

# MONTGOMERY COUNTY TEMPORARY CASH ASSISTANCE ACTIVE CASELOAD: 2011

## SUMMARY

### Caseload Characteristics

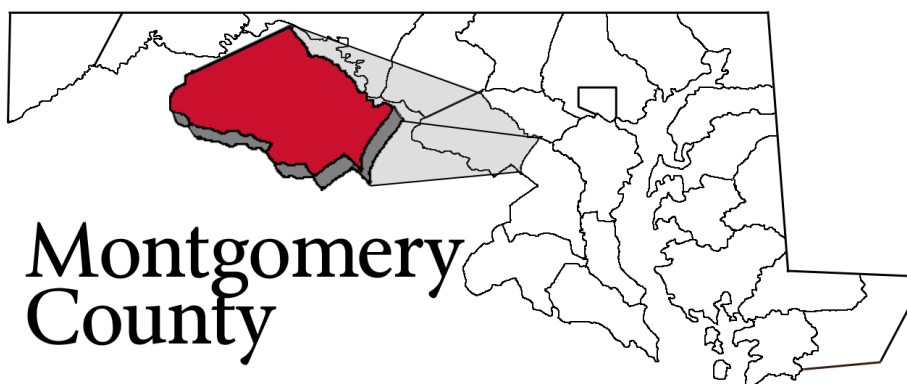
- Montgomery County experienced a 61% increase in its caseload from 716 cases in 2007 to 1,156 cases in 2011. The 2011 caseload represented about four percent of the overall statewide caseload.
- A typical TCA recipient was an African American (67.3%) woman (93.5%) who was about 36 years of age and had received her high school diploma (73.1%).
- A typical TCA case had two or fewer people in the assistance unit (57.8%). The youngest child in the assistance unit was six years old.
- More than three-fifths (63.5%) of cases were work-exempt and largely child-only (35.2%).
- The number of work-exempt cases increased by 65% (n=288) between 2007 and 2011. The number of work-eligible cases also increased over this period by 58%, but represented just over one-third (36.5%) of the caseload.

### TCA Participation

- TCA receipt declined slightly from an average of 24 of the previous 60 months in 2007 to 19 months in 2010. In 2011 clients received TCA for 22 of the previous 60 months, on average.
- From 2007 and 2011, Montgomery County clients accumulated no more than 17 months counting toward the 60-month federal time limit.

### Employment and Wages

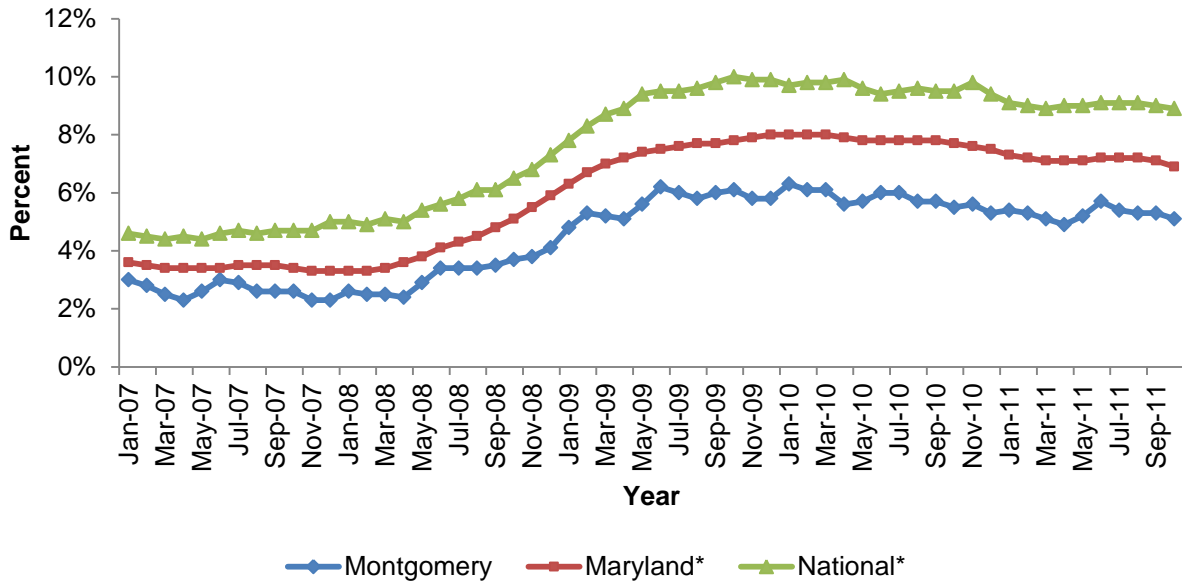
- In all years, Montgomery County caseheads were less likely to have worked in the previous two years compared to their counterparts in the rest of Maryland. Nearly three-fifths (56.0%) of 2007 caseheads worked at some point in the previous two years, but less than half (45.8%) of 2011 caseheads had worked in the previous two years.
- Median total earnings in the previous two years also decreased by nearly 50%. Working caseheads in 2007 earned a median of \$11,565 in the previous two years, while working caseheads in 2011 only earned a median of \$5,930 in the previous two years.



