

LIFE ON WELFARE: A COMPARISON OF WORK PARTICIPATION GROUPS

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JANUARY 2010



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ACKNOWLEDGEMENTS

The authors would like to thank Jamie Haskel and Somlak Suvanasorn for their assistance in the collection and processing of data for this report.

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

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EXECUTIVE SUMMARY

TANF agencies today are facing new and difficult challenges because of shifts in both the policy and economic environments. Without a doubt, changes to the TANF program through the Deficit Reduction Act of 2005 brought work participation among current TANF recipients into sharp focus for TANF program managers. Then, in the beginning of 2008 our nation slipped into an economic recession from which we have yet to recover. Thus, the early success of welfare-to-work efforts that rested at least in part on the healthy economy of the late 1990s is not guaranteed this time around, and state policymakers are in need, now more than ever, of reliable empirical data regarding the circumstances of current welfare recipients.

This purpose of this *Life on Welfare* series is to profile the active TANF caseload in Maryland, and to understand how certain subgroups of the caseload compare with one another. There are many lenses through which one can view the active caseload and each report within the series reflects the lens which is most policy-relevant at the time. In this report, we present our findings by comparing the characteristics of caseheads and cases who would have been included in the denominator or baseline calculation of the state's work participation rate (WPR) versus those who would have been excluded. This distinction is based on an administratively-assigned "core caseload" classification in the study month, which groups cases according to the work eligibility status of the casehead. We also examine differences within the subgroup of "included" cases across localities. Our key findings are summarized in the following bullet points:

- Less than one-half (40.9%) of all active TANF cases are included in the calculation of the state's WPR.
- Cases in the "included" group are more likely to reflect the traditional welfare case, with younger (mean=31.2 years), never-married (86.0%) caseheads and young children (mean age of youngest child=5.8

years). Cases in the "excluded" group reflect the population of non-needy caretaker relatives, and are more likely to include caseheads who are older (mean=43.1 years), previously or currently married (33.5%), and caring for older (mean age of youngest child=8.2 years) children.

- "Included" TANF cases tend to have shorter welfare histories than "excluded" cases (mean=23.3 vs. 32.0 months of benefits received in the previous 60 months), but they have accumulated more months towards the lifetime TANF limit of 60 months (mean=29.8 months vs. 13.0 months).
- "Included" TANF caseheads are more likely to have recent UI-covered employment (58.9% employed in the previous year, vs. 45.3% among "excluded" caseheads) but their average earnings are lower (mean=\$5,684 in the previous year vs. \$16,974). In addition, caseheads in the "included" group are more likely than those in the "excluded" group to be working in the "Administrative and Support Services" industry, which includes temporary employment agencies (17.4% vs. 8.3%).
- The "included" group is more concentrated in Baltimore City than the TANF caseload as a whole: Baltimore City cases make up 57.6% of the "included" group, but only 49.4% of the entire caseload.
- Despite similar case composition of "included" cases across localities, casehead characteristics such as gender, race, and marital status still tend to reflect local demographics.
- Average welfare utilization and months counted toward the lifetime TANF limit is skewed upward by a concentration of longer-term welfare recipients in Baltimore City, rather than an even distribution of long-term recipients across localities.

- There is variation in the employment rate and earnings during the study quarter, across localities. The highest average quarterly earnings are found in large metropolitan areas such as Baltimore County (mean=\$2,467), Howard County (mean=\$2,781), Montgomery County (mean=\$2,910), and Prince George's County (mean=\$3,060).

The findings presented in today's installment of the *Life On Welfare* series illuminate some important implications for future planning and for understanding the circumstances of cases and caseheads expected to be included in the denominator of Maryland's work participation rate (WPR) at the onset of the current recession. First, it is clear that the "included" cases are representative of the more traditional welfare case with a relatively young single mother and one or two young children. However, in contrast to the circumstances of these cases in the early years of welfare reform, today's "traditional" case is likely to be employed and to have a relatively short welfare history. This would seem to be good news, except that average earnings are quite low and most of the average casehead's past welfare use has counted towards her lifetime TANF limit so the clock is ticking on her journey to reach self-sufficiency.

The second implication of our findings is that although the "included" cases have a similar case composition regardless of locality, there are some noted differences in the characteristics of caseheads (including their welfare and employment histories), across localities in Maryland. In general, the demographic characteristics (gender, race, and marital status) of caseheads reflect the local population characteristics even when we limit our analyses to "included" cases. In terms of past welfare use, the "included" caseheads in most localities actually have shorter welfare histories than the statewide average, except in Baltimore City where long-term recipients are more common. Finally, we find that although "included" cases tend to have similar case composition and welfare histories across localities (except in Baltimore

City) there is variation in the employment rate and earnings.

It is likely that the differences in the employment rate and average earnings of "included" cases reflect the variation in local economies. However, the variation merits further inspection as state policymakers consider ways to boost the quality of employment for welfare recipients through the Maryland RISE initiative. Some local departments of social services already have strategic partnerships with community colleges and local employers in place, and these partnerships may enable them to provide higher-earning opportunities to their clients. Or, it may be that jurisdictions with higher-earning welfare recipients have important work supports in place, such as public transportation or accessible child care, which will be important ingredients to consider for statewide efforts related to improving work outcomes for active TANF clients.

A third implication of study findings – albeit not unique to this research project – is that it remains true that overall state success with regard to the work participation rate depends disproportionately on actions taken and results achieved in Baltimore City. It is practically as well as statistically significant that Baltimore City accounts for half of Maryland's active TCA caseload but almost three-fifths of the types of cases that are included in the work participation rate.

Overall, meeting the requirements of the DRA in today's challenging economy, and exceeding those requirements through the Maryland RISE initiative, will require continued dedication and innovation on the part of local frontline workers and program managers. And in this respect, Maryland has always succeeded. If the state continues to look to local offices for inspiration, and to reliable empirical data on the population being served, then the future for Maryland TANF recipients today may be as bright as it was for recipients in the early years of welfare reform, despite the economic clouds that characterize the short-term environment.

INTRODUCTION

When TANF was reauthorized through the Deficit Reduction Act (DRA) of 2005, the new regulations included stricter criteria for states in terms of defining work activities and determining which types of cases should be included in the calculation of the work participation rate (WPR), and updated the baseline for caseload reduction credits. The bottom line result is that states are presented with a renewed challenge to increase work participation among active TANF recipients.

In addition to policy changes, the current economic climate has also changed the landscape for TANF recipients. Since October 2006, when most of the DRA changes became effective, the nation has entered an economic recession and experienced rising poverty rates, rising Food Stamp caseloads, and rising unemployment. In this environment, TANF caseloads have remained surprisingly stable - increasing slightly but not as much as might have been expected considering the other economic indicators. These issues make this installment of our *Life on Welfare* series of great importance to frontline workers, program managers, and policy makers. It profiles Maryland's active TANF caseload from October 2007, a month that directly precedes the onset of economic recession and is around the time that most DRA changes were fully implemented in Maryland.

This purpose of this series is to profile the active TANF caseload in Maryland, and to examine how certain subgroups of the caseload compare with one another. There are many lenses through which one can view the active caseload and each report within the series reflects the lens which is most policy-relevant at the time. In this report, we present our findings by comparing the characteristics of caseheads and cases who would have been included in the calculation of the state's WPR versus those who would have been excluded, based on the core caseload

classification of the case on the last day of the study month. In addition, because there is some variation in the management of the TANF program among local jurisdictions in Maryland, we compare the characteristics of caseheads and cases included in the calculation of the WPR at the local level as well.

Four specific questions are addressed:

- 1) What are the characteristics of TCA caseheads and cases in the study month, according to whether or not they were included in the calculation of the WPR?
- 2) What are the historic patterns of cash assistance participation for caseheads active in the study month, according to whether or not they were included in the calculation of the WPR?
- 3) What are the employment experiences, both historically and in the study quarter, of TCA caseheads, according to whether or not they were included in the calculation of the WPR?
- 4) How do the characteristics, cash assistance and employment experiences of caseheads who were included in the WPR vary among localities?

The answers to these questions provide valuable information for Maryland program managers, as they help to give a reference point for what the active TCA caseload looked like at the beginning of the current recession and after a year of DRA implementation. We also expect that the local-level findings will lend insights for the statewide effort to improve employment outcomes for TANF recipients through the Maryland RISE (Reaching Independence and Stability through Employment) initiative.

BACKGROUND

Without a doubt, the primary focus of TANF agencies since the implementation of the Deficit Reduction Act of 2005 (DRA) has been to increase work participation among current TANF recipients. The DRA included several provisions directly related to work participation, with the intent to “raise the bar” in terms of challenging states to meet the existing target of 50% work participation across the entire welfare caseload.

Specifically, states now have stricter standards to consider when defining which activities are allowed to count as work participation, and when deciding who should be included in the calculation of the work participation rate (Parrott, et al., 2007). For instance, in the past, states were allowed to use non-federal dollars to provide cash assistance through “Separate State Programs” (SSP's) for individuals with substantial barriers to work without requiring them to work or counting them in the work participation rate. However, the DRA regulations mandated the inclusion of the SSP recipients in the denominator of the work participation rate, even if they are not required to work and will not be countable in the numerator (Reauthorization of the Temporary Assistance for Needy Families (TANF) Program; Final Rule, 2008).

In addition, states had previously been allowed a credit against the target work participation rate of 50% according to the size of their caseload reduction since the onset of welfare reform in 1996. As all states experienced heavy caseload declines, the effective required work participation rate for most states was very low. The DRA regulations recalibrate the credit so that states can only receive a credit for caseload declines occurring since 2005, around the time when most states began to see the size of their caseloads level out. Thus, with a smaller caseload reduction credit, stricter work participation definitions, and the inclusion of SSP cases in the calculation of the work participation rate, it is clear that states will have a harder time reaching the

required 50% work participation rate, though it is not an impossible task (Parrott, et al., 2007).

Aside from policy changes, there have also been some undeniable changes in our economy that are certain to affect the employment outcomes (and therefore the work participation) of active TANF recipients. For instance, the national unemployment rate among men and women aged 16 and older increased dramatically, from 4.5% in the fourth quarter of 2007 (our study quarter) to 8.1% in the first quarter of 2009.¹ In addition, the poverty rate for children began to tick upwards, rising from a low of 16.2% in 2000 to 18.0% in 2007.² These indicators depict an environment that is difficult for anyone to bear, and as a result we are seeing the first instances of increasing welfare caseloads since welfare reform. In Maryland, the Temporary Cash Assistance (TCA, Maryland's TANF) caseload increased from 21,436 families in State Fiscal Year (SFY) 2007 to 21,666 families in SFY 2008 (Maryland Department of Human Resources, 2008).

Despite these difficult policy and economic challenges, Maryland's Department of Human Resources has continued to rely on empirical data regarding TANF recipients and leavers in order to meet current needs and provide relevant services. The recently developed Maryland RISE initiative encourages innovation at the local level, and stresses the importance of creating strategic partnerships with community colleges and employers in order to develop career-ladder opportunities for current and former welfare recipients, among other disadvantaged populations. We expect that today's report will provide

¹ **Source:** Current Population Series, Table A-1. Employment status of the civilian population by sex and age, seasonally adjusted, averaged quarterly. Available online:

<http://www.bls.gov/webapps/legacy/cpsatab1.htm>

² **Source:** U.S. Census Bureau, Historical Poverty Tables, Tables 2 and 3. Children are defined as all individuals 18 and younger. Accessed online at: <http://www.census.gov/hhes/www/poverty/histpov/perindex.html>

important insights for program managers striving to meet the goals of Maryland RISE, particularly in terms of who is included in the state's work participation rate and how the population of "included" cases varies by locality.

