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Life on Welfare: Temporary Cash Assistance Families & Recipients, 2015 & 2016

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For the last few years, Maryland's economy has been on the upswing. In January 2017 the state's unemployment rate was 4.2%, which is both lower than the national unemployment rate and the lowest unemployment rate in Maryland since mid-2008 (U.S. Bureau of Labor Statistics, 2017). Although there were 6,700 new jobs in January 2017, many economists think the economy may begin to slow down later in the year (Sherman, 2017). However, the labor market was strong enough that almost 9,000 more people were either working or looking for work (Sherman, 2017).

When the economy is doing well, fewer families tend to seek assistance from safety net programs, such as Temporary Cash Assistance (TCA). TCA, which is Maryland's version of the federal Temporary Assistance for Needy Families (TANF) program, provides cash assistance to families experiencing economic difficulties and other crises. When unemployment is low, parents who lose their jobs are able to find new ones more easily, and they can avoid relying on programs like TCA.

With the improving Maryland economy—and this relationship between a thriving economy and safety-net programs—it is no surprise that the number of families receiving TCA has been steadily declining for years. Figure 1, below, shows the number of TCA cases in each month from July 2011 through June 2016. Over this five-year period, the number of families receiving TCA decreased by over 25% from 29,105 to 21,078. In fact, after June 2016, caseloads reached record lows. Until the most recent few months, the fewest number of families in any month since the 1996 welfare reform was 20,725 in March 2007. In January 2017, there were only 19,749 families receiving TCA (Maryland Department of Human Resources, 2017).

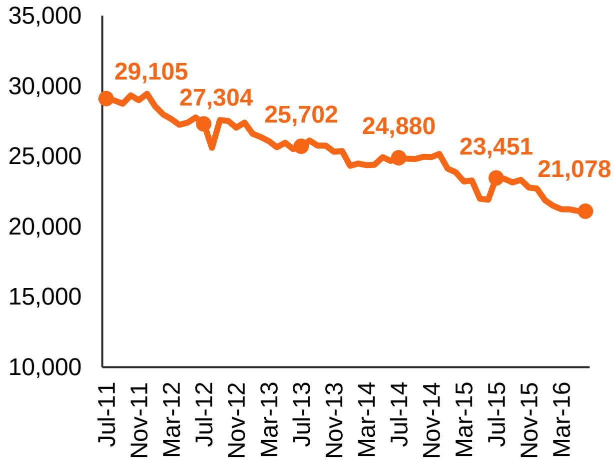
Given the low unemployment rate and declining caseloads, who continues to receive TCA? In this brief, we focus on families—and, in particular, adult recipients in those families—who

KEY FINDINGS

- Statewide, the number of cases declined 8% between SFY2015 and SFY2016, and most jurisdictions experienced decreases in their caseloads as well.
- Most cases include one adult and one or two children.
- After the long-term disabled designation was eliminated in October 2015, over 80% of those cases transitioned to a work-eligible designation in a subsequent month.
- Adult recipients are typically African American women in their early 30s who have finished high school but have no further education.
- Over half of adult recipients worked in the year before they received TCA, but they usually did not work in all four quarters.
- Median annual earnings in the year before receiving TCA were about $5,000, which is well below the poverty line for a three-person family ($20,160).
- Most commonly, adult recipients worked in administrative & support services, restaurants, and retail.

received TCA during state fiscal year 2015 and state fiscal year 2016. Understanding the characteristics and experiences of families receiving assistance is crucial to providing effective services to those families. For example, if families do not receive TCA for long periods of time, then any interventions geared toward those families should not be predicated on the assumption that they will be receiving assistance for years at a time.

Figure 1. Number of TCA Cases, July 2011 to June 2016



Note: Data retrieved from statistical reports provided by the Maryland Department of Human Resources: http://dhr.maryland.gov/business-center/documents/

To that end, we examine the following research questions:

1. What are the characteristics of cases and families who receive TCA? What were their patterns of cash assistance participation?
2. What are the demographic characteristics of adult recipients? What were their employment experiences prior to receiving TCA?

These questions are especially important as Maryland seeks to better integrate TCA recipients into its workforce system. With clear knowledge of exactly who receives TCA and what their experiences with the program are, as well as their prior employment, Maryland can truly serve these clients well.

Data and Study Population

Data

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

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

Maryland,[1] we are likely understating employment and may be missing some earnings.

Study Population

There have been substantial changes to how we examine current recipients. Previous reports on current TCA recipients focused on families who received assistance in October of a given year. Demographic and employment analyses included all payees, regardless of whether they were recipients, and left out other adults who were included on the case.

