border with Washington, D.C., making work or moves outside the state easier than in some other places around the state, which we are unable to document with our data. In each cohort, nearly four out of ten leavers became disconnected (36.2%, 37.0%, and 35.1%, respectively). This consistency is surprising given the decline in post-exit employment over time, without a corresponding increase in welfare recidivism. Further analyses (not depicted) reveal that among leavers in the Recession cohort,

caseheads more commonly paired cash assistance and employment together in their first year after exit rather than relying solely on employment (as in the Pre-Recession cohort). In the Post-Recession cohort, there is a larger contingent of leavers who received cash assistance only, without any reported UI wages, in the first post-exit year. Thus, while there is a consistent rate of disconnection from both Maryland work and welfare in Prince George's County in the first year after exiting, the balance of work and welfare has shifted more toward welfare, for those who do stay connected.

**Figure 8. Prince George's County: Percent of Caseheads Disconnected Through 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.



## **Summary: Prince George's County**

The findings reveal a complex and somewhat perplexing caseload of welfare leavers in Prince George's County. Despite few changes in the case or demographic characteristics of leavers over time, we note a substantial increase in the percent of single-parent cases (49.7% to 58.8%), jagged reductions in the average length of welfare history (with steep differences between the Pre-Recession and Recession cohorts and then a leveling off through the Post-Recession cohort), steady increases in work sanctions, and no substantial differences in employment history among the three cohorts. In the year after exiting, we see an uneven increase in welfare recidivism (again, with a steep increase in recidivism between the Pre-Recession and Recession cohorts and then a leveling off) coinciding with a steady decline in employment. Among those who are employed, earnings seem to fluctuate among the three cohorts, with the highest average earnings during the

recession. One possible explanation for these seemingly incongruent findings is that there is more diversity among the caseload than is evidenced by basic demographic and case characteristics, and that certain subgroups within the caseload respond differently to policy and economic changes over time. Or, perhaps the proximity to Washington, D.C. has a much more noticeable effect on welfare leavers in Prince George's County than those in other neighboring counties. To the extent that Washington, D.C. and Prince George's County essentially share welfare caseloads, or at least certain subgroups of their caseloads, it is likely that there will be some "noise" in the trend analyses for either place. Further examination could yield important information regarding the formation of strategic partnerships across jurisdictions that might lead to improved outcomes for both places.

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