METHODS

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

Sample

The sample for this report comes from the universe of cases (n= 20,221) receiving Temporary Cash Assistance (TCA, Maryland's TANF program) in October 2007. The analyses are presented in two groups, based on whether or not the case was included in the calculation of the work participation rate (WPR). WPR status was determined based on the casehead's core caseload designation as recorded in the administrative data at the end of our study month. The core caseload designation is an automatic grouping of cases into one of 12 categories based on an underlying algorithm that considers all of the demographic data entered by local caseworkers about the characteristics of a particular case. This classification was unavailable for 57 cases, and these cases are excluded from our analyses. Thus, our final sample consists of 20,164 cases, divided into two groups: Included in the WPR (40.9%, n=8,249); and Excluded from the WPR (59.1%, n=11,915).

Data Sources

CARES

CARES became the statewide automated data system for certain DHR programs in March 1998. Similar to its predecessor AIMS/AMF, CARES provides individual and case level program participation data for cash assistance (TCA), Food Stamps, Medical Assistance and Social Services. Demographic data are provided, as well as information about the type of program, application and disposition (denial or closure), date for each service episode, and codes indicating the relationship of each individual to the head of the assistance unit.

MABS

Our data on quarterly employment and earnings come from the Maryland Automated Benefits System (MABS), and UI wage data from several bordering states. MABS includes data from all employers covered by the state's Unemployment Insurance (UI) law (approximately 93% of Maryland jobs). Independent contractors, sales people on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees, and self-employed persons who do not employ any paid individuals are not covered. "Off the books" or "under the table" employment is not included, nor are jobs located in other states.

In Maryland, which shares borders with Delaware, Pennsylvania, Virginia, West Virginia and the District of Columbia, out-of-state employment is quite common. Most Maryland counties border at least one other state. Moreover, according to the 2000 census, in some Maryland counties, more than one of every three employed residents worked outside the state. Overall, the rate of out-of-state employment by Maryland residents (17.4%) is roughly five times greater than the national average (3.6%)³. Out-of-state employment is particularly common among residents of two very populous jurisdictions (Montgomery, 31.3% and Prince George's Counties, 43.8%), which have the 5th and 2nd largest welfare caseloads in the state. Also notable is the fact that there are more than 150,000 federal jobs located within Maryland (Maryland Department of Planning, 2008) and the majority of state residents live within commuting distance of Washington, D.C., where federal jobs are even more numerous.

³ Data obtained from U.S. Census Bureau website <http://www.factfinder.census.gov> using the Census 2000 Summary File 3 Sample Data Table QT-P25: Class of Worker by Sex, Place of Work and Veteran Status, 2000.

Therefore, to supplement the MABS data, we incorporate data on UI-covered employment in the states that border Maryland. While the inclusion of these data provides a more comprehensive picture of clients' employment, readers are reminded that our lack of data on federal civilian and military employment continues to depress our employment findings to an unknown extent.

Finally, because UI earnings data are reported on an aggregated, quarterly basis, we do not know, for any given quarter, how

much of that time period the individual was employed (i.e., how many months, weeks or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salary from these data. It is also important to remember that the earnings figures reported do not necessarily equal total household income; we have no information on earnings of other household members, if any, or data about any other income (e.g. child support, Supplemental Security Income) available to the family.

FINDINGS: STATEWIDE

The overall purpose of the reports in this *Life on Welfare* series is to provide a general description of the active TANF caseload in Maryland. However, there are many lenses through which the active caseload can be viewed, and each report within the series reflects the lens which is most policy-relevant at the time. For example, in the past, we have presented characteristics of the caseload for Baltimore City vs. the Rest of the State, and specifically for child-only cases vs. non-child-only cases.

The dominant theme in the current policy environment is the impact of new TANF regulations under the Deficit Reduction Act of 2005 (DRA) on program administration, particularly in terms of which cases to include in the denominator of the calculation of the state-specific work participation rate (WPR). Thus, in this report, we present our findings for those who are included in the WPR versus those who are excluded, based on the core caseload classification of the case on the last day of the study month. The study month is October 2007, when Maryland was approximately one year into the implementation of the DRA reauthorization and the nation was about to enter economic recession (National Bureau of Economic Research, 2008). The characteristics of the TANF caseload in this important month should be viewed in the context of these outside factors.

We begin our discussion of empirical findings by first discussing the various core caseload classifications in the caseload as a whole, as well as which types of cases are typically included in and excluded from the calculation of the WPR.⁴ We then present a description

⁴ We say typically because there are some circumstances where the core caseload classification does not give us enough information to determine precisely whether the case was counted in the calculation of the WPR or not. For example, "Non-needy Caretaker Relative" cases are usually excluded from the WPR, but if they are working and the local caseworker has

of the characteristics of Temporary Cash Assistance (TCA) caseheads and cases that were active in the study month, comparing those in cases included in the WPR to those typically excluded from the WPR. In addition, we present employment and welfare history for caseheads in these two groups. The next chapter presents a local-level description of cases included in the work participation rate.

Distribution of Core Caseload Groups

Figure 1, following, presents the distribution of core caseload groups included in and excluded from the work participation rate (WPR) at the end of our study month. The categories in the top portion of the graph represent cases that are typically excluded from the denominator of the WPR calculation. These include eight types of cases:

- 1) SSI Parent Child-Only: Child-only cases where the parent is excluded from the TANF grant because of SSI receipt (6.0%, n=1,207/20,164);
- 2) Non-Needy Caretaker Relative: Child-only cases where the adult is a relative who is excluded from the TCA grant either by choice or because of income ineligibility (29.6%, n=5,964/20,164);
- 3) Two-Parent Households: Cases with two parents included in the TCA grant (0.7%, n=145/20,164);
- 4) DEAP Disabled: Cases where the casehead has a long-term disability and is receiving assistance through the Disability Entitlement Advocacy Program (8.7%, n=1,763/20,164);
- 5) Needy Caretaker Relative: Cases where the adult is a relative instead of parent, and the relative is included in the TCA grant (2.5%, n=495/20,164);

documentation of work hours, the case may be included in the WPR (Guidance through personal e-mail communications with Vince Kilduff, FIA).

- 6) Legal Immigrants: Cases with a casehead who is a legal immigrant and eligible for benefits in Maryland, but ineligible for federal TANF benefits (0.3%, n=55/20,164);
- 7) Caring for a Disabled HH Member: Cases with a casehead who is exempt from work requirements because he or she is needed in the home to care for a disabled household member (1.6%, n=327/20,164); and
- 8) Child Under 1: Cases with a casehead who is exempt from work requirements because he or she is caring for a child under the age of one (9.7%, n=1,959/20,164).

Altogether, these groups represent approximately three out of five cases in the overall caseload (59.1%, n=11,915/20,164).

The remaining core caseload classifications represent cases that are typically included in the WPR. These include:

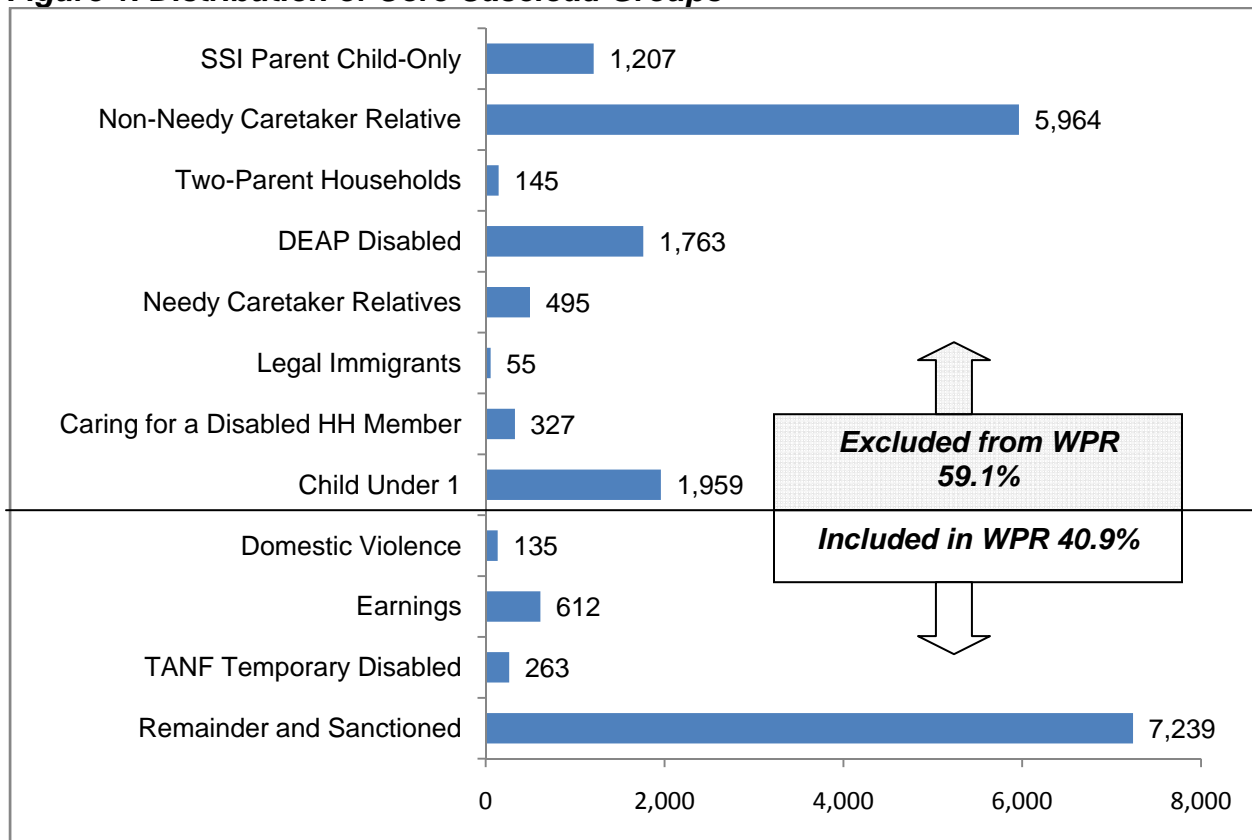
- 9) Domestic Violence⁵: Cases with a casehead who has a waiver from work requirements because he or she is seeking assistance related to domestic violence (0.7%, n=135/20,164);
- 10) Earnings: Cases with earned or unearned income such as unemployment benefits that are less than the TCA grant amount (3.0%, n=612/20,164);
- 11) TANF Temporary Disabled: Cases with a casehead who has a short-term disability or illness, or is in the process of applying for long-term disability benefits (1.3%, n=263/20,164); and

- 12) Remainder and Sanctioned: All remaining cases, including a small portion who are currently sanctioned for noncompliance with work requirements (35.9%, n=7,239/20,164).

