

ASSIGNMENT TO EDUCATION AND TRAINING ACTIVITIES

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Education is generally viewed as a pathway for success. Poverty, earnings, and unemployment data confirm that, on average, those with more education do fare better than those with less. Almost one-third (31%) of all young adults (18-24) with less than a high school education were poor in 2009, compared to about one-fourth (24%) who had graduated high school (National Center for Education Statistics, 2011). Similarly, according to the Bureau of Labor Statistics, the unemployment rate among high school dropouts was 14.1% in 2011, compared to 9.4% for those with a high school diploma (BLS, 2011). Earnings data reflect these realities as well: high school dropouts have average annual earnings of \$20,241, compared to \$30,627 for those with a high school diploma (U.S. Census Bureau, 2012).

Limited human capital affects individuals in many other ways as well, including less access to health benefits, poor health, more use of the public welfare system, higher incarceration levels, lower marriage rates, higher rates of single parent families, and premature mortality (Bloom & Haskins, 2010; Bridgeland, Dilulio & Morison, 2006; Duncan, 2011; Martin & Halperin, 2006; Rouse, 2005). Moreover, research indicates that high school dropouts are often unable to perform simple literacy and mathematical tasks, affecting current and future employment opportunities (Martinson & Strawn, 2003; Public Policy Institute of California, 1999; U.S. Department of Education, 2008). In Maryland, for example, three-fourths (77%) of all job openings between 2006 and 2016 require at least a high school education, and more than one-third (35%) require at least a bachelor's degree (National Skills Coalition, 2010).

Positive associations between education and socioeconomic variables such as earnings and employment notwithstanding, everyone who pursues education beyond high school faces a common opportunity cost. That is, the money which could have been earned by working or by working more hours rather than attending school. However, the lifetime benefits achieved from the human capital gains from education usually more than offset the risk.

For women heading families that receive Temporary Assistance to Needy Families (TANF) benefits, though, there has been limited attention paid to the costs, benefits, and outcomes associated with additional education or training since the 1996 welfare reform. One reason is that the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) relies on a 'work first' model, in which moving adults quickly from welfare to work is prioritized and education and training opportunities are constrained. A second reason is that, at least in the first few years of PRWORA, the economy was booming and jobs were plentiful. As a result, tens of thousands of adults were able to leave welfare for work, and caseloads plummeted to record lows. More than 40% of these jobs were in service occupations, however, and 17% were administrative or clerical positions which tend to be low-paying and require minimal skills (Gueron & Hamilton, 2002; Strawn, 2010).

The landscape now is very different. Unemployment rates are higher, especially for those with limited education or work experience. Workers with a high school diploma held nearly four of every five jobs lost by the recent recession (Carnevale & Merisotis, 2012). Not surprisingly, the effects of the recession and its aftermath are evident on cash assistance caseloads. Caseloads have risen and remain elevated, families are finding it more difficult to leave welfare

