UNIVERSITY of MARYLAND
SCHOOL OF SOCIAL WORK

PUBLIC POLICY RESEARCH

LONG-TERM WELFARE RECEIPT:

WHO ARE THE 5% AND WHY DO THEY STAY?

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The Temporary Cash Assistance[1] (TCA) program provides cash support to eligible families with children. As the name suggests, the program aims to provide short-term financial assistance to families while engaging adults in work-related activities designed to support the goal of self-sufficiency. The short-term nature of the program is embedded into federal law, requiring states to set a limit on receipt as an adult. Maryland's TCA program limits receipt to five years, or 60 months, over one's lifetime. Consistent with federal law, Maryland also excludes a portion of the TCA caseload from this 60-month limit to accommodate families who face substantial hardship and need longer-term assistance.[2]

Previous research shows that most families who participate in Maryland's TCA program receive benefits for a short period of time, and long-term receipt is rare. In state fiscal year (SFY) 2019, for example, more than 60% of families had received two years or less of receipt in the previous five years (Gross & Passarella, 2020). Additionally, only 11% of active cases that year demonstrated hardship and exceeded the 60-month limit. Given the infrequency of long-term receipt, why would recipients who exceed 60 months of receipt be of interest?

The purpose of this brief is two-fold. First, it allows us to explore long-term receipt from a more recent perspective. In the SFY 2019 caseload, the 11% of recipients who exceeded 60 months were mostly families who had a connection to the program for more than 10 years. This does not mean that they necessarily had more than 10 years of continuous receipt, but rather, their first application was more than 10 years prior to SFY 2019. Many had a connection to the program dating back more than 20 years, meaning some preceded the creation of the TCA program and were recipients of the former federal cash assistance program, Aid to Dependent Families with Children. This has important implications for practice, including case-management strategies and the design of activities to support self-sufficiency. In that vein, this brief examines *families who were new to the TCA program* between SFYs 2011 and 2014, and follows them over time to provide insights about long-term receipt with a population that is more reflective of newer recipients coming onto the program.

Second, this brief utilizes a predictive model to identify factors that increase the probability that new recipients will experience long-term receipt, providing caseworkers and program managers with timely

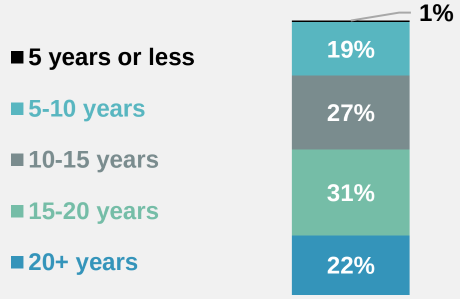
MAIN FINDINGS

- Only **5%** of new TCA recipients **exceeded 60 months of receipt.** When examined by region, the percent who exceeded ranges from 3% to 7% across regions.
- Most recipients who exceeded had **less than two years of additional receipt.**
- **Half** of recipients who exceeded had a **first spell of two or more years.** Most recipients who did not exceed had a first spell of one year or less.
- Recipients who exceeded were **three times** more likely to be **long-term disabled** and **eight times** more likely to be a **caretaker of a relative child**, compared to recipients who did not exceed.
- **Two thirds** of recipients who exceeded were **assigned to a barrier activity** in the first 12 months after TCA entry.
- **Most** recipients who exceeded **were not employed the year prior to TCA entry**, and remained disconnected from employment after entry. Earnings were low before and after entry.
- Factors that **decrease the probability** of exceeding include employment in the first year of receipt, having a high school diploma at entry, and employment before entry.
- Factors that **increase the probability** of exceeding include assignment to a disability-related barrier, older age at entry, and the unemployment rate.

[1] Maryland's version of the Temporary Assistance for Needy Families (TANF) federal program
[2] For additional background on Maryland's time limit and hardship exemption, please review: https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/time-limits/timelimts2012.pdf

information about the early characteristics and contexts of recipients who remain on TCA for longer than average. Previous research has shown long-term receipt is impacted by recipient education, the ages and number of children on the case, work experience, health complications of recipients and their families, and economic conditions (Albert & King, 2011; Cancian et al., 2005; Farrell et al., 2008; Hetling et al., 2006; Seefeldt & Orzol, 2005). We include these factors—among others—in our model and isolate some of the reasons new recipients stay on TCA for longer periods. This information is useful for thinking about program design, work activities, and self-sufficiency strategies in the context of the realities experienced by new TCA families who are in need of long-term assistance.

Time Since First Application
for the 11% of SFY19 Cases with 60+ Months (n=2,365)



Note: This data represents an extended analysis of federal time limit data presented in Gross & Passarella, 2020. Some cases with 60+ months have receipt in other states, so although their welfare receipt is 60 months or more, their first *Maryland TCA* application was less than 5 years prior.

METHODS

Study Population: To select an appropriate population for this study, we began with all adult recipients who were new to the Maryland Temporary Cash Assistance (TCA) program and who entered the program between state fiscal years 2011 and 2014 (July 1, 2010 through June 30, 2014). Adult recipients are the focus of this brief, as they are the only population eligible to accrue time-limited months, and the purpose of this report is to compare new adult recipients who exceeded 60 months of receipt to adult recipients who did not. To be clear, not all months of receipt count towards the time limit. So, while we examined adult recipients who exceeded 60 months of receipt, these recipients may not have exceeded the 60-month time limit. In addition, any new TCA case that opened during the study period but did not have adult recipients (e.g., child-only cases or cases with an ineligible adult) were excluded.

We also excluded from the population any adult recipients for whom this was not their first experience with the TCA program, to focus on new adult recipients over time. We verified that this was their first spell by first looking for any TCA receipt as an adult prior to their application month. We further limited the population to focus on new adult recipients who had a child in the household who was aged 12 years or younger to ensure the adult would potentially remain eligible for the TCA program for at least six years after entering. This study period allows us to follow adult recipients through March 2020, balancing the need for relevant, timely, data with the logistic need of allowing ample time for a recipient to reach their TCA time limit. In total, 25,100 adult recipients on 23,047 cases were included in this study.

Data Sources: Study findings are based on analyses of administrative data retrieved from information systems maintained by the State of Maryland including: (1) the Client Automated Resources and Eligibility System (CARES), the administrative data system which provides individual- and case-level program participation data for cash assistance and other programs; (2) WORKS, the administrative data system used to document participation in federally defined work activities and state-level barrier activities; and (3) the Maryland Automated Benefits System (MABS), which includes quarterly employment and earnings data from employers covered by the state's Unemployment Insurance (UI) law and the unemployment compensation for federal employees (UCFE) programs. Together, these account for approximately 91% of all Maryland civilian employment. Study findings are also based on completed fields within the Online Work Readiness Assessment (OWRA). OWRA is a web-based assessment tool that helps caseworkers understand customer readiness for the workforce and challenges they may face on their path to self-sufficiency.

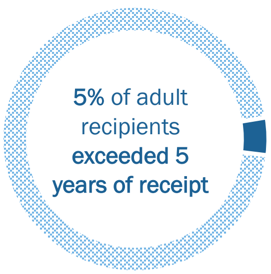
Data Analysis: We utilize univariate statistics to describe new adult recipients who exceeded 60 months of receipt and to compare them to new adult recipients who did not exceed 60 months of receipt. We employ appropriate statistical analyses (ANOVA and Pearson's Chi-Square) for comparisons and the Cox Proportional Hazards regression to build a model that identifies the most important factors that influence long-term TCA receipt as an adult.