In contrast, we include every family who received TCA for at least one month in either state fiscal year 2015 or state fiscal year 2016 in this report. Additionally, the demographics and employment analyses are only for adult recipients, so payees who are not recipients themselves are excluded. We believe this provides a more accurate representation of families and individuals receiving TCA.

> **Adult Recipient**
> *28,301 in SFY15*
> *25,457 in SFY16*
>
> *An adult who receives the TCA benefit and is either the payee (head of household) on the case, the payee's spouse, or the other parent of the children on the case*

Because we are interested in receipt during a state fiscal year, the first month in the year that a family actually received benefits is the first month included in the analysis. For example, if a family applied for TCA in January 2015, that family might not actually receive benefits until February 2015. We would consider February 2015 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 2015, some of the measures we use, such as months of receipt in the state fiscal year or months of receipt counted toward the time limit, would count January as a month of receipt. These discrepancies are important in understanding data related to past program participation.

Thus, the study population in this report is the unique number of families who received at least one month of TCA in state fiscal year (SFY) 2015 and in SFY 2016. These years are treated as different populations, although some families received assistance in both years and are included in each year. In SFY15, 37,913 families received TCA for at least one month; in SFY16 33,453 families received TCA for at least one month.

Cases and Families

Each family who receives TCA has its own case, and the characteristics of these families, or cases, are important in understanding who receives assistance. Knowing the age of the youngest child on each case, for example, helps in determining whether families need to pay for full-time childcare. With this knowledge, policymakers and program managers have a better idea of the services that families need in order to become self-sufficient.

A basic first piece of information is knowing where families live. Families in rural areas face distinct issues that those in urban and suburban areas do not. Furthermore, it can help local offices to know exactly how many

[1] More than one in six (17.2%) Maryland residents works out of state, which is over four times greater than the national average (3.8%) (U.S. Census Bureau).

individual families they are serving over the course of a year. Table 1 shows the percentage of the state's caseload, in addition to the number of cases, that is located in each jurisdiction for both state fiscal years.

Not surprisingly, Baltimore City has the bulk of the state's caseload in each year. About two in five families statewide reside in Baltimore City. Baltimore County, which has the second highest caseload, is home for about 12% of families statewide. Together, the five largest jurisdictions—Baltimore City, Baltimore County, Prince George's County, Anne Arundel County, and Montgomery County—have over 70% of the state caseload. Consequently, trends in the state caseload are heavily influenced by what is happening in these jurisdictions.

Consistent with the statewide 8% caseload decline between SFY15 and SFY16, most jurisdictions also experienced a decline in their caseloads. In percentage terms, the decline was greatest in Queen Anne's County, Charles County, and Howard County, where caseloads declined 15% to

Table 1. Percent of State Caseload and Number of Cases by Jurisdiction

	SFY 2015		SFY 2016		Year-to-Year Change	
	%	*n*	*%*	*n*	*%*	*n*
Allegany County	1.8%	(661)	1.9%	(642)	-2.9%	(-19)
Anne Arundel County	6.2%	(2,249)	6.5%	(2,167)	-3.6%	(-82)
Baltimore City	39.7%	(14,370)	40.3%	(13,478)	-6.2%	(-892)
Baltimore County	12.4%	(4,483)	12.1%	(4,033)	-10.0%	(-450)
Calvert County	0.6%	(205)	0.6%	(196)	-4.4%	(-9)
Caroline County	0.7%	(253)	0.7%	(229)	-9.5%	(-24)
Carroll County	1.0%	(366)	1.0%	(330)	-9.8%	(-36)
Cecil County	2.3%	(828)	2.3%	(780)	-5.8%	(-48)
Charles County	1.9%	(690)	1.8%	(586)	-15.1%	(-104)
Dorchester County	1.2%	(424)	1.2%	(393)	-7.3%	(-31)
Frederick County	1.9%	(675)	1.8%	(602)	-10.8%	(-73)
Garrett County	0.3%	(122)	0.4%	(128)	+4.9%	(+6)
Harford County	2.4%	(874)	2.4%	(801)	-8.4%	(-73)
Howard County	1.9%	(701)	1.8%	(597)	-14.8%	(-104)
Kent County	0.3%	(117)	0.3%	(113)	-3.4%	(-4)
Montgomery County	5.6%	(2,020)	5.3%	(1,780)	-11.9%	(-240)
Prince George's County	9.6%	(3,491)	9.1%	(3,052)	-12.6%	(-439)
Queen Anne's County	0.4%	(154)	0.4%	(123)	-20.1%	(-31)
St. Mary's County	2.1%	(776)	2.3%	(759)	-2.2%	(-17)
Somerset County	0.8%	(282)	0.9%	(285)	+1.1%	(+3)
Talbot County	0.2%	(89)	0.3%	(102)	+14.6%	(+13)
Washington County	3.1%	(1,132)	3.4%	(1,150)	+1.6%	(+18)
Wicomico County	3.0%	(1,080)	2.9%	(978)	-9.4%	(-102)
Worcester County	0.4%	(139)	0.4%	(142)	+2.2%	(+3)

Note: In SFY15, 4 cases were missing jurisdiction data; in SFY16, 7 cases were missing jurisdiction data.