# INTRODUCTION

This report is a supplemental resource to *Life on Welfare: Characteristics of Maryland's TCA Caseload since the Great Recession*.<sup>i</sup> While the main report focuses on the statewide trends of the active caseload, this report provides trends specifically for Montgomery County by utilizing the same methodology and data. Located in the central part of the state, Montgomery County borders both Virginia and the District of Columbia. As Figure 1 shows, Montgomery County's unemployment rate between January 2007 and October 2011 remained below the state average.<sup>ii</sup> In fact the county's highest unemployment rate was 6.3% in January 2010, while the Maryland rate was 8.0% and the national rate was 9.7% in the same month. The lower unemployment figures are likely related to the population figures discussed below.

**Figure 1. Unemployment Rate, 2007-2011**



\* Indicates seasonal adjustment.

The largest industries within Montgomery County were professional, scientific, and management, and administrative and waste management services; educational services, and health care and social assistance; and public administration.<sup>iii</sup> About one in ten (11.3%) county residents commuted for employment outside the county, while an additional three in ten (30.0%) residents left the state for employment due to its proximity to Washington D.C. and Virginia.<sup>iv</sup> The majority of Montgomery residents age 25 and older received a high school degree or higher (91.0%), and nearly three-fifths (56.7%) hold a Bachelor's degree or higher.<sup>v</sup> About one in ten (9.6%) households in Montgomery earned under \$25,000, while the average household income was \$125,557 in 2010 with a median household income of \$93,373.<sup>vi</sup> The estimated poverty rate for 2011 was 6.5%<sup>vii</sup> in Montgomery County, which was 2.1 percentage points lower than the state average (8.6%).<sup>viii</sup>

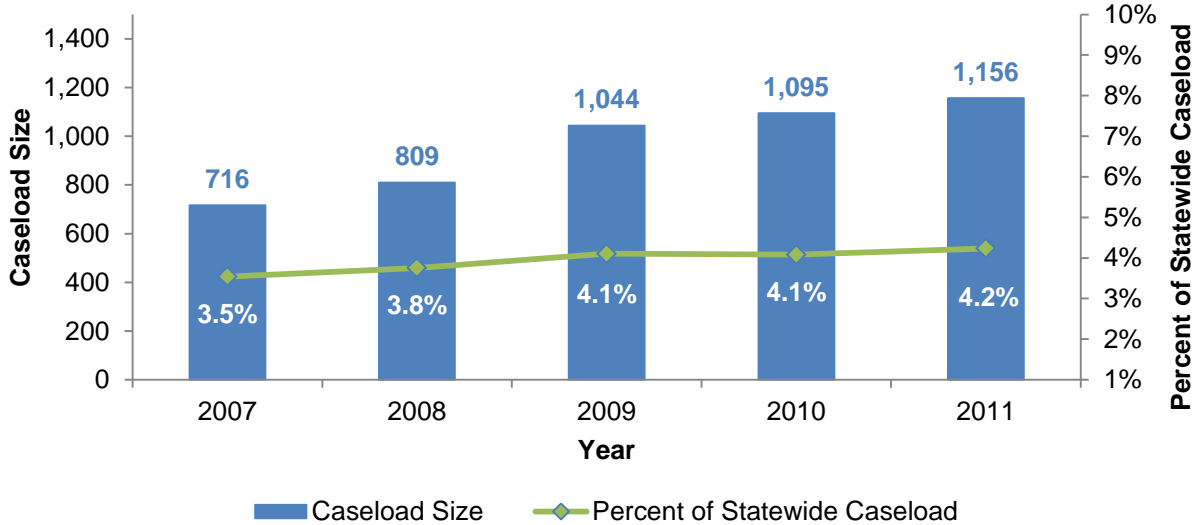
	<b>Montgomery</b>	<b>Maryland</b>
2010 Population	971,777	5,773,552
2011 Poverty Rate	6.5%	8.6%
2010 Median Household Income	\$93,373	\$90,500

