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LIFE ON WELFARE, 2020: TEMPORARY CASH ASSISTANCE BEFORE & DURING THE COVID-19 PANDEMIC

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In March 2020, the entire nation screeched to a halt amidst the beginning of the global COVID-19 pandemic in the U.S. The pandemic brought with it unprecedented times. Measures to bring about social distancing such as remote schooling, teleworking, travel restrictions, and food and dining restrictions became commonplace. The result of the pandemic was a sharp and immediate economic disruption as states tried to mitigate the virus's spread (Bauer et al., 2020).

Maryland was no exception to this disruption. Prior to the pandemic, Maryland's economy was strong and unemployment was at 3.3%—a level not seen since before the Great Recession (Bureau of Labor Statistics [BLS], n.d.a). The state also continued to experience record lows in its Temporary Cash Assistance (TCA) caseload, with case numbers consistently under 17,000 each month (Figure 1). At the end of March 2020, however, Maryland began stay at home orders in response to its growing COVID-19 numbers (Exec. Order No. 20033001, 2020). Additional health and safety measures were implemented by Maryland's 24 jurisdictions. The economic impact of the pandemic was swift. The state's unemployment rate jumped to 10% in April and May, surpassing the levels of the Great Recession¹ (BLS, n.d.a).

Consequently, the TCA caseload grew substantially during the initial three months (April to June 2020) of the pandemic (Maryland Department of Human Services [DHS], n.d.a). This increase, shown in Figure 1, was caused by both new families seeking out TCA as they felt the economic impacts of the pandemic as well as automatic redeterminations for families who were already receiving benefits.²

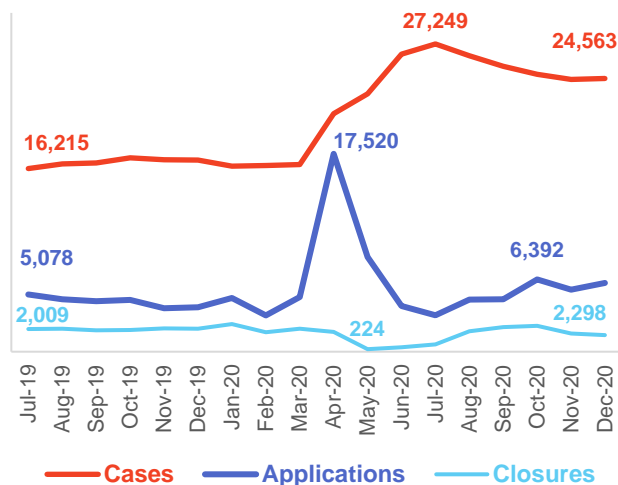
¹ Maryland's highest unemployment rate during the Great Recession was 7.8% from January to March 2010 (BLS, n.d.a).

² To ensure families were supported during these unprecedented times, in late March 2020, Maryland announced automatic redeterminations of current TCA families, extending their benefits for an additional six months; work requirement activities were also suspended (DHS, 2020a).

KEY FINDINGS

- ❖ The economic impact of the COVID-19 pandemic caused a 43% spike in TCA cases during the initial three months of the crisis.
- ❖ The pandemic cohort had a 20-percentage point increase in families receiving TCA for the first time, but a majority (65%) of these new TCA families were prior SNAP recipients.
- ❖ Two thirds (67%) of pre-pandemic families continued to receive TCA throughout the initial three months of the pandemic.
- ❖ Families joining TCA during the pandemic were more likely to have adult recipients, resulting in fewer child-only cases.
- ❖ Characteristics of adult recipients in the pre-pandemic cohort were similar to recipients in SFY 2019.
- ❖ Adults in the pandemic cohort were more likely to be men (16% vs. 10%) and to have additional education beyond high school (17% vs. 11%) compared to pre-pandemic adults.
- ❖ Adult recipients in the pandemic cohort were slightly more likely to work in the year before TCA (63% vs. 57%) than pre-pandemic adults.
- ❖ Median annual earnings for adults in the pandemic cohort (\$10,777) were 60% higher than earnings for those in the pre-pandemic cohort (\$6,797).
- ❖ About one in four adults in both cohorts were employed in low wage industries that were hit hard by the pandemic, such as restaurants and retail.

Figure 1. TCA Applications, Cases, and Closures



Note: Data retrieved from statistical reports provided by the Maryland Department of Human Services: <https://dhs.maryland.gov/business-center/documents/>

For low-income families, the economic effects of the pandemic have been especially devastating (Karpman et al., 2020). Social distancing measures have particularly impacted industries in which low-income families traditionally work, such as lodging and accommodation, retail, and restaurants, causing many to find themselves out of work (Urban Institute, n.d.). The move to remote learning has also had a huge impact on families, with many adults, especially single parents, needing to leave the workforce or to reduce hours to tend to school-aged children during the day. Women have unproportionally bore the brunt of this cost and have had to leave the workforce at alarming rates (Kashen et al., 2020). For low-income families who are losing jobs and scrambling for childcare as a result of the pandemic, safety net programs like TCA have become absolutely crucial.

The 2020 update of the annual *Life on Welfare* report covers two distinctly different economic times and consequently, two different cohorts of TCA participants: the pre-pandemic and the pandemic cohorts. In this report, the pre-pandemic cohort consists of families who began receiving TCA benefits between July 2019 and March 2020, and the pandemic cohort is defined as families who came onto the TCA program between April and June 2020.

It is important to examine both cohorts to understand the characteristics of families who needed help when the state's economy was strong and unemployment was low, as well as the characteristics of families who were impacted by the pandemic, to determine how to help them regain financial stability. Specifically, this brief examines the following three research questions for both the pre-pandemic and pandemic cohorts:

1. What are the characteristics of families who received TCA between July 2019 and June 2020, including their history of cash assistance participation?
2. What are the demographic characteristics of adult recipients?
3. What were adult recipients' employment experiences prior to receiving TCA?

The answers to these questions can help policymakers and program administrators better understand who is receiving TCA during these unprecedented times. This information will be important in designing programs that help families work towards financial stability as the state begins to recover from the economic toll of the pandemic.

Data and Study Population

Data

Data come from the Client Automated Resource and Eligibility System (CARES) and the Maryland Automated Benefits System (MABS), which are the administrative data systems for TCA and Unemployment Insurance, respectively. CARES provides individual- and case-level data on demographics and program participation for families receiving TCA. The MABS system includes data from all employers covered by the state's Unemployment Insurance (UI) law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment.

