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LIFE ON WELFARE, 2021:
TEMPORARY CASH ASSISTANCE DURING THE COVID-19 PANDEMIC

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In 2021, the nation continued to battle the COVID-19 pandemic, including the pandemic's subsequent economic disruption. Many social distancing measures implemented in 2020 to limit the virus's spread continued throughout 2021, including remote work and schooling as well as restrictions on travel, dining, and social gatherings. While unemployment caused by the pandemic declined after its staggering peak of 15% in April 2020, it remained elevated from pre-pandemic rates throughout 2021 (Bureau of Labor Statistics [BLS], n.d.a). Federal and state governments enacted multiple aid packages and initiatives to try to ease the pandemic's financial burdens.

Despite relief efforts, many families still faced tough financial situations. As of November 2021, about 28% of Americans had trouble covering usual expenses and many faced food insecurity (Center for Budget and Policy Priorities [CBPP], 2021). Low-wage workers were the most impacted, with the lowest paying industries—such as accommodation and food services--accounting for 56% of total job loss between February 2020 and September 2021 (CBPP, 2021; Stang, 2021).

Job recovery also proved unequitable, with workers with higher education levels and those with remote-compatible jobs recovering faster (Waddell, 2021). Low-income, female workers of color faced the largest challenge in regaining their pre-pandemic workforce participation rates. This is because they disproportionately worked in the low-wage industries impacted by the pandemic, were less likely to be in remote jobs, and were more likely to need to leave the workforce to care for children who were suddenly at home during the day (Liu et al., 2020; Daniluk & Latham, 2021).

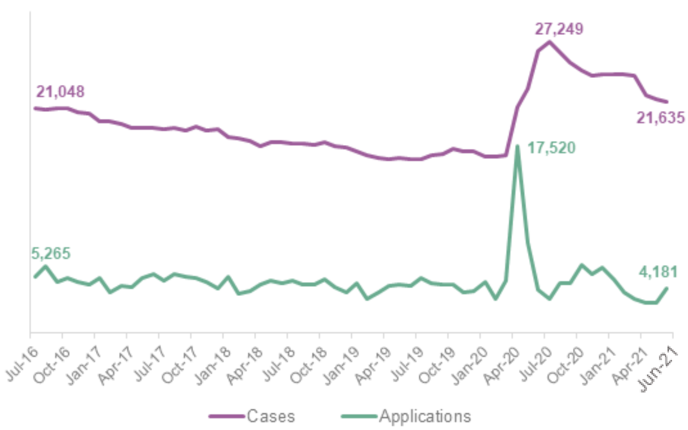
In Maryland, unemployment peaked at 9% in March and April 2020 and gradually declined over the following months, with a low of 6% in November 2021 (BLS, n.d.a). Although this was a much faster decrease in the unemployment rate compared to the recovery from the Great Recession, unemployment was still higher than the 3% experienced prior to the pandemic (BLS, n.d.a.). In July 2020, 39% of those not working attributed their lack of employment to either their workplace shutting down or layoffs as a result of the pandemic. Moreover,10% reported being out of the workforce as a result of their children not being in daycare or school (Crouse, 2020).

KEY FINDINGS

- Maryland's TCA caseload remained elevated due to the COVID-19 pandemic.
- Adult recipients were more common on cases compared to SFY 2019, the year before the pandemic (78% vs. 68%).
- Over half (55%) of TCA families had at least one child 5 years old or younger, and 70% had at least one school-aged child.
- Half (51%) of families received TCA benefits for most—10 to 12 months—of the year.
- One in five (20%) families received a child support pass-through payment.
- Most adults had either a high school diploma (65%) or post-secondary education (14%).
- A majority (60%) of adult recipients worked before their TCA receipt. Median earnings were $8,164.
- Adult receipts frequently worked in low-wage industries, like restaurants and retail. These industries were hit hard by the pandemic.

Despite decreases in the state's unemployment rate through 2021, slower recovery in certain industries as well as parents staying home to care for children has made the resources of Maryland's Temporary Cash Assistance (TCA) program essential for many families (Barnes et al., 2021). As Figure 1 shows, there was a large spike in both the number of TCA applications and cases immediately after the start of the pandemic. The number of applications more quickly rebounded towards pre-pandemic levels after an initial spike. However, the end of state fiscal year (SFY) 2020 and throughout SFY 2021,[1] the number of TCA cases remained relatively high compared to prior months.

Figure 1: TCA Applications and Cases



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

The large number of families who required TCA assistance throughout 2021 is a reminder of just how essential the program is for many Maryland families—including families who never thought they would need to rely on the safety net. This iteration of the *Life on Welfare* report focuses on the families who were receiving TCA after the start of the coronavirus pandemic, regardless of whether the pandemic caused their enrollment in the program and examines their characteristics. Specifically, this report addresses the following questions:

1. What are the characteristics of cases and families who received TCA in SFY 2021?
2. What are the demographic characteristics of adult recipients?
3. What were the employment experiences of adult recipients prior to receiving TCA?

Maryland policymakers and DHS leadership ensured the TCA program was able to respond to the great need throughout the pandemic by implementing program flexibilities. For example, work requirements were suspended and the redetermination of benefits became automatic, allowing TCA families to continue receiving cash assistance without submitting additional paperwork (DHS, 2020a; 2020b, 2020c, 2021a). These flexibilities allowed families to focus on their safety and well-being. This brief provides insight into the families who needed assistance during these unprecedented times.

[1] All references to years in the remainder of this report are state fiscal years unless otherwise noted.

Data and Study Population

Data

Data come from the Client Automated Resource and Eligibility System (CARES), the Eligibility and Enrollment (E&E) system, and the Maryland Automated Benefits System (MABS). CARES and E&E are the administrative data systems for TCA participation information. In April 2021, 10 jurisdictions migrated from CARES to E&E. All jurisdictions migrated to E&E by November 2021. Due to this transition, this annual update reports limited data on cases whose first month of TCA benefits occurred in one of the 10 jurisdictions that migrated during SFY 2021. In Table 1, we include the count of cases (n=316) that began receiving TCA benefits between April and June 2021, as identified in E&E. However, these cases are not included in additional analyses for this annual update.