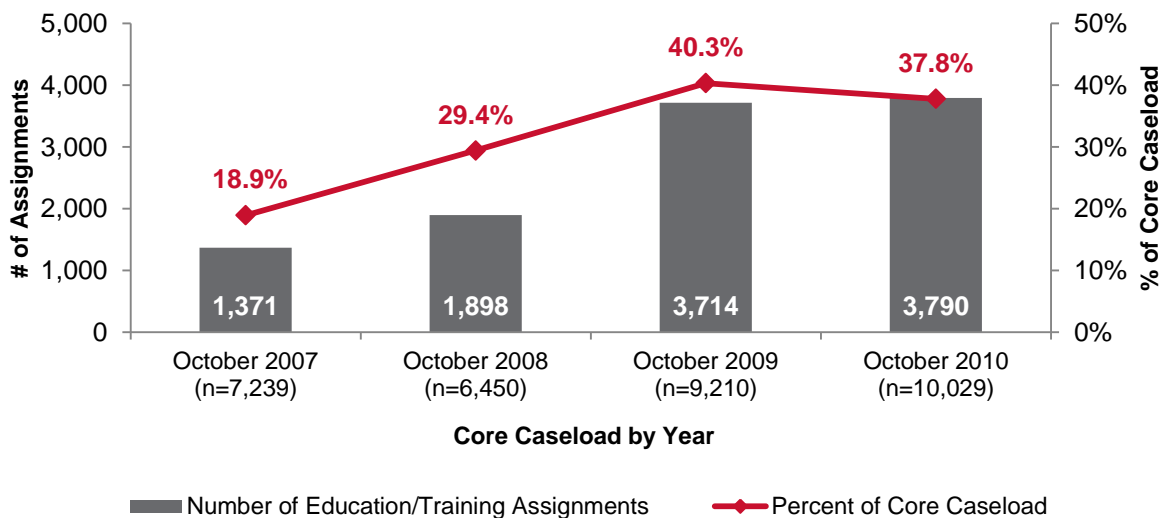
quickly for work, and many adults who had been previously able to exit for employment have lost their jobs and returned to the rolls (Nicoli, Logan, & Born, 2012; Strawn, 2010). Not coincidentally, college enrollments, particularly among nontraditional students, have increased as adults seek training or skills to become more marketable to employers (Kantrowitz, 2010; Pew Research Center, 2009).

A similar phenomenon may be taking place with regard to adults receiving TANF. Strawn (2010), for example, describes several new innovative state-level education and training programs for TANF recipients and other low-income adults. In Maryland, as illustrated in Figure 1, there was a near tripling (an increase of 176%) in the number of work-mandatory (i.e., core) cash assistance caseheads assigned to an education and training activity between October 2007 (n=1,371) and October 2010 (n=3,790). There are several likely contributors to the increased number of clients assigned to

education and training activities. One, certainly, is the increase in the total core caseload. The yearly core caseload count is displayed in the horizontal axis of Figure 1, and rose from 7,239 to 10,029 cases between October 2007 and October 2010. This is not the entire explanation, however, because the core caseload increased by 38.5% whereas the increase in education and training assignments was 176%. Thus, not only has the number of clients in such assignments increased, but so has the percentage of all core cases with such assignments, roughly doubling, from 18.9% in 2007 to 37.8% in 2010.

Another near-certain contributor is the dearth of available jobs, as discussed previously, particularly for the less well-educated or experienced. For current cash assistance recipient adults, as for other low-income workers, this may be an opportune time to gain new skills, certifications, or training to increase employment prospects.

Figure 1. Education and Training Assignments: 2007-2010



Note: The counts in the horizontal axis are the counts for the total caseload of the core caseload, while the counts within the figure are the counts for the number of education and training activity assignments.

Source: Maryland Department of Human Resources, WORKS database and Client Automated Resources and Eligibility System (CARES).

Second, is the state's commitment "to increase the number of Marylanders who attain education and training beyond high school" and "to better prepare students and workers with the skills to compete for jobs in the new economy" (Skills2Compete, n.d.). This is also reflected in the strategic plan of the Department of Human Resources (DHR), which explicitly states that the agency "will focus on creating more training opportunities and job development for emerging and growth industries" as well as partnerships with the corporate sector and community colleges (DHR, 2008).

For both the statewide workforce and TANF recipients, these proactive strategies could have profound payoffs. As has been amply demonstrated since the outset of welfare reform, adult TANF recipients do not differ in any significant ways from the general population of low-wage or low-skill workers. The vast majority of TANF adult recipients have worked in the past, they want to work now, and they will work in the future. Thus, as Strawn (2010) observed, "the services and strategies that can help other low-wage workers successfully obtain credentials with value in the labor market can also work for TANF recipients".

For these reasons, it seems timely to take an empirical look at the characteristics of work-mandatory Temporary Cash Assistance (TCA, Maryland's TANF program) caseheads assigned to an education and training activity. Specifically, this brief report examines the 10,029 adults who were receiving TCA and assigned to such an activity in October 2010. We provide information about who participated in these activities, how their characteristics differ from other cases, and describe their cash assistance utilization and employment histories.

