

LIFE ON WELFARE:  
A SNAPSHOT OF THE ACTIVE  
TCA CASELOAD IN OCTOBER 2003

ANDREA HETLING, PH.D.  
PROJECT DIRECTOR

CORRENE SAUNDERS, B.A.  
PROJECT ANALYST

CATHERINE E. BORN, PHD  
PRINCIPAL INVESTIGATOR

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UNIVERSITY OF MARYLAND  
SCHOOL OF SOCIAL WORK  
525 WEST REDWOOD STREET  
BALTIMORE, MD 21201

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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](mailto: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@dhr.state.md.us](mailto:rlarson@dhr.state.md.us) or [welfarereformer@prodigy.net](mailto:welfarereformer@prodigy.net)).

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## EXECUTIVE SUMMARY

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The nation's main cash assistance program for low-income children underwent massive change beginning in the mid-1990s. Widespread uncertainty about the effects of those changes on families led to a spate of research studying the post-welfare outcomes of families who, voluntarily or involuntarily, were leaving welfare. Maryland was the first state to release empirical outcome data on 'welfare leavers' through its groundbreaking and still ongoing study, *Life After Welfare*.

Initially, there was little research into the characteristics and situations of families who were newly entering the welfare system or who had been unable to transition from welfare to work. In more recent years, the need for such data has become apparent. Caseloads have leveled off or increased in many states, industries where welfare-leaving women have traditionally found work have been slow to recover from the recession, states' fiscal situations have been grim, and welfare caseloads have become more concentrated in the nation's largest cities. In addition, some think that today's recipient families may face more and more difficult personal barriers in their efforts to leave welfare.

As has been true with regard to welfare leavers, Maryland has been in the forefront of research focused on welfare users through the multi-faceted, multi-project *Life On Welfare* initiative being carried out by the authors and our colleagues. One component of that initiative is the Snapshots of the Active Caseload project, of which today's report is the second in the biannual series whose purpose is to periodically profile the characteristics of the active cash assistance caseload in Maryland. Today's report focuses on the October 2003 active caseload. It uses data describing demographic characteristics, welfare utilization patterns and prior employment and earnings to monitor caseload composition and to identify trends or changes that may be relevant to state-level policies and/or front-line case management practice. Comparisons are also made to past October caseloads in 1996, 1998, 1999 and 2001 and, where appropriate, to the population of welfare leavers. Because recent research, including our own, has found that important differences exist between urban and non-urban cases, in addition to presenting statewide findings, today's report also includes separate caseload profiles for Baltimore City and the balance of the state. Key findings include the following:

- 1. There are some similarities, but also some significant differences between today's active caseload and caseloads in years past. Related to this, today's active caseload is more diverse than prior years' caseloads and appears to consist of several reasonably distinct groups of clients, rather than a homogeneous population of 'hard-to-serve' recipients.**

The typical payee heading a Maryland cash assistance case in October 2003 was a never-married (71.1%), African-American (79.0%), female (94.8%), in her mid thirties (average age 36.4 years) who had her first child at the age of 22 and who had been on welfare continuously for 21 months. In terms of these personal and case characteristics, adults heading cash assistance cases in October 2003 were slightly younger, overall, and more likely to have never been married, but are similar in gender

and ethnicity to adults who headed cases in past years. Today's cases are also more likely to include a child under the age of three and to include two adults. On the other hand, today's cases, on average, have accumulated more months of welfare receipt that count against the time limit. They are also less likely to be working and they have lower earnings, on average, even though they worked in industries similar to those in which working payees in earlier caseloads were employed. In terms of recent welfare leavers, active payees in October 2003 were slightly younger, on average, but had given birth at a slightly older age. The percentage of payees who had never been married was also slightly higher than among recent leavers.

Study findings confirm those from earlier of our projects: today's caseloads are not necessarily 'hard to serve,' but they may, indeed, be 'different to serve' and probably do require more sophisticated assessment and different constellations of services and options. For the state as a whole, female-headed, single parent households still represent the majority of the active caseload. However, while it is accurate, this statement masks the tremendous diversity that actually exists across the state and obscures the very different service needs and prospects for independence from welfare that characterize the various sub-groups within today's population. At least four distinct and fairly sizable sub-groups are apparent even from these snapshot or profile data: child-only cases, disproportionately a non-urban phenomenon; cases headed by young, unmarried women; cases containing at least one child under the age of three years; and long-term welfare recipients, a distinctly urban phenomenon.

**2. Active caseloads in Baltimore City and the 23 counties are significantly different in a number of ways that may have important programmatic implications. Some of the differences are demographic, but others pertain to the degree of historical welfare use and the extent to which the 60 month limit on benefit receipt is being neared or exceeded.**

There are significant differences between City and non-City caseloads on all groups of variables examined: payee and case characteristics, current and past welfare use, and employment and earnings. City payees, on average, were younger, more likely to be African-American, to have never married, and to have had their first child at a younger age. In general, City payees tend to cluster at the younger end of the age spectrum while county-resident payees tend to cluster at the older end. More than one in four (27.1%) City payees, to illustrate, were 25 or younger compared to not quite one in five (19.3%) in the counties. Almost one in three (30.9%) City payees had a child before the age of 18, compared to fewer than one in five (18.2%) among county payees. In contrast, there were significantly more child-only cases in the counties – roughly two-fifths of the total caseload – than in Baltimore City (roughly one-fourth of the caseload).

In terms of benefit receipt, for the sample as a whole clients, on average, had received welfare in roughly two of the past five years, had used about 43% of the months available to them under the 60 month time limit, and had been on welfare without interruption for a little less than two years (average=21 months). Regional differences are large and significant on all variables except average length of the current welfare spell. In terms of the other variables, the pattern of findings suggests greater dependency among Baltimore City payees: City payees had used significantly more months of welfare in the past year, on average, than had county-resident payees; they

had been on welfare for more months in the preceding 60 months; and they had used more of their time-limited months of aid. Perhaps the most dramatic and programmatically important difference between the two groups is that significantly more Baltimore City payees were approaching or had already exceeded the 60 month threshold. About one in five had used more than 48 of her 60 time-limited months and about 11% had already exceeded the 60 month mark. In the counties, in contrast, only eight percent had more than 48 months of time-limited aid and 3.6% had more than 60 countable months.

In summary, findings indicate that the active October 2003 caseload differs in several important ways from past active caseloads and from recent welfare leavers and that there are important differences between the Baltimore City caseload and caseloads in the rest of Maryland. The study also makes it clear that, while female-headed households remain the single largest group within the active caseload, there are several rather distinct sub-groups with the active caseload who are not evenly distributed across the state and whose service needs and prospects for successful or speedy transition from welfare to work may be very different.

## INTRODUCTION

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In 1996 the Aid to Families with Dependent Children (AFDC) program which existed essentially intact since 1935 was replaced with Temporary Assistance to Needy Families (TANF) which incorporated increased work requirements, time limits, and the option to impose full-family sanctions for adults' non-compliance with program requirements. Many of these features had been tested in various places, but no state had applied all of them to entire caseloads. Thus, there was widespread uncertainty about reform's effects on families; this uncertainty led to a spate of studies of the post-welfare outcomes of families who, voluntarily or involuntarily, were leaving TANF.