There are a variety of limitations to MABS data. MABS only reports data on a quarterly basis, which means that it is not possible to calculate weekly or monthly employment and earnings. Another limitation is that MABS does not contain data on certain types of employment, such as self-employment, independent contractors, and informal employment; consequently, earnings from under-the-table jobs are not included. Finally, MABS has no information on employment outside Maryland. Because out-of-state employment is common in Maryland, we are likely understating employment and may be missing some earnings.³

³ One in six (16.8%) Maryland residents works out of state, which is over four times greater than the national average (3.5%) (U.S. Census Bureau, n.d.a).

⁴ In earlier reports, the study population was families who received TCA in October of a given year, and

Study Population

The study population for this year's report includes every family who received TCA for at least one month in state fiscal year (SFY) 2020 (July 2019 through June 2020). There were 32,532 unique families who received at least one month of TCA in SFY 2020 including 26,453 adult recipients.

Demographic and employment analyses are only for adult recipients, so payees who are not recipients are excluded. Adult recipients who are not payees, such as the second parent in a two-parent family, are included.⁴

Because we are interested in receipt during a state fiscal year, the first month in the year that a family actually received benefits is the first month included in the analysis. For example, if a family applied for TCA in January 2020, that family might not actually receive benefits until February 2020. We would consider February 2020 the first month of receipt. However, benefits are retroactive to the date that a family applied for assistance, so this family would receive prorated benefits for January. Since the family received benefits for January 2020, some of the measures we use, such as months of receipt in the state fiscal year, would count January as a month of receipt. These discrepancies are relevant in understanding data related to past program participation.

only payees were included in demographic and employment analyses, regardless of whether they were recipients. Due to these changes, the data in this brief is not comparable to the data in reports published prior to 2017.

Cases and Families

As a result of the economic impacts of the coronavirus pandemic, Maryland had an enormous 27% increase in families receiving TCA in SFY 2020 compared to SFY 2019. Cases grew from 25,690 in SFY 2019 (Gross & Passarella, 2020) to 32,532 in SFY 2020. This marked the first time since 2012 that Maryland’s TCA caseload increased after years of steady decline following the state’s recovery from the Great Recession (DHS, n.d.a).

Although the caseload increased in SFY 2020, the statewide distribution of cases remained similar to previous years (Gross & Passarella, 2020; McColl & Passarella, 2019a). As shown in Table 1, Maryland’s five largest jurisdictions, which have roughly 66% of Maryland’s population (U.S. Census Bureau, n.d.b), made up the majority (72%) of the state’s caseload. Nearly one in three (31%) families who received TCA resided in Baltimore City, while Baltimore County and Prince George’s County had the next highest share, accounting for 14% and 12% of statewide cases, respectively. Also, 8% of TCA families resided in Anne Arundel County, and 7% resided in Montgomery County. All remaining jurisdictions each had less than 5% of the state caseload.

The increase in the SFY 2020 caseload indicates that the pandemic brought hardships for many of Maryland’s families, especially families who were already financially vulnerable. As shown in Figure 2, the impact can particularly be seen by examining the growth in TCA cases before and during the pandemic. From April—immediately following stay-at-home orders⁵

—through the end of the state fiscal year in June, the number of TCA cases grew by 43% compared to the number of open cases between July 2019 and March 2020.

Table 1. TCA Caseload by Jurisdiction

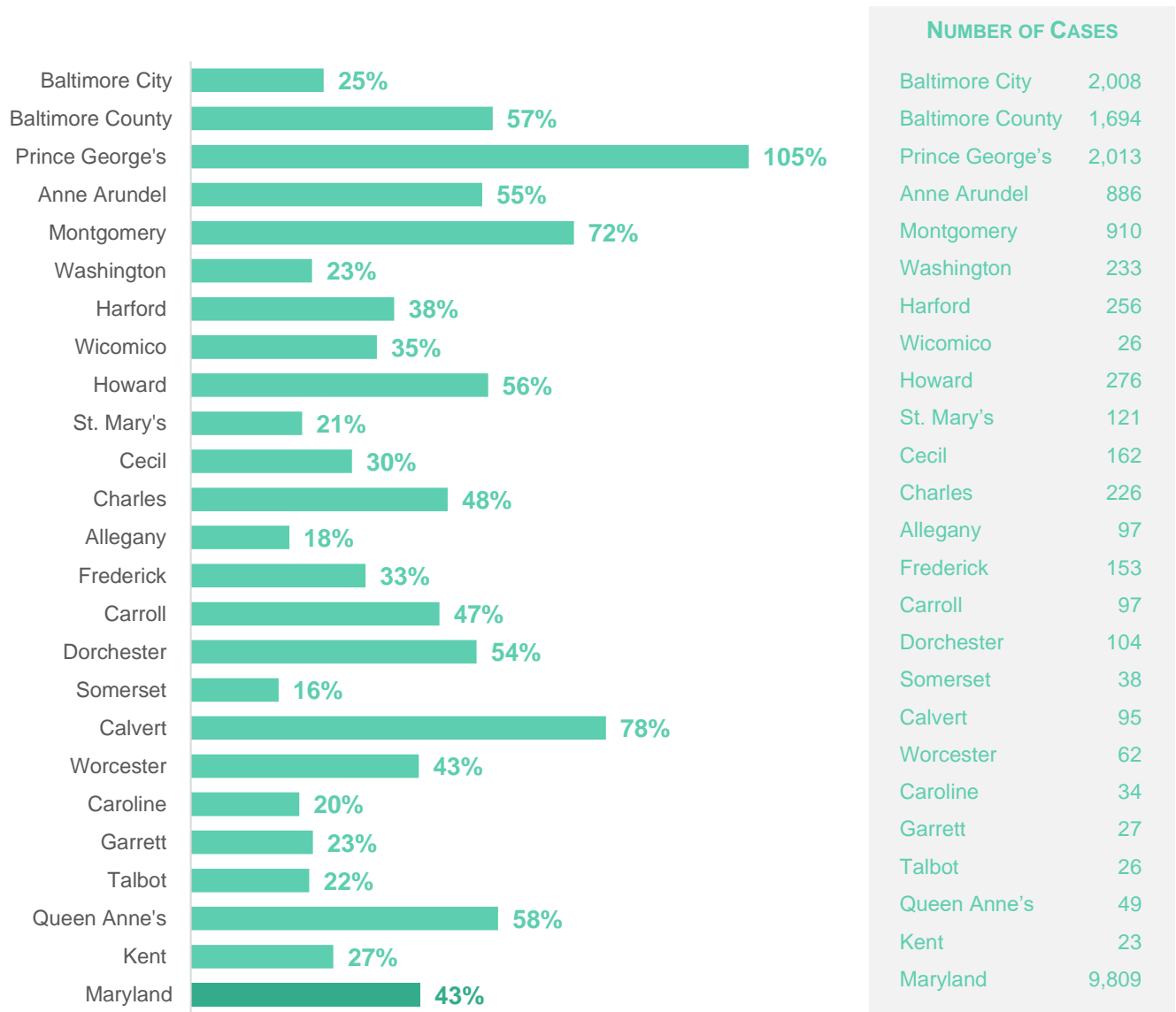
| | Number of Cases | Share of Total Statewide Cases |
|------------------|-----------------|--------------------------------|
| Baltimore City | 10,068 | 31% |
| Baltimore County | 4,687 | 14% |
| Prince George's | 3,937 | 12% |
| Anne Arundel | 2,507 | 8% |
| Montgomery | 2,176 | 7% |
| Washington | 1,257 | 4% |
| Harford | 927 | 3% |
| Wicomico | 835 | 3% |
| Howard | 771 | 2% |
| St. Mary's | 701 | 2% |
| Cecil | 698 | 2% |
| Charles | 695 | 2% |
| Allegany | 622 | 2% |
| Frederick | 620 | 2% |
| Carroll | 305 | 1% |
| Dorchester | 298 | 1% |
| Somerset | 269 | 1% |
| Calvert | 217 | 1% |
| Worcester | 207 | 1% |
| Caroline | 201 | 1% |
| Garrett | 145 | 0.4% |
| Talbot | 143 | 0.4% |
| Queen Anne's | 134 | 0.4% |
| Kent | 109 | 0.3% |
| Maryland | 32,532 | |