## FINDINGS

### Caseload Characteristics

TCA caseloads across Maryland have increased since the start of the Great Recession, and Montgomery County was no different. The total caseload size in Montgomery County, as shown in Figure 2, increased from 716 cases in October 2007 to 1,156 cases in October 2011, a 61.5% increase. Even with this increase, Montgomery’s caseload represented about four percent of Maryland’s statewide caseload overtime.

**Figure 2. TCA Caseload for Montgomery County, 2007-2011**



**Note:** The active caseload for this and all other analyses are from October of each year between 2007 and 2011.

The general profile of a Montgomery County TCA recipient, as displayed in Table 2, was an African American (67.3%) woman (93.5%) who completed high school but received no additional education (65.2%). She never married (74.0%) and was 36 years old, on average. This profile has not changed recently, except the percent of caseheads who have never been married increased by 10 percentage points from 64.8% in 2007. Also, Montgomery has one of the largest Hispanic caseloads in the state (19.3% vs. 4.2% in Maryland). Besides the Hispanic caseload, the profile is similar to the average TCA recipient in Maryland: an African-American (75.0%) woman (94.4%) who has never married (78.8%) and was 35 years old, on average. She was likely to have finished high school (61.8%) but not to have obtained further education (4.6%).

**Table 2. Montgomery County Payee Demographic Characteristics: 2011 (n=1,156)**

<b>Gender</b>	
% Women	93.5% (1,081)
<b>Race</b>	
% African American <sup>^</sup>	67.3% (715)
% Caucasian <sup>^</sup>	10.7% (114)
% Hispanic	19.3% (205)
% Non-Hispanic Other	2.6% (28)
<b>Education</b>	
Finished 12th grade	65.2% (689)
Beyond 12th grade	7.9% (83)
<b>Marital Status</b>	
Never married	74.0% (831)
<b>Age at Study Month</b>	
Mean [median]	36.35 [34.11]
Range	18.33-87.55

**Note:** <sup>^</sup>=non-Hispanic. Counts may not sum to actual sample size because of missing data for some variables. Some information was excluded to protect recipient confidentiality when the sample was under 10 cases. Valid percentages are reported.

As shown in Table 3, most assistance units were relatively small: over half (57.8%) of all cases contained just one or two recipients, and about one in five (20.2%) assistance units consisted of four or more people. However, the percent of cases that had four or more recipients increased from 14.9% of the caseload in 2007. On average, assistance units had one adult or less (mean=0.70) and two children (mean=1.85). The average age of the youngest child in the assistance unit was six years old (mean=6.01). This was consistent with the average case in Maryland, where 57.8% of cases contained just one or two recipients and 19.7% had four or more people. The average age of the youngest child in a Maryland assistance unit was also six years (mean=5.92).

**Table 3. Montgomery County Case Demographic Characteristics: 2011 (n=1,156)**

<b>Size of Assistance Unit (AU)</b>	
1-2 people	57.8% (668)
3 people	22.0% (254)
4 or more people	20.2% (234)
Mean [median]	2.55 [2]
<b>Number of Adults in AU</b>	
Mean [median]	0.70 [1]
<b>Number of Children AU</b>	
Mean [median]	1.85 [2]
<b>Age of Youngest Recipient Child</b>	
Mean [median]	6.01 [4.11]
Range	0.01-17.99

**Note:** Counts may not sum to actual sample size because of missing data for some variables. Valid percentages are reported.

About three-fifths of the caseload was designated as work-exempt in each year, as presented in Table 4. While the proportion of the work-exempt caseload remained relatively stable throughout this period, there was substantial growth in the number of work-exempt cases. In fact, the number of work-exempt cases increased 64.6%, from 446 cases in 2007 to 734 cases in 2011. Similarly, the proportion of work-eligible cases remained stable over this time period as well, although the number of work-eligible cases rose 58.3%, from 266 cases in 2007 to 421 cases in 2011. Single-parent cases make up the bulk of work-eligible cases, about one-quarter (23.4%) of the caseload in 2011. While a small number, two-parent families also increased from 10 families in 2008 to 49 families in 2011.