Percent of Recipients who Exceeded 60 Months of TCA Receipt

Previous examinations of Maryland TCA recipients who exceed 60 months (i.e., five years) of receipt have shown that a small minority of families ever receive TCA for that long, and, over the last two decades, fewer and fewer families have exceeded 60 months (Logan, Saunders, & Born, 2012; Ovwhigo, Patterson, & Born, 2007). In addition to these examinations, yearly profiles of TCA families have further demonstrated the rarity of longer-term receipt: only 11% of families in the SFY 2019 caseload—and in other recent fiscal years—had more than 60 months of receipt (Gross & Passarella, 2020).[3] This 11% of families in the active caseload who had more than 60 months of receipt largely represents older cases that began receiving before 2010—more than a decade ago.[4]

Rather than examining the active caseload, this brief follows adult recipients who were new to the TCA program. As shown in Figure 1, the overwhelming majority of new adult TCA recipients who entered the program between SFY 2011 and SFY 2014 have not exceeded 60 months of receipt. Only 4.5% (rounded to 5% in the figure) of these adult recipients exceeded 60 months of receipt, providing further evidence that long-term cash assistance use is uncommon.

Figure 1. Percent of New Recipients who Exceeded 60 Months



Since this brief examines adult recipients who entered the program over four fiscal years, we provide the percent of adult recipients who exceeded 60 months by year of initial entry in Table 1. As shown, there is a downward trend: about 7% of recipients who entered in SFY 2011 exceeded, while 2.9% of recipients who entered in SFY 2014 exceeded. Part of this apparent decline is that those who entered earlier had more time to exceed. We followed recipients through March 2020, giving SFY 2011 entrants more than nine years of follow-up data. Still, as discussed in the next section of this brief, recipients do not receive assistance for very long after reaching 60 months, which gives us confidence that the percentages for at least the first three years, and the average, are accurate. As time moves forward, there will likely be additional recipients from SFY 2014 who exceed.[5]

Table 1. Percent of Adult Recipients who Exceeded, by Year of Entry***

	%	*n*
SFY 2011	6.6%	(489)
SFY 2012	4.6%	(299)
SFY 2013	3.4%	(199)
SFY 2014	2.9%	(155)
Total	4.5%	(1,142)

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

Table 2 shows the percentage of new recipient adults who exceeded 60 months by region. Overall, regardless of jurisdiction, long-term receipt was rare. Baltimore City had the highest percentage at 7% of new recipients who exceeded 60 months. The remaining regions had between 3% and 5% of new recipients who exceeded 60 months. Other more densely populated regions including the Metro region and Anne Arundel, Montgomery, and Prince George's counties had the smallest percentages of

[3] Additional *Life on Welfare* reports for prior years are available on our website: https://www.ssw.umaryland.edu/familywelfare/welfare-research/life-on-welfare-series/

[4] Authors' analysis of state fiscal year 2019 data.

[5] The average percentage of new recipients who exceeded 60 months, excluding SFY 2014, is still 5%.

recipient adults who exceeded 60 months (3.4%, 3.0%, 2.9%, 2.7%, and respectively). Baltimore County had a slightly higher percentage at 4.2%.

Maryland's regions that are more rural had slightly higher percentages of recipients who exceeded 60 months. The Western Region—which includes Garrett, Allegany, and Washington counties and borders West Virginia and Pennsylvania—had the second highest percentage at 5.1%. The Southern Region—which includes Calvert, Charles, and St. Mary's counties and is in close proximity to Virginia—had a percentage of 4.6%. In the Upper and Lower Shore regions—which border Delaware—roughly 4% of new adult recipients exceeded 60 months of receipt.

Previous research shows that families in rural regions may face different barriers to self-sufficiency than urban families, including fewer employment opportunities, a lack of transportation, and a lack of childcare resources (Katras et al., 2009). Employment opportunities were especially scarce when the recipients examined in this brief entered TCA as Maryland continued its economic recovery. After the Great Recession, Maryland's rural regions faced higher unemployment rates compared to other regions in the state (U.S. Bureau of Labor Statistics, 2020). The challenges facing families in rural areas are not unique to Maryland, however. From 2010 to 2018, rural regions across the country experienced slower growth in employment compared to metro areas. In the most isolated rural regions, employment actually continued to slowly decline (United States Department of Agriculture, 2019).

Table 2. Percent of Adult Recipients who Exceeded***
By Region

	%	*n*
Baltimore City	7.0%	(475)
Western Region Garrett, Allegany, & Washington Counties	5.1%	(79)
Southern Region Calvert, Charles, & St. Mary's Counties	4.6%	(71)
Lower Shore Region Worcester, Wicomico, & Somerset Counties	4.4%	(53)
Baltimore County	4.2%	(130)
Upper Shore Region Cecil, Kent, Queen Anne's, Caroline, Talbot, & Dorchester Counties	3.6%	(57)
Metro Region Carroll, Harford, Howard, & Frederick Counties	3.4%	(82)
Anne Arundel County	3.0%	(52)
Prince George's County	2.9%	(90)
Montgomery County	2.7%	(53)
Maryland	**4.5%**	**(1,142)**

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

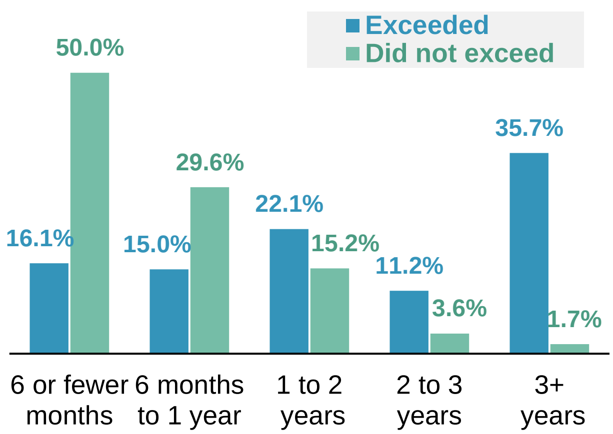
Recipient & Family Characteristics

- Most (81%) recipients were **female**.
- The average age of recipients was **29 years**, and roughly half were 25 years or younger.
- Most (93%) recipients identified as **Non-Hispanic White or African American**.
- ★ A lower percentage of recipients who exceeded **completed high school** (58% vs 73%), amounting to a 15 percentage point difference when compared to those who did not exceed.
- Though most recipients had **never married**, recipients who exceeded 60 months were half as likely to be married at entry (9% vs 16%).
- Most (82%) families had **one or two children**.
- The **average age of the youngest recipient child** was three.

TCA Participation

To understand more about recipients' engagement with the program over time, we analyzed the length of the first continuous TCA spell, total months of TCA receipt, closure reasons, and additional receipt beyond 60 months. First, a TCA spell refers to the number of months of continuous receipt with no case closure. As shown in Figure 2, the length of recipients' first spells varied. In general, adult recipients who did not exceed 60 months of receipt had shorter first spells. Four in five (79.6%) adult recipients had a first spell that lasted less than one year. On the other hand, roughly half (46.9%) of recipients who exceeded 60 months had first spells lasting two years or longer, and of this subset of recipients, most had spells lasting three years or more. One indicator that a recipient may need longer-term assistance, then, is if the first TCA spell lasts more than two years.

Figure 2. Length of First TCA Spell***



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

The second measure of TCA participation we examine is the total months of receipt in the first five years after TCA entry. This measure accounts for cases that close and subsequent returns to the program. Recipients who exceeded 60 months of receipt accrued an average of 45 months of receipt within the first five years after entering the program. Recipients who did not exceed 60 months, on the other hand, accrued an average of 13 months. Though not shown, the majority (71%) of recipients who exceeded did so between the fifth and sixth year after entry. A second indicator that a recipient may need longer-term assistance, then, is if a recipient has relatively consistent receipt over the years after entry.