Initially, there was little research into the characteristics of families receiving TANF, but the need for such data has become obvious. Caseloads have leveled off or increased, fields in which exiting adults typically found work have seen job losses or sluggish growth, states' fiscal situations have been grim, and TANF cases have become concentrated in large cities. Some also think that today's clients face more and more difficult personal barriers in their efforts to leave welfare. An early Maryland study concluded that, while not necessarily "hard to serve" the current caseload probably was, in some important ways, "different to serve" and, more so than in the past, consisted of various subgroups of clients, each with different needs (Ovwigo, 2001).

Today's report, the second in our Snapshots of the Active Caseload series, itself part of a larger research initiative, the *Life On Welfare* project, provides information on this key topic. Specifically, it provides a snapshot of the October 2003 Maryland cash assistance caseload. Data describing demographic characteristics, cash assistance participation patterns, and prior employment are used to monitor caseload composition and to identify trends or changes that may influence state-level policies and local front-line practice. As our *Life After Welfare* reports help to illustrate how the characteristics of welfare leavers have changed over time, this report and other *Life On Welfare* studies provide similar information about the active caseload.

Three specific questions are addressed in today's report:

1. What are the demographic characteristics of Maryland TANF recipients in October 2003?
2. What are the payees' past and present patterns of welfare use?
3. What do we know about payees' past and current employment?

To the extent possible, characteristics of the October 2003 active caseload are compared to the characteristics of clients in past years and to welfare leavers. Also, because Baltimore City accounts for a majority of the total state TANF caseload, data are presented throughout the report in a manner that permits comparisons between Baltimore City cases and cases in the 23 counties.



## BACKGROUND

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The lion's share of published literature about welfare reform and the new cash assistance system has, perhaps understandably, focused on specific features of the new program such as time limits, sanctions and work participation requirements, the massive and swift caseload declines that took place, and the outcomes experienced by families who have left the welfare rolls. Also significant is the fact that while AFDC was essentially a national program with only limited state-level discretion, the TANF program affords considerably more discretion to states in the design and operation of their cash assistance programs. As has been documented, states have taken advantage of this flexibility and there is now considerable heterogeneity across TANF programs nationwide.

This programmatic diversity, while having salutary effects on states' ability to more effectively meet local needs, has made it much more difficult to use national data as a reliable barometer of what is happening in any given state. Some overarching trends have been able to be identified using national data sets (Assistant Secretary for Planning and Evaluation (ASPE), 2003), but there is also some limited evidence that the demographic profiles of today's active welfare caseloads do vary from state to state (Moffitt, Cherlin, Burton, King, and Roff, 2002). At the individual state level, however, it is imperative that good data describing current recipient families be available because, without it, policy-makers and program managers are unable to decipher how the profile of clients may have changed and, more important, what that changing profile might imply in the way of program enhancements or modifications. Thus, this paper seeks to answer a straightforward, but very policy, program and practice relevant question: Who is being served by cash assistance in Maryland at the present time? In addition to addressing this overarching question, the study also pays particular attention to documenting any differences that might exist between the on-welfare population in Baltimore City and the recipient population in the rest of the state.

The increased concentration of cash assistance cases in large urban centers is, in fact, one important way in which the profile of today's welfare caseloads is different than it was at the outset of reform in the mid-1990s. Nationally, it has been observed that caseloads in large cities declined at a slower rate than did caseloads in rural and suburban areas during the first few years of welfare reform. As a result, today's TANF caseload is much more concentrated in major cities than the caseload of just a few short years ago (Brookings Institution, 1999; Waller and Berube, 2002). Maryland's experience mirrors the national trend. For example, in October 1996, 48.9% of Maryland's caseload resided in Baltimore City. This percentage had risen to 57.5% by June 2002 and in our study month, October 2003, Baltimore City accounted for 54.2% of the total state caseload. As other of our studies have documented, this change seems largely attributable to the slower pace of caseload decline that the City experienced relative to the counties during the first several years of reform. In each of the first three years of reform, to illustrate, Baltimore City's share of total TCA case closings was less than would have been expected given its share of the overall caseload (Born, Ovwigho & Cordero, 2000).

In roughly the past two years, caseload exits in Baltimore City have been more on par with its share of the overall caseload. Nonetheless, the issue remains one of importance because significant differences between urban and county welfare populations have already been documented. Previous of our studies, to illustrate, have found that the populations differ in terms of length of cash assistance receipt (see, for example, Ovwigho, Born, Ruck and Tracy, 2003) and on such things as race, marital status, age of youngest child, and employment history (Ovwigho, Born, Ferrero and Palazzo, 2004). Similarly, our *Life After Welfare* study has found that the risk of returning to welfare after an exit is elevated among Baltimore City clients (Ovwigho, Born, Tracy, and Saunders, 2004).

It is also very important to profile and track changes in the profile of client demographics because, when all is said and done, transitions from welfare to work occur one case at a time. Moreover, our leavers' study has shown that certain payee characteristics do seem to be associated with more or less positive post-welfare outcomes (Ovwigho, Born, Tracy, and Saunders, 2004). Thus, to the extent that the caseload's demographic profile changes over time, there may also be need to adjust service strategies or interventions to increase the likelihood of success for both individual clients and for the state's welfare-to-work programming in general.

For this study, we look at five payee-level demographic characteristics: ethnicity, age, marital status, age at first birth, and gender, the same demographic variables we examine in our ongoing *Life After Welfare* study. These particular variables were chosen because of their long-standing and well-documented policy relevance and because significant caseload profile changes on any of these measures over time would likely have important implications for welfare policy and practice.

In terms of ethnicity, national data show that the majority of payees are members of ethnic or racial minority groups, but also that the proportion of Hispanic families receiving welfare has increased since the outset of reform (Office of Planning, Research and Evaluation (OPRE), 2000). On the other hand, researchers have generally found that the racial composition of particular welfare caseloads tends to reflect that of the surrounding local area (Acs and Loprest, 2003; Moffitt, Cherlin, Burton, King, and Roff, 2002; City and County of San Francisco, 2002). Maryland is already an ethnically-diverse state, but its Hispanic population has also been increasing (Maryland Department of Planning, n.d.). We also know that recidivism risk, that is, returning to welfare after exiting, varies by ethnicity (Ovwigho, Born, Tracy, and Saunders, 2004). For these reasons, it is important to not only profile the ethnic composition of the cash assistance caseload, but to track changes in this dimension over time.

Age and marital status are also important variables known to be associated with welfare use and on which available national data do indicate there has been some change over time. Specifically, it appears that the average age of payees nationwide has increased slightly and that the percentage of payees who have never been married has decreased (OPRE, 2002). These national trends have been apparent in Maryland as well (Born, Hetling-Wernyj, Lacey, and Tracy, 2003).

We are not aware of any national trend data concerning change in the estimated average age at first birth among women receiving welfare today compared to those who

received benefits in prior years. However, early child bearing has long been associated with heightened risk of welfare dependency. A 1997 study using the National Longitudinal Study of Youth, for example, found that among unwed women under age 18 who had their first child between 1978 and 1983, the vast majority (82.4%) eventually went on welfare. Furthermore, among unwed women under age 20 at the time of first birth, 50% accumulated more than five years of welfare receipt and about one-third (35%) participated in welfare for more than seven years (O'Neill and O'Neill, 1997). These statistics alone are more than sufficient reason that this particular variable should be tracked over time. Restrictions on teenagers' ability to establish independent households for cash assistance purposes and the documented declines in overall rates of child-bearing by young women are additional reasons it is important for states to examine trends in this profile characteristic over time.