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.[2]

Study Population

The study population includes every family who received TCA for at least one month in SFY 2021 (July 2020 to June 2021). There were 32,561 unique families who received at least one month of TCA in SFY 2020 including 27,416 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.[3]

Because we are interested in receipt during the SFY, the first month in the year that a family received benefits is the first month included in the analysis. For example, if a family applied for TCA in January 2021, that family might not receive benefits until February 2021. We would consider February 2021 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 2021, 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.

[2] One in six (17%) Maryland residents works out of state, which is over four times greater than the national average (3.7%) (U.S. Census Bureau, n.d.).

[3] In earlier reports, the study population was families who received TCA in October of a given year, and only payees were included in demographic and employment analyses, regardless of whether they were recipients. Due to these changes, the data in this brief are not comparable to the data in reports published prior to 2017.

Cases and Families

As a result of social distancing measures implemented to curtail the spread of the coronavirus, total TCA cases grew by more than a quarter (27%) between 2019, the last full year before the pandemic, and 2020 (Passarella & Smith, 2021). The number of TCA cases remained higher than pre-pandemic years throughout 2021, with a total of 32,561 families receiving at least one month of TCA. This caseload size remained stable from 2020. Automatic redeterminations played a large role in the continued elevation of the TCA caseload since families did not have to complete redetermination paperwork for TCA benefits throughout 2021 (DHS, 2020a; 2020b; 2021a).[4] Consequently, more families may have continued receiving benefits from the prior fiscal year. Automatic redeterminations were an important flexibility for families, given the sustained effects of the pandemic on the economy. Low-wage jobs continued to be impacted the most, making employment prospects bleak, particularly for low-income adults. Taken together, automatic redeterminations and a lagging economy made a large caseload unsurprising (Miller, 2021).

The pandemic, however, did not change the fact that Maryland's five most populous jurisdictions accounted for a majority of the state's TCA caseload. As Table 1 shows, the five largest jurisdictions accounted for over 70% of the caseload in 2021. Baltimore City, which had the largest share of TCA cases, made up three in 10 (29%) of the state's cases. Baltimore City did, however, experience a 7% decrease in cases between 2020 and 2021. Baltimore and Prince George's Counties each accounted for nearly one in seven (15% and 13%, respectively) cases statewide. Prince George's County's caseload, which saw the highest increase in TCA cases at the start of the pandemic (Passarella & Smith, 2021), grew 9% between 2020 and 2021. Anne Arundel County had 9% of the statewide share in 2021 and increased 15% in its number of cases between the two years. Montgomery County totaled 6% of the statewide caseload and was the only other large jurisdiction besides Baltimore City to experience a caseload decrease (-6%) between 2020 and 2021. There were small caseload declines in eight additional counties, while three jurisdictions remained stable. Another eight jurisdictions had some caseload growth, but given their size, these counties collectively netted only 128 more TCA cases in 2021 than in the previous year.

As the state economy begins to rebound from the effects of the pandemic and program flexibilities are phased out, caseloads will decline, but it is uncertain how long it will take for the statewide caseload to return to pre-pandemic levels. After the Great Recession, for instance, the TCA caseload remained elevated until 2012 (Gleason et al., 2014). Given that the pandemic is a different type of economic event, it is unclear how long it will take the economy to recover and the TCA caseload to return to pre-pandemic numbers (Neal & Goodman, 2021).

[4] The recertification extensions were not in place in July, August, and September of 2020. As a result, some TCA families lost benefits (Department of Legislative Services, 2021).

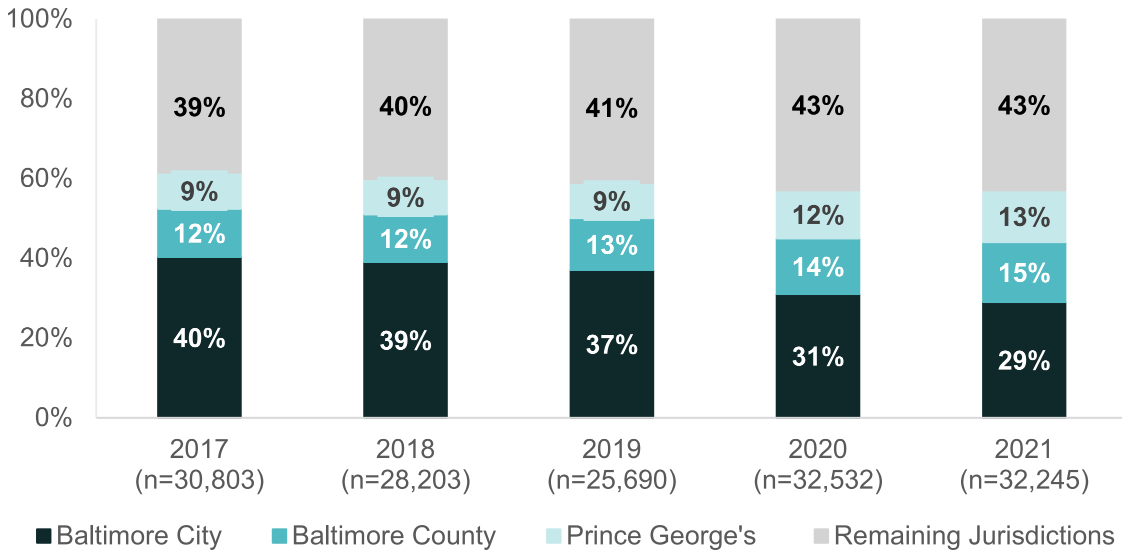
Table 1: Percent of State Caseload and Number of Cases by Jurisdiction, SFYs 2020 and 2021

