TIME'S UP: RELATIVE DISADVANTAGES OF LONG-TERM AND SHORT-TERM URBAN WELFARE RECIPIENTS

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Executive Summary

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, commonly referred to as "welfare reform," brought many substantive changes to cash assistance. One of the most radical was the imposition, for the first time in our nation's history, of a fixed limit on the number of months (60) in which low-income families could receive federally funded cash assistance. Although,good cause, hardship extensions can be granted, concern about the numbers, characteristics, circumstances and post-limit experiences of time-limit families is an important, emerging issue in the public welfare arena. Another is the increased concentration of welfare caseloads in our nation's largest cities, including Baltimore. Less often discussed has been the related reality that, in Maryland and elsewhere, families reaching or exceeding the 60-month time limit to date have also been disproportionately concentrated in urban areas.

This study provides Maryland policymakers and program managers with important, previously unavailable, information about our state's time-limited population by examining the intersection of time limits and the urban concentration of cash assistance cases. Using survey data from a random sample of single-parent cases that received cash assistance in Baltimore City in June 2002, the characteristics and employment barriers of long-term (60 or more months) and short-term (11 or fewer months) recipient adults are compared. By limiting the analyses to urban cases, the paper is able to disentangle the impact

of urban residence from the correlates of being a long-term or short-term welfare user.

What did we learn? In short, and in contrast to other studies that have not controlled for place of residence, the demographic characteristics of time-limit and short-term Baltimore City recipient families are similar, but case heads face a different number and array of obstacles on the path from welfare to work. The following bullets elaborate on these findings and are followed by brief discussion of the implications of study findings for policy and practice.

- **Active cases that have reached or exceeded the 60-month time limit in Baltimore City are very similar demographically to their short-term counterparts (families with 11 or fewer months of welfare receipt).**

The only demographic differences identified between the two groups were related to age, either of the payee or the children, and number of children on the case. Rather than being policy-relevant or notable, these differences are more likely simply byproducts of the fact that, by definition, time-limit cases have been on assistance longer. To illustrate, due to eligibility requirements, the youngest time-limit payee is likely older (by approximately four years in this study) than the youngest new recipient.

- **Time-limit families are significantly more likely to face particular barriers than are short-term recipient families, and they are significantly more likely to experience multiple barriers or problems.**

Time-limit adults are more likely than short-term adults to confront difficult problems such as mental health and learning disabilities and are more likely to face multiple impediments on the road to independence. On average, time-limit

families in Baltimore City averaged 4.73 barriers, while short-term Baltimore City recipient families averaged 2.84 barriers. The contrast is perhaps most starkly illustrated by the fact that more than three of every four (76.9%) time-limit families had four or more barriers while not quite one in three (32.7%) short-term families faced this many obstacles.

These findings have a number of implications for program management and front-line practice. They suggest, first, that separate and apart from whatever unique disadvantages may be faced by urban, predominantly African American, women receiving welfare, time-limit cases represent a distinct, troubled group of families for whom individualized, multi-faceted case management and intensive services are needed. Findings also make it clear that time-limit extension policies appear to have been implemented as intended. That is, it does not appear that extensions have been granted haphazardly or as a matter of routine. The families receiving extended benefits in this study are clearly ones for whom economic assistance, as well as other problem-targeted services, seem warranted.   The degree of difficulty involved in assisting these families to address barriers also seems clear, even from these descriptive data which only scratch the surface of the seemingly complicated stories of these families' lives. Still, it seems obvious that clinical and case management practice challenges associated with serving time-limit families are complex and sophisticated. As a result, skillful assessment and diagnosis are imperative, and effective access to and linkages with other community-based resources are necessary.

Study findings also have implications for welfare policy in this time when states' fiscal conditions remain grim and TANF re-authorization seems almost certain to increase work requirements and expectations. Using federal hardship provisions and/or their own funds and on the basis of good cause, many states, including Maryland, extend benefits to families who reach the 60-month limit. The number of families reaching the limit can only increase with the passage of time, however. As these numbers rise and budget pressures continue, rethinking of extension policies could result. Philosophically speaking, some might argue that extending benefits to a growing number of families undermines a key premise of welfare reform, that benefits were to be 'temporary' assistance, not a long-term way of life. Practically speaking, there could be pressure to not grant extensions after a certain date or to restrict extensions to a fixed number of months.   In other words, for a combination of reasons, it is not unrealistic to imagine that, in the not too distant future, policymakers could be faced with the unenviable task of deciding, all else equal, which time-limit families should be permitted to remain on the rolls and which should not.