20%. However, three large jurisdictions—Baltimore County, Montgomery County, and Prince George's County—all had decreases of 10% to 13%. As a result, about 40% of the total caseload decline came from those three counties.

Only a handful of mostly small jurisdictions had any increase in their caseloads. These increases were typically miniscule, as Garrett County, Somerset County, and Worcester County each had increases of less than seven cases. Talbot County, which had the smallest caseload in the state in both years, added 13 cases. Washington County was the only jurisdiction with more than 1% of the state caseload that had any increase, and it rose less than 2%. While these increases are very minor, it is noteworthy that they all occur in either western Maryland or the Eastern Shore—that is, in the more rural parts of the state.

Another important aspect of TCA cases is the number of people who receive assistance on each case. Table 2 details the number of recipients on cases as well as the number of adult recipients and the number of child recipients. Over half of all cases have only one or two recipients, and only about one in five cases have four or more recipients. A little over one in four cases have no adult recipients; in these cases, the only recipients are children, making them child-only cases. About 70% of cases have just one adult recipient, and cases with two recipient adults are rare at about 4% of the caseload.

As one might expect, child recipients are far more common than adult recipients. Just under half of all cases have one recipient child, and slightly more than one in four have two recipient children. Approximately one in five cases have three or more

Table 2. Case Characteristics

		SFY 2015		SFY 2016	
		%	*n*	*%*	*n*
Number of recipients	1	19.3%	(6,966)	20.1%	(6,729)
	2	38.3%	(13,851)	37.7%	(12,618)
	3	23.2%	(8,388)	22.9%	(7,665)
	4 or more	19.3%	(6,979)	19.3%	(6,441)
Number of adult recipients	0	26.1%	(9,452)	27.8%	(9,300)
	1	69.6%	(25,168)	68.2%	(22,812)
	2	4.3%	(1,564)	4.0%	(1,341)
Number of child recipients	0	4.3%	(1,558)	4.2%	(1,389)
	1	47.4%	(17,160)	47.5%	(15,884)
	2	27.7%	(10,020)	27.4%	(9,151)
	3 or more	20.6%	(7,446)	21.0%	(7,029)
Age of youngest recipient child	Younger than 3	38.4%	(13,280)	38.0%	(12,185)
	3 - 5	21.6%	(7,475)	20.8%	(6,675)
	6 - 12	27.0%	(9,350)	27.7%	(8,865)
	13 - 18	13.0%	(4,495)	13.5%	(4,315)
	Average [median]	5.9	[4.5]	6.0	[4.6]

Note: Of the 1,558 cases with no children in SFY 2015, 1,035 (66.4%) had a pregnant head of household. Of the 1,389 cases with no children in SFY 2016, 900 (64.8%) had a pregnant head of household. The remaining cases with no recipient children may include children who receive disability, subsidized adoption, or foster care payments.

recipient children. Table 2 also shows that the youngest child on each case is, on average, quite young. More than one in three children are less than three years old, and an additional 20% are ages three to five. Over half of the youngest recipient children, then, would need daycare or after-school care for kindergartners in order for their parents to work full-time. Less than 15% of the youngest recipient children are teenagers who would not need constant supervision, meaning that the cost of daycare and after-school care is relevant for most TCA families.

The length of time that families receive TCA is a significant part of their experiences with the program. As shown in Table 3, most families have not spent a majority of the previous five years on assistance. About one in five families did not receive TCA at all in the previous five years. One in four spent less than 12 months on TCA, and just over 15% received TCA for more than one year but less than two years. Added together, this means that about 60% of families spent two years or less on TCA in the previous five years, indicating that most families rely on cash assistance for brief periods of time.