In the remainder of this report, we will describe the active TANF caseload in terms of these two broad groups (“included” vs. “excluded”). While there is likely some variation within the groups, there are some dominant subgroups that will heavily influence the overall findings. For example, the characteristics of the “excluded” group will primarily reflect the characteristics of the “Non-Needy Caretaker Relative” cases, as these make up one-half (50.0%, n=5,964/11,915) of the group. The description of the “included” group will be dominated by characteristics of the “Remainder and Sanctioned” cases, which make up nearly nine out of ten cases (87.8%, n=7,239/8,249) of the group.

⁵ Those in the “Domestic Violence” category are included in the WPR, but not required to work under the Family Violence Option. If a state fails to meet the minimum WPR, then the WPR is allowed to be recalculated excluding the domestic violence cases (personal e-mail communications with Vince Kilduff).

Figure 1. Distribution of Core Caseload Groups



Characteristics of Caseheads

The next section of findings in this chapter focuses on characteristics of caseheads, including gender, race, marital status, and age, in the study month. These characteristics give us a picture of who receives TANF in Maryland, and in some cases may lend some insight into work-related service needs such as work experience for younger workers or child care for single parents.

Table 1, following this discussion, shows that nearly all (94.6%) of the caseheads in the active TCA caseload are women. In addition, eight out of ten (78.2%) are African-American, and about three out of four (74.8%) have never married. More than one-half (54.1%) of all women are between 21-40 years old, averaging over 35 years of age (mean=38.2). Compared with previous snapshots of the active TCA caseload in Maryland, the October 2007 caseload is fairly consistent on all measures.

The middle columns in Table 1 provide a comparison of payee characteristics between cases that are excluded from and included in the calculation of the WPR. Overall, TCA payees included in the calculation of the WPR are significantly more likely to be African-American (84.1% vs. 74.1%) and they are more likely to be female (96.1% vs. 93.5%) than their counterparts who were excluded from the WPR calculation. Additionally, payees in the “included” group are considerably more likely to have never married (86.0% vs. 66.5% among the excluded group). This may be related to differences in age, as nearly one-half (47.3%) of the payees in the “included” group were between 21 and 30 years old in the study month, compared with only one in five (21.2%) payees in the “excluded” group. Overall, payees in the “included” group were, on average, more than ten years younger than payees in the “excluded” group (mean=31.2 vs. 43.1, respectively).

Many of these findings seem to reflect the differences in the composition of cases between the two groups. For instance, as stated previously, one-half of the cases in the “excluded” group are relative caregiver child-only cases. Previous analyses have shown that relative caregivers are older and more likely to have been married than traditional TANF caseheads (Hetling, Saunders, & Born,

2005). Similarly, most of the cases in the “included” group are in the “Remainder & Sanctioned” category, which reflects more of the traditional TANF case with a younger never-married casehead and younger children. These themes continue in the next section, where we examine characteristics of cases between the two groups.

Table 1. Casehead Characteristics by WPR Status

	Excluded from the WPR (n=11,915)	Included in the WPR (n=8,249)	Total (n=20,164)
Gender***			
% Female	93.5% (11,143)	96.1% (7,930)	94.6% (19,073)
Race***			
African American	74.1% (8,600)	84.1% (6,848)	78.2% (15,448)
Caucasian	24.2% (2,809)	12.8% (1,042)	19.5% (3,851)
Other	1.6% (191)	3.2% (257)	2.3% (448)
Marital Status***			
Never Married	66.5% (7,373)	86.0% (7,021)	74.8% (14,394)
Married	13.5% (1,491)	3.0% (248)	9.0% (1,739)
Divorced	6.4% (711)	3.0% (243)	5.0% (954)
Separated	10.0% (1,106)	7.8% (636)	9.0% (1,742)
Widowed	3.6% (403)	0.2% (19)	2.2% (422)
Age in Study Month***			
Less than 21	4.7% (564)	7.8% (641)	6.0% (1,205)
21-30	21.2% (2,525)	47.3% (3,903)	31.9% (6,428)
31-40	18.5% (2,209)	27.5% (2,269)	22.2% (4,478)
41-50	22.8% (2,717)	14.6% (1,206)	19.5% (3,923)
51-60	18.8% (2,239)	2.4% (200)	12.1% (2,439)
61 and Older	13.9% (1,661)	0.4% (30)	8.4% (1,691)
Mean***	43.1	31.2	38.2
Median	43.0	29.0	36.0
Standard Deviation	15.1	9.1	14.2
Range	17.0-90.0	17.0-78.0	17.0-90.0

Note: N's may not total to column sum due to small instances of missing data. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Characteristics of Cases

In addition to payee characteristics, we also present a comparison of case characteristics between cases that are typically included in and excluded from the calculation of the WPR. Table 2, following this discussion, provides information on the number of adults and children per case, as well as the average age of the youngest child per case.

As presented in Table 2, cases included in the calculation of the WPR are, on average, larger than cases that are typically excluded from the WPR calculation (mean=2.7 people vs. 2.1 people, respectively). This is because a majority of cases in the “excluded group” are child-only cases (60.0%), resulting in a significant difference in the percent of single-person assistance units between the two groups (13.3% among the included group vs. 38.5% among the excluded group). Child-only cases also tend to have fewer children, and this is reflected in the differences between the “included” and “excluded” groups as well. For example, approximately one in seven (16.1%) “included” cases have three or more children, compared with one in four (25.2%) “excluded” cases. These differences in the size of the assistance unit should not be viewed as a measure of need, as larger biological families may be more stretched for resources, but smaller families (and particularly child-only families) may have unique service needs related to the child’s well-being that are also

challenging to meet. Overall, both large and small families are obviously important and in need of case management services, albeit tailored to their own unique circumstances.

On particular area of need expressed in most TANF cases is the need for child care, and the last finding presented in Table 2, average age of youngest child, highlights this potential need. Overall, approximately one-quarter (26.1%) of all active cases statewide included a child who was less than three years old in the study month, and an additional one in five cases (19.7%) included a child who was between three and five years of age. Together, these figures imply that nearly one-half (45.8%) of active TANF cases include at least one child who is not yet school-aged and may require child care during the payee’s work hours. Importantly, cases included in the calculation of the WPR are significantly more likely to include a child younger than six (58.6% vs. 37.0% among cases excluded from the WPR). Thus, the availability, affordability, and accessibility of child care for young children will play an important role in payees’ success in leaving welfare for work, and therefore to the state’s overall work participation rate. It is important to bear these findings regarding case and payee characteristics in mind as we move on to the next two sections which highlight payees’ history of TANF participation and employment.

Table 2. Case Characteristics by WPR Status

	Excluded from WPR (n=11,915)	Included in WPR (n=8,249)	Total (n=20,164)
Size of Assistance Unit***			
1	38.5% (4,584)	13.3% (1,096)	28.2% (5,680)
2	34.5% (4,109)	37.0% (3,051)	35.5% (7,160)
3	15.4% (1,831)	26.3% (2,170)	19.8% (4,001)
4 or more	11.7% (1,391)	23.4% (1,932)	16.5% (3,323)
Mean***	2.1	2.7	2.3
Median	2.0	2.0	2.0
Standard Deviation	1.2	1.3	1.3
Range	1.0-10.0	1.0-12.0	1.0-12.0
Number of Adults on Case***			
0 (child-only)	60.0% (7,148)	14.3% (1,179)	41.3% (8,327)
1	37.7% (4,487)	85.4% (7,044)	57.2% (11,531)
2	2.3% (280)	0.3% (26)	1.5% (306)
Mean***	0.4	0.9	0.6
Median	0.0	1.0	1.0
Standard Deviation	0.5	0.4	0.5
Range	0.0-2.0	0.0-2.0	0.0-2.0
Number of Children on Case***			
0	1.4% (164)	5.9% (483)	3.2% (647)
1	57.0% (6,789)	40.6% (3,345)	50.3% (10,134)
2	25.6% (3,047)	28.4% (2,343)	26.7% (5,390)
3 or more	16.1% (1,915)	25.2% (2,078)	19.8% (3,993)
Mean***	1.7	1.9	1.7
Median	1.0	2.0	1.0
Standard Deviation	1.0	1.2	1.1
Range	0.0-10.0	0.0-11.0	0.0-11.0
Age of Youngest Child***			
Less than 3	21.2% (2,205)	33.2% (2,366)	26.1% (4,571)
3 to 5	15.8% (1,650)	25.4% (1,807)	19.7% (3,457)
6 to 12	34.8% (3,620)	28.0% (1,992)	32.0% (5,612)
13 to 18	28.2% (2,939)	13.4% (958)	22.2% (3,897)
Mean***	8.2	5.8	7.2
Median	8.0	4.0	6.0
Standard Deviation	5.3	4.0	5.2
Range	1.0-17.0	1.0-17.0	1.0-17.0

Note: N's may not total to column sum due to small instances of missing data. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Cash Assistance Program Participation

The previous sections revealed some differences between the characteristics of caseheads and cases included in the calculation of the WPR versus those that are excluded from it. In this section, we look to see whether there are also differences in the past welfare and employment experiences of caseheads in these two groups. These two indicators of self-sufficiency are particularly relevant given the context of our study month, which directly precedes the beginning of the current recession.

Table 3, following this discussion, provides information on the past welfare experiences of caseheads in our sample, including the average number of months of TANF benefits received in the previous 60 months and in the previous 12 months. In addition, we also present the average number of months of TANF benefits received since the onset of welfare reform that have counted towards the federal lifetime limit of 60 months of federally-funded assistance per person.

Statewide, half (49.8%) of the caseheads in the active caseload received benefits for 24 months or less within the previous 60 months. More specifically, less than one in twenty (3.5%) were new recipients with no welfare history as payees in Maryland in the previous 60 months, more than one-quarter (28.4%) had received one to 12 months of assistance, and approximately one in five (17.9%) had received 13 to 24 months of assistance. The other half of caseheads in our sample (50.1%) had received assistance for more than 24 months out of the previous 60, with one in ten receiving assistance for either 25 to 36 months (13.4%) or 37 to 48 months (11.1%) and one-quarter (25.6%) receiving assistance for 49 to 60 months. Overall, the average casehead received 28.5 months of assistance out of the last 60 months. These findings are consistent with those from recent years.

In the previous 12 months, most (54.9%) caseheads received assistance in at least ten months and the average casehead received

assistance for approximately eight months (mean=8.3). Thus, even though the typical casehead was not a long-term recipient in terms of overall receipt in the previous five years, she is likely to have been on TANF fairly consistently in the year leading up to our study month.

In terms of months used toward the TANF lifetime limit, seven out of ten (70.4%) recipients had used 24 months or less in the years leading up to our study month and the average time limit count was 19.9 months overall. This figure is lower than the average number of months of TANF used in the previous 60 months because sometimes benefits are not subject to being counted toward the time limit, such as during months in which the case was a child-only case. Still, the percent of recipients who are approaching or have already exceeded the time limit is concerning. For example, one in seven caseheads (14.5%) had accumulated either 49 to 60 months (4.6%) or more than 60 months (9.9%) towards the lifetime limit. Under federal regulations, states are allowed to continue using federal funds to support over-the-limit families, up to 20% of the total caseload, on the basis of hardship or domestic violence. However, it is clear that soon more than 20% of the Maryland caseload will have exceeded the lifetime limit and the state will need to consider whether to find alternate funding sources for these families, or to impose a full-family sanction to end benefits.

