Life After Welfare:

Fifth Report

Prepared by

Welfare and Child Support
Research and Training Group

School of Social Work
University of Maryland - Baltimore

for
Family Investment Administration
Maryland Department of Human Resources

October 2000

This report was prepared by the Welfare and Child Support Research and Training Group, School of Social Work, University of Maryland, 525 West Redwood Street, Baltimore, Maryland 21201 with support from its long time research partner, the Maryland Department of Human Resources.

For additional information about the report or the study, please contact Dr. Catherine Born at the School of Social Work (410.706.5134, cborn@ssw.umaryland.edu). For more information about welfare reform in Maryland, please contact Mr. Richard Larson at the Department of Human Resources (410.767.7150, rlarson@fia.dhr.state.md.us or welfarereformer@prodigy.net).

Table of Contents

List of Tables and Figures

Executive Summary

This is the fifth in a series of periodic reports on a large, longitudinal study of Maryland families who have left welfare since the outset of reform in October 1996. Two main questions lie at the heart of the study: Who is leaving cash assistance in Maryland? and What happens to them when they leave?

Using information obtained from various administrative data systems, this fifth report addresses these questions for a random sample of 7,738 families whose welfare exits occurred between October 1996 and March 2000. With a margin of error of less than two percent for statewide estimates, payee and case characteristics at the time of exit are described and the profiles of early- and later-leaving exit cohorts are discussed. The report also describes the extent of payees post-exit employment in Maryland jobs covered by the Unemployment Insurance (UI) system, the types of jobs adults obtain after leaving welfare, and their quarterly earnings. Data are also presented on the extent and timing of returns to welfare (recidivism) for up to three years post-exit, and on post-exit child welfare program involvement among children in these families. Newly added to this fifth report is information about families post-exit use of Food Stamps and Medical Assistance. Attention is paid to how outcomes differ across time (early vs. later leavers) and how experiences in subdivisions with the lion s share of exiting cases compare to experiences in the balance of the state. Key findings include the following:

1. Overall, statewide trends continue to be positive

The vast majority of families who left welfare during the first three and one-half years of reform have not done so because of full family sanctioning; sanctions account for just about one in ten (11.7%) case closures. The majority of exiting payees (69.8%) work at some point post-exit in a Maryland job covered by the UI program. About half (48.1%) work in the same quarter in which their welfare cases close and, among those with a prior history of UI-covered employment, the figure increases to (62.8%). In the quarter after welfare exit, proportions are similar (49.2% and 62.3% for the two groups, respectively).

Maryland UI-covered industries in which former payees most often find work have been quite consistent over time. Three industries: wholesale/retail trade, personal/business services, and organizational services, continue to account for about three-fourths (77.2%) of all at-exit or shortly-after-exit jobs held by payees. Certain occupational fields (temporary/employment agencies, eating/drinking places, department stores, nursing homes/hospices and grocery stores/supermarkets) also continue to be most prevalent; together these fields account for at least one of every three jobs.

Work effort persists over time. In each of the 2nd through 12th post-exit quarters about half of all former payees hold UI-covered jobs; among those with prior work experience, about three of every five are working in each quarter. Most families do not return to welfare after exiting. Very few children become involved with the formal child welfare system after their families leave welfare. The rates at which families participate

in the Medical Assistance and Food Stamp programs appear to be on par with results reported in other states.

2. Although statewide trends remain positive, there are significant differences between those who left early and those who left later on key dimensions examined: payee and case characteristics; reasons for case closure; prior welfare use patterns; and post-exit outcomes.

Compared to those who left in the first year of reform (October 1996 - September 1997), the most recent exiting cases (October 1999 - March 2000), on average, are more likely to have had at least one child under age three in the household at the time of exit (41.4% vs. 34.9%). Later-leaving cases are less likely to contain only one adult (80.2% vs.84.0%). They are also more likely to be a child-only case (17.8% vs. 13.5%), reside in Baltimore City (51.3% vs. 31.8%) and to be headed by an African-American payee (78.1% vs. 67.2%). Payees in the cases that closed most recently are, on average, older than those who left in the first year (33.13 vs. 31.76). They are also more likely to have had a child before age 18 (24.0% vs. 21.7%) or age 21 (61.3% vs. 54.8%). Perhaps surprisingly, there are no differences between the earliest and most recent exit cohorts on employment history variables. Whether considering employment before their most recent welfare spell began or in the two years preceding their welfare exit, approximately two-thirds of payees in both cohorts worked in a UI-covered job in Maryland.

Earliest and most recent leavers also differ on variables describing their welfare use patterns. At the time of the welfare exit which brought them into our sample, the most recent leavers had an average current spell length (15.01 months) significantly

shorter than those who left in the first year (26.04 months).[1] Similarly, whereas about two of five (42.1%) of the earliest leavers were exiting from welfare spells of 12 or fewer months duration, the proportion was a bit more than seven of 10 (72.9%) among those who left between October 1999 and March 2000. However, the two groups do not differ on total number of months of welfare receipt (not necessarily continuous) during the five year period preceding their exit. Year one leavers received welfare for an average of 30.95 months out of the 60 months preceding the exit which brought them into our sample. The average for the most recent leavers was 30.12 months.

Administrative case closing code data have many limitations[2], but they show that the most recent leavers are more likely to have exited welfare because of a full family work sanction (19.2%) than were leavers in the first year (6.3%) or to have their cases closed because of failure to provided eligibility/verification information (22.5% vs. 13.5%). Although we have documented that many cases which close for other reasons are actually those in which the payee has found employment, it is worth noting that the proportion of last-leaving cases closed with the work-related code, income above limit, is significantly lower than it was among first year leavers (19.1% vs. 32.0%).

What happens to families after leaving welfare also varies systematically depending on when the welfare exit occurred. In general, outcomes are better for those who left earliest. First-year leavers had significantly higher rates of UI-covered

---

[1]Variations in local case closing practices may affect these findings.

[2]In particular, these codes paint an incomplete picture of families often complex lives and they grossly understate the true proportion of adults who leave welfare for work.

employment in the quarter of exit (52.2%) than did those who left in the third year (43.9%) of reform (October 1998 - September 1999)[3]; this pattern also held true when only payees with a prior history of such employment were examined (67.2% vs. 57.7%). Patterns were the same for the first full post-exit quarter for both the universe of former payees and when only those with prior work experience were considered.

Recidivism, or returns to welfare after an exit, also varies by exit cohort. Those who left welfare first tend to have lower recidivism rates than those who left more recently. More than eight of 10 first-year leavers (82.8%), for example, were able to remain off welfare for at least a full 12 months. Only two of three cases which exited during the third year (65.5%) were able to remain off the rolls for one year.[4]

3. Much has been accomplished, but much remains to be done.

As our sample size continues to increase (i.e. 1,607 to 7,738 families), as longer periods of follow-up data become available (up to three years post-exit for some cases), as more sources of data become available (e.g., Medical Assistance and Food Stamps), and as additional sub-analyses are undertaken (e.g., by exit cohort or region), the complexity of our study increases. Based on study results over time, we must conclude that the same is true of welfare reform itself. Findings documented in today s report, in particular, strongly suggest to us that the unfolding story of welfare reform is

---

[3]October 1999 - March 2000 leavers are excluded because, due to the quarterly nature of the UI data and the time lag associated with those data, information on post-exit quarters for all leavers in this cohort was not available at the time of this writing.

[4]These figures exclude churners, cases that left but returned within 30 days.

growing more complex and the challenges are becoming more (not less) difficult as time passes.

In the opinion of the authors, this report offers clear and unmistakable evidence that families leaving welfare today have some different characteristics and, at least initially, less favorable employment and recidivism outcomes than did families who exited welfare in the earliest years of reform. Despite what common wisdom might suggest, the report also shows that, for the most part, these differences are not because Baltimore City accounts for a much larger share of more recent exiting cases than it did of earlier exiting cases. Something now appears to be different all across the state.

Our findings are suggestive, rather than conclusive. However our findings seem to imply that we have reached the point in Maryland where local welfare agencies increasingly have to work with families who, if they are not all harder to serve are at least different to serve than were clients in the earliest years of welfare reform. The data also suggest that the services needed to assist these families effectively (those who are leaving, not to mention those who remain) will likely need to be more diverse, complicated and costly. We know, for example, that the state economy is still strong, but that recent welfare leavers are finding employment at lower rates than their predecessors. Similarly, while the most recent welfare leavers are finding jobs in the same industries in which the earliest leavers found employment, their rates of return to welfare are higher.

It seems clear from the progressive findings of this fifth *Life After Welfare* report that a broad, deep and diverse array of post-exit services needs to be funded and

available if, in the coming years, we are to continue to achieve the successes of reform s first few years. At the state and local levels, we must now devote the same concerted, bi-partisan, cross-agency, community-wide effort to funding and designing appropriate service responses to what appear to be some new realities confronting us as we gave to designing the state s original reform plan. It seems imperative, too, that concerted efforts be made to document which strategies and services work best for which types of clients, to identify areas of need where demand outstrips supply (e.g., in-patient substance abuse treatment), and for elected and appointed officials to continue to think outside the box .

Finally, we note that TANF reauthorization discussions will soon commence in the nation s capitol. During these extremely important deliberations, it seems certain and appropriate that welfare reform s achievements to date will be celebrated. In our view, it is at least as important to insure that the new, more challenging realities such as this report documents, also be brought to decision-makers attention. In particular, findings such as those contained in this report must receive serious attention in the TANF reauthorization deliberations, especially in the anticipated debates over funding levels. Clearly much has already been accomplished in Maryland and across the nation. However, it is just as clear that there is much more that remains to be done.

Introduction

This paper represents the fifth report from a large, in-progress, longitudinal study, *Life After Welfare*, which is being carried out by the School of Social Work, University of Maryland-Baltimore for the Maryland Department of Human Resources. This research project, which began on the first day of welfare reform implementation in Maryland (October 1, 1996), is meant to provide state policy-makers and program administrators with data-driven answers to two straightforward, but critically important questions: Who is leaving cash assistance in Maryland? and What happens to them when they do?

This fifth report uses an expanded sample of 7,738 families which left welfare in Maryland during the first three and one-half years of reform (October 1996 - March 2000). Case and payee characteristics at the time of exit (baseline) are presented, including information about payees' past welfare use and employment histories. Expanded follow-up data are also included on important topics such as payees' post-exit employment in jobs covered by the Unemployment Insurance (UI) program in Maryland, quarterly earnings from those jobs and the types of industries in which former customers find employment. Post-exit data are also presented which describe other important dimensions of some families' post-welfare lives: returns to welfare (recidivism); utilization of Food Stamps and Medical Assistance; and foster care and Child Protective Service case openings.

Methodology

The primary research objective is to determine what happens, over time, to Maryland families who leave cash assistance under the new program rules. To accomplish this, we are conducting a large-scale, multi-year longitudinal study involving a random sample of families who have exited welfare in each and every month since the outset of reform in October 1996.

This report provides data on early outcomes for all sample cases and longer term (i.e. two to three years post-exit) outcomes for the earliest sample cohorts. We address these main questions:

- What are the characteristics of those who leave welfare?
- Do the profiles of early and later exiters differ?
- What are the administratively-recorded reasons for welfare case closures?
- How many customers find Maryland jobs covered by Unemployment Insurance?
- What are adults quarterly earnings and their earnings patterns over time?
- What are adults post-exit work patterns? In what industries do they find work?
- How many families return to welfare (i.e. what is the recidivism rate)?
- What do recidivism patterns look like over time and across regions?
- What are the risk factors for recidivism?
- Are former recipients using Food Stamps and Medical Assistance/SCHIP?
- How many former recipient children become involved in the child welfare system?

The remainder of this chapter presents a brief description of the methodology of our *Life After Welfare* study and the nature and sources of data upon which this fifth project report is based.[5] We begin by discussing our research sample.

Sample

To insure that the study sample accurately represents the universe of cases which leave welfare (voluntarily or involuntarily), each month we draw a five percent random sample from among all cases which closed in that month. The first sample (n=183) was drawn for October 1996, the first month of welfare reform in Maryland, and we have continued to draw samples for each subsequent month up to and including, for purposes of this report, March 2000 (n=122). Table 1, shows the number of cases sampled in each of the 42 months covered in this report and also the total number of cases by year cohort.

It is important to point out that our study sample, by design, is broader or more inclusive than the samples used in many other state-level leavers studies. Many studies, for example, look only at certain types of exiting cases (e.g., only those who left welfare for work or only those who left welfare and have not returned). Our study sample, however, includes the full range of case situations - for example, families who leave welfare for work; families who are terminated for non-compliance with program rules; and those who leave welfare but come back on assistance.

---

[5]Readers desiring more methodological detail should see our earlier reports, noted in the List of References, or contact us by telephone at 410-706-5134 (Dr. Born) or 410-706-2479 (Dr. Caudill) or via email at cborn@ssw.umaryland.edu or pcaudill@ssw.umaryland.edu.

Our definition of a welfare exit is also broader than that used in most studies. Many, if not most, leavers studies exclude cases which close but reopen within 60 days. By contrast, cases are eligible for selection into our study sample as long as the welfare case did not close and subsequently reopen on the same day.[6] In our view, this all-inclusive approach best permits us to determine the facts about life after welfare in Maryland. However, the approach may cause some of our study findings to compare unfavorably to those reported by other states. In particular, this approach has a depressing effect on our reported rates of post-exit employment and an inflating effect on our reported recidivism rates, compared to other states studies.

With the above caveats in mind, this fifth *Life After Welfare* report focuses on the first 42 monthly samples - families who left Temporary Cash Assistance (TCA, formerly Aid to Families with Dependent Children) between October 1996 and March 2000. All together, the 42 monthly samples include a total of 7738 families. Of this number, 2156 exited during the first year of reform, 2344 left welfare during the second year, 2452 exited in year three and 786 left during the first six months of reform s fourth year. Table 1, following, shows that individual monthly sample sizes range from a high of 249 cases in December 1998 to a low of 120 in February 2000. Drawing five percent samples from each month s universe of TCA closing cases yields a valid statewide sample at the 95% confidence level with a $\pm$ 1% margin of error.

---

[6]Case closing followed by quick reopening is known as administrative churning. This phenomenon has long existed in public welfare, but has not been systematically examined by TANF (or earlier, AFDC) researchers.

Table 1. Exiting Sample Sizes by Month and Cohort

Month	Sample Size	Cohort	Sample Size
October 1996	183	1	2,156
November 1996	193		
December 1996	159		
January 1997	175		
February 1997	150		
March 1997	194		
April 1997	177		
May 1997	189		
June 1997	185		
July 1997	177		
August 1997	191		
September 1997	183		
October 1997	178	2	2,344
November 1997	167		
December 1997	164		
January 1998	170		
February 1998	174		
March 1998	162		
April 1998	191		
May 1998	214		
June 1998	248		
July 1998	210		
August 1998	220		
September 1998	246		

Month	Sample Size	Cohort	Sample Size
October 1998	239	3	2,452
November 1998	242		
December 1998	249		
January 1999	197		
February 1999	203		
March 1999	210		
April 1999	187		
May 1999	179		
June 1999	201		
July 1999	186		
August 1999	185		
September 1999	174		
October 1999	151	4	786
November 1999	132		
December 1999	138		
January 2000	123		
February 2000	120		
March 2000	122		
42 months	7,738	4 cohorts	7,738

Data Sources

Findings presented in this report are based on administrative data retrieved and analyzed by the authors from several computerized management information systems maintained by the state. Some of these data systems contain case- and individual-level data on client and case characteristics and service utilization data for means-tested cash assistance and social service programs under the purview of the state s Department of Human Resources. Others contain official data on employment and wages in jobs covered by the Unemployment Insurance (UI) program.[7] Data from these information systems are used to construct a baseline profile of cases and individuals at the time of their selection into our sample (i.e. at the time of their exit from TCA). At 3, 6, 12, 18, 24 and 36 months post-exit, follow-up data are collected from these same sources.

[7]Approximately 93% of Maryland jobs are covered. Important omissions include military and civilian federal employees, among others. Our ability to present an accurate, complete picture of clients post-exit employment patterns is also severely constrained by our lack of access to employment data from the District of Columbia and the four states which border Maryland. In some Maryland counties more than one of every three employed adults works outside the state.

Findings: Baseline Characteristics

In this chapter we present descriptive findings on the characteristics of families at the time they left the Maryland cash assistance rolls. Findings for the entire cohort of leavers (from October 1996 - March 2000) are discussed; the chapter also examines whether there are any differences in the profiles of early and later exiters.

What are the Characteristics of Exiting Cases?