That impression is confirmed when examining the number of months counted toward the federal 60-month time limit. While not all families are subject to the time limit—for example, cases with no adult

Table 3. Program Participation

		SFY15		SFY16	
		%	*n*	*%*	*n*
Months of receipt in the last 5 years	0 months	20.9%	(7,580)	20.2%	(6,767)
	12 months or fewer	24.7%	(8,949)	24.6%	(8,217)
	13 - 24 months	17.0%	(6,147)	16.3%	(5,459)
	25 - 36 months	12.0%	(4,353)	12.2%	(4,065)
	37 - 48 months	9.2%	(3,325)	9.2%	(3,068)
	49 - 60 months	16.1%	(5,831)	17.6%	(5,877)
	Mean [median]	21.4	[15]	22.2	[16]
Months counted toward time limit	0 Months	3.2%	(660)	3.3%	(613)
	1-12 months	44.4%	(9,088)	44.5%	(8,208)
	13 - 24 months	18.3%	(3,737)	17.9%	(3,298)
	25 - 36 months	11.4%	(2,329)	11.0%	(2,039)
	37 - 48 months	7.6%	(1,553)	7.6%	(1,404)
	49 - 60 months	4.7%	(968)	4.9%	(906)
	More than 60 months	10.3%	(2,112)	10.8%	(1,989)
	Average [median]	24.0	[14]	24.4	[14]
Months of receipt in state fiscal year	1 - 3 months	23.7%	(8,580)	24.1%	(8,047)
	4 - 6 months	18.7%	(6,749)	18.8%	(6,286)
	7 - 9 months	16.3%	(5,894)	15.5%	(5,200)
	10 - 12 months	41.3%	(14,962)	41.6%	(13,920)
	Average [median]	7.5	[8]	7.5	[8]

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

recipients are exempt due to federal law, and Maryland chooses to exclude cases that have an adult recipient in unsubsidized employment—those who do accrue time-limited months are well below the 60-month limit. Almost half of all families subject to the time limit have 12 or fewer months, and only 10% have more than 60 months.[2] Indeed, the median number of time-limited months (14) suggests that most families are very far from reaching the 60-month limit.[3]

In addition to looking at receipt prior to the state fiscal year, we also explore the number of months that families received TCA in the state fiscal year. Most commonly, families received assistance for about eight months during the fiscal year. Slightly less than one in four had between one and three months of TCA receipt during the fiscal year; over 40% have 10 to 12 months of receipt. The percentage with 10 to 12 months of receipt declines considerably if child-only cases, which are not subject to time limits or work requirements, are excluded. Among all other cases, about 32% have 10 to 12 months of receipt, compared to about 41% if child-only cases are included. This implies that cases with adult recipients typically receive assistance for shorter periods of time.

Families who receive TCA have a myriad of different needs. Some families are dealing with disabilities in adults or children, other families have experienced domestic violence, and still others are legal, noncitizen immigrants. To better serve families with these varying needs, Maryland uses a classification system to group families into categories related to those needs. At the most basic level, the system distinguishes between cases that are work-eligible—that is, the adult on the case is required to participate in work-related activities as a condition of receiving assistance—and cases that are work-exempt. Work-exempt cases, such as those without adult recipients or those in which there is a child under the age of one,[4] have no obligation to participate in work activities. While some cases may fit more than one designation, each case has only one designation. An algorithm, which operates hierarchically, assigns cases to the appropriate designation.

Looking at the broader classification of work-exempt and work-eligible cases, the caseload is split somewhat evenly. Just under half of all cases are work-eligible, and just over half of them are work-exempt. This shifts slightly between SFY15 and SFY16; the percentage of work-exempt cases is a bit higher in SFY16. Typically, when caseloads decline, the percentage of work-eligible cases declines as well because they have shorter stays on TCA, and their decisions about cash assistance are more dependent on the larger economy. Child-only cases are the largest portion of work-exempt cases, and their decisions about cash assistance receipt do not necessarily reflect the availability of jobs.

Among work-eligible cases, single-parent cases were, by far, the most common. About one in three cases statewide was a single-parent case in both SFY15 and

[2] Federal law allows states to exempt up to 20% of the caseload from the time limit if those families are experiencing hardship.
[3] The median is the middle value of a distribution. Half of families subject to the time limit accrued 14 months or less, and half accrued 14 or more months toward the time limit.
[4] The work exemption for caring for an infant is only available for a total of 12 months in each recipient's lifetime.