**Table 4. Montgomery County Caseload Designations, 2007-2011\*\*\***

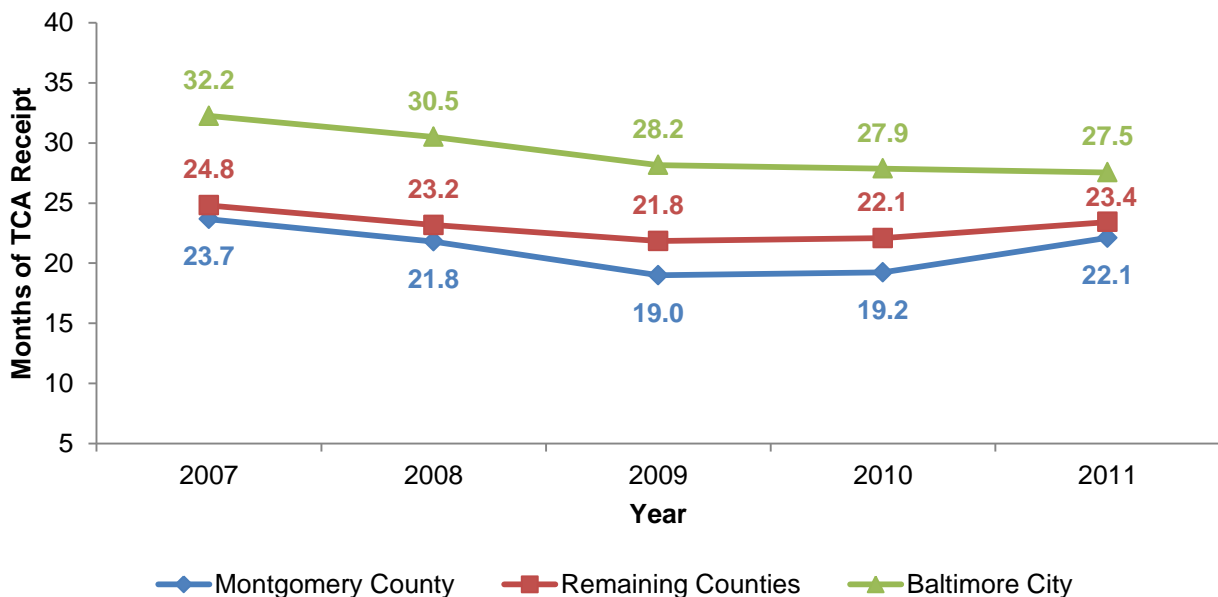
	<b>2007</b> (n=716)	<b>2008</b> (n=809)	<b>2009</b> (n=1,044)	<b>2010</b> (n=1,095)	<b>2011</b> (n=1,156)
<b>Work-Eligible</b>	<b>37.4% (266)</b>	<b>25.2% (202)</b>	<b>33.6% (351)</b>	<b>34.4% (377)</b>	<b>36.5% (421)</b>
Single-Parent Cases	28.9% (206)	16.4% (132)	22.6% (236)	22.1% (242)	23.4% (270)
Earnings	-	1.9% (15)	1.2% (13)	1.7% (19)	2.4% (28)
Short-Term Disabled	4.1% (29)	2.9% (23)	3.4% (36)	3.2% (35)	3.1% (36)
Legal Immigrant	2.1% (15)	2.7% (22)	2.0% (21)	3.3% (36)	2.9% (33)
Two-Parent Cases	-	1.2% (10)	3.8% (40)	3.7% (40)	4.2% (49)
<b>Work-Exempt</b>	<b>62.6% (446)</b>	<b>74.8% (601)</b>	<b>66.4% (693)</b>	<b>65.6% (718)</b>	<b>63.5% (734)</b>
Child-Only	37.2% (265)	44.3% (356)	39.4% (411)	36.3% (398)	35.2% (407)
Child Under One	11.1% (79)	14.1% (113)	11.9% (124)	12.1% (132)	11.9% (138)
Long-term Disability	11.2% (80)	13.0% (104)	12.5% (131)	13.2% (144)	12.5% (144)
Caring for Disabled					
Family Member	1.4% (10)	1.9% (15)	1.6% (17)	2.6% (28)	2.4% (28)
Needy Caretaker	1.7% (12)	1.6% (13)	1.0% (10)	1.5% (16)	1.5% (17)

**Note:** Counts may not sum to actual sample size because caseload designations were excluded to protect recipient confidentiality when the sample was under 10 cases. The caseload designation completely excluded was domestic violence cases. \*p<.05 \*\*p<.01 \*\*\*p<.001.