	SFY 2020		SFY 2021		Year-to-Year Change	
	%	*n*	*%*	*n*	*%*	*n*
Baltimore City	31%	(10,068)	29%	(9,402)	-7%	(-666)
Baltimore County	14%	(4,687)	15%	(4,807)	3%	(+120)
Prince George's	12%	(3,937)	13%	(4,300)	9%	(+363)
Anne Arundel	8%	(2,507)	9%	(2,875)	15%	(+368)
Montgomery	7%	(2,176)	6%	(2,041)	-6%	(-135)
Washington	4%	(1,257)	4%	(1,255)	0%	(-2)
Harford	3%	(927)	3%	(887)	-4%	(-40)
Wicomico	3%	(835)	3%	(867)	4%	(+32)
Howard	2%	(771)	2%	(730)	-5%	(-41)
St. Mary's	2%	(701)	2%	(716)	2%	(+15)
Charles	2%	(695)	2%	(701)	1%	(+6)
Cecil	2%	(698)	2%	(673)	-4%	(-25)
Allegany	2%	(622)	2%	(623)	0%	(+1)
Frederick	2%	(620)	2%	(617)	0%	(-3)
Dorchester	0.9%	(298)	0.9%	(292)	-2%	(-6)
Somerset	0.8%	(269)	0.9%	(288)	7%	(+19)
Carroll	0.9%	(305)	0.9%	(285)	-7%	(-20)
Worcester	0.6%	(207)	0.8%	(244)	18%	(+37)
Calvert	0.7%	(217)	0.7%	(228)	5%	(+11)
Caroline	0.6%	(201)	0.7%	(214)	6%	(+13)
Queen Anne's	0.4%	(134)	0.4%	(140)	4%	(+6)
Talbot	0.4%	(143)	0.4%	(126)	-12%	(-17)
Garrett	0.4%	(145)	0.4%	(123)	-15%	(-22)
Kent	0.3%	(109)	0.3%	(93)	-15%	(-16)
Maryland		**32,532**		**32,561**	**0.1%**	**29**

Note: These counts differ from those provided by DHS's statistical reports because the statistical reports provide the average number of cases receiving TCA in each month while these counts provide the total number of cases that received TCA in 2020 and 2021. Jurisdiction count does not sum to the state total due to some cases missing jurisdictions. Please see additional information on data inclusion from the migration to a new administrative data system in the *Data and Study Population* chapter.

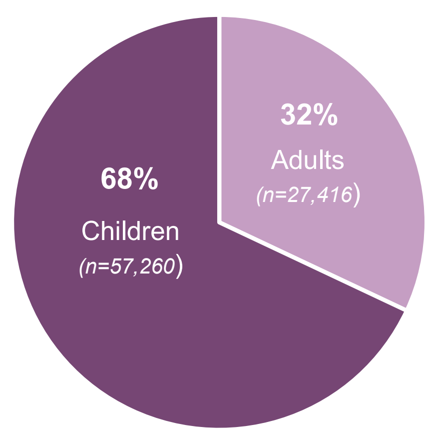
Although the caseload was elevated in 2021, patterns established before the pandemic continued into this year. For example, the caseload decline in Baltimore City between 2020 and 2021 is not a new phenomenon. As demonstrated in Figure 2, the percentage of the statewide TCA caseload comprised by Baltimore City declined in each year shown. In 2017, Baltimore City comprised two fifths (40%) of the statewide caseload, but its share declined to less than one third (29%) by 2021. Despite an initial increase after the start of the pandemic in 2020, the number of cases in Baltimore City was slightly smaller in 2021 (n=9,402) than in 2019 (n=9,455) (Gross & Passarella, 2020). This is contrary to ongoing trends in two other large TCA jurisdictions, Baltimore County and Prince George's County, which both saw increases in their share of the statewide TCA caseload and number of cases from 2019 through 2021 (Gross & Passarella, 2020; Passarella & Smith, 2021). In upcoming years, it will be important to observe if this trend in Baltimore City continues.

Figure 2: Jurisdictional Share of the TCA Caseload, SFYs 2017 to 2021



In addition to where TCA families live, understanding the composition of families is also useful, because it provides insight into who is receiving benefits. As a whole, the TCA program provides benefits to families with children. Adults tend to be the target of many services, but the largest beneficiaries of the TCA program are children. As Figure 3 demonstrates, children made up two thirds (68%) of TCA recipients in 2021. Adult recipients comprised the remaining one third. Notably, the percentage of adult recipients has increased from pre-pandemic years. In 2018 and 2019 adults comprised 28% to 29% of TCA recipients. In 2020 and 2021, after the start of the pandemic, the percentage of adult recipients rose to 32%. Most likely, this is due to the number of adults who lost their jobs during the pandemic and have remained on TCA as a result of automatic redeterminations. As the economy recovers and the waiver permitting automatic redeterminations expires, it is likely the percentage of adult recipients will decrease.

Figure 3: Adult and Child Recipients, SFY 2021



Given the continuation of the high number of families receiving TCA, as well as the larger percentages of adults receiving TCA in the past two years, it is important to further discuss the characteristics of the caseload. Nearly one in five (17%) families had one recipient, and two in five (38%) families had two recipients on their TCA cases (Table 2). The remaining 45% of cases had families with three or more TCA recipients. This distribution is similar to the distribution of recipients in 2020 before the start of the pandemic. Families who joined TCA in the beginning of the pandemic were more likely to have two or more recipients than pre-pandemic families. This means that while 2021 continued to have an elevated number of TCA cases, the number of recipients in each family more closely resembled pre-pandemic percentages.

Table 2: Number of Recipients, SFY 2021

	%	*n*
Number of recipients		
1	17%	(5,585)
2	38%	(12,281)
3	24%	(7,669)
4 or more	21%	(6,703)
Number of child recipients		
0	5%	(1,670)
1	46%	(14958)
2	27%	(8,677)
3 or more	22%	(6,933)
Number of adult recipients		
0	22%	(7,030)
1	72%	(23,253)
2	6%	(1,599)

Note: Of cases with no recipient children, 59% (n=991) had a pregnant head of the household. The remaining cases with no recipient children may include children who received Supplemental Security Income (SSI), subsidized adoption, or foster care payments.