Note: These counts differ from those provided by DHS’s statistical reports, because the statistical reports provide the average monthly number of cases receiving TCA in a year while these counts provide the total number of cases that received TCA in 2020. Jurisdiction counts do not sum to the state total due to missing jurisdiction information on three cases.

⁵ Governor Larry Hogan announced a statewide stay at home order for the state of Maryland on March 30, 2020. (Exec. Order No. 20033001, 2020).

Figure 2. TCA Caseload Growth due to Pandemic Cases

Percentage increase due to cases beginning TCA receipt between April and June 2020



Note: Jurisdictions are organized by total caseload size in SFY 2020. Counts represent TCA cases beginning receipt in April to June 2020.

In Maryland, some jurisdictions experienced a much higher increase than others. Prince George's County had the largest increase. Between April and June 2020, the county experienced an 105% increase in cases. Montgomery County also experienced a large 72% increase. While Baltimore City had roughly the same number of additional cases (n=2,008) as Prince George's County

(n=2,013) during the pandemic, Baltimore City, due to its large TCA caseload, experienced a lesser, but still substantial, 25% increase. In total, Baltimore City and Prince George's County had two in five of the additional cases in the pandemic time period. Anne Arundel County and Baltimore County also saw substantial growth (55% and 57%, respectively).

Although three in four (77%) cases during the pandemic period came from Maryland's five largest jurisdictions, some of the less populous counties in southern Maryland and the Eastern Shore also saw large relative growth in their caseloads. Calvert County in southern Maryland, for instance, saw a 78% increase in TCA cases during the start of the pandemic. While this equates to only 95 new cases, it is a large jump in a short period of time for the county. Similarly, on the Eastern Shore, Dorchester County and Queen Anne's County had an increase of 104 and 49 additional cases, respectively, which equated to over 50% growth for both counties. Counties in western Maryland reported the smallest relative increases after the start of the pandemic, ranging from 18% to 23%. Although the new cases in these less populated counties are small in proportion to the growth seen in Prince George's County and Montgomery County, they are indicative of the broad effects of the pandemic statewide and illustrate that families felt the economic impact of the pandemic in rural areas as well as in Maryland's largest cities and suburbs.

Given the large increase in TCA families in a short period, we explore characteristics of families by whether they began receiving TCA before the pandemic or during its initial three months. As Table 2 shows, 22% of cases had one recipient prior to the pandemic. This decreased to 10% after the pandemic's start. Conversely, just over one in three (36%) pre-pandemic cases had two recipients, compared to roughly two in five (43%) pandemic cases. The percentage of cases with three recipients as well as those with four or more recipients saw little to no change between the pre-pandemic and pandemic cohorts.

In general, the percentage of adult recipients on TCA cases increased 11-percentage points from 28% in the pre-pandemic cohort to 39% in the pandemic cohort. Table 2 highlights the large shift in the number of adults on each case requiring cash assistance in the period after the start of the pandemic. One third (32%) of pre-pandemic cases had zero adult recipients compared to 6% of pandemic cases; these

The majority (68%) of all TCA recipients were children although this declined across cohort as the percentage of adult recipients increased from 28% to 39%.

represent families in which only the children receive TCA benefits, also known as child-only cases. Conversely, the percentage of cases with one adult receiving TCA increased from 64% of cases in the pre-pandemic cohort to 84% of cases in the pandemic cohort. The percentage of cases with two or more adult recipients also increased after the start of the pandemic, from one in 20 (4%) cases among the pre-pandemic cohort to one in 10 (10%) cases in the pandemic cohort. While each families' circumstances are unique, the increase in cases with adult recipients is most likely due to one or more adults in these families experiencing job loss or a reduction in job hours after the onset of the pandemic. For these families, cash assistance becomes essential to help pay for basic expenses for themselves and their children.

Although program interventions are focused on adult recipients, the TCA program is designed to ensure children are supported. In SFY 2020, children made up the majority (68%) of recipients. Unlike adult recipients, the number of children on each case did not

change between cohorts. Most of the pre-pandemic (47%) and pandemic (48%) cases had one child. Roughly one in four (27%) pre-pandemic cases had two children on their cases; the same was true for pandemic cases (26%). Cases with three or more children also comprised a similar share of the pre-pandemic (23%) and pandemic (19%) cases.

While the distribution of children per case did not change prior to and after the start of the pandemic, the composition of a typical case did change. Not only did the state experience a 43% growth in cases after the start of the pandemic, but cases more frequently had two people per case than cases in the nine months prior to the pandemic, and cases more frequently included one or more adults than cases in the pre-pandemic time frame.