Table 2, following this discussion, presents summary data on 7,738 families which left welfare in Maryland between October 1996 and March 2000. Data for the entire three and one-half year sample appear in the first (all cohorts) column of the table. Subsequent columns present data separately for those who left during the first year of reform (October 1996 - September 1997, n=2156), those exiting during reform s second year (October 1997 - September 1998, n=2344), those leaving in the third year of reform (October 1998 - September 1999, n=2452), and finally, those who exited during the first half of the fourth year (October 1999 - March 2000, n=786). These cohort columns are included to allow for comparisons between those who left welfare early and those who left later.

Characteristics of the Total Sample

The typical case which exited cash assistance during the first three and one-half years is a two-person family comprised of a female (95.9%), African-American (74.1%), single parent (82.9%) and one child (46.3%). The case head, on average, is about 32 years of age. The youngest child in exiting cases, on average, is about five and one-half years old and 37.7% of cases contained at least one child under the age of three years. Nearly three of five case heads (conservatively, about 58.3% of the sample) had

their first child before the age of 21 and at least one in four (conservatively, 24.1%) gave birth to her first child before the age of 18.[8] For the entire sample, key characteristics, are as follows:

- Exiting cases in our study (n=7,738) contain between one and 12 persons. The average or mean assistance unit consists of 2.69 persons, while the median or mid-point is 2.0 persons.

- The large majority (82.9%, n=6,414) of exiting cases contain only one adult.

- Cases with two adults on the grant are relatively uncommon (2.6%, n=198) and 14.5 percent of cases (n=1,123) have no adults in the assistance unit (i.e. they are child-only cases).

- Most commonly exiting cases have only one child on the grant (46.3%, n=3,579); next most common are cases containing two youngsters (29.2%, n=2,261). Together, cases with one or two children represent just about three out of every four (75.5%, n=5,840) cases sampled in the first three and one-half years.

- Children in these cases range from infants to 18 year olds. On average, the youngest child in an exiting case is a little more than five and one-half years old (5.62 years); almost two out of five exiting cases contains a child under the age of three years.

- A bit more than two of every five exiting cases (43.2%, n=3,345/7,738) received cash assistance in Baltimore City.

- The average age of an exiting payee during the first three and one-half years of reform was 32.43 years. Only a small proportion of payees, statewide, (5.0%, n=385/7724) were between 18 and 20 years of age. Almost one in five exiting cases (18.6%, n=1,433/7,724) were headed by payees over the age of 40.

- Early childbearing was the norm among female payees in our exiting sample. At least one in four (24.1%, n=1,571/6,523) had her first child before the age of 18; three-fifths (58.3%, n=2,719/6,523) gave birth before the age of 21.[9]

---

[8]Age at first birth estimates for female payees are calculated using the payee's date of birth and the date of birth of her oldest child included in the assistance unit. If payees have other, older children who are not included in the assistance unit, our figures will understate the true rate of early-childbearing among the sample.

[9]As noted, these age at first birth estimates are conservative and likely understate the true incidence of early childbearing among female payees in our sample.

Table 2. Demographic Characteristics of Exiting Samples

Characteristics	All Cohorts 10/96-3/00 (n=7,738)	Cohort 1 10/96-9/97 (n=2,156)	Cohort 2 10/97 - 9/98 (n=2,344)	Cohort 3 10/98-9/99 (n=2,452)	Cohort 4 10/99 - 3/00 (n=786)
Assistance Unit Size					
Mean	2.69	2.65	2.69	2.73	2.68
Median	2.00	2.00	2.00	2.00	2.00
Std. Dev.	1.21	1.11	1.21	1.26	1.24
Range	1 to 12	1 to 9	1 to 11	1 to 12	1 to 9
% of cases with one adult*	82.9%	84.0%	82.6%	83.1%	80.2%
% of cases with only one or two children*	75.5%	77.5%	75.8%	74.2%	73.1%
Residence* **					
% of cases in Baltimore City	43.2%	31.8%	41.3%	52.6%	51.3%
Case Type*					
% of child-only cases	14.5%	13.5%	14.2%	14.5%	17.8%
Payee Gender					
% with female head of household	95.9%	96.1%	95.8%	96.0%	95.7%
Payee Race/Ethnicity* **					
% with African-American head of household	74.1%	67.2%	73.2%	79.5%	78.1%
% with Caucasian head of household	23.7%	30.2%	24.4%	18.9%	19.7%
Age of Payee**					
Mean	32.43	31.76	32.57	32.64	33.13
Median	30.81	30.22	31.01	30.97	31.30
Std. Dev.	10.12	9.32	10.53	10.10	10.91
Range	18 to 86	18 to 86	18 to 84	18 to 77	18 to 81
Estimated Age at Birth of First Child					
Mean	21.70	21.77	21.72	21.62	21.65
Median	20.11	20.54	20.16	19.90	19.86
Std. Dev.	5.35	5.01	5.45	5.50	5.47
Range	13 to 50	13 to 43	13 to 50	13 to 50	13 to 45
% of Mothers who gave birth before 18**	24.1%	21.7%	23.7%	26.4%	24.0%
% of Mothers who gave birth before 21**	58.3%	54.8%	59.0%	59.7%	61.3%
Age of youngest child in household					
Mean	5.62	5.64	5.64	5.63	5.51
Median	4.37	4.35	4.45	4.40	4.19
Std. Dev.	4.51	4.38	4.49	4.59	4.68
Range	<1 year to 18	<1 year to 18	< 1 year to 18	< 1 year to 18	< 1 year to 18
% of households with a child under 3**	37.7%	34.9%	37.0%	39.5%	41.4%

Note: * p<.05, ** p<.01, *** p<.001

Characteristics of the Four Exit Cohorts

Since the outset of welfare reform, many have predicted that families exiting the rolls in the early days of reform would be those with the fewest barriers to employment and economic self-sufficiency. As welfare rolls declined, many program managers, politicians, researchers, and popular media reporters predicted that agencies soon would be left with a core of families with multiple barriers to employment (Brookings Institution, 1999; Brown, 1997; Heinrich, 1999; Loprest and Zedlewski, 1999; Meckler, 1999). These families may be less likely to exit welfare and, if their TCA cases do close, they may be at greater risk of returning to welfare. A recent study comparing the active Maryland TCA caseload at two time points finds that the general statement that the "hard to serve are being left behind" may be too simplistic, and the caseload may be changing more in terms of type of barriers than number (Caudill, 2000). Its results, however, are consistent with the prediction that later exiting families will have different characteristics and may experience different outcomes than early exiting families.

To examine whether the demographic profile of early and later-leaving cases differed, study cases were assigned to one of four groups, based on the time period in which the welfare exit which brought them into our sample took place. The four groups are:

- Cohort 1, families who left TCA between October 1996 and September 1997
- Cohort 2, families who left TCA between October 1997 and September 1998
- Cohort 3, families who left TCA between October 1998 and September 1999
- Cohort 4, families who left TCA between October 1999 and March 2000

Examination of the 2nd through 5th columns of Table 2 reveals both similarities and differences across cohorts. There were no significant differences across cohorts on four of the 13 dimensions examined. These four dimensions were: assistance unit size; percent of cases headed by a woman; mean age at birth of first child; and age of the youngest child in the household. Statistically significant differences were found, however, on the remaining nine variables. Each of these is briefly discussed below.

Proportion of Cases with only One or Two Children

For the entire sample, 75.5% of all exiting cases contained only one or two children at the time of case closure. The proportion of such cases was highest among the cohort 1 exiters (77.5%), and lowest (73.2%) among the latest exiters (cohort 4). This difference was statistically significant at the $p<.05$ level.

Proportion of Cases with One Adult

For the entire sample, regardless of the timing of the exit, 82.9% of all cases contained one adult recipient at the time of case closure. The proportion of such cases within the time cohorts was highest (84.0%) among the earliest exiters (cohort 1) and lowest (80.2%) among the most recent leavers (cohort 4); this difference was significant at the $p<.05$ level. The downward trend in the proportion of exiting cases containing one adult may be related to the increasing trend in the proportion of child-only (i.e. no adult) cases, noted in the following paragraph.

Proportion of Child-Only Cases

For the entire sample, child-only cases, those in which only dependent children are receiving cash assistance, accounted for 14.5% of all exiting cases. Looking across cohorts, however, we found that this proportion, while still fairly small, has

increased over time and the difference is statistically significant ($p<.05$). Despite the increase over time, it is worth noting that the proportion of child-only cases among those who exit from TCA remains lower than the proportion of child-only cases in the active caseload. A recent Lewin Group (Farrell, Fishman, Laud, and Allen, 2000) report finds that the percentage of child-only cases in the active caseload in Maryland has increased from 15% in 1994 to 23% in 1998.

Proportion of Cases in Baltimore City

Overall during the three and one-half year study period, 43.2% of study cases resided in Baltimore City at the time of their exit from welfare. However, Table 2 shows that there has been a marked and statistically significant ($p<.001$) increase over time in the proportion of exiting cases accounted for by Baltimore City. During the first year City exiters accounted for just under one-third (31.8%) of all closing cases; by the fourth and most recent period, more than half of all exiting families (51.3%) were City residents. The large increases occurred between the first and second year (from 31.8% to 41.3%) and between years two and three (from 41.3% to 52.6%), falling off slightly (51.3%) during the first half of the fourth year (October 1999 - March 2000).

Proportions of African-American and Caucasian Payees

Consistent with the ethnic composition of the statewide TCA caseload, roughly three-fourths (74.1%) of all exiting cases have been headed by persons of African-American descent. The cohort analysis shows that this proportion has increased over time. For the earliest through most recent time periods covered by these data, Table 2 shows that the proportions are: 67.2%, 73.2%, 79.5% and 78.1%, respectively. Similarly, cases headed by Caucasian payees account for not quite one-quarter

(23.7%) of all closing cases between October 1996 and March 2000. In general, cases headed by Caucasian payees were most frequent among the earliest welfare leavers (e.g., year one 30.2%) and least frequent among those who left later (e.g., year three 18.9% and year four 19.7%). Differences in payee's ethnicity are significant at the $p<.001$ level and are consistent with trends in the active TCA caseload (Caudill, 2000).

Age of Payee

Overall, the average age of payees in exiting cases was 32.43 years. However, the cohort analysis reveals a significant correlation ($r=.040$, $p<.01$) between payees average age and the timing of the welfare exit. Specifically, the average age is higher in each subsequent cohort than it was in the preceding one, such that payees who left in the most recent period (October 1999 - March 2000) were, on average, about one and one-half years older (33.13 years) than those who exited during the first year of welfare reform (31.76 years).

Proportion of Early Child-Bearers

For the statewide multi-year sample as a whole, at least one in four (24.1%) female payees in exiting cases had her first child before the age of 18 years; conservatively, just under three-fifths (58.3%) gave birth before the age of 21 years. For both variables, the table shows statistically significant differences in the proportions of early child-bearers over time. For both variables also, the pattern is the same: there are more early child-bearers in the later leaving cohorts than there were in the earlier cohorts.

Proportion of Cases with a Child Under Three

Not quite two of every five (37.7%) exiting cases during the October 1996 to March 2000 period contained at least one child under the age of three years. As shown in Table 2, there has been a steady and significant increase over time - about two percent per year - in this proportion. The figures for each of the four reporting periods are: 34.9%, 37.0%, 39.5% and 41.4%.

Why Are Families Leaving Welfare?

In addition to monitoring who is leaving welfare through examination of case and payee demographic characteristics, it is important to also track why cash assistance cases close, as these reasons are recorded in the administrative data. The pre-set, forced-choice closing codes contained in automated systems are an incomplete representation of the often complex realities behind families exits from welfare. Moreover, we know from earlier *Life After Welfare* reports that, in particular, these administrative data significantly understate the numbers of cases which close because the payee has obtained employment.[10] Despite these limitations, it is useful to examine the relative frequency with which various closing codes are used when exits from TCA take place. Table 3, following this discussion, presents information on case closing reasons for the entire 42 month study period as well as separately for each of the four time cohorts.

---

[10]One earlier analysis, to illustrate, compared the state UI wage database with TCA case closing codes. The former showed that 51% of sampled adults had UI-covered employment in the quarter in which they left welfare; the administrative data, in contrast, showed only 30% of all cases closed with the started work or income above limit codes.

Case Closing Reasons: Entire Sample[11]

During the first three and one-half years of welfare reform in Maryland, five administrative closing codes have predominated across the state, accounting for more than eight of every 10 closures (85.2%, 6,561/7,699). For the entire sample, in descending order, these are: failed to reapply/complete redetermination (26.3%); income above limit/started work (25.5%); eligibility information/verification not provided (16.5%); work sanction (10.6%); and assistance unit requested closure (6.3%).[12] Each of the top two reasons (failed to reapply/complete redetermination and income above limit/started work) accounted for about one in every four closures throughout the study period; together these two reasons accounted for just about one of every two case closures (51.8%) between October 1996 and March 2000. Adding the third most common reason (failure to provide eligibility info/verification), we find that the top three reasons account for two-thirds (68.3%) of all case closures during the first three and one-half years.

Case Closing Reasons by Exit Cohort

For many reasons, it is also important to examine whether the pattern of case closing reasons has changed since the outset of welfare reform. Data addressing this question also appear in Table 3 and do show marked and significant ($p<.001$)

[11]We focus on the top five closing codes because, since the outset of the research project in October 1996, they have accounted for the vast majority of all case closings in our sample.

[12]Our first four *Life* reports showed income above limit and started work separately. The latter code has become obsolete since conversion of the last jurisdiction, Baltimore City, to the new computer system in March 1998. Thus, the two codes have now been combined for all analytic purposes.

differences across cohorts, although not a consistent pattern over time or across closing codes. As will be discussed, at least some of the observed differences can be attributed to a relatively short-lived change in case management practices in Baltimore City and Prince George's County which occurred in the time period covered by our Cohort 2 and Cohort 3 data.

What are the trends in case closing reasons by exit cohort? Several are apparent in Table 3, but perhaps the most striking finding is the one-year spike (year 3) in use of the failed to reapply/no redet code. The proportion of all cases closed with this code was 22.5% (n=526) in year two, but jumped to 37.2% (n=908) in year three, falling back to a near low of 20.6% (n=162) in the fourth and most recent time period. This spike is partially accounted for by the temporary case management practice change in Baltimore City and Prince George's County.[13]

Other discernible trends are that the proportion of cases closed because the payee failed to provide eligibility/verification information or because a work sanction was imposed have both increased over time. The former code accounted for 13.5% (n=289) of closures in the earliest time period, to illustrate, but for 22.5% (n=177) of closures in the most recent period, the largest between-periods increase occurring between the third (October 1998 - September 1999) and fourth (October 1999 - March 2000) time periods.

---

[13]Baltimore City accounts for 60.8% (n=552/908) and Prince George's County accounts for 21.5% (n=195/908) of all cases closed during year three with the failed to reapply/complete redetermination code.

Cases closed because of the imposition of a full family sanction for non-compliance with work have also increased as a proportion of all closures. These cases represented 6.3% (n=134) of all closures in the first cohort, nearly doubled in the second year (11.2%, n=262), held steady during year three (11.1%, n=270), but rose to 19.2% (n=151) in the most recent period. Most observers of welfare reform expected that, over time, the use of work sanctions would increase as the 24 month work participation time limit drew near and, more generally, as agencies began to work with more difficult and/or troubled clients. In a state such as Maryland, where a work first and early intervention philosophy prevails, one would certainly expect to see marginal increases in work sanctioning over time. Nonetheless, the eight percent jump between the third and fourth cohorts (from 11.1% to 19.2%) was somewhat surprising. Further investigation revealed that much of this increase can be attributed to Baltimore City. Not quite three-fifths (57%, n=87/151) of all work sanctions in the most recent period were imposed in City cases. The proportion of work sanctions accounted for by Baltimore City has been increasing steadily over time. In year one, the City accounted for only 6.0% (n=8/134) of work sanctions, but increased to 32.1% (n=84/262) in year two, and 50.7% (n=137/270) in year three.

Finally, a potentially troubling trend - that of a decrease over time in the proportion of cases closed with the work-related code, income above limit - is also illustrated in Table 3. These closures accounted for about one of every three exiting cases (32.0%) in the earliest time period, but just about one in five exiting cases (19.1%) in the fourth and most recent time period. While it is true that many cases closed with other codes are also ones in which payees have found work, this downward

trend is something that we will continue to monitor closely. One strong possibility, of course, is that the trend is a signal that, in fact, we have reached the point where relatively few easy cases - those requiring only limited or short-term services to transition to employment - remain on the rolls.