Total Months of TCA Receipt

In first five years after entry

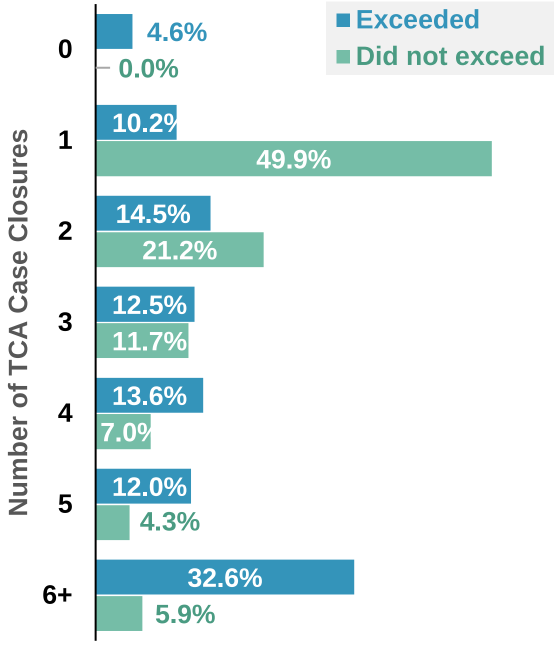
Recipients who exceeded 60 months participated for an average of **45 months**.

Recipients who did not exceed 60 months participated for an average of **13 months**.

Given these patterns of TCA receipt, the findings presented in Figure 3 may seem counterintuitive at first: recipients who exceeded 60 months of receipt generally had their cases closed more often than recipients who did not exceed. Specifically, half (49.9%) of recipients who did not exceed experienced only one case closure in the first five years after entry. Conversely, almost half (44.6%) of recipients who exceeded 60 months experienced five or more case closures.

While part of this difference may be because recipients who receive assistance for longer have more opportunities for closures, part of the reason may also be longer-term recipients experience more *churning*. Churning is a pattern of receipt where a case frequently closes and quickly reopens. Churning often occurs because a case is closed for procedural reasons, such as a failure to submit paperwork, and once resolved, the case quickly reopens. Tellingly, pairing Figure 3 with the total months of receipt suggests that although recipients who exceeded 60 months of receipt may have experienced several case closures, they likely were not closed for long before reopening.

Figure 3. Number of Case Closures in Five Years after Entry***



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

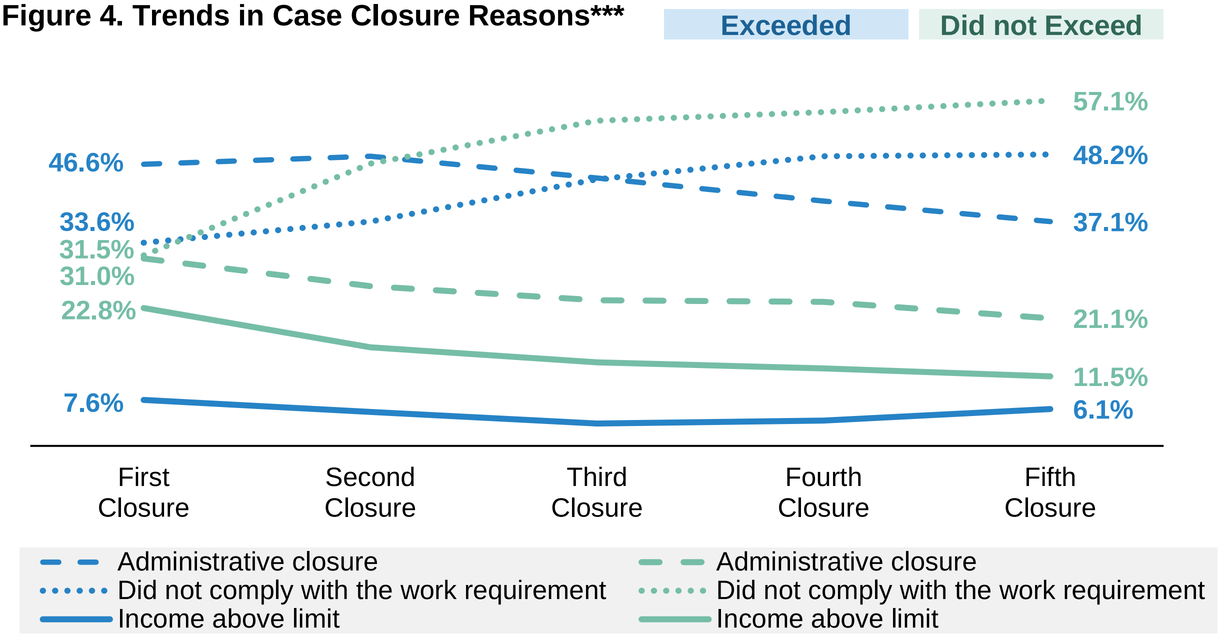
Figure 4 further highlights patterns of TCA participation by showing the three most common case closure reasons for the first five closures recipients experienced. In the figure, blue lines represent the recipients who exceeded 60 months of receipt, and green lines represent the cases of recipients who did not exceed. Each of the three closure reasons is represented by a different type of line: long-dashed lines represent administrative closing reasons, such as missing a recertification appointment or not submitting all necessary paperwork; dotted lines represent a closure due to noncompliance with the work requirements; and solid lines represent a closure due to income exceeding eligibility limits.

Nearly half (46.6%) of recipients who exceeded 60 months experienced their first closure due to administrative reasons, while one third (33.6%) did not comply with the work requirements. With each subsequent closure, recipients who exceeded continued to struggle with the administrative and work requirements of the TCA program. By the fifth case closure, half (48.2%) of these recipients' cases closed due to noncompliance with the work requirement, and more than one third (37.1%) closed due to administrative reasons. Incomes exceeding the eligibility limit—one potential indicator of a family moving towards self-sufficiency—was relatively low for recipients who exceeded 60 months: between 6% and 8% of these recipients experienced a case closure due to income above the limit.

Closure patterns for recipients who did not exceed 60 months of receipt were different. For the first closure, recipients were equally as likely to experience a case closure due to noncompliance with the work requirements (31.0%), but less likely to experience a closure for administrative reasons (31.5%). In addition, nearly one quarter (22.8%) closed due to income above the eligibility limit. With subsequent closures, the percentage of recipients who experienced a closure due to administrative reasons or income above limit declined (21.1% and 11.5%, respectively for the fifth closure), while noncompliance with the work requirements became increasingly more common. For the third through fifth case closures, more than half of these recipients' cases closed due to noncompliance with the work requirements.

Overall, Figure 4 shows that compliance with administrative requirements—such as appointments and paperwork—and the work requirements is challenging for TCA recipients, especially those who later exceed 60 months of receipt. For any one of the first five closures, between 80% and 90% of recipients who exceeded had their case close for compliance-related reasons. This is an important finding, as these recipients do not leave the program due to a lack of need; rather, they cycle on and off the program as they struggle to comply with all requirements (Passarella, 2015).

Figure 4. Trends in Case Closure Reasons***



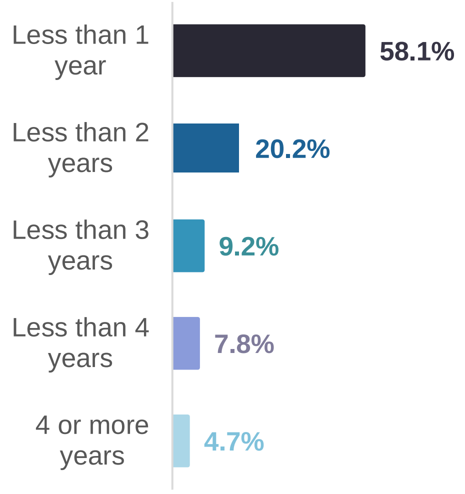
Note: Administrative closure represents two closure reasons: *no recertification/no redetermination* and *eligibility/verification information not provided*. *p<.05, **p<.01, ***p<.001.

Figure 5 shows how many additional years of TCA receipt that recipients had beyond 60 months, focusing on recipients who entered in SFY 2011 given their lengthier observation period. Nearly three fifths (58.1%) of recipients received less than a year of additional receipt beyond 60 months, and an additional one in five (20.2%) received between one and two years. One reason the majority of recipients may not receive beyond this is the federal time limit, which limits receipt to 60 months. While Maryland has a hardship exemption in place for families who are in need of assistance beyond the 60 months, it may be that families do not demonstrate their continued need for assistance, and their TCA cases close shortly after exceeding.