Table 4. Caseload Designation

	SFY 2015		SFY 2016	
	%	*n*	*%*	*n*
Work-eligible	**47.4%**	**(17,119)**	**45.8%**	**(15,314)**
Single-parent cases	33.9%	(12,269)	33.5%	(11,197)
Earnings cases	4.4%	(1,590)	4.5%	(1,507)
Short-term disabled	4.3%	(1,551)	3.5%	(1,159)
Legal immigrant	0.8%	(299)	0.7%	(240)
Domestic violence	0.9%	(317)	0.9%	(288)
Two-parent cases	3.0%	(1,093)	2.8%	(923)
Work-exempt	**52.6%**	**(19,035)**	**54.2%**	**(18,111)**
Child-only	26.1%	(9,451)	27.9%	(9,332)
Child under one	9.9%	(3,570)	9.8%	(3,272)
Long-term disabled	13.0%	(4,697)	12.4%	(4,157)
Caring for disabled family member	2.3%	(820)	2.6%	(865)
Needy caretaker relative	1.4%	(497)	1.5%	(485)

Note: Valid percentages reported.

SFY16. No other work-eligible caseload designation constituted more than 5% of the state caseload. About 4% of cases were earnings cases, and another 4% were short-term disabled cases. Only about 3% were two-parent cases, and less than 1% each were either legal immigrant or domestic violence cases.

Work-exempt cases were less dominated by a single designation. While child-only cases were the most common—slightly more than one in four cases statewide in each year was child-only—over 10% were long-term disabled, and 10% were classified as child under one. About 2% to 3% of cases were work-exempt due to caring for a disabled family member, and less than 2% were needy caretaker relative cases.

Although we list long-term disabled cases as work-exempt, that does not reflect their current status. In October 2015, four months into SFY16, the long-term disabled category was eliminated, and the cases were reclassified into the next most appropriate category. The percentage and number that we present in Table 4 represents families whose first month of receipt in SFY16 was July, August, or September 2015. Beginning with October 2015, no cases were designated as long-term disabled.

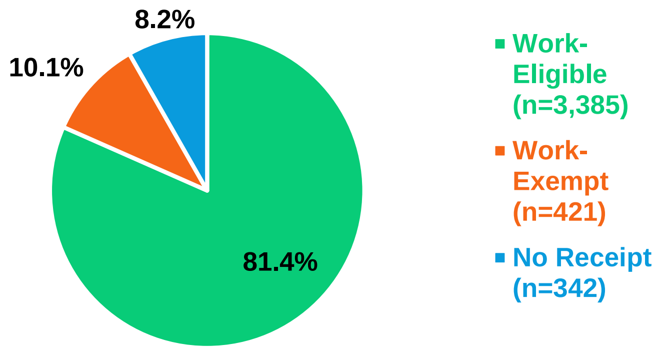
To explore what happened to long-term disabled cases, we follow the 4,157 cases that were designated as long-term disabled in the first three months of SFY16. Figure 2 shows whether cases initially designated as long-term disabled became work-eligible or work-exempt during the next month that the family received benefits in SFY16. Over 80% of long-term disabled cases transitioned to a work-eligible caseload designation, and 10% shifted to a different work-exempt designation. An additional 8% of cases did not receive TCA in any subsequent month in SFY16.

As the tables next to the figure show, over seven in 10 formerly long-term disabled cases were classified as single-parent cases in the next month that benefits were received. With regard to other work-eligible designations, earnings cases at 3% and domestic violence cases at 2% were the next most common designations. However, examining work-exempt designations reveals that about 6% of formerly long-term disabled cases were classified as caring for a disabled family member, and 3% became child-only.

Because long-term disabled cases were 12% of the SFY16 caseload, this policy shift has serious implications for how the state and local offices manage their caseloads. Even though they are now considered to be work-eligible, cases that would have been classified as long-term disabled may not be required to participate in work activities. Instead, they may be mandated to cooperate with a vendor that helps them apply for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI). This means that these individuals would be included in the work participation rate, but they would not be required to participate in work activities. Potentially, this can lower the work participation rate, if more individuals are work-eligible but not working.[5]

This analysis indicates that shifting long-term disabled cases into the work-eligible population has sizable consequences for the work participation rate for both the state and for jurisdictions. About 10% of the state SFY16 caseload transitioned from work-exempt to work-eligible. Because some jurisdictions have larger long-term disabled populations, they are disproportionately affected by this change. Allegany County, for example, had the highest percentage of long-term disabled cases in SFY16; 18% of its caseload shifted from work-exempt to work-eligible as a result of this policy change. At the other end of the spectrum, Calvert County had the lowest percentage of long-term disabled cases at just 4%, and its caseload is not likely to have been heavily affected by this change.