Table 3. Reasons for Case Closure: Total Sample and by Cohort[14]

Closing Code***	All Cohorts 10/96-3/00 (n=7,699)	Cohort 1 10/96-9/97 (n=2,136)	Cohort 2 10/97 - 9/98 (n=2,335)	Cohort 3 10/98-9/99 (n=2,442)	Cohort 4 10/98 - 3/00 (n=786)
Failed to Reapply/ Redetermination	26.3% (2,028)	20.2% (432)	22.5% (526)	37.2% (908)	20.6% (162)
Income Above Limit/Started Work	25.5% (1,961)	32.0% (683)	26.8% (626)	20.6% (502)	19.1% (150)
Eligibility/Verification Info Not Provided	16.5% (1,267)	13.5% (289)	17.2% (401)	16.4% (400)	22.5% (177)
Work Sanction	10.6% (817)	6.3% (134)	11.2% (262)	11.1% (270)	19.2% (151)
Assistance Unit Requested Closure	6.3% (488)	9.3% (199)	6.0% (141)	4.1% (100)	6.1% (48)
Total Case Closings Accounted for by these "Top 5" Reasons	85.2% (6,561)	81.3% (1,737)	83.8% (1,956)	89.3% (2,180)	87.5% (688)

Note: *** p<.001

[14] Certain frequency counts for the first three cohorts differ from the counts shown in prior reports, largely because we have been able to identify closing codes for a number of cases previously reported with the AIMS code undifferentiated .

How Many Families Have Been Sanctioned?

Full family sanctioning, termination of the family s entire cash assistance grant, was a new program option made available to states under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193). Maryland elected to adopt this approach in instances of a TCA payee s non-compliance with work requirements or non-cooperation with child support. This section presents data on sanctioning rates for the entire sample and for each of the four time period cohorts.

Rates of Full Family Sanctioning: Entire Sample

Table 4, following, shows that, for the entire state during the first three and one-half years of reform, sanctions have been used relatively infrequently and have not, as some predicted, caused the tremendous caseload decreases that have taken place. Overall, only a bit more than one in 10 case closures (11.7%, n=905/7,699) have been due to sanctioning. The table also shows that, overwhelmingly, when sanctions do occur they arise because of clients non-participation in work (n=817 of 905 total sanctions), not because of their failure to cooperate with child support (n=88 of 905 total sanctions).

Table 4. Cases Closed Because of Sanctions: Entire Exiting Sample

Closing Code	Frequency	Percent
Non-compliance with work requirements	817	10.6%
Non-cooperation with child support	88	1.1%
Total	905	11.7%

Rates of Full Family Sanctioning: The Four Exit Cohorts

As expected, full family sanctioning for non-compliance with work requirements has increased over time, such that the proportion of all cases closed for this reason was about three times greater in the most recent period (19.2%, n=151/786) than it was in the first year of welfare reform (6.3%, n=134/2,136). This trend was not unexpected given that work participation rate requirements continue to escalate each year, many customers have reached the 24 month time limit and, in the opinion of many, there are proportionately more difficult cases today than there were when reform began several years ago.

Child support sanctions have rarely been imposed during the first 42 months of reform with only 1.1% of all cases closing for this reason. Across cohorts the rate of sanctioning for non-cooperation with child support has varied significantly, rising from 0.6% in the first year to 1.3% in the second year and 1.5% in the third year. The rate has dropped slightly to 1.0% in the first six months of the fourth year.

Table 5. Cases Closed Because of Sanctions by Cohort

Closing Code	Cohort 1 10/96-9/97 (n=2,136)	Cohort 2 10/97 - 9/98 (n=2,335)	Cohort 3 10/98-9/99 (n=2,442)	Cohort 4 10/99 - 3/00 (n=786)
Non-compliance with work requirements***	6.3% (134)	11.2% (262)	11.1% (270)	19.2% (151)
Non-cooperation with child support*	0.6% (13)	1.3% (31)	1.5% (36)	1.0% (8)

What are Payees Experiences with the Welfare System?

Table 6, following this discussion, presents two measures of payees pre-exit experiences with the welfare system. In the top part of the table, we present data on the number of continuous months that cases had been open before the exits which brought them into our sample. Considering all cohorts, we find that half of sample cases (53.3%) had been open for 12 months or less at the time of their exit. Another 20.1% had received cash assistance for 13 to 24 months. Slightly less than one in ten (9.5%) exited from a spell which had lasted more than five years. The average exiting spell for all cohorts was a little less than two years (23.05 months); the median spell length was just under one year (11.40 months).

Length of exit spell differs significantly among early and late leavers. Across time, the average spell length has decreased steadily from 26.04 months in the first cohort to 15.01 months in the most recent cohort. The median has also declined from 14.76 months in the first year to 5.98 months in the most recent time period. In addition, the distribution of short and long exit spells has changed with the proportion of families exiting short spells (e.g., 12 months or less) increasing over time and the proportion of families exiting very long spells (e.g., more than five years) decreasing.

The bottom half of Table 6 presents an alternate measure of payees welfare experiences: total number of months of receipt (not necessarily continuous) in the five years preceding their TCA exit. While it is informative to know about the length of the welfare spell families are exiting, these data certainly do not present a complete picture of families welfare histories. Exit spell calculations provide only a snapshot of one welfare spell and may not necessarily correlate with the families lifetime receipt when

multiple welfare spells are considered. Single spell data almost always understate welfare utilization, and in a certain proportion of cases may paint a very misleading picture of a family's dependency. Moreover, exit spell calculations are influenced by local case closing practices.

By examining the number of months of receipt in the five years preceding the TCA exit, we overcome some of the limitations of single spell analyses. Although this measure does not include a payees entire, lifetime welfare history, it does correlate highly with lifetime measurements (r = .79 to .91).

For the 42 month sample as a whole, we find that exiting payees had received assistance for an average of 30.53 months in the 60 months preceding their TCA exits. Half of all payees received welfare for 19.73 months or less during the five years preceding their TCA exit. A little more than one-quarter of former payees (26.7%; n=2,065/7,730)[15] had a welfare history of 12 months or less; an equal number (26.3%; n=2,031/7,730) had received assistance for at least four of the five years preceding their TCA exit.

Significant differences in welfare history were found among the four time cohorts in both the mean number of months of receipt and the distribution of short- and long-term clients. However, these differences are not simply linear. The mean number of months of receipt in the five years preceding the TCA exit was 30.95 for the first year cohort, 29.41 for year two, 31.37 for year three and 30.53 for the fourth cohort. Although those who left in reform s third year had longer welfare histories than those

[15]The total N for the welfare history calculation does not equal 7,738 because eight cases are missing data for part of the five year period.

who left in the second year, none of the other cohort differences are statistically significant at the $p < .05$ level.

Similarly, the proportion of former payees with short welfare histories (i.e. 12 months or less of receipt in the five years preceding their welfare exit) increased from the first to second year (25.5% vs 27.9%) and from the third to fourth year (26.4% vs 27.5%), but decreased from the second to third year (27.9% vs 26.4%). The opposite pattern is observed among long term clients. That is, the proportion of former payees who have received assistance for at least four of the five year preceding their TCA exit declined from the first to second year (26.9% vs 23.8%), increased in the third year (28.2%), and declined again in the first six months of reform's fourth year (26.1%).

Table 6. AFDC/TANF Receipt History of Exiting Payees

	All Cohorts 10/96-3/00 (n=7,738)	Cohort 1 10/96-9/97 (n=2,156)	Cohort 2 10/97 - 9/98 (n=2,344)	Cohort 3 10/98-9/99 (n=2,452)	Cohort 4 10/99 - 3/00 (n=786)
Length of Exiting Spell* **					
12 months or less	53.3% (4,125)	42.1% (908)	48.6% (1139)	61.4% (1,505)	72.9% (573)
13-24 months	20.1% (1,553)	24.5% (529)	21.2% (498)	17.0% (416)	14.0% (110)
25-36 months	8.9% (691)	12.4% (267)	9.8% (230)	6.5% (160)	4.3% (34)
37-48 months	4.9% (380)	6.3% (135)	5.5% (128)	4.1% (100)	2.2% (17)
49-60 months	3.3% (253)	3.8% (82)	4.2% (99)	2.4% (60)	1.5% (12)
More than 5 years	9.5% (736)	10.9% (235)	10.7% (250)	8.6% (211)	5.1% (40)
Mean***	23.05 mos	26.04 mos	25.51 mos	20.66 mos	15.01 mos
Median	11.40 mos	14.76 mos	12.52 mos	9.25 mos	5.98 mos
Standard deviation	32.12 mos	31.70 mos	33.90 mos	31.58 mos	27.25 mos
Range	<1 mo to 25 yrs	<1 mo to 24 yrs	<1 mo to 21 yrs	<1 mo to 25 yrs	<1 mo to 20 yrs
TCA Receipt in the 5 Years Prior to Exit*					
12 months or less	26.7% (2,065)	25.5% (549)	27.9% (653)	26.4% (647)	27.5% (216)
13-24 months	17.3% (1,336)	18.4% (397)	17.3% (406)	15.9% (391)	18.1% (142)
25-36 months	15.3% (1,186)	16.0% (344)	15.8% (371)	14.7% (361)	14.0% (110)
37-48 months	14.4% (1,112)	13.2% (283)	15.2% (355)	14.8% (362)	14.3% (112)
49-60 months	26.3% (2,031)	26.9% (579)	23.8% (556)	28.2% (691)	26.1% (205)
Mean**	30.53 mos	30.95 mos	29.41 mos	31.37 mos	30.12 mos
Median	29.00 mos	29.00 mos	29.00 mos	30.00 mos	27.00 mos
Standard deviation	19.73 mos	19.89 mos	19.52 mos	19.89 mos	19.48 mos
Range	1 mo to 5 yrs	1 mo to 5 yrs	1 mo to 5 yrs	1 mo to 5 yrs	1 mo to 5 yrs

How Many Exiting Adults have Prior UI-Covered Employment?

The empirical literature has generally been consistent over the years in showing that, for women receiving welfare, work experience can be an important predictor of their welfare utilization patterns. Women with recent labor market experience, for example, receive welfare for significantly shorter periods of time than those with less recent experience (Petersen, 1995; Sandefur and Cook, 1997). Likewise, lack of prior work experience is associated with a heightened risk of long-term welfare receipt (Caudill and Born, 1997; Duncan, Harris, and Boisjoly, 1997), a higher rate of returning to welfare after an exit (Born, Caudill and Cordero, 1998) and a lower likelihood of obtaining a job within 24 months (Eberts, 1997). Our sample payees, by definition, have all managed to exit from welfare (at least temporarily). Nonetheless, information about the extent to which they have prior work experience can be useful in thinking about their likelihood of remaining off welfare, the jobs and wages they are likely to obtain, and services that might be needed to help them remain employed after exiting from welfare.

To examine payees work histories, we use employment and wage data from the Maryland Automated Benefits System (MABS), which includes all employers (approximately 93% of jobs) covered by the state s Unemployment Insurance program. Not included are independent contractors, sales people on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees, and self-employed persons who do not employ any paid individuals. Off the books or under the table employment is also not included, nor are jobs located in other states or the District of Columbia.

In a small state such as Maryland which shares borders with Virginia, West Virginia, Pennsylvania, Delaware and the District of Columbia, cross-border employment by Maryland residents is quite common.[16] According to the 1990 Census, in some Maryland counties, more than one of every three employed residents worked outside the state (see Appendix A). Also, there are more than 125,000 federal jobs in the state, and a majority of Maryland residents live within easy commuting distance of Washington, DC. Thus, our lack of access to other states' data and to federal employment data is a serious limitation which has a depressing effect on all reported employment findings.

Data limitations notwithstanding, it is useful to examine how many exiting adults had prior UI-covered employment in Maryland. This information can be valuable in anticipating what their post-exit employment patterns might look like and what post-exit services might be required. Thus, this Baseline Findings chapter concludes by presenting information on the prior employment experiences of payees in our exiting sample.

First and most generally, the data show that the vast majority of exiting payees do have some history of recent employment in a UI-covered job in Maryland. More than eight of every 10 (83.4%, n=6450/7738) worked in such a job at some point within the five year period January 1995 - December 1999.

---

[16] The authors and many welfare administrators continue to believe that standardized, generally-accepted protocols need to be developed whereby states can share vital UI wage/employment data while still protecting the confidentiality of those data. Because the need for these data is nearly universal across states, this is a task on which the federal Departments of Health and Human Services and Labor should take the lead.

We also examined whether payees had worked immediately prior to the start of their most recent welfare spell (i.e. the spell whose ending brought them into our sample). These data are available for all payees who began their exit spell in or after April 1987 and who were 18 years of age in the quarter before their welfare spell began (97.4% of all cases, n=7,536/7,738). Analysis showed that almost two-thirds (64.6%, n=4,837/7,536) worked in at least one of the eight quarters before their welfare spell began. A similar number (66.6%, n=5,156/7,738) worked at some point in the eight quarters preceding their welfare exit.[17]

As can be seen in Table 7, early and late leavers do not differ significantly in employment history. Whether considering employment before their welfare spell began or in the two years preceding their TCA exit, approximately two thirds of those in each cohort worked in a UI-covered job.

Table 7. Employment History of Exiting Payees

Employment	All Cohorts 10/96-3/00 (n=7,738)	Cohort 1 10/96-9/97 (n=2,156)	Cohort 2 10/97-9/98 (n=2,344)	Cohort 3 10/98-9/99 (n=2,452)	Cohort 4 10/99-3/00 (n=786)
% working at some point in four quarters preceding spell entry	64.6% (4867/7536)	65.5% (1372/2094)	64.4% (1462/2269)	64.0% (1537/2400)	64.2% (496/773)
% working at some point in eight quarters preceding spell exit	66.6% (5156/7738)	68.1% (1469/2156)	66.2% (1551/2344)	65.1% (1597/2452)	68.6% (539/786)

[17] Readers should note that payees may or may not have been receiving welfare during the entire eight quarters preceding their TCA exit.

Even given their limitations, the retrospective data on payees prior work histories are positive insofar as welfare-to-work is concerned. The vast majority of adults do have some history of paid employment in a job covered by the state s Unemployment Insurance (UI) system. They are not total strangers to the world of work and, in the past, they have been able to find jobs. However, we are studying these women because they have just left welfare. The obvious implication is that, at least in the past, most of these women have not been able to remain employed and all have subsequently received cash assistance. This lends credence to the notion that the true test of welfare reform lies not in how many clients leave welfare, but rather in how many are able to stay off welfare. For those who leave welfare for work in particular, it seems obvious that job retention, job advancement and employment support services are vitally important.

Findings: Post-Exit Employment

Baseline data presented in the previous chapter are important as they speak to the question of who is leaving welfare and provide insight into how the profile of later-leaving cases is similar to and different from the profile of cases which exited earlier. This chapter is the first of several to address the second, more critical question: what happens to families after they exit welfare? The specific outcome addressed in this chapter is payees post-welfare employment in jobs covered by the Maryland Unemployment Insurance (UI) program. Information about payees quarterly earnings from those jobs and the types of industries in which former customers are employed is also provided.

How Many Work in UI-Covered Jobs Right Away?[18]

We begin by looking at the extent of UI-covered employment among exiting adults in the quarter in which their welfare cases closed. For this analysis, we exclude cases that return to welfare within the first 30 days after exit (i.e. the churners). The very latest leavers (January 2000 - March 2000) are also excluded because our employment data only go through the fourth quarter of 1999.

- Almost half (48.1%, n=2,814/5,848) of all exiting case heads worked in a UI-covered job in Maryland in the quarter in which they left cash assistance. Mean or average earnings among those who worked in the exit quarter were $2,321; midpoint or median earnings were $1,934.[19]

---

[18] All earnings figures reported in this chapter are standardized to 1999 dollars. Note that UI earnings are reported on an aggregate quarterly basis. Thus, we do not know when in the quarter someone worked or how many hours they worked. It is impossible to compute hourly wage figures from these quarterly earnings data.

[19] Excluding child-only cases increases the percent working to 50.1% (n=2,515/5,016). Mean earnings change to $2,091 and the median shifts to $1,800.

" Among those with a prior history (pre-exit) of UI-covered employment, slightly more than three of every five (62.8% or n= 2,491/3,965) worked in UI-covered employment during the quarter in which their welfare cases closed. Mean or average earnings were $2,434 while median or mid-point earnings were $2,030.[20]

Readers who have closely followed our research may note that the proportion of all payees working in the exit quarter (48.1%) is slightly lower than it had been in earlier reports. In our fourth interim report, for example, 49.5% of exiters (at that time payees who had exited between October 1996 and December 1998) were found to have worked in a UI-covered job in Maryland during the quarter in which their welfare cases closed. As will be discussed later in this chapter (pp. 38 to 41), analysis suggests that cohort effects account for much of the observed change.

Does Work Effort Persist Over Time?

History and empirical research has shown that the vast majority of women who receive cash assistance are not strangers to the world of work. Most have worked outside the home in the past, albeit not always steadily. Under a work-oriented, time-limited welfare system then, although payees ability to get a job is an important concern of policy-makers, former customers ability to maintain employment (not necessarily in the same job) is of at least equal concern.