The remaining one fifth (21.7%) of families who exceeded 60 months received more than two years of additional receipt. About 10% received for between two and three additional years, and only 5% received assistance for an additional four or more years. Given that only roughly 5% of new recipients exceeded, the number who went on to receive four or more years of additional receipt beyond 60 months, in this case, was below 30 new recipients.

Figure 5. Additional Receipt after Exceeding 60 Months

2011 Entrants Only (n=489)



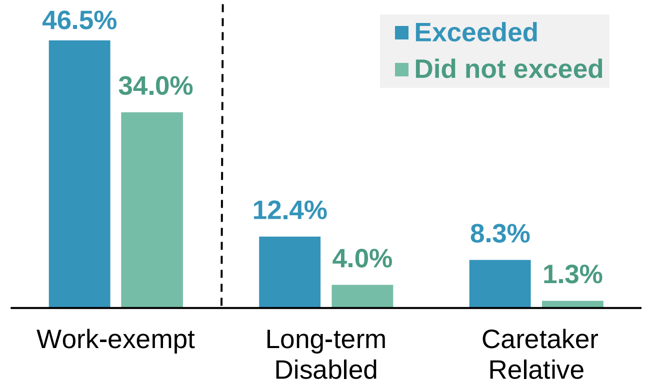
Participation in and Assignment to TCA Program Activities

Maryland utilizes a case classification system that reflects varying family and life circumstances of recipients. These classifications are called caseload designations and are divided into two broad categories: work-eligible and work-exempt. Recipients on work-eligible cases are required to participate in federally defined work activities. These work activities are designed to help recipients obtain skills or experience that may lead them to self-sufficiency. Work-exempt cases include case designations in which there are no adult recipients, such as child-only cases, and cases in which the adult recipients are not required to work. Reasons adults may not be required to work include if they are caring for a child under one, if they have a long-term disability (beginning in October 2015 these cases were no longer considered work-exempt), if they are caring for a disabled family member, or if they are the caretaker of a child relative.

Figure 6 shows that nearly half (46.5%) of recipients who exceeded 60 months of receipt were in a work-exempt designation when they entered the TCA program. A higher percentage of adult recipients who exceeded were on cases assigned to a work-exempt designation, compared to only one third (34.0%) of recipients who did not exceed. Nearly all of this 12-percentage point difference is due to two specific sub-designations: long-term disabled and caretaker relative. The percentage of recipients who exceeded who were on cases coded as long-term disabled at entry was eight percentage points higher than cases that did not exceed (12.4% and 4.0%, respectively). For the caretaker relative designation, 8% of recipients who exceeded were on cases assigned to this designation at entry, versus 1% of recipients who did not exceed.

These are important findings because they suggest some families face long-term barriers to self-sufficiency. In fact, recent research found that cases in which an adult recipient had a long-term disability had accrued twice as many time-limited months on their case, on average, compared to cases without any members with a long-term disability (Gross and Passarella, 2019). This is at least partially due to the fact that recipients with long-term disabilities are permitted to remain on TCA while they apply for Supplemental Security Income (SSI), which is often a lengthy process with at least one appeal (McColl & Nicoli, 2018). Therefore, self-sufficiency strategies or tools that could work for other families—such as training and employment—are probably not for the best fit for some of these families.

Figure 6. Caseload Designation at Entry***



Note: Long-term disabled and caretaker relative are work-exempt caseload designations. The long-term disabled caseload designation was removed beginning in SFY 2016; percentages are not comparable to data gathered after SFY 2016. *p<.05, **p<.01, ***p<.001. Valid percentages reported.

In the previous figure, we showed that nearly half of recipients who exceeded 60 months had a work-exempt designation upon entry to the TCA program, meaning they were not required to participate in a federally defined work activity. However, some work-exempt recipients may still choose to participate in one or more of these activities. As shown in Table 3, three fifths (58.1%) of recipients who exceeded 60 months of receipt participated in a federally defined work activity in their first 12 months on TCA. More specifically, two fifths (41.0%) participated in a job search activity and three fifths participated in an education or training activity (30.4%), or a work experience activity, but both employment and job readiness activities were less common (15.7% and 7.2%, respectively).

Comparatively, nearly three quarters (71.3%) of recipients who did not exceed 60 months were engaged in federally defined work activity in the first 12 months of TCA receipt. Roughly half (48.3%) participated in job search. A slightly higher percentage of these recipients also participated in education and training (33.6%) and work experience (35.5%) activities when compared to recipients who exceeded. The largest difference between recipients who exceeded and recipients who did not was in their participation in employment: one third (34.4%) of recipients who did not exceed 60 months participated in employment in the first 12 months after entry, more than double the percentage of recipients who exceeded (15.7%). Job readiness activities were also less common for this group of recipients (5.4%).

Though not shown in the table, we also examined recipients' participation in federally defined work activities in the 12 months *before exceeding 60 months* to examine participation over time. In the year before recipients exceeded, only 56% participated in a federally defined work activity, a two-percentage point drop from the first 12 months. Of note, though, is that the percentage who engaged with employment, specifically, increased to 28%, a 12-percentage point increase from their first 12 months. Still, low participation in these activities suggests that the small proportion of recipients who exceed 60 months likely face barriers to self-sufficiency at the time of entry, and continue to face challenges even after several years of receipt.

Table 3. Participation in Federally Defined Work Activities
First 12 Months after Entry

	Exceeded		Did not exceed	
	%	*n*	*%*	*n*
Participated in any federal activity* **	**58.1%**	**(664)**	**71.3%**	**(17,082)**
Job Search***	41.0%	(468)	48.3%	(11,578)
Education and Training*	30.4%	(347)	33.6%	(8,046)
Work Experience***	29.9%	(341)	35.5%	(8,497)
Employment***	15.7%	(179)	34.4%	(8,237)
Job Readiness***	7.2%	(82)	4.7%	(1,122)

Note: Recipients may participate in more than one federally defined work activity, so these categories are not mutually exclusive and will not add up to 100%. *p<.05, **p<.01, ***p<.001.

Recipients who are not required to participate in a work activity can be assigned to a state defined barrier activity. These state-defined *activities* are not truly activities, but rather, reasons why a recipient is excused from participating in federally defined work activities. In general, the most common state defined barrier activity in the active TCA caseload is the long-term disabled activity (Gross & Passarella, 2019).

Given previous tables and figures, it is perhaps unsurprising that a greater percentage of recipients who exceeded 60 months were assigned to a barrier activity in their first year after entering TCA compared to those who did not exceed. Nearly two thirds (64.7%) of recipients who exceeded were assigned to at least one barrier activity, compared to just under half (46.4%) of recipients who did not exceed. The most common barrier activity to which recipients who exceeded 60 months were assigned was a disability-related activity (42.9%), including short-term disability (25.7%), long-term disability (17.2%), and caring for a disabled family member (4.9%). Other common barrier activities to which these recipients were assigned in the first 12 months after entry include a family crisis (22.9%) and having a child under the age of one (21.2%).

The largest differences in assignment to state-defined barrier activities between those who exceeded and those who did not were among the disability-related activities. The percentage of recipients who did not exceed 60 months of receipt, and were assigned to a disability-related activity, was almost half of the percentage for those who exceeded (23.8% vs. 42.9%). Especially noteworthy was the difference in assignment to a long-term disability: recipients who did not exceed were more than four times less likely to be assigned to a long-term disability (3.8% vs. 17.2%).