Certain characteristics of cash assistance cases are also important to consider because, if these change over time, the practical implications could be considerable. The number of adults included on the case is one such variable; almost by definition, for example, two adult cases can be assumed to be advantaged vis-a-vis one adult cases because there are two persons to share household responsibilities. This variable is one on which the national data are clear: there has been change since the beginning of welfare reform. In particular, the percentage of cases with no adults included in the cash grant, or child-only cases, has increased gradually, but steadily.

Historically, child-only cases represented no more than about 10-15% of welfare cases. Today, however, these cases represent approximately one-third of all welfare cases nationwide (OPRE, 2002; Hercik, Palla, and Kakusa, 2003). Child-only cases also make up about one-third of all Maryland cash assistance cases today, up from roughly 15% at the beginning of reform. Notably also, in some smaller Maryland counties child-only cases are actually a majority of the active caseload. This is a diverse population, but includes cases where the recipient children live either with a non-eligible parent or with a non-parental care giver or relative. In general, child-only cases are exempt from work requirements and time limits and, as a result, tend to build up long welfare histories and have non-existent or limited employment (ASPE, 2000; Wood and Strong, 2002; City and County of San Francisco, 2002). Changes over time in the proportion of state or local caseloads consisting of child-only cases could have large fiscal ramifications as well as programmatic implications.

Another important case-level variable examined in this study is past welfare use or historical cash assistance participation by today's active clients. Prior welfare receipt patterns of clients have been widely studied in relation to an individual's likelihood of leaving welfare and remaining independent. The number of months of welfare receipt over time is one welfare dependence indicator used by the U.S. Department of Health and Human Services (ASPE, 2003) and is thought to be a good "red flag" indicating families which may be facing especially difficult circumstances (Danziger and Seefeldt, 2002). Our Maryland studies have confirmed that this is an important variable to track; it has been shown to be associated with poorer post-welfare employment outcomes and heightened risk of coming back on welfare after leaving (Ovwigbo, Born, Tracy, and Saunders, 2004; Born, Ovwigbo and Cordero, 2002). Among other things, changes in this variable over time may be one useful way to assess the degree to which "early engagement" efforts with current recipients are being successfully accomplished.

Another important aspect and common indicator of the dependency risks, success prospects of adult recipients, and the level of intensity of agency services needed is payees' employment history. Not surprisingly, work participation rates among welfare recipients nationally have increased under TANF due to specific program requirements and a robust economy (Smith, 2001). It is also well-documented that employed welfare recipients differ from non-employed recipients on many dimensions, including education level, age, health, number of adults in the household (other than those on the grant), and number of children (Moffitt and Cherlin, 2002). Our own Maryland studies have also established that women with a prior history of paid employment are more likely to work after leaving welfare (Ovwigbo, Born, Tracy, and Saunders, 2004).

In summary, just as states need empirical data about who is leaving welfare and what happens to them when they do, they also need information about the characteristics of the women and families who are receiving benefits and how the profile of this latter group changes, if it does, over time. Only through this type of information, periodically updated, can states and local subdivisions have the ability to make any needed adjustments to insure that policies and programs are correctly focused on the characteristics and circumstances of today's clients, not yesterday's.

## METHODS

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This chapter presents a brief description of study design and methods and the nature and sources of the data upon which the study is based. We begin by discussing the research sample.

### *Sample.*

A random sample was drawn from the universe of active Temporary Cash Assistance (TCA, Maryland's TANF program) cases for October 2003 (n=26,858). The sample was based on a 99% confidence level with a  $\pm 5\%$  margin of error for two subgroups: Baltimore City and the 23 counties that comprise the rest of the state, yielding sample sizes of n=637 for Baltimore City and n=632 for the rest of the state. Demographic, welfare participation, and employment data from various automated information management systems were obtained, cleaned, and analyzed by the authors for all study cases. We used normative weighting so that the Baltimore City cases represent 54.2% of the total, as they did in the total October 2003 TCA caseload. The final weights are 1.08 for Baltimore City cases and 0.92 for the cases in the rest of the state.

### *Data Sources.*

Findings described in this report are based on data gathered from three administrative data systems maintained by the State of Maryland. Individual and case-level demographic characteristics and program utilization data were obtained from two systems: CARES (Client Automated Resources and Eligibility System) and AIMS/AMF (Automated Information Management System/Automated Master File). Employment and wage data were obtained from the third system, MABS (Maryland Automated Benefits System), which contains official data on all Maryland jobs covered by the state's Unemployment Insurance system. Each of these systems is briefly described below.

### *AIMS/AMF.*

From 1987 through 1993, AIMS/AMF was the statewide data system for programs under the purview of the Maryland Department of Human Resources (DHR). A new system, CARES, began to be used in late 1993 and, with conversion of the last jurisdiction (Baltimore City) in 1998, became the official replacement for AIMS/AMF. Since 1998 no new data have been added to AIMS/AMF, but the archival system is still accessible for program management and research purposes.

The archived system contains a participation history for each person who applied for cash assistance (AFDC or TCA), Food Stamps, Medical Assistance, or Social Services. The system contains basic demographic data such as name, date of birth, gender and ethnicity, as well as the type of program, application and denial or closure dates for each service episode, and a code indicating the relationship of the individual to the head of the assistance unit. AIMS also displays, for each service case, a summary listing of all individuals included in that case. Limited financial data on the last 12 months of benefits received are also available for the cash assistance and Food Stamp programs.

## *CARES.*

CARES became the statewide, automated data system for DHR programs as of March, 1998. Similar to its predecessor, AIMS, CARES provides individual and case level program participation data for cash assistance, Food Stamps, Medical Assistance and Social Services. It also provides more detailed information on new program requirements (e.g. months used of the TCA time limit), exemptions from various requirements, and barriers to self-sufficiency (e.g. disabilities, domestic violence, and substance abuse).

## *MABS.*

The Maryland Automated Benefits System (MABS) contains employment and wage data on all jobs within the state that are covered by the Unemployment Insurance program. Notable exclusions are federal government employees, civilian and military, independent contractors, commission-only salespersons, most religious organization employees, some student interns, self-employed persons with no paid staff, and farm workers. "Off the books" or "under the table" employment is not included nor are jobs located outside of Maryland.

The lack of data on jobs in other states and federal jobs is particularly important. According to the 2000 census, to illustrate, the rate of out-of-state employment among Maryland residents (17.4%) is nearly six times greater than that of the nation as a whole (3.6%). In four Maryland counties, two of which (Montgomery and Prince George's) have large populations and large TCA caseloads, in fact, one-fourth or more of employed residents work outside of Maryland: Prince George's County (43.8%); Cecil County (40.7%); Montgomery County (31.3%); Charles County (29.0%). Federal employment is also significant, but unmeasured in this study. There are more than 125,000 federal jobs within the state and the large majority of Maryland residents live within commuting distance of Washington, D.C. Our lack of access to other states' data and federal employment data for purposes of this analysis is a limitation and has a depressing effect on all employment-related findings

## *Other Data Sources.*

Data from the automated sources described above were used to profile demographic characteristics, welfare and employment experiences of Maryland families receiving TCA in October 2003. To assess the extent to which today's on-welfare cases are similar or dissimilar to those which have exited or received cash assistance during the first seven years of reform, certain comparison data presented in this report were taken from previous research projects conducted by the authors, as follows.

