Life on Welfare: TANF Entrants

Correne Saunders, MPP
Project Director

Danielle Young, BS
Research Analyst

Catherine E Born, PhD
Principal Investigator

March 2010

University of Maryland
School of Social Work
525 West Redwood Street
Baltimore, MD 21201

Acknowledgements

The authors would like to thank Jamie Haskel, Daniel Kott, and Somlak Suvanasorn for their assistance in the collection and processing of data for this report. We would also like to thank Kathryn Patterson for her assistance with report graphics and formatting.

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

For additional information about the report or the study, please contact Dr. Catherine Born at the School of Social Work (410.706.5134, cborn@ssw.umaryland.edu) or Ms. Correne Saunders (410-706-2763, csaunders@ssw.umaryland.edu). Please visit our website, www.familywelfare.umaryland.edu for additional copies of this and our other reports.

Table of Contents

List of Tables and Figures

Tables

Figures

EXECUTIVE SUMMARY

The decline of welfare caseloads between the late 1990s and mid-2000s, nationwide and in Maryland, is commonly attributed to a combination of successful welfare policy reform via the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and a healthy economy. The current economic environment, however, is much more challenging than it was in the early years of reform. The Great Recession, which officially began in late 2007, is forecast to result in permanent job losses across industries like manufacturing, services, and retail (Reeves & Leonard, 2009), which are more likely to include entry-level job opportunities for welfare recipients and leavers.

For the first time in over ten years, many states (including Maryland) are seeing their welfare caseloads rise. This is not necessarily an unexpected phenomenon; we would expect TANF caseloads to rise in difficult economic times. It is also unknown what effect, if any, the newest TANF regulations included in the Deficit Reduction Act of 2005 (DRA) have had on welfare caseload dynamics. Given these recent and continuing increases it is important for program managers and policymakers to understand who is entering the welfare rolls during these difficult times.

This report provides a snapshot of TANF entrants who began receiving Temporary Cash Assistance (TCA, Maryland's version of TANF) in October 2008 (n=2,128), approximately eleven months into the economic recession. Throughout the report, we distinguish and make comparisons between cases with a "new" casehead and those with a "returning" casehead. "New" caseheads are those who had not been a TCA casehead in Maryland during the preceding 60 months (n=1,008), and "returning" caseheads are those who were returning to TCA in the study month after previously heading a TANF case during the preceding 60 months (n=1,120).[1]

The following bullet points provide highlights of our findings:

Demographic and Case Characteristics

- TANF entrants (i.e. those in the 1st month of a TCA spell) make up a larger portion of the caseload today (9.9%) than they did three years ago (8.6%), representing an increase of approximately 100 additional cases per month, on average.
- "New" entrants are more likely than "returning" entrants to be exempt from work requirements, and less likely to be among the group most targeted for work participation. Specifically, less than one-half (45.8%) of "new" entrants were in the "Remainder" core caseload group targeted for work participation, compared with two-thirds (66.4%) of "returning" cases.
- Demographic characteristics of TCA entrant caseheads reflect those of the overall active caseload. A typical casehead is a never-married, African-American woman in her thirties. However, "new" caseheads are less likely to mirror that profile. Specifically, they are less likely to be female (89.6% vs. 98.4%), less likely to be African-American (66.3% vs. 83.2%), less likely to have never married (76.4% vs. 86.1%), and more likely to be younger than 20 years old (13.8% vs. 3.0%) than "returning" entrants.

Employment History

- Among TCA entrants, "new" caseheads were less likely to be employed in a Maryland UI-covered job in the eight most recent quarters compared with "returning" caseheads (67.1% and 76.1%, respectively). "New" caseheads who were employed, however, earn more (on average) than their "returning" counter-

[1] Although this definition does not include payees' entire, lifetime welfare history leading up to the study month, we have found that welfare use in the previous five years correlates highly with lifetime measurements, with a Pearson correlation coefficient ranging from r=0.783*** to r=0.924*** depending on the sample.

parts ($3,156 quarter vs. $2,213 per quarter, respectively).

- In the study quarter, approximately one-quarter of the caseheads in either group were employed (27.3% of "new" caseheads and 27.0% of "returning" caseheads), but average earnings were higher for "new" caseheads ($2,967 vs. $2,010).

Public Assistance History

- Most TANF entrants are not new to public assistance. Nearly nine out of ten (88.1%) "returning" caseheads had received Food Supplement benefits in the month prior to the study month, as did two-thirds (67.3%) of "new" caseheads.

- In addition, nearly all TCA entrants had received Medical Assistance in the previous month (98.8% of "returning" and 92.5% of "new" caseheads), and about one-fifth (21.5% of "returning" and 16.9% of "new" caseheads) had applied for SSI benefits.

Summary and Conclusions

What may we conclude from this descriptive study of families that began a new, although not necessarily their first, episode of cash assistance (i.e. TCA) receipt in Maryland in October 2008, at or near the height of the so-called Great Recession? One obvious conclusion is that, like the overall TCA active caseload and, more broadly, the even more sizable population of low-income families in general, October 2008 TCA entrants are not a monolithic group. Indeed, study findings suggest they are far more heterogeneous, than homogeneous. By itself, this is an important finding for front-line welfare service planning and delivery because it makes it clear that no "one-size-fits-all" approach is likely to achieve the best results for clients, for local Departments or for the state as a whole. Rather and as always, thorough case-specific assessment and service planning are needed. To illustrate, some October 2008 entrants appear to be young mothers-to-be without much work experience and others are first-time relative caregivers who may be older and have established work histories. Some are two-parent families experiencing economic distress and still others are returning to welfare, some after having been independent for a year or more.

Another conclusion is that there do appear to be some differences between October 2008 entrants who are "new" to TCA and those who are "returning" to TCA. In general, the returning cohort's caseheads seem to be less diverse than new cases; their demographic profile more closely mirrors that of the traditional recipient family (i.e., a single, never-married mother and her one or two young children). On the other hand, this group was able to leave welfare – on average for about a year – before returning in October 2008. It is possible (and results from our ongoing *Life after Welfare* study suggest even probable) that in better economic times many if not most of these returning entrants may have been able to make ends meet without cash assistance. Indeed, it is heartening that, among both groups of caseheads, "new" and "returning" alike, the majority had worked in a Maryland UI-covered job within the past two years and within the past year. On the other hand, it is also true that, on average, it had been nine or more months since the typical casehead had held such a job (e.g., on average roughly since January 2008/December 2007), suggesting the cyclicality of employment in sectors where we know that many low-income women and welfare leavers often work (e.g., retail trade).

Another important conclusion is that, at least in this study, it is clear that cash assistance is the program of last resort for many newly-entering families. Historical use of the Food Supplement and Medical Assistance programs is significantly higher among these new families, suggesting that, at least in normal economic times, these two programs likely do serve an important preventive role in helping families avoid cash assistance.

However, as we commented in a recent research brief examining new entrants to the Food Supplement program, it appears that the severe economic downturn is causing people who had been able to "get by" to no longer be able to do so (Ovwigho et al., 2008). In that brief we were referring to the Food Supplement program, but as today's report indicates, the point seems to apply to cash assistance as well.

When all is said and done, however, the overarching and, in our view, inescapable conclusion to be drawn from today's study is that welfare entrances and welfare exits, individually and in the aggregate, are inextricably related to events and trends in the larger economy. This was evidenced by shrinking welfare caseloads during the earlier, more prosperous years of welfare reform and is equally evident in the rising cash assistance caseloads which characterize the present period of generalized and protracted economic distress.

Introduction

The decline of welfare caseloads between the late 1990s and mid-2000s, nationwide and in Maryland, is commonly attributed to a combination of successful welfare policy reform via the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) and a healthy economy. The current economic environment, however, is much more challenging than it was in the early years of reform.