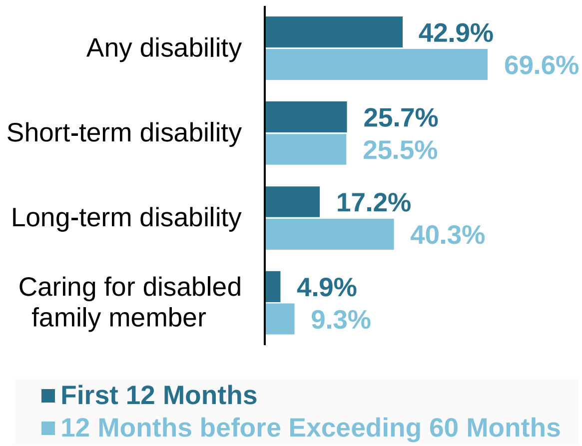
Table 4. Assignment to State-Defined Barrier Activities
First 12 Months after Entry

	Exceeded		Did not exceed	
	%	*n*	*%*	*n*
Assigned to a state-defined barrier activity* **	**64.7%**	**(739)**	**46.4%**	**(11,126)**
Assigned to any disability-related barrier activity***	42.9%	(490)	23.8%	(5,700)
Short-term disability***	25.7%	(294)	19.4%	(4,651)
Long-term disability***	17.2%	(196)	3.8%	(919)
Caring for disabled family member***	4.9%	(56)	1.8%	(431)
Family crisis/breakdown in transportation***	22.9%	(261)	17.9%	(4,292)
Child under one year of age***	21.2%	(242)	15.1%	(3,607)
Court-ordered appearance or temporary incarceration	2.4%	(27)	2.0%	(471)
Substance abuse referral or domestic violence	1.4%	(16)	1.5%	(365)

Note: Recipients may be assigned to more than one state-defined activity, so these categories are not mutually exclusive and will not add up to 100%. p<.05, **p<.01, ***p<.001

In addition to analyzing participation in state defined activities within the first 12 months of entry, it is also useful to examine barrier activities to which recipients were assigned prior to exceeding 60 months of receipt. Overall, the percentage of recipients who were assigned to any state defined activity increased: roughly four fifths (78.6%) of recipients who exceeded were assigned to at least one barrier activity in the year before they exceeded 60 months. Most of this increase, though, was due to the percentage of recipients assigned to disability-related activities, as shown in Figure 7. Overall, the percentage who were assigned to any disability-related activity increased 27 percentage points between entry (42.9%) and the year before exceeding (69.6%). Both the percentage of recipients assigned to long-term disability (17.2% to 40.3%) and the percentage assigned to caring for a disabled household member (4.9% to 9.3%) roughly doubled between entry and the year prior to exceeding.

Figure 7. Disability Barrier Activities: First Year vs. Year prior to Exceeding



Note: This figure includes only recipients who exceeded 60 months. Valid percentages reported.

Thus far, we have established that recipients who exceed 60 months of receipt typically do not participate in federally defined work activities such as employment, and are more commonly assigned to work-exempt, state defined barriers. Previous research shows that recipients with barriers are less likely to be employed, and the more barriers, the larger that effect (Acs & Loprest, 2007; Goldberg, 2002). In Figure 8, then, we explore the number of state-defined activities to which adult recipients were assigned—both those who exceeded and those who did not exceed. The bar furthest to the left shows the number of state defined barrier activities in the first 12 months for the recipients who did not exceed 60 months of receipt. The middle bar also shows the number of barrier activities in the first 12 months, but for the recipients who did exceed. The bar furthest to the right shows the number of barrier activities in the year before recipients exceeded.

In the first 12 months after initial entry, just under half (46.6%) of recipients who did not exceed were assigned to a barrier activity, compared to two thirds (64.7%) of recipients who did exceed. This is consistent with what was presented in Table 4. For recipients who did not exceed, it was more common to have only one barrier (33.5%) than two barriers (10.9%) or three or more (2.0%) barriers. For recipients who exceeded, the pattern was the same. However, two in five (40.5%) of these recipients had only one barrier, one fifth (18.3%) had two barriers, and 6% had three or more barriers.

These findings illustrate that from the beginning of their TCA receipt, recipients who exceeded had more barriers. Nearly double had two or more (18.3% vs. 10.9%), and three times as many had three or more barriers (6.0% vs. 2.0%). This finding is consistent with prior research that shows TANF cases with more barriers to employment are more likely to exceed 60 months (Bloom et al., 2011; 2010; Acs and Loprest, 2007).

As reiterated throughout this brief, the purpose of TCA is to help move families closer to self-sufficiency. The final bar in Figure 8 suggests that for even the most vulnerable recipients, the TCA program makes at least some difference. As shown, the percentage of recipients who exceeded 60 months who were assigned to one barrier activity increased substantially between the first year of TCA and the year prior to exceeding 60 months (40.5% to 59.1%). In addition, the percentage of recipients who had two or more barriers decreased (24.3% to 19.6%) as well as the percentage of recipients who had no assigned barrier activities (35.3% to 21.4%).

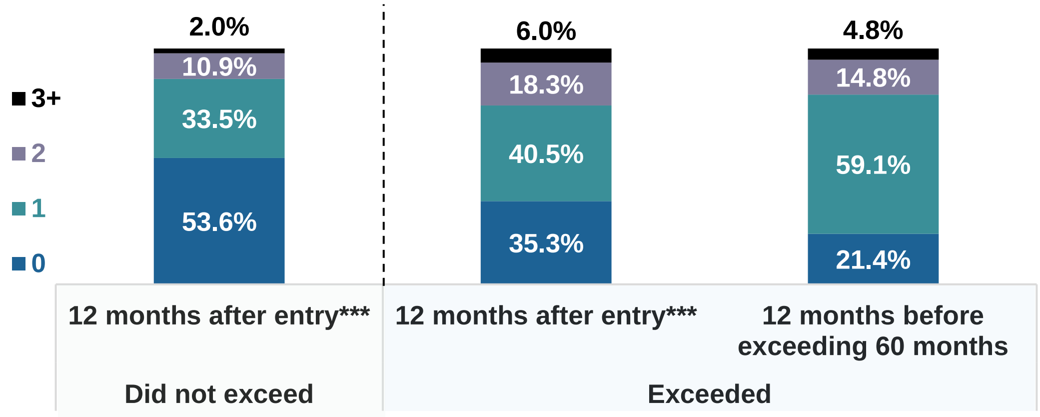
Taken together, these findings offer two positive insights. First, while removing all barriers that impede self-sufficiency may not always be attainable, the program successfully decreased the number of barriers these recipients faced over time. Second, the program helped recipients identify the barriers they were facing, evidenced by the decrease in 'zero' barriers. This is a positive finding, as participating in the TCA program gives recipients the opportunity to work with caseworkers who can connect them with resources related to their barriers.

Online Work Readiness Assessment (OWRA)

The OWRA assessment is an optional tool that helps caseworkers and Department of Human Services (DHS) contractors understand customer readiness for the workforce, and challenges they might face on their paths to self-sufficiency. OWRA is not widely utilized in Maryland, as some jurisdictions and contractors have their own assessment tools that work well for their customers. In the population selected for this study, 22% of recipients had a complete assessment, and recipients who exceeded 60 months were more likely to have a complete assessment.

Overall, the completed OWRA assessments showed that roughly 75% of recipients had three or more barriers at entry, indicating that the state-defined activities explored in this section—which serve as a proxy to barrier identification—may not represent the full scope of barriers with which families cope. Results from the assessment also indicated that recipients who exceeded 60 months were substantially more likely to have physical or mental health barriers compared to recipients who did not exceed 60 months. Given the low assessment completion rate, it is possible that the results overstate the true number of identified barriers. It is possible, for example, that the OWRA assessment is only fully completed for recipients who have a wide range of barriers that warrant documentation.