Since children are the primary recipients of the TCA program, it is important to examine the characteristics of children receiving benefits. Table 2 shows the number of children on cases in 2021, and Table 3 provides the ages of children. As Table 2 shows, 46% of TCA families had one recipient child on their case and about half (49%) of families had two or more children. Within these families, as Table 3 points out, one in three (33%) had at least one child younger than three years old at home and another one third (32%) had at least one child between the ages of three and five. Families, however, may have children who are in both of these age categories: over half (55%) of families had at least one child who was five or younger. Access to affordable and consistent childcare is necessary for these families, especially for adult recipients hoping to reenter the workforce (Shwe, 2021). However, childcare options were initially limited to essential workers during the pandemic, and once those restrictions were lifted, availability was limited as childcare centers struggled to recover (Exec. Order No. 20-03-25-01, 2020).

Over half (55%) of families had ***at least*** one child 5 years or younger on their TCA case.

As Table 3 also shows, 54% of cases had at least one child ages six to 12, and 30% of cases had a child between 13 and 18. Families often had multiple children considered school aged, (between six and 18 years old). Overall, seven in 10 (70%) families had any school-aged children. While children are generally in school during the day, social distancing measures implemented to prevent the spread of COVID-19 caused schools statewide to switch to remote learning during the 2020 to 2021 school years. Since low-income jobs often are not able to be performed remotely, many parents—and mostly mothers—had to make difficult decisions, like leaving the workforce to care for children who might otherwise be in childcare or in school during the workday (Kashen et al., 2020; Meyer & Pavetti, 2021; Shwe, 2021).

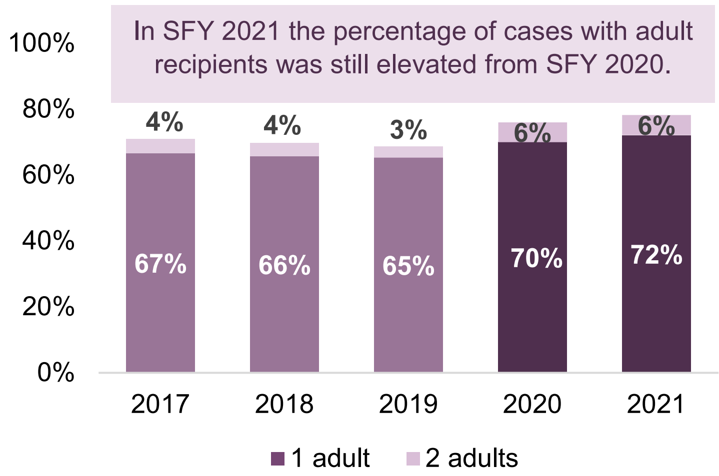
Table 3: Percent of Cases with *at Least One* Child in Each Age Category

	%
Younger than 3	33%
3-5 years of age	32%
6-12	54%
13-18	30%

Note: Percentages do not add to 100% because families could have children in multiple categories. Adding percentages leads to inaccurate results.

The last section of Table 2 (above) provides the percentage of TCA cases with adult recipients in 2021. During the year, over one in five (22%) cases had no adult recipients. These are considered child-only cases where only the children are calculated in the TCA benefit. Additionally, 72% of TCA families had one adult recipient on their cases, and 6% of cases had two adult recipients. This is the second consecutive year with an increase in the percentage of TCA cases adult recipients. As Figure 4 shows, the percentage of TCA families with one adult recipient on the case jumped from 65% in 2019 to 70% in 2020. Similarly, the percentage of families with two adult recipients increased from 3% to 6%. In 2021, there was another small increase (from 70% to 72%) in the percentage of TCA families with one adult recipient while the percentage of cases with two adult recipients remained stable. This increase in adult recipients is unsurprising since low-paying industries where TCA participants have historically worked, such as restaurants, were particularly impacted by the pandemic and continued to be affected through 2021. Additionally, these are jobs in which women are overrepresented (Bateman & Ross, 2020).

Figure 4: Percentage of Cases with Adult Recipients, SFYs 2017 to 2021



Program Participation

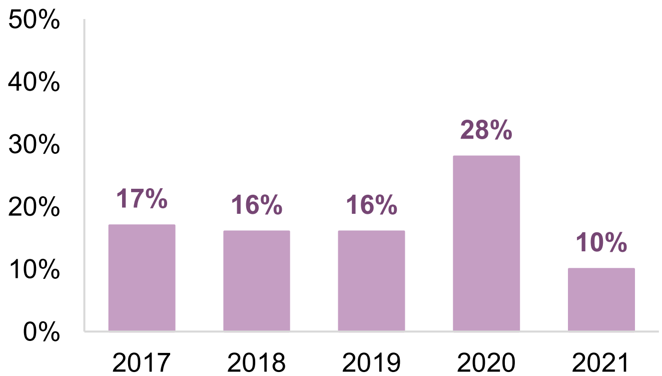
Each year new families join the TCA program due to events ranging from the arrival of a new baby to job loss or housing instability. Unsurprisingly, the pandemic brought many new families to the TCA program.[5] Unlike pre-pandemic years, most new families in 2020 and 2021 joined as a result of a global crisis. However, the number of new TCA cases in 2021 was relatively low compared to prior years. As Figure 5 demonstrates, only 10% of families were new to TCA in 2021, compared to 28% of families in 2020. The lower percentage of new TCA families in 2021 makes sense in the context of the pandemic. The economic impact from social distancing measures was fairly immediate and the state quickly implemented automatic redeterminations for TCA families (DHS, 2020a; 2020b; 2021a). As a result, many families coming onto TCA for the first time because of the pandemic joined the program at the end of 2020 and stayed on for at least a portion of 2021. A smaller number of additional

[5] For the purposes of this report, new families are considered any family where the adults began their very first instance of TCA receipt in that state fiscal year. In cases in which there are two adults in the family, both adults must have never received TCA before their 2021 spell. Instances in which an adult received TCA benefits as a child are not considered.

new families joined in the new fiscal year (2021). As the effects of the pandemic recede, the number of new TCA families will most likely return to the pre-pandemic levels of 2017 to 2019, in which roughly one in five families were new to TCA each year.