Additionally, families in both cohorts who were receiving TCA after the start of the

pandemic faced a new obstacle—virtual schooling. In both cohorts, seven in 10 (69%) families had school-aged children (children between the ages of 6 and 18 years old) in their households. Not only are low-income families less likely to have appropriate resources for virtual schooling, like internet access, than higher income families (McElrath, 2020), but virtual school can also impact a family’s ability to work. The need to be home with children who might otherwise be at school can impact parents’ work schedules and income. Many jobs held by low-income workers cannot be done remotely (Parker et al., 2020). As a result, low-income parents—especially mothers—have had to reduce working hours in order to be at home or forgo jobs that cannot accommodate their new home responsibilities (Henderson, 2020; Kashen et al., 2020; Meyer & Pavetti, 2021). Indeed, virtual school creates several additional challenges for many TCA families.

Table 2. Number of Recipients on Cases***

| | Pre-Pandemic Cases n=22,723 | Pandemic Cases n=9,809 | Total Cases n=32,532 |
|-----------------------------------|--------------------------------|---------------------------|-------------------------|
| Number of Recipients | | | |
| 1 | 22% | 10% | 19% |
| 2 | 36% | 43% | 38% |
| 3 | 22% | 26% | 23% |
| 4+ | 20% | 20% | 20% |
| Number of Adult Recipients | | | |
| 0 | 32% | 6% | 24% |
| 1 | 64% | 84% | 70% |
| 2+ | 4% | 10% | 6% |
| Number of Child Recipients | | | |
| 0 | 4% | 8% | 5% |
| 1 | 47% | 48% | 47% |
| 2 | 27% | 26% | 27% |
| 3+ | 23% | 19% | 21% |

Seven in 10 families had school-aged children (from ages 6 to 18) among both pre-pandemic and pandemic cases.

Note: Cases without any child recipients include families with either a pregnant head of household or children who receive disability, subsidized adoption, or foster care payments. Less than 5 cases had more than 2 adult recipients. Percentages may not add up to 100% due to rounding. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Program Participation

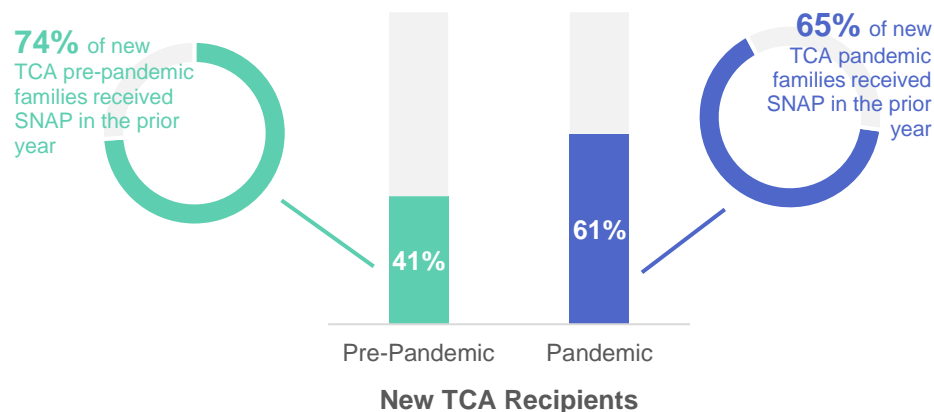
The sudden economic downturn caused by the pandemic resulted in a large increase in new families coming onto TCA. This report considers families new to TCA when no adult has received TCA benefits for themselves prior to SFY 2020.⁶ As Figure 3 shows, there was a significant 20-percentage point increase in families joining TCA for the first time between the cohorts. Two in five (41%) families who joined the program were new to TCA in the pre-pandemic cohort, but that percentage increased to three in five (61%) families in the pandemic cohort.

However, many of these new families were not new to safety net programs. For both cohorts, a majority of the new TCA families had received Supplemental Nutrition Assistance Program (SNAP) benefits in the year prior to joining TCA. Three in four (74%) new TCA families in the pre-pandemic cohort received SNAP in the previous year, as did two in three (65%) new families in the pandemic cohort. It is

not surprising that many new TCA families transitioned from the SNAP program to TCA, as SNAP-recipient families often do not have assets to help them through turbulent financial times such as job loss or a reduction in working hours (Ratcliffe et al., 2016). Some familiarity with safety net programs also makes the transition to TCA easy for SNAP-recipient families since they are likely to know about the TCA program and have experience with the required paperwork and documentation.

The increase of new families coming onto TCA after the start of the pandemic is particularly striking when examining the distribution of past TCA receipt. Table 3 highlights that families who began receiving TCA after the start of the pandemic have indeed had little to no involvement with the program in the previous five years compared to families in the pre-pandemic cohort. Although, families in the pre-pandemic cohort generally received TCA for short periods of time.

Figure 3. New TCA Families & Prior SNAP Receipt***



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

⁶ In cases in which there are two adults in the family, both adults must have never received TCA before

their SFY 2020 spell. Instances in which an adult received TCA benefits as a child are not considered.

As Table 3 shows, 44% of families in the pre-pandemic cohort received TCA benefits for 12 months or less over the past five years, including one in five (19%) families who had not received any benefits. On average, families received 23 months of TCA benefits in the previous 60 months. While most families received TCA benefits for a relatively short period of time, one in five (21%) families received 49 to 60 months of cash assistance. The distribution of TCA benefits among the pre-pandemic cohort is incredibly similar to the distribution in prior years when the TCA caseload was on the decline (Gross & Passarella, 2020; McColl & Passarella, 2019a).

Compared to the pre-pandemic cohort, the distribution of past TCA receipt was significantly different for families in the pandemic cohort. Overall, 75% of families in the pandemic cohort received no TCA benefits over the past five years; this is a 56-percentage point difference from the pre-pandemic cohort and highlights the large number of new families joining TCA in the pandemic period. Further highlighting the difference is the large decrease in the average number of months of benefits families received in the past five years. In the pandemic cohort, families had an

average of only *three* months of TCA benefits.

Overall, Table 3 shows that the pre-pandemic cohort received TCA benefits for short periods of time, in fashion with the *temporary* aspect of the program. The table also shows that the pandemic cohort had mostly little to no past TCA receipt due to the large percentage of new families. However, it will be important to revisit this information again to understand how families may or may not rely on the program differently as they wait for the economy to bounce back.