In the context of our study, this translates into an effort to determine the extent to which former adult recipients are working in the quarters **after** they no longer receive cash assistance. Again, we use data on UI-covered employment in Maryland to address these questions. In examining findings, readers are reminded that the UI data

[20] Eliminating child-only cases does not change the figures very much: the percent working becomes 62.7% (n=2,212/3,526), average earnings become $2,178 and median earnings become $1,911.

lag two to three quarters behind calendar time; thus, at the time of this writing, follow up employment data are only complete through the fourth quarter of 1999 (October - December 1999). In addition, the amount of post-exit employment data varies depending on the quarter in which the case left welfare. To facilitate interpretation of our results, Table 8, following, shows how many quarters of post-exit employment data are available for each quarter's sample cases.

Table 8. Number of Quarters of Post-Exit Employment Data by Sample Month

Quarter	1 Qtr (n=6952)	2 Qtrs (n=6407)	3 Qtrs (n=5840)	4 Qtrs (n=5230)	8 Qtrs (n=2665)	12 Qtrs (n=535)
Oct-Dec 1996	x	x	x	x	x	x
Jan-Mar 1997	x	x	x	x	x	
Apr-Jun 1997	x	x	x	x	x	
Jul-Sep 1997	x	x	x	x	x	
Oct-Dec 1997	x	x	x	x	x	
Jan-Mar 1998	x	x	x	x		
Apr-Jun 1998	x	x	x	x		
Jul-Sep 1998	x	x	x	x		
Oct-Dec 1998	x	x	x	x		
Jan-Mar 1999	x	x	x			
Apr-Jun 1999	x	x				
Jul-Sep 1999	x					
Oct-Dec 1999						
Jan-Mar 2000						

Employment Over Time: Entire Sample

What do we know about the post-exit employment of former welfare recipients in jobs covered by the state s Unemployment Insurance system? A first and most general finding is that: excluding those who come back on welfare right away (i.e. within 30 days), seven of every ten payees (69.8%, n=3,866/5,535) worked in a UI-covered job in Maryland at some point after leaving welfare.

Table 9, following this discussion, reports post-exit employment results for the first through fourth quarters after exit, and at the two and three year post-exit points for those cases for which this information is currently available. The first column of data in the table presents findings for the entire statewide sample; the second column presents findings when child-only cases are excluded. The analysis of post-exit employment excludes cases that returned to welfare right away (i.e. within 30 days of exit). Keeping in mind that we have no data on jobs in the four states which border Maryland, jobs in the District of Columbia, or federal employment (civilian or military), major findings include:

- In the first quarter after exit, about half (49.2% or n=2,723/5,535) of former payees worked in UI-covered employment in Maryland.[21]
- Among those with a history of UI-covered employment prior to their TCA exit, slightly more than three-fifths (62.3%, n=2,338/3,755) worked in such a job in the first quarter after leaving welfare.[22]

[21] Excluding child-only cases (where the adult casehead was not included in the welfare grant), this figure increases slightly to 51.4%.

[22] History of UI-covered employment is defined here as having MABS-reported wages in any of the eight quarters preceding the TCA exit.

In a time-limited welfare environment, the most important questions pertain to what happens in terms of employment over time. Key findings about employment in subsequent post-exit quarters (also shown in Table 9) include:

- The statewide pattern of roughly one out of two adults working in UI-covered employment in Maryland continues in the 2nd through 12th quarters post-exit. That is, in each subsequent quarter, about half of all former payees are employed in a job covered by the state s Unemployment Insurance system.

- Those with a pre-exit wage history have noticeably higher rates of post-exit employment: roughly three-fifths of these clients are working in each of the 2nd through 12th quarters after they exited from welfare.

What Are Adults Quarterly Earnings from UI-Covered Employment?[23]

Table 9 also includes information on the aggregate quarterly earnings of former adult recipients employed in UI-covered jobs in Maryland after their exits from the cash assistance rolls. The general findings are:

- In the first post-exit quarter, median quarterly UI-covered earnings are $2,151 for all cases.

- The trend in quarterly earnings is an upward one over the 2nd through 12th post-exit quarters such that, for all cases, median earnings are $3,226 by the 12th quarter after the welfare case closure.

The proportions of former TCA clients working in UI-covered employment are encouraging, particularly the data showing that work effort persists over time. There may be some concern, however, about what appear to be relatively low quarterly earnings. Indisputably, low-wage employment and the problems of the working poor, in

[23]As noted previously, all earnings figures reported in this chapter are standardized to 1999 dollars. Note that UI earnings are reported on an aggregate quarterly basis. Thus, we do not know when in the quarter someone worked or how many hours they worked. It is impossible to compute hourly wage figures from these quarterly earnings data.

general, should be matters of public concern. Because of the nature of our data, readers must **not** assume that these quarterly earnings figures indicate that employed, former welfare recipients are all working in minimum wage jobs. Earnings are reported on an aggregate, quarterly basis. It is impossible to determine if the person is working part-time or full-time, or if they worked during the entire quarter or only a portion of it. Thus, the quarterly earnings we report simply cannot be converted into full-time hourly wage equivalents. Similarly, these figures cannot be assumed to represent total household income.

How Many Adults Are Steadily Employed in UI-Covered Jobs Over Time?

The previously reported results are encouraging because they indicate that work effort among welfare leavers in Maryland is persistent. Despite literature documenting often intermittent or unstable employment patterns among low-income women, we found that - even three full years later - half of all exiting payees in our sample were employed. To further examine the issue of employment stability (not necessarily in the same job), we looked at study cases (n=4,342) for whom we have at least one full year of post-exit employment data. For this group, those who left welfare during the first 27 months of reform, results are good in terms of the persistence of work effort over time.

- A little more than half (50.4%, n=2,190/4,342) worked in a UI-covered job in Maryland in the first quarter after exit.
- Of those who worked in the first post-exit quarter, the vast majority (81.4%, n=1,783/2,190) also worked in the second post-exit quarter. Likewise, most who worked immediately after leaving welfare, also worked in the third post-exit quarter (74.4%, n=1,630/2,190); nearly as many (72.5%, n=1,587/2,190) worked in the fourth quarter post-exit.
- Almost three of every five payees who worked in the first quarter after leaving welfare worked in all four post-exit quarters (58.3%, n=1,276/2,190).

Table 9. UI-Covered Employment in Maryland in the Post-Exit Quarters[24]

UI-Covered Employment	All Cases	Excluding Child-Only Cases
1st Quarter After TCA Exit		
Total number of cases	5535	4755
Percent Working	49.2% (2723)	51.4% (2442)
Mean Earnings	$2485	$2274
Median Earnings	$2151	$2028
Percent with Pre-Exit Wage History Working	62.3% (2338/3755)	62.1% (2074/3342)
2nd Quarter After TCA Exit		
Total number of cases	5117	4449
Percent Working	48.2% (2494)	49.9% (2221)
Mean Earnings	$2596	$2409
Median Earnings	$2250	$2164
Percent with Pre-Exit Wage History Working	60.6% (2119/3496)	60.3% (1871/3104)
3rd Quarter After TCA Exit		
Total number of cases	4797	4132
Percent Working	47.2% (2262)	48.6% (2008)
Mean Earnings	$2706	$2535
Median Earnings	$2385	$2277
Percent with Pre-Exit Wage History Working	59.3% (1924/3244)	59.0% (1702/2882)
4th Quarter After TCA Exit		
Total number of cases	4342	3746
Percent Working	48.4% (2103)	50.2% (1880)
Mean Earnings	$2753	$2570
Median Earnings	$2425	$2337
Percent with Pre-Exit Wage History Working	59.4% (1748/2944)	59.1% (1547/2616)
8th Quarter After TCA Exit		
Total number of cases	2452	2121
Percent Working	49.8% (1220)	51.7% (1097)
Mean Earnings	$3047	$2957
Median Earnings	$2711	$2646
Percent with Pre-Exit Wage History Working	59.2% (997/1683)	59.7% (895/1500)
12th Quarter After TCA Exit		
Total number of cases	513	425
Percent Working	51.9% (266)	52.9% (225)
Mean Earnings	$3441	$3375
Median Earnings	$3226	$3220
Percent with Pre-Exit Wage History Working	59.8% (214/358)	59.3% (181/305)

[24] As noted, we report aggregate quarterly earnings. We do not know when in the quarter someone worked or how many hours she worked so hourly wage can not be computed from these data.

Does Likelihood of Working Vary by Cohort or Region?

Previously, we noted a slight decrease, from our last report to this one, in the proportion of payees working immediately or shortly after leaving welfare. Two possible explanations for this change were explored. First, we examined the data by cohort to determine if rates of immediate employment might be lower among later leavers than among early leavers. Second, we examined the data separately for the two largest jurisdictions (Baltimore City and Prince George s County) compared with the balance of the state. Results appear in Table 10, following this discussion.

Statewide data for the first three years of reform do show evidence of cohort or time effects.[25] The general trend is that those who left earliest had the highest rates of employment in the quarter of welfare case closure, while those who left latest exhibited the lowest rates of such employment. In year one, 52.2% of payees worked in the exit quarter; the figures for year two and year three leavers were 48.3% and 43.9%, respectively. The pattern was similar when only payees with a prior history of UI-covered jobs were included; exit quarter employment rates for years one through three were: 67.2%, 63.0% and 57.7%, respectively. Median earnings in the exit quarter likewise were highest for the first year leavers ($2076) and lowest for those who left in reform s third year ($1614). These data are certainly not conclusive in and of themselves, but they do seem to suggest that those who are leaving welfare in these later years of reform may not be as job-ready as early leavers.

Our geographic analysis looking separately at Baltimore City and Prince George s County and comparing them to the balance of the state yielded similar results.

---

[25]The most recent leavers (October 1999 - March 2000) are excluded from these analyses as our employment data only go through the fourth quarter of 1999.

In all three areas (City, Prince George s County, balance of state), we observed lower rates of exit quarter employment among the later-leaving cohorts. However, perhaps contrary to expectation, we find that Baltimore City employment is comparable to the rest of the state. Employment rates in Prince George s County were notably and consistently lower than elsewhere; at least in part this reflects the fact that a large proportion of employed residents of this county work out-of-state (see Appendix A). Unfortunately, we have not been able to obtain access to the data which would permit us to determine out-of-state (and federal) employment for the payees in our sample.

Similar cohort and geographic comparisons were done using data for the first full quarter after welfare case closure and yielded very similar results.[26] Of those who left in the first year of reform, 52.9% worked in a UI-covered job in Maryland in the first full post-exit quarter. This figure was about four percent less (48.9%) among those who exited in year two and dropped again, by about an equal amount, the next year; of year three exiters 45.1% worked in a Maryland job covered by the UI program in the first full quarter after leaving welfare. The pattern was similar when only payees with a prior history of UI-covered jobs were included; first full post-exit quarter employment rates for years one through three leavers were: 66.5%, 62.6% and 56.7%, respectively. Unlike findings for the exit quarter, there was no consistent pattern with regard to median earnings over time; for the statewide sample they were, in years one, two and three: $2,216, $2,255 and $1,834, respectively.

Regional results for the first full post-exit quarter were identical to regional findings for the quarter of exit. In Baltimore City, Prince George s County and the

[26] These analyses exclude the October 1999 - March 2000 exiters because our employment data only go through the fourth quarter of 1999.

balance of the state, we found lower rates of employment among the more recent welfare leavers than among those who were the first to leave cash assistance. Employment rates were lower in Prince George's County than in other areas of the state.

These findings are suggestive, rather than conclusive, but they clearly lend support to the hypothesis that, regardless of place of residence within Maryland, those who are leaving welfare now may not possess as much human capital and/or be as attractive to employers as persons who left welfare in the very early years of reform. This is a topic we will continue to closely monitor in our research. It is an area of which program administrators should also be mindful. If, indeed, it is true that today s caseload (including recent leavers) is at least different to serve, if not harder to serve, there are programmatic and probably substantial fiscal implications.

Table 10. UI-Covered Employment in Maryland in the Quarters After TCA Exit by Cohort[27]

	Year 1				Year 2				Year 3			
UI-Covered Employment	**Total**	**Balt City**	**Prince George s**	**Other 22 Juris.**	**Total**	**Balt City**	**Prince George s**	**Other 22 Juris.**	**Total**	**Balt City**	**Prince George s**	**Other 22 Juris.**
Quarter of TCA Exit												
Percent Working	52.2% (1045/2002)	57.4% (377/657)	37.8% (125/331)	53.6% (543/1014)	48.3% (882/1826)	49.3% (357/724)	35.9% (115/320)	52.4% (410/782)	43.9% (749/1707)	43.2% (372/861)	35.0% (91/260)	48.8% (286/586)
Earnings	$2340	$2757	$2201	$2082	$2395	$2524	$2801	$2170	$2123	$2180	$1894	$2120
Mean	$2076	$2523	$1766	$1731	$1953	$2266	$2163	$1585	$1614	$1759	$1381	$1494
Median												
Percent with Pre-Exit Wage History Working	67.2% (924/1376)	72.9% (347/476)	56.4% (106/188)	66.2% (471/712)	63.0% (783/1242)	65.1% (319/490)	53.6% (103/192)	64.5% (361/560)	57.7% (656/1137)	57.1% (331/580)	50.0% (76/152)	61.5% (249/405
Quarter After TCA Exit												
Percent Working	52.9% (1060/2002)	57.4% (377/657)	40.2% (133/331)	54.2% (550/1014)	48.9% (893/1826)	50.7% (367/724)	36.6% (117/320)	52.3% (409/782)	45.1% (770/1707)	45.6% (393/861)	34.2% (89/260)	49.1% (288/586)
Earnings	$2474	$2754	$2167	$2356	$2560	$2622	$2866	$2417	$2412	$2450	$2391	$2368
Mean	$2216	$2492	$1793	$2053	$2255	$2324	$2350	$2070	$1834	$1944	$1977	$1704
Median												
Percent with Pre-Exit Wage History Working	66.5% (915/1376)	71.8% (342/476)	55.9% (105/188)	65.7% (468/712)	62.6% (778/1242)	65.5% (321/490)	54.2% (104/192)	63.0% (353/560)	56.7% (645/1137)	57.8% (335/580)	45.4% 69/152	59.5% (241/405)

[27] As previously noted, the MABS system reports earnings on an aggregate quarterly basis. Thus, we do not know when in the quarter someone worked and how many hours they worked and it is impossible to compute hourly wage figures from these quarterly earnings data.

Does Likelihood of Working Vary by Case Closing Reason?[28]

We also examined whether post-exit employment continues to vary systematically with the case closing reason (our caveats on administrative case-closing reasons notwithstanding). As Table 11 shows, there is a statistically significant relationship. Specifically, employment in the exit quarter is most common among adults whose welfare cases closed because the payee had income above limit/started work . Approximately seven of every 10 (69.3%) of these payees worked in UI-covered jobs in Maryland during the calendar quarter in which they left cash assistance. Consistent with our earlier reports, employment is much lower, though not unsubstantial, among adults whose welfare cases closed because the customer did not provide needed information (43.7%) or complete the redetermination process (39.3%).[29] Also less likely to be employed in UI-covered jobs at the time of exit are payees whose cases closed because they requested closure (35.1%). Of cases closed for one of the top five reasons, those least likely to be working in a UI-covered Maryland job in the exit quarter are those who closed because of a full family work sanction (26.5%). This finding is tempered, however, by the fact that work-sanctioned cases have very high rates of recidivism (see Table 17 in the next chapter).

[28] These analyses exclude those who returned to welfare right away (i.e. within 30 days of exit).

[29]These findings confirm that far more customers leave welfare for work than is reflected in the administrative data; two of every five payees whose cases were closed for failure to reapply/complete redet and failure to provide eligibility information were working in a Maryland UI-covered job after they left welfare.

Table 11. Employment in Quarter of Exit by Case Closing Reason

Top Five Case Closing Reasons	Percent Working***	Number Working	Mean Earnings***	Median Earnings
Income Above Limit/Started Work	69.3%	1,257/1,813	$2,223	$2,013
Failed to Reapply/Redetermination	39.3%	542/1,378	$2,588	$2,092
Eligibility/Verification Information Not Provided	43.7%	425/973	$2,277	$1,813
Work Sanction	26.5%	159/599	$1,771	$1,343
Client Requested Closure	35.1%	148/422	$3,198	$2,602

Note: ***p<.001

There are also significant differences in the mean quarter-of-exit UI-covered earnings. Curiously, clients whose jobs/earnings gains were known to the welfare agency (i.e. those whose cases closed because of income above limit/started work) did not have the highest mean earnings ($2,223). Rather, average quarterly earnings were highest for clients who requested case closure ($3,198). The next highest mean quarterly earnings are observed among those who did not reapply or complete the redetermination process ($2,588). Mean earnings among those not providing eligibility/verification information ($2,277) and the income above limit cases were similar. Those who were sanctioned for non-compliance with work had the lowest average earnings ($1,771).