The information in Table 3 also shows some important differences between caseheads included in the calculation of the WPR and those who are typically excluded from it. In general, those who are countable, or included, in the denominator of the WPR have received fewer months of cash assistance than those who are not typically counted in the WPR. For instance, in the previous 60 months, those in the “included” group received an average of 23.3 months of assistance, compared to an average of 32.0 months among the “excluded” group. In addition, only one in seven (14.2%) caseheads in the “included” group were long-

term recipients, receiving 49 to 60 months of benefits in the previous 60 months, compared with one in three (33.5%) caseheads in the “excluded” group. A similar trend is seen in the previous 12 months, when caseheads in the “included” group also received fewer months of assistance, on average, than those in the “excluded” group (mean=6.7 vs. 9.3 months, respectively). Remember that the cases in the “excluded” group are typically either child-only cases, which tend to have longer welfare histories, or cases with caseheads or household members who have disabilities. Thus, the findings presented in Table 3 are in line with what we might expect in terms of differences between the “included” and “excluded” groups.

The characteristics of the two groups also seem to affect differences between them in the average number of months accumulated toward the lifetime TANF limit. For instance,

although “included” caseheads tend to have shorter welfare histories, more of those benefits have counted towards their lifetime limit. In fact, nearly one in six (15.9%) “included” caseheads already exceeded the 60-month limit, compared to fewer than one in ten (5.7%) “excluded” caseheads. Again, this is primarily because months in which the casehead was not on the TCA grant (i.e., child-only situations) are not counted toward the time limit. Overall, the average number of months accumulated toward the time limit since the onset of welfare reform is 29.8 months among caseheads in the “included” group and 13.0 months among caseheads in the “excluded” group. The last section of this chapter highlights the overall employment experiences of caseheads in the active caseload, which will give a more complete picture of what we might expect of caseheads in both groups.

Table 3. Historic and Current TCA Participation by WPR Status

	Excluded from the WPR (n=11,915)	Included in the WPR (n=8,249)	Total (n=20,164)
Months of Receipt in Last 60 Months***			
None	2.5% (296)	5.1% (418)	3.5% (714)
1 to 12 months	25.9% (3,082)	32.2% (2,653)	28.4% (5,735)
13 to 24 months	15.4% (1,836)	21.4% (1,768)	17.9% (3,604)
25 to 36 months	12.2% (1,448)	15.3% (1,264)	13.4% (2,712)
37 to 48 months	10.6% (1,258)	11.8% (976)	11.1% (2,234)
49 to 60 months	33.5% (3,995)	14.2% (1,170)	25.6% (5,165)
Mean***	32.0	23.3	28.5
Median	30.0	19.0	25.0
Standard Deviation	21.8	18.8	21.1
Months of Receipt in Last 12 Months***			
None	3.4% (401)	9.2% (760)	5.8% (1,161)
1 to 3 months	10.5% (1,249)	23.0% (1,897)	15.6% (3,146)
4 to 6 months	10.3% (1,227)	16.7% (1,376)	12.9% (2,603)
7 to 9 months	9.4% (1,119)	12.9% (1,066)	10.8% (2,185)
10 to 12 months	66.5% (7,919)	38.2% (3,150)	54.9% (11,069)
Mean***	9.3	6.7	8.3
Median	12.0	7.0	11.0
Standard Deviation	3.9	4.4	4.3
Months Used on TANF Time Limit since Dec. 1996***			
No months	48.3% (5,757)	9.3% (767)	32.4% (6,524)
1 – 12	22.6% (2,696)	28.5% (2,351)	25.0% (5,047)
13 – 24	10.1% (1,206)	17.2% (1,420)	13.0% (2,626)
25 – 36	5.9% (701)	12.5% (1,029)	8.6% (1,730)
37 – 48	4.4% (522)	9.5% (785)	6.5% (1,307)
49 – 60	2.9% (351)	7.1% (582)	4.6% (933)
More than 60 months	5.7% (682)	15.9% (1,315)	9.9% (1,997)
Mean***	13.0	29.8	19.9
Median	2.0	21.0	8.0
Standard Deviation	21.9	29.3	26.5

Note: N's may not total to column sum due to some instances of missing data. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Historic and Current Employment

Table 4, following this discussion, reviews employment history for caseheads in our sample, including separate analyses for those excluded versus included in the WPR. Specifically, we present the average number of quarters worked and the average amount earned during the two years prior to and including our study quarter, in Maryland and in several states that border Maryland.⁶

As presented, three-fifths (60.1%) of the overall sample was employed in a Maryland Unemployment Insurance (UI)-covered job at some point during the previous eight quarters, or two years. On average, recipients were employed for a little over half of the eight-quarter time period (mean = 4.7 quarters) and those who worked earned an average of \$19,444 over two years, or \$3,110 per quarter worked. In the four quarters immediately preceding our study month, slightly less than one-half (48.7%) of caseheads were employed in a Maryland UI-covered job. Of those who worked, the average number of quarters worked was 2.7, or nearly three-quarters of the time. Average total earnings were \$11,025 across the four quarters, or \$3,228 per quarter worked.

Finally, in the study quarter, approximately one out of three (32.8%) caseheads were employed in a Maryland UI-covered job. Among those who worked, average earnings were slightly higher than in previous time periods, by approximately \$1,000 (mean=\$4,174).

When we combine data from Maryland and several bordering states, employment rates and average earnings increase slightly in every time period including the previous eight quarters, the previous four quarters, and within the study quarter. For instance, in the study quarter, the employment rate increases

from 32.8% to 34.2%. Average earnings in the study quarter increase by about \$200, from \$4,174 to \$4,327.

Overall, there were some notable and statistically significant differences in the employment history of those who were excluded versus included in the WPR. Specifically, employment rates are higher among those included in the WPR but average earnings are lower among this group.

Looking only at employment in Maryland, Table 4 reveals that seven out of ten (69.4%) caseheads included in the WPR were employed at some point during the previous eight quarters, compared to only one-half (53.8%) of caseheads in the “excluded” group. However, compared with their counterparts in the “excluded” group, caseheads who were employed in the “included” group worked for fewer quarters on average (mean=5.2 and 4.2, respectively) and, on average, earned less per quarter (mean=\$4,089 and \$1,999, respectively).

Analyses from the four quarters immediately preceding our study month reveal the same trend. That is, although more caseheads in the “included” group are employed (56.8% vs. 43.2%), they work fewer quarters (mean=2.4 vs. 3.0) and earn less than those who are employed in the “excluded” group. In the study quarter, the difference in the employment rate is smaller (31.7% among those excluded from the WPR versus 34.4% among those included in the WPR), but the difference in average earnings is larger. On average, employed caseheads in the “excluded” group earned approximately \$3,500 more than their counterparts in the “included” group (mean=\$5,668 and \$2,162, respectively).

When UI wage data from bordering states is considered, employment rates and average earnings increase by about the same amount for both the “included” and “excluded” groups so that the overall trend remains the same. That is, caseheads who are generally excluded from the WPR (due mainly to child-

⁶ Please note that UI earnings are reported on an aggregate quarterly basis. Thus, we do not know how many hours or weeks individuals worked in a particular quarter and it is impossible to compute hourly wage figures from these quarterly earnings.

only or disability status) are still less likely to be employed than those without these special circumstances who are included in the WPR, but on average those who are employed from the “excluded” group work in more quarters and earn more. In the study quarter,

considering UI employment in Maryland and bordering states, caseheads who were employed in the “excluded” group earned approximately \$3,500 more than their counterparts in the “included” group (mean=\$5,837 and \$2,273, respectively).

Table 4. Historic and Current Employment by WPR Status

	Excluded from WPR (n=11,898)	Included in WPR (n=8,123)	Total (n=20,021)
Maryland Only			
Previous 8 Quarters			
Percent Employed***	53.8% (6,405)	69.4% (5,636)	60.1% (12,041)
Average # of Quarters Worked***	5.2	4.2	4.7
Average Total Earnings***	\$27,443	\$10,362	\$19,444
Average Quarterly Earnings***	\$4,089	\$1,999	\$3,110
Previous 4 Quarters			
Percent Employed***	43.2% (5,135)	56.8% (4,617)	48.7% (9,752)
Average # of Quarters Worked***	3.0	2.4	2.7
Average Total Earnings***	\$16,194	\$5,295	\$11,025
Average Quarterly Earnings***	\$4,474	\$1,847	\$3,228
Study Quarter			
Percent Employed***	31.7% (3,771)	34.4% (2,793)	32.8% (6,564)
Average Total Earnings***	\$5,668	\$2,162	\$4,174
Maryland and Border States Combined			
Previous 8 Quarters			
Percent Employed***	56.1% (6,676)	71.1% (5,777)	62.2% (12,453)
Average Total Earnings***	\$28,886	\$10,990	\$20,579
Previous 4 Quarters			
Percent Employed***	45.3% (5,384)	58.9% (4,782)	50.8% (10,166)
Average Total Earnings***	\$16,974	\$5,684	\$11,655
Study Quarter			
Percent Employed***	33.2% (3,950)	35.7% (2,896)	34.2% (6,846)
Average Total Earnings***	\$5,837	\$2,273	\$4,327

Note: Wages are standardized to 2007 dollars. Identifying information was missing for 143 caseheads (<1%) who were excluded from these analyses. Valid percents are reported. In addition, mean earnings are presented only for those who were employed. *p<.05, **p<.01, ***p<.001

Employment Industries

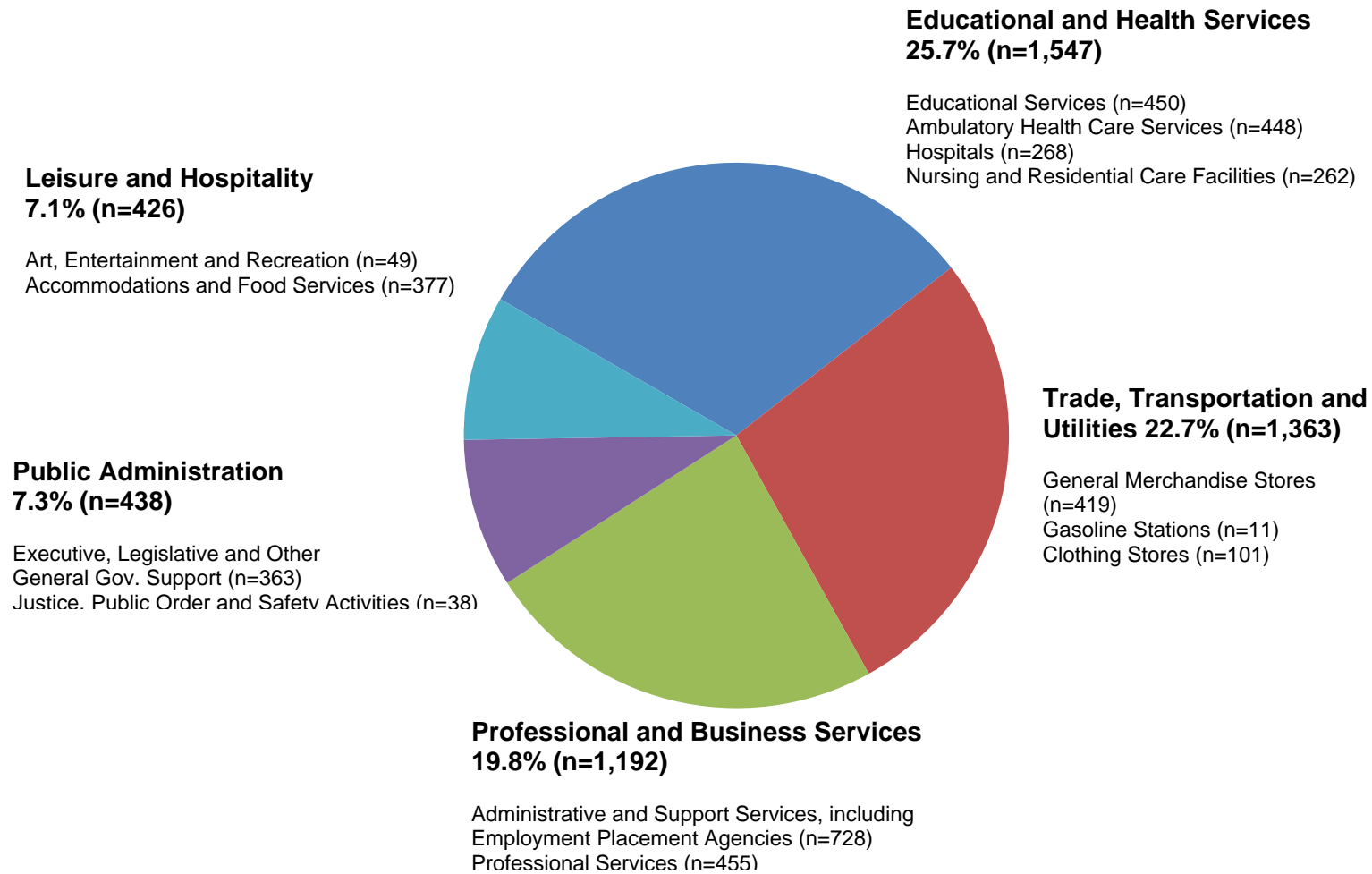
The last section of findings in this chapter discusses the types of industries in which welfare recipients work. Although it is not a perfect indicator, information about the type of industry in which welfare recipients find employment can provide some insight into the long-term potential for success in transitioning from welfare to work. For instance, some industries are more likely than others to include jobs that offer fringe benefits such as sick leave, health insurance, and retirement funds. In addition, some industries are more vulnerable to downturns in the overall economic climate, or may be more likely to include opportunities for job advancement over time.