Moreover, the newest TANF regulations included in the Deficit Reduction Act of 2005 have yet to be proven successful in moving families from welfare to work. Indeed, for the first time in over ten years, most states are seeing their welfare caseloads rise. This is not necessarily an unexpected phenomenon; we would expect TANF caseloads to rise in difficult economic times. However, given these recent and continuing increases it is important for program managers and policymakers to understand how the composition of the active TANF caseload has changed, if at all.

In particular, it is important to take a look at the characteristics of those who are coming onto assistance in today's harsh economic climate. Beyond this it seems prudent to also distinguish between entrants who are "new" to cash assistance in Maryland and those who are returning to the rolls. Policy-relevant questions are many, of course. Most fundamentally, reliable empirical information about the relative size of the new and returning groups and differences, if any, in their characteristics and backgrounds would be of the most use to elected officials and program managers during this first widespread economic downturn since the start of the modern welfare reform era in 1996.

To answer these basic but essential questions, this report provides a profile of TANF entrants who began receiving Temporary Cash Assistance (TCA, Maryland's version of TANF) in October 2008, approximately eleven months into the economic recession. Specifically, we review demographic and case characteristics of entering cases, as well as past and recent employment experiences of caseheads, and a description of their previous receipt of non-TCA benefits. We distinguish and make comparisons between "new" caseheads operationally defined as those who have not received TANF in Maryland at any point in the previous 60 months, and "returning" caseheads, those who returned to TANF in October 2008 after at least a one-month break[2].

This report is part of our *Life On Welfare* series, which began in March 1998. To date, this series includes 10 studies. Reports in this series provide snapshots of the active TANF caseload, as well as more in-depth studies of certain subpopulations of the active TANF caseload in selected months. All of the *Life on Welfare* reports are available on our website: www.familywelfare.umaryland.edu. In today's report, where possible and appropriate, we make comparisons to findings from previous reports within the series. Where relevant we also draw comparisons between active TANF recipients and welfare leavers in Maryland based on findings from our *Life After Welfare* study, a legislatively-mandated longitudinal study of welfare leavers in Maryland dating back to 1996. All *Life After* Welfare reports are also available on our website.

[2] Although this definition does not include payees' entire, lifetime welfare history leading up to the study month, we have found that welfare use in the previous five years correlates highly with lifetime measurements, with a Pearson correlation coefficient ranging from r=0.783*** to r=0.924*** depending on the sample.

METHODS

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

Sample

The sample for this report is drawn from the universe of cases receiving Temporary Cash Assistance (TCA, Maryland's TANF program) in October 2008 (n=21,553). Specifically, we limit our analyses to the 2,128 cases, about 10 percent (9.9%) of the universe, which had not received TCA in the previous month. Throughout the report, we distinguish and make comparisons between cases with a "new" casehead and those with a "returning" casehead. "New" caseheads are those who had not been a TCA casehead in Maryland during the preceding 60 months (n=1,008), and "returning" caseheads are those who were returning to TCA in the study month after previously heading a TANF case during the preceding 60 months (n=1,120).[3] "New" caseheads represent 47.4% of the study sample (1,008/2,128) and returning caseheads account for 52.6% (1,120/2,128) of all cases.

Data Sources

CARES

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

MABS

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

In Maryland, which shares borders with Delaware, Pennsylvania, Virginia, West Virginia and the District of Columbia, out-of-state employment is quite common. Most Maryland counties border at least one other state. Moreover, according to the 2000 census, in some Maryland counties, more than one of every three employed residents worked outside the state. Overall, the rate of out-of-state employment by Maryland residents (17.4%) is roughly five times greater than the national average (3.6%)[4]. Out-of-state employment is particularly common among residents of two very populous jurisdictions (Montgomery, 31.3% and Prince George's Counties, 43.8%), which have the 5th and 2nd largest welfare caseloads in the state, respectively. Also notable is the fact that there are more than 150,000 federal jobs located within Maryland (Maryland Department of Planning, 2008) and the majority of state residents live within commuting distance of Washington,

[3] Although this definition does not include payees' entire, lifetime welfare history leading up to the study month, we have found that welfare use in the previous five years correlates highly with lifetime measurements, with a Pearson correlation coefficient ranging from r=0.783*** to r=0.924*** depending on the sample.

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

D.C., where federal jobs are even more numerous.

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

Data Analysis

This study of TCA cases that began a new spell of benefit receipt in October 2008 is intended to provide an empirical description of the characteristics and circumstances of those who came onto welfare in our state in the midst of the worst economic downturn since the 1930s. In addition, the study makes comparisons between new entrants and those who are returning after a break of 30 days or more. Chi-square and ANOVA were used to test for differences between the groups.

BACKGROUND

Since the officially-declared beginning of the economic recession in December 2007, the unemployment rate across the nation (and in Maryland) has doubled. The official January 2010 unemployment figure from the U.S. Department of Labor indicated that one in ten (9.7%) non-institutionalized individuals 16 years of age and older are seeking, but unable to secure, employment (U.S. Department of Labor, 2010). The issue is more pressing for young African-American women, who, in Maryland, make up the majority of the welfare population. Unemployment among African-American women ages 20 and older rose from 9.4% in January 2009 to 13.3% in January 2010 (U.S. Department of Labor, 2010). For women and families, these data mean real struggles in trying to meet everyday expenses combined with the stress of searching for a job and making difficult decisions about whether to apply for public benefits. And, even though there are some indications of recovery on the horizon, it is expected to be a long and slow upward climb for individual families who have depleted their savings and accumulated debt over the past several years (Frierson, 2009).

For state public assistance agencies, the unemployment figures are mirrored by an increase in the number of applications for TCA and Food Stamps. In Maryland, monthly TANF applications are up nearly 50 percent since December 2007 (5,160 in December 2009 compared with 3,518 in December 2007) and monthly Food Stamp applications are up by nearly 100 percent (26,646 in December 2009 compared with 13,602 in December 2007).[5] The magnitude of the problem is unprecedented with regard to the Food Supplement (FS) program (formerly Food Stamps): the number of Marylanders on FS today is at a record-high level. The number of paid TCA cases in Maryland have also increased, particularly those with traditional, non-child-only cases. As shown in Figure 1, which follows this discussion, the increase occurred after a consistent decline in caseloads up through 2006. This is around the time that TANF was reauthorized through the Deficit Reduction Act of 2005. This legislation tightened work participation requirements for state TANF programs, leading most to expect caseload decline. However, the economic downturn has made it very difficult to help current recipient families secure employment, in addition to spurring new applications among families where the casehead had previously been working.