### TCA Participation

Figure 3 presents trends in the average number of months of TCA receipt in the last five years for Montgomery County, Baltimore City, and the remaining 22 counties; statewide figures are excluded since those figures tend to reflect Baltimore City due its disproportionately large part of the state caseload. In all years, Montgomery TCA recipients received assistance for less than two years during the previous five years, on average. For example, the 2007 caseload received TCA for an average of 23.7 of the previous 60 months (between October 2002 and September 2007). There was a slight decrease through 2010, but the 2011 caseload received TCA for an average of 22.1 of the previous 60 months. The other counties remained above the average for Montgomery County—between 22 and 24 months of TCA receipt in the previous 60 months. Baltimore City, while maintaining a higher average of months, saw a continuous decline in that average throughout this time period.

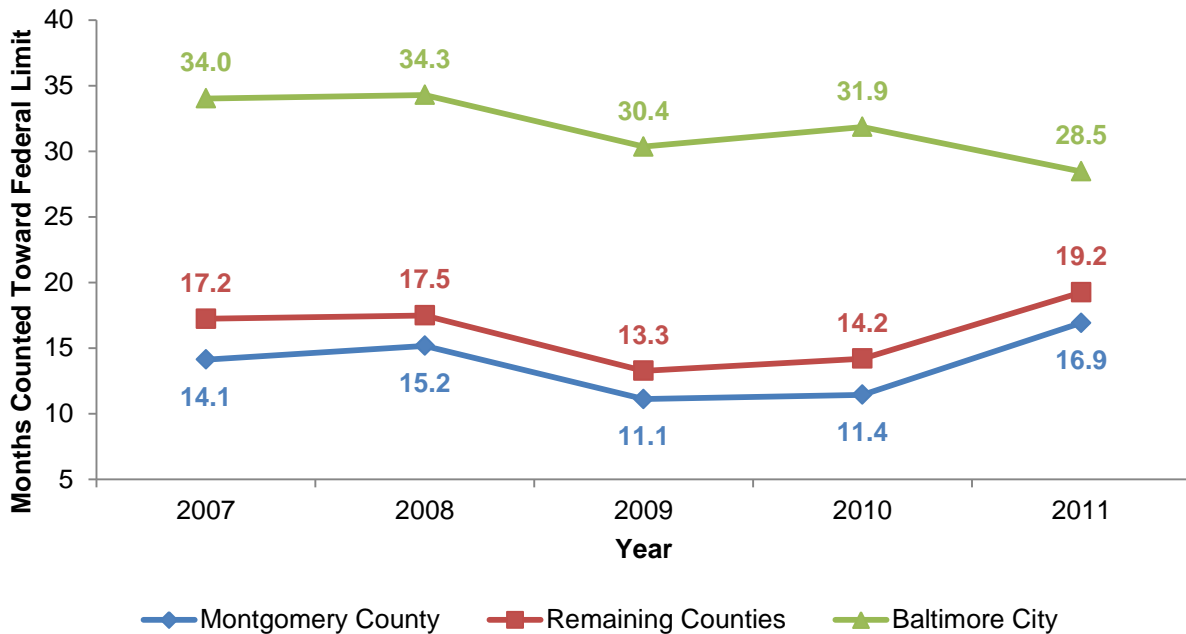
**Figure 3. Average Number of Months of TCA in the Previous Five Years: 2007-2011\*\*\***



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

TCA recipients, with some exceptions, have a 60-month time limit on TCA receipt according to federal regulations. However, Maryland allows hardship exemptions for cases that require additional months of receipt. Statewide, only seven percent of the caseload has received more than 60 months of time-limited TCA.<sup>ix</sup> Figure 4 shows trends in the average number of months counted toward the federal 60-month time limit between 2007 and 2011 for Montgomery County, the remaining 22 counties, and Baltimore City. Montgomery County and the other counties followed the same pattern, although the Montgomery County cases maintained a lower average of time-limited TCA and never exceeded 17 months, on average. Baltimore City, on the other hand, continued to see a decrease in months counted toward the federal time limit, decreasing from 34.0 months in 2007 to 28.5 months in 2011.