Study findings suggest that, if difficult benefit rationing choices do have to be made, they should be based on extremely careful, professional, case-by-case assessment, rather than adoption of an across-the-board rule. Time-limit families, at least those who have reached or exceeded the 60-month threshold in Baltimore City, are a diverse group, but a group who, compared to short-term City recipient families, does face a multiplicity of complex challenges.   This is not to imply that many, if not most, of them will be unable to eventually make the

transition from welfare to work or that independence should not be the desired

end state. It is to suggest, however, that these families do appear to be ones in

great need for whom achieving the goal of self-sufficiency will not be easy and for

whom our community's very best multi-faceted and multi-disciplinary

interventions will almost certainly be needed.

Introduction

Among the most radical provisions of the landmark Personal

Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was

the imposition, in almost all cases, of a five-year or 60-month limit on receipt of

federally funded cash assistance. Moreover, the statute permits individual states

to impose shorter time limits and many have chosen to do so.   PRWORA does

permit states to provide 'hardship' exemptions or extensions for up to 20 percent

of affected families. Nonetheless, universal time-limiting of cash assistance was

unprecedented in U.S. welfare history and, as a result, there are no historical

data which can be used to produce reliable estimates of the policy's long-term

effects on families, welfare programs, and local communities.

In Maryland, the first affected cases reached the limit in January 2002 and

by June 2002 a total of 1,615 cases had hit or surpassed the 60-month mark.

Most families, specifically those for whom an independence plan had been

developed and where good cause had been established, did not have benefits

terminated. More than four out of five still active, but over the limit, cases as of

June 2002 were in Baltimore City, the most urban, and arguably most

disadvantaged, of Maryland's jurisdictions. Based on current projections, it is

anticipated that benefits should be able to be provided to all newly limited, good

cause cases for the next several years.

In one sense then, there does not appear to be an immediate crisis with

regard to time-limit families, at least in Maryland. However, if this new and

evolving area of public welfare practice is to be informed by empirical evidence,

the need to understand the characteristics and circumstances of time-limit families is critical. First, the number of time-limit families can only increase over time. Understanding both the personal and familial situations of time-limit adults and the barriers they face will be important in order to assist this growing population in trying to end their dependence on welfare. Also, this information may aid in marshalling other agency and community-based resources that may well be necessary to help them succeed in that endeavor.

Second, reliable empirical data about time-limit families will also be essential if, as seems possible, it is determined that, because of fiscal problems, benefits could not continue to be extended to all families reaching the 60-month mark, even if good cause is established. In this scenario, decisions about who should continue to receive benefits and who should not, unquestionably, would be very difficult. Thus, for many reasons, it seems clear that benefit rationing should not be guided by the imposition of an across-the-board, hard and fast rule such as granting no extensions to families reaching the mark after a certain date or limiting all extensions to a certain number of months or adults. Rather, if such choices had to be made, benefit rationing should be driven by data about the characteristics of potentially affected families.

The purpose of the present study is to provide policymakers and program managers with important data relevant to the time-limit population and time limit policy. Specifically, using telephone survey data from a random sample of single parent, Maryland cash assistance case heads, the study looks at the intersection of the five-year time limit threshold and urban residence, that is residence in the

City of Baltimore. We focus particularly on adult case heads in Baltimore City

who, through exemption or extension, had been on assistance for 60 months or

more and examine how their profiles and self-perceived barriers compare to

those of urban recipient adults who had received fewer than 12 months of cash

assistance.

The study permits us to begin to disentangle the impact of urban

residence from the correlates of being a long-term versus short-term welfare

user. That is, by limiting the analyses to urban cases, we are able to present

information about the barriers faced by time-limit cases within a local context.

This is an important analytical variation. Without separating out or controlling for

city residence, studies of time limit cases might be identifying differences

between urban and non-urban areas and caseloads, rather than real differences

between time-limit and non time-limit cases. Although preliminary, the study is

also important because it offers some thoughts for policy-making, program

development, and front-line case management for a client group which has

already reached the federal time limit, can only increase in size with the passage

of time, is at heightened risk of losing benefits, and yet may be quite

disadvantaged relative to other welfare clients.