Assignment to Activities

In order to receive TCA, caseheads are required to participate in a work-related activity unless the casehead is exempted from work requirements¹. Nearly all (97.2%) of the 10,029 core, or work-mandatory, cases receiving TCA in October 2010 were assigned to an activity. According to Table 1, the largest percent of caseheads were assigned to a work activity (42.7%), such as unsubsidized employment or work experience, followed by an education and training activity (37.8%). Job search was the fourth most common assignment with three in ten (29.6%) caseheads assigned to this activity.

A sizeable number of caseheads were also assigned to a barrier-removal activity. Two in five caseheads were assigned to either a personal and family barrier (35.5%) or a logistical barrier (6.2%). However, since caseheads can be assigned to more than one activity at a time, we did find that nearly two-fifths (38.8%) of these caseheads were also assigned to an education and training, work, or job search activity. Assignment to a barrier-removal activity suggests that a casehead possesses some hindrance to participation in an activity. Some identified barriers, such as pregnancy and having a young child are time-limited, and participation in an activity can be a post-barrier outcome. Other logistical barriers such as housing, transportation, and child care do not always preclude working either and may be successfully resolved by the agency. In other words, the fact that these caseheads were assigned to a barrier-related activity does not indicate that

¹ Exemptions apply in situations where the casehead is not a recipient (child-only cases) or the casehead has a long-term disability, among other reasons, but primarily, adults receiving cash assistance are required to participate in a work-related activity. In Maryland, non-compliance with these requirements results in a full-family sanction.

participation in another activity, such as unsubsidized employment, is impossible. Rather, this reminds us that the lives of welfare recipients are complicated, yet they attempt to overcome these barriers.

Education and Training Activities

There are four different types of education and training activities to which a casehead can be assigned, and assignment may depend upon a casehead's current education level. For example, secondary education is available for those caseheads who do not already possess a high school

diploma or GED, while teenage head of households without a high school degree or GED are excluded from vocational education.

Figure 2 provides the percent of caseheads assigned to specific education and training activities. More than half (56.5%) are assigned to vocational education while two in five (38.8%) were assigned to job skills training. Less than 10% were assigned to secondary school or a GED program (8.0%), and few were assigned to on-the-job training (0.5%).

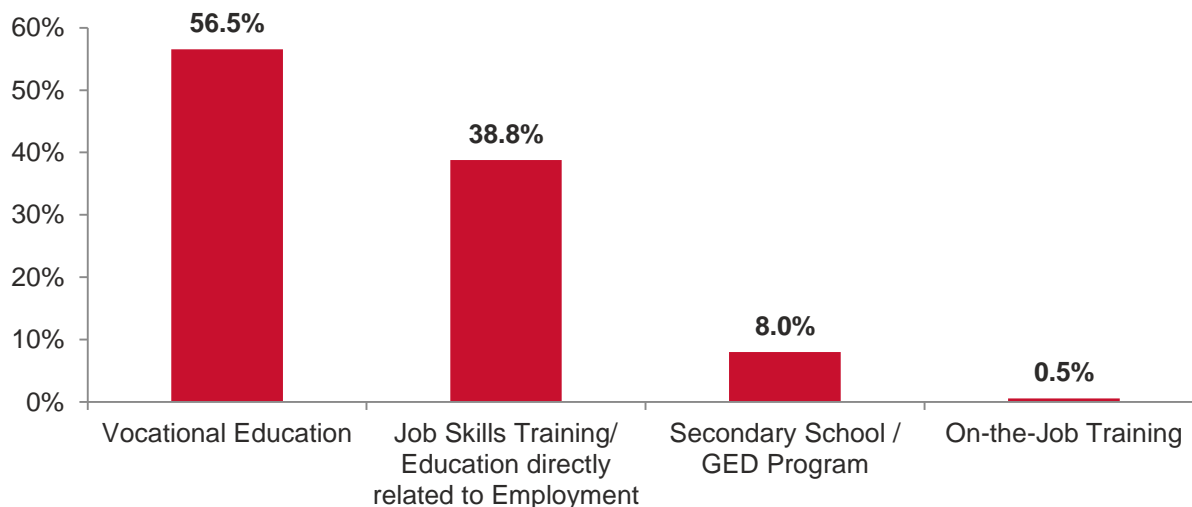
Table 1. Types of Activity Assignments (n=10,029)