**Figure 4. Average Number of Months Counted Towards Federal Limit\*\*\***



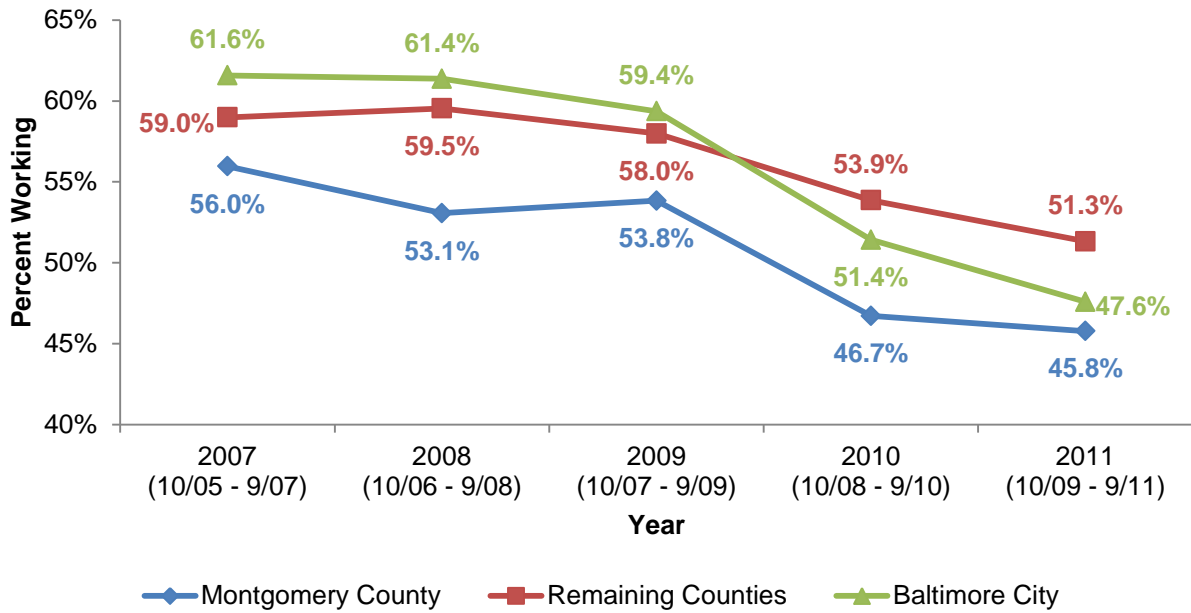
\*p<.05 \*\*p<.01 \*\*\*p<.001.

### ***Employment and Wages***

To encourage self-sufficiency, casehead employment is the ultimate goal of welfare, and research has confirmed that cash assistance recipients are not strangers to the world of work.<sup>x</sup> Therefore, Figure 5 compares Montgomery County, the remaining counties, and Baltimore City on the percent of caseheads who worked in a Maryland UI-covered job in the two years before each study year. Although Montgomery County maintained a lower unemployment rate throughout the Great Recession, TCA clients were not immune to its effects. In fact, employment participation decreased by 10 percentage points, from 56.0% in 2007 to 45.8% in 2011. Furthermore, employment participation in Montgomery County was consistently lower than in the other counties and Baltimore City. The lower employment rate, however, may be related to the county's proximity to Washington, D.C. and Virginia. Because 30.0% of county residents leave the state for employment and these figures only capture employment in a Maryland UI-covered job, employment may actually be higher than these figures indicate.<sup>xi</sup>