Background

As of December 2001, the federal time limit on TANF receipt had taken effect in fewer than half of the states, and relatively few families in those states had reached the time limit (Bloom, Farrell, Fink, and Ciardullo, 2002). As a result, there is relatively little empirical data about the time-limited population, especially about those at greatest risk to reach the limit and those who, despite having reached it, still remain on the rolls. The available data do seem to be consistent, however, in suggesting that, at least initially, urban families and urban jurisdictions will be affected disproportionately.

While the initial years of welfare reform did see unprecedented declines in the number of families receiving aid, rolls shrank less quickly in major urban centers so that, by the end of the 1990s, welfare caseloads were increasingly concentrated in the nation's largest cities. Indeed, the 89 U.S. counties that contain the nation's 100 largest cities contained roughly one-third of the nation's population in 1999, but their share of the national welfare caseload grew from 47.5% in 1994 to 58.1% in 1999 (Allen and Kirby, 2000). Moreover, a Brookings survey of 26 states found that in most of them, long-term, adult-headed welfare cases were even more concentrated in urban areas than caseloads generally (Waller and Berube, 2002). In states which adopted the most generous time limit permitted under the 1996 federal welfare reform statute (i.e., 60 months), the caseload concentration data suggest that it will be urban families who will disproportionately reach their lifetime limit first.

An early Maryland study used eight years of monthly AFDC receipt data for first-time recipients to estimate possible time-limit effects under TANF (Caudill and Born, 1997). The authors found that about 30 percent of all cases received 61 or more months of aid in the eight-year study period. However, about half of those clients resided in Baltimore City, compared to only one in five who did not reach the limit. Similarly, in 26 states surveyed by the Brookings Institution, about 22 percent of total TANF cases had accumulated 48 or more months of aid by the end of 2001. However, 71 percent of these cases were located in large urban counties which, by way of contrast, accounted for only about one-third of their states' combined populations (Waller and Berube, 2002). A more recent Maryland study looked at the population of TANF families who had received aid in 36 or more of the first 45 time-clocked months in that state; the overwhelming majority (79.8%) were in Baltimore City (Born and Caudill, 2001). Not surprisingly, the study also found that the profile of an at-risk case was very similar to the profile of a long-term welfare user: never-married, African American, female resident of Baltimore City who had her first child before age 21.

There have been some studies of time-limit adults who have voluntarily left or been involuntarily dropped from the rolls. Most are consistent in finding that these individuals are more likely to be African American, female, older and have more children than other leavers and less likely to be married. (Bloom, et al., 2002; Gordon, Kauff, Kuhns, and Loeffler, 2002; Bloom and Hunter, 1999; Richardson, Schoenfeld and LaFever, 2003; Richardson, Schoenfeld, LaFever, and Jackson, 2002; Ovwigho, Hetling, Tracy and Born, forthcoming). Human

capital deficits are also not uncommon. Most studies have found time-limit

leavers are less likely to possess a General Equivalency Diploma (GED) or have

graduated from high school (Bloom and Hunter, 1999; Bania, Coulton, Lalich,

and Martin, 2001; Gordon, et al., 2002; Richardson, et al., 2003). Other

problems such as disability and transportation issues have also been reported in

some studies (Bania, et al, 2001; Richardson, et al., 2002; Richardson, et al.,

2003).   One study found that three-quarters of time-limit TANF leavers did reside

in the state's largest city (Ovwigho et al., forthcoming).

It is clear that there is considerable overlap between the populations of

time-limit cases that have left welfare and urban welfare cases. It also seems

likely that at least some of the differences between time-limit leavers and other

TANF leavers may result from this overlap. That is, the fact that long-term (and

thus time-limit likely) cases are more concentrated in cities and the reality that

cities are often disadvantaged in terms of the characteristics of urban labor

markets and the urban poor (Leonard and Kennedy, 2002) may have a

confounding effect on findings related to time-limit cases. Without separating out

or controlling for city residence, an examination of time-limit cases might be

identifying differences between urban and non-urban areas rather than real

differences between time-limit and non time-limit cases. The present study not

only controls for urban residence but focuses on active time-limit cases, rather

than time-limit cases which have left cash assistance.

Methods

The research sample is a sub-set of cases used in a federally funded, multi-state study, completed earlier this year, of the characteristics of the active TANF caseload.[1] For that investigation, a random sample of cases that received TANF in Maryland in June 2002 and were comprised of a single adult and at least one dependent child was selected (n=1,146). Telephone interviews averaging 35-45 minutes in length were conducted between August and October, 2002 and completed with 819 subjects, yielding a response rate of 71percent.