Figure 5: Cases New to TCA

SFYs 2017 to 2021

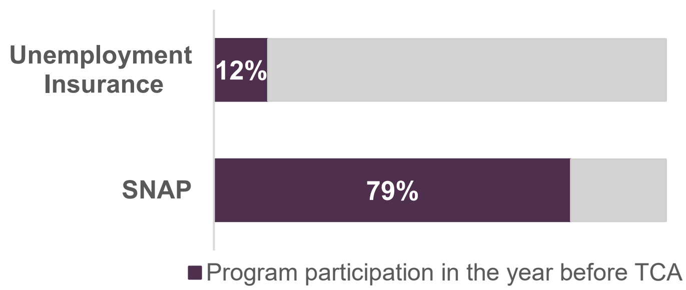


Note: *New families* include families who began their first TCA spell in the SFY.[7]

Families new to TCA in 2021, however, were not new to safety net programs in general. As Figure 6 demonstrates, four in five (79%) new families received Supplemental Nutrition Assistance Program (SNAP) benefits in the year before joining TCA. The high percentage of new TCA families who received SNAP prior to joining the TCA program is unsurprising, since families receiving SNAP are already facing tough economic circumstances and most likely work in low-wage jobs that pay less than 130% of the federal poverty line—SNAP's family income limit (Food and Nutrition Service., n.d.). As discussed previously, low-wage jobs were impacted most by the pandemic, and these families most likely had little in the way of other assets (asset tests are a part of SNAP eligibility), pushing these families to also need TCA when the pandemic hit (Ratcliffe et al., 2016).

Additionally, 12% of new TCA recipients received Unemployment Insurance (UI) in the year prior to receiving TCA in 2021.[6] Provisions in the CARES Act, a piece of federal legislation enacted in March 2020 to provide financial relief to families and businesses, extended unemployment insurance for 13 weeks beyond any state limits and provided families with an additional $600 in weekly unemployment benefits (Division of Unemployment Insurance, n.d.; U.S. Department of the Treasury, n.d.). It also allowed people who might not normally qualify for UI (such a part-time employees, gig-economy workers, and independent contractors) to receive benefits—allowing them to receive $600 per week (Division of Unemployment Insurance, n.d.). Conceivably, given the tumultuous circumstances of the pandemic, some adults may have used up even their extended UI benefits and transitioned to TCA during 2021.

Figure 6: New TCA Families' Previous Program Enrollment, SFY 2021



Note: *New families* include families who began their first TCA spell in SFY 2021

In addition to understanding prior safety net utilization by TCA families, it is also prudent to examine how long families utilized TCA in the turbulent economic conditions of 2021. As Table 4 indicates, 18% of families received between one and three months of TCA in 2021, and 31% of families had four to nine months of TCA receipt. Half (51%) of families received TCA

[6] Because this is a new analysis, it is unknown how this rate compares to previous years.

[7] Prior reports based the new status on whether the family had receipt prior to their most recent application date. This definition includes families who began receiving benefits in prior years if there was no break in benefits; the definition used in this figure only includes families whose first benefit month was in the respective SFY.

benefits for most of 2021, with 10 to 12 months of receipt. Months of receipt have increased compared to 2019, the last full year before the start of the pandemic. Notably, between 2019 and 2021 the percentage of families receiving between one and three months of TCA shrunk by six percentage points (24% vs. 18%) and the percentage of families receiving 10 to 12 months grew by nine percentage points (42% vs. 51%) (Gross & Passarella, 2020). The differences of receipt between years can also be seen in the increase of median months, which was 10 months in 2021 but 8 months in 2019. Most likely, the increase in months of benefits between the two years is due to the automatic redeterminations that allowed many families to maintain eligibility throughout 2021.

Past TCA utilization is also important to understand the program needs of 2021 families. Table 4 provides the number of months families received TCA benefits over the past five years. One in seven (14%) families had zero months of receipt in the past five years, but over two in five (43%) families received between one to 12 months of TCA benefits. This is a change from the previous year. In 2020, over one in three (36%) families had zero months of prior TCA receipt, and one in five (22%) families had between one to 12 months (Passarella & Smith, 2021). The changes suggest many of the new families who came on during the beginning of the pandemic continued to receive TCA benefits for at least some of 2021, increasing the number of families with one to 12 months of receipt. Other categories of TCA receipt over the last five years (13 to 24, 26 to 36, 37 to 48, and 49 to 60 months) were similar between 2020 and 2021. Most likely, this means that the pandemic did not change the patterns of need for families who consistently relied on cash assistance prior to the pandemic's start.

Table 4: Program Participation, SFY 2021

	%	*n*
Months of receipt in state fiscal year		
1-3 months	18%	(5,783)
4-6 months	17%	(5,410)
7-9 months	14%	(4,609)
10-12 months	51%	(16,473)
Average [median]	8	[10]
Months of receipt in the last 5 years		
0 months	14%	(4,377)
1-12 months	43%	(13,778)
13-24 months	14%	(4,560)
25-36 months	9%	(2,767)
37-48 months	6%	(2,069)
49-60 months	15%	(4,694)
Average [median]	18	[9]
Months counted toward time limit		
0 months	2%	(547)
1-12 months	36%	(11,161)
13-24 months	11%	(3,447)
25-36 months	7%	(2,255)
37-48 months	5%	(1,568)
49-60 months	4%	(1,158)
More than 60 months	10%	(3,156)
Does not accrue time-limited months	24%	(7,441)
Average [median]	26	[12]

Note: Cases exempt from the federal time limit are excluded from the time limit analysis. Valid percentages reported.