We also examined whether a client s likelihood of working in the first full quarter **after** leaving welfare varied systematically according to the administratively-recorded reason that her cash assistance case had closed. The answer to this question is yes and Table 12, following, presents our results.

Table 12. Employment in First Post-Exit Quarter by Case Closing Reason

Top Five Case Closing Reasons	Percent Working***	Number Working	Mean Earnings***	Median Earnings
Income above limit	64.7%	1,173/1,813	$2,340	$2,287
Failed to reapply/ redetermination	39.3%	541/1,378	$2,671	$2,153
Failed to give eligibility information	42.4%	413/973	$2,347	$1,947
Work sanction	28.7%	172/599	$1,776	$1,335
Client requested closure	32.7%	138/422	$3,540	$3,030

Note: ***p<.001

Patterns in the first post-exit quarter (Table 12) are quite similar to those shown in Table 11 (quarter of exit). Those most likely to be working in UI-covered employment in the first post-exit quarter left welfare because they had income above limit/started work (64.7%). Again, employment is lower, though still substantial, when cases closed because the client did not supply required eligibility information (42.4%), because the redetermination process was not completed (39.3%) or because the client requested case closure (32.7%). Notably, the proportion of work sanctioned cases with UI-covered employment (28.7%) is slightly higher in the post-exit quarter than it was in the quarter of exit (26.5%).

Also consistent with Table 11 (quarter of exit) are the mean earnings patterns in the first post-exit quarter. Again, those with the highest average ($3,540) and median ($3,030) earnings are clients who requested case closure. The second highest mean earnings ($2,671) were again found among clients who failed to reapply/complete the redetermination process, and average earnings were similar for those who failed to provide eligibility information ($2,347) and those who had incomes above the limit

($2,340). As was true in the quarter of exit, payees who had been sanctioned for non-compliance with work had the lowest mean earnings in the first full post-exit quarter ($1,776). These differences in mean earnings are statistically significant. For all groups, mean earnings were higher in the quarter after exit (Table 12) than in the quarter of exit (Table 11).

What Types of Industries Hire Former Welfare Recipients?

Research has indicated that, because they often have low education levels, welfare recipients historically have been most likely to find employment in low-skill, low-wage sectors of the labor market (Burtless, 1997; Zill, Moore, Nord & Steif, 1991). The Survey of Income and Program Participation (SIPP) shows that welfare mothers' jobs, in the past, tended to be in low-wage women's occupations (i.e. "pink collar jobs") in service industries such as restaurants, bars, nursing homes, hotels and motels, department stores, and temporary help service firms (Spalter-Roth, Burr, Hartman, and Shaw, 1995). However, the work of Lane, Jinping, and Stevens (1998) shows other industries have been more successful in retaining former welfare recipients; individuals who worked in public administration, health services, and social services were more likely to have successful outcomes.

For the above reasons, our study documents the most common types of UI-covered industries in which former recipients work immediately after leaving welfare. As has been done in our previous *Life After Welfare* reports, we have grouped payees' first post-exit employers by Standard Industrial Classification (SIC) codes. To best utilize the available data, we allowed each exiting adult to contribute up to five

employers to the industry data.[30] Thus, the data presented in the following section reflect the number of employers for which exiting adults worked, not the number of exiting adults working in each industry in the first post-exit quarter.

For ease of interpretation we present data at the most general (SIC 1, Figure 1) and most specific (SIC 4, Table 13) levels of classification. In sum, these data indicate the following:

" The most frequent employer type in the first post-exit quarter is wholesale and retail trade, accounting for about one third (32.1%, n=1,109/3,458) of all jobs. Just about three-fifths (n=659/1109) of the jobs in this sector are: eating and drinking places (n=339); department stores (n=185); and supermarkets (n=135).

The next most common industry is personal/business services (n=873/3,458), accounting for one of every four (25.2%) employers in the sample. Employment services (n=434), hotels and motels (n=89), and security system services (n=86) are the most common types of employers within this classification.

The third most common industry type (n=688/3,458) is organizational services, accounting for 19.9% or one fifth of the total. Almost half (48.3%, n=332/688) of employers classified as organizational services are health services (nursing homes, hospitals, home healthcare, n=247), social services (n=45) and sole proprietors (n=40).

Together these three industries account for just about three-quarters (77.2%, n=2,670/3,458) of the employers in the first quarter after the welfare exit.

These findings are remarkably consistent with what we reported in our fourth interim report (October 1999) and, in fact, there has been virtually no change in this

[30] The vast majority (81.0%, n =2,602/3,212) of payees who worked had only one employer in the first post-exit quarter. However, 15.7% (n=504/3,212) had two employers and 3.3% (n=106/3,212) had three or more. These analyses exclude payees who left welfare between October 1999 and March 2000 because post-exit UI employment data on those cases are not yet available. They do include churners, those who returned to welfare within the first 30 days.

area since we first began collecting this data four years ago. Wholesale/retail trade, personal/business services and organizational services have been the top three industries in which former recipients find jobs since the outset of our study. Moreover, in this and all prior reports (Welfare and Child Support Research and Training Group, September 1997, March 1998, March 1999, October 1999), these three industries, together, have accounted for fully three-fourths of all first post-welfare jobs secured by these women.[31]

At the more specific level of analysis (SIC 4, Table 13) there has also been little change over time. Since the onset of welfare reform in Maryland, the specific fields in which former recipients have most often found jobs have been and remain: temporary/employment agencies; eating/drinking places; department stores; nursing homes/hospices; and grocery stores/supermarkets. In each of our reports, including this one, these five fields together account for between 30% and 38% of all first post-welfare jobs secured by former payees.[32]

At the most specific level of employer type, the fact that almost two-thirds (64.2%) of all first post-welfare jobs are not accounted for by the top five (see Table 13) suggests that adults leaving welfare are moving into a diverse array of employment situations. Nonetheless, the relative concentration of exiters in three general industry areas over time (see Figure 1) speaks loudly to the need for job retention/support

---

[31] The figures for the first four reports are 78.7% (September 1997), 78.1% (March 1998), 78.8% (March 1999), and 78.6% (October 1999).

[32] The specific proportions are: 37.8% (September 1997), 30.2% (March 1998), 34.6% (March 1999), 35.3% (October 1999), and 35.8% in today's report.

services, and also for strategies to promote and make possible job and skill advancement. The Regional Economic Studies Institute of Towson University has noted: despite the minimal demands of educational and work-related experience in many [of these] industry occupations, these positions often provide welfare recipients with an accessible entry into the workforce and the opportunity to develop skills transferable to more career-oriented occupations (RESI, 2000, p.50). As we continue to move forward in welfare reform, job/skill advancement efforts especially on behalf of/for working former recipients would seem to hold great promise in preventing recidivism, as well as enabling these adults and their families to move forward in the market economy.

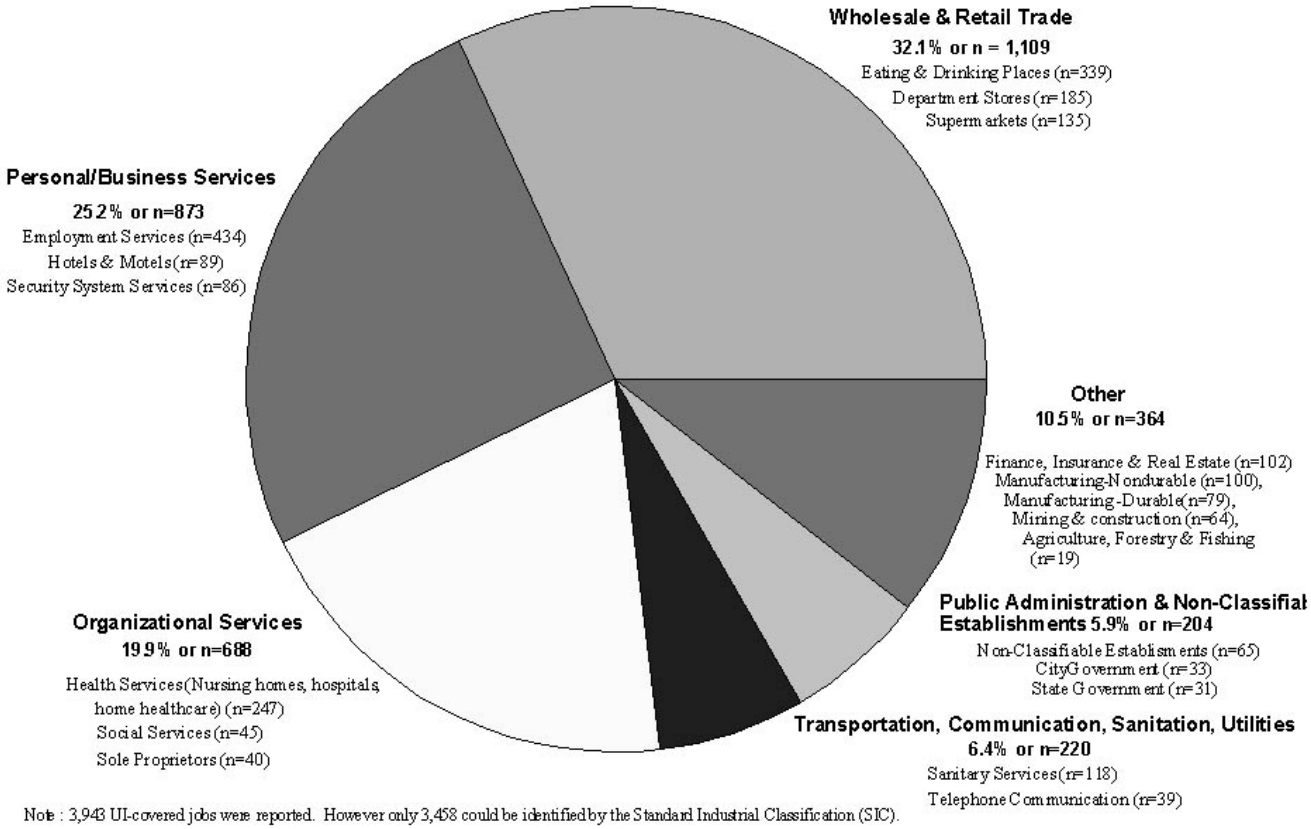
Table 13. Top 25 Employers/Industries in the First Quarter after Exiting

Type of Employer/Industry (SIC4)	Frequency	Percent
Temporary Help/Employment Agencies	434	12.6%
General Eating and Drinking Places	339	9.8%
Department Stores	185	5.3%
Nursing Homes and Hospices	147	4.3%
Grocery Stores/Supermarkets	135	3.9%
Sanitary Services, Commercial	118	3.4%
Hotels and Motels	89	2.6%
Security System Services	86	2.5%
Hospitals	71	2.1%
Non-classifiable Establishments	65	1.9%
Miscellaneous Food Services	50	1.4%
Social Services	45	1.3%
Drug Stores	41	1.2%
Sole Proprietors	40	1.2%
Telephone Communication	39	1.1%
Child Day Care Services	37	1.1%
Management Services	33	1.0%
City Government	33	1.0%
Groceries and Related Products	32	0.9%
Schools and Educational Services	32	0.9%
Elementary and Secondary Schools	31	0.9%
State Government	31	0.9%
Food and Kindred Products	29	0.8%
Home Health Care Services	29	0.8%
Colleges and Universities	29	0.8%

Note: Data are based on 3,458 jobs held by 3,212 exiters.

Figure 1. Employment in the Quarter After Exit

(Chart based on 3,458 jobs held by 3,212 exiters)



Note : 3,943 UI-covered jobs were reported. However only 3,458 could be identified by the Standard Industrial Classification (SIC).

Findings: Recidivism

The previous chapter presents data on one pathway - employment - which families may follow when they exit the welfare rolls. Recidivism or returning to welfare is another pathway families may traverse. Our previous reports have shown that, using a worst case methodology, one out of five exiting families return to TCA within the first three months, the majority of these returns occurring very shortly after exit. In fact, if we exclude administrative churning (or families which return to welfare within 30 days), the three month recidivism rate drops to 8.9% (Welfare and Child Support Research and Training Group, October 1999). We have also found in other analyses that risk of recidivism varies by case closing reason and by region (Born, Caudill and Cordero, September 2000; Welfare and Child Support Research and Training Group, October 1999).

This fifth report covers more than 2,500 additional exiting families and 18 additional months of follow-up data. As can be seen in Table 14, on the next page, the amount of recidivism data available varies by sample month. Data at the three month follow up point are available for all sample months, October 1996 through March 2000 (n=7,738). Six month post-exit outcomes are reported for the 7,373 sample families who left welfare between October 1996 and December 1999. The twelve month follow-up sample is comprised of families which exited in the first 30 months of reform (October 1996 to June 1999; n=6,407). Recidivism through the 18th post-exit month is reported for the 5,230 families in our October 1996 through December 1998 samples. Longer-term follow up data are available at the two year post-exit point for the October

1996 through June 1998 samples (n=3,824) and at the three year post-exit point for the October 1996 through June 1997 samples (n=1,605).

Table 14. Amount of Recidivism Data by Sample Month

Sample Month	3 mos (n=7,738)	6 mos (n=7,373)	12 mos (n=6,407)	18 mos (n=5,230)	24 mos (n=3,824)	36mos (n=1,605)
Oct-Dec 1996	x	x	x	x	x	x
Jan-Mar 1997	x	x	x	x	x	x
Apr-Jun 1997	x	x	x	x	x	x
Jul-Sep 1997	x	x	x	x	x	
Oct-Dec 1997	x	x	x	x	x	
Jan-Mar 1998	x	x	x	x	x	
Apr-Jun 1998	x	x	x	x		
Jul-Sep 1998	x	x	x	x		
Oct-Dec 1998	x	x	x	x		
Jan-Mar 1999	x	x	x			
Apr-Jun 1999	x	x	x			
Jul-Sep 1999	x	x				
Oct-Dec 1999	x	x				
Jan-Mar 2000	x					

How Many Families Return to Welfare?

Table 15, following, displays our findings on recidivism rates. Data are presented at the 3, 6, 12, 18, 24 and 36 month follow-up points. As in our previous report, we describe both the worst case figures which include families who return to welfare within 30 days (i.e. the churners) and the same rates excluding churning cases. Also, because Baltimore City cases comprise nearly half of the total sample and tend to mask the results in the other jurisdictions, we report recidivism rates separately for Baltimore City compared with the other 23 jurisdictions.

Within the first three months of leaving TCA, one-third of all exiting families (32.5%) return to the welfare rolls. However, if we exclude the earliest returns to welfare (those which occur within the first 30 days), the three month statewide recidivism rate drops to 14.8%. Over the next 33 months the recidivism rate increases so that by the 36th month, using the worst case approach, four out of ten (40.2%) exiting families statewide have returned to TCA. The three year recidivism rate drops to 36.0%, if returns associated with administrative churning are excluded.

These statewide figures mask significant variations among the local jurisdictions. As can be seen in Table 15, at all follow-up points and regardless of administrative churning, Baltimore City families return to welfare at a much higher rate than families in the 23 counties. Within the first 90 days following their welfare exit, using the "worst case" approach, four out of every ten Baltimore City families (38.6%) return to TCA, compared to 27.8% of county families. Excluding returns that occur within the first 30 days lowers the recidivism rate for all jurisdictions, but the difference between Baltimore City and the counties remains. Three month recidivism rates are 19.7% and 11.3%, respectively. The discrepancy between Baltimore City and the counties persists over time, although it decreases slightly. That is, at all measuring points (3, 6, 12, 18, 24, and 36 months post-exit), recidivism rates are higher in Baltimore City than in the 23 counties, but in the later follow up periods the gap between the regions narrows.