We use the North American Industry Classification System (NAICS) to code as many of the Maryland UI employers with which our sample members were employed as possible. NAICS is a hierarchical system, allowing for general grouping of industries as well as more specificity according to the type of product or service which is provided. However, it is important to keep in mind that industries are coded by the category of employer, and not the category of job held by an individual. For example, a custodial position in a school would be coded as an “Educational and Health Services” job but a custodial position in a convenience store would be coded as “Leisure and Hospitality”. With these caveats in mind, the following discussion provides an overview of the top five general employment sectors in which caseheads worked during the study quarter, which was the first official quarter of the national economic recession. These findings are presented graphically in Figure 2, following the discussion.

Overall, about one out of four (25.7%) caseheads was employed in “Education and Health Services” in the study quarter, which primarily includes jobs in schools, hospitals, and residential care facilities. In addition, approximately one in five caseheads was employed in “Trade, Transportation and Utilities” (22.7%), which includes general retail

stores, or “Professional and Business Services” (19.8%), which includes temporary employment agencies. Finally, approximately one in ten caseheads worked in either “Leisure and Hospitality” (7.1%), which includes hotels and fast-food restaurants, or “Public Administration” (7.3%), which includes government support jobs. Together, these five sectors represent four out of five jobs (82.6%) that could be coded using the NAICS. These findings are highly consistent with those reported in previous years both for adults in the active caseload and those who left welfare.

Figure 2. Top Five Employment Sectors in the Study Quarter



Note: Data are based on 6,003 identifiable jobs held by 6,003 caseheads, not including those who were employed but for whom the industry could not be identified. Valid percents are reported.

As stated previously, the NAICS coding allows for broad generalizations of industries as well as more detailed categorizations of sub-industries. Table 5, following this discussion, provides an overview of the top 25 sub-industries among those who were employed in a Maryland UI-covered job in the study quarter. The findings are presented separately for those who were excluded from the WPR and those who were included in the calculation of the WPR.

Overall, the most common employers are in sub-industries that reflect the broader industries presented in Figure 2. That is, five of the top 25 sub-industries are within the broader “Education and Health” sector, which was the most common industry overall. These include “Ambulatory Health Care Services” (7.5%), “Educational Services” (7.5%), “Hospitals” (4.5%), “Nursing and Residential Care Facilities” (4.4%), and “Social Assistance” (2.0%). However, the most common sub-industry classification was “Administrative and Support Services” (12.1%), in the “Professional and Business Services” sector. This sub-industry includes temporary employment agencies, which are frequently used for job placements in the TANF program. In addition, it is notable that the seventh most common sub-industry, representing about one in twenty jobs (5.1%), is “Food Services and Drinking Places”, which falls under the category of “Leisure and Hospitality” and is likely to include jobs that pay minimum wage and lack coverage for employer-sponsored benefits such as health insurance.

The findings presented in Table 5 provide some insight into the pattern discussed earlier, that of caseheads in the “excluded” group earning more than those in the “included” group. For example, caseheads who were employed in the “excluded” group were more likely to work in “Ambulatory Health Care Services” (8.0% vs. 6.7% among the “included” group) or “Educational Services” (8.9% vs. 5.6% among the “included” group). These sub-industries may be more robust during difficult economic times, and are more likely to include jobs that

provide fringe benefits. In contrast, those in the “included” group were twice as likely to work in “Administrative and Support Services” (17.4% vs. 8.3% among the “excluded” group) which consists primarily of temporary employment that may provide lower pay and would not be expected to include fringe benefits. These differences may be important as the state continues to pursue the Maryland RISE initiative, which prioritizes strategic partnerships with community colleges and employers in order to provide higher quality employment matches for welfare recipients.

In summary, the findings presented in this chapter reveal some substantial differences between cases that are generally excluded from the calculation of the work participation rate and those that are generally included in the calculation. Those in the “excluded” group are primarily child-only cases, with older caseheads and fewer children, and those in the “included” group are primarily the “Remaining and Sanctioned” cases that reflect the more traditional welfare case, with younger single caseheads and more children. Those in the “excluded” group have longer welfare histories but fewer months accumulated toward the lifetime TANF limit than their counterparts in the “included” group. And, although they are less likely to be employed overall, those in the “excluded” group who are employed tend to work more often, earn more per quarter, and are less likely to work for temporary employment agencies, than those in the “included” group.

Thus, we see that while cases in the “excluded” group may be in need of case management services for family well-being and/or accessing disability services, cases in the “included” group seem to need more traditional welfare-to-work services. As the successful transition from welfare to work among these cases is the primary measure by which program success is currently measured, the next chapter of findings focuses in on the cases in this “included” group, and presents a summary of their case and casehead characteristics at the local level.

Table 5. The Top 25 Employers/Industries by WPR Status***

Broad Industry (NAICS)	Sub-industry (NAICS)	Excluded from WPR (n=3,474)	Included in WPR (n=2,529)	Total (n=6,003)
Professional & Business	Administrative and Support Services	8.3% (288)	17.4% (440)	12.1% (728)
Professional & Business	Professional, Scientific, and Technical Services	7.5% (259)	7.8% (196)	7.6% (455)
Education & Health	Ambulatory Health Care Services	8.0% (278)	6.7% (170)	7.5% (448)
Education & Health	Educational Services	8.9% (308)	5.6% (142)	7.5% (450)
Trade	General Merchandise Stores	5.4% (187)	9.2% (232)	7.0% (419)
Public Administration	Executive, Legislative, and Other General Government Support	8.3% (290)	2.9% (73)	6.0% (363)
Leisure & Hospitality	Food Services and Drinking Places	3.7% (128)	7.2% (181)	5.1% (309)
Education & Health	Hospitals	5.7% (199)	2.7% (69)	4.5% (268)
Education & Health	Nursing and Residential Care Facilities	4.4% (153)	4.3% (109)	4.4% (262)
Trade	Food and Beverage Stores	3.5% (123)	5.3% (134)	4.3% (257)
Other Services	Religious, Grantmaking, Civic, Professional, and Similar Org	4.9% (171)	2.1% (54)	3.7% (225)
Education & Health	Social Assistance	Less than 2%	2.1% (53)	2.0% (119)
Trade	Clothing and Clothing Accessories Stores	Less than 2%	2.2% (56)	Less than 2%
Financial Activities	Credit Intermediation and Related Activities	Less than 2%	Less than 2%	Less than 2%
Financial Activities	Real Estate	Less than 2%	Less than 2%	Less than 2%
Trade	Health and Personal Care Stores	Less than 2%	Less than 2%	Less than 2%
Leisure & Hospitality	Accommodation	Less than 2%	Less than 2%	Less than 2%
Trade	Miscellaneous Store Retailers	Less than 1%	Less than 2%	Less than 2%
Financial Activities	Insurance Carriers and Related Activities	Less than 2%	Less than 1%	Less than 2%
Trade	Transit and Ground Passenger Transportation	Less than 2%	Less than 1%	Less than 2%
Trade	Merchant Wholesalers, Durable Goods	Less than 2%	Less than 1%	Less than 2%
Manufacturing	Food Manufacturing	Less than 1%	Less than 1%	Less than 1%
Construction	Specialty Trade Contractors	Less than 2%	Less than 1%	Less than 1%
Other Services	Personal and Laundry Services	Less than 1%	Less than 1%	Less than 1%
Trade	Truck Transportation	Less than 1%	Less than 1%	Less than 1%

Note: Data are based on 6,003 identifiable jobs held by 6,003 caseheads, not including those who were employed but the industry could not be identified. Valid percents are reported. Values representing less than 2% of the group were masked to protect the confidentiality of sample members. *p<.05, **p<.01, ***p<.001

FINDINGS: LOCAL LEVEL

The previous chapter examined the active TCA caseload in terms of cases that were included versus excluded from the calculation of Maryland's work participation rate (WPR) in October 2007, just prior to the official onset of the current economic recession. The timing of the study month, which acts as a point of reference for understanding progress in work participation up until now, and the need to reach an acceptable WPR under the current TANF rules and regulations, makes it important to understand as much about these "included" cases as possible. This is true at the statewide level, but variation among the local jurisdictions in Maryland makes a local analysis vital as well. Thus, this chapter provides a combination of jurisdiction-level and regional analyses regarding those cases that were included in the WPR in the study month.

To begin, Table 6, following this discussion, shows the distribution of "included" cases across each of 13 larger jurisdictions in Maryland (including 12 counties and Baltimore City) individually and the remaining 11 jurisdictions, combined into regions. As presented, the distribution of "included" cases

across localities is, in many cases, reflective of the general distribution of the caseload, with two exceptions. The first is that Baltimore City cases are substantially more likely to be included in the WPR than we might expect. For instance, although one half (49.4%) of all cases are located in Baltimore City, nearly six in ten (57.6%) "included" cases are located in the City. The second is that Baltimore County cases are somewhat less likely to be included in the WPR than we might expect, as the County has about one in ten (9.7%) cases overall but only one in 15 (6.5%) "included" cases. These differences, as well as other small variations in the proportion of "included" cases versus the proportion of the total caseload, reflect local variation in caseload composition. That is, localities with a higher-than-expected share of "included" cases are likely to have a caseload that is more reflective of the traditional welfare case, and jurisdictions with a lower-than-expected share of "excluded" cases are likely to have a higher proportion of child-only cases. The remaining sections of this chapter focus on local-level variations of case and casehead characteristics within the subgroup of those who are expected to be included in the calculation of the WPR.