As a result of the immediate and substantial impact the pandemic had on the economy, the next analysis examines the receipt of TCA benefits in the initial months of the pandemic. Figure 4 provides the percentage of families in both cohorts who received three, two, one, or no months of TCA between April and June 2020. The supplementary table to the right is the average months of benefits for the families in the pandemic cohort. As Figure 4 shows, two in three (67%) families in the pre-pandemic cohort continued to receive TCA benefits in the initial three months of the pandemic. This is most likely due to both

Table 3. TCA Receipt in the Previous Five Years***

| | Pre-Pandemic Cases n=22,723 | Pandemic Cases n=9,809 | Total Cases n=32,532 |
|-------------------------|--------------------------------|---------------------------|-------------------------|
| 0 months | 19% | 75% | 36% |
| 1 - 12 months | 25% | 16% | 22% |
| 13 - 24 months | 16% | 6% | 13% |
| 25 - 36 months | 11% | 2% | 8% |
| 37 - 48 months | 9% | 1% | 6% |
| 49 - 60 months | 21% | 0% | 15% |
| Average [Median] Months | 23 [17] | 3 [0] | 17 [8] |

Note: Percentages may not add up to 100% due to rounding. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

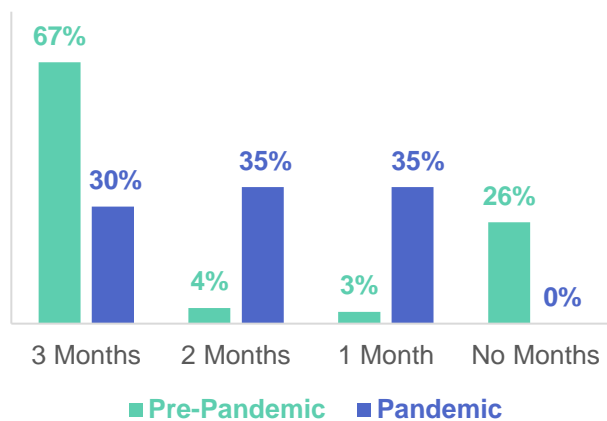
financial need on the part of families as well as the automatic redeterminations of TCA benefits for current recipients, which took effect in March 2020 and provided families an additional six months of benefits before their next redetermination to verify continued eligibility (DHS, 2020a). One in four (26%) families receiving TCA before the pandemic did not receive benefits into the pandemic period, likely exiting the program before the pandemic began.

Figure 4 also shows that of the families in the pandemic cohort, three in 10 (30%) received three months of benefits. This means many families needed cash

assistance as soon as the pandemic hit. Just over one in three (35%) families in the pandemic cohort received two months of TCA benefits, and another 35% received one month of benefits. As shown in the table, almost all families who received two months of benefits began receiving TCA in May, and families who had one month of benefits started TCA in June. This means that during the first three months of the pandemic, the number of families in the pandemic cohort who began to receive TCA benefits continuously increased while most families in the pre-pandemic cohort continued to receive benefits during the pandemic's initial months.

Figure 4. Months of TCA Receipt during the Initial Months of the Pandemic***

TCA Receipt between April and June 2020



Pandemic families who received one month of TCA in the initial months of the pandemic did not begin receiving TCA until June 2020.

| TCA Receipt among Pandemic Cases | | |
|----------------------------------|------------------------|---------------------------|
| | First Month of Receipt | Average Months of Receipt |
| April | 31% | 3 |
| May | 35% | 2 |
| June | 34% | 1 |

Note: A small percentage of families did not receive benefits for all available months, so the percentages in the figure and table do not match.

Adult Recipients

Adult TCA recipients are targeted for program interventions, making it important for policymakers and program managers to understand their characteristics so that programs are effectively implemented to address participants' barriers and lead them to self-sufficiency. As Table 4 demonstrates, there are demographic differences between adult recipients in the two cohorts. These

differences might indicate different approaches to help adults obtain stability.

Characteristics of adult recipients in the pre-pandemic cohort were similar to the SFY 2019 cohort (Gross & Passarella, 2020). Adults in the pre-pandemic cohort were mostly female (90%) and largely African American (72%), although just over one in five (22%) were Caucasian. The majority

(79%) of recipients were never married, and half (49%) were between the ages of 25 and 35 years old, with an average age of 32. Two in three (65%) participants graduated from high school with no additional education, and another 11% had additional education beyond high school.

Although recipients in the pandemic cohort were still mostly female (84%), there was a six-percentage point increase in male recipients compared to the pre-pandemic cohort (16% vs. 10%). Adult recipients in the pandemic cohort were also more likely to be Caucasian (25%) or Hispanic (8%) compared to the pre-pandemic cohort, and

they were less likely to be African American (63%). While age was similar between both cohorts, a larger percentage of adults in the pandemic cohort (16%) were likely to be married compared to the pre-pandemic cohort (9%). A higher percentage of adults in the pandemic cohort (17%) were also more likely to have education beyond high school relative to the pre-pandemic cohort.

The change in demographic characteristics for adult recipients in the pandemic cohort reflects the broader changes seen in the TCA case composition (Table 2). The increase in the percentage of cases with

Table 4. Adult Recipient Demographics

| | Pre-Pandemic Recipients n=16,226 | Pandemic Recipients n=10,227 | Total Recipients n=26,453 |
|---------------------------------------|-------------------------------------|---------------------------------|------------------------------|
| Gender*** | | | |
| Female | 90% | 84% | 88% |
| Male | 10% | 16% | 12% |
| Race & Ethnicity*** | | | |
| African American^ | 72% | 63% | 69% |
| Caucasian^ | 22% | 25% | 23% |
| Hispanic | 3% | 8% | 5% |
| Other^ | 3% | 4% | 3% |
| Marital Status*** | | | |
| Married | 9% | 16% | 12% |
| Never married | 79% | 71% | 76% |
| Previously married | 12% | 13% | 12% |
| Age** | | | |
| 20 or younger | 3% | 4% | 4% |
| 21 to 24 | 12% | 13% | 12% |
| 25 to 29 | 26% | 24% | 25% |
| 30 to 34 | 23% | 23% | 23% |
| 35 or older | 36% | 36% | 36% |
| Average [Median] Age | 33 [32] | 33 [32] | 33 [32] |
| Education*** | | | |
| Did not finish grade 12 | 24% | 19% | 22% |
| Finished grade 12 | 65% | 64% | 65% |
| Additional education after 12th grade | 11% | 17% | 13% |

Note: ^=non-Hispanic. Percentages may not add up to 100% due to rounding. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

two adult recipients is supported by the higher percentage of men and married recipients found in the pandemic cohort. In looking towards recovery, however, the higher share of recipients with education beyond high school is promising since past

reports have found that more education is associated with participants being more likely to find work and less likely to return to TCA and other safety net programs (McColl & Passarella, 2019b; James & Nicoli, 2016).

