THE TANF TIME LIMIT: COMPARING LONG-TERM AND OTHER WELFARE LEAVERS

Andrea Hetling, PhD
Project Director

Kathryn W. Patterson
Project Analyst

Catherine E. Born, PhD
Principal Investigator

February 2006

FAMILY WELFARE RESEARCH AND TRAINING GROUP

UNIVERSITY OF MARYLAND
SCHOOL OF SOCIAL WORK
525 WEST REDWOOD STREET
BALTIMORE, MD 21201

ACKNOWLEDGMENTS

The authors would like to thank Jamie Haskel, Rennert Kane, Tamiko Myles, and Nikol Shaw for their assistance in the collection and processing of data for this report. We would also like to thank Pamela Ovwigho and Kirk Tracy for their guidance and insights based on previous work addressing this topic.

This report was prepared by the Family Welfare Research and Training Group, School of Social Work, University of Maryland - Baltimore, 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 our research, please visit our Web site: http://www.familywelfare.umaryland.edu.

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). For more information about welfare reform in Maryland, please contact Mr. Richard Larson at the Department of Human Resources (410.767.7150, rlarson@dhr.state.md.us or welfarereformer@prodigy.net).

Table of Contents

List of Tables

Executive Summary

The purpose of this report is to gain a better understanding of those Temporary Cash Assistance (TCA) leavers who had reached or surpassed the 60 month lifetime limit by the time of their exit. To date, Maryland has not been forced to terminate the benefits of individuals, who are in compliance with their family independence plans, simply because they have reached 60 months of receipt. However, fiscal pressures, new federal requirements, and the certainty that the number of families reaching the limit will only increase with the passage of time suggest there may come a time when proposals are made to adopt a more restrictive policy with regard to benefit extensions. More importantly, with or without policy changes, assisting individuals in attaining self-sufficiency remains an important and laudable goal. Thus, an understanding of the characteristics and circumstances of families who reach the 60-month limit is critical in guiding policy formation and front-line practices serving this population and, to the extent possible, limiting the number of families who cross the limit.

This report addresses one specific aspect of the need for more information about the time limited population. In short, what happens to individuals who leave welfare after reaching the limit? While a study of all time limit cases (active and closed) might be more informative in terms of client characteristics, only a study focused on those who have left welfare can offer some answers to issues surrounding "life after the limit." In the absence of a study sample who have been forced off of the rolls, this study looks at the characteristics and post-exit outcomes of leavers who have reached or surpassed the 60-month mark.

We examine the demographic characteristics, welfare utilization patterns, and employment experiences of the universe of TCA leavers who exited the rolls between January 2002 and September 2003, after accumulating 60 or more months of federally funded cash assistance. This universe is compared to a matched sample of leavers who had not yet reached the 60 month limit. The comparison sample was limited to non-child only cases and then matched on Baltimore City versus non-city residence, work sanction versus other administrative closing codes, and number of children on the case. These parameters are based on the identified, statistically significant differences known to exist between time limit and other leavers in Maryland as well as research done in other states. The use of a matched comparison is advantageous in that any differences between the time limit reachers and the comparison group cannot be attributed to the match criteria. In other words, we attempted to control for three important factors which, if unaddressed in this particular, focused study of time limited leavers, would have confounded study results and, in so doing, led to a somewhat distorted picture of the real post-exit circumstances of families who leave welfare after having reached the 60 month mark.

Using Maryland state administrative data sources, we focus on two basic research questions:

1. **What are the baseline demographic characteristics and welfare and employment experiences of leavers that have reached the time limit in comparison to a matched sample of leavers that have not reached the limit?**

2. **What happens to time limit leavers with regard to employment, earnings, Food Stamps, Medical Assistance and returns to Temporary Cash Assistance during the year after exiting welfare?**

Similar to past studies on long-term welfare recipients who have reached or surpassed the lifetime limit on TANF receipt, our research shows important differences in baseline characteristics and one-year, post-exit outcomes. Even after controlling for important differences in place of residence, experience with work sanctions, and number of children through the use of a matched comparison sample, differences remained and, in our view, are policy relevant. The following bullets summarize the main findings.

- **Time limit leavers are on average older than other leavers and are more likely to be African American and to have never been married. Families who have reached the time limit also tend to have older children than other exiting families.**

In spite of having been matched on some demographic characteristics, time limit leavers were still, on average, about five years older than their counterparts exiting TCA before reaching the 60 month mark. Time limit leavers are also significantly more likely (92.0% vs, 84.0%) to be African-American and to have never been married (86.2% vs. 81.4%). On average, the youngest child in time limit households was two years older than those of other leavers, 7.15 years versus 5.10 years. Moreover, only about one-quarter (23.9%) of time-limited exiting families include a child under the age of three, compared to 44.4% of the matched comparison sample.

- **Time limit leavers have made more extensive and continuous use of cash assistance in the recent past. These families exited the rolls about four months after reaching the 60 month mark. They had also been on welfare without interruption roughly three times longer than had a matched sample of other leavers.**

At the time of their welfare exit, time limit leavers had received, on average, 64 months of federally-funded welfare benefits. In contrast, families in the matched comparison sample had used an average of 27 months out of their 60-month limit.

We also find that time limit leavers are exiting from a longer continuous welfare spell than other leavers. Average continuous spell length at the time of exit was 40.07

months for the former group and 13.94 months for the latter. Less than one out of five time limit cases were exiting from a spell of 12 months or less (18.0%) compared to about three out of five (63.3%) of non-time limit cases.

- **TANF caseheads exiting the rolls after reaching the time limit have poorer employment histories than other leavers. Even among those with any employment, time limit leavers worked fewer quarters and earned less.**

Time limit leavers, in general, had less recent attachment to the labor force and lower average earnings than did a matched sample of other leavers. Three-fourths (76.1%) of payees who had not reached the time limit worked in a Maryland UI-covered job in the two years before their welfare exit. In contrast, only 54.6% of time-limit leavers had employment during this period. In the quarter before their welfare exit, only 22.6% of time limit payees had UI-covered employment, compared with 36.3% of other leavers. In addition, caseheads who had reached the 60-month mark before leaving welfare had worked, on average, in 2.66 quarters of the eight quarters preceding spell exit.