Figure 8. Number of State-Defined Activity Assignments for Adult Recipients***



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

Employment and Earnings

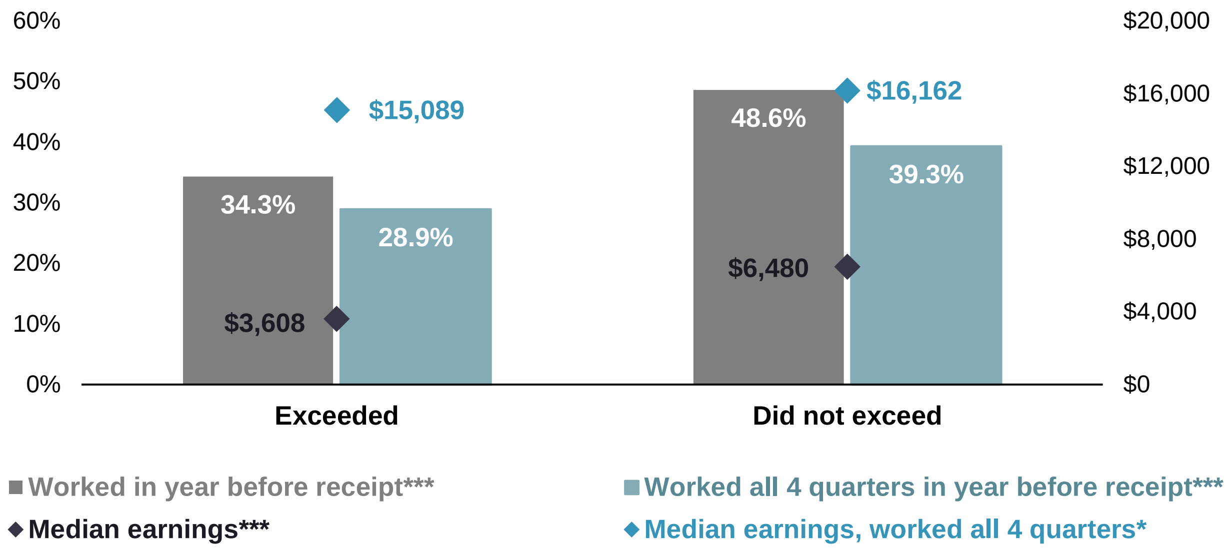
One of the primary purposes of the TCA program is to help families achieve self-sufficiency. The primary path to self-sufficiency is through employment, and more specifically, increasing earning capacity. Federal work activities discussed in the prior section are designed with this goal in mind (i.e., work experience, education and training, etc.). Indeed, lack of work experience is a barrier to employment (Acs and Loprest, 2007).

In Figure 9, we examine recipients' employment and earnings to get a better sense of their work histories shortly before receiving TCA for the first time as an adult. The figure provides for both groups the percentage of recipients who were employed at any point in the four quarters prior to TCA entry, and the percentage who were employed for all four quarters prior to entry. Median earnings are also shown.

In general, engagement with employment in the year before TCA entry was lower for recipients who exceeded 60 months of receipt. Earnings, too, were lower. The percentage who were employed at all was 16 percentage points lower than those who did not exceed (34.3% vs. 48.6%). Median earnings of recipients who exceeded and were employed were also 44% lower than recipients who did not exceed and were employed ($3,608 vs. $6,480).

Employment in *all fo*ur quarters was even lower for both groups, and the same pattern of employment was evident: a lower percentage of those who exceeded 60 months and were employed had employment during *all four* quarters (28.9% vs. 39.3%). Interestingly, though, median earnings were not much different. Recipients who exceeded 60 months of receipt, but worked all four quarters in the year prior to TCA entry, earned a median of $15,089. Recipients who did not exceed and worked all four quarters earned a median of $16,162, only about $1,000 more.

Figure 9. Employment and Earnings in Year before TCA Receipt



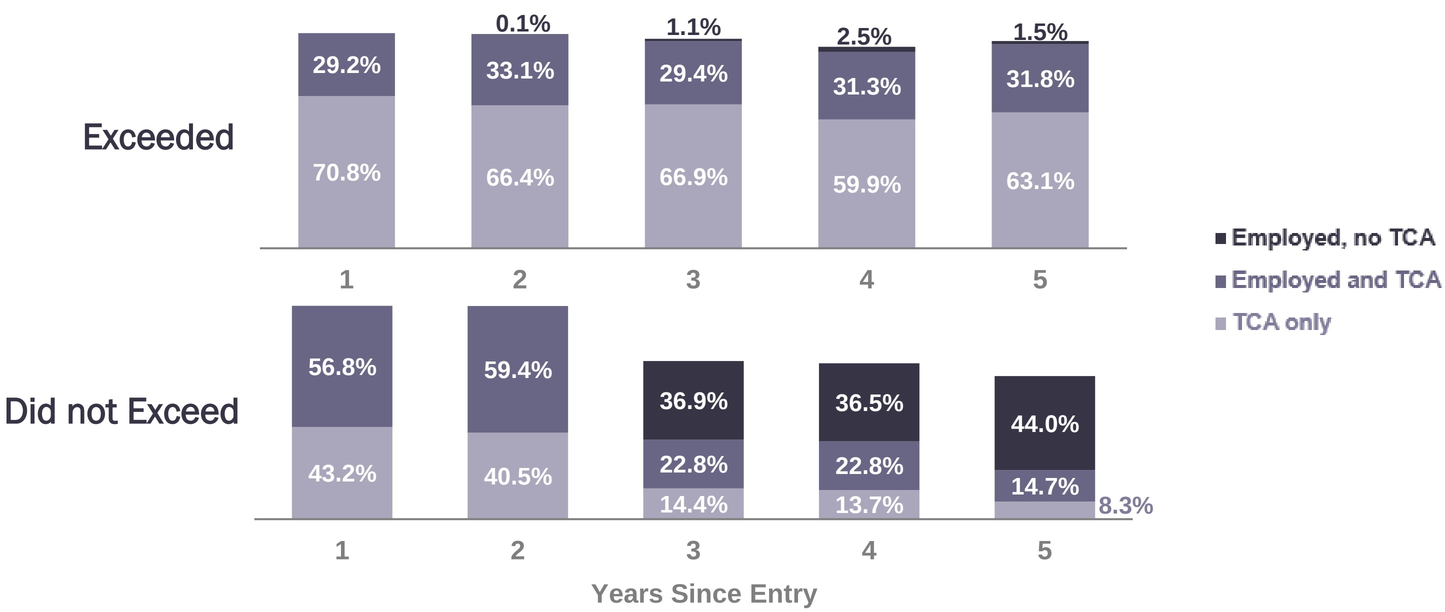
Note: Percentages of adult recipients who worked all four quarters only include recipients who worked at some point in the year before receipt. A total of 54 recipients are excluded from this analysis due missing identifying information. *p<.05, **p<.01, ***p<.001. Valid percentages reported.

After TCA entry, employment and earnings patterns among recipients who exceeded 60 months and recipients who did not continued on different paths, as shown in Figures 10 and 11. Figure 10, specifically, highlights the difference in employment and TCA patterns between these two groups of recipients throughout the first five years after entering the program, while Figure 11 provides the earnings in that time frame.

In each of the first five years after TCA entry, only about three in 10 adult recipients who exceeded were employed, and virtually all of those employed were still receiving TCA. A successful transition from TCA to employment was virtually unseen with this group of recipients: at most, up to 3% were solely employed in each of the first five years. For the majority of this group of recipients, TCA was the primary source of income, and notably, these percentages did not substantially change over the first five years.

The employment patterns of adult recipients who did not exceed were markedly different in the five years after TCA entry. First, roughly three in five recipients were employed in each of the five years after entry. As the years progressed, an increasing percentage of adult recipients exited the TCA program and were employed, while the percentage who remained on TCA decreased. By year three, only one in seven (14.4%) of this group of recipients received TCA and did not work. By year five, this percentage decreased to 8%, with more than two in five (44.0%) employed and off TCA. This figure highlights the distinct difference in employment patterns between recipients who exceed 60 months of receipt and recipients who do not. Specifically, it shows that for those who do not exceed (which is the majority of recipients), TCA participation is not a long-term, permanent reality. Early on, most pair TCA with employment and in later years, exit the program to work. On the other hand, those who exceed 60 months rarely make a permanent exit, leading to longer-term TCA participation.