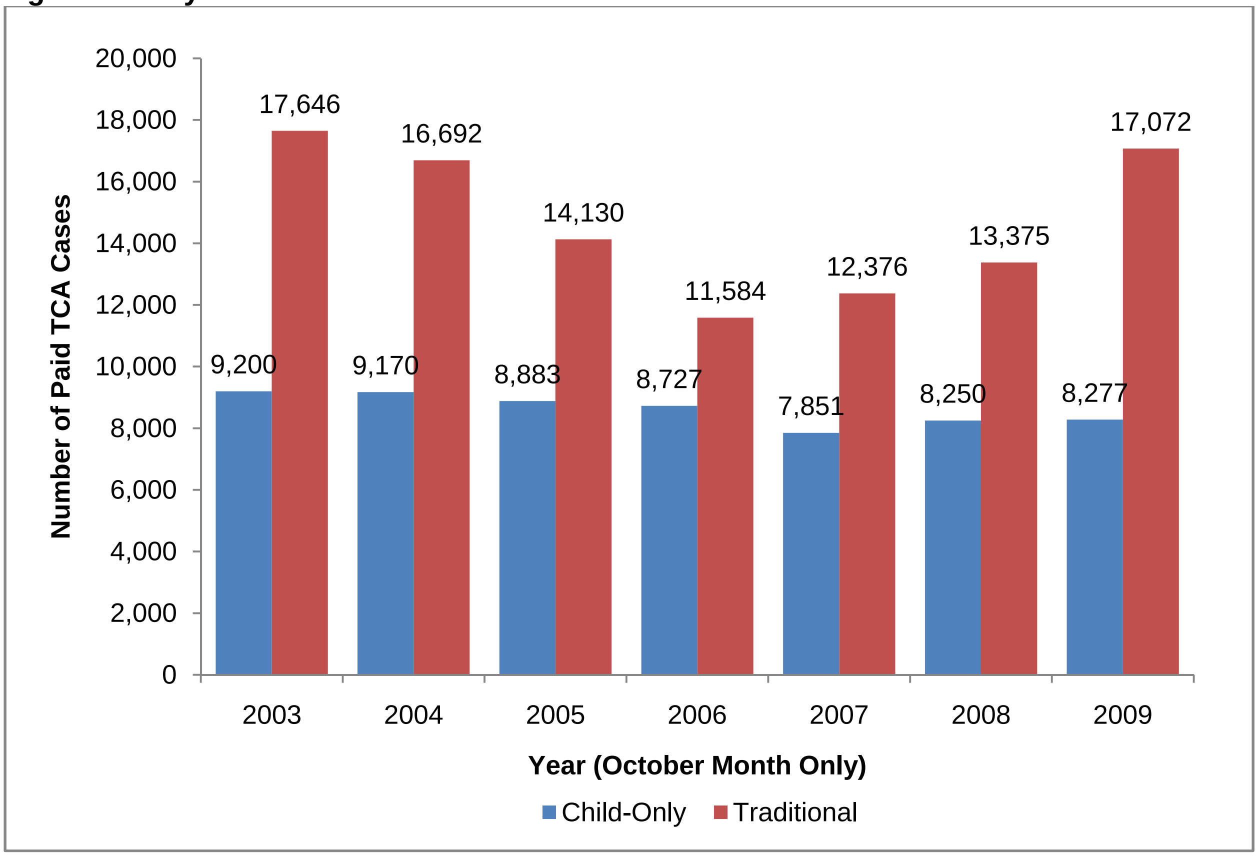
Several research groups have hypothesized about the role TANF may continue to play in supporting hard-hit families during the current recession and recovery. Zedlewski (2008) points out that even prior to the onset of this recession, the percent of eligible families receiving TANF had been declining and that certain TANF policies (like time limits and sanctions) and funding restrictions make it unlikely that TANF will act as a catch-all safety net for hard-hit families. The Congressional Research Service (CRS, 2009) provides a similar analysis. They also note that Unemployment Insurance (UI), Food Stamps, and Medicaid provide a broader range of benefits to poor families than TANF cash assistance and that the low level of cash benefits provided through TANF makes it a last option for the hardest-hit families. The fact that by the end of 2008, there were TANF caseload increases in 16 states (including Maryland) indicates just how deeply families are being affected, despite having survived the relatively minor recession of 2001 without similar increases.

So who are these TANF families? This question is particularly relevant as states consider how to best utilize additional funds made available through the American Recovery and Reinvestment Act of 2009. Policymakers are faced with decisions about whether to invest in work support programs like subsidized employment and child care assistance, whether to expand cash benefits to help families who are unable to secure employment, or whether to focus on diversion programs that will help families through immediate crises while avoid-

[5] Calculated from Monthly Statistical Reports issued by the Family Investment Administration, Maryland Department of Human Resources, and available online: http://www.dhr.state.md.us/fia/statistics.htm

ing long-term cash receipt. This report provides an analysis of Maryland's TANF entrants, with a focus on those who are new, having not received benefits in the past five years and comparing them with families who are returning to welfare after a break in benefits of at least 30 days. The data is from the October 2008 caseload, a key month as the state was just beginning to see sustained caseload increases and the recession was unquestionably in full swing.

Figure 1. Maryland TCA October Caseload Totals 2003-2008



Note: Between October 2006 and October 2007, Non-SSI parental child-only cases began to be counted among traditional cases in the monthly TCA Core Caseload Reports released by the Family Investment Administration, Maryland Department of Human Resources. While this may contribute to the observed drop in child-only cases in October 2007, previous research has shown this to be a very small subgroup, representing approximately 3% of child-only cases and less than 1% of cases overall (Hetling, Saunders & Born, 2005).

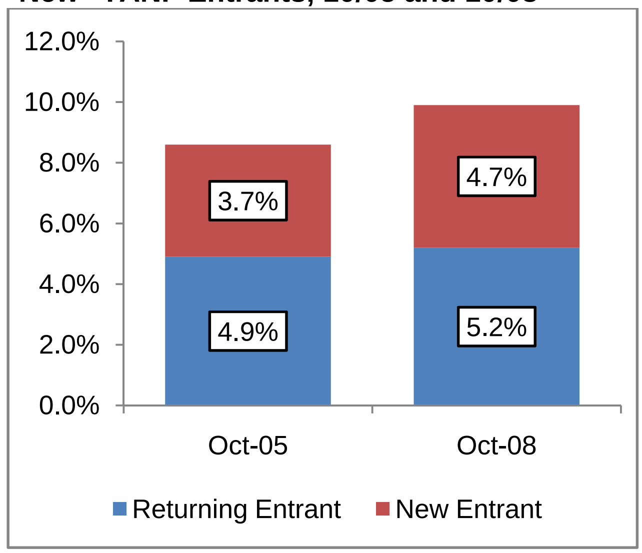
FINDINGS

This chapter provides a discussion of our empirical findings regarding entrants to Maryland's October 2008 active TANF caseload. It includes a description of casehead and case characteristics, as well as caseheads' past and recent employment experiences and their past participation in non-TANF programs.

For this report we define entrants as TANF cases that were active in October 2008, but not in September 2008 (n=2,128). Throughout the report, we distinguish between "new" (n=1,008) and "returning" entrants (n=1,120). These groups are based on the previous TCA experiences of the casehead. That is, "new" cases are those in which the casehead has no record of being a TANF casehead in Maryland during the preceding 60 months, or five years, and "returning" cases are those in which the casehead was a TANF casehead in Maryland for at least one month during the preceding five years.[6]

Figure 2, following this discussion, shows that the proportion of entrants (i.e., those in the 1st month of a TCA spell) among the active TANF caseload in Maryland has increased in recent years. This is not an unexpected finding due to the difficult economy and to the successful transition from welfare to work for previously long-term welfare recipients. Specifically, the percent of "returning" entrants increased from 4.9% to 5.2% of the total caseload between October 2005 and October 2008, and the percent of "new" entrants increased from 3.7% to 4.7%. Together then, 8.6% of the caseload in October 2005 and 9.9% of the caseload in October 2008 consisted of families that were in the first month of a new, although not necessarily their first, welfare spell. This results in an average monthly increase of approximately 100 additional cases. Overall, in October 2008, there were 2,128 TANF entrants, including 1,120 caseheads who were returning to TANF in Maryland after a clear break and 1,008 caseheads that were new. The remaining sections of this report provide information that helps us to understand who these caseheads (and their families) are and what their economic situation looked like at this point in the recession.

Figure 2. Percent of "Returning" and "New" TANF Entrants, 10/05 and 10/08



Note: The universe counts for the October 2005 and 2008 caseloads are 23,381 and 21,553, respectively. Data from the October 2005 caseload were originally obtained for the 2005 update of the *Life On Welfare* series (Saunders, Ovwigho, & Born, 2006).

Core Caseload Distribution

One way that the Family Investment Administration (FIA) keeps track of work eligibility is to categorize active TANF cases into one of twelve core caseload groups, based on a combination of casehead and case characteristics. The categorization then affects whether or not the case is included in the denominator of the calculation of the federal work participation rate (WPR). Table 1, following this discussion, presents the distribution of these groups among the caseload for all entrants who, in October 2008, received their first month of TCA benefits (i.e., they were beginning a new although not necessarily their first spell of TANF receipt).

[6] Although this definition does not include payees' entire, lifetime welfare history leading up to the study month, we have found that welfare use in the previous five years correlates highly with lifetime measurements, with a Pearson correlation coefficient ranging from r=0.783*** to r=0.924*** depending on the sample.