Table 6. Distribution of Cases Across Localities***

	Included in the WPR (n=8,249)	Total Caseload (n=20,164)		Difference
Baltimore City	57.6% (4,751)	49.4%	(9,963)	8.2%
Anne Arundel County	3.8% (316)	5.1%	(1,026)	-1.3%
Baltimore County	6.5% (535)	9.7%	(1,965)	-3.2%
Calvert County	0.7% (57)	0.7%	(151)	0.0%
Carroll County	0.7% (57)	1.0%	(195)	-0.3%
Cecil County	1.4% (118)	1.8%	(353)	-0.4%
Charles County	0.4% (29)	1.0%	(201)	-0.6%
Frederick County	1.0% (86)	1.3%	(271)	-0.3%
Harford County	1.8% (146)	2.7%	(540)	-0.9%
Howard County	2.5% (206)	1.9%	(382)	0.6%
Montgomery County	3.0% (247)	3.5%	(712)	-0.5%
Prince George's County	12.9% (1,066)	11.9%	(2,399)	1.0%
St. Mary's County	1.7% (140)	1.4%	(275)	0.3%
Lower Shore: Somerset, Wicomico & Worcester Counties	2.3% (187)	2.9%	(588)	-0.6%
Upper Shore: Caroline, Dorchester, Kent, Queen Anne's & Talbot Counties	1.8% (145)	2.6%	(520)	-0.8%
Western MD: Allegany, Garrett & Washington Counties	2.0% (163)	3.1%	(623)	-1.1%

Note: The Lower Shore, Upper Shore, and Western MD regions are presented to protect the confidentiality of sample members in the smaller jurisdictions which make up these groups. *p<.05, **p<.01, ***p<.001

Casehead and Case Characteristics by Locality (Included in the WPR only)

In this section, we present the same casehead and case characteristics discussed previously, but we limit our analyses to those who were included in the calculation of the WPR and we present them at the local level rather than the statewide level. Table 7, following this discussion, includes information on casehead gender, race, marital status, and age, as well as the number of children and the age of the youngest child in the assistance unit.

Overall, the vast majority of caseheads included in the WPR, across all localities, are female. However, there is some variation as the percent of female caseheads ranges from 88.1% in Cecil County to 100% in Charles County. Casehead race was much more varied, and follows the trends of local populations. For instance, the percent of African-American caseheads ranged from 14.0% in Carroll County to 94.4% in Baltimore City. The percent of caseheads of a race other than African-American or Caucasian was typically lower across the localities (ranging from 0% in Charles County to 22.3% in Montgomery County) than what is found in the overall active TCA caseload in Maryland, but that is to be expected since legal immigrant cases are typically excluded from the calculation of the WPR.

Marital status among caseheads also reflects the unique composition of the “included” group, as there are more caseheads that have never married than what is generally found among the entire TCA caseload. This is most likely because child-only cases, which tend to have higher marriage rates, are excluded from the calculation of the WPR and therefore are also excluded from these

analyses. Among the “included” group, the rate of never married caseheads ranges from 44.6% in Carroll County to 92.0% in Baltimore City. Casehead age is relatively consistent across localities, ranging from an average of 30.3 years in the Lower Shore region to 33.2 years in Calvert and Montgomery Counties.

In the final two rows of Table 7, we present information on the number of children per assistance unit, and the average age of the youngest child in the assistance unit. In general, the average “included” case had two children per assistance unit, regardless of locality. The smallest assistance units, based on the number of children, were found in Howard County and the Western MD region (mean = 1.7 children) and the largest assistance units were found in the Lower Shore region (mean = 2.1 children).

The youngest child per assistance unit was of approximately kindergarten or first grade age across all localities, ranging from an average of 4.8 years old in the Lower Shore region to 7.0 years old in the Western MD region. This is the only variable in Table 7 that was not statistically significant in terms of differences across localities. However, there was a statistically significant difference in the proportion of cases within each locality where the youngest child in the assistance unit was less than three years old in the study month. Variation ranged from one in five (22.2%) cases with a youngest child under three in Charles County, to at least one in three cases in ten localities: Anne Arundel County (32.9%); Baltimore County (35.1%); Calvert County (33.3%); Carroll County (40.4%); Frederick County (39.7%); Harford County (37.1%); Howard County (33.0%); the Lower Shore region (44.8%); Prince George’s County (38.0%); and Saint Mary’s County (36.8%).

Table 7. Casehead and Case Characteristics by Locality (Cases included in the WPR only)

	Anne Arundel County (n=316)	Baltimore County (n=535)	Calvert County (n=57)	Carroll County (n=57)	Cecil County (n=118)	Charles County (n=29)
Gender***						
Female	94.6% (299)	94.4% (505)	94.7% (54)	91.2% (52)	88.1% (104)	100.0% (29)
Race***						
African American	60.2% (186)	71.2% (376)	56.4% (31)	14.0% (8)	19.0% (22)	74.1% (20)
Caucasian	36.6% (113)	24.2% (128)	41.8% (23)	80.7% (46)	74.1% (86)	25.9% (7)
Other	3.2% (10)	4.5% (24)	Less than 2%	5.3% (3)	6.9% (8)	0.0% (0)
Marital Status***						
Never Married	79.2% (248)	78.6% (414)	54.4% (31)	44.6% (25)	60.2% (71)	82.1% (23)
Age in Study Month						
Mean **	31.2	31.9	33.2	33.0	32.5	32.4
Median	29.0	30.0	30.0	33.0	31.0	29.0
Standard Deviation	8.8	9.3	10.5	8.4	8.7	10.4
Number of Children on Case						
Mean*	1.9	1.8	1.9	1.9	1.9	1.9
Median	2.0	1.0	2.0	2.0	2.0	2.0
Standard Deviation	1.3	1.1	1.3	1.0	1.2	1.0
Age of Youngest Child						
% with a child under 3 yrs old**	32.9% (85)	35.1% (157)	33.3% (15)	40.4% (19)	29.1% (32)	22.2% (6)
Mean	5.9	5.9	6.0	6.0	6.1	5.3
Median	5.0	4.0	4.0	5.0	5.5	4.0
Standard Deviation	4.7	4.8	4.9	5.0	4.3	3.7

Note: N's may not total to column sum due to small instances of missing data. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Table 7. Casehead and Case Characteristics by Locality (Cases included in the WPR only)

	Frederick County (n=86)	Harford County (n=146)	Howard County (n=206)	Montgomery County (n=247)	Prince Georges County (n=1,066)	St. Mary's County (n=140)
Gender***						
Female	95.3% (82)	97.3% (142)	98.1% (202)	98.4% (243)	96.9% (1,033)	96.4% (135)
Race***						
African American	54.1% (46)	53.8% (78)	81.6% (160)	67.6% (161)	92.3% (966)	59.4% (82)
Caucasian	32.9% (28)	41.4% (60)	15.8% (31)	10.1% (24)	2.6% (27)	39.9% (55)
Other	12.9% (11)	4.8% (7)	2.6% (5)	22.3% (53)	5.2% (54)	Less than 1%
Marital Status***						
Never Married	82.1% (69)	82.1% (119)	71.0% (142)	78.2% (190)	85.3% (891)	78.9% (105)
Age in Study Month						
Mean**	32.3	30.4	31.1	33.2	31.6	31.5
Median	30.0	28.0	30.0	31.0	30.0	30.0
Standard Deviation	8.8	7.8	8.3	10.2	9.4	9.5
Number of Children on Case						
Mean*	2.0	1.9	1.7	1.8	1.9	2.0
Median	2.0	2.0	2.0	1.0	2.0	2.0
Standard Deviation	1.2	1.2	1.0	1.2	1.3	1.2
Age of Youngest Child						
% with a child under 3 yrs old**	39.7% (31)	37.1% (46)	33.0% (59)	30.0% (66)	38.0% (350)	36.8% (46)
Mean	5.9	5.2	6.1	5.9	5.5	6.0
Median	4.0	3.0	5.0	4.0	4.0	5.0
Standard Deviation	5.4	4.4	4.9	4.7	4.7	4.8

Note: N's may not total to column sum due to small instances of missing data. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Table 7. Casehead and Case Characteristics by Locality (Cases included in the WPR only)

	Lower Shore: Somerset, Wicomico & Worcester Counties (n=187)	Upper Shore: Caroline, Dorchester, Kent, QA & Talbot Counties (n=145)	Western MD: Allegany, Garrett & Washington Counties (n=163)	Baltimore City (n=4,751)
Gender***				
Female	96.8% (181)	97.2% (141)	92.6% (151)	96.3% (4,577)
Race***				
African American	67.0% (124)	66.0% (95)	26.5% (43)	94.4% (4,450)
Caucasian	25.4% (47)	24.3% (35)	72.2% (117)	4.6% (215)
Other	7.6% (14)	9.7% (14)	Less than 2%	Less than 2%
Marital Status***				
Never Married	76.1% (140)	69.9% (100)	63.2% (103)	92.0% (4,350)
Age in Study Month				
Mean**	30.3	31.1	32.2	30.9
Median	28.0	29.0	30.0	29.0
Standard Deviation	7.8	8.5	9.4	9.0
Number of Children on Case				
Mean*	2.1	1.8	1.7	1.9
Median	2.0	2.0	1.0	2.0
Standard Deviation	1.2	1.2	1.1	1.2
Age of Youngest Child				
% with a child under 3 yrs old**	44.8% (69)	29.6% (37)	31.3% (40)	31.6% (1,308)
Mean	4.8	5.9	7.0	5.9
Median	3.0	4.0	6.0	4.0
Standard Deviation	4.3	4.6	5.3	4.7

Note: N's may not total to column sum due to small instances of missing data. Valid percents are reported. *p<.05, **p<.01, ***p<.001