Figure 2. Transition of Long-Term Disabled Cases



Work-Eligible	**81.4%**	**(3,385)**
Single-parent cases	73.1%	(3,038)
Earnings cases	3.1%	(130)
Domestic violence	2.3%	(95)
Short-term disabled	1.7%	(69)
Legal immigrant	0.8%	(32)
Two-parent cases	0.5%	(21)

Work-Exempt	**10.1%**	**(421)**
Caring for disabled family member	5.7%	(238)
Child-only	2.9%	(120)
Child under one	1.2%	(48)
Needy caretaker relative	0.4%	(15)

Note: Total number of long-term disabled cases from July 2015 through September 2015 is 4,157. This figure indicates the caseload designation of these cases in October 2015 through June 2016. Nine cases, or 0.2%, are not included in this figure because their subsequent caseload designations are missing, although they did receive TCA between October 2015 and June 2016.

[5] In federal fiscal 2015, prior to the implementation of this policy, Maryland's work participation rate exceeded the rate that the federal government required the state to meet.

Adult Recipients

Because self-sufficiency is the goal for most families receiving TCA, adult recipients are a critical part of the program. Interventions usually target adult recipients, helping them improve their skills or find good-paying jobs. In order to ensure that these interventions are based on a solid understanding of adult recipients' needs, we present demographic information as well as employment and earnings histories for all adult recipients.

The demographic profile of adult TCA recipients is very stable over time, and SFY15 and SFY16 are no exception. As displayed in Table 5, about 90% of recipients are female, and just under three in four are African American. Roughly one in five are Caucasian, and less than 3% are Hispanic. Adult recipients are typically in their 20s and early 30s; very few are age 20 or younger, and about three in 10 are age 35 or older. About 80% never married, an additional 10% are divorced, separated, or widowed, and the final 10% are married.

In terms of acquiring employment, adult recipients' level of education is clearly important. Just over 30% of adult recipients have not finished high school or obtained an equivalent credential. About 60% did finish high school but do not have any further education, and 8% have education beyond high school. Our research shows that the more education adult recipients have, the more likely they are to find good jobs or to achieve economic stability (Nicoli, Passarella & Born, 2013; James & Nicoli, 2016). Thus, increasing educational attainment or upgrading skills may be particularly fruitful strategies for helping adult recipients become self-sufficient.

Table 5. Demographic Characteristics

		SFY 2015		SFY 2016	
		%	*n*	%	*n*
Gender	Female	90.3%	(25,543)	90.5%	(23,044)
	Male	9.7%	(2,758)	9.5%	(2,418)
Race and Ethnicity	Caucasian^	22.2%	(6,104)	22.1%	(5,421)
	African American^	73.1%	(20,112)	73.5%	(18,064)
	Hispanic	2.6%	(713)	2.6%	(635)
	Other^	2.1%	(584)	1.8%	(451)
Education	Did not finish grade 12	31.7%	(8,876)	31.4%	(7,962)
	Finished grade 12	60.4%	(16,920)	60.5%	(15,321)
	Additional education after 12th grade	7.9%	(2,206)	8.1%	(2,056)
Age	20 & younger	6.2%	(1,757)	5.5%	(1,399)
	21-24	19.6%	(5,559)	18.3%	(4,673)
	25-29	24.6%	(6,961)	25.2%	(6,426)
	30-34	19.7%	(5,565)	19.8%	(5,033)
	35 & older	29.9%	(8,459)	31.2%	(7,936)
	Average [median]	31.7	[29.9]	31.9	[30.2]
Marital Status	Married	9.3%	(2,616)	8.8%	(2,229)
	Never Married	80.0%	(22,515)	80.4%	(20,331)
	Divorced / Separated / Widowed	10.7%	(2,999)	10.8%	(2,722)

Note: ^=non-Hispanic. Valid percentages reported.