Figure 10. Employment and TCA Each Year after Entry***



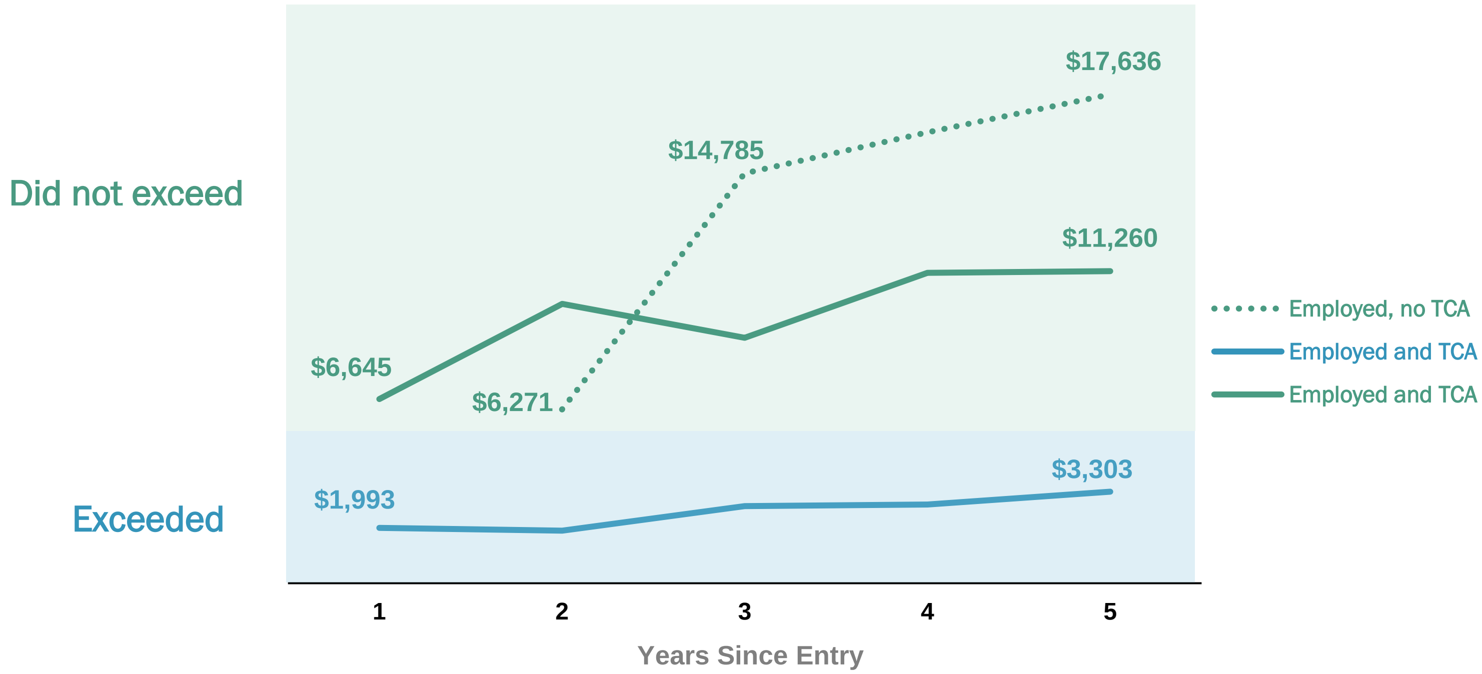
Note: A total of 54 recipients are excluded from this analysis due missing identifying information. Columns do not add to 100% because recipients disconnected from TCA and employment are not shown. *p<.05, **p<.01, ***p<.001. Valid percentages reported.

Figure 11 further expands on the previous discussion and shows the median earnings for recipients who exceeded 60 months and who did not exceed, broken down by participation in TCA and employment. As shown, recipients who did not exceed generally had higher median earnings each year after exit. Unsurprisingly, employed recipients who exited the program experienced higher earnings and a larger increase over time compared to recipients who were employed but still received TCA. Between the second year after entry and the fifth year after entry, recipients who did not exceed experienced a 181% increase—or a $11,000 increase—in median earnings, from $6,271 in the second year after exit to $17,636. Those who did not exceed and had a combination of work and TCA receipt also realized a substantial increase in earnings, albeit smaller. In the first year, the median earnings for a recipient who did not exceed 60 months and who had both employment and TCA was $6,645, compared to the fifth year after entry, in which median earnings were $11,260.

Recipients who exceeded 60 months, on the other hand, experienced relatively stagnant median earnings in the five years after entry. Median earnings for those recipients both employed and receiving TCA were only $1,993 in the first year after entry, roughly $4,500 less than recipients who did not exceed and who were both employed and receiving TCA. By the fifth year after entry, recipients who exceeded 60 months who were both employed and receiving TCA earned only $3,303, approximately $8,000 less than those who did not exceed.

Notably missing from the figure is earnings for the recipients who exceeded 60 months and were solely employed, without TCA. As shown in the previous figure, very few recipients who exceed ever have employment as their only income source (0.1% to 2.5%). As such, there is not enough data to analyze the earnings. However, previous research suggests that if these recipients are able to make an exit from TCA after exceeding 60 months, their earnings would still be lower than those who had not exceeded 60 months (Hetling et al., 2006).

Figure 11. Median Earnings Each Year after TCA Entry



Note: A total of 54 recipients are excluded from this analysis due missing identifying information.

Explaining the "why" behind long-term receipt

Thus far, we have presented findings that may help identify recipients who need additional support or assistance in their quest for self-sufficiency. In this final analysis, we utilize the Cox Proportional Hazards[6] regression method to test the relationship between long-term receipt (exceeding 60 months as a recipient) and other factors that are known predictors of long-term TANF receipt (Albert & King, 2011; Cancian et al., 2001 Farrell et al., 2008; Hetling et al., 2006; Seefeldt & Orzol, 2005). This method allows us to examine each factor's importance while controlling for other factors. So, for example, we can examine the effect of recipients' prior work histories on whether they exceed 60 months while controlling for other factors so we get an estimate of the importance of prior work history itself, without the influence of other factors for which we control.

As shown in Figure 12, many factors[7] play a role in whether a recipient exceeds 60 months, though some are more important than others. The most important factor that *increases* the probability of long-term receipt is assignment to a disability-related activity in the first year. This includes assignment to state-defined activities of short-term disability, long-term disability, or caring for a household member who has a disability. The probability of exceeding 60 months increases by 68% if a recipient is assigned to one of these three barrier activities in the first year of entry.

Factors tested that were not statistically significant:

Race: Non-Hispanic Caucasian, Non-Hispanic African American, all other Non-Hispanic races and ethnicities

Rural vs **urban** jurisdictions

Number of children

Two additional factors—recipient age and unemployment rate in the first year—also increase the probability that a recipient will exceed 60 months of receipt. For each additional 10 years of age at entry, the probability increases 48%, meaning there is an increased risk of exceeding for a new TCA recipient who enters at 40 years of age compared to a new recipient who enters at 30 years of age. The average local unemployment rate[8] during the first year of TCA receipt is also important. For each percentage point increase in the average unemployment rate, the probability that a recipient will exceed increases by 17%.

Four additional factors were found to *decrease* the probability of exceeding 60 months. The factor with the largest decrease in probability of exceeding is employment in the first four quarters after TCA entry. The probability of exceeding was 60% less for recipients who were employed in any of the first four quarters after entry. Employment prior to entry was also an important predictor, though offered less predictive power than employment in the first year after entry. Recipients who were employed in Maryland at any point in the eight quarters before entry were 22% less likely to exceed.