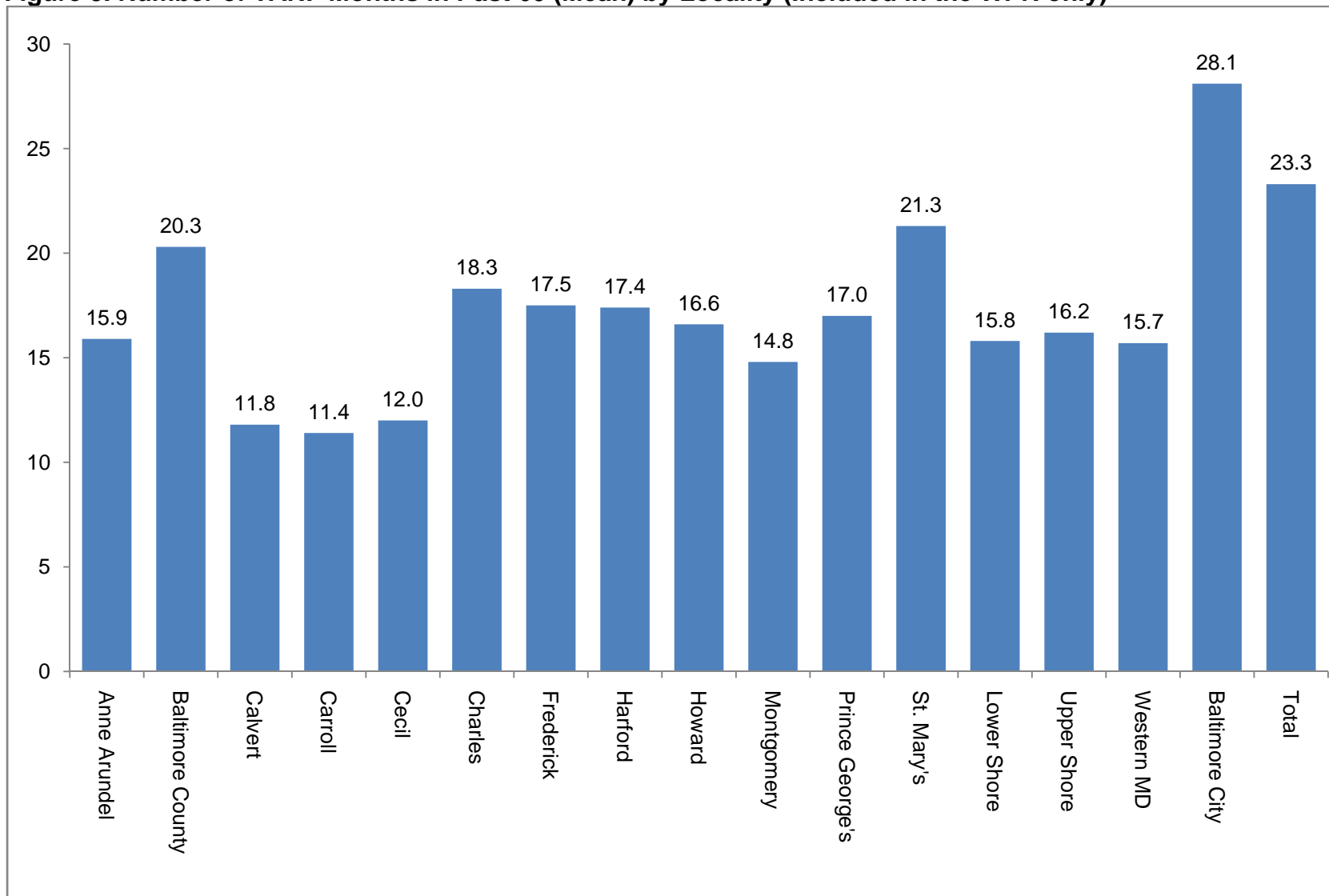
***TANF Participation History by Locality
(Included in WPR)***

This section highlights two indicators of past welfare use, the average number of months of benefits received in the previous 60 months and the average number of months accumulated toward the lifetime TANF limit as of the study month, by locality. As in the previous section, these analyses are limited to those cases that are expected to be included in the calculation of the work participation rate (WPR).

Figure 3, following this discussion, presents the average number of months of TANF benefits received by caseheads in the

previous 60 months. This average includes months in which the individual was a casehead, regardless of whether they were included in the grant as a recipient or not. Differences among the localities are statistically significant. Overall, caseheads had the shortest welfare histories, on average, in Calvert County (11.8 months), Carroll County (11.4 months), and Cecil County (12.0 months). The remaining jurisdictions all included caseheads with an average welfare history of more than 12 months but less than 24 months, except for Baltimore City, where average caseheads included in the WPR had a recent welfare history of 28.1 months out of the previous 60 months.

Figure 3. Number of TANF Months in Past 60 (Mean) by Locality (Included in the WPR only)***



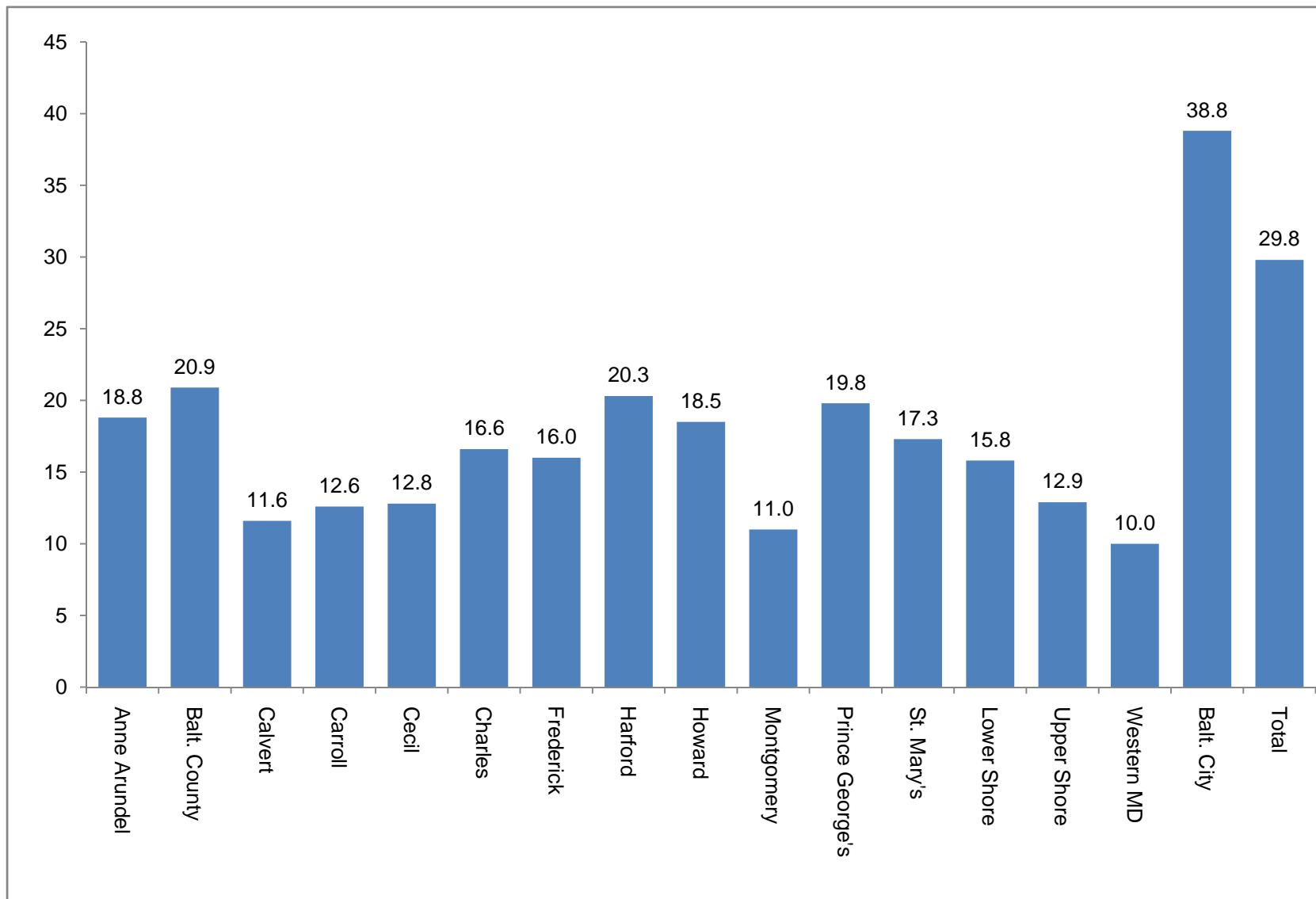
*p<.05, **p<.01, ***p<.001

Figure 4, following this discussion, presents the average number of months accumulated toward the federal TANF time limit of 60 months. The time limit counter began in December 1996, yielding a maximum possible value of 130 months by the end of our study month, though it is important to keep in mind that caseheads only accumulate months toward the time limit when they are counted as a recipient within the case.

As shown in Figure 4, caseheads in most localities, on average, have accumulated less than one-third of their allotted time-limited months of assistance since the beginning of welfare reform. In ten localities, the average casehead had accumulated fewer than 18 months of benefits towards the time limit: Calvert County (11.6 months); Carroll County (12.6 months); Cecil County (12.8 months); Charles County (16.6 months); Frederick County (16.0 months); Montgomery County (11.0 months); Saint Mary's County (17.3 months); the Lower Shore region (15.8 months); the Upper Shore region (12.9 months); and the Western MD region (10.0 months).

An additional five localities included caseheads who had accumulated an average of 18 to 24 months of assistance toward their time limit: Anne Arundel County (18.8 months); Baltimore County (20.9 months); Harford County (20.3 months); Howard County (18.5 months); and Prince George's County (19.8 months). The locality with the highest average time limit count per casehead was Baltimore City. By the end of the study month, Baltimore City caseheads who were included in the calculation of the WPR had accumulated an average of 38.8 months towards the lifetime limit, or approximately two-thirds of their allotted TANF benefit months.

Figure 4. Number of Months Towards Time Limit (Mean) by Locality (Included in the WPR only)***



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

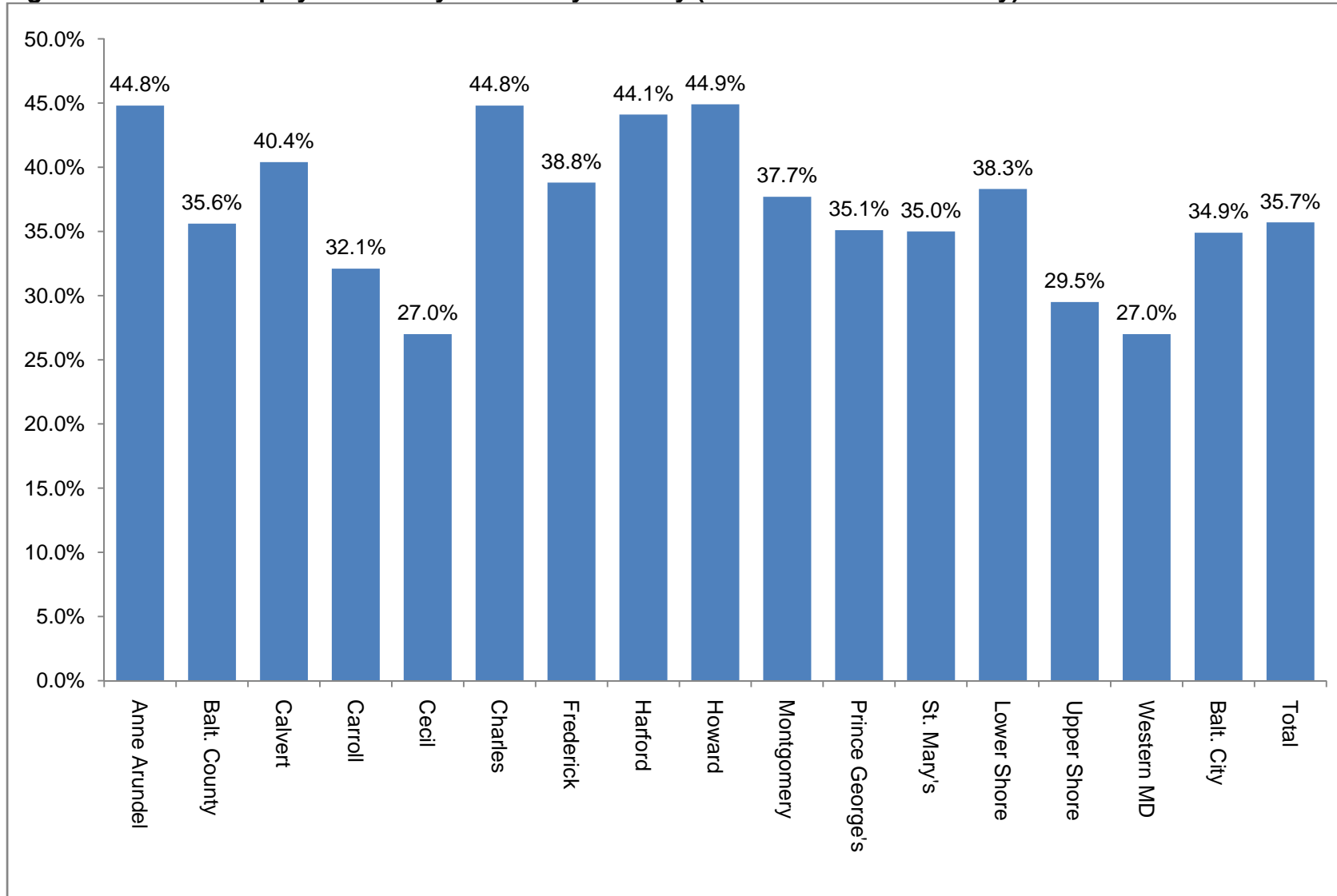
Employment History by Locality (Included in WPR)

The final two analyses of our report focus on the employment history of caseheads who were included in the calculation of the WPR, by locality. Figure 5 displays the employment status of caseheads in the study quarter, including UI-covered employment in Maryland and bordering states, and Figure 6 presents the average earnings among those who worked in the study quarter.