For purposes of the present analysis, the sample was restricted to recipients who resided in Baltimore City (n=404) and either had received 60 or more months of TANF (n=36) or had received TANF for less than 12 months (n=71) since the imposition of Maryland's 60-month lifetime limit in January 1997. The information on months of federally funded TANF receipt was obtained from administrative data contained in Maryland automated systems. Specifically, the Client Information System (CIS) maintained by the Maryland Department of Human Resources contains a variable reflecting the number of months of assistance received which count against the 60-month maximum.

Survey data are used to describe three classes of variables. Demographic characteristics examined include gender, age, ethnicity, marital status, household composition, and ages of children.[2] Employment assets

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[1] Information about findings from the source study can be found in Ovwigho, P., Born, C.E., Ferrero, A., & Palazzo, C. (February, 2004). *Life on Welfare: The Active TANF Caseload in Maryland.* Baltimore: University of Maryland School of Social Work.

[2] We also examined administrative demographic data and compared these to the self-reported data. Results were similar though not identical. The administrative data are reported in Table A-1 in the Appendix.

examined were possession of at least a high school diploma or GED, work experience and performance of at least four job tasks. Finally, barriers to employment were studied and include personal and family challenges as well as logistical and situational challenges. Personal and family challenges include poor physical health, caring for an ill person, pregnancy, mental health issues, chemical dependency, domestic violence, learning disabilities, criminal records, and language barriers. Logistical and situational challenges covered were transportation issues, childcare, unstable housing and perceived problematic neighborhood characteristics.

These data were analyzed using descriptive and bivariate statistics. Specifically, frequency tables were created to summarize customer information and measures of central tendency were used to describe customer characteristics and trends. The chi-square and ANOVA statistical methods were used to test for differences between long-term and short-term urban TANF recipients.

Readers are alerted to the fact that, due to the small sample sizes, statistical significance is mathematically difficult to reach. Thus, while we can be confident that identified statistically significant differences are correct and important, we are likely to miss at least some other differences that may have reached statistical significance had we been able to use a larger sample. To account for this, we comment in the text on differences between the groups that are relatively large, even if they are not statistically significant. We focus on large differences for two reasons. First, these would be more likely than small

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differences to be statistically significant in a study with a larger sample. Second,

even if small differences were to achieve statistical significance, their practical

significance or implications would most likely be few.

Findings

Demographics

In terms of demographics, there was very little difference between short-term TANF recipients and those who had been receiving benefits for 60 months or more. Table 1 presents the demographic information collected from both groups of respondents.

Table 1. Characteristics of Single-Parent TANF Case Heads

Characteristics	60 or more months (n=36)	Less than 12 months (n=71)
Gender		
Female	100.0% (36)	97.2% (69)
Male	0.0% (0)	2.8% (2)
Age*		
Younger than 25 years	0.0% (0)	47.9% (34)
25 to 34 years	50.0% (18)	28.2% (20)
35 years or older	50.0% (18)	23.9% (17)
Average age (years)**	35.47	28.61
Median age (years)	34.50	25.00
Race/Ethnicity[a]		
White, Non-Hispanic	2.9% (1)	4.5% (3)
African American, Non-Hispanic	97.1% (33)	93.9% (62)
Native American, Non-Hispanic[b]	0.0% (0)	3.0% (2)
Other Non-Hispanic	0.0% (0)	3.0% (2)
Hispanic	2.9% (1)	4.3% (3)
Marital Status		
Never Married	75.0% (27)	65.7% (46)
Married or living with partner	13.9% (5)	14.3% (10)
Separated, divorced, or widowed	11.1% (4)	20.0% (14)

*$p<0.05$, **$p<0.01$, ***$p<0.001$

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[a] Some cases may have identified more than one race category and, therefore, the categories shown are not mutually exclusive.
[b] Includes American Indians and Alaskan natives.

Only one measure, age, was found to have a statistically significant difference between the two groups. The average age of those who had reached or exceeded the time limit was 35.47 years, compared to 28.61 years for the short-term recipient group. Long-term recipients were split evenly between two age groups, half (50.0%) being between the ages of 25 to 34, the other half (50.0%) being 35 or older. Fewer than one out of four (23.9%) short-term clients were in the latter age group. In contrast, almost half (47.9%) of those receiving benefits for less than 12 months were younger than 25; none of the respondents receiving benefits for 60 or more months were younger than 25.