### *Life on Welfare: Have the Hard-to-Serve Been Left Behind?*

This study, issued in May 2001, is the source of profile data on active Maryland cash assistance cases in October 1996 and October 1998. The research was undertaken to examine the widespread hypothesis at the time that, compared to recipient families in 1996, families on welfare in 1998 were "harder to serve", that is possessing

characteristics which put them at risk for long-term welfare receipt. Two cross-sectional samples of the TCA caseload were used: 5,961 cases receiving TCA in October 1996 and 4,518 cases receiving TCA in October 1998.<sup>1</sup>

*Life on Welfare: Snapshots of the Active Caseload:  
October 1999, and October 2001.*

Data for Maryland cash assistance cases active in October 1999 and October 2001 were collected for various studies profiling characteristics of the TCA caseload. The cross-sectional sample used for the October 1999 projects included the universe of cases that received cash assistance in the study month (n=29,954). The October 2001 report used a five percent random sample (n=1,358) drawn from the universe of active TCA cases in the study month (n=27,166).<sup>2</sup>

*Life After Welfare: Eighth Report.*

Comparison data on cases that have exited cash assistance in Maryland since the outset of welfare reform are taken from the eighth report on leavers, issued in October 2003. This large, longitudinal study has been ongoing since October 1996, the first month of welfare reform in Maryland; the eighth report includes individual and case-level data on a 5% random sample of cases that closed between October 1996 and March 2003 (n=8,567).<sup>3</sup>

*Data Analysis.*

This study of the active October 2003 TCA caseload in Maryland is intended to provide an updated snapshot profile of recipient adults and cases and to uncover any significant changes from prior years. In addition, it focuses on comparing how, if at all, client profiles and past welfare and employment patterns may differ between Baltimore City and the rest of the state. Chi-square and ANOVA were used to test for any regional differences.

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<sup>1</sup> Sample sizes were based on a 95% confidence level with a margin or error of  $\pm 5\%$ .

<sup>2</sup> The confidence level for the sample is 99% with a  $\pm 3.5\%$  margin of error.

<sup>3</sup> The total statewide sample is valid at the 95% confidence level with  $\pm 1\%$  margin of error.

## FINDINGS

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This chapter presents findings on the demographic characteristics and the cash assistance utilization and employment experiences of adults heading Temporary Cash Assistance (TCA) cases in Maryland in October 2003, the seventh anniversary of welfare reform in the state. Case-level demographics, specifically those related to household composition, are also described.

### *Payee Demographics*

Table 1, following this discussion, shows that the typical Maryland TCA payee in October 2003 was an African American (79.0%) female (94.8%) approximately 36 2 years of age who was never married (71.1%), and had her first child at about 22 years of age. There were significant differences between Baltimore City payees and payees in the 23 counties on six of the seven variables examined; only in terms of gender were the two groups similar, 94.8% in both groups being female. City-resident payees were more likely to be African-American (91.1% vs. 64.8%), to have never married (78.7% vs. 62.0%), to be younger (mean 35.3 years vs. 37.8 years) and to have had the first child at a younger age (mean 21.6 years vs. 23.3 years).

The age distribution and early-child bearing findings are especially notable. In terms of age, Table 1 shows that City payees tend to cluster at the younger end of the age spectrum whereas county-resident payees tend to cluster at the older end. For example, there are roughly three times as many City payees under age 20 (6.7%) than county payees (2.7%) and also more City payees between 21 and 25 years of age (20.4%) than there are county payees in this age range (16.6%). At the other end of the spectrum, while a bit more than half of all county payees are aged 36 or older (51.8%), only 45.2% of City payees are in this age group.

Differences are also apparent with regard to early-child bearing. About half of all county-resident payees had experienced a first birth before the age of 21 (50.8%), compared to about three-fifths (59.3%) of City-resident payees. Moreover, not quite one in three City payees had a child before the age of 18 (30.9%), compared to fewer than one in five (18.2%) county payees.

Although not presented in tabular form in the report, the profile of October 2003 case heads does not differ on most dimensions from the profiles of case heads in earlier years. A few differences are worth noting, however. Today's payees are slightly younger, on average, than were payees in either October 1999 or October 2001 (36.4 years vs. 37.0 years), but had given birth at a slightly older age (22.3 years vs. 21.7 years in October 2001).<sup>4</sup> In terms of marital status, never-married women continue to predominate although, compared to the October 2001 sample, the October 2003 sample does contain a slightly greater percentage of payees who had never been married (71.1% versus 68.6%).

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<sup>4</sup> Average age at first birth for October 1999 active case heads was identical to the October 2003 average age, 22.3 years.



There were also relatively few profile differences between October 2003 recipient adults and payees who had exited welfare for at least one month between April 2002 and March 2003. October 2003 active payees were slightly older on average (36.4 years vs. 34.1 years), but had the same average age at first birth and were very similar in terms of race and gender.

**Table 1. Casehead Demographic Characteristics**

	<b>Baltimore City</b>	<b>Other Counties</b>	<b>Whole State</b>
<b>Gender</b>			
% Women	94.8% (652)	94.8% (551)	94.8% (1203)
<b>Race***</b>			
% African American	91.1% (626)	64.8% (377)	79.0% (1003)
<b>Marital Status***</b>			
Never married	78.7% (541)	62.0% (360)	71.1% (901)
Married	4.7% (32)	13.6% (79)	8.8% (111)
Divorced	2.5% (17)	6.9% (40)	4.5% (57)
Separated	9.6% (66)	11.0% (64)	10.3% (130)
Widowed	1.7% (12)	1.9% (11)	1.8% (23)
<b>Age in study month***</b>			
Less than 20	6.7% (46)	2.4% (14)	4.7% (60)
21-25	20.4% (140)	16.6% (97)	18.7% (237)
26-30	14.9% (102)	14.8% (86)	14.8% (188)
31-35	12.8% (88)	14.4% (84)	13.6% (172)
36 and older	45.2% (310)	51.8% (302)	48.2% (612)
Mean***	35.3	37.8	36.4
Median	33.1	35.6	34.5
Standard Deviation	13.0	13.0	13.1
Range	18.2 – 80.9	18.3 – 82.0	18.2 – 82.0
<b>Age at First Birth</b>			
Mean***	21.6	23.3	22.3
Median	19.7	20.9	20.3
Standard Deviation	5.6	6.3	6.0
Range	13.5 – 43.1	13.7 – 48.2	13.5 – 48.2
First Birth under 18***	30.9% (158)	18.2% (71)	25.4% (228)
First Birth under 21*	59.3% (302)	50.8% (198)	55.6% (500)
<b>Sample Size</b>	<b>687</b>	<b>582</b>	<b>1,269</b>

\*p<0.05, \*\*p<0.01, \*\*\*p<0.001

## *Case Demographics.*

Monitoring changes over time in the profile of cases or assistance units is also important. Thus, five case-level characteristics were examined in this study and results describing the active caseload in October 2003 are presented in Table 2 which follows this discussion. As presented in the third column of the table, labeled “whole state,” the typical TCA case, on average, contained 2.5 persons, typically one adult (average, 0.7) and two children (average, 1.8 children). The youngest child in these cases was about six and one-half years of age (6.4), on average, and not quite two-fifths of cases (37.5%) contained at least one child under the age of three years.