Table 15. Recidivism Rates: Worst Case and Excluding Churners

Months Post-Exit	% not returning to TCA by this time			% returning to TCA by this time			Cumulative rate of returns to welfare		
Worst Case	**Baltimore City**	**Counties**	**State Total**	**Baltimore City**	**Counties**	**State Total**	**Baltimore City**	**Counties**	**State Total**
3 months	61.4%	72.2%	67.5%	38.6%	27.8%	32.5%	38.6%	27.8%	32.5%
6 months	56.8%	68.7%	63.6%	43.2%	31.3%	36.4%	43.2%	68.7%	63.6%
12 months	53.8%	65.6%	60.7%	46.2%	34.4%	39.3%	46.2%	34.4%	39.3%
18 months	52.0%	61.9%	58.1%	48.0%	38.1%	41.9%	48.0%	38.1%	41.9%
24 months	55.9%	58.0%	57.3%	44.1%	42.0%	42.7%	44.1%	42.0%	42.7%
36 months	57.0%	61.2%	59.8%	43.0%	38.8%	40.2%	43.0%	38.8%	40.2%
Excluding Churners (returned to TCA in 30 days or less)									
3 months	80.3%	88.7%	85.2%	19.7%	11.3%	14.8%	19.7%	11.3%	14.8%
6 months	74.4%	84.3%	80.2%	25.6%	15.7%	19.8%	25.6%	15.7%	19.8%
12 months	69.0%	79.1%	75.1%	31.0%	20.9%	24.9%	31.0%	20.9%	24.9%
18 months	64.4%	73.0%	69.8%	35.6%	27.0%	30.2%	35.6%	27.0%	30.2%
24 months	63.4%	66.2%	65.3%	36.6%	33.8%	34.7%	36.6%	33.8%	34.7%
36 months	59.3%	66.4%	64.0%	40.7%	33.6%	36.0%	40.7%	33.6%	36.0%

Note: The recidivism rate may appear to decrease between the 24 month and 36 month follow up periods because the 36 month period only includes cases which left welfare in the first nine months of reform.

Does Recidivism Vary by Exiting Cohort?

In addition to regional variations in recidivism, we explored the possibility that rates of returning to welfare may be different among early and late exiters. To examine if rates of TCA returns vary depending on when the welfare exit took place, Table 16, following, presents recidivism rates separately for families which exit TCA in the first three years of reform: October 1996 to September 1997; October 1997 to September 1998; and October 1998 to September 1999. In addition to the statewide figures, results are reported separately for Baltimore City and the counties and with and without administrative churners.

Three conclusions may be drawn from Table 16. First, regardless of region and whether or not churners are excluded, the recidivism rate increases across exiting cohorts. In general, the Year 1 exiting cohort has a lower recidivism rate than the Year 2 cohort, which in turn has a lower recidivism rate than the Year 3 cohort. Three-fourths of the Year 1 cohort remain off welfare for a full year according to the worst case results. In contrast, only three out of five (58.6%) Year 2 families and slightly less than one-half (46.3%) of Year 3 families remain off welfare for a full year.

The second conclusion is that the proportion of recidivism due to administrative churning (or returns to TCA within 30 days) has changed with each cohort. Among families that exited in the first year of reform, excluding churners cuts the three month recidivism rate in half from 12.8% to 6.2%. Excluding churners has a much more profound effect on the three month recidivism rate for the Year 2 cohort, decreasing it from 31.7% to 12.5%. Among Year 3 exiters, the effect of administrative churning on the overall recidivism rate is still large, but smaller than it was for the Year 2 cohort.

The three month recidivism rate among Year 3 exiting families decreases from 47.1% to 24.0% when returns within 30 days are excluded.

Part of this pattern can be explained by different administrative practices during the different time periods. For example, during part of Year 2 and Year 3, two jurisdictions (Baltimore City and Prince George s County) experimented with requiring families to meet with their caseworkers more frequently than in the past. Problems associated with this practice resulted in many cases being closed prematurely for failure to complete the redetermination process. A large majority of these families returned to TCA within 30 days of their case closure.

The third conclusion evident from Table 16 is that recidivism rates differ by region for all three cohorts, although not always in the same way. Among families that left welfare in Year 1, Baltimore City residents returned to TCA within the first two years at a lower rate than county residents. The reverse is true among Year 2 and Year 3 exiters: Baltimore City families who exited in these time periods returned to welfare at a higher rate than their county peers. Although much of the regional difference among the Year 2 cohort is accounted for by administrative churning, the difference between regions is still present when churners are excluded.

Table 16. Recidivism Rates by Cohort: Worst Case and Excluding Churners

Months Post-Exit	% not returning to TCA by this time									Cumulative rate of retums to welfare								
Worst Case	**Year 1**			**Year 2**			**Year 3**			**Year 1**			**Year 2**			**Year 3**		
	Balt City	**23 Cty**	**Total**	**Balt City**	**23 Cty**	**Total**	**Balt City**	**23 Cty**	**Total**	**Balt City**	**23 Cty**	**Total**	**Balt City**	**23 Cty**	**Total**	**Balt City**	**23 Cty**	**Total**
3 mos	92.1%	84.9%	87.2%	64.4%	71.0%	68.3%	45.5%	61.0%	52.9%	7.9%	15.1%	12.8%	35.6%	29.0%	31.7%	54.5%	39.0%	47.1%
6 mos	88.2%	80.6%	83.0%	57.7%	67.8%	63.6%	40.9%	57.4%	48.7%	11.8%	19.4%	27.0%	42.3%	32.2%	36.4%	59.1%	42.6%	51.3%
12 mos	79.6%	74.2%	75.9%	51.9%	63.3%	58.6%	38.1%	55.0%	46.3%	20.4%	25.8%	24.1%	48.1%	36.7%	41.4%	61.9%	45.0%	53.7%
18 mos	70.9%	71.7%	71.5%	45.1%	53.4%	50.0%	34.4%	54.1%	44.2%	29.1%	28.3%	28.5%	54.9%	46.6%	50.0%	65.6%	45.9%	55.8%
24 mos	65.1%	62.1%	63.0%	45.8%	52.3%	49.9%				34.9%	37.9%	37.0%	54.2%	47.7%	50.1%			
36 mos	57.0%	61.2%	59.8%							43.0%	38.8%	40.2%						
W/out 30 day returns																		
3 mos	95.9%	92.7%	93.8%	85.6%	88.7%	87.5%	68.1%	83.9%	76.0%	4.1%	7.3%	6.2%	14.4%	11.3%	12.5%	31.9%	16.1%	24.0%
6 mos	91.8%	88.0%	89.2%	76.6%	84.6%	81.5%	61.3%	78.9%	70.1%	8.2%	12.0%	10.8%	23.4%	15.4%	18.5%	38.7%	21.1%	29.9%
12 mos	82.8%	81.0%	81.6%	69.0%	79.1%	75.1%	55.7%	75.4%	65.5%	17.2%	19.0%	18.4%	31.0%	20.9%	24.9%	44.3%	24.6%	34.5%
18 mos	73.9%	78.3%	76.9%	60.0%	66.5%	64.0%	51.9%	72.2%	62.6%	26.1%	21.7%	23.1%	40.0%	33.5%	36.0%	48.1%	27.8%	37.4%
24 mos	67.8%	67.8%	67.8%	57.4%	63.8%	61.5%				32.2%	32.2%	32.2%	42.6%	36.2%	38.5%			
36 mos	59.3%	66.4%	64.0%							40.7%	33.6%	36.0%						

Does Recidivism Vary by Case Closing Reason?

As discussed in a previous chapter, families leave welfare for a variety of reasons. Although the administratively-recorded reasons for case closure may not always reflect the complete circumstances surrounding a welfare exit, they still provide some information as to why an exit occurred. Table 17, following, displays recidivism rates at the three and twelve month post-exit points for cases which closed with one of the top five administrative closing reasons. The results illustrate that recidivism rates do vary significantly by case closing reason. Families that leave welfare because their income is above the TCA limit or because they requested closure return within the first year at a much lower rate than their counterparts who exit for other reasons.

Table 17. Three and Twelve Month Recidivism Rates by Case Closing Reason

Administrative Case Closing Reason (Top Five)	Non-recidivists	Churners	Recidivists
Three Month Recidivism* **			
Did not reapply / no redet (n=2028)	50.7%	32.1%	17.2%
Income above limit / started work (n=1961)	86.6%	7.5%	5.9%
Did not give eligibility/verification information (n=1267)	62.2%	23.2%	14.6%
Full family sanction (work; n=817)	57.5%	26.7%	15.8%
Payee requested case closure (n=488)	82.6%	13.5%	3.9%
Twelve Month Recidivism* **			
Did not reapply / no redet (n=1655)	48.1%	29.8%	22.1%
Income above limit / started work (n=1707)	74.8%	7.0%	18.2%
Did not give eligibility/verification information (n=1014)	56.7%	21.5%	21.8%
Full family sanction (work; n=598)	47.3%	23.7%	29.0%
Payee requested case closure (n=414)	77.8%	14.0%	8.2%

Notes: The valid N for this table is less than 7,738 because it only includes those who exited with one of the top five closing codes. *** $p < .001$

How do the Characteristics of Recidivists and Non-Recidivists Differ?

Of particular interest to program managers and welfare researchers is whether risk factors for returning to welfare can be identified. With the imposition of federal time limits on adults lifetime receipt of cash assistance, it is crucial for families to not only exit welfare, but to also attain a degree of economic self-sufficiency which will allow them to remain off the rolls. We have noted in previous reports that there is an extensive literature examining recidivism patterns and risk factors under AFDC (see, for example, Born, Caudill, and Cordero, 1998; Brandon, 1995; Cao, 1996; Ellwood, 1986; Weeks, 1991). However, because of the radical differences between the two programs, the factors determining whether one returns to welfare after exiting TANF may differ from those which prevailed under AFDC. Therefore, the necessity of examining data collected during reform, under the new TANF rules, is clear.

We compare those who returned with those who did not on 12 variables related to recidivism under AFDC. The variables examined include: payee s age; payee s estimated age at first birth; payee s racial/ethnic background; region of residence; assistance unit size; number of children in household; age of youngest child; length of exiting spell; number of months of welfare receipt in the five yeas preceding the TCA exit; pre-exit wage history; and if the payee worked in the exit quarter and the quarter immediately after leaving welfare.

Table 18, following, shows the results of the above-mentioned comparisons at three months post-exit. The three-month measure was chosen because these data are available for the largest number of cases (October 1996 to March 2000 samples;

n=7,738)[33], and because most TCA recidivism takes place within the first few months of exiting welfare. The table looks at three separate categories: the non-recidivists, who do not return to welfare; early recidivists, those who returned to welfare within 30 days or less (the churners); and recidivists who returned between the 31st and 90th days (3 months), the true recidivists.

The characteristics examined include nine demographic variables and three work-related variables. Of the demographic variables, six of the nine are significantly associated with recidivism. There is no significant difference on payees' age, payees' age at first birth, and age of youngest child. Non-recidivists are significantly more likely than recidivists and churners to be Caucasian, to have a smaller family size, have fewer children, and are less likely to live in Baltimore City. When compared to non-recidivists, recidivists and churners are more likely to have an exit spell of less than twelve months or a spell of more than 60 months. Non-recidivists had also received welfare for fewer months in the five years preceding their TCA exits than churners and recidivists.

In terms of employment, the three groups differ significantly on all variables. Non-recidivists were more likely to have a pre-exit employment, to have been working in the quarter they left TCA, and to be working in the quarter immediately after leaving TCA. Churners were less likely to have a pre-exit employment history, but more likely

[33] For the percent working in the quarter of exit, the January 200 - March 2000 exiters are excluded. For the percent working in the quarter after exit, the October 1999 - March 2000 exiters are excluded. In both of these cases, employment data are not available.

to have worked in the quarter they exited and the quarter following TCA exit, when compared to recidivists.

These results are quite similar to those we reported in our fourth report (Welfare and Child Support Research and Training Group, October 1999). Together they suggest that program managers seeking to reduce recidivism should pay particular attention to three areas: family size, employment experiences, and region. Larger families, particularly those with more children, have a higher risk of returning to welfare in the first few months after an exit, possibly because of difficulties associated with child care. Also, although it takes more income to feed, clothe, and care for a large family, wages do not vary by family size. Thus, the more children a woman supports, the more money she would have to earn to support her family. To increase families chances of remaining off welfare, agencies should make every effort to ensure that all available support services (including Food Stamps, medical assistance, child care assistance and child support) are in place before the cash assistance case is closed.

Employment is the second general area which should be attended to when developing strategies to reduce recidivism. In particular, lack of a recent work history and exiting welfare without a job increases a woman s risk of returning to welfare.

Finally, regional differences in recidivism - and other outcomes reported in this report - provide further evidence for the need to consider local conditions when designing and operating a welfare program. Maryland s leaders have wisely adopted such a one size does not fit all strategy; our study supports the continued use of this approach.

Table 18.
Comparisons between Recidivists and Non-Recidivists

Characteristics	Non-Recidivists	Churners	Recidivists	Total: Non-Recidivists, Churners & Recidivists
Payee s Age				
Mean	32.44	32.56	32.47	32.43
Median	30.80	30.75	31.07	30.81
Std. Dev.	10.10	10.17	10.14	10.12
Range	18 to 86	18 to 76	18 to 75	18 to 86
Payee s Age at First Birth				
Mean	21.79	21.50	21.54	21.70
Median	20.28	19.69	19.91	20.11
Std. Dev.	5.28	5.56	5.38	5.35
Range	13 to 50	13 to 49	13 to 43	13 to 50
Payee s Racial/Ethnic Background* **				
Caucasian	27.0%	18.2%	14.8%	23.7%
African-American	70.4%	80.7%	83.4%	74.1%
Other	2.6%	1.0%	1.7%	2.2%
Region* **				
Baltimore City	39.3%	49.0%	55.6%	43.2%
Prince George s	15.9%	18.0%	15.4%	16.3%
Baltimore County	12.1%	12.9%	13.0%	12.3%
Montgomery	5.3%	2.9%	2.0%	4.4%
Anne Arundel	4.9%	5.6%	3.5%	4.9%
Metro	6.9%	3.6%	2.3%	5.7%
Southern MD	3.5%	1.7%	2.0%	2.9%
Western MD	4.2%	1.9%	1.9%	3.5%
Upper Shore	4.1%	2.6%	2.1%	3.6%
Lower Shore	3.7%	1.7%	2.2%	3.2%
Assistance Unit Size* **				
Mean	2.62	2.83	2.84	2.69
Median	2.00	3.00	3.00	2.00
Std. Dev.	1.14	1.31	1.31	1.21
Range	1 to 9	1 to 11	1 to 12	1 to 12
Number of Children* **				
Mean	1.74	1.95	1.95	1.81
Median	1.00	2.00	2.00	2.00
Std. Dev.	1.03	1.21	1.25	1.10
Range	0 to 8	0 to 9	0 to 11	0 to 11

Characteristics	Non-Recidivists	Churners	Recidivists	Total: Non-Recidivists, Churners & Recidivists
Age of Youngest Child				
Mean	5.67	5.48	5.60	5.62
Median	4.42	4.15	4.65	4.37
Std. Dev.	4.55	4.46	4.37	4.51
Range	<1 month to 18 years	<1 month to 18 years	<1 month to 18 years	<1 month to 18 years
Percent less than 3 years	37.2%	39.4%	37.2%	37.7%
Exit Spell* **				
Less than 12 mos.	51.7%	55.5%	58.9%	53.3%
12 - 24 Months	21.0%	18.9%	17.0%	20.1%
25 - 36 Months	9.7%	7.3%	7.5%	8.9%
37 - 48 Months	5.1%	4.9%	3.7%	4.9%
49 - 60 Months	3.3%	3.4%	2.5%	3.3%
More than 60 mos.	9.3%	9.9%	10.4%	9.5%
Mean	23.24	22.55	22.84	23.05
Median	11.76	10.94	10.02	11.40
Std. Dev.	31.98	31.57	33.90	32.12
Range	<1 month to 25 years	<1 month to 21 years	<1 month to 25 years	<1 month to 25 years
TCA Receipt in the 5 Years Prior to Exit* **				
Less than 12 mos.	28.5%	22.8%	23.5%	26.7%
12 - 24 Months	18.0%	17.1%	13.7%	17.3%
25 - 36 Months	16.1%	14.5%	12.2%	15.3%
37 - 48 Months	13.8%	15.6%	15.9%	14.4%
49 - 60 Months	23.6%	30.1%	34.7%	26.3%
Mean***	29.28	32.54	34.19	30.53
Median	27.00	33.00	37.00	29.00
Std. Dev.	19.53	19.68	20.25	19.73
Range	1 month to 5 years	1 month to 5 years	1 month to 5 years	1 month to 5 years
Percent with a Pre-Exit Wage History* **	69.0%	61.3%	62.4%	66.6%
Percent Working in the Quarter They Exited TCA* **	50.8%	33.9%	32.1%	45.2%
Percent Working in the Quarter After They Exited TCA* **	51.9%	34.9%	32.5%	46.3%

Note: *p<.05 **p<.01 ***p<.001

Findings: Receipt of Other Benefits

In addition to knowing if former payees are working or if they have returned to the welfare rolls, many are interested in what types of other benefit programs families participate in after leaving cash assistance. This chapter, the first of its kind in our *Life After Welfare* series, begins to shed light on that question. Specifically, we examine the extent to which families in our sample participate in the Food Stamp and Medical Assistance programs after the welfare exit which brought them into our study sample.

How Many Families Receive Food Stamps After Leaving Welfare?