Federal law generally limits a family's lifetime TANF receipt to 60 months. However, Maryland grants a hardship exemption to qualifying households that need to exceed the 60-month limit. The last section of Table 4 shows months of prior TCA receipt that count towards the federal time limit. In 2021, 10% of families exceeded the program's limit. This is similar to 2019, when 11% of families exceeded the time limit. However, there were differences in other categories. For instance, in 2021 almost half

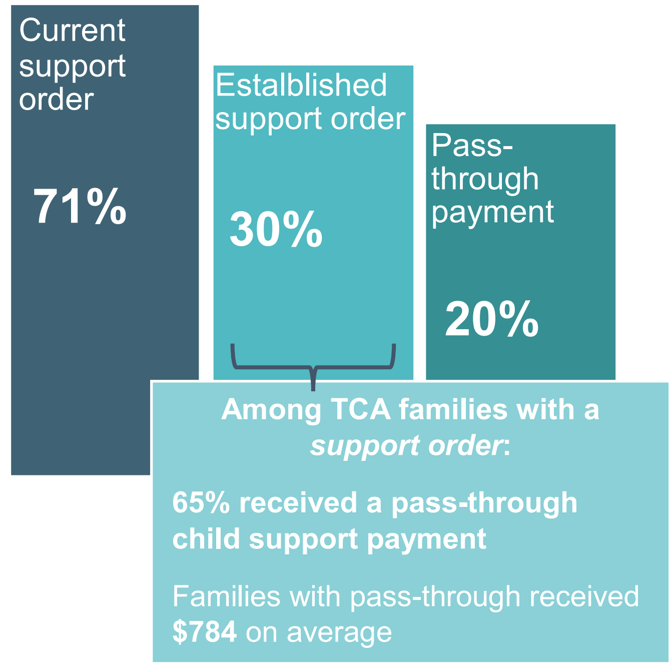
(47%) of families accrued between one and 24 months towards the federal time limit. Only 4% of families were near the federal limit (between 49 and 60 months). This is different than in 2019, in which only 37% of families had between one and 24 months of time-limit accrual and 10% of families were near federal limit. Most likely this change is again a reflection of who joined the caseload as a result of the pandemic.

Not all families accrue months towards the federal time limit, however. Families who do not accrue months towards the time limit are families in which no adult recipient is on the case (i.e., child-only cases) or where an adult recipient is employed. In 2021, one in four (24%) cases did not accrue time-limited months. This is a decrease from 2019, in which one in three (34%) cases did not accrue time-limited months.

Child Support

Child support is an important source of income for many poor families (Lippold et al., 2010). For many years, however, families in Maryland were not able to receive TCA and child support at the same time. Any payments made on behalf of these families were distributed to the state and federal governments to help recoup part of the program's cost (Meyer et al., 2007). However, in 2017, the Maryland legislature passed a bill, in accordance with federal law, that allows a portion of child support payments made on behalf of current TCA families to be passed through to families (S.B. 1009, 2017; National Conference of State Legislatures, 2020). The legislation took effect in July 2019, passing through up to $100 of child support to TCA families with one child and up to $200 to TCA families with two or more children. In the first eight months, over $2.3 million was passed through to families (Smith & Hall, 2021). Families individually gained an average of $132 each month in additional income (Smith & Hall, 2021).

Figure 7: Child Support Status, SFY 2021
Among families with at least one child on their TCA case (n=30,568)



In the midst of the pandemic economy, the availability of pass-through was especially important for TCA families. To examine who benefited from pass-through, Figure 7 analyses are limited to families with at least one child recipient since these are families eligible for pass-through. A family must also have an *established child support order* to receive pass-through. As Figure 7 demonstrates, a majority (71%) of TCA families had a current support case in 2021. Only three in 10 (30%), however, had an *established support order*, meaning monetary support was owed on behalf of a child during the year. One in five (20%) TCA families received a pass-through payment. However, examining pass-through payments only among families who have an established current support order shows that a majority of families received a child support pass-through payment. In fact, two out of every three (65%) qualifying TCA families received pass-through, providing an average of $784 in additional yearly income.

Adult Recipients

Since the TCA program aims to help adult recipients become financially independent for both themselves and the children in their care, it is important that policymakers and program managers understand adult recipients' demographic and employment characteristics. Table 5 displays the demographic characteristics of adult recipients. In 2021, adult recipients were most likely to be female (88%) and Black (68%). One in four (24%) adult recipients were White, 5% were Latinx, and 3% identified as a different race or ethnicity. Half (49%) of adult recipients were between the ages of 25 and 34 with an average age of 33. Most (76%) adult TCA recipients have never been married. Four in five (79%) finished high school, including 14% who had post-secondary education.

These demographic characteristics are very similar to those in 2020 across most categories. This is unsurprising since most adults receiving TCA in 2020 continued to receive benefits for at least a part of 2021. However, these characteristics do differ from pre-pandemic years. Compared to 2019 adult recipients, 2021 adult recipients were slightly less likely to be female (88% vs. 91%), less likely to be Black (68% vs. 73%), less likely to have never been married (76% vs. 80%), and more likely to have a post-secondary education (14% vs. 10%). The only characteristic that did not change over this period is the age of adult recipients.

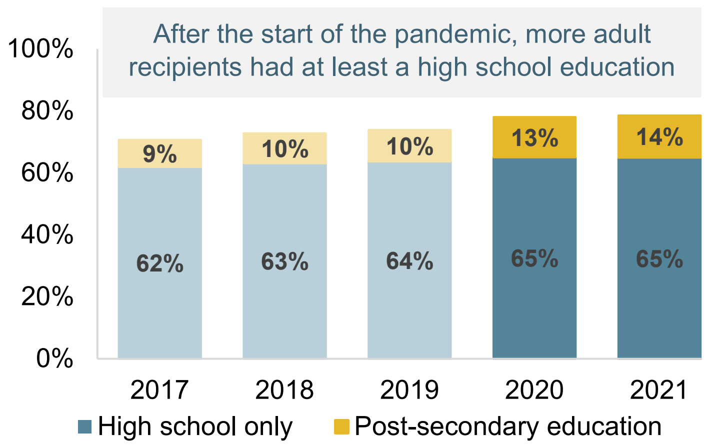
Table 5: Adult Recipient Demographic Profile

	%	*N*
Gender		
Female	88%	(23,861)
Male	12%	(3,319)
Race & Ethnicity		
Black^	68%	(17,188)
White^	24%	(5,936)
Latinx	5%	(1,288)
Other^	3%	(826)
Age		
20 & younger	3%	(917)
21-24	12%	(3,166)
25-29	25%	(6,710)
30-34	24%	(6,528)
35 or older	36%	(9,859)
Average [Median]	33	[32]
Marital Status		
Never married	76%	(20,357)
Married	12%	(3,215)
Previously married	12%	(3,345)
Education		
Did not finish high school	21%	(5,805)
Finished high school	79%	(21,235)
> High school only	65%	(17,539)
> Post-secondary education	14%	(3,696)

^=non-Latinx. Previously married includes adult recipients who are divorced, widowed, or separated. General Education Development (GED) certificates are included in high school completion rates. Valid percentages reported.