City and county cases differed significantly on two variables, but were similar on three. The differences are observed in two related variables: assistance unit size and number of adults included in the case. In terms of assistance unit size, the average was similar in both regions, but Baltimore City had significantly fewer one-person assistance units (17.9% vs. 26.8%) and significantly more two-person units (38.6% vs. 30.8%) than did the counties. Differences in assistance unit size can be largely attributed to differences in the numbers of cases in the two regions in which no adults were included on the grant/in the case. As shown in Table 2, the percentage of no-adult cases in the counties (39.8%) is significantly higher than the percentage in Baltimore City (26.8%).<sup>5</sup>

In terms of changes over time in the profile of active cases, both similarities and differences are observed. Average assistance unit size, to illustrate, remained the same compared to the 1999 and 2001 studies, as did the average number of adults. The October 2003 active caseload does differ from earlier samples, however, in that it contains a higher percentage (2.4%) of two adult cases; in samples taken between 1996 and 2001, this percentage was consistently less than 1.5%. Also notable is the fact that the percentage of cases including a child under the age of three has risen slightly in each sample since 1998. In October 2001, 34.6% of assistance units included a child under the age of three; in October 2003, the percentage was 37.6%.

Finally, and as has been true nationwide, the percentage of cases containing no adults (i.e., child-only cases) has risen dramatically over time. At the outset of reform, child-only cases represented between 10% and 15% of active cases, rose steadily to represent about one-fifth of cases (22.8%) by October 1998 and then increased rather dramatically, accounting for about one of every three cases statewide (33.7%) by October 1999. Since that time, child-only cases have continued to account for roughly one-third of all TCA cases, the percentage changing only slightly from year to year. Thus, while there has been a dramatic sea change in the composition of the TCA caseload since the beginning of reform, there is no dramatic change in the October 2003 profile, compared to our prior active caseload studies because most of the change took place earlier; the child-only percentages in October 1999, 2001, and 2003 were 33.7%, 36.0%, and 32.7% respectively.

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<sup>5</sup> Cases in which no adult is receiving benefits are typically referred to as child-only cases, usually families where the adult caretaker is either not the child’s biological parent or where the biological parent is either ineligible for aid due to immigration status or receipt of other benefits such as Supplemental Security Income.

**Table 2. Case Demographic Characteristics**

	<b>Baltimore City</b>	<b>Other Counties</b>	<b>Whole State</b>
<b>Size of Assistance Unit***</b>			
1	17.9% (123)	26.8% (156)	22.0% (279)
2	38.6% (265)	30.8% (179)	35.0% (444)
3	23.0% (158)	22.5% (131)	22.8% (289)
4 or more	20.5% (141)	19.9% (116)	20.3% (257)
Mean	2.6	2.5	2.5
Median	2.0	2.0	2.0
Standard Deviation	1.3	1.3	1.3
Range	1 - 8	1 - 8	1 - 8
<b>Number of Adults on Case***</b>			
0 (child-only)	26.8% (184)	39.8% (231)	32.7% (415)
1	71.2% (489)	57.3% (333)	64.8% (822)
2	2.0% (14)	2.9% (17)	2.4% (31)
Mean***	0.8	0.6	0.7
Median	1.0	1.0	1.0
Standard Deviation	0.5	0.5	0.5
<b>Number of Children on Case</b>			
0	2.6% (18)	2.7% (16)	2.7% (34)
1	47.2% (324)	46.0% (268)	46.7% (592)
2	27.5% (189)	28.2% (164)	27.8% (353)
3 or more	22.7% (156)	23.0% (134)	22.9% (290)
Mean	1.8	1.8	1.8
Median	2.0	2.0	2.0
Standard Deviation	1.2	1.1	1.1
Range	0 - 6	0 - 7	0 - 7
<b>Age of Youngest Child</b>			
Mean	6.3	6.4	6.4
Median	4.9	5.5	5.2
Standard Deviation	5.1	5.1	5.1
% less than 3 years old	39.3% (264)	35.6% (201)	37.6% (465)
<b>Sample Size</b>	<b>582</b>	<b>687</b>	<b>1,269</b>

\*p<0.05, \*\*p<0.01, \*\*\*p<0.00

### *Cash Assistance Program Participation.*

Both the message about and the mechanics of welfare receipt changed dramatically as a result of welfare reform, such that the message now emphasizes the 'temporary' nature of aid and the mechanics now limit benefit receipt to five years or 60 months. These changes, coupled with increased work expectations, a new emphasis on universal client engagement and the well-established fact that welfare-to-work transitions are often more difficult for those who have long histories of welfare use, make it important to profile clients' welfare use patterns and to document if there have been changes in these patterns over time.

Table 3, following this discussion, presents findings on a number of measures of welfare use for the October 2003 sample and, separately, for Baltimore City cases and cases in the counties. The measures examine total months of benefit receipt during the past 60 months, total months of receipt which count toward the time limit, total months of aid in the past year, and the total length of the welfare spell that was active in October 2003. For the sample as a whole, Table 3 shows that, on average, clients had received welfare in roughly two years of the past five (mean=26.7 months) and had used about 43% of the time available to them under the five year limit (mean=26.0 months). On average, clients had received welfare in eight of the immediately preceding 12 months and, in October 2003, were in the midst of a current welfare spell that had been ongoing without interruption for 21 months.

Regional differences were large and statistically significant on most measures. Only in terms of average current spell length were the two groups similar. On all other measures the pattern of findings suggests greater dependency among Baltimore City payees than among those who resided in one of the 23 counties. City adults had used significantly more months of welfare in the past year, on average, than had county payees (8.5 months vs. 7.8 months), had been on welfare for more months in the preceding 60 months (31 months vs. 24 months), and had used more of their time-limited months of aid (30.3 months vs. 19.8 months).

Perhaps the most dramatic difference between City and county payees is that significantly more Baltimore City payees were drawing close to or had already exceeded the 60-month threshold. As shown in the bottom row of cells in Table 3, about one in five Baltimore City payees (19.7%) had used more than 48 of her time-limited 60 months and a bit more than one in 10 (11.3%) had already exceeded the 60-month mark.<sup>6</sup> In contrast, fewer than one in 10 payees in the counties (8.0%) had more than 48 months of time-limited aid and only 3.6% had more than 60 countable months.

Not all months of benefit receipt count toward the lifetime limit. However, as shown in the top row of cells in Table 3, the pattern is similar when all months of aid in the past 60 months are considered. In general, Baltimore City cases cluster at the high-use end of the benefit receipt continuum and county cases cluster at the low-use end. Roughly two-fifths (41.4%) of City payees had more than 36 months of aid in the past 60 months,

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<sup>6</sup> Aid may continue past the 60 month mark provided good cause exists, a service agreement has been developed in conjunction with the TCA case manager, and satisfactory progress continues to be made in working toward the goals and objectives of the agreement.

compared to 28.4% of county cases. On the other hand, roughly two-fifths (43.0%) of county payees had recorded 12 or fewer months of welfare use, compared to only one in four (24.2%) among City payees.