DEMOGRAPHIC PROFILE OF NEW TCA RECIPIENTS

Two in three (61%) adult recipients who began receiving TCA during the pandemic were new to the TCA program. Similarly, two in five (41%) adult recipients in the pre-pandemic cohort were new to the TCA program. What are the characteristics of these new recipients?

Recipients who are new to the TCA program have different characteristics from those who have previously received TCA. Compared to previous recipients, new recipients in both the pre-pandemic and pandemic cohorts, are more likely to be:

- Men
- Married
- Caucasian, Hispanic, or other race ethnicity
- Have education beyond high school

New recipients during the pandemic are even more likely to have these characteristics. For instance, they are more likely to be Hispanic.

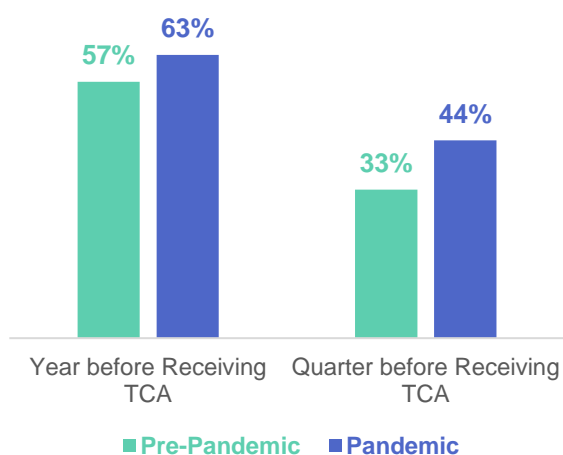
| Adult Recipients*** | | | | |
|-------------------------|---------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | New Recipients | | Previous Recipients | |
| | Pre-Pandemic <i>n</i> =4,944 | Pandemic <i>n</i> =6,401 | Pre-Pandemic <i>n</i> =11,282 | Pandemic <i>n</i> =3,826 |
| Gender | | | | |
| Female | 83% | 79% | 94% | 94% |
| Male | 17% | 21% | 6% | 6% |
| Race Ethnicity | | | | |
| African American^ | 58% | 54% | 79% | 76% |
| Caucasian^ | 31% | 30% | 18% | 19% |
| Hispanic | 6% | 11% | 2% | 4% |
| Other^ | 6% | 6% | 1% | 2% |
| Marital Status | | | | |
| Married | 17% | 22% | 6% | 8% |
| Never married | 70% | 65% | 83% | 80% |
| Previously married | 13% | 13% | 12% | 12% |
| Age | | | | |
| Average age | 32 | 32 | 34 | 34 |
| Education | | | | |
| Did not finish grade 12 | 20% | 16% | 27% | 22% |
| Finished grade 12 | 66% | 63% | 65% | 67% |
| Additional education | 15% | 21% | 9% | 11% |

Note: ^=non-Hispanic. Percentages may not add up to 100% due to rounding. Valid percentages are reported. **p*<.05, ***p*<.01, ****p*<.001

Another important piece of information about adult recipients is their work history. As previous investigations have found, work experience prior to TCA is associated with recipients being more likely to secure employment after leaving the program (James & Nicoli, 2016). Examining work experience can provide a general sense of the additional resources recipients might need to reach financial stability such as vocational training and education programs (James & Nicoli, 2016).

Overall, recipients in the pandemic cohort were slightly more likely to have been employed before receiving TCA than adults in the pre-pandemic cohort. As Figure 5 shows, just under two in three (63%) adults in the pandemic cohort worked at some point during the year prior to coming onto TCA compared to three in five (57%) pre-pandemic adults. As with adult demographic characteristics, employment participation among pre-pandemic adults is similar to the

Figure 5. Percent Employed before Receiving TCA***



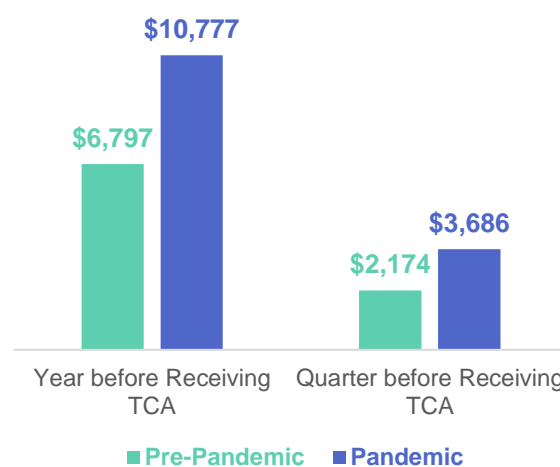
Note: Excludes individuals who did not have a unique identifier (n=54). Valid percentages are reported. *p<.05, **p<.01, ***p<.001

⁷ The median is the middle of a data set, organized from smallest to largest. For Figure 6, the middle of the data set for yearly earnings was \$6,797 for the

employment among adults in the SFY 2019 caseload (Gross & Passarella, 2020). In the last quarter before TCA receipt, there was an 11-percentage point difference in employment among adults in the pandemic (44%) and pre-pandemic (33%) cohorts.

The pandemic cohort had slightly higher, albeit significant, rates of employment compared to the pre-pandemic cohort, but findings in Figure 6 show that they also had substantially higher median⁷ earnings. The pandemic cohort had median earnings of \$10,777 in the year before their TCA receipt, and the pre-pandemic cohort had median earnings of \$6,797. This means the pandemic cohort earned nearly 60% more than the pre-pandemic cohort. Similarly, the pandemic cohort's median earnings (\$3,686) in the quarter before their TCA receipt were 70% higher than the pre-pandemic cohort (\$2,174). Such differences in earnings provide additional confirmation that pandemic recipients are not traditional TCA recipients and that their participation is likely due to the pandemic's economic toll.

Figure 6. Median Earnings before Receiving TCA among Employed Adults

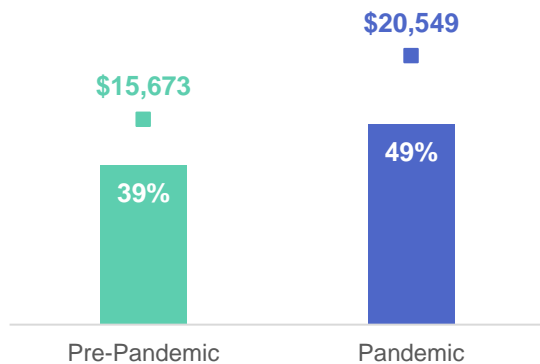


pre-pandemic cohort indicating that half of adults had earnings at or above this amount while the other half had earnings at or below this amount.