Overall, the employment rate among those who were included in the calculation of the WPR ranged from about one in four (27.0%) caseheads in Cecil County and the Western MD region, to more than two out of five caseheads in four localities: Anne Arundel County (44.8%); Charles County (44.8%); Harford County (44.1%); and Howard County

(44.9%). It is important to remember that the statewide work participation rate is based on work activities that are defined more broadly than formal UI-employment, but the ultimate goal of course is to help caseheads transition to paid employment that will hopefully allow them to increase their earnings over time and remain off of TANF. As stated previously and shown in Table 6, the majority of the “included” group is located in Baltimore City (57.6%), Baltimore County (6.5%), and Prince George’s County (12.9%). The employment rates among caseheads in these three jurisdictions are 34.9%, 35.6%, and 35.1%, respectively. It is clear that the overall average employment rate for the “included” group (35.7%) is heavily influenced by employment outcomes in these three jurisdictions.

Figure 5. Percent Employed in Study Quarter by Locality (Included in the WPR only)**



Note: Identifying information was missing for 126 caseheads (<2%) who were excluded from these analyses. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Figure 6, following this discussion, presents local-level average quarterly earnings among caseheads of cases included in the WPR who were employed in a Maryland or border state UI-covered job in the study quarter.⁷ In seven localities, average quarterly earnings were less than \$2,000: Calvert County (\$1,781); Carroll County (\$1,801); Cecil County (\$1,802); Saint Mary's County (\$1,980); the Lower Shore region (\$1,895); the Upper Shore region (\$1,932); and the Western MD region (\$1,875).

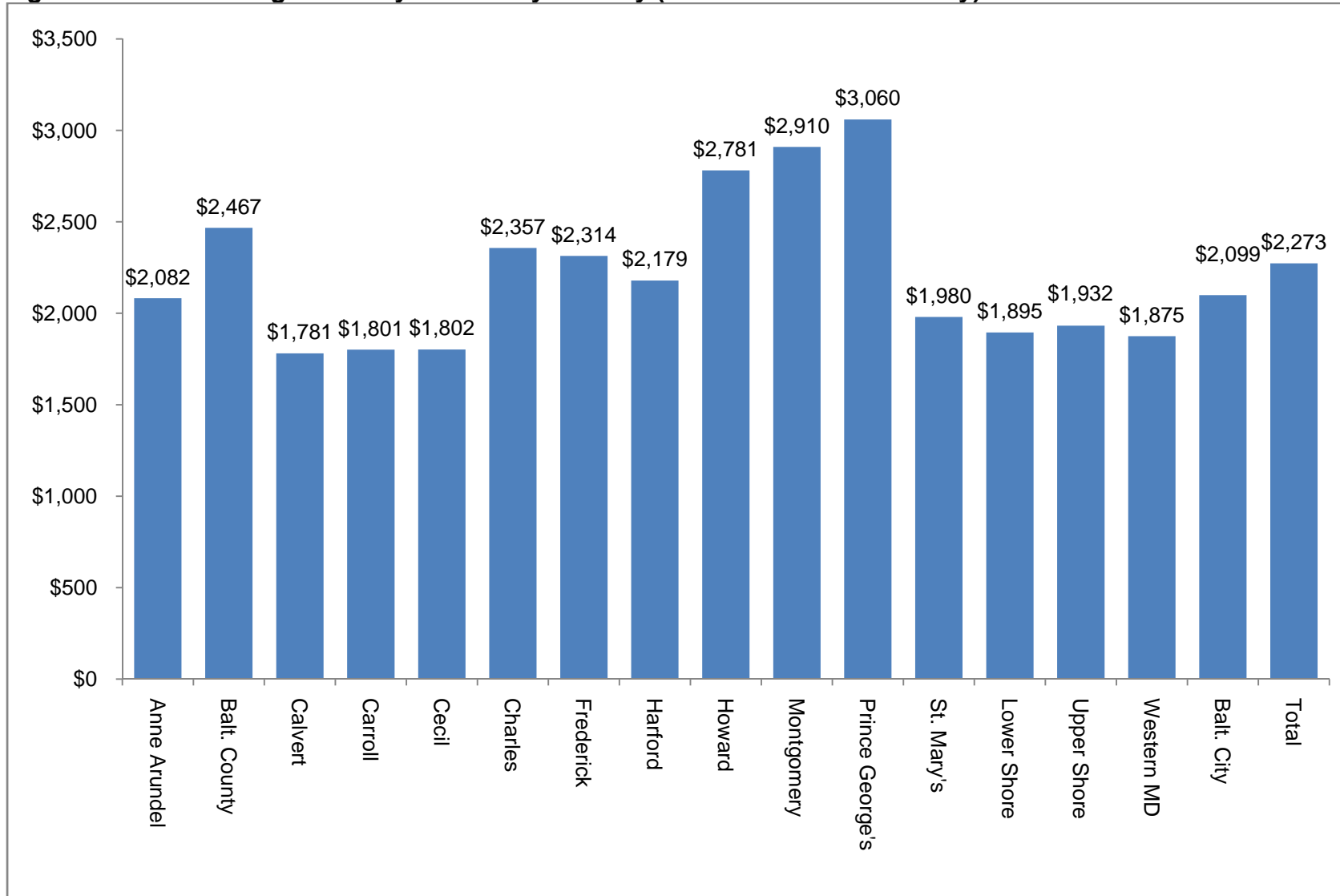
Caseheads in six of the remaining localities earned, on average, between \$2,000 and \$2,500 in the study quarter: Anne Arundel County (\$2,082); Baltimore County (\$2,467); Charles County (\$2,357); Frederick County (\$2,314); Harford County (\$2,179); and Baltimore City (\$2,099). Finally, in three jurisdictions, average quarterly earnings were above \$2,500: Howard County (\$2,781); Montgomery County (\$2,910); and Prince George's County (\$3,060). These three counties all border the Washington DC metro area, and tend to have higher living costs as well as higher average wages.

It is important to recognize that wages in the study quarter may or may not have been earned while a casehead was receiving TANF. For instance, if the casehead came on to TANF at the beginning of the quarter and then left the rolls for work in the last month of the quarter, the earnings will appear lower than what they might have been if the individual was working for the entire quarter. However, hypothetically speaking, if caseheads maintained these earnings levels consistently over a one-year period, annual earnings would be between \$10,000 and \$12,000, which is below the federal poverty guidelines for most family sizes. Furthermore, it is likely that many of these caseheads were not able to maintain employment, as the study quarter directly precedes the beginning of the

national economic recession. All in all, these findings support the current Maryland RISE effort to pursue partnerships with local employers and community colleges in order to boost the earnings levels among TANF recipients and other disadvantaged populations. Although it is a difficult environment in which to pursue employment in all localities, it is possible that further skills training and education during this time may give TANF recipients a better chance to take advantage of opportunities that are available, or that may become available once the economy improves.

⁷ Please note that UI earnings are reported on an aggregate quarterly basis. Thus, we do not know how many hours or weeks individuals worked in a particular quarter and it is impossible to compute hourly wage figures from these quarterly earnings.

Figure 6. Mean Earnings in Study Quarter by Locality (Included in the WPR only)***



Note: Identifying information was missing for 126 caseheads (<2%) who were excluded from these analyses. Wages are standardized to 2007 dollars and mean earnings are presented only for those who were employed. *p<.05, **p<.01, ***p<.001

CONCLUSIONS

The findings presented in today's installment of the *Life On Welfare* series have illuminated some important implications for future planning and for understanding the circumstances of cases and caseheads expected to be included in the denominator of Maryland's work participation rate (WPR) at the onset of the current recession. First, it is clear that the "included" cases are representative of the more traditional welfare case with a relatively young single mother and one or two young children. However, in contrast to the circumstances of these cases in the early years of welfare reform, today's "traditional" case is likely to be employed and to have a relatively short welfare history. This would seem to be good news, except that average earnings are quite low and most of the average casehead's past welfare use has counted towards her lifetime TANF limit so the clock is ticking on her journey to reach self-sufficiency.

The second implication of our findings is that although the "included" cases have a similar case composition regardless of locality, there are some noted differences in the characteristics of caseheads (including their welfare and employment histories), across localities in Maryland. In general, the demographic characteristics (gender, race, and marital status) of caseheads reflect the local population characteristics even when we limit our analyses to "included" cases. In terms of past welfare use, the "included" caseheads in most localities actually have shorter welfare histories than the statewide average, except in Baltimore City where long-term recipients are more common. Finally, we find that although "included" cases tend to have similar case composition and welfare histories across localities (except in Baltimore City) there is variation in the employment rate and earnings.

It is likely that the differences in the employment rate and average earnings of "included" cases reflect the variation in local economies. However, the variation merits further inspection as state policymakers consider ways to boost the quality of employment for welfare recipients through the Maryland RISE initiative. Some local departments of social services already have strategic partnerships with community colleges and local employers in place, and these partnerships may enable them to provide higher-earning opportunities to their clients. Or, it may be that jurisdictions with higher-earning welfare recipients have important work supports in place, such as public transportation or accessible child care, which will be important ingredients to consider for statewide efforts related to improving work outcomes for active TANF clients.

A third implication of study findings – albeit not unique to this research project – is that it remains true that overall state success with regard to the work participation rate depends disproportionately on actions taken and results achieved in Baltimore City. It is practically as well as statistically significant that Baltimore City accounts for half of Maryland's active TCA caseload but almost three-fifths of the types of cases that are included in the work participation rate.

Overall, meeting the requirements of the DRA in today's challenging economy, and exceeding those requirements through the Maryland RISE initiative, will require continued dedication and innovation on the part of local frontline workers and program managers. And in this respect, Maryland has always succeeded. If the state continues to look to local offices for inspiration, and to reliable empirical data on the population being served, then the future for Maryland TANF recipients today may be as bright as it was for recipients in the early years of welfare reform, despite the economic clouds that characterize the short-term environment.

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