Regarding gender, race/ethnicity, and marital status, the two groups were quite similar. All 36 respondents that had been receiving TANF benefits for 60 or more months were female, as were 97.2% (n = 69/71) of those who had been receiving benefits for less than 12 months. While short-term recipients were slightly more diverse, the vast majority of both groups were African American, the percentages being 97.1% for the long-term group and 93.9% for the short-term group. There was slightly more variation between the groups in the area of marital status, but it was not statistically significant. Three out of every four, or 75%, (n=27/36) of those at or exceeding the time limit said they had never married, versus 65.7% or two-thirds (n=46/71) of respondents that had been receiving TANF for less than 12 months. The self-reported percentages of those married or living with a partner were nearly the same for both groups, approximately 14%. Roughly one out of ten (11.1%) of the 60-plus-month

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recipients were separated, divorced, or widowed compared to two of every ten

(20.0%) receiving benefits for less than 12 months.

Household Composition[3]

In addition to the demographic factors just discussed, the survey asked

respondents specific questions regarding their households, related to

composition, size, and age of children. On the following page,Table 2 presents

data describing how study participants responded to these inquiries.

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[3] The household, for survey purposes, was not synonymous with and could, and often did, include more persons than the assistance unit.

Table 2. Household Composition of Single-Parent TANF Cases

Characteristics	60 or more months (n=36)	Less than 12 months (n=71)
Household Composition		
Single parent, children	50.0% (18)	42.3% (30)
Two married adults, children[a]	2.8% (1)	0.0% (0)
Single parent, partner, children[a]	5.6% (2)	7.0% (5)
Single parent, other adults, children[b]	38.9% (14)	46.5% (33)
Adults only, no children	2.8% (10	4.2% (3)
Average number of persons in HH	4.33	3.76
Median number of persons in HH	4.00	3.00
Number of Children Less than Age 18 in Household*		
0	2.8% (1)	4.2% (3)
1	25.0% (9)	49.3% (35)
2	27.8% (10)	26.8% (19)
3	19.4% (7)	11.3% (8)
4	8.3% (3)	5.6% (4)
5 or more	16.7% (6)	2.8% (2)
Average number of children <18 in HH**	2.69	1.79
Median number of children <18 in HH	2.00	1.00
Number of Children Less than Age 6 in Household		
0	55.6% (20)	30.4% (21)
1	27.8% (10)	50.7% (35)
2	13.9% (5)	15.9% (11)
3 or more	2.8% (1)	2.9% (2)
Average number of children <6 in HH	0.64	0.91
Median number of children <6 in HH	0.00	1.00
Age of Youngest Child*		
Less than 1 Year	8.3% (3)	27.5% (19)
1 to 5 years	38.9% (14)	43.5% (30)
6 to 14 years	44.4% (16)	26.1% (18)
15 years or older	8.3% (3)	2.9% (2)
Average age of youngest child**	6.33	3.80
Median age of youngest child	6.00	2.00
Have Own Children Less than Age 18 Living Outside Household***	5.6% (2)	5.6% (4)

*p<0.05, **p<0.01, ***p<0.001

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[a] Other adults may also have been present in the household.
[b] Other adults is exclusive of a spouse or partner.

No statistically significant differences existed between the two groups on household composition. The average household reportedly contained 4.33 people among those at or exceeding the time limit, and 3.76 people for the short-term recipients. The most common household situation for both groups was that of a single parent who resided with her children, no other adults being present in the home. Exactly half of all households in the long-term group consisted of this family type, as did slightly more than two out of five (42.3%) of the short-term households. The second most common household type for both groups was single parent, other adults, and children. Slightly less than two out of five (38.9%) respondents at or exceeding the time limit were in this category, while 46.5% of the short-term recipients lived in a household of this composition.

Variables measuring the age and number of children presented some interesting statistically significant differences. The typical household among those at or exceeding the time limit reported 2.69 children under 18, about one more child under 18 than those receiving TANF for less than 12 months (1.79). Only one respondent exceeding the time limit did not have a child under 18 at the time of the survey, as did three of the short-term respondents.[4] However, almost half (49.3%) of short-term TANF users had only one child under 18 in the home, compared to only one quarter of long-term recipients (25.0%). The most common response for those exceeding the time limit, at 27.8%, was to have two children under 18 living in their household. Very large households, those containing five or more children under the age of 18, were more common among

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[4] Cases with no children under 18 may be eligible for TCA under two conditions. First, the case head may be pregnant; or she may have a child over 18 who is still in high school.

those at or exceeding the time limit (16.7%) than among recipients with less than one year of welfare use (2.8%).