Recipient education at entry was also a significant factor in exceeding. Recipients with a high school diploma were 43%

[6] In this method, the dependent variable is a hazard ratio, or the estimated ratio of the hazard rate between two groups. The hazard rate represents the risk that a recipient will exceed 60 months in some specified time period, given that the recipient has lasted up to that time period. We use the term probability and discuss findings in terms of relative risk for readability purposes. For more information about this method, see Box-Steffensmeier & Jones, 2005.

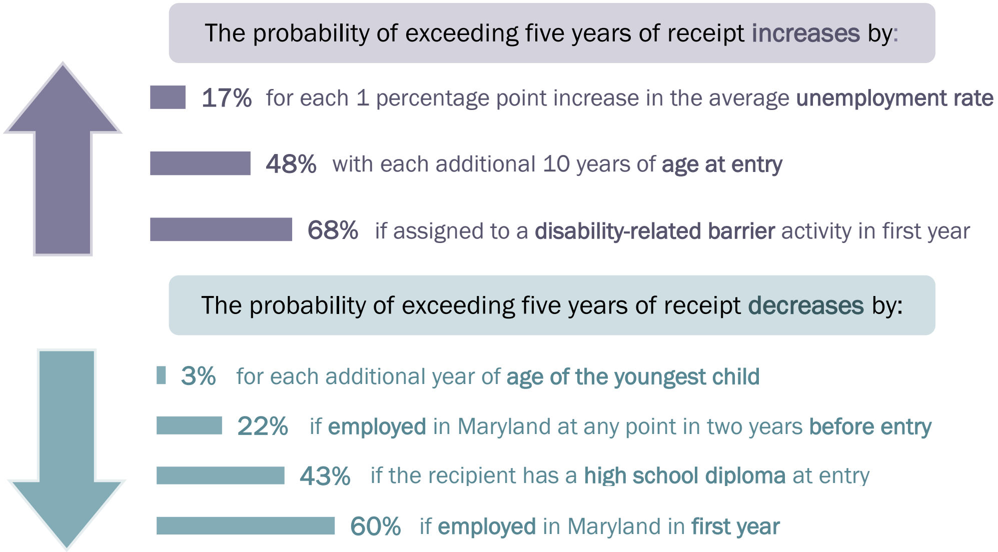
[7] Three demographic characteristics were also statistically significant but are not included in the figure: gender, marital status, and identifying as Hispanic. Being female *increased* the probability of long-term receipt and being married at entry *decreased* the probability of long-term receipt. Identifying as Hispanic also *decreased* the probability of long-term receipt. These factors were controlled for in all percentages presented in Figure 12; however, they are not shown in Figure 12. These factors are not of importance for discussion here as they offer no programmatic, actionable information that offers insight into program design or self-sufficiency strategies.

[8] The unemployment rate is based on jurisdictional-level unemployment rates and not state unemployment rates.

less likely to exceed than those without a high school diploma. Finally, the least important—but still statistically significant—factor was the age of the youngest child. For each additional year of age of the youngest child in the household, the probability of exceeding 60 months decreased by 3%.

The findings presented in this section—that each of these factors independently contribute to recipients exceeding 60 months—can help caseworkers and program managers identify recipients who may need additional support, or even different types of support, earlier on. Additionally, for a small group of recipients, options for self-sufficiency may be limited by factors out of their control, such as a disability in the family, or their own disability, or the unemployment rate of their jurisdiction. It is also evident from these findings that the first year may be critical in determining these recipients' trajectories. Assisting recipients in obtaining their GED or high school diploma is a promising step that will likely change at least some recipients' trajectories. In addition, finding ways to connect these recipients to employment also sets them up for better long-term outcomes. While previous research shows that very few work-exempt recipients are able to find full-time employment at a decent wage (Nicoli et al., 2013), the information provided in this brief may serve to inform employment strategies to engage populations who face these challenges.

Figure 12. Factors that Affect the Probability of Exceeding 60 Months of Receipt



Conclusions

The main goal of the TCA program is to provide short-term assistance to vulnerable families as they work toward self-sufficiency. As the name suggests, participation in the program is indeed temporary for the overwhelming majority of new recipients. Only 5% of new TCA recipients have long-term receipt, defined as 60 or more months as a recipient. The purpose of this brief is to explore why some recipients require assistance for longer periods of time. Through this exploration, we found that there are early indicators that might signal to caseworkers that a recipient could benefit from additional supports and resources, and that particular characteristics impact the probability that someone will receive TCA for more than five years.

First, the education and employment histories of new TCA recipients are important predictors of long-term receipt. Recipients who were employed in Maryland at any point in the two years before entry were 22% less likely to exceed 60 months of receipt. Furthermore, recipients who entered TCA with a high school diploma were 43% less likely to exceed. This is consistent with prior research that shows a clear relationship between education level and outcomes such as the length of TCA receipt, returns to TCA, employment outcomes, and economic stability after leaving the program (James & Nicoli, 2016; McColl & Passarella, 2019).

Second, recipients' experiences in the first year after entering TCA are important predictors of long-term receipt. The probability of exceeding 60 months was 60% lower for recipients who were employed in the first year after entry. Similarly, the probability of exceeding was 17% higher for each additional percentage point increase in the average unemployment rate in the first year. These findings illustrate that the ability to work early on is an indicator of length of receipt; however, efforts to solely and quickly connect recipients to the labor force—such as engaging them in job search or work experience—may not be effective, as demonstrated through welfare-to-work evaluations over the last 25 years. Rather, activities to engage recipients with the labor force should be coupled with education and training opportunities, when possible, to improve long-term employment prospects (Kim, 2012; Schaberg, 2020).

Recipients who exceeded 60 months typically had spells that lasted longer than one year, while recipients who did not exceed typically had spells that lasted one year or less. In addition, recipients who exceeded cycled on and off TCA, and repeatedly struggled to maintain compliance with TCA requirements, such as participating in assigned work activities, submitting paperwork on time, and keeping recertification appointments. Overall, recipients who experience more than two case closures have a higher chance of longer receipt.

Finally, the type of barriers experienced by recipients—notably, disability-related barriers—affect the probability of long-term receipt. Recipients who were assigned by a caseworker to a long-term disabled, short-term disabled, or caring for a disabled family member barrier activity in the first year after entry were nearly 70% more likely to exceed 60 months of receipt. This is partly unsurprising: most recipients with disabilities utilize TCA as an income source as they or their family member apply for SSI, which is a lengthy process that usually involves at least one appeal. (Williamson et al., 2013; McColl & Nicoli, 2018).

Not all recipients with a disability, though, qualify for SSI, and they may require additional supports. Some evidence suggests that TANF programs that work with vendors who specialize in connecting recipients with disabilities to work increases their earnings (Farrell, 2013). This could be an opportunity for an expanded partnership with the Maryland State Department of Education's Division of Rehabilitative Services (DORS). Services offered by DORS, including vocational rehabilitation, may be especially useful for this population. An additional strategy that is helpful is conducting additional assessments for recipients who struggle with work requirements to identify what is hindering compliance (Barden, 2013). A recent program change in Maryland which requires a 30-day reconciliation period for each episode of noncompliance will give caseworkers an opportunity to intervene, and connect recipients with disabilities with resources or work activities that are a better fit (H.B. 1313, 2020).

In sum, this brief provides concrete evidence that long-term cash assistance is rare. Although snapshots of the caseload show that roughly 10% of recipients have long-term receipt, most of those recipients connected with the TCA program more than a decade ago. By examining *new* TCA recipients, we found that only 5% exceeded 60 months of receipt. Long-term recipients who entered between SFYs 2011 and 2014 faced barriers that impacted their ability to be fully self-sufficient, including education, disabilities, and employment opportunities. Their experiences can inform practice, including how we think about the purpose of the TCA program, what appropriate and meaningful work activities are, and strategies employed to support self-sufficiency.

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