Interest in receipt of Food Stamp benefits among former welfare recipient families and working poor families in general has grown dramatically in the past few years as the nation has witnessed the surprising trend of Food Stamp caseload decline. Most observers expected the Food Stamp rolls to increase or at least remain stable as families left welfare for work. Contrary to expectation, however, there has been a large, nationwide decrease both in the number of Food Stamp recipients and the rate of Food Stamp participation among those potentially-eligible for benefits (Center on Budget and Policy Priorities, 1999; General Accounting Office, 1999; Wilde, Cook, Gundersen, Nord and Tiehen, 2000). To illustrate, actual numbers of participants dropped from 27.5 million in 1994 to 18.2 million in 1999 (Wilde, et al., 2000). The proportion of eligible households who participated in Food Stamps fell from 63% in 1996 to 56% in 1997, a drop of seven percentage points (U.S. Department of Health and Human Services, 2000). Especially relevant to our study are analyses by the Center on Budget and Policy Priorities which indicate that the percentage of poor children whose families receive Food Stamps dropped steeply from 94% in 1994 to 75% in 1998.

Many reasons have been posited as contributing to the decline in Food Stamp caseloads. Chief among these suspected reasons are changes in federal and state Food Stamp policies which imposed new eligibility restrictions on certain groups, growth in the economy, and changes in the TANF program (U.S. Department of Health and Human Services, 2000). It is also common knowledge that, among all Food Stamp eligible groups, working poor families - the population in which many welfare leaver families now find themselves - historically have had low rates of program participation. Likewise, a number of state-level TANF leavers studies have shown that families leaving cash assistance also often exit from the Food Stamp program, even though many of them appear to continue to be eligible for Food Stamps.

To gain a basic understanding of post-TANF Food Stamp receipt patterns among welfare leavers in Maryland, we obtained administrative data for all cases in our sample. Table 19, following this discussion, presents our findings.[34] In general, results are quite positive: nearly eight of every 10 families (n=78.4%, 6,067/7,738) participated in the Food Stamp program at some point during the first three months after the TCA exit that brought them into our sample. Participation is lower, but still more than a majority of cases participate in Food Stamps through the end of the first two years post-welfare. The rates, by period, are: 59.2% (4th through 6th months); 59.0% (7th through 12th months); and 55.2% (13th through 24th months). During the third full year, as might be expected, the rate is lower (42.7%), though not unsubstantial. These rates compare favorably to those reported in other states welfare leavers studies (see, for example, Coulton et al. 2000; Loprest, 1999; Westra and Routley, 1999).

[34] Different amounts of follow-up data are available depending on when the case closed.

Table 19. Food Stamps Participation Rates

Follow Up Period	Received Food Stamps	Did Not Receive Food Stamps
Months 1-3 (n=7738)	78.4%	21.6%
Months 4-6 (n=7,373)	59.2%	40.8%
Months 7-12 (n=6,407)	59.0%	41.0%
Months 13-24 (n=3,824)	55.2%	44.8%
Months 25-36 (n=1,605)	42.7%	57.3%

How Many Families Receive Medical Assistance After Leaving Welfare?

Similar to the situation with Food Stamps, Medical Assistance rolls have also declined at a surprisingly high rate in recent years. For example, in 1996, the program covered 9.1 million children; in 1998, 7.8 million children were served (Guyer, Broaddus and Cochran, 1999). These declines have been particularly disturbing given recent federal and state efforts to expand medical coverage, especially for low-income children, and given research showing that health coverage seems to be a major factor in helping families transition to employment (Shuptrine, Grant and McKenzie, 1994).

Possible explanations for declining Medical Assistance rolls include: declining welfare caseloads (Rowland, Salganicoff and Keenan, 1999); improvements in the economy (Guyer, Broaddus and Cochran, 1999; Rowland, et al., 1999); and changing welfare policy including diversion programs and the de-linking of cash and Medical Assistance (Greenberg, 1998; Guyer et al., 1999).

Maryland generally fares better than other states in terms of medical coverage. Our uninsured rate for non-elderly persons is lower (14.5% vs. 15.5%) and our employer-based coverage rate is higher (72.2% vs. 66.1%) than the national rates

(Birnbaum, 1999). In terms of Medical Assistance and SCHIP (State Children s Health Insurance Program) coverage for former welfare and other low-income families, Maryland has made special efforts to increase enrollment. In contrast, Maryland s overall Medical Assistance program has a lower participation rate (67.6% vs. 81.2%) than the national rate (Birnbaum, 1999).

To examine rates of participation in Medical Assistance among families in our sample, we gathered administrative data at the case- and individual level.[35] Because of the importance of access to health care for our state s children, we also analyzed these data by age of child. Table 20, following this discussion, presents our findings.[36]

The top third of Table 20 presents findings for the payees in our study cases.[37] The data show that, at some point during the first three months following the welfare exit that brought them into our sample, 45.2% (n=3,496/7,738) have Medical Assistance coverage; a similar though slightly lower proportion (41.4% n=3,049/7,373) have coverage in the 4th through 6th post-exit months. About half (49.4%) are covered during the 7th through 12th months and three-fifths (57.6%) during the 13th through 24th months. The rate remains fairly high, but declines somewhat for the 25th through 36th months after exit (47.4%).

The middle portion of Table 20 presents information on Medical Assistance coverage of children in our exiting cases; it shows that the coverage pattern for

---

[35]Our data include participation in SCHIP (State Child Health Insurance Program) as well as participation in traditional Medical Assistance.

[36] As mentioned previously, different amounts of follow-up data are available depending on when the welfare exit occurred.

[37]These data include payees who returned to welfare, as well as those who did not. Examining coverage rates by case status at various post-exit time points was beyond the scope of this paper.

youngsters is very similar to that for adults. Not quite half of all sample cases (47.2%) have at least one child with Medical Assistance coverage during the first three months; during the 4th through 6th months, 44.1% of all cases contain at least one covered child. The percentage goes up during the 7th through 12 months (52.6%) and rises again, to 62.0%, in the second post-exit year. The proportion of cases with at least one covered child falls in the third year to 54.4%.

The bottom third of the table shows, for the various post-exit time periods, how many cases contain any family member (whether the payee or a child) with Medical Assistance coverage. Table 20 shows that, considering the payee and her children together, half of all families (50.0%) contain at least one person with such coverage during the first three month period. Mirroring the pattern observed when we considered payees and children separately, the proportion of cases with at least one covered individual declines slightly during the 4th through 6th months. However, the rates recover and surpass early levels in the last half of the first year (54.6%) and in the second year (63.5%), so that by the second post-exit year almost two-thirds of families have at least one member receiving Medical Assistance. The proportion of cases containing at least one covered individual drops in the third post-exit year to 55.5%.

Table 20. Medical Assistance Participation Rates

Follow Up Period	Received MA	Did Not Receive MA
Payees		
Months 1-3	45.2%	54.8%
Months 4-6	41.4%	58.6%
Months 7-12	49.4%	50.6%
Months 13-24	57.6%	42.4%
Months 25-36	47.4%	52.6%
Any child in the assistance unit		
Months 1-3	47.2%	52.8%
Months 4-6	44.1%	55.9%
Months 7-12	52.6%	47.4%
Months 13-24	62.0%	38.0%
Months 25-36	54.4%	45.6%
Anyone in the assistance unit		
Months 1-3	50.0%	50.0%
Months 4-6	46.5%	53.6%
Months 7-12	54.6%	45.4%
Months 13-24	63.5%	36.5%
Months 25-36	55.5%	44.5%

Note: Total Ns for this table are 7738 cases for Months 1-3, 7373 for Months 4-6, 6407 for Months 7-12, 3824 for Months 13-24, and 1605 for Months 25-36.

Table 20 presented case-level data that provide some indication of the extent to which families know about and are accessing Medical Assistance in general. That is, if at least one of the children in the household is receiving Medical Assistance, it seems likely that other family members would also have been tested for eligibility. This relationship is certainly not perfect. For example, an employed mother might have

Medical Assistance for one of her children who is receiving Supplemental Security Income (SSI), but may not be aware that her other children are eligible for SCHIP.[38,39]

What Table 20 does not address is the total proportion of children in our exiting cases who have Medical Assistance (including SCHIP) coverage. Because Medical Assistance receipt among children typically varies by age, we report results for all children for each follow-up period, but also report results separately for five age groups in Table 21. These are: under two years; two to four years; five to nine years; ten to fifteen years; and sixteen to eighteen years. Some children in our sample may not need Medical Assistance coverage because the custodial parent has work-related health coverage for the child(ren) or coverage is being provided through an absent parent; others may live in families whose incomes make them ineligible. Nonetheless, we think it is important to examine the extent of Medical Assistance coverage for all youngsters in our sample.

For the entire sample of children, we found that during the first three months after the TCA case closure, slightly less than half (44.4%) had Medical Assistance coverage. This rate dropped slightly (to 41.0%) for the 4th through 6th months, but rose to a high of 60.4% or three of every five youngsters covered in the second post-exit year. During Year 3, about half of all children were covered at some point (51.9%).

When we examined coverage by age cohort, we found that, not surprisingly, coverage rates were greater among younger children than among older ones. For

---

[38] According to the DHR Medical Assistance Outreach Leader, the updated Management Information System now requires the caseworker to screen the family for Medicaid if they apply for any services. If they do not qualify, the children are automatically screened for SCHIP.

[39] Preliminary estimates are that approximately 4% of adults and 3% of children in our exiting cases receive SSI benefits.

example, in the first three months after TCA case closure, half of all children under the age of two years (50.8%) were enrolled in Medical Assistance, compared to about two of five (38.8%) adolescents between the ages of 16 and 18.

Participation rates for all age cohorts of children follow the same pattern previously described - decreasingly slightly in the 4th through 6th months, rising to the highest levels in the periods thereafter and then dropping off a bit during the third post-exit year. It is also worth noting that, although younger children have higher rates of program participation in all follow-up periods than do older children, the difference between the youngest and oldest groups diminishes over time.

The good news about these Medical Assistance participation findings is that they are generally higher than findings in a recent report by the U.S. General Accounting Office (1999) and in a number of other states leavers studies. They are not as high, we are certain, as program managers, advocates and elected officials would like them to be. Our results suggest that recent efforts to increase Medical Assistance enrollment among former welfare and other low-income families have had a measure of success and should be continued; the increase in participation rates observed in the second follow-up period in all our analyses is no doubt due at least in part to these outreach efforts. Obviously, however, other strategies are also needed. One of the simplest and probably most effective strategies will be to use other programs such as the School Lunch program and WIC to reach and enroll children in Medical Assistance (Kenney, Haley and Ullman, 1999).

Table 21. Medical Assistance Participation Rates by Child s Age

Follow Up Period	Received MA	Did Not Receive MA
Months 1-3		
Less than 2 yrs old	50.8%	49.2%
2-4 yrs old	45.5%	54.5%
5-9 yrs old	44.0%	56.0%
10-15 yrs old	42.6%	57.4%
16-18 yrs old	38.8%	61.2%
Total	44.4%	55.6%
Months 4-6		
Less than 2 yrs old	46.4%	53.6%
2-4 yrs old	43.0%	57.0%
5-9 yrs old	40.4%	59.6%
10-15 yrs old	39.0%	61.0%
16-18 yrs old	37.2%	62.8%
Total	41.0%	59.0%
Months 7-12		
Less than 2 yrs old	57.0%	43.0%
2-4 yrs old	53.9%	46.1%
5-9 yrs old	51.4%	48.6%
10-15 yrs old	46.5%	53.5%
16-18 yrs old	42.8%	57.2%
Total	50.2%	49.8%
Months 13-24		
2-4 yrs old	62.6%	37.4%
5-9 yrs old	61.7%	38.3%
10-15 yrs old	58.8%	41.2%
16-18 yrs old	55.7%	44.3%
Total	60.4%	39.6%
Months 25-36		
2-4 yrs old	51.4%	48.6%
5-9 yrs old	54.6%	45.4%
10-15 yrs old	49.6%	50.4%
16-18 yrs old	49.3%	50.7%
Total	51.9%	48.1%

Note: The age categories refer to the child's age at the end of the follow-up period

Findings: Child Welfare Outcomes

The previous findings chapters focused largely on the circumstances of the exiting heads of household. Although payees employment, welfare recidivism and receipt of other public benefits certainly influence their children s lives, they are only a proxy measure of how the children are faring. To provide a more direct measure of how children in former welfare families are doing, we have made it a practice to examine involvement of exiting children in the child welfare system.

During the welfare reform debates surrounding the passage of PRWORA, many predicted that the new policies would cause an increase in the foster care rolls. That is, as additional stress was placed on families to obtain employment and leave welfare, children would be more at risk of abuse, neglect, and abandonment (Collins and Aber, 1997; Courtney, 1997). This is a very serious possibility to anyone who is concerned about children. It is certainly a consequence that legislators and the Department of Human Resources, an agency devoted to the care and support of children in their own homes, never intended as a result of their welfare policies. For this reason, we continue to examine foster care entries among children in our exiting sample. In addition, because foster care placement is frequently not the earliest sign that a family is experiencing trouble, we also consider post-exit involvement in other areas of the child welfare system including Child Protective Services and Intensive Family Services.

Table 22, following, presents child welfare data for our sample of 14,702 exiting children. We limit our analysis to Child Protective Services reports, Intensive Family Services case openings, and kinship care and foster care placements in the first post-exit year. If there is any causal link between the discontinuation of cash assistance and

child welfare system involvement, difficulties should be observed within the first year. We also examine historical involvement in the child welfare system to provide some baseline for comparison.

As the data in Table 22 illustrate, almost one in eight study children (12.07%, n=1,776/14,702) had a pre-exit indication or confirmation of child abuse or neglect.[40] Despite this history, very few children (1.14%, n=168/14,702) were involved in an abuse or neglect investigation in the first 90 days after their family left welfare. Over the next nine months, the number of children with an indication/confirmation of child abuse or neglect increased, so the percentage is 2.35% (n=284/12,041) by the 12th post-exit month.

Prior to exiting welfare, 253 of 14,702 children (1.72%) had a history of receiving Intensive Family Services. Within the first 3 months following their exit from welfare, 23 out of 14,702 children (0.16%) received Intensive Family Services. This number increased over the next 9 months to reach a high of 66 out of 12,041 children (0.55%) at the twelfth post-exit month.

Four hundred twenty seven children (2.90%) had a history of kinship care placement and 519 children (3.53%) had a history of placement in foster care. During the months following their families exit from welfare, few children entered kinship care or foster care. Thirty three of 14,702 children (0.22%) entered foster care and 37 (0.25%) entered kinship care within three months. At the sixth post-exit month, 69 of 14,019 children (0.49%) had entered kinship care and 68 (0.49%) had been placed in

[40] Child abuse or neglect investigations are not counted in the analyses if they were "ruled out" or "unsubstantiated".

foster care. By the one year follow up point, 78 of 12,041 children (0.65%) had been placed in kinship care and 93 (0.77%) had been placed in foster care.

Table 22. Child Welfare Outcomes of Exiting Children

	Child Abuse or Neglect Investigation	Intensive Family Services	Kinship Care	Foster Care Placement
History Before Exit n=14,702	12.07% (1,776)	1.72% (253)	2.90% (427)	3.53% (519)
90 Days Before Exit n=14,702	0.82% (122)	0.07% (10)	0.14% (21)	0.41% (61)
90 Days After Exit n=14,702	1.14% (168)	0.16% (23)	0.25% (37)	0.22% (33)
6 Months After Exit n=14,019	1.95% (274)	0.34% (47)	0.49% (69)	0.49% (68)
12 Months After Exit n=12,041	2.35% (284)	0.55% (66)	0.65% (78)	0.77% (93)

Note: The N is based on all children in our exiting sample who are under the age of 18 and have follow up data available at the different time periods. Child abuse or neglect investigations are not counted if they are ruled out or unsubstantiated .

These results are very consistent with those documented in our previous reports, with one notable exception. In our fourth interim report, we found that only 2 of 9,677 children entered kinship care in the first twelve months following their welfare exit. Table 22 shows much higher, though still very low, rates of kinship care placement. Looking more closely at these data, we find that 76 of the 78 children who entered kinship care are from Baltimore City. This is not surprising given that kinship care has always been a more common form of placement in Baltimore City than in any other area of the state.

We also find that two-thirds of these kinship care placements occurred for children whose families left TCA after December 1998. Although there was a Kinship

Care Project in Baltimore City, during out study period, which provided $300 for each child in the care of relatives (versus TCA), it does not appear that the children in our exiting sample were involved with this program.

We examined case narratives for the 37 children who entered kinship care in the first three months after their families' welfare exits in an attempt to learn more about what was happening in these situations. In at least one out of five cases, the kinship care placement actually occurred before the welfare case closure. It is also important to note that one-third (35.1%; n=13/37) of the children who entered kinship care in the first three months had been living with a caretaker relative when they were receiving TCA.