Changes in educational attainment after the start of the pandemic are particularly notable. Adult recipients have gradually had higher rates of high school and post-secondary education over the past several years. During the pandemic, even more adults came onto the TCA caseload with higher levels of education compared to pre-pandemic years. As Figure 8 shows, in 2017, 71% of adult recipients had a high school degree or higher, with 62% completing high school and 9% having post-secondary education. However, after the start of the pandemic, the percentage of adults with a high school or post-secondary education spiked, growing four percentage points between 2019 and 2021. This led 2021 to have the highest rate of adult recipients with high school or post-secondary completion in the last 5 years at 79% (an eight percentage point increase from 2017). Of those adults, 65% completed high school and 14% completed some post-secondary education. Hopefully, these higher levels of education mean that those who joined TCA during the pandemic quickly regain employment. As previous investigations have found, education is typically associated with a higher likelihood of a recipients' post-TCA success (James & Nicoli, 2016; McColl & Passarella, 2019).

Figure 8: Adult Recipient Education Status, SFYs 2017 to 2021



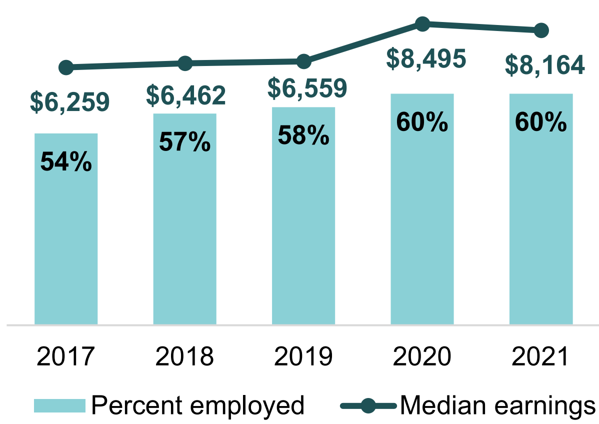
Employment Characteristics

As noted previously, low-income families were disproportionately impacted by disruptions in the economy throughout the pandemic. Given the many ways the pandemic has reshaped the economy, families might need different types of support to successfully re-enter the workforce and find stable employment (Bateman & Ross, 2020). The rest of this brief explores adult recipients' recent employment characteristics.

Employment before joining the TCA program was common among adult recipients. As Figure 9 shows, three in five (60%) adult recipients in 2021 and 2020 worked at some point in the year prior to their TCA receipt. Employment in the years prior to the pandemic was slightly lower but still showed that more than half of adults worked prior to TCA receipt.

Between 2017 and 2019, median annual earnings ranged from $6,259 to $6,559 for adult recipients who worked during the year before receiving TCA. In 2020, median earnings increased 30% to $8,495. One reason for the increase in 2020 is the large number of new recipients who joined the program after the start of the pandemic and whose characteristics differed from prior years—for example, adults had higher levels of education which is associated with higher earnings (McColl & Passarella, 2019; BLS, n.d.c.; Passarella & Smith, 2021). In 2021, median annual earnings decreased slightly to $8,164. However, this is still higher than median earnings before the start of the pandemic.

Figure 9: Percent Employed and Median Annual Earnings, SFYs 2017 to 2021
Year before receiving TCA

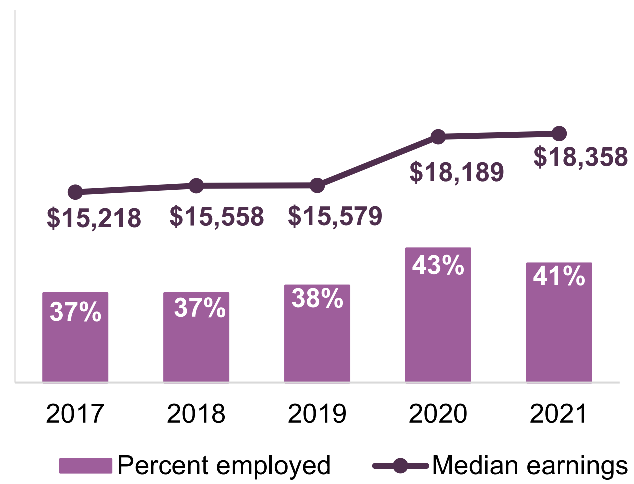


Despite higher earnings for adult recipients in 2020 and 2021, earnings were still rather low. Part of the reason for such low earnings among adult recipients is the lack of stable employment. Many of those who were employed prior to receiving TCA were not employed for the entire year. Figure 10 highlights the percentage of employed adult recipients who worked in all four quarters in the year prior to TCA receipt as well as their median annual earnings. Among employed adult recipients in 2021, only two in five (41%) worked in all four quarters. This is slightly less than in 2020, in which 43% of employed adult recipients worked all four quarters. Full-year employment prior to TCA entry was less common in pre-pandemic years; between 37% and 38% of adult recipients in 2017 to 2019 were employed in all four quarters.

Adults who were employed for each of the four quarters before receiving TCA earned substantially more than those who were not. For example, adult recipients in 2021 who worked in each of the four quarters before receiving TCA earned a median annual income of just over $18,300. This is $10,000 more than all adults who were employed for any period of time before receiving TCA ($8,164; Figure 9). This gap in earnings is present in each year examined between 2017 and 2021. Nonetheless, the earnings of even those who were fully employed are low when considering the costs of caring for a family. For example, the median earnings in 2021 are less than the 2021 federal poverty line for a family of three, which was $21,960 (U.S. Department of Health and Human Services [HHS], 2021). Low wages, even for adult recipients who work consistently, mean recipients often struggle to afford necessary expenses and lack savings—making the resources of TCA vital when these families fall on hard times (Hart Research Associates, 2013).