These welfare use statistics, in comparison to earlier active caseload samples, show that the trend over time has been in the direction of less welfare use, rather than more. In terms of total welfare use during the past 60 months, the statewide October 2003 sample averaged 27.7 months out of 60 months, the lowest average observed among active cohorts since 1996. Previous studies using October case samples, to illustrate, found averages of 31.4 months, 32.6 months, and 33.2 months in 2001, 1999 and 1996, respectively. Similarly, the average number of months of TCA benefit receipt in the past year was also less: 8.2 months in October 2003 and 9.0 months in October 2001. Average length of the currently active welfare spell was also less in October 2003 (21 months) than in October 2001 (29.1 months). As would be expected, however, the average number of time-limited benefit months already used was greater among October 2003 cases (26 months) than among active cases in October 2001 (20.8 months).

**Table 3. Historic and Current TCA Participation Data**

	Baltimore City	Other Counties	Whole State
<b>Months of Receipt in Last 60 Months***</b>			
0 months	2.2% (15)	4.1% (24)	3.1% (39)
1-12 months	22.1% (152)	38.9% (226)	29.8% (378)
13-24 months	17.9% (123)	18.2% (106)	18.1% (229)
25-36 months	16.4% (113)	10.3% (60)	13.6% (173)
37-48 months	14.3% (98)	9.1% (53)	11.9% (151)
49-60 months	27.1% (186)	19.3% (112)	23.5% (298)
Mean***	31.2	23.7	27.8
Median	30.0	17.0	24.0
Standard Deviation	19.7	20.5	20.4
<b>Months of Receipt in Last 12 Months*</b>			
0 months	4.1% (28)	5.7% (33)	4.8% (61)
1-3 months	13.5% (93)	19.8% (115)	16.4% (208)
4-6 months	13.4% (92)	12.6% (73)	13.0% (165)
7-9 months	14.4% (99)	12.9% (75)	13.7% (174)
10-12 months	54.6% (375)	49.1% (285)	52.1% (660)
Mean**	8.5	7.8	8.2
Median	10.00	9.00	10.0
Standard Deviation	3.9	4.33	4.1
<b>Months of Receipt in Current Spell</b>			
12 months or less	54.3% (373)	56.6% (330)	55.4% (703)
13-24 months	17.6% (121)	17.2% (100)	17.4% (221)
25-36 months	8.6% (59)	8.1% (47)	8.3% (106)
37-48 months	3.5% (24)	4.8% (28)	4.1% (52)
49-60 months	1.9% (13)	2.9% (17)	2.4% (30)
More than 60 months	14.1% (97)	10.5% (61)	12.4% (158)
Mean	22.4	20.3	21.4
Median	10.0	9.0	10.0
Standard Deviation	25.8	25.9	27.5
<b>Months Used on TANF Time Limit***</b>			
1-12	23.8% (133)	47.0% (182)	33.3% (315)
13-24	21.3% (119)	22.5% (87)	21.8% (206)
25-36	20.9% (117)	12.1% (47)	17.3% (164)
37-48	14.5% (81)	10.3% (40)	12.8% (121)
49-60	8.4% (47)	4.4% (17)	6.8% (64)
More than 60 months	11.3% (63)	3.6% (14)	8.1% (77)
Mean***	30.3	19.8	26.0
Median	27.0	13.5	21.0
Standard Deviation	20.5	17.6	20.0
<b>Sample Size</b>	<b>687</b>	<b>582</b>	<b>1,269</b>

Note: Valid percents are presented and for some measures counts may equal the total sample size due to small instances of missing data.

\*p<0.05, \*\*p<0.01, \*\*\*p<0.001

### *Historic and Current Employment Data.*

Research has unequivocally demonstrated that most women who receive cash assistance do have some history of attachment to the labor force. However, studies have also documented that, for many low-income women, episodes of employment are often interspersed with episode of welfare use. Breaking this cycle is arguably one of welfare reform's foremost challenges and, for intervention programs to be successful, it is important to be able to reasonably assess adult recipients' employment prospects. To assist in this task, this section of the report presents findings describing the past and present employment and earnings experiences of case heads in our sample and, separately, for Baltimore City payees and payees residing in the counties. Results appear in Table 4 that follows the discussion.

Work effort is substantial among the women in our October 2003 TCA sample. More than three of five (63.9%), statewide, had worked in a Maryland job covered by the Unemployment Insurance system at some point during the past two years and nearly one in three (31.6%) worked at some point during the October-December 2003 study quarter. Average quarterly earnings, statewide, were roughly \$2,600 (\$2,573) during the past two years and roughly \$3,400 (\$3,396) during the most recent period examined (October-December 2003). Average annual earnings (though employment did not necessarily last for a full year or consist of full-time work) were \$15,270 among those who worked at some point during the two years immediately prior to our study month, October 2003.

Baltimore City payees and county-resident payees were equally likely to work in the October-December 2003 quarter (roughly 32%) and had roughly equivalent average earnings in that period (\$3200 - \$3600). Likewise, a majority of payees in both the City and the counties had some history of UI-covered employment in the preceding two years. However, and perhaps contrary to expectation, Baltimore City payees were significantly more likely to have worked during the previous two years (66.6%) than were payees who resided in one of the 23 counties (60.8%). On the other hand, average total earnings from employment during this period were significantly higher among county payees (\$17,385) than among City payees (\$13,636), even though the average number of quarters worked was similar.<sup>7</sup>

Both the statewide employment rate and average earnings for the October 2003 active caseload were somewhat less than comparable findings for earlier cohorts of active cases. Among October 2001 cases, 65.1% of payees worked at some point in the preceding eight quarters and, on average, in 4.6 of the eight quarters. This compares to 63.9% of adults from the October 2003 sample who worked an average of 2.8 quarters out of the preceding eight.

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<sup>7</sup> Readers are reminded that we do not know how many hours in the week or weeks in the quarter payees worked and, thus, the figures reported do not necessarily represent earnings from full-time employment. Similarly, hourly or weekly wages cannot be calculated or inferred from these data.

**Table 4. Historic and Current Employment Data**

	Baltimore City	Other Counties	Whole State
<b>Previous 8 Quarters (October 2001 to September 2003)</b>			
% Employed*	66.6% (457)	60.8% (353)	63.9% (811)
Mean # of Quarters Worked	2.9	2.7	2.8
Average Total Earnings*	\$13,636.27	\$17,385.36	\$15,270.37
Average Quarterly Earnings**	\$2,323.85	\$2,896.13	\$2,573.29
<b>Fourth Quarter of 2003 (October to December 2003)</b>			
% Employed	31.7% (218)	31.5% (183)	31.6% (401)
Mean Earnings	\$3,177.66	\$3,653.74	\$3,396.24
Median Earnings	\$2,292.98	\$2,029.41	\$2,144.66
<b>Sample Size</b>	<b>687</b>	<b>582</b>	<b>1,269</b>

\*p<0.05, \*\*p<0.01, \*\*\*p<0.001

### *Employment Industries.*

Prior research indicates that low-income women, including those who receive cash assistance, have often found jobs in industries where the prospect of continued employment is uncertain and where wages are relatively low (Boushey, 2001). Service sector employment, in particular, has been common; nationwide, service sector retail trade jobs were the single largest destination for adults leaving welfare for work in the 1990s (Bousey and Rosnick, 2004). Unfortunately, service sector workers have high poverty rates; moreover, many of these occupations were very hard-hit by the recession of 2001 and have been very slow to recover (Bureau of Labor Statistics, 2002; Boushey, 2001). Thus, in addition to monitoring changes in employment rates and earnings over time, it is also important to pay attention to the industries in which employment is most common, not only when adults leave welfare, but also while they are receiving benefits.