A similar trend emerges when examining adult recipients who worked in all four quarters of the year prior to joining TCA.⁸ As Figure 7 shows, 39% of adult recipients in the pre-pandemic cohort worked in all four quarters of the year before receiving TCA. In the pandemic cohort, half (49%) of adults worked in all four quarters. This 10-percentage point difference between the cohorts indicates that the pandemic cohort has a larger share of adults who were consistently working before receiving TCA compared to the pre-pandemic cohort.

Figure 7. Full-Year Employment and Median Earnings among Employed Adult Recipients***

Adults working 4 quarters in the year before receiving TCA



Note: Excludes individuals who did not have a unique identifier (n=54) or were not employed in the year before receiving TCA. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

⁸ This analysis looks at whether or not an adult recipient worked during all four quarters in the year before TCA receipt. This does not mean that the recipient worked in the same job or was employed continuously throughout the year.

Among the adults who were employed the full year, the pandemic cohort continued to have substantially higher (30%) earnings, with median annual earnings of \$20,549 for the pandemic cohort compared to \$15,673 for the pre-pandemic cohort. Despite higher earnings, however, earnings for both cohorts

are relatively low and fall near the federal poverty line (U.S. Department of Health and Human Services [HHS], 2020).⁹ Such low earnings suggest why these adults required TCA assistance, whether they experienced tough economic times before or as a result of the pandemic. An analysis of adult recipients' industries of employment provides additional insight into the earnings of both cohorts.

In examining industries, one important finding is that adults in both cohorts largely worked in the same lower-wage industries, although at slightly different rates. When working in the same industry, however, adult recipients in the pandemic cohort had higher median earnings than adults in the pre-pandemic cohort. Table 5 examines the most common industries in which adult TCA recipients were last employed prior to receiving TCA—accounting for industries with 2% or more of employed adults—and compares employment participation by industry as well as quarterly median earnings for both cohorts.

⁹ The federal poverty line was \$17,240 for a family of two in 2020 and \$21,720 for a family of three in 2020. (HHS, 2020).

Adults in both cohorts were likely to work in similar lower-wage industries like administrative and support services, which includes temporary employment,¹⁰ the restaurant industry, and general retail. While adult TCA recipients in the pandemic cohort were likely to work in administrative and support services (14%), they were six-percentage points less likely to do so than the pre-pandemic cohort (20%). Roughly one in four adult recipients in both cohorts worked in the restaurant industry and general retail, which were hit hard by the pandemic (Urban Institute, n.d.). Just under one in five adult recipients in the pre-pandemic (17%) and pandemic (18%)

cohorts worked in the restaurant industry. About 7% of adult recipients in the pre-pandemic cohort worked in general retail and a slightly smaller (4%) share of adult recipients in the pandemic cohort worked in that same industry. However, adult recipients in the pandemic cohort were slightly more likely to have been previously employed in outpatient health care (8%) than the pre-pandemic cohort (6%), which is considered a higher-wage industry. Adult recipients in the pandemic cohort, however, were not any more likely to work in two other higher-wage industries: nursing homes and hospitals.

Table 5. Most Common Industries of Employment & Median Quarterly Earnings***
Industry in which adult recipients were last employed in the year before receiving TCA

| | Pre-Pandemic Recipients n=9,301 | | Pandemic Recipients n=6,464 | | Total Recipients n=15,765 | |
|--|------------------------------------|-----------------|--------------------------------|-----------------|------------------------------|-----------------|
| | % Employed | Median Earnings | % Employed | Median Earnings | % Employed | Median Earnings |
| Administrative & Support | 20% | \$1,340 | 14% | \$1,954 | 17% | \$1,522 |
| Restaurants | 17% | \$1,338 | 18% | \$2,024 | 17% | \$1,596 |
| Outpatient Health Care | 6% | \$2,529 | 8% | \$4,705 | 7% | \$3,343 |
| General Retail | 7% | \$1,365 | 4% | \$1,379 | 6% | \$1,367 |
| Nursing Homes | 5% | \$2,848 | 5% | \$3,474 | 5% | \$3,046 |
| Food and Beverage Retail | 4% | \$1,161 | 3% | \$1,613 | 4% | \$1,336 |
| Social Assistance | 4% | \$2,420 | 4% | \$2,882 | 4% | \$2,652 |
| Warehousing and Storage | 3% | \$1,541 | 3% | \$1,560 | 3% | \$1,554 |
| Educational Services | 3% | \$2,373 | 3% | \$3,361 | 3% | \$2,703 |
| Hospitals | 3% | \$3,866 | 2% | \$4,468 | 3% | \$4,246 |
| Accommodation | 3% | \$1,873 | 3% | \$2,882 | 3% | \$2,183 |
| Professional, Scientific, & Technical Services | 2% | \$2,055 | 3% | \$3,880 | 2% | \$2,711 |
| Other | 24% | \$2,071 | 29% | \$3,215 | 26% | \$2,496 |

Note: Count represents individuals employed before receiving TCA. Analysis excludes individuals who do not have a unique identifier or who were employed but the NAICS code was not identified. Valid percentages are reported.

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

¹⁰ The Administrative & Support (NAICS 561) category is defined as, “Organizations that support day-to-day operations such as clerical and cleaning

activities as well as general management activities and temporary employment services” (BLS, n.d.b)

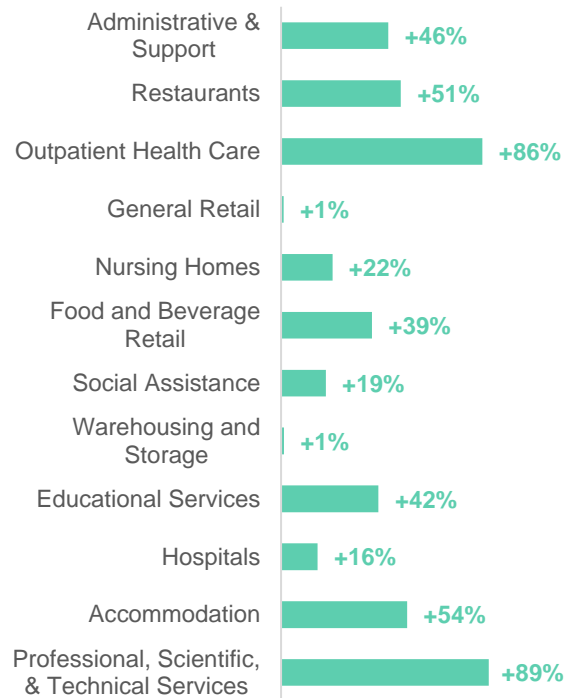
Interestingly, Table 5 also makes clear that even in the same industry, the pandemic cohort had higher earnings than the pre-pandemic cohort. For example, adults in the pandemic cohort who were employed in outpatient health care had median quarterly earnings of \$4,705, which is nearly double the median earnings of the pre-pandemic cohort employed in that same industry (\$2,529).