Figure 3. Percent Employed
Year before TCA Receipt

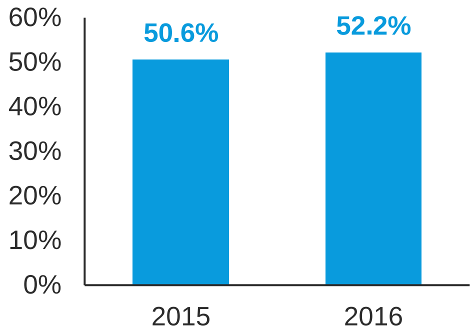


Figure 4. Number of Quarters Worked
Year before TCA Receipt

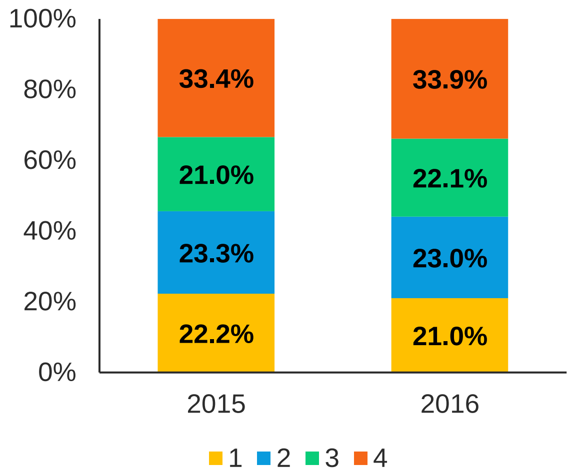
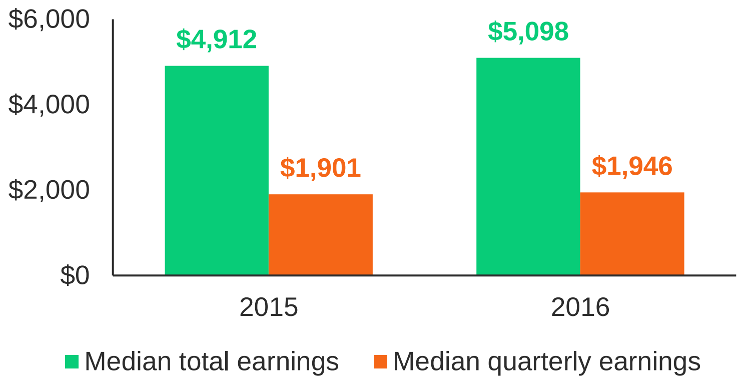


Figure 5. Median Earnings
Year before TCA Receipt



As with education, work histories are crucial when considering adult recipients' future employment opportunities. Figure 3 shows the percent of adult recipients who worked in a Maryland UI-covered job in the year before they began receiving TCA; about half of adult recipients worked in that year. However, as presented in Figure 4, most of those who worked did not work for a full year, or four quarters. In fact, about one in three worked all four quarters, and the remaining two in three were fairly evenly distributed across working one, two, and three quarters.

Median earnings, whether examined quarterly or annually, are very low. In both SFY15 and SFY16, adult recipients earned about $5,000 over the course of the year, as Figure 5 shows.[6] As we know from Figure 4, however, that does not represent working for a full year. Median quarterly earnings are slightly less than $2,000, which is another sign that annual earnings reflect working for just two or three quarters. To put these low earnings in perspective, the 2016 federal poverty level (FPL) for a family of three was $20,160 (U.S. Department of Health and Human Services, 2016), so annual earnings are only about 25% of the FPL. Most likely, these low earnings are part of why they chose to apply for TCA in the first place.

[6] Earnings are standardized to 2016 dollars.

Another factor that may affect adult recipients' employment prospects is the industries in which they worked prior to receiving TCA. In previous research, we found that certain industries are associated with higher earnings and long-term economic stability for individuals who are leaving the TCA program (Nicoli, Passarella & Born, 2014; James & Nicoli, 2016). If adult recipients worked in those industries prior to receiving TCA, that may boost their chances of finding jobs that pay enough to support their families. To that end, we report the 10 most common industries for adult recipients who worked in the year before they received TCA in Tables 6 and 7. Industries were identified using three-digit North American Industry Classification System (NAICS) codes; each industry is described in the sidebar.

In each year, close to 75% of adult recipients were working in one of the 10 most common industries, and the industries themselves are largely the same across both years. In each year, about one in five adult recipients who worked in the year before receiving TCA was in administrative and support services, and slightly less than one in five was in the restaurant industry. About 10% of adult recipients worked in general retail, and the percentages get much smaller in subsequent industries. Around 5% to 6% worked in nursing homes, and an additional 5% were in food and beverage retail. Outpatient health care captured 4% to 5% while less than 4% were in social assistance. About 3% worked in clothing stores, and another 3% were in education. Hospitals were the 10th most common industry in SFY15 at 2.5%; in SFY16 they were replaced by professional and technical services, also at 2.5%.

Generally, the industries in which adult recipients work are not ones associated with higher earnings or long-term economic stability. Almost half of adult recipients worked in administrative and support services, restaurants, or general retail. Individuals who left TCA and initially worked in these industries, particularly restaurants and general retail, have below-average earnings, and they were more likely to return to TCA (Nicoli et al., 2014). They were also less likely to realize economic stability after exiting TCA (James & Nicoli, 2016). In contrast, individuals who left TCA and initially worked in outpatient health care, nursing homes, hospitals, and education have above-average earnings (Nicoli et al., 2014) and were more likely to attain economic stability after exit (James & Nicoli, 2016). The fact that many adult recipients are in industries that do not appear to lead to optimal outcomes may present an opportunity to help them get jobs in higher-paying industries—or possibly additional education or training that would lead to better-paying jobs.