Work Activity	42.7%	(4,284)
Education & Training Activity	37.8%	(3,790)
Barriers - Personal & Family	35.5%	(3,563)
Job Search Activity	29.6%	(2,964)
Sanctions Processing	20.7%	(2,072)
Barriers - Logistical & Situational	6.2%	(620)
Other	6.9%	(687)
No Assignment	2.8%	(282)

Note: Counts may not sum to actual sample size since caseheads can be assigned to more than one activity during the critical month. Valid percentages are reported.

Source: Maryland Department of Human Resources, WORKS database.

Figure 2. Education and Training Activity Assignments



Note: Count is greater than 100% because caseheads can be assigned to more than one activity. Valid percentage is shown.

Source: Maryland Department of Human Resources, WORKS database.

Case and Casehead Characteristics

The core caseload is largely composed of traditional cases—a single mother and her children. Table 2 shows that cases with assignments to education and training activities fit this profile. There were three people in the assistance unit (mean=2.79), on average—one adult (mean=1.00) and two children (mean=1.79). This case profile is similar for those assigned to other activities as well.

The caseheads assigned to education and training activities also mirror the demographics of a traditional case—an African American (88.8%) woman (96.3%) in her late 20s (mean=28.8) who has never been married (89.2%) and lives in Baltimore City (55.2%). Compared to the caseheads assigned to other activities, those in education and training activities were more likely to be African American (88.8% vs. 83.7%), younger (28.8 vs. 30.0), and more likely to have at least a high school education (64.1% vs. 58.0%).

As the TCA caseload increased throughout the Great Recession, the demographics of the caseheads began to change slightly. Caseheads were becoming slightly younger, more likely to have never married, more likely to have a high school diploma or higher, and less likely to reside in Baltimore City (Nicoli, Logan, & Born, 2012). Hence, the typical education and training assignee seems to fit this changing profile. Furthermore, caseheads in education and training activities were more likely to be assigned to vocational education and have a high school diploma, suggesting that the education and training programs do, in fact, align with the statewide and DHR vision for Maryland’s workforce. That is, these findings indicate that education and training activity assignments are focused on developing skills to make clients more marketable, rather than on deficiencies such as limited reading and math skills.

Table 2. Case and Casehead Demographics

	Education/Training Assignments (n=3,790)	Other Activity Assignments (n=5,957)
Case Characteristics		
Mean Assistance Unit (AU) Size [Median]**	2.79 [2]	2.88 [3]
Mean Number of Adults in AU [Median]**	1.00 [1]	1.00 [1]
Mean Number of Children in AU [Median]**	1.79 [1]	1.87 [2]
Mean Age of Youngest Child in AU [Median]	4.78 [3.28]	4.86 [3.26]
Casehead Demographics		
% Female	96.3% (3,648)	96.0% (5,720)
% African American***	88.8% (3,330)	83.7% (4,905)
Mean Age [Median]***	28.80 [26.95]	30.00 [28.24]
% Never Married	89.2% (3,359)	88.5% (5,230)
% Finished Grade 12***	64.1% (2,423)	58.0% (3,435)
% Baltimore City Residents	55.2% (2,093)	55.1% (3,283)

Note: Counts may not sum to actual sample size because of missing data for some variables. Valid percentages are reported. *p<.05, **p<.01, ***p<.001.

Source: Maryland Department of Human Resources, Client Automated Resources and Eligibility System (CARES).