Due to potential additional expenditures related to childcare, it is also important to look at the number of younger children in the household. In this area, the two groups differed notably, but the differences, likely due to the small sample sizes, were not statistically significant. Over half (55.6%) of the time-limit respondents said they had no children under the age of six living with them, compared to only three out of ten (30.4%) short-term TANF recipients. Notably, over a quarter (27.8%) of long-term case heads had one child under 6 living with them, but almost twice as many (50.7%) of the short-term recipients said their household contained a child under the age of six. On average, those exceeding the time limit had 0.64 children under six years old living with them, and households within the short-term group averaged 0.91 children under six years of age.

A second and related aspect of household composition that showed a statistically significant difference between the two groups was age of youngest child.   The average age of the youngest child among households receiving benefits for 60 or more months was almost twice that of the youngest child in the short-term group, 6.33 years and 3.80 years, respectively. The youngest child was less than one year old in more than one out of every four (27.8%) short-term households, compared to only 8.3%, or less than one in ten, among long-term users.   On the other end of the spectrum, more than four of ten (44.4%) time-

limit case heads reported that the youngest child in the home was between the ages of 6 and 14; only 26.1% of short-term recipients responded similarly.

Assets and Liabilities

The primary purpose of the federally funded study on which the present analysis is based was to generate much needed information, from clients themselves, about the existence and perceived existence of various assets and barriers to employment. Using an array of study-specific questions and well-known measures (for example, CIDI-SF), the client interviews thus placed heavy emphasis on education, work experience, physical and mental health and other topics which research has shown can help or hinder the transition from welfare to work. Table 3, following, presents information about potential employment assets and liabilities in the lives of our long-term and short-term Baltimore City TANF case heads, as reported by respondents.[5]

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[5] Additional information about all assets and barriers questions used in the survey and the detailed findings from those items can be found in Appendix C of our previously cited report, *Life on Welfare: The Active TANF Caseload in Maryland*.

Table 3. Potential Assets and Liabilities for Employment

Characteristics	60 or more months (n=36)	Less than 12 months (n=71)
Potential Assets for Employment		
High School/GED or Beyond	52.8% (19)	64.8% (46)
Work Experience[a]	69.4% (25)	81.4% (57)
Performed four or more common job tasks**	50.0% (18)	72.5% (50)
Potential Liabilities for Employment		
Personal and Family Challenges		
Physical Health Problem[b]	21.2% (7)	11.9% (8)
Child or other family member or friend with a health problem or special need[c] ***	51.4% (18)	16.4% (11)
Pregnant	3.1% (1)	11.5% (7)
Mental health problem[d] *	36.1% (13)	15.9% (11)
Chemical dependence[e]	8.6% (3)	1.4% (1)
Severe physical domestic violence in past year	8.3% (3)	7.4% (5)
Possible presence of learning disability*	17.6% (6)	2.9% (2)
Criminal record	16.7% (6)	9.9% (7)
Difficulty with English Language	0.0% (0)	1.4% (1)
Logistical and Situational Challenges		
Transportation[f]	22.2% (8)	15.5% (11)
Child care [f]	30.6% (11)	28.2% (20)
Unstable housing[g]	16.7% (6)	19.7% (14)
Perceived problem neighborhood characteristics[h]***	88.6% (31)	51.5% (35)

*$p<0.05$, **$p<0.01$, ***$p<0.001$

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[a] Worked for pay 50 percent or more of time since turning age 18.

[b] Poor or fair overall health and physical functioning in the lowest quartile.

[c] Cases with a child with health, behavioral, or special need or those caring for an elderly, disabled, or sick family member or friend.

[d] High level of nonspecific psychological distress or probable major depression.

[e] Probable alcohol or drug dependence.

[f] Self-reported problems that prevented case head from participating in work, education, or training during the past year.

[g] Having been evicted or moving two or more times in the past 12 months.

[h] At least one neighborhood characteristic is perceived by case head to be a big problem.