INDUSTRY DESCRIPTIONS

Administrative & Support
(NAICS 561)
Organizations that support day-to-day operations—clerical, cleaning, and general management activities—and temporary employment services.

Restaurants
(NAICS 722)
Full-service or fast food restaurants as well as caterers and mobile food services.

General Retail
(NAICS 452)
Department stores and other general merchandise stores.

Nursing Homes
(NAICS 623)
Organizations that provide health and social services such as nursing homes, substance abuse facilities, or residential care for the mentally ill.

Food & Beverage Stores
(NAICS 445)
Retail stores that sell food and beverages, such as grocery stores and specialty drink stores.

Outpatient Health Care
(NAICS 621)
Outpatient healthcare facilities, medical and diagnostic laboratories, and home health care services.

Social Assistance
(NAICS 624)
Provide a wide variety of social assistance, including personal & home care, child care, and social & human services.

Clothing Stores
(NAICS 448)
Retail stores that sell new clothing and clothing accessories.

Education
(NAICS 611)
Instruction or training services such as K-12 schools, community colleges, universities, and training centers.

Hospitals
(NAICS 622)
Inpatient health services at general and surgical hospitals, psychiatric and substance abuse hospitals, and specialty hospitals.

Professional & Technical
(NAICS 541)
Organizations specializing in legal advice, book-keeping, computer services, or consulting services among others.

Table 6. 10 Most Common Industries, SFY 2015
Last Quarter Worked in Year before TCA Receipt

Industry	*%*	*n*
Administrative & Support Services	19.6%	(2,774)
Restaurants	17.5%	(2,473)
General Retail	9.8%	(1,388)
Nursing Homes	5.6%	(791)
Food & Beverage Stores	4.7%	(664)
Outpatient Health Care	4.2%	(597)
Social Assistance	3.6%	(505)
Clothing Stores	3.1%	(438)
Education	2.8%	(397)
Hospitals	2.5%	(353)
Other	26.7%	(3,788)
Total	100.0%	(14,168)

Table 7. 10 Most Common Industries, SFY 2016
Last Quarter Worked in Year before TCA Receipt

Industry	*%*	*n*
Administrative & Support Services	19.9%	(2,615)
Restaurants	17.0%	(2,243)
General Retail	9.5%	(1,251)
Nursing Homes	5.3%	(695)
Outpatient Health Care	4.6%	(603)
Food & Beverage Stores	5.2%	(688)
Social Assistance	3.5%	(464)
Clothing Stores	2.8%	(370)
Education	2.8%	(363)
Professional & Technical Services	2.5%	(330)
Other	26.9%	(3,544)
Total	100.0%	(13,166)

Conclusions

Although caseloads for Maryland's Temporary Cash Assistance (TCA) program are declining, information about who receives this assistance remains vital. In this brief, we profile families who received TCA in state fiscal years 2015 and 2016 as well as the adult recipients in those families. With these data, it is easier to understand how to help families achieve self-sufficiency.

Most families who received TCA lived in one of the more populous jurisdictions in Maryland: Baltimore City, Baltimore County, Prince George's County, Montgomery County, or Anne Arundel County. They tended to be small, with one adult and one or two children per case. Many of these children were young, as the youngest child receiving TCA was age five or younger in most families. Typically, families did not receive assistance for long periods of time, and most received TCA for less than two of the previous five years.

In some families, adult recipients were considered to be work-eligible; that is, they were required to participate in work-related activities as a condition of receiving assistance. These families constituted slightly less than half of families who received TCA in either state fiscal year. Due to a policy change in October 2015, however, about 10% of families shifted from being work-exempt to being work-eligible. While the full extent of this policy change is not evident in these data, it is something to monitor in coming years.

Demographically, adult recipients are primarily African American women in their early 30s who never married. Most have finished high school, although education beyond high school is rare. A little more than half of adult recipients worked in the year before they received TCA, but they usually did not work all four quarters in that year. Earnings in that year were very low, with a median of approximately $5,000. Close to half of those who were employed in the year before TCA worked in administrative and support services, restaurants, and general retail.

These findings about employment and earnings, in particular, point to ways that caseworkers, program managers, and vendors can help families attain self-sufficiency. While many adult recipients worked in the recent past, they typically did not earn anywhere near enough to support a family, at least in part because they frequently worked in industries that do not pay well. Combined with the fact that post-high school education is not common among adult recipients, this suggests that additional education or training focused on industries that offer higher wages may be appropriate for a number of adult recipients. For others, assistance with finding jobs that pay more than jobs they have held in the past may be enough. With this additional education, training, or job search assistance, families may be able to become economically stable and permanently leave cash assistance.

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