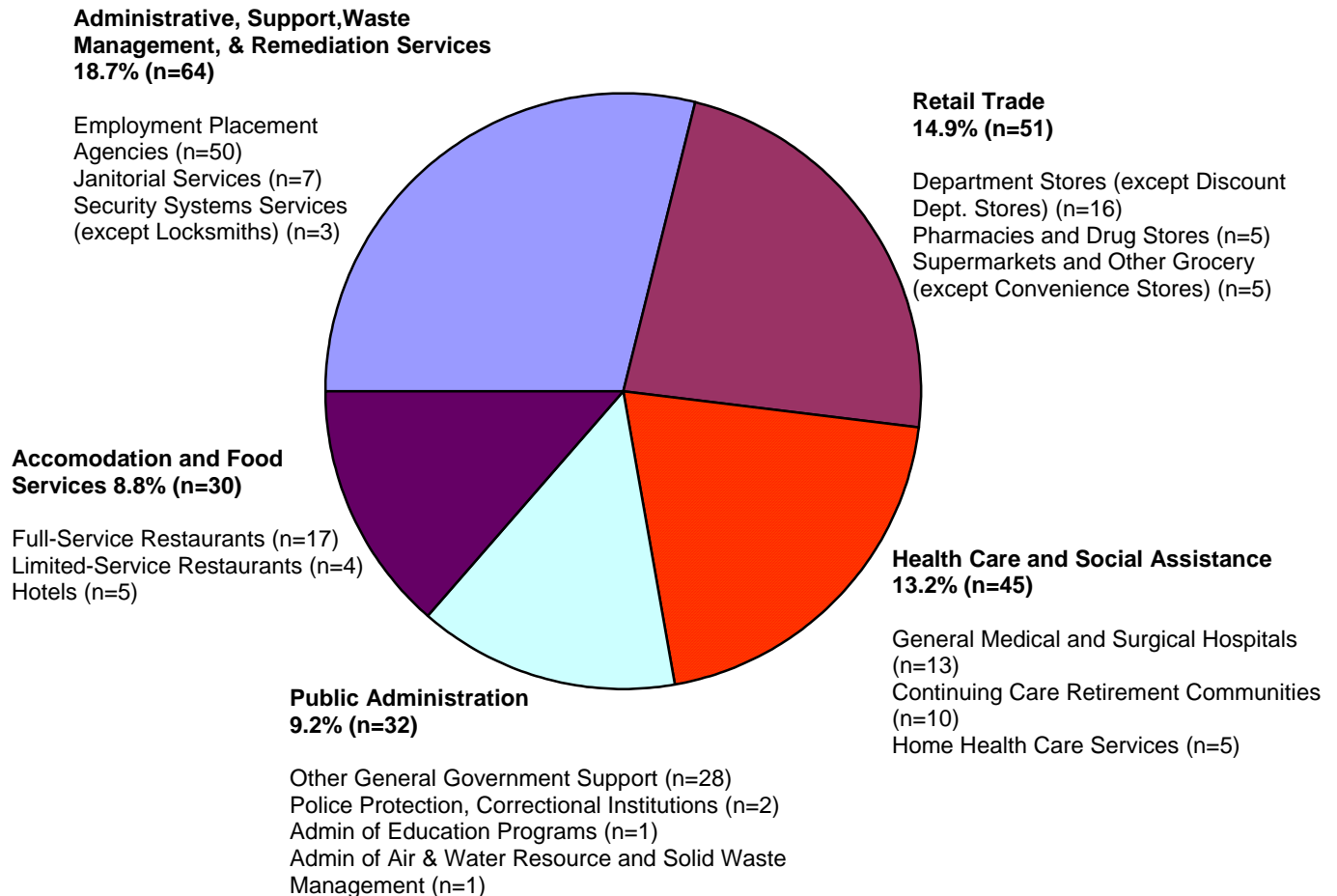
### *Top 5 general employment sectors.*

Using the relatively new official industry classification system of the U.S., the North American Industry Classification System (NAICS), Figure 1 and Table 5 present data describing the most common identifiable industries in which sample adults were employed during the last quarter of 2003 (October-December). Figure 1 presents the most common industries based on a broad level of NAICS coding. The top three, Administrative, Support, Waste Management, and Remediation Services (18.7%); Retail Trade (14.9%); and Health Care and Social Assistance (13.2%) together account for nearly half of all jobs (46.6%) held by the case heads in our sample for which the NAICS code could be determined. Public Administration (9.2%) and Accommodation and Food Services (8.8%) are the fourth and fifth most common industries. Together, these top five general industry codes accounted for almost two-thirds (64.7%) of all jobs held by TCA recipient adults in October 2003 for whom the NAICS code could be determined.



Notably, our most recent welfare leavers' study shows that adults who left TCA in Maryland between April 2003 and March 2004 also worked in the same industries after their welfare cases closed (Ovwigbo, Born, Tracy & Saunders, 2004). Although the comparison is not exact due to differences in the job classification system used, these were also the same industries in which active case heads in October 2001 had been employed.<sup>8</sup>

**Figure 1. Top Five Employment Sectors in the Fourth Quarter of 2003**



<sup>8</sup> In our earlier studies, we classified or coded jobs using the Standard Industry Classification system, the predecessor of NAICS.

### *Top 27 specific employment sectors.*

Table 5, following this discussion, presents more detailed and perhaps programmatically useful information, a list of the top 27 most specific industry codes which characterized the jobs held by payees during the fourth quarter of 2003. As illustrated in the table, for the state as a whole, jobs were most commonly in the following fields: employment placement agency (14.5%); other general government support (8.0%); full-service restaurants (4.9%); department stores, except discount stores (4.6%); general medical and surgical hospitals (3.6%); elementary and secondary schools (3.6%); and continuing care retirement communities (3.0%). Together these seven fields accounted for two of every five classifiable jobs (42.2%) held by current TCA recipients during the October - December 2003 quarter.

There are some differences between the most frequent types of jobs held by Baltimore City payees and those living in the counties, as shown in Table 5. The top three among City residents, accounting for about one of every three jobs, were: employment placement agencies (19.3%), full-service restaurants (6.8%), and other general government support (6.3%). Among county-resident payees the top three fields accounted for about one of every four jobs and were: other general government support (10.2%), employment placement agencies (8.4%), and department stores (5.4%).