Considering only those exiting caseheads with any employment, we find differences in employment stability and earnings between time limit leavers and the matched sample. On average, time limit leavers who worked at any point in the eight quarters before their welfare exit had employment in 2.66 quarters. Among the matched sample, employment was more substantial with an average of 4.30 quarters worked in the previous two years. During that same period, employed time-limit leavers earned an average of $1,146 per quarter, for a total of $3,509 in the entire two years. Other leavers earned about $800 more per quarter and on average, a total of $10,020 in the eight quarters before their TCA exit.

Differences in earnings are even more pronounced in the period immediately preceding the welfare exit. Mean quarterly earnings in the quarter before exit among comparison cases ($2907) were nearly double those among time limit cases ($1552).

- **After exiting the cash assistance rolls, leavers who have reached the TANF time limit are less likely to be employed than other leavers. However, among all employed leavers, average quarterly earnings are similar.**

We find that a smaller proportion of time limit leavers were employed in any given quarter during the entire first year following their exit. In the quarter of exit, one-third (32.8%) of caseheads who had reached the 60 month mark were employed in a Maryland UI-covered job. In contrast, just about one out of two (47.0%) other caseheads were employed. Differences in employment rates across each of the next quarters were similar, although employment rates declined slightly for both groups. In the fourth quarter after exit, 26.2% of time limit leavers and 44.4% of other leavers had Maryland UI-covered earnings.

In the first quarter after exit, employed leavers in the comparison sample earned significantly more than their time limited counterparts. Average earnings were $2,779 and $2400, respectively. Over the next three quarters, earnings increase for both groups and differences between then are no longer statistically significant. By the fourth post-exit quarter, both time limit and other leavers earn about $3000 per quarter.

Considering the entire first post-exit year, time limit leavers fare worse than other leavers in terms of employment rates and, among those employed, average number of quarters worked and average total earnings. A little more than two-fifths (44.7%) of time limit leavers work in a Maryland UI-covered job at any point in the first follow up year. In contrast, almost two-thirds of other leavers have such employment. On average, employed time limit leavers worked about two and one-half quarters and earned $6,853 in the first follow up year. Caseheads who exited before reaching the TANF time limit had employment in about three of the first four follow up quarters and earned about $1700 more, with average total earnings of $8,532.

- **Time limit leavers returned to the TCA rolls at significantly higher rates than the comparison sample during the first six months post-exit. In the first year after their TANF exit, families who had reached the time limit also utilized Food Stamps at higher rates than other welfare leavers.**

Probably not surprisingly given the employment findings, one in three (33.2%) of time limit leavers returned to TCA within the first six months following their exit as compared to only 28.3% of matched non-time limit leavers. Regarding other benefits, time limit cases were more likely to receive Food Stamps post-exit, although the majority of families in both groups receive FS in the first 12 months after exit. Considered as a whole, these findings would seem to clearly indicate that, in general, families that leave welfare after having reached the 60 month time limit do have more difficult time in sustaining self-sufficiency than do their non-time limit counterparts.

These findings are especially notable because, unlike past studies in which time limit cases were compared to all other leavers, our study utilized a matched comparison sample. Thus, the identified differences between the groups are not attributable to urban residence, experiencing a case closure due to a work sanction, or the number of children on the case. Therefore, in addition to the difficulties faced by Baltimore City recipients, those struggling with work sanctions and those who must balance the demands of welfare-to-work requirements with the needs of multiple children at home, time limit leavers face a number of other risk factors for long-term welfare receipt. In other words, even after controlling for certain key factors that could conceivably affect results, the data show that leaving welfare after reaching the limit is itself associated with higher risk of less positive outcomes, at least during the first post-exit year.

The practical implication of these findings is that there probably is need to insure that agencies' work with time limited families who have been continued on aid is substantive, multi-faceted, and intensive. Study findings indicate that time limit cases as well as the agencies that serve them face a diverse and complex set of challenges and, most likely, a number of potential barriers that stand in the way of clients' ability to achieve lasting self-sufficiency. On the ground level, these findings provide strong support, in our view, for the need to incorporate sophisticated assessment protocols into ongoing welfare case management. For the population of current recipients who have already reached the 60 month mark and for those who are approaching it, we believe this type of emphasis on assessment should be a priority. At the same time, while clinical and case management challenges associated with this population require skillful assessment by Department of Social Services (DSS) staff, it remains true also that community resources to which families can be referred, and effective linkages to those resources are also essential. For this population of clients in particular, the challenges associated with welfare reform, welfare-to-work, and making welfare truly a temporary source of income support, simply must be viewed and approached as a community-wide, not a DSS-only responsibility.

Introduction

At the outset of welfare reform circa 1996, one of the most controversial features was the imposition of time limits on adults' receipt of federally funded benefits under the new cash assistance program, Temporary Assistance to Needy Families (TANF). While time limiting benefits remains unpopular with some observers, initial experiences did not bear out critics' worst fear - that large numbers of families would crash into the new time limit wall. Nationwide, relatively few families, in fact, 'timed out' of aid and, as a result, the initial furor over time limits seems to have abated. Nonetheless, the issue remains of practical importance to state and local welfare program managers. With the passage of time, it is inevitable that the number of adults who are at risk to or actually reach their lifetime maximum months on aid will increase.