Cash Assistance

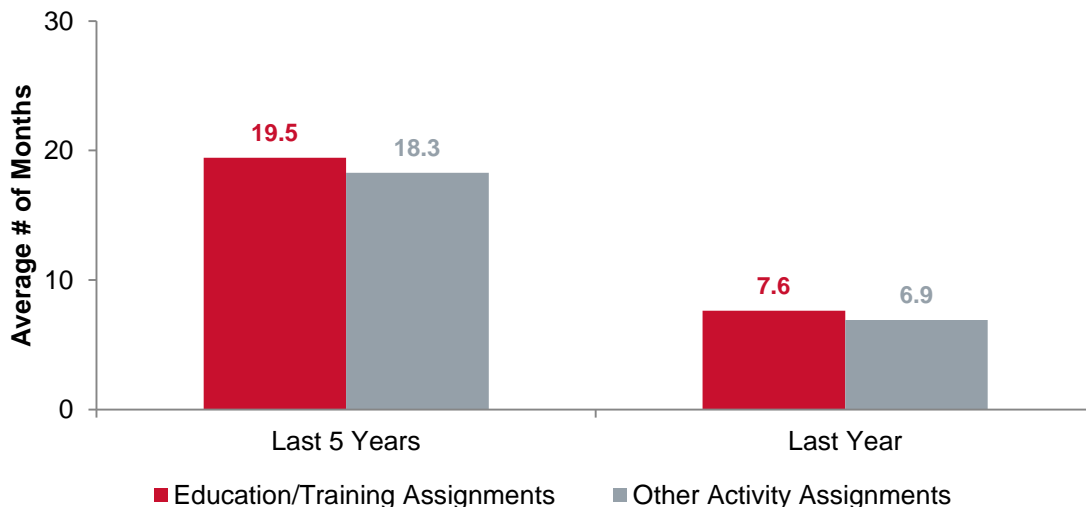
Cash assistance is considered a last resort among safety net programs for families. This benefit is intended to be a temporary safety net, and while receiving cash assistance, caseheads are required to participate in a work-related activity. Figure 3 provides the average TCA receipt over the past five years and the past year for caseheads with an education and training assignment and for those assigned to some other activity.

It appears that regardless of the type of activity assignment, work-mandatory clients received cash assistance for less than two of the previous five years. Specifically, those assigned to an education and training activity received TCA for 19.5 months in the previous 60 months and those assigned to another activity received TCA for 18.3 months, on average. A similar pattern

emerges in the year prior to our study month—cases received between seven and eight months of TCA, on average.

It does not seem that newer caseheads—those with limited histories of welfare who likely began receiving TCA due to hardship caused by the Great Recession—are more likely to receive an education and training assignment. Although they seem to fit the changing demographic profile of these newer caseheads, if they were targeted for education and training activities, we would see a different pattern emerge. Particularly, those with education and training activity assignments would have fewer months of TCA receipt in the previous five years compared to those in other activities. Instead, we find similar TCA usage patterns between those assigned to an education and training activity and those assigned to another activity.

Figure 3. Average Number of Months of TCA Receipt***



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

Source: Maryland Department of Human Resources, Client Automated Resources and Eligibility System (CARES).

Employment Participation

The *Life after Welfare* reports have documented that TCA caseheads are no strangers to employment. In the most recent report, seven in ten caseheads worked in the two years before receiving cash assistance as well as in the quarters leading up to their exit (Nicoli, Logan, & Born, 2012). Table 3 provides information about the employment histories of caseheads assigned to education and training activities and those assigned to other activities. Specifically, it details the percent employed in the two years and one year before October 2010 and the quarter of October 2010. For those who were employed, Table 3 also provides the number of quarters worked, quarterly earnings, and total earnings.

Three in five caseheads assigned to an education and training activity (61.1%) or other activity (60.7%) were working in the two years before October 2010. A portion of these two years was in the midst of the Great Recession; therefore, it is not

surprising that employment participation dropped about 20 percentage points in the year before the critical quarter, down to 38.5% among those assigned to an education and training activity and to 44.3% among those assigned to another activity. In the study quarter, only one-fourth of education and training assignees (24.6%) and other activity assignees (24.3%) were working.