Compared to the active TCA caseload in October 2001, the October 2003 active caseload results are remarkably similar, even taking differences between the old SIC and new NAICS industry coding systems into account. In 2001, as in 2003, jobs in/with temporary help/employment agencies were most common. Although the nomenclature differs, the rest of the top five statewide fields in October 2001 also sound remarkably like the other jobs most commonly held in late 2003: general eating and drinking places; department stores; sanitary services; and nursing homes and hospices.

Overall, industries in which current welfare recipients find employment also match closely with those that have employed welfare leavers since TANF reform in Maryland. According to the most recent report on Maryland welfare leavers, Employment Placement Agencies were the most common type of employer (12.9%), and the top five specific industry codes included Full-Service Restaurants (6.2%) and Department Stores (5.3%). In addition, Continuing Care Retirement Communities (6.1%) were also included, which was the seventh most common industry for our October 2003 active caseload sample (3.0%). One industry that was listed in the top five for leavers since 1996, but did not appear in our sample of current recipients, was Gasoline Stations with Convenience Stores.

**Table 5. The Top 27 Employers/Industries in the Fourth Quarter of 2003**

Type of Employer/Industry (NAICS)*	Baltimore City (n=187)	Other Counties (n=158)	Total (n=345)
Employment Placement Agencies	19.3% (37)	8.4% (13)	14.5% (50)
Other General Government Support	6.3% (12)	10.2% (16)	8.0% (28)
Full-Service Restaurants	6.8% (13)	2.4% (4)	4.9% (17)
Department Stores, except Discount Stores	4.0% (8)	5.4% (8)	4.6% (16)
General Medical and Surgical Hospitals	4.5% (9)	2.4% (4)	3.6% (12)
Elementary and Secondary Schools	4.5% (9)	2.4% (4)	3.6% (12)
Continuing Care Retirement Communities	3.4% (6)	2.4% (4)	3.0% (10)
Other Management Consulting Services	1.7% (3)	3.0% (5)	2.3% (8)
Automobile Driving Schools	1.1% (2)	3.6% (6)	2.2% (8)
Janitorial Services	3.4% (6)	.6% (1)	2.2% (7)
Professional Organizations	1.1% (2)	2.4% (4)	1.7% (6)
Home Health Care Services	2.3% (4)	.6% (1)	1.5% (5)
Hotels, except Casino Hotels and Motels	2.3% (4)	.6% (1)	1.5% (5)
Civic and Social Organizations	1.7% (3)	1.2% (2)	1.5% (5)
Pharmacies or Drug Stores	1.1% (2)	1.8% (3)	1.4% (5)
Supermarkets and Other Grocery, except Convenience Stores	1.1% (2)	1.8% (3)	1.4% (5)
Nursing Care Facilities	1.7% (3)	.6% (1)	1.2% (4)
Limited-Service Restaurants	1.1% (2)	1.2% (2)	1.2% (4)
Photography Studios, Portrait	1.1% (2)	1.2% (2)	1.2% (4)
Women's Clothing Stores	.6% (1)	1.8% (3)	1.1% (4)
Other Insurance Funds	1.7% (3)	.0% (0)	.9% (3)
Toy and Hobby Goods and Supplies Merchant Wholesalers	1.7% (3)	.0% (0)	.9% (3)
Security Systems Services except Locksmiths	1.1% (2)	.6% (1)	.9% (3)
Beer, Wine, and Liquor Stores	1.1% (2)	.6% (1)	.9% (3)
Labor Unions and Similar Labor Organizations	.6% (1)	1.2% (2)	.9% (3)
Child Day Care Services	.6% (1)	1.2% (2)	.9% (3)
Convenience Stores	.0% (0)	1.8% (3)	.8% (3)
All Others	23.9% (45)	40.4% (62)	31.2% (107)

Note: Data are based on 342 identifiable jobs held by 307 caseheads. The entire sample included 470 payees who were employed, but the industry could not be classified for 126 jobs. Because the data are weighted to reflect the distribution of the caseload statewide, numbers may not add to the total and percents may not total 100%.

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

## CONCLUSION

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This second biannual snapshot of the active TCA caseload in Maryland indicates that today's cash assistance population is more diverse than in years past and, contrary to some pundits' expectations, consists of a variety of subgroups rather than a homogenous group of hard-to-serve recipients. Overall, the findings do suggest a few areas of difference between present and past active caseloads and between today's active cases and welfare leavers. In addition, there are a number of statistically significant differences between the active caseload in Baltimore City and the active caseload in the rest of the state.

In terms of personal and case characteristics, the adults heading TCA cases today are slightly younger, overall, and more likely to have never married, but are analogous in gender and race to those in earlier cohorts. More noticeable are changes in case composition. Cases in October 2003 were more likely to include a child under the age of three than in previous years, and more likely to include two adults. The increase in child-only cases overall seems to have leveled off, however. With regard to cash assistance participation and history, the current caseload, on average, has had fewer months of TCA receipt in the past five years and has shorter current spells.

On the other hand, families in the current caseload, on average, have accumulated more months of aid that apply to or count against the five-year time limit. This latter finding is not unexpected, but does suggest that, going forward, close attention should be paid to tracking active cases vis-à-vis time limited months used and remaining. It is likely that the so-called 'jobless recovery' influenced these results, but note is made of the finding that compared to the October 2001 sample, fewer recipients in October 2003 were employed, and their earnings were lower, even though those who were employed worked in similar industries in both years.

The most important conclusion in terms of current and future program planning and operation is that the Baltimore City caseload and the balance of the state's caseload are different in a number of key ways. City payees are significantly younger, and are more likely to be African American, to have never married, and to have been teen parents. There are also fewer child-only cases and more single parents among Baltimore City cases, though the number of children in the assistance unit and age of youngest child are virtually the same in the City and in the counties. Both groups have similar current spells of cash assistance, but City residents have received more months of welfare in the past five years and have accumulated more months of aid that count against the five year time limit. In contrast, a larger percentage of Baltimore City adults were working compared to non-City payees, and they had been employed in more quarters out of the past eight. However, Baltimore City payees earned significantly less than those who lived elsewhere, and work in slightly different types of industries.

Current policies governing welfare encourage universal engagement, rapid employment, accountability, and more comprehensive services for recipients. In light of the profile of the current caseload and trends in this profile over time, we should anticipate that these policies could have different effects on and varying degrees of success with different groups of recipients. It would appear also that, as has been the case in the first few years of reform, intervention approaches probably will need to continue to vary across different parts of the state. For example, study findings imply that childcare and education or job training/skill development may be especially beneficial for younger single parents in Baltimore City who are working in low-paying jobs. In contrast, there may be greater need for services to support non-parental caregivers and for job creation in other parts of Maryland.

Overall, however, the steady, if incremental, increase in the percentage of current cases with young children (under three) does suggest that childcare will continue to be a front-and-center issue for both individual families and the state, particularly if work requirements increase as expected under TANF reauthorization. Taken as a whole, study findings also confirm the need for and importance of comprehensive, professional-quality initial and periodic assessment of clients' needs and circumstances.

As our numerous prior research studies have demonstrated, our state and its low-income families have achieved considerable success through our bi-partisan, empirically grounded approach to welfare reform. We are confident that positive outcomes will continue to be achieved in the coming years. As this study indicates, however, the changing characteristics and circumstances of today's caseload imply that we all face some new challenges, as well as the ongoing challenges of welfare reform at the state and local level.

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