Maryland has a five year lifetime limit and the first affected cases, those who had been on welfare continuously since the clock began to tick in January 1997, received their 60th month of benefits in December 2001. However, because of careful bi-partisan program planning and the federal hardship exemption which allows states to extend aid to certain clients beyond the five year mark, Maryland has been able to continue aid to time-limited families who are cooperating with their caseworkers to achieve self-sufficiency. Even so, it seems reasonable to speculate that, due to increased pressures on state TANF budgets as a result of re-authorization and/or increasing numbers of time-limited families, there may come a time when proposals are made to adopt a more restrictive policy with regard to benefit extensions. Even if current practice continues indefinitely, it is still essential that policy-makers and program managers have a solid picture of our state's time-limited TANF population. Simply stated, it is critical to understand the characteristics and circumstances of families who reach the 60-month limit in order to design policies and front-line practices that are appropriate for this population.

This report addresses one specific aspect of this need for information about Maryland families that reach the five year TANF time limit. Focusing on those who exit welfare or, in the vernacular, 'welfare leavers,' the paper looks at Maryland cases that reach the time limit and subsequently exit from welfare. More specifically, we examine the characteristics of leavers who reached or exceeded the 60-month mark and compare their profile and outcomes to a matched sample of leavers who had not yet reached the time limit at the time of their case closure. The research questions guiding our study were:

1. What are the baseline characteristics of leavers that had reached the time limit in comparison to leavers that had not?

2. What are the experiences of time limit leavers in terms of employment, Food Stamp, Medical Assistance and Temporary Cash Assistance use during the first post-exit year?

Background

The debate and controversy over the imposition of lifetime limits on federally funded welfare receipt prompted strong interest in researching and understanding the effects of that provision of the original mid-1990s federal welfare reform legislation, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). However, completed research on the topic of time limits is still not plentiful, most likely because, even now, relatively few individuals have reached the limit. As of December 2001, five years after the initial reforms, families had begun reaching the 60-month limit in fewer than half the states, and the number of federally time limited families was relatively small, just about 54,000 families. (Bloom, Farrell, Fink, and Adams-Ciardullo, 2002; Ochel, 2004).

PRWORA, however, afforded states the option to impose limits shorter than 60 months and, as a result, a number of families have reached various state-established time limit thresholds (Bloom, et al., 2002); this number, according to Ochel (2004) was about 176,000 at the end of 2001. Thus, research on families reaching state time limits is more extensive. In this chapter we summarize key findings from the few projects (New Mexico, Minnesota, Los Angeles County) that have looked at those affected by the 60-month limit (Crichton, 2003; Moreno, Toros, Joshi, & Stevens, 2004; Richardson, Schoenfeld, & LaFever, 2003). All other findings discussed are from studies of recipients that had reached various state imposed, shorter time limits.[1]

Research on the Characteristics & Circumstances of Time Limit Families

Overall, results of published studies are surprisingly similar. Most succinctly, cases reaching time limits, whether those limits were 60 months or less, tend to be headed by female African-Americans in their 30s who reside in urban areas and, compared to non-time limit cases, have more children in their assistance units. More often than not, studies report that time limited caseheads have lower rates of employment, lower earnings and high rates of participation in both the Food Stamp and Medical Assistance programs. Although the subject has been less frequently studied, it also appears that time limited families may be more likely to experience certain barriers to independence, particularly barriers related to physical health or disability. The next few paragraphs present more specific information about the various studies' findings.

Not surprisingly given the composition of the overall cash assistance caseload, all but one study (Los Angeles County) indicated that the majority of time limit caseheads were African American and female and slightly older, on average, than their non-time limited counterparts. Regarding age, studies reported that a little less than half of time limit cases were between 30-39 years old (Gordon, Kauff, Kuhns, & Loeffler, 2002;

[1]Due to the complexity in state designs, individual state time limits are not described. The shortest limits were 21-24 months allowed in a 60 month period, usually followed by a period of ineligibility. Depending on various exceptions and extensions, "limits" could vary greatly (Bloom, et al., 2002)

Richardson, Schoenfeld, LaFever, & Jackson, 2002). The tendency for time limit recipients to be older can be partly explained by the fact that, by definition, the youngest time limit caseheads can never be as young as the youngest of their shorter-term counterparts.

Considering case size and characteristics, studies report consistently that the average number of children on a time-limited case is three, with about one-third to one-half of cases containing three or more children (Bloom et al., 2002; Richardson, et. al, 2003). In studies where data on non-time limit cases were also examined, results showed that time-limited cases do tend to have more children (Ullrich, Bruce, & Thacker, 2005). For example, more than one-third of time limit cases in Massachusetts, Florida, and Virginia, contained three or more children (Bloom, et al., 2002).

In the two studies to report on the urban-rural distribution of time-limited cases, both found that families reaching the limits were much more likely to live in urbanized areas. In New Mexico, roughly two-thirds (65.2%) of time-limited cases (60 month limit) resided in urban areas as did about three-fifths of state time-limited cases (18 months) in Tennessee (Richardson, et al., 2003; Ullrich, et al., 2005).

Although it is important to understand the demographic profile of individuals and cases that have reached welfare time limits, these characteristics do not tell the full story. Data describing other factors such as employment and earnings also provide insight into the circumstances of time limited families. Together, the demographic and employment/earnings data may also suggest service interventions that may be useful in efforts to prevent large numbers of additional families from crashing into the time limit wall.

In terms of post-welfare outcomes of time-limited families, published research findings are mixed. More often than not, time-limited families have been found to have lower rates of employment and lower earnings (Coulton, Bania, Martin, & Lalich, 2003; Crichton, 2003). One study (Los Angeles County), however, documented higher employment rates among timed-out participants, although not significantly higher earnings (Moreno, et. al., 2004). Actual employment rates varied greatly across states, from 53% of time limit cases in Ohio working six months after leaving welfare to as many as 83% in Connecticut (Bloom, et al., 2002).