These results are also presented graphically in Figure 3, directly following the table. In general, we find that more than half (56.6%, 1,203/2,128) of all October 2008 entrants were included in the "Remainder" group, meaning they had no circumstances that would exclude them from work requirements or being counted in the WPR. The next largest group is "Child Under 1" (12.5%, 266/2,128), which includes cases where the casehead is exempt from work requirements because she is caring for an infant under the age of one and has not previously received the exemption. "Non-parental Child-Only" (11.9%, 253/2,128), where the casehead is caring for a relative, has no children of her own in the case, and is not counted in the calculation of the TCA grant or subject to work requirements, is the third largest group. Together, these three core caseload groups account for eight out of ten (81.0%, 1,722/2,128) TANF entrants in October 2008.

Comparing "new" entrants to "returning" entrants, we find that "new" entrants are three times as likely to have a "Child under 1" exemption (18.9% vs. 6.8%). This is to be expected, as new mothers would not have been eligible as a TANF casehead prior to having children, unless they were caring for a relative. In addition "new" entrants are also twice as likely to be "Non-parental Child-Only" cases (15.8% vs. 8.4%) and three times as likely to be "Two-parent" cases (4.3% vs. 1.4%). Overall, less than one-half (45.8%, 461/1,008) of "new" entrants fell in the "Remainder" category, compared with two-thirds (66.4%, 742/1,120) of "returning" entrants. Thus, "new" entrants are less likely to be included in the calculation of the state's WPR than entrants who are returning to TANF after at least a one-month break.

Overall, the distribution of core caseload categories among the population of TANF entrants both new and returning is quite different from that of the active caseload as a whole. For instance, as shown in the third and fourth columns of Table 1, TANF entrants are nearly twice as likely to be in the "Remainder" group as the average active case (56.6% vs. 30.0%) and substantially less likely than the average active case to be in the "DEAP Disabled" group (4.0% vs. 9.0%, respectively), the "Non-parental Child-Only" group (11.9% vs. 32.0%, respectively), or the "SSI Parent Child-Only" group (2.0% vs. 6.3%, respectively).

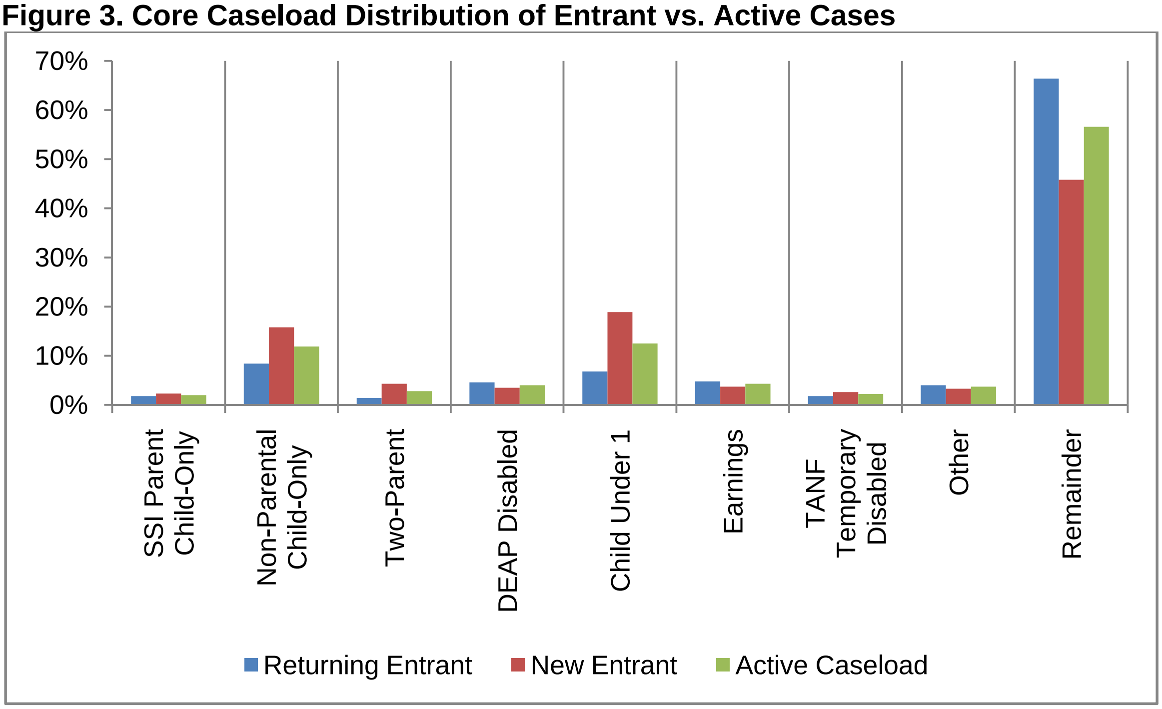
In fact, although not presented in tabular form in today's report, the profile of October 2008 TANF entrants is more consistent with the profile of a welfare leaver in Maryland than with the average active case on this variable. A recent *Life After Welfare* report, to illustrate, found that more than half (54.4%) of those who exited from welfare in Maryland between April 2008 and March 2009 were in the "Remainder" category, and only one in six (17.2%) were in the "Non-parental Child-Only" category (Born et al., 2009). Although not a perfect indicator, the fact that October 2008 entrants resemble welfare leavers more so than the active caseload may signify that "new" entrants may not remain on TANF for an extended period of time. The next few sections provide a more detailed analysis of casehead and case characteristics, which may also help enlighten us as to the future prospects of these new TANF cases.

Table 1. Distribution of Core Caseload Groups***

	Returning Entrants (n=1,120)		New Entrants (n=1,008)		Total Entrants (n=2,128)		Total Active Caseload (n=21,553)	
SSI Parent Child Only	1.8%	(20)	2.3%	(23)	2.0%	(43)	6.3%	(1,351)
Non-Parental Child Only	8.4%	(94)	15.8%	(159)	11.9%	(253)	32.0%	(6,877)
Two-Parent cases	1.4%	(16)	4.3%	(43)	2.8%	(59)	1.2%	(259)
DEAP Disabled	4.6%	(51)	3.5%	(35)	4.0%	(86)	9.0%	(1,935)
Child Under 1	6.8%	(76)	18.9%	(190)	12.5%	(266)	11.7%	(2,517)
Earnings	4.8%	(54)	3.7%	(37)	4.3%	(91)	3.1%	(662)
TANF Temporary Disabled	1.8%	(20)	2.6%	(26)	2.2%	(46)	1.6%	(336)
Other	4.0%	(45)	3.3%	(33)	3.7%	(78)	5.1%	(1,092)
Remainder	66.4%	(742)	45.8%	(461)	56.6%	(1,203)	30.0%	(6,450)

Notes: "Other" includes the following core caseload categories: Needy Caretaker Relatives (0.9%); Legal Immigrants (0.5%); Caring for a Disabled Household Member (1.1%); and Domestic Violence (1.1%). Due to small instances of missing data, cell counts may not sum to column total. Valid Percents are reported. *p<.05, **p<.01, ***p<.001

Figure 3. Core Caseload Distribution of Entrant vs. Active Cases



Casehead Characteristics

This section presents findings regarding the characteristics of October 2008 TANF entrant caseheads, including gender, race and ethnicity, marital status and age. Examining these demographic characteristics allows us to understand the make-up of Maryland's TANF entrants in the study month, providing some insight about who is coming onto TANF during the current economic recession.

Table 2, following this discussion, shows that nearly all (94.2%, 2,005/2,128) of October 2008 entrant caseheads are women. About three-fourths (75.3%) are African American and about eight out of every ten have never been married (81.5%). Additionally, about one-half (52.2%) of all entering caseheads are between 20 and 30 years old, although the average age is 31 years. These data generally reflect the characteristics of the active caseload as a whole, and the characteristics of typical welfare leavers in Maryland, though there are some differences. October 2008 entrants are slightly more likely to have never married, and are younger, on average, than caseheads in the October 2007 active caseload and caseheads of exiting cases between April 2008 and March 2009 (Born et al., 2009; Saunders, Young, & Born, 2009).