The following vignettes, based on narrative and other administrative data, provide typical examples of the life situations among former welfare children entering kinship care. As these stories illustrate, the lives of poor families are often complex and the link between exiting welfare and entering kinship care does not appear to be a simple, causal one:[41]

> Rhoda is self-employed and lives in public housing. She receives TCA for one school-aged grandson and Food Stamps for herself and two grandchildren. She receives no court-ordered child support but the mother of one of the grandchildren does pay her $100.00 per month for care of the child. In August 1999, the TCA case closed because there was no longer a dependent child in the home. In fact, Michael, one of the grandchildren, was removed from Rhoda's home by the courts and returned to the custody of his mother. In October 1999, Michael was again placed with Rhoda by the courts.
>
> Eleanor was the caretaker relative for her five grandchildren, Anna, Mary, Cathy, Susan, and Diane, who ranged in age from two to eleven years.

[41]To protect the anonymity of our sample families all identifying information in the case vignettes has been changed.

Prior to her daughter s incarceration (November 1998), her daughter had been paying all of the bills. In that same month, Eleanor applied for an emergency grant but was ineligible because her daughter had received a grant for the same children within the same year. Eleanor became the payee of the TCA grant for her grandchildren Anna, Mary, Cathy, Susan, and Diane. The family also received Food Stamps. In August 1999, Eleanor s daughter was released from prison but could not be located. In November 1999, Eleanor was evicted from her home and could not be located. Thus, her TCA case closed in that same month for failure to reapply . A few weeks earlier, Anna, Mary, Cathy, and Diane had moved in with their aunt, Brenda, who received kinship care payments for them until December 1999. In January 2000 Brenda reapplied for TCA benefits for four of Eleanor s five grandchildren. Eleanor s fifth grandchild was believed to still be with Eleanor (who could not be located at the time). In March 2000 Eleanor applied for TCA and Food Stamps for herself and her youngest grandchild (age two); she was already receiving Food Stamps and Medical Assistance for herself and her son.

In September 1996 Joan applied for TCA and Food Stamps for herself and her eight-month-old daughter, Monique. At that time she was also pregnant and living with the father of the unborn baby. In October 1996 her TCA case was closed at her request. In January 1997 Joan applied for emergency assistance because she was homeless. Joan stated that her daughter was with friends, and it was verified that there had been a complaint concerning Monique's care registered with Protective Services. In April 1997 Joan could not be located but in May 1997 she applied for Food Stamps for herself and stated she d had another baby who was placed in foster care. Later that year, Joan told her caseworker that Monique was living with her mother and Joan s mother began receiving kinship care payments for Monique. Joan started receiving SSI for herself in November 1997.

Lucy is a caretaker relative for her two grandchildren; she also has two of her own children living in her household. In September 1998 Lucy was screened for eligibility for Food Stamps and TCA. In December 1998 one of Lucy s grandsons, Mark, began receiving SSI benefits. Mark and his brother, Steve, were reunited with their mother, who applied for assistance under her name, in August 1999. Lucy s TCA case [the one that is in our sample] was closed because the children were no longer in her care. The TCA case for Mark, Steve and their mother closed in December 1999 due to a work sanction. In January 2000 Lucy again applied for TCA and Food Stamps for her, her two grandchildren, and her two children as the courts once again placed Mark and Steve with her. Lucy began receiving kinship care payments for her grandchildren in February 2000.

For the children entering foster care, we find similar situations. That is, consistent with our previous reports, we find that the majority of foster care entries occur within the first few months after a family exits welfare. Also, it appears that many of these foster care placements really preceded the welfare case closure. The following vignettes, summarized from case narratives and other administrative data, illustrate that the life situations of children entering foster care are often complex, and cessation of cash assistance is only one of a number of possibly relevant factors:

> In April 1998 Sarah applied for TCA and Food Stamps for herself, her daughter Jane, age 12, and her son Jason, age 5. Jane s father was incarcerated in Baltimore. In February 1999 Jane was removed from her mother s home and placed via the foster care program with her aunt, Molly. Jane had previously been in foster care. Jason, Jane s brother, was placed with his godmother. In the same month, Sarah s TCA case closed with the code no dependent child .
>
> John s mother, Cynthia, applied for Food Stamps in July 1996 for John and herself. She also added John to her Medical Assistance case. Cynthia was 18 at the time and living with her mother and brother. John s father was on the run from the law and did not pay child support. In March 1997, Cynthia and John moved to public housing. Cynthia worked in various places and went on and off assistance. In September 1998 she reported to her caseworker that John was in the care and custody of social services. He was returned to her a few months later. In April 1999 Cynthia s TCA case closed because Cynthia s income was above the limit. John was placed in foster care again in October 1999 and stayed for one month.
>
> In September 1997 Margaret applied for TCA for herself and her two children, ages 2 and 6. In April 1999 she applied for emergency assistance to avoid being evicted. Margaret was employed and receiving SSI for one of her children, and TCA and Food Stamps for the other child. The TCA case closed in July 1999 with the code failure to give information to continue eligibility . In November 1999 Margaret reported that both of her children were not living with her but would be returning soon. Both children were in foster care for approximately one and a half months and then returned to live with Margaret.

Conclusions

In sum, this fifth report of our longitudinal study of Maryland welfare leavers provides a wealth of information to answer our two main research questions: Who is leaving cash assistance in Maryland? and What happens to them when they leave? Three conclusions can be drawn from the analyses reported herein.

First, the general statewide trends continue to be positive. Few families are leaving welfare because of full family sanctions. Half of exiting payees work in UI-covered Maryland jobs after leaving welfare. Most families do not return to welfare after exiting, and very few children become involved with the child welfare system. The rates at which families participate in the Medical Assistance and Food Stamp programs appear to be on par with results reported in other states.

Second, we are beginning to see clear and consistent evidence that there are significant differences between early and late leavers on key dimensions. We find that those who have exited the rolls most recently are more likely to have a child under the age of three, to have been a child-only case, to reside in Baltimore City and to be headed by an African-American payee. Later-leaving payees are generally older and began childbearing at an earlier age than their earlier-leaving counterparts. In terms of post-exit outcomes, employment is less common and welfare recidivism is more common among those who have left welfare recently than among those who exited in reform s first years.

Our third conclusion, one strongly suggested by our findings, is that the unfolding story of welfare reform is growing more complex and the challenges are becoming more (not less) difficult as time passes. It is the opinion of the authors that this report offers

clear evidence that families leaving welfare today have some different characteristics and, at least initially, less favorable employment and recidivism outcomes than did families who exited welfare in the earliest years of reform. Moreover, these differences are not solely because Baltimore City accounts for a much larger share of recent case closings than it did of earlier closings.

Although suggestive rather than conclusive, our findings imply that we have reached a point where local welfare agencies increasingly have to work with families who, if they are not all harder to serve are at least different to serve than were clients in the earliest years of welfare reform. To serve these families - both those who exit and those who remain - agencies will most likely need to implement services which are more diverse, complicated, and costly. At the state and local levels, we must continue to devote concerted, bi-partisan, community-wide effort to funding and designing appropriate responses to what appear to be some new realities confronting us. Concerted effort should also be directed at documenting which strategies and services work best for which types of clients and at identifying areas of need where demand outstrips supply. For the continued success of Maryland s welfare program and the families it serves, these efforts must be at least as great - if not greater - than those invested in designing the state s original reform plan.

References

Birnbaum, M. (1999). *Health Policy for Low-Income People in Maryland.* Washington, D.C.: The Urban Institute.

Born, C. E., Caudill, P. J., and Cordero, M. L. (July 1998). *Setting the Baseline: Patterns of Recidivism in Maryland under AFDC.* Baltimore: University of Maryland School of Social Work.

Born, C. E., Caudill, P. J., and Cordero, M. L. (September 2000). *Life After Welfare: Regional Patterns.* Baltimore: University of Maryland School of Social Work.

Brandon, P. D. (1995). *Vulnerability to Future Dependence among Former AFDC Mothers* (Discussion Paper No. 1055-95). Madison, WI: University of Wisconsin - Madison Institute for Research on Poverty.

Brookings Institution. (1999). *The state of welfare caseloads in America's cities: 1999.* Washington, D.C.: The Brookings Institution. Retrieved September 28, 2000 from the World Wide Web: http://www.brookings.edu/ES/urban/caseload.pdf

Brown, A. (1997). *ReWORKing Welfare: Technical assistance for states and localities.* New York: Manpower Demonstration Research Corporation.

Burtless, G.T. (1997). Welfare recipients job skills and employment prospects. *The future of children: Welfare to work*, 39-51.

Cao, J. (1996). *Welfare Recipiency and Welfare Recidivism: An Analysis of the NLSY Data* (Discussion Paper no. 1081-96). University of Wisconsin-Madison, WI: Institute for Research on Poverty.

Caudill, P.J. (2000). *Welfare reform two years later: the impact of caseload decline and development of policies for those still receiving assistance.* Unpublished doctoral dissertation. University of Maryland Baltimore County.

Caudill, P.J., and Born, C.E. (1997). *Who is at greatest risk of reaching cash assistance time limits?* Baltimore: University of Maryland School of Social Work.

Center on Budget and Policy Priorities. (1999). *Low Unemployment, Rising Wages Fuel Poverty Decline.* Washington, D.C.: Author.

Collins, A, and Aber, J. (1997). *How Welfare Reform can Help or Hurt Children (Children and Welfare Reform* (Issue Brief 1). New York: National Center for Children in Poverty, Columbia University.

Coulton, C., Pasqualone, C., Bania, N., Martin, T., Lalich, N., Fernando, M., and Li, F. (2000). *How are they Managing? A Six Moth Retrospective of Cuyahoga County Families Leaving Welfare (Fourth Quarter of 1998 and First Quarter of 1999)*.

Cleveland, OH: Center on Urban Poverty and Social Changes, Mandel School of Applied Social Sciences, Case Western Reserve University. Retrieved September 28, 2000 from the World Wide Web: http://povertycenter.cwru.edu/Q498_399_report.pdf

Courtney, M. (1997). Welfare reform and child welfare services. In Kamerman, S., & Kahn, A. *Child Welfare in the Context of Welfare "Reform."* New York: Columbia University School of Social Work, Cross-National Studies Research Program.

Duncan, G.J., Harris, K.M., and Boisjoly, J. (1997). *Time limits and welfare reform: New estimates of the number and characteristics of affected families.* Chicago: Joint Center for Poverty Research.

Eberts, R.W. (1997). *The use of profiling to target services in state welfare-to-work programs.* (Staff Working Papers #98-52). Kalamazoo, MI: W. E. Upjohn Institute for Employment Research.

Ellwood, D. T. (1986). *Targeting Would Be Long-Term Recipients of AFDC.* Report prepared for U.S. Department of Health and Human Services by Mathematica Policy Research.

Farrell, M., Fishman, M., Laud, S., & Allen, V. (February, 2000) *Understanding the AFDC/TANF Child-Only Caseload:Policies, Composition, and Characteristics in Three States.* Baltimore: The Lewin Group. Retrieved August 22, 2000 from the World Wide Web: http://aspe.hhs.gov/hsp/child-only-caseload00/

General Accounting Office. (1999). Food Stamp Program: Various Factors have led to Declining Participation (GAO/RCED-99-185). Washington, D.C.: Author.

Greenberg, M. (1998). *Participation in Welfare and Medicaid Enrollment.* Washington, D.C.: Kaiser Commission on Medicaid and the Uninsured.

Guyer, J., Broaddus, M., and Cochran, M. (1999). *Missed Opportunities: Declining Medicaid Enrollment Undermines the Nation s Progress in Insuring Low-Income Children.* Washington, D.C.: Center on Budget and Policy Priorities.

Heinrech, C.J. (1999). Aiding welfare to work transition: Lessons from JTPA on the cost-effectiveness of education and training services. *Poverty Research News, 3,* 9-12.

Kenney, G.M., Haley, J.M., and Ullman, F. (1999). *Most Uninsured Children are served by government programs.* (Series B, No. B-4). Washington DC: The Urban Institute. [Online]. Retrieved September 28, 2000 from the World Wide Web: http://newfederalism.urban.org/html/series_b/b4/anf_b4.pdf

Lane, J. Jinping, S., and Stevens, D. (1998). *New Uses of administrative records in Welfare-to-Work policy and Program Management Decisions: Employer Hiring and Retention of former Welfare Recipients.* (Working Paper) Northwestern University/University of Chicago Joint Center for Poverty Research, January.

Loprest, P. (1999). *Families who Left Welfare: Who are they and how are they doing?* Washington, D.C.: Urban Institute.

Loprest, P., and Zedlewski, S. (November 1999). *Current and Former Welfare Recipients: How Do They Differ?* (Urban Institute Discussion Paper 99-17). Washington, D.C.: The Urban Institute. Retrieved September 28, 2000 from the World Wide Web: http://newfederalism.urban.org/html/series_b/b3/Brief-B3.PDF

Meckler, L. (1999, January 25). Welfare roll numbers hit 30 year low. *The Washington Post,* p. A4.

Petersen, C.D. (1995). Female-headed families on AFDC: Who leaves quickly and who doesn't. *Journal of Economic Issues, 29,* 619-628.

Rowland, D., Salganicoff, A., and Keenan, P. (1999). The Key to the Door: Medicaid s Role in Improving Health Care for Women and Children. *Annual Review of Public Health, 20:* 403-26.

RESI Research & Consulting (September 2000). *From Welfare to Work V: A Continuing Analysis of Employment Opportunities for Family Investment Program Customers.* Towson, MD: Towson University.

Sandefur, G.D. and Cook, S.T. (1997). *Duration of public assistance receipt: Is welfare a trap?* (Discussion Paper # 1129-97). Madison, WI:Institute for Research on Poverty.

Shuptrine, S., Grant, V., and McKenzie, G. (1994). *A Study of the Relationship of Health Coverage to Welfare Dependency.* Columbia, South Carolina: Southern Institute on Children and Families.

Spalter-Roth, R. Burr, B., Hartman, H., and Shaw, L.B. (1995). *Welfare that works: The working lives of AFDC recipients.* Washington, D.C.: Institute for Women s Policy Research.

U.S. Department of Health and Human Services. (2000). *Indicators of Welfare Dependence: Annual report to Congress.* Washington, D.C.: Author.

Welfare and Child Support Research and Training Group. (September 1997). *Life After Welfare: An Interim Report.* Baltimore: University of Maryland School of Social Work.

Welfare and Child Support Research and Training Group. (March 1998). *Life After Welfare: A Second Interim Report.* Baltimore: University of Maryland School of Social Work.

Welfare and Child Support Research and Training Group. (March 1999). *Life After Welfare: Third Interim Report.* Baltimore: University of Maryland School of Social Work.

Welfare and Child Support Research and Training Group. (October 1999). *Life After Welfare: Fourth Interim Report.* Baltimore: University of Maryland School of Social Work.

Weeks, G. (1991). *Leaving Public Assistance in Washington State.* Olympia, WA: Evergreen State College, Washington State Institute for Public Policy.

Westra, K., and Routley, J. (1999). *Cash Assistance Exit Study*. Phoenix, AZ: Office of Research & Evaluation, Arizona Department of Economic Security.

Wilde, P., Cook, P., Gundersen, C., Nord, M., and Tiehen, L. (2000). *The Decline in FS Program Participation in the 1990 s* (Food Assistance and Nutrition Research Report Number 7). Washington, D.C.: USDA.

Zill, N., Moore, K., Nord, C., and Steif, T. (1991). *Welfare mothers as potential employees: A statistical profile based on national survey data.* Washington, D.C.: Child Trends, Inc.

Appendix A. Percent of Maryland Workers Who Work Out of State

Region	% who work out of state
Anne Arundel County	8.0%
Baltimore County	2.0%
Lower Eastern Shore	6.8%
Somerset County	2.9%
Wicomico County	6.8%
Worcester County	9.0%
Metro Counties	6.6%
Carroll County	3.3%
Harford County	2.9%
Howard County	10.7%
Frederick County	8.1%
Montgomery County	32.1%
Prince George s County	44.9%
Upper Eastern Shore	16.9%
Caroline County	9.6%
Cecil County	37.6%
Dorchester County	3.5%
Kent County	11.1%
Queen Anne's County	7.2%
Talbot County	2.7%
Southern Maryland	19.4%
Calvert County	17.8%
Charles County	28.6%
St. Mary's County	7.6%
Western Maryland	8.4%
Allegany County	7.8%
Garrett County	9.9%
Washington County	8.4%
Baltimore City	1.9%
State Excluding Baltimore City	19.6%
Statewide	17.4%

Note: The data presented in this table are available though the US Census website lookup tables (STF3C - part 1) at http://homer.ssd.census.gov/cdrom/lookup.