<u>Potential assets</u>

The top portion of Table 3 presents information about three potential employment assets: education level; work experience; and performance of common job tasks. On two of the three variables (education and work experience) the observed differences between the two groups were not statistically significant although, on both measures, the short-term group fared better than the long-term group by a relatively wide margin. A majority of clients in both groups had at least a high school diploma or GED, if not more education. Among short-term recipients, not quite two-thirds (64.8%) were in this group, as were a little more than half (52.8%) of long-term recipients. The work experience measure indicates the percentage of clients who, by self-report, had worked for pay 50 percent or more of the time since their 18th birthday. Approximately eight of ten (81.4%) short-term recipients said this was true, compared to about seven of ten (69.4%) among those who had met or exceeded the 60-month time limit. While neither of these differences is statistically significant, arguably because of our small sample sizes, we think they are worthy of attention and consideration by policymakers and program managers at both the state level and in Baltimore City.

The two groups did differ significantly on the third employment assets variable: performing at least four of nine possible job tasks at some point within their work history.[6] Among those who had ever worked for pay, case heads with

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[6] The inventory of job tasks associated with this question was: talking with customers face to face, talking with customers by phone, reading instructions or reports, writing letters or memos, working with a computer, working with another electronic machine, doing arithmetic, filling out forms, and keeping watch over gauges or instruments.

fewer than 12 months of TANF receipt were significantly more likely to report this was true (72.5%) than were case heads with 60 or more months of TANF receipt (50.0%).

Potential liabilities

Long-term and short-term recipients differed significantly on four of the 13 potential employment barriers or liabilities, as shown in Table 3. The four were: caring for a child, family member or friend with a health problem or special need; having a mental health problem; possibly having a learning disability; and perception that their neighborhood was characterized by at least one "bad" problem. On all four measures, case heads at or exceeding the 60-month time limit were significantly more likely to have the barrier, liability or problem than were case heads who had received fewer than 12 months of TANF assistance.

These differences between the two groups were not only statistically significant, they were striking. In terms of caring for an ill or special need child, family member or friend, one of every two long-term case heads (51.4%), but fewer than one in five (16.4%) short-term recipients, reported this situation. Findings with regard to mental health were similar. More than twice as many long-term TANF recipients exhibited high levels of non-specific psychological distress or probable major depression than case heads who had received fewer than 12 months of assistance; the percentages were 36.1% and 15.9%,

respectively.[7] Time-limit case heads were also six times more likely to have a

possible learning disability (17.6%) than were short-term case heads (2.9%) and

significantly more likely (88.6% vs. 51.5%) to perceive that their neighborhoods

had at least one characteristic that was a big problem.[8]

In terms of the other nine potential employment barriers where the

differences between the two groups of clients were not statistically significant, the

data show only three areas where short-term welfare users reported the problem

more often than long-term users. These were: pregnancy (11.5% vs. 3.1%);

difficulty with English (1.4% vs. 0.0%); and unstable housing (19.7% vs. 16.7%).

Both groups were similar in the extent to which they reported experiencing

severe domestic violence within the past year (8.3% among time-limit cases and

7.4% among short-term users) and in the extent to which child care was said to

be a problem (30.6% among time-limit cases and 28.2% among short-term

users). For each of the remaining four topics, more long-term users reported

possessing or experiencing the problem than did short-term users, usually by a

margin of two to one. That is, 16.7% of time-limit case heads said they had a

criminal record, compared to 9.9% of case heads with less than 12 months of

cash assistance receipt and more reported transportation problems (22.2% vs.

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[7] Nonspecific psychological distress was assessed on the basis of the K6 psychological distress
scale, with a range of 0 to 24, and on normative data from the National Household Survey on
Drug Abuse (NHSDA) and the National Health Interview Survey (NHIS). Individuals with a total
score of 13 or higher were classified as having serious psychological distress. The methodology
of the Composite International Diagnostic Interview, Short Form (CIDI-SF) was used to determine
the probability of major depression. Individuals with three or more of seven symptoms of major
depression are classified as being at probable risk of major depression, as are individuals who
volunteer that they are on medication or anti-depressants.

[8] The possible presence of a learning disability was determined following the methodology of the
Washington State Learning Needs Screening Tool.

15.5%). More time-limit case heads also had probable alcohol or drug dependence[9] (8.6% vs. 1.4%) and more were assessed as having a physical health problem[10] (21.2% vs. 11.9%). These differences again while not statistically significant are, in our view, practically significant for welfare policy and practice.