Most studies have also found lower earnings among time-limit cases than others. During the first six months post-welfare, to illustrate, Ohio reported average earnings of $4,957 among time-limited cases, compared to $6,758 for non-time-limited cases (Bania, Coulton, Lalich, Martin, Newburn, & Pasqualone, 2001). Results from New Mexico were similar; the average earnings of employed time-limited welfare leavers were $752 a month, at two to three months post-exit, compared to $1,040 a month for employed welfare leavers in general (Richardson, et al., 2003).
In Los Angeles County, timed-out adults were more likely to work, had lower job turnover and were more likely to work a second job during the first six months after

reaching the 60 month time limit, but were 59% less likely to earn more than the minimum wage (Moreno, et.al., 2004).

Perhaps not unrelated to the employment and earnings findings, studies examining poverty among the time limited population have reported that many have incomes below the poverty level (Coulton, et al., 2003; Crichton, 2003; Moreno, et al., 2004; Wemmerus, Kuhns, & Loeffler, 2003). Moreover, as was documented in the Los Angeles County study, reaching the time limits may tend to push additional households into poverty (Moreno, et al., 2004). Despite this somewhat bleak picture, three quarters of time limit caseheads in Virginia reported that their overall situation was the same or better than when they were receiving TANF (Crichton, 2003).

In terms of the use of other services, studies consistently find that time-limited families, whether on or off welfare, tend to have high rates of participation in Food Stamps and Medical Assistance. Food Stamp usage among time limit cases at six months post-exit, to illustrate, ranged from 50% in Connecticut to 76% in Virginia (Bloom, et al., 2002). In Ohio, time limited leavers were much more likely (73%) to be receiving Food Stamps six months after case closure than were non time limited (32%) cases (Bania, et al., 2001). In South Carolina, the large majority (87%) of time limit cases were receiving Food Stamps one year after their welfare case closure and 84% were still participating in the program at the end of three years post-exit (Richardson, et al., 2002).

Overall, the use of Medical Assistance among time limit cases was also high. At six months post-exit, time limit cases in Connecticut, North Carolina, and Virginia were using Medical Assistance at rates of 91%, 85%, and 72%, respectively (Bloom, et al., 2002). In a six month follow-up study in Ohio, 91% of time limit cases were using Medical Assistance, compared to 72% of non-time limited cases (Bania, et al., 2001).

Summary

As indicated in this review, available research on time-limited families is diverse in terms of research site, sample size, time period and topics covered. Of particular note is the fact that the operational definition of "time limit" also varies widely across studies depending on whether the federal (60 month) time limit or a shorter, state-level limit was in effect in the study jurisdiction. Despite these important differences across studies, the general picture painted by these studies is strikingly similar. That is, families who reach a time limit, in general, appear to be an at-risk population, compared to other recipient or former recipient families. Moreover, time-limited families who subsequently leave welfare, voluntarily or involuntarily, may be at particular risk of experiencing less positive post-exit outcomes. At the same time, as Ochel (2004) cautions, "data on the post-welfare circumstances of [time-limited] families do not necessarily provide evidence about the effects of time limits" (p16). In other words, the same outcomes, positive or negative, might have occurred even in the absence of a time limit.

In any event, the weight of the available research evidence, coupled with the inevitability that, over time, the number of time-limited families can only increase, makes it clear that continued research attention to the time-limited TANF population is needed. The tremendous variability in time limit policies across the country and the somewhat limited body of published research on the topic also implies that, for Maryland policy-makers, the most useful empirical information is that which can be generated from studies specific to our own state. Thus, the present study is being undertaken to add to the general body of knowledge about time limited families who leave welfare but, more importantly, to provide potentially actionable information for Maryland's elected and appointed welfare officials.

Our study differs from other states' studies in one important way: we matched our comparison sample on three criteria to ensure that outcome differences are not due to a number characteristics which, if not factored into study design, could confound study results. First, because prior Maryland studies have shown that most time limit families reside in Baltimore City, we match cases on City versus non-City residence (Ovwigho, Hetling, Tracy, & Born, 2004; Welfare and Child Support Research and Training Group, 2001). Second, because sanction rates are consistently higher among time limit cases and sanctioned cases tend to experience poorer outcomes than those exiting welfare for other reasons, the samples are matched on case closure code, specifically work sanction versus other codes. Third, because time limit cases generally have more children in the assistance unit and because the number of children has important connections to financial need, cases were matched on the number of children as well. The practical effect of this matching process is to assure that any identified differences between time limit and non-time limit exiting cases are not attributable to the factors of urban residence, experience of a sanction, or a larger number of children - characteristics more common among time limit families and also potential barriers in attaining self-sufficiency.

Sample

Between January 2002 (the 61st month of welfare reform in Maryland) and September 2003, not quite 2,700 Maryland families, in total, reached the five-year lifetime limit on receipt of federally-funded TANF benefits. Of these cases, 870 or about one in three, left welfare at least once for one or more months between January 2002 and September 2003. In comparison, more than 30 times as many non-time limited families exited at least once during this same time period. To create a more manageable as well as meaningful comparison sample, this universe of non-time limit exiting families was limited to 870 cases. As indicated previously and as illustrated in Table 1, following, comparison cases were matched on a case by case basis to the time limited leavers on three criteria: place of residence; case closing code; and number of children in the assistance unit.

Table 1. Matching Variables Frequencies

Matching Criteria	Time Limit Cases	Non-Time Limit Cases
Region		
City	79.7% (693)	79.7% (693)
Non-city	20.3% (177)	20.3% (177)
Case Closing Code		
Work Sanction	41.7% (363)	41.7% (363)
All Other Reasons Combined	58.3% (507)	58.3% (507)
Number of Children		
0 or 1	31.3% (272)	31.3% (272)
2	27.6% (240)	27.6% (240)
3 or more	41.1% (358)	41.1% (358)

The comparison sample was first limited to non-child only cases because, for the most part, child-only cases are not subject to the time limit on benefit receipt. The sample was then matched on place of residence, specifically Baltimore City versus non-city; reason for exit (work sanction versus other all case closing codes); and number of children on the case. These parameters are based on the identified, statistically significant differences between time limit and other leavers in Maryland as well as research done in other states. The use of a matched comparison is advantageous in that any observed differences between the time limit leavers and the comparison group of leavers cannot be attributed to the match criteria.