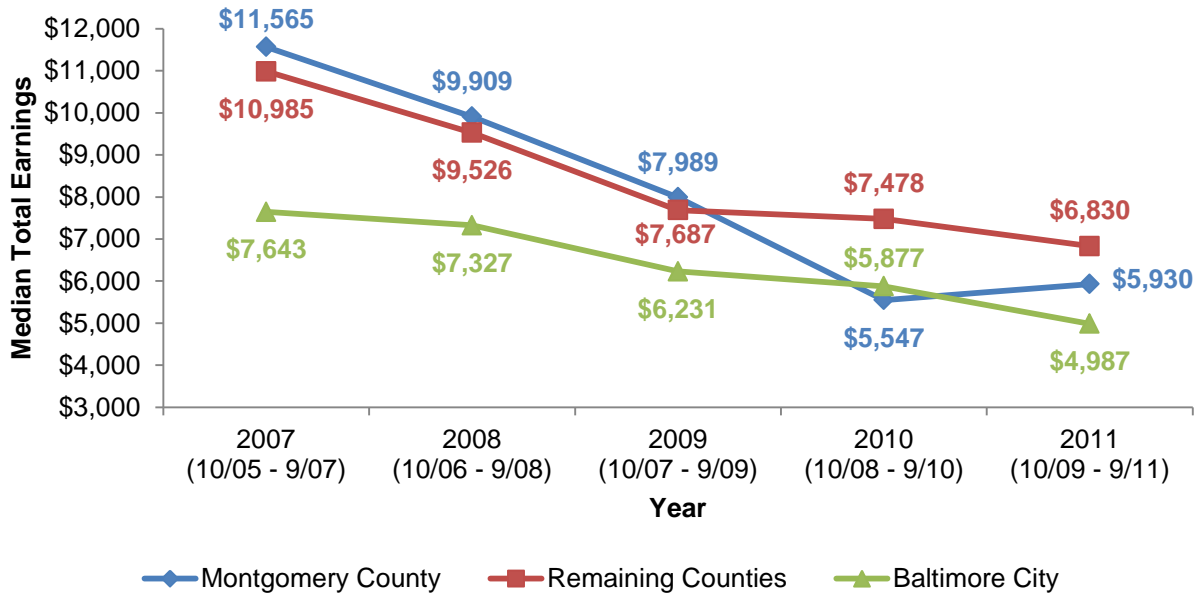
Figure 6 shows median total earnings in the previous two years for each year from 2007 to 2011 for Montgomery County, the remaining counties, and Baltimore City. In 2007, working Montgomery clients (\$11,565) had higher two-year earnings than working clients in the other counties (\$10,985) and Baltimore City (\$7,643), but Montgomery County clients' median earnings declined by nearly 50% to \$5,930 in 2011. The other counties saw a decline in earnings of 37.8%, and Baltimore City saw a 34.7% decline.

**Figure 5. Percent of Caseheads Working in the Previous Two Years, 2007-2011\*\*\***



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

**Figure 6. Median Total Earnings in Previous Two Years, 2007-2011\*\*\***



**Note:** All earning amounts are reported in 2011 dollars. \*p<.05 \*\*p<.01 \*\*\*p<.001.

## CONCLUSION

In 2011, Montgomery County TCA cases were comprised of African American women about 36 years old with high school diplomas. Cases mostly consisted of one or two people, although the percent of cases with four or more people has increased over time. Unlike other jurisdictions in Maryland, Montgomery has a large Hispanic caseload. Although Montgomery County's caseload grew between 2007 and 2011, the proportion of work-eligible and work-exempt cases remained stable. TCA receipt declined over this period, only to increase in 2011 near the 2007 level. Employment and earnings, however, remain on a decline in this county.

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### Notes and Sources:

<sup>i</sup> Nicoli, L.T., Logan, L., & Born, C.E. (2012). *Life after Welfare: Annual Update*. Baltimore: University of Maryland School of Social Work.

<sup>ii</sup> United States Bureau of Labor Statistics. (2011, November 22). Regional and state employment and unemployment (monthly) news release. Retrieved from [http://www.bls.gov/news.release/archives/laus\\_11222011.htm](http://www.bls.gov/news.release/archives/laus_11222011.htm).

<sup>iii</sup> United States Census Bureau. (2012a). American Community Survey. Available from <http://factfinder2.census.gov/>.

<sup>iv</sup> United States Census Bureau. (2012a). American Community Survey. Available from <http://factfinder2.census.gov/>.

<sup>v</sup> United States Census Bureau. (2012a). American Community Survey. Available from <http://factfinder2.census.gov/>.

<sup>vi</sup> United States Census Bureau. (2012a). American Community Survey. Available from <http://factfinder2.census.gov/>.

<sup>vii</sup> The 2011 estimate was available for Montgomery County. However, for comparison the 3 year 2009-2011 estimate was 7.0%.

<sup>viii</sup> United States Census Bureau. (2012b). Poverty thresholds. Available from <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>.

<sup>ix</sup> Logan, L., Saunders, C., & Born, C.E. (2012). *Welfare Time Limits: Hardship Exemptions in Maryland*. Baltimore: University of Maryland School of Social Work.

<sup>x</sup> Nicoli, L.T., Logan, L., & Born, C.E. (2012). *Life after Welfare: Annual Update*. Baltimore: University of Maryland School of Social Work.

<sup>xi</sup> United States Census Bureau. (2012a). American Community Survey. Available from <http://factfinder2.census.gov/>.

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