Figure 10: Percent Employed all Four Quarters and Median Annual Earnings, SFYs 2017 to 2021

Among employed adult recipients in the year before receiving TCA



Note: Median earnings are standardized to 2021 dollars.

Another reason for low incomes is the industries in which adult recipients work. Table 6 shows the most common industries in which adult recipients last worked in the year before joining TCA. These industries account for almost three in four (73%) employed adult recipients. Recipients most commonly worked in administrative and support services (17%), which includes temporary employment (BLS, n.d.b.), followed by restaurants (16%) and outpatient healthcare (7%). General retail (6%) and nursing homes (5%) were the next most common industries. While the industry distribution is similar to 2020, warehousing and storage grew from 3% in 2020 to 5% in 2021. This small increase makes sense given that the industry continued to grow throughout 2020 while many other industries declined (BLS, 2021).

Three of the top five industries, specifically administrative and support services, restaurants, and general retail, are low-wage industries. Median quarterly earnings for recipients in these industries were less than $1,700. Not only are these industries low paying, but they also often have unpredictable work schedules, making stable employment a challenge. Additionally, the restaurant and general retail industries were impacted considerably by the pandemic, and employees in these spaces faced job loss complicated by limited job opportunities (Stang, 2021).

Some adult recipients, however, were employed in more promising industries with higher wages and potential career pathways. Of the top five industries of employment among TCA recipients, outpatient health care and nursing homes are considered higher-wage industries. Recipients employed in these industries had median quarterly earnings over $3,000. Hospitals are also a higher-wage industry, and although only 3% of TCA recipients worked in the hospital industry before program receipt, quarterly median earnings were $3,888. Employment in higher-wage industries is associated with declines in returns to the TCA program after exiting (James & Nicoli, 2016).

Table 6: Most Common Industries

Among adult recipients employed before TCA receipt

Quarter before TCA	% Employed	Median Earnings
Administrative & Support	17%	$1,582
Restaurants	16%	$1,620
Outpatient Health Care	7%	$3,483
General Retail	6%	$1,353
Nursing Homes	5%	$3,016
Warehousing and Storage	5%	$1,828
Food and Beverage Retail	4%	$1,459
Social Assistance	4%	$2,649
Educational Services	3%	$2,832
Hospitals	3%	$3,888
Accommodation	3%	$2,023
Other	27%	$2,326

Note: Industry is based on the last job the adult recipient worked in the year before receiving TCA benefits. If a recipient had more than one job, the job with the highest earnings is used. Analysis excludes individuals who do not have a unique identifier or who were employed but the NAICS code was not identified. Valid percentages reported.

Conclusions

Marred by a global pandemic, a large number of Maryland families required the services of the TCA program. In 2019, the year before the pandemic, there were 25,690 families who received TCA benefits; in 2021, that number grew to 32,561. To accommodate the increased demand for TCA, the program implemented several flexibilities. Flexibilities included automatic redeterminations of eligibility, removing work participation requirements for pandemic-related work, school, and daycare closures, and an additional $100 in benefits per recipient each month (DHS, 2020a; 2020b; 2020c; 2021a; 2021b). These flexibilities, particularly automatic redeterminations, greatly helped families maintain consistent benefits throughout the pandemic.

This iteration of the *Life on Welfare* report examines the characteristics of the families receiving TCA resources during the first full of year of the pandemic. Particularly notable was the number of cases with at least one adult recipient, which increased from 68% in 2019 to 78% in 2021. Combined with COVID related job loss, the need for adults to stay home with children who would otherwise be in daycare or school contributed to the increase of adults on TCA cases. In fact, over half (55%) of cases in 2021 included at least one child five years or younger, and seven in 10 (70%) families had at least one school-aged child.

Indeed, new families who came onto TCA in the early months of the pandemic continued in the program for much of 2021. This is largely reflected in the high percentage of new cases in 2020 and the lower percentage in 2021—meaning families joined after the start of the pandemic and stayed on the program, and since many families were immediately impacted by the pandemic, fewer new families joined in 2021. However, new families were often not strangers to safety net programs. In 2021, 79% of new families received SNAP in the year prior their TCA receipt and 12% received unemployment insurance. Most likely, this means many of the new TCA families were already on the edge of financial insecurity before the pandemic hit.

Recipients after the start of the pandemic also had higher median earnings compared to those prior to the pandemic and were slightly more likely to be employed before their TCA receipt. One reason 2021 recipients might earn slightly more than previous recipients is their higher education levels. However, incomes for adult recipients are still relatively low. On average, adult recipients had median earnings of only $8,164 in the year prior to their TCA receipt. One reason for such low income might be the industries in which recipients are employed. Adult recipients frequently worked in administration and support, restaurants, and general retail. These industries have jobs with relatively low wages and unpredictable work schedules. Even TCA recipients that worked in each of the four quarters prior to TCA receipt had low earnings. Median earnings for that group were $18,358—which is below the poverty line for a family three (HHS, 2021).

In conjunction with low-wages, industries where adult recipients often work were some of the industries most impacted by the pandemic and could potentially face long-term changes as a result (Stang, 2021). For example, it has yet to be seen how an increase in online shopping during the pandemic will ultimately impact the retail industry, a frequent industry of employment for TCA recipients (Ecola et al., 2020). Recipients might need to hone skills in new areas or pursue vocational training to pursue work in retooled industries and gain financial stability. The TCA program extended participation in vocational education from 12 months to 24 months, which might help adults gain necessary new skills (DHS, 2020d).

While much is still uncertain in how the economic recovery will ultimately look as the virus continues to persist, one certainty is that its impact has highlighted the huge importance of the TCA program. The pandemic has also demonstrated how safety net programs can pivot in times of urgent need. To better understand how the virus continues to impact Maryland's most vulnerable families, it will be important to monitor the size of the TCA caseload, including the number of new families, as well as any shifts in employment.

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