Data

The findings presented in this report are based on analyses of administrative data gathered from computerized management information systems which are maintained by the State of Maryland. Data regarding demographic information, as well as program participation, were extracted from the Client Automated Resources and Eligibility System (CARES) and its predecessor, the Automated Information Management System/Automated Master File (AIMS/AMF). Data concerning quarterly employment and earnings was obtained from the Maryland Automated Benefits system. These systems are discussed in further detail in the *Life After Welfare: Tenth Report* (Ovwigho, Saunders, & Born, 2005).

Analyses

Frequencies, descriptive statistics and measures of central tendency were used to describe the two analytic groups of interest. Comparisons between the characteristics of time limit cases and non-time limit cases were made using chi-square and analysis of variance (ANOVA) statistical techniques. Statistically significant differences are noted in both the text and the tables.

Individual and Case Characteristics

Table 2, following this discussion, displays data on the 1740 cases in our sample. The first column of the table includes all sample families who exited for at least one month between January 2002 and September 2003, and who had reached or surpassed the 60-month time limit (n=870). The second column presents data for the matched sample of January 2002 to September 2003 leavers who had not reached the 60-month time limit (n=870).

As shown in Table 2, the profile of the two groups of leavers did differ significantly on seven of the eight variables examined: all five of the individual variables and two of the three case-level characteristics. Compared to other exiters, time limit leavers were significantly more likely to be never-married (86.2% vs. 81.4%), female (98.0% vs. 95.7%), and African American (92.0% vs. 84.0%). On average, caseheads in time limited cases are about five years older than their matched counterparts (mean age 35.41 years old vs. 30.44 years). Perhaps surprisingly, time limit leavers were also more likely to have given birth to the first child, on average, at an older age (mean age of 22.49 years vs. 20.68 years).[2]

In terms of case characteristics, significant differences were found between the two groups on two variables: average age of the youngest child in the assistance unit and the percent of households with a child under the age of three years. On average, the youngest children in time limit cases were about two years older (7.13 years vs. 5.10 years) than their counterparts in other exiting cases. Time limit exiting cases were also significantly less likely than other exiting cases, however, to contain a child under age three (23.9% vs. 44.4%). There was no difference between the two groups in terms of average size of the assistance unit. This finding was not unexpected, because the samples were matched on the number of children on the case.

[2]Payee age at first birth is estimated by calculating the difference between the payee's age and the age of her oldest child in the TANF case. To the extent that payees have older children who are not included in the TANF case, our figures will underestimate rates of early childbearing.

Table 2. Demographic Characteristics of Exiting Samples

Characteristics	Time limit Cases 1/02-9/03 (n = 870)	Other Cases 1/02-9/03 (n = 870)
Payee Gender (% female)**	98.0% (853)	95.7% (833)
Payee Age* **		
Mean	35.41	30.44
Median	35.21	29.21
Standard Deviation	7.-24	8.00
Range	18-62	22-60
Payee Age at First Birth* **		
Mean	22.49	20.68
Median	20.95	19.20
Standard Deviation	5.86	5.09
Range	13-44	13-42
Payee Racial/Ethnic Background* **		
African American	92.0% (785)	84.0% (716)
Caucasian	7.0% (60)	14.6% (124)
Other	0.9% (8)	1.4% (12)
Payee Marital Status **		
Married	1.4% (12)	4.5% (39)
Never Married	86.2% (750)	81.4% (708)
Divorced/Separated/Widowed	11.1% (97)	12.1% (106)
Unknown	0.1% (1)	0.3% (3)
Assistance Unit Size		
Mean	3.42	3.34
Median	3.00	3.00
Standard Deviation	1.52	1.35
Range	1-10	1-10
Age of Youngest Child* **		
Mean	7.13	5.10
Median	6.51	3.63
Standard Deviation	4.69	4.32
Range	<1-18	<1-18
% households with a child under 3***	23.9% (202)	44.4% (375)

Note: *p<.05 **p<.01 ***p<.001

Pre-Exit Welfare and Employment Experiences

Table 3, following this discussion, presents data on the welfare utilization of time limit cases prior to the post-time limit exit that brought them into our sample. The table also provides information about the extent of their recent UI-covered employment. Comparative data on welfare use and employment are also presented for our matched group of other, non time limited leavers who also exited welfare in Maryland during the January 2002 to September 2003 time period. One welfare measure is the length of the uninterrupted Maryland welfare spell which culminated in the exit which brought the case into our sample. The other is the cumulative, total number of months of benefit receipt, continuous or intermittent, that counted toward the 60 month federal time limit, regardless of whether those months were accumulated in Maryland or another state. The employment measures concern employment and earnings in a Maryland UI-covered job during the two years and quarter before the welfare case closed.

We find a significant difference between time limit leavers and other leavers in the length of the most recent, uninterrupted Maryland welfare spell.[3] On average, time limit leavers had been on assistance without interruption for not quite three and one-half years (average 40.07 months) at the time of exit. This is almost three times the average continuous spell length (13.94 months or just over one year) observed among members of our comparison sample. As also shown in the table, fewer than one in five time limit cases were exiting from a spell that had lasted 12 months or less (18.0%). In contrast, more than three of every five (63.3%) non-time limit cases were exiting from a spell that lasted for one year or less.

Not surprisingly, the second welfare measure describing the total months of time-limited benefits used by our two groups of leavers at the time of welfare exit also shows significant differences between the two samples. The mean or average number of lifetime benefit months consumed by time limit leavers was 63.81, compared to 27.61 among our sample of comparison cases. The median number of months was 63.0 for time limit leavers and 26.0 for other leavers.