The differences in earnings by industry between the pre-pandemic and pandemic cohorts are displayed in Figure 8. The pandemic cohort earned 46% more than the pre-pandemic cohort in the administrative and support category, which is one of the largest industries of previous employment for both cohorts. Even when working in the lower-wage restaurant industry, adults in the pandemic cohort had earnings that were 51% higher than the pre-pandemic adults who were also employed in restaurants. As mentioned above, adults in the pandemic cohort earned nearly double (86%) the pre-pandemic cohort in outpatient health care.

While it is hard to determine exactly why the pandemic cohort's median earnings are higher than the pre-pandemic cohort's earnings in nearly all industries, two contributing factors might be past work experience and educational attainment. The fact that adults in the pandemic cohort were more likely to work in all four quarters of the year before their TCA receipt, combined with their lack of prior TCA receipt, indicates they might have worked more consistently than the pre-pandemic cohort. As a result, they would also have earned more. Adults in the pandemic cohort were also more likely to have education beyond high school. In general, higher levels of educational attainment are associated with higher yearly income (BLS, n.d.c), and as past reports

Figure 8. Difference in Median Earnings by Industry

How much more did pandemic recipients earn compared to pre-pandemic recipients in the last quarter they were employed before receiving TCA?



have found, even when TCA recipients work in the same industry, those with higher educational attainment typically earn more (McColl & Passarella, 2019b).

Greater work experience and higher levels of educational attainment might be good news for the pandemic cohort's recovery, since educational attainment and employment retention are associated with adult recipients being more likely to achieve financial stability after leaving TCA (McColl & Passarella, 2019b; Nicoli, 2018). However, both cohorts had low wages overall. Important for recipients' future is not only finding jobs but also securing employment in industries in which they can earn a sustainable wage (James & Nicoli, 2016).

Conclusions

The 2020 *Life on Welfare* report straddles the economic disruption caused by the COVID-19 pandemic. Prior to the pandemic, Maryland's TCA program was serving historically low numbers of families. In the initial three months after the start of the pandemic, however, the statewide TCA caseload had a 43% increase compared to the prior nine months of SFY 2020.

Given the economic impact of the pandemic, this report examined the TCA caseload in two cohorts: pre-pandemic and pandemic. Overall, the families in the pre-pandemic cohort were similar to those from the prior year, when the economy was strong and unemployment was low (Gross & Passarella, 2020). The pandemic cohort, however, included families with different characteristics. Notably, cases were less likely to be child-only and more likely to have adult recipients, many of whom likely experienced job loss or had to reduce hours or leave the workforce to take care of school-aged children due to the pandemic (Kashen et al., 2020). The pandemic cohort also included more first-time TCA recipients, but the majority of new recipients received SNAP benefits during the previous year. This indicates that a number of new families were already familiar with safety net programs and were financially vulnerable. The pandemic exacerbated this financial vulnerability for many.

This report also examined characteristics of adult recipients and found that although most adult recipients in both cohorts were women, there was a higher percentage of male recipients in the pandemic cohort; this is related to the increase in two-parent families. Recipients in the pandemic cohort were also more likely to be married and to

have an education beyond high school. Higher levels of education might have played a role in their higher earnings; median earnings for the pandemic cohort were 70% higher than the pre-pandemic cohort's earnings in the quarter before receiving TCA. This may potentially mean better outcomes for the pandemic cohort after TCA, since higher educational attainment and prior work experience increase the likelihood of recipients finding jobs with higher pay and more financial stability (James & Nicoli, 2016).

Still, many adults in both cohorts worked in the same low-wage industries, including administration and support, restaurants, and retail. Pursuing vocational education might help adults secure employment in higher paying industries. Recently, the TCA program extended participation in vocational education from 12 months to 24 months, and given the economic landscape, this may be an opportune time for adults to engage in training (DHS, 2020b). Securing marketable skills may be particularly important as businesses have retooled and jobs have changed as a result of the pandemic (Meyer & Pavetti, 2021). As key employment industries for TCA recipients continue to struggle to recover—for instance, as of December 2020, the hospitality industry had only recovered half of the jobs lost during the early months of the pandemic (BLS, 2021)—education and skills training become especially important for those employed in these fields to find work elsewhere (Edelberg & Shelvin, 2021).

For many low-income families trying to find their footing in an economic downturn, in the face of changing industries and with the challenges of remote schooling, the

resources of the TCA program have been essential. Maryland's TCA program has demonstrated a responsiveness to increased demand by implementing program flexibilities. For instance, the state has extended automatic recertification of TCA benefits (DHS, 2020a). The state has also waived in-person interviews for new applicants and has suspended otherwise mandatory work requirements if there is good cause (DHS, 2020c; DHS, 2020a). To match continuing need, the state is also providing an additional \$100 per month in TCA benefits per family member for six months starting January 2021 (DHS, 2020d). Combined with federal increases in SNAP benefits, families are receiving more during a period of greater need (U.S. Department of Agriculture, 2020).

Even with added benefits, there is still uncertainty in how TCA families will fair as Maryland recovers from the pandemic given that it took several years for employment participation and earnings to rebound from the Great Recession (Nicoli & Passarella, 2018). What is certain, however, is that the economic impact of the pandemic has highlighted the essential role of TANF nationwide, and TCA locally, as safety net resources for families in need (Schweitzer, 2020). In light of these uncertainties, two key outcomes to track moving forward will be the pandemic's effects on how long families receive TCA benefits as well as any changes in characteristics and employment outcomes of women in the TCA program, since women, especially single mothers, have had to leave the workforce at alarming rates during this difficult period (Kashen et al., 2020).

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