Education and training assignees worked slightly fewer quarters and earned slightly less than those assigned to another activity. In fact, the earnings disparity increased over time. For example, in the previous two years, education and training assignees earned \$220 less per quarter, on average, than those assigned to another activity (\$1,996 vs. \$2,216). In the prior year, this earnings gap increased to \$322 per quarter, on average, and \$654 in the critical quarter. This small, but statistically significant, disparity in earnings may be an indication that these caseheads do, in fact, require some additional skills to be marketable in the labor market.

Table 3. Employment History by Activity Assignment***

	Education/Training Assignments (n=3,790)		Other Activity Assignments (n=5,957)	
Two Years before Critical Quarter (Oct. 2008 to Sept. 2010)				
% Employed	61.1%	(2,315)	60.7%	(3,613)
Mean [Median] # of Qtrs Worked***	3.33	[3]	3.75	[3]
Mean [Median] Quarterly Earnings***	\$1,996	[\$1,441]	\$2,216	[\$1,555]
Mean [Median] Total Earnings***	\$8,231	[\$4,075]	\$10,808	[\$5,016]
One Year before Critical Quarter (Oct. 2009 to Sept. 2010)				
% Employed***	38.5%	(1,459)	43.3%	(2,576)
Mean [Median] # of Qtrs Worked***	2.10	[2]	2.31	[2]
Mean [Median] Quarterly Earnings***	\$1,729	[\$1,225]	\$2,051	[\$1,415]
Mean [Median] Total Earnings***	\$4,413	[\$2,219]	\$5,913	[\$2,965]
Critical Quarter (Oct. 2010 to Dec. 2010)				
% Employed	24.6%	(934)	24.3%	(1,450)
Mean [Median] Total Earnings***	\$1,660	[\$1,120]	\$2,314	[\$1,698]

Note: Earnings figures are standardized to 2010 dollars. Earnings and quarters worked include only those working. UI earnings are reported on an aggregate quarterly basis, thus, we do not know how many hours or weeks individuals worked in a quarter and hourly wages cannot be computed. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Source: Maryland Department of Human Resources, Maryland Automated Benefits System (MABS).

Conclusions

Casehead assignment to education and training activities has increased significantly in recent years. In 2010, two in five work-mandatory caseheads were assigned to an education and training activity, compared to one in five in 2007. This is clearly a new and promising direction for the Maryland welfare-to-work population. Whether this increase is in response to a combination of high unemployment or DHR's strategic focus to provide caseheads with education and training opportunities, it is clear that there seems to be a renewed focus on human development investments.

Considering the growth in the education and training assignments, this report sought to determine whether particular customers were targeted for these activities. It appears that slightly younger single mothers with at least a high school education were likely participants in education and training activities. However, a casehead's history with welfare or employment does not seem to affect the likelihood of receiving such an assignment.

A casehead's current education level, however, is important. A high school education allows for skills development that enhances a casehead's labor force marketability. Additionally, it is beneficial for DHR to target those who require specific job skills, rather than remedial education, so that obtaining a job may be more likely after training is complete. At that point, families are able to transition off welfare or into countable unsubsidized employment

activities. This strategy encourages long-term human capital growth, possibly mitigating future recidivism or lengthy cash assistance receipt.

While caseheads who require more remedial assistance are not excluded from participation in education and training activities, their likelihood of assignment to such an activity is lower. Considering the employment and earnings disparity of individuals without a high school education, it may also benefit DHR, to assist caseheads in obtaining a high school degree. While this may not lead to the same level of self-sufficiency or an immediate and clear transition off welfare, it certainly can make a difference in employment participation and earnings, which benefit the family as well as the state's work participation rate.

While additional research may be useful in comparing short- and long-term outcomes of education and training assignees to those in work or job search activities, this report provides basic information about caseheads assigned to education and training activities. DHR should be applauded for their commitment to the families of Maryland and their recognition that "any job" is not sufficient for sustainable employment. With additional skills and work experience, caseheads have a better chance of obtaining a self-sufficient job that will minimize a family's need for cash assistance.

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