Findings with regard to employment are presented in the bottom half of Table 3 and, on these variables too, we find time limit leavers to be significantly different from other leavers. Consistent with results from other states, we find that time limited leavers tend to have less attachment to the labor force and lower earnings than do other leavers. A little more than one-half (54.6%) of time limit leavers had any employment in the two years before their welfare exit, compared to more than three-fourths (76.1%) of other leavers. On average, time limit leavers with any employment in the previous two years worked in 2.66 of 8.00 quarters while other leavers worked, on average, in 4.30 of 8.00 quarters. Similarly, more than one of every three (36.3%) non time limit leavers worked in the quarter immediately before leaving welfare, compared to only a little more than one in five (22.0%) time limited leavers.

The earnings findings are similar. Among those who had any employment in the two years prior to their welfare exit, time limit leavers' total average earnings were significantly less ($3,509) than were the earnings of other leavers ($10,021). Their average quarterly earnings during this period ($1,146) were also significantly lower than other leavers ($1,944). In the calendar quarter immediately before their welfare exits took place, the mean or average earnings among those who worked were also

[3]These length of spell data only include the months of continuous welfare use in Maryland which ended with the case closure that brought the family into our sample. This is in contrast to data on the time limit counter variable which includes all months of assistance receipt, continuous or intermittent, that counted toward the 60 month limit regardless of whether those months were accrued in Maryland or another state.

significantly different between the two groups. Average quarterly earnings among employed time limit leavers were $1,552; the comparable figure among non time limit employed leavers was almost twice that amount ($2,907).

Table 3. Welfare Receipt and Employment History of Exiting Payees

Characteristics	Time limit Cases 1/02-9/03 (n = 870)	Other Cases 1/02-9/03 (n = 870)
Length of Exiting Spell (in Maryland)		
12 months or less	18.0% (157)	63.3% (551)
13-24 months	12.0% (104)	20.7% (180)
25-36 months	10.0% (88)	9.0% (78)
37-48 months	11.6% (101)	3.1% (27)
49-60 months	48.3% (420)	3.9% (34)
Mean***	40.07 months	13.94 months
Median	47.00 months	10.00 months
Standard deviation	21.06 months	13.07 months
Range	1-59 months	1-60 months
Number of Time-Limited Months Used		
Mean***	63.81 months	27.61 months
Median	63.00 months	26.00 months
Standard deviation	3.89 months	16.82 months
Range	60 to 81 months	1 to 59 months
Employment History - Two Years Before Exit		
% working	54.6%	76.1%
Mean number of quarters worked***	2.66 quarters	4.30 quarters
Mean total earnings***	$3,509.40	$10,020.55
Mean quarterly earnings***	$1,146.10	$1,943.89
Employment in Quarter Before Exit		
% working***	22% (197)	36.3% (316)
Mean quarterly earnings*	$1,552.25	$2,906.56

Note: Figures for number of quarters worked and earnings include only those with some employment in that period.
*p<.05 **p<.01 ***p<.001

The demographic, welfare use and employment data previously presented indicate that, relative to other families that leave welfare, Maryland's time limit leavers possess a profile that, all else equal, suggests they may be at heightened risk to experience less positive post-welfare outcomes. In particular, the data show that they have had much longer episodes of uninterrupted welfare use and less recent employment, factors repeatedly shown in our other studies to significantly increase the risk of returning to welfare after an exit (Ovwigho, et al., 2005). Thus, it is important in the present study to take a look at post-welfare employment and other measures to give us a sense of time limit leavers' ability to remain independent of welfare in the future and to see how their post-welfare experiences compare to a matched sample of other leavers during the same period of time.

Post-Exit Employment

Table 4, following, presents data on the post-exit employment and earnings of the universe of time limit cases which left welfare in Maryland between January 2002 and September 2003 and the matched sample of non-time limit cases which exited during the same time period. There are statistically significant differences between the two groups of leavers on all post-exit employment variables and on some, but not all earnings variables. Where there are differences, time limited adults do not compare favorably to the adults in other exiting cases. Most succinctly, in terms of employment, time limit adults were significantly less likely than other exiting adults to work in the quarter of welfare exit, to work in each of the first four post-exit quarters, and to have been employed at any point during the first full year after welfare case closure.

In the welfare exit quarter and the quarter immediately after, about one in three time limit adults worked in a Maryland job covered by the Unemployment Insurance program, compared to roughly one of every two other leavers. During the second, third, and fourth post-welfare quarters between 26% and 29% of time limit leavers held such positions; among non time limit leavers, the figure was 44% for each of those three time periods. Finally, when considering the entire first post-exit year, we find that a total of 44.7% of all time limit leavers - a bit more than two of every five - worked at some point. In contrast, among the comparison sample, the figure was 62.3% or a bit more than three of every five. Put another way, the majority of time limit leavers did not work at all in a Maryland UI-covered job during the year after leaving welfare while, among leavers who were not time limited, the majority did have such employment at some point during the year.

The pattern with regard to post-exit earnings was similar in that, in each quarter and for the first post-exit year as whole, adults in time limit cases did not fare as well as adults in other exiting cases. However, differences between the groups were not very large, in absolute terms, and not all of the differences were statistically significant. For example, in the quarter of welfare exit, average earnings among employed time limit adults were $2,198 and, among other employed adults, $2,319, but the difference was not significant. During the first full post-exit quarter, however, the comparable earnings figures were $2,400 and $2,779, a statistically significant difference between the two groups. Notably, average quarterly earnings among employed adults in both groups did increase, albeit modestly, in each of the first four quarters after the welfare exit. Among those who worked at any point during the year, average total earnings for the period were $6,854 and $8,532 for time limit and other adults, respectively.