Table 2 also provides a comparison of casehead characteristics between "new" and "returning" entrants. In general, we find that "new" entrants are less likely than "returning" entrants to be female (89.6% vs. 98.4%), less likely to be African-American (66.3% vs. 83.2%), and less likely to have never married (76.4% vs. 86.1%). In these respects, "new" entrants are less reflective of the overall active caseload or the average welfare leaver and more reflective of the profile of a "Non-Parental Child-Only" case. As discussed in the previous section, this type of child-only case makes up one in seven (15.8%) "new" cases, and our previous work has shown that these caseheads are quite different from traditional welfare caseheads (Hetling, Saunders, & Born, 2005).

The average age of caseheads in both the "returning" and "new" entrant groups was 31 years. However, there are some differences between the groups that are masked when looking only at the mean value. For instance, "returning" entrants are more likely to be between 20 and 30 years of age (57.1% vs. 46.8% among "new" entrants). There are also more than four times as many very young (under 20) caseheads among the "new" entrants (13.8%) as among "returning" entrants (3.0%). Again, these differences reflect variation of case types within each group. For instance, as discussed in the previous section the "new" entrant group is three times more likely to include cases with a "Child Under 1" exemption (18.9% vs. 6.8%), and these cases are likely to include new and younger mothers. On the other hand, the "new" group is also more likely to include child-only cases (both SSI Parental and Non-Parental Child-Only cases), which tend to have older caseheads.

Thus far, our findings suggest that, despite long-standing stereotypes to the contrary, TANF recipient families, including October 2008 new and returning entrants, are a heterogeneous not a homogeneous group. To shed more light on the subject, we continue our analysis of the characteristics of the cases in each group in the next section of the chapter.

Table 2. Casehead Characteristics

	Returning Entrants (n=1,120)		New Entrants (n=1,008)		Total Entrants (2,128)	
Gender* **						
% Female	98.4%	(1,102)	89.6%	(903)	94.2%	(2,005)
Race and Ethnicity* **						
African American	83.2%	(918)	66.3%	(639)	75.3%	(1,557)
Caucasian	15.0%	(166)	26.6%	(256)	20.4%	(422)
Other	1.7%	(19)	7.2%	(69)	4.3%	(88)
Hispanic (of any race)	1.5%	(17)	5.5%	(55)	3.4%	(72)
Marital Status* **						
Never Married	86.1%	(961)	76.4%	(749)	81.5%	(1,710)
Married	3.8%	(42)	9.3%	(91)	6.3%	(133)
Divorced	2.6%	(29)	4.3%	(42)	3.4%	(71)
Separated	7.1%	(79)	9.5%	(93)	8.2%	(172)
Age in Study Month* **						
Less than 20	3.0%	(34)	13.8%	(139)	8.1%	(173)
20-25	33.9%	(380)	29.6%	(298)	31.9%	(678)
26-30	23.2%	(260)	17.2%	(173)	20.3%	(433)
31-35	14.5%	(162)	11.6%	(117)	13.1%	(279)
36-and older	25.4%	(284)	27.9%	(281)	26.6%	(565)
Mean	31.0		31.0		31.0	
Median	28.3		27.8		28.2	
Standard Deviation	9.3		11.4		10.4	
Range	18.3 - 71.6		17.1 - 77.8		17.1 - 77.8	

Note: Coding of Hispanic ethnicity began in March 2008. Thus, the difference in percent Hispanic between the two groups may be reflective of a change in administrative process, rather than a real difference in the ethnic composition of the two groups. Due to some instances of missing data, cell counts may not sum to column totals. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Case Characteristics

Table 3, following this discussion, presents information on the characteristics of entrant cases in our study month, including the average size of assistance units, the composition of cases in terms of the number of adults and children, the average age of the youngest child per assistance unit, and the region in which the case was active in the study month. Findings are presented for all entrants and, separately, for "new" and "returning" entrants.

Overall, most entering assistance units included two (39.1%) or three (25.6%) people, averaging 2.6 persons per unit. Eight out of ten cases (82.5%) are single-adult cases and 13.9% are child-only, with no adult on the grant. A plurality of cases (45.8%) contain only one child and about one-quarter (28.0%), have two children in the assistance unit. Roughly one in five cases (19.2%) contains three or more children. On average, the youngest child in an October 2008 entering assistance unit is 5.0 years old and nearly half (48.8%) of all entering cases contain a child under the age of three years.

Finally, we find that three out of four (75.8%) cases are located in one of five jurisdictions in Maryland. Nearly one-half (45.4%) of all entering cases are located in Baltimore City, one in ten in Prince George's County (10.9%) or Baltimore County (9.0%), and one in twenty located in Montgomery County (4.8%) or Anne Arundel County (5.7%).

Comparing the "returning" entrants to the "new" entrants, Table 3 reveals that "returning" entrant cases tend to be larger. They are more likely to include three (29.0% vs. 21.7%) or four (23.8% vs. 14.8%) people and much less likely to include single-person assistance units (8.8% vs. 23.7%). This finding is directly related to the difference in the proportion of child-only cases between the two groups; "new" entrants are nearly twice as likely to be child-only cases as "returning" entrants (18.1% vs. 10.2%). Interestingly, "new" entrants are also more likely to be cases with two or more adults than "returning" entrants (5.3% vs. 2.1%).

In terms of the number of children per case and the average age of the youngest child, "new" cases generally have fewer children than "returning" cases (mean=1.5 vs. 1.9). Specifically, we find that "new" cases are more than five times as likely to include no children (12.3% vs. 2.3%), most commonly cases with a single pregnant woman who is eligible for TCA. "New" entrants are also about half as likely to be cases with three or more children (14.1% vs. 23.8%). Among cases with at least one child, the age of the youngest child is, on average, lower in "new" cases than "returning" cases (mean=4.7 vs. 5.2). In fact, more than half (54.7%) of all "new" cases include a child who is less than three years old, compared with two out of five (44.0%) "returning" cases. Again, we see how the core caseload distribution of each group is reflected in the characteristics of cases and caseheads, as "new" entrants are more likely to have very young children and to have cases with a "Child under 1" exemption.

Finally, we see that there are some notable differences in the regional distribution of cases in the "returning" group versus those in the "new" group. In particular, we find that "returning" cases are almost twice as likely to be Baltimore City cases, compared with "new" cases (57.5% vs. 32.0%). This may be a reflection of regional variations in the demographics of local populations. For instance, we know that "new" cases are more likely to be child-only cases, two-parent cases, and new parents who are caring for an infant. The extent to which these types of family situations are more common in non-City jurisdictions therefore influences the regional distribution of the "new" caseload. On the other hand, the proportion of Baltimore City cases among the "returning" entrants is actually higher than what is found among the active TANF caseload in general, or among welfare leavers (Ovwigho, Born, Patterson, & Kolupanowich, 2008; Saunders, Young, & Born, 2009). Thus, this finding may be (and we suspect is at least partly) a reflection of higher recidivism rates in Baltimore City. However, a full investigation of the issue is beyond the scope of this study.

Having reviewed the distribution of core caseload types, and the characteristics of caseheads and cases within the “returning” and “new” categories of TANF entrants in our study month, October 2008, we now move on to examine the past employment and public benefit experiences of caseheads in the two groups. This information will give us a more complete picture of who these caseheads are, and what we might expect about their prospects for continued welfare use and self-sufficiency in the future.