Multiple Barriers to Employment

As is recognized by public welfare managers and front-line staff, cash assistance recipient families do not typically present with just one problem or employment barrier at a time nor do those barriers or problems usually exist in isolation. Thus, to paint a more realistic picture of the challenges faced by TANF families and those desiring to help them successfully move from welfare to work, Table 4 presents summary information on the number of various types of barriers among time-limit and short-term case heads in Baltimore City. Specifically, the table presents summary data separately on the number of human capital deficits, personal and family challenges, and logistical/situational challenges and, in the bottom portion, shows findings on the total number of barriers or employment liabilities, regardless of type.

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[9] The probabilities of alcohol and drug dependence were determined following the CIDI-SF methodology. Individuals with three or more of seven symptoms of alcohol (drug) dependence were classified as being at probable risk of alcohol (drug) dependence.

[10] Respondents were rated as having a physical health problem if their self-health rating was fair or poor and physical functioning was in the first quartile of the U.S. population, using the methodology of the Physical Functioning Scale of the SF-36 Health Survey, incorporating norms based on age and gender.

Table 4. Summary of Potential Liabilities for Employment

Characteristics	60 or more months (n=36)	Less than 12 months (n=69)
Number of Human Capital Deficits[a]		
0	33.3% (12)	52.2% (36)
1	16.7% (6)	20.3% (14)
2	38.9% (14)	20.3% (14)
3	11.1% (4)	7.2% (5)
Average*	1.28	0.83
Median	1.50	0.00
Number of Personal and Family Challenges[b] *		
0	18.5% (5)	48.3% (28)
1	37.0% (10)	32.8% (19)
2	22.2% (6)	13.8% (8)
3 or more	22.2% (6)	5.1% 93)
Average**	1.48	0.79
Median	1.05	1.00
Number of Logistical and Situational Challenges[c]		
0	8.6% (3)	27.9% (19)
1	48.6% (17)	32.4% (22)
2	22.9% (8)	27.9% 919)
3 or more	20.1% (7)	11.8% (8)
Average	1.63	1.25
Median	1.00	1.00
Number of All Potential Liabilities for Employment[d] **		
0	0.0% (0)	9.1% (5)
1	0.0% (0)	21.8% (12)
2	11.5% (3)	16.4% (9)
3	11.5% (3)	20.0% (11)
4	30.8% (8)	14.5% (8)
5	7.7% (2)	5.5% (3)
6	19.2% (5)	10.9% (6)
7 or more	19.2% (5)	1.8% (1)
Average***	4.73	2.84
Median	4.00	3.00

*p<0.05, **p<0.01, ***p<0.001

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[a] Human capital deficits include having no high school diploma, no work experience, or having performed fewer than four job skills.
[b] Personal and family challenges include health problems, family member or friend with health problems, current pregnancy, mental health problem, drug or alcohol dependence, experience with severe domestic violence, possible learning disability, criminal record, or difficulty with English language.
[c] Logistic and situational challenges include transportation problems, child care problems, unstable housing, or bad neighborhood conditions.
[d] Includes any of the above.

Human capital deficits

For purposes of this analysis, three human capital deficits were considered: not having a high school diploma or GED; having limited adult work experience; and not having performed at least four common job tasks. One-third (33.3%) of case heads with 60 or more months of TANF receipt had none of these impediments; in contrast, fully one-half (52.2%) of case heads with less than 12 months of TANF use had none of these three deficits. The two groups of clients were similar in the percentages having one of these barriers (16.7% among long-term recipients, 20.3% among short-term recipients), but more members of the former group reported having two or three, as shown in the table. These categorical differences were not statistically significant, but there was a statistically significant difference between the two groups in the average number of human capital deficits. The typical long-term recipient was found to have 1.28 deficits of this type, compared to an average of 0.83 among those who had less than 12 months of cash assistance receipt.

Personal and family challenges

Personal and family challenges considered in this analysis included: health problems of the case head or another person; pregnancy; mental health; severe domestic violence; learning disability; drug or alcohol dependence; criminal record; and difficulty with English. Differences in the number of such challenges faced by the two groups of clients were statistically significant. The most common situation among short-term recipients was to have none of these barriers (48.3%) while fewer than one in five (18.5%) long-term clients faced

none of these challenges. At the other extreme, 22.2% of long-term clients had

three or more of the listed personal or family challenges, compared to only 5.1%

of short-term clients. On average, clients with 60 or more months of welfare

receipt had 1.48 personal and