Table 4. UI-Covered Employment in Maryland in the Quarters After TCA Exit

UI-Covered Employment	Time limit Cases 1/02-9/03	Other Cases 1/02-9/03
Quarter of TCA Exit		
Percent Working***	32.8% (285)	47%(409)
Mean Earnings	$2,198.36	$2,318.91
1st Quarter After TCA Exit		
Percent Working***	31.8% (277)	46.9%(408)
Mean Earnings*	$2,399.93	$2,779.04
2nd Quarter After TCA Exit		
Percent Working***	29.4% (256)	44.4% (386)
Mean Earnings	$2,670.89	$2,984.39
3rd Quarter After TCA Exit		
Percent Working***	27.5% (239)	44.8% (390)
Mean Earnings	$2,718.82	$2,984.90
4th Quarter After TCA Exit		
Percent Working***	26.2% (228)	44.4% (386)
Mean Earnings	$2,928.44	$3,064.77
Year After TCA Exit		
Percent Working	44.7%	62.3%
Mean quarters employed***	2.57	2.90
Mean total earnings**	$6,853.50	$8,531.71

Note: Earnings are only for those working. Also, as noted previously, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage can not be computed from these data.
*p<.05 **p<.01 ***p<.001

Post-Exit Supports

As has been noted in our annual *Life After Welfare* reports and documented in other states' studies as well, receipt of supports such as Food Stamps and Medical Assistance after leaving cash assistance can be critical elements in a family's ability to remain off welfare. Regardless of the voluntary or involuntary nature of the welfare exit, many newly independent families may be in financially precarious situations. In a time of potential financial instability and uncertainty, the availability of other benefits may be of critical importance. For this reason, we felt it important in this study to compare

Food Stamp and Medical Assistance utilization rates among time limit leavers and to see how those rates compared to benefit usage among a matched sample of non time limited cases who left cash assistance during the same period of time. These data are presented in Table 5.

As shown in the table, Food Stamp participation among time limit leavers was significantly higher at all three post-exit measuring points than that of matched exiting cases. At some point during the first three months after leaving welfare, 84.7% of the time limit cases received Food Stamps compared with 76.6% of other exiting cases. Similarly, while both groups' Food Stamp utilization decreased slightly in the fourth through sixth months post-exit period, utilization remained significantly higher among time limit cases (79.8% vs. 71.6%). The same pattern prevailed, and the difference was significant, during the sixth through twelfth months post-exit period.

In contrast, differences in Medical Assistance participation rates between the time limit cases and other cases were quite small. At some point within the first three months of leaving welfare, 97.4% of payees in the time limit cases were covered by Medical Assistance, compared to 94.6% of the other exiting cases' payees. Although small, this difference is statistically significant. During the fourth through twelfth post-exit months, rates dropped for both groups, to about four-fifths, and the group differences were no longer statistically significant.

Table 5. Food Stamp and Medical Assistance Participation Rates

	Time limit Cases 1/02-9/03	Other Cases 1/02-9/03
Food Stamps		
Months 1 – 3***	84.7% (737)	76.6% (666)
Months 4 – 6***	80.9% (704)	71.6% (623)
Months 6 – 12**	79.8% (694)	70.5% (613)
Medical Assistance (Payees)		
Months 1 – 3**	97.4% (847)	94.6% (823)
Months 4 – 6*	80.8% (703)	80.9% (704)
Months 6 – 12*	81.3% (707)	80.3% (699)

Note: *p<.05 **p<.01 ***p<.001

Returns to Cash Assistance

As has been documented in other of our studies and is well known to welfare program managers and front-line staff, leaving welfare is one thing, but remaining off the rolls is quite another. Some families are able to leave welfare and never return but, for various reasons, other families are not so fortunate and do have subsequent episodes of cash assistance use. Returns to welfare or recidivism is a complex phenomenon, but monitoring recidivism rates and risk factors provides important and useful information for policy-making and front-line practice. Our *Life After Welfare* reports have thus paid considerable attention to recidivism patterns, trends and factors that are associated with returning to welfare after an exit. Because of the importance of recidivism trend data for program management overall and, perhaps especially, for the design and monitoring of interventions focused on the needs of long term welfare users, we also looked at returns to welfare among our sample of time limit leavers and how their rates of return compared to rates among other leavers during the same time period.

Table 6, following this discussion, shows that at the first two post-exit measuring points (three and six months), recidivism rates were significantly higher among the time limit cohort than among the matched sample of cases. By the end of the first full, post-welfare year, however, there were no significant differences between time limit and other cases; in both groups about two of every five families had received at least one month of additional cash assistance benefits.

The most important finding with regard to recidivism is not about the rates per se.[4] Rather, the key point is that, even though we matched our samples on certain factors that, coincidentally, are known to be associated with heightened recidivism risk (Baltimore City vs. non-City residence, work sanction vs. other closing code, number of children in assistance unit), we still find significantly higher recidivism among time limit leavers than among other leavers at two of the three post-exit measuring points. In particular, it is noteworthy that time limit cases have significantly higher recidivism rates at the earliest points - up to and through the end of the first six months after case closure. This finding suggests that, especially for families who leave welfare after having experienced very lengthy periods of benefit receipt, it might be very beneficial to try and insure that, at the time of exit and for the first few months thereafter, an array of wraparound and/or support services are available and easily accessible.

Table 6. Recidivism Rates

	Time Limit Cases 1/02-9/03	**Other Cases 1/02-9/03**
Percent Returning to TCA by this Time		
3 Months Post-Exit*	21.8% (190)	17.5% (152)
6 Months Post-Exit*	33.2% (289)	28.3% (246)
12 Months Post-Exit	42.9% (373)	40.9% (356)

Note: *p<.05 **p<.01 **p<.001

[4] Indeed, the recidivism rates reported here are not necessarily an accurate reflection of recidivism rates among the universe of welfare leavers. This is because our focus, in this study, is on families that had been on welfare for extended periods of time (i.e., the time limit cases) and we use particular matching criteria (place of residence, case closing reason, number of children). These two methodological choices are appropriate and relevant to the topic being studied but do mean that reported recidivism rates, as well as other findings, can not be generalized the overall population of welfare leavers.

CONCLUSIONS

Similar to past studies on long-term welfare recipients who have reached or surpassed time limits on TANF receipt, our research shows important differences in baseline characteristics and one-year, post-exit outcomes. Even after controlling for important differences in place of residence, experience with work sanctions, and number of children through the use of a matched comparison sample, differences remained and, in our view, are policy relevant.

Time limit leavers are on average older than other leavers and are more likely to be African American. They also have poorer employment histories and made more extensive and continuous use of cash assistance in the recent past. Considering their post-exit experiences, a smaller proportion of time limit leavers were employed in any given quarter or at any point during the entire first year following their exit, and they also consistently earned less than their non-time limit counterparts. Probably not surprisingly given the employment findings, we find that one in three (33.2%) of time limit leavers returned to TCA within the first six months following their exit as compared to a little more than one-quarter of matched non-time limit leavers. Regarding other benefits, time limit cases were more likely to receive Food Stamps in the follow-up period, but equally as likely to receive Medical Assistance. These findings would seem to clearly indicate that, in general, families that leave welfare after having reached the 60 month time limit do have a more difficult time in sustaining self-sufficiency than do their non-time limit counterparts.

These findings are especially notable because, unlike past studies in which time limit cases were compared to all other leavers, our study utilized a matched comparison sample. Thus, the identified differences between the groups are not attributable to urban residence, experiencing a case closure due to a work sanction, or the number of children on the case. Therefore, in addition to the difficulties faced by Baltimore City recipients, those struggling with work sanctions and those who must balance the demands of welfare-to-work requirements with the needs of multiple children at home, time limit leavers face a number of other risk factors for long-term welfare receipt. In other words, even after controlling for certain key factors that could conceivably affect results, the data show that leaving welfare after reaching the limit is itself associated with higher risk of less positive outcomes, at least during the first post-exit year.

The practical implication of these findings is that there probably is need to insure that agencies' work with time limited families who have been continued on aid is substantive, multi-faceted, and intensive. Study findings indicate that time limit cases as well as the agencies that serve them face a diverse and complex set of challenges and, most likely, a number of potential barriers that stand in the way of clients' ability to achieve lasting self-sufficiency. On the ground level, these findings provide strong support, in our view, for the need to incorporate sophisticated assessment protocols into ongoing welfare case management. For the population of current recipients who have already reached the 60 month mark and for those who are approaching it, we believe this type of emphasis on assessment should be a priority. At the same time, while clinical and case management challenges associated with this population require skillful assessment by Department of Social Services (DSS) staff, it remains true also that community resources to which families can be referred, and effective linkages to those resources are also essential. For this population of clients in particular, the challenges associated with welfare reform, welfare-to-work, and making welfare truly a temporary source of income support, simply must be viewed and approached as a community-wide, not a DSS-only responsibility.

REFERENCES

Bania, N., Coulton, C., Lalich, N., Martin, T., Newburn, M., & Pasqualone, C.J. (2001). *A Comparison of Time Limited and Non-Time Limited Welfare Leavers in Cuyahoga County, Ohio.* Cleveland, OH: Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences, Case Western Reserve University.

Bloom, D., Farrell, M., Fink, B., with Adams-Ciardullo, D.(2002). *Welfare Time Limits: State Policies, Implementation, and Effects on Families.* New York: Manpower Demonstration Research Corporation.

Coulton, C., Bania, N., Martin, T., & Lalich, N. (2003). *How are they managing?: A retrospective of Cuyahoga County families leaving welfare*. Cleveland, OH: Case Western Reserve University, Center on Urban Poverty and Social Change.

Crichton, L.I. (2003). The welfare limit in Minnesota: A survey of families who lost MFIP eligibility as a result of the five-year time limit. St. Paul, MN: Program Assessment and Integrity Division, Minnesota Department of Human Services.

Gordon, A., Kauff, J., Kuhns, C., & Loeffler, R. (2002). *Experiences of Virginia Time Limit Families After Case Closure: 18-Month Follow-Up with Cases Closed in 1998 and 1999.* Princeton, NJ: Mathematica Policy Research, Inc.

Moreno, M.H., Toros, H., Joshi, V., & Stevens, M. (2004). *Reaching welfare time limits in Los Angeles County: A study of an early cohort.* Los Angeles: Department of Public Services.

Ochel, W. (2004). *Welfare time limits in the United States - Experiences with a new welfare-to-work approach.* CESifo Working Paper Series No. 1210. Available at SSRN: http://ssrn.com/abstract=558121

Ovwigho, P.C., Saunders, C., & Born, C.E. (2005). *Life After Welfare: Tenth Report.* Baltimore: University of Maryland School of Social Work.

Ovwigho, P.C., Hetling, A., Tracy, K., & Born, C.E. (2004). *Reaching the limit: A comparative analysis between time limit cases and other leavers.* Paper presented at the National Welfare Research and Statistics Conference, Oklahoma City, OK.

Richardson, P., Schoenfeld, G., & LaFever, S. (2003). *Study of Families Reaching the Welfare Time Limit in New Mexico.* Reston, VA: MAXIMUS.

Richardson, P., Schoenfeld, G., LaFever, S., & Jackson, F. (2002). *Three-Year Follow-Up Study of Welfare Leavers in South Carolina.* Reston, VA: MAXIMUS.

Ullrich, L., Bruce, D., & Thacker, A. (2005). Welfare time limits in Tennessee: An update. Knoxville, TN: The University of Tennessee.

Welfare and Child Support Research and Training Group. (2001). *The TANF time limit: Profile of families at imminent risk.* Baltimore: University of Maryland.

Wemmerus, N., Kuhns, C., & Loeffler, R. (2003). *Experiences of Virginia time limit families after case closure: 18-month followup with cases closed in early 1998, 1999, 2000.* Princeton, NJ: Mathematica Policy Research, Inc.