Table 3. Case Characteristics

	Returning Entrants (n=1,120)	New Entrants (n=1,008)	Total Entrants (n=2,128)
Size of Assistance Unit* **			
1	8.8% (98)	23.7% (239)	15.8% (337)
2	38.4% (430)	39.8% (401)	39.1% (831)
3	29.0% (325)	21.7% (219)	25.6% (544)
4 or more	23.8% (267)	14.8% (149)	19.5% (416)
Mean***	2.8	2.4	2.6
Median	3	2	2
Standard Deviation	1.2	1.2	1.2
Number of Adults on Case* **			
0 (child-only)	10.2% (114)	18.1% (182)	13.9% (296)
1	87.8% (983)	76.7% (773)	82.5% (1756)
2 or more	2.1% (23)	5.3% (53)	3.6% (76)
Mean**	0.9	0.9	0.9
Median	1	1	1
Standard Deviation	0.3	0.5	0.4
Number of Children on Case* **			
0	2.3% (26)	12.3% (124)	7.0% (150)
1	42.7% (478)	49.3% (497)	45.8% (975)
2	31.3% (350)	24.3% (245)	28.0% (595)
3 or more	23.8% (266)	14.1% (142)	19.2% (408)
Mean***	1.9	1.5	1.7
Median	2	1	1
Standard Deviation	1.1	1.1	1.1
Age of Youngest Child in AU			
% with a child under 3***	44.0% (480)	54.7% (486)	48.8% (966)
Mean*	5.2	4.7	5
Median	3.6	2.3	3.1
Standard Deviation	4.7	5.1	4.9
Region			
Baltimore City	57.5% (644)	32.0% (323)	45.4% (967)
Prince George's County	6.6% (74)	15.6% (157)	10.9% (231)
Baltimore County	8.8% (99)	9.2% (93)	9.0% (192)
Montgomery County	2.9% (33)	6.8% (69)	4.8% (102)
Anne Arundel County	5.0% (56)	6.4% (65)	5.7% (121)
Metro: Carroll, Harford, Howard, & Frederick Counties	6.6% (74)	9.6% (97)	8.0% (171)
Southern MD: Calvert, Charles, & St. Mary's Counties	2.6% (29)	5.6% (56)	4.0% (85)
Western MD: Garrett, Allegany, & Washington Counties	2.1% (24)	4.5% (45)	3.2% (69)
Upper Shore: Cecil, Kent, QA, Caroline, Talbot & Dorchester	4.2% (47)	5.4% (54)	4.7% (101)
Lower Shore: Worcester, Wicomico, & Somerset Counties	3.6% (40)	4.9% (49)	4.2% (89)

Note: Due to small instances of missing data, cell counts may not sum to column totals. Valid percents are reported.
*p<.05, **p<.01, ***p<.001

Current and Historic Employment

In a healthy economy, we would expect past employment patterns to be a strong predictor of future employment prospects. It is less clear how this relationship will hold up during such a difficult recession. Nonetheless, it is still important for frontline workers to be familiar with the employment histories of their clients, in order to assess what types of services are appropriate for supporting their transition from welfare to work in the future. To this end, Table 4, following this discussion, presents information on the employment experiences of caseheads that were in the first month of a new TANF spell in our study month. Specifically, we review employment rates and average earnings in the previous eight quarters, the previous four quarters, and in the study quarter. Findings are presented separately for new and returning entrants and for all entrants combined.

The top section of Table 4 shows that seven out of ten (71.9%) entrants were employed in a Maryland UI-covered job at some point during the previous eight quarters (October 2006 through September 2008). Among those who were employed, the average number of quarters worked was 4.8, or a little more than half the time. Total earnings for the two-year period averaged not quite $16,000 (mean=$15,668), or $2,624 per quarter. Also, among those who were employed at some point in the previous eight quarters, it had been an average of three quarters (mean=3.3) since their most recent employment. Thus, those who were employed in the two years leading up to the study month were more likely to have been employed in the earlier portion of that period (i.e., October 2006 through September 2007), rather than the latter (i.e., October 2007 through September 2008).

The middle section of Table 4 provides more detail about the four quarters leading up to the study month. Specifically, among those who worked during the previous year, which includes the first ten months of the recession, total average earnings were less than $10,000 (mean=$8,498), or approximately $2,500 per quarter (mean=$2,563). Only one in four (27.1%) caseheads in all entering cases were employed during the study quarter (October 2008 through December 2008). As our study month falls at the beginning of the quarter, it is likely that most of this employment occurred concurrently with TANF receipt, or following a relatively short spell on the TANF rolls. Among those who were employed, earnings were slightly lower than in previous time periods, averaging $2,461 for the quarter.

These findings are somewhat favorable compared with previous analyses of the active caseload (Saunders, Young, & Born, 2009). For instance, among the October 2007 active TANF caseload, the employment rate for the preceding eight quarters was only 60.1%, substantially lower than the rate of 71.9% found among entrants in this report. Similarly, the employment rate for the preceding four quarters was 48.7%, compared with 60.6% among October 2008 entrants. However, earnings for our entering cases are somewhat lower, on average, than they were among employed caseheads from the October 2007 active caseload. For instance, the average amount earned during the preceding four quarters was $3,357 per quarter for October 2007 caseheads, compared with $2,563 per quarter among new entrants in the October 2008 caseload.[7] Additionally, the employment rate and earnings in the study quarter are both lower for entrants in the October 2008 caseload than for all caseheads in the October 2007 active caseload (27.1% and $2,461 for entrants, vs. 32.8% and $4,173 for 10/07 caseheads).

In addition to providing an overview of employment experiences among all entering TANF cases, Table 4 also presents data separately for “returning” vs. “new” cases. In general, we find that prior to the study quarter, “new” caseheads were less likely to be em-

[7] The actual figure reported in the above-referenced report is $3,228, because it was originally reported in 2007 dollars. For the sake of comparison with figures in this report, it has been updated to 2008 dollars using the annual average CPI reported by the U.S. Department of Labor, Bureau of Labor Statistics: ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt

ployed, but, on average, earned significantly more than their counterparts in “returning” cases. Specifically, in the previous eight quarters, two-thirds (67.1%) of “new” caseheads were employed in a Maryland UI-covered job, compared with more than three out of four (76.1%) “returning” caseheads. However, “new” caseheads who were employed earned, on average, a total of nearly $20,000 (mean=$19,563) or $3,156 per quarter, compared with average total earnings of $12,654 and average quarterly earnings of $2,213 among “returning” caseheads who worked.

The same pattern is true within the previous four quarters, as just over one-half (56.3%) of “new” caseheads were employed, compared with nearly two-thirds (64.4%) of “returning” caseheads. Again, however, average earnings among those who were employed were approximately 50% higher in the “new” group compared with the “returning” group (mean=$10,613 and $6,874, respectively). Thus, we find that while “new” caseheads may have recently fallen on hard times despite relatively high earnings in the past, “returning” caseheads may have been struggling with low earnings for quite some time, despite relatively high work effort overall.

Finally, during the study quarter, the employment rate was much more comparable between the two groups than in the previous quarters (27.0% among “returning” caseheads, and 27.3% among “new” caseheads). However, we still see a marked difference in earnings. “New” caseheads who were employed in a Maryland UI-covered job earned nearly 50% more than their counterparts in the “returning” group, amounting to a difference of nearly $1,000 (mean=$2,967 and $2,010, respectively).

While we are unable to determine hourly earnings rates from the available UI wage data, it could be that “new” caseheads may have a higher earnings potential than those in the “returning” group. Of course, based on the data available for analysis this study, this is a speculative assertion and not an empirically-based one. Nonetheless, it is important to consider. If the consistently observed and statistically significant earnings differences between “new” and “returning” entrants do reflect real between-group differences in skills or earnings potential, the two groups’ likelihood of being able to make relatively quick exits from welfare may also be quite different. In the final section of this chapter, we review caseheads’ past experiences with a variety of benefit programs to see whether the types of differences observed in case and client characteristics as well as employment and earnings are also reflected in program utilization rates.

Table 4. Current and Historic Employment

	Returning Entrants (n=1,120)	New Entrants (n=1,008)	Total (n=2,128)
Previous 8 Quarters (10/06-9/08)			
Percent Employed ***	76.1% (849)	67.1% (657)	71.9% (1506)
Mean # of Quarters Worked	4.7	4.9	4.8
Average Total Earnings***	$12,654	$19,563	$15,668
Average Quarterly Earnings***	$2,213	$3,156	$2,624
Mean # of Quarters Since Employed	3.0	3.6	3.3
Previous 4 Quarters (10/07-9/08)			
Percent Employed***	64.4% (718)	56.3% (551)	60.6% (1269)
Mean # of Quarters Worked*	2.7	2.8	2.7
Average Total Earnings***	$6,874	$10,613	$8,498
Average Quarterly Earnings***	$2,160	$3,087	$2,563
Fourth Quarter of 2008 (10/08-12/08)			
Percent Employed*	27.0% (301)	27.3% (267)	27.1% (568)
Average Total Earnings***	$2,010	$2,967	$2,461

Note: Identifying information was missing for 34 caseheads, and these are excluded from the analyses. Valid percents are reported. *p<.05, **p<.01, ***p<.001

Current and Historic Program Participation

Our final section of findings reviews sample members' historic receipt of public benefits in Maryland. The purpose is two-fold. First, we want to know whether new entrants have come through the doors of local departments of social services in the past or not, either as a casehead or other household member. Given the crush of rising need and limited resources, this is a mundane, but practically important, indicator of whether they may be familiar with the standard protocols and expectations of receiving public benefits such as appointments, paperwork, and work participation requirements. Second, it provides a more complete picture of their financial situation, including the packaging of income from a variety of sources, in the previous five years. Specifically, we provide an overview of caseheads' recent use of the following programs: Temporary Cash Assistance (TCA), Food Supplement Program (FS, formerly Food Stamps), Medical Assistance (MA), and Supplemental Security Income (SSI).

Temporary Cash Assistance

The first row in Table 5, following this discussion, is provided as a reminder that our sample excludes individuals who received TCA, as a casehead or a household member, in the month prior to the study month. Therefore, none (0%) of the sample members in either our "new" or "returning" group were in a TCA case in the previous month. In addition, the definition of our sample subgroups guarantees that all (100%) of the "returning" cases received TCA at some point in the previous 60 months. The TCA experiences of "new" cases are a bit less straightforward – we defined the group as caseheads who had not received TCA *as a casehead* in the previous 60 months.[8] As seen in the second row of Table 5, however, a small minority, approximately one in ten (8.6%) of these individuals had received TCA as a household member other than a casehead at some point in the previous five years. On average, it had been just about two and one-half years (30.1 months) since "new" entrants had last been included in a TCA assistance unit. This compares to an average of about one year (14.0 months) among "returning" entrants. It must be noted, however, that the median value indicates that, at least for "returning" entrants, the average was somewhat skewed by a small number of recipients who were returning after unusually long breaks from TANF. In actuality, half of "returning" entrants were coming back on TCA after a break of eight or fewer months.

Still, this finding is somewhat concerning because, from our research on welfare leavers, we have generally found that if someone is able to remain off welfare for the first three consecutive months after exiting, they are able to remain off indefinitely (Born et al., 2009). In fact, in a recent update of the *Life After Welfare* study, we found that two-thirds (65.9%) of those who exited TANF between April 2007 and March 2008 were able to remain off for a full year despite the onset of the recession.

Food Supplement

The remaining sections of Table 5 provide information on non-TCA benefits. First, the Food Supplement (FS, formerly Food Stamps) program provides funds to a family to be specifically spent on food. The income guidelines for eligibility are more generous for FS than for TCA, so there are few instances where a TCA recipient is not also eligible to receive FS benefits. Exceptions include individuals who do not comply with FS work requirements, individuals with ineligible immigrant status, and individuals with intentional program violations or other criminal histories. For our sample, nearly nine out of ten (88.1%) "returning" entrants received FS benefits in the previous month, despite not receiving TANF. It is possible that these "returning" entrants continued to receive FS benefits as a transitional benefit after their last exit from welfare, until they returned to TANF. In fact, findings from our ongoing longitudinal study of

[8] Although this definition does not include payees' entire, lifetime welfare history leading up to the study month, we have found that welfare use in the previous five years correlates highly with lifetime measurements, with a Pearson correlation coefficient ranging from r=0.783*** to r=0.924*** depending on the sample.

welfare leavers lend evidence to this hypothesis: about one-half (52.6%) of former welfare families receive FS benefits during the third year after exiting TCA (Born et al., 2009).

This particular finding, of course, can be viewed positively or negatively. It is positive because it indicates that low-income, hard-working families do need and typically do avail themselves of this important income supplementation program. On the other hand, even though income eligibility thresholds are higher for FS than for TCA, relatively high rates of FS participation among families who are not on TCA suggests that their economic situations are not great and may be perilous in difficult times. Among "returning" entrants with a break in FS benefits, the break was, on average, less than one year (mean=10 months).

Finally, the FS caseload has experienced tremendous growth in recent years, separate and apart from trends in the TCA caseload. As previously noted, this clearly reflects the very difficult economic situation families have faced throughout the recession. In one recent research brief, we found that nine out of ten (91%) of Maryland's FS cases that were active in September 2008 but not the previous month, were Non-Public-Assistance cases (Ovwigho, Kolupanowich, and Born, 2008).

Thus, it is also not surprising that, as shown in Table 5, two-thirds (67.3%) of "new" TANF entrants received FS benefits in the month preceding the study month and an additional one in ten (11.2%) had received FS benefits at some point in the past despite not being on the rolls in the preceding month. On average, if they had not received benefits in the previous month, it had been about a year and a half (18.8 months) since caseheads in the "new" entrants group received FS benefits.

Finally, it is important to note that one out of five (21.5%) "new" entrants had not received FS benefits in Maryland at all in the previous 60 months. And, by definition of our sample subgroups, they had not received TCA benefits either. These could be individuals who recently moved to Maryland and received benefits in another state, individuals who have just recently turned 18 and become eligible for their own assistance case, or individuals who really are new to the whole system of public assistance and who, as a result of the economic crisis, may be in very difficult financial situations for the first time in their adult life. Regardless of the reason, however, it is sobering to reflect on the fact that fully one in five new entrants to cash assistance may truly have no adult experience with either the TCA or FS program.

Medical Assistance

The next section of Table 5 details sample members' use of Medical Assistance (MA), which is the most common of all benefits. Practically all (98.8%) "returning" entrants and nearly all (92.5%) of "new" entrants were included in a MA household in the month preceding the study month. This may not be reflective of historical trends, as there was landmark legislation (The Working Families & Small Business Health Coverage Act) in 2008 which expanded MA coverage to over 100,000 previously uninsured and ineligible Marylanders. The Act was effective July 1, 2008, just three months prior to our study month. It may be that, going forward, MA will be the primary gateway to additional services like FS and TCA for families who would not otherwise have known they could qualify for additional benefits.

Supplemental Security Income

The final section of Table 5 provides a quick glimpse of how many sample members had applied for Supplemental Security Income (SSI), which provides benefits to low-income adults and children with disabilities, and how many had ever received benefits. As shown, one in six (16.9%) "new" entrants had applied for SSI benefits at some point, compared with one in five (21.5%) "returning" entrants. This fits with what else we know about the "returning" entrants group, namely that they tend to have low earnings and to be returning to TANF after a relatively short break. It could be that there is a health issue or disability (real or perceived) that is preventing them from finding secure and stable employment with sufficient earnings. However the criteria for qualifying for SSI benefits are very stringent, resulting in relatively few individuals actually receiving benefits compared to the number of people who apply. In fact, despite a higher application rate, "returning" entrants were no more likely than "new" entrants to have ever received benefits (4.7% among "returning" entrants vs. 4.3% among "new" entrants).

Table 5. Historic Receipt of Other Benefits (As Any Household Member)

	Returning Entrants (n=1,120)	New Entrants (n=1,008)
Temporary Cash Assistance* **		
Received in Previous Month	0.0% (0)	0.0% (0)
Did not receive in previous month, but in past 60	100.0% (1,120)	8.6% (87)
Mean # Months Since Last Received***	14.0	30.1
Median # Months Since Last Received	8.0	32.0
Did not receive at all in past 60 months	0.0% (0)	91.4% (921)
Food Supplement Program* **		
Received in Previous Month	88.1% (987)	67.3% (678)
Did not receive in previous month, but in past 60	9.7% (109)	11.2% (113)
Mean # Months Since Last Received***	10.0	18.8
Median # Months Since Last Received	5.0	13.0
Did not receive at all in past 60 months	2.1% (24)	21.5% (217)
Medical Assistance* **		
Received in Previous Month	98.8% (1,107)	92.5% (932)
Did not receive in previous month, but in past 60	1.2% (13)	2.8% (28)
Mean # Months Since Last Received*	12.7	25.3
Median # Months Since Last Received	4.0	26.5
Did not receive at all in past 60 months	0.0% (0)	4.8% (48)
Supplemental Security Income		
Applied Prior to Study Month**	21.5% (241)	16.9% (170)
Ever Received Benefits	4.7% (53)	4.3% (43)

Note: "Mean # of Months Since Last Received" includes only those who did not receive benefits in the previous month, but did receive benefits in the past 60 months. Food Supplement Program is the new name for the Maryland Food Stamps Program, as of 10/1/2008. *p<.05, **p<.01, ***p<.001

In general, we find that TANF is not the primary gateway to services for most families, at least among those who began a new, although not necessarily their first, episode of TCA receipt in the midst of the recession (October 2008). Many “new” entrants who had not received a single month of TCA in the previous five years, received benefits through MA or the FS just before coming onto the welfare rolls. This is a positive trend in several ways. First, TCA is intended to be used as a last resort, and it seems that is the case for most of our new entering families. Second, it means that despite the separate “silos” of funding streams and service provision, many families are making use of key benefits available to them. And, last but not least, there is at least some hint in these data that the availability of food supplementation and health coverage benefits may well serve an important preventive function, at least in normal economic times enabling families to remain free of welfare. It is beyond the scope of this paper to examine that hypothesis, but our findings coupled with common sense lend some degree of support that point of view.

Combining this information with the data presented in previous sections, we see that “new” TANF entrants, like the larger active TANF caseload and indeed like the even larger population of low-income families, are not a homogenous group. Some new entrants are likely to be young mothers-to-be without much work experience, others are first-time relative caregivers who may be older with established work histories, and still others are two-adult families that have worked in the past but have fallen into a time of financial crisis. “Returning” entrants are more likely to reflect “typical” welfare cases, with the exception that they were able to leave the rolls for an average of about a year before returning. It is possible that in better economic times even this latter group may have been able to make ends meet without cash assistance. In the coming months we expect to embark on a new series of studies that investigates recent TANF recidivism patterns more closely, in order to better understand the circumstances surrounding a family’s decision to return to welfare.

When all is said and done however, the inescapable big picture implication of today’s study is that, as evidenced by rising TCA and FS caseloads in the present period of generalized economic distress and shrinking caseloads in the earlier more prosperous period, welfare entrances and exits are inextricably related to events and trends in the larger economy.

CONCLUSIONS

What may we conclude from this descriptive study of families that began a new, although not necessarily their first, episode of cash assistance (i.e. TCA) receipt in Maryland in October 2008, at or near the height of the so-called Great Recession? One obvious conclusion is that, like the overall TCA active caseload and, more broadly, the even more sizable population of low-income families in general, October 2008 TCA entrants are not a monolithic group. Indeed, study findings suggest they are far more heterogeneous, than homogeneous. By itself, this is an important finding for front-line welfare service planning and delivery because it makes it clear that no "one-size-fits-all" approach is likely to achieve the best results for clients, for local Departments or for the state as a whole. Rather and as always, thorough case-specific assessment and service planning are needed. To illustrate, some October 2008 entrants appear to be young mothers-to-be without much work experience and others are first-time relative caregivers who may be older and have established work histories. Some are two-parent families experiencing economic distress and still others are returning to welfare, some after having been independent for a year or more.

Another conclusion is that there do appear to be some differences between October 2008 entrants who are "new" to TCA and those who are "returning" to TCA. In general, the returning cohort's caseheads seem to be less diverse than new cases; their demographic profile more closely mirrors that of the traditional recipient family (i.e., a single, never-married mother and her one or two young children). On the other hand, this group was able to leave welfare – on average for about a year – before returning in October 2008. It is possible (and results from our ongoing *Life after Welfare* study suggest even probable) that in better economic times many if not most of these returning entrants may have been able to make ends meet without cash assistance. Indeed, it is heartening that, among both groups of caseheads, "new" and "returning" alike, the majority had worked in a Maryland UI-covered job within the past two years and within the past year. On the other hand, it is also true that, on average, it had been nine or more months since the typical casehead had held such a job (e.g., on average roughly since January 2008/December 2007), suggesting the cyclicality of employment in sectors where we know that many low-income women and welfare leavers often work (e.g., retail trade).

Another important conclusion is that, at least in this study, it is clear that cash assistance is the program of last resort for many newly-entering families. Historical use of the Food Supplement and Medical Assistance programs is significantly higher among these new families, suggesting that, at least in normal economic times, these two programs likely do serve an important preventive role in helping families avoid cash assistance. However, as we commented in a recent research brief examining new entrants to the Food Supplement program, it appears that the severe economic downturn is causing people who had been able to "get by" to no longer be able to do so (Ovwigho et al., 2008). In that brief we were referring to the Food Supplement program, but as today's report indicates, the point seems to apply to cash assistance as well.

When all is said and done, however, the overarching and, in our view, inescapable conclusion to be drawn from today's study is that welfare entrances and welfare exits, individually and in the aggregate, are inextricably related to events and trends in the larger economy. This was evidenced by shrinking welfare caseloads during the earlier, more prosperous years of welfare reform and is equally evident in the rising cash assistance caseloads which characterize the present period of generalized and protracted economic distress.

References

Born, C.E., Ovwigho, P.C., Kolupanowich, N., & Patterson, K. (2009). *Life after welfare: Annual update.* Baltimore, MD: University of Maryland School of Social Work.

Congressional Research Service. (2009). *The potential role of the Temporary Assistance for Needy Families (TANF) block grant in the recession.* (Report R40157). Washington, DC: Author.

DeParle, J. (2009, February 1). Welfare aid isn't growing as economy drops off. *New York Times.*

Frierson, B. (2009, October 16). Consumer sentiment falls unexpectedly. *Reuters.* Retrieved October 16, 2009, from http://www.reuters.com

Hetling, A., Saunders, C. & Born, C.E. (2005). *Maryland's child-only caseload: A comparison of parental and non-parental cases.* Baltimore, MD: University of Maryland School of Social Work.

Maryland Department of Planning. (2008). *2007 Maryland statistical handbook.* Baltimore, MD: Author.

Ovwigho, P.C., Kolupanowich, N., & Born, C.E. (2008). *Profile of new Food Supplement cases.* Baltimore, MD: University of Maryland School of Social Work.

Ovwigho, P.C., Patterson, K., Kolupanowich, N., & Born, C. (2008). *Life after welfare: Annual update.* Baltimore: University of Maryland School of Social Work.

Reeves, J. & Leonard, C. (2009, September 24). Great recession transforms the workplace. *Associated Press.* Retrieved November 17, 2009, from http://www.msnbc.msn.com/id/33020534/ns/business-reinventing_america//

Saunders, C., Kolupanowich, N., & Born, C.E. (2009). *Life on welfare: Characteristics and outcomes of Maryland's TCA Caseload.* Baltimore, MD: University of Maryland School of Social Work.

Saunders, C., Ovwigho, P.C., & Born, C. (2006). *Life On Welfare: A snapshot of the active TCA caseload in October 2005.* Baltimore, MD: University of Maryland School of Social Work.

U.S. Department of Labor (2010). *Employment situation – January 2010.* Washington, DC: Author. Available online: http://www.bls.gov/news.release/empsit.nr0.htm

Zedlewski, S. (2008). *The role of welfare during a recession.* Washington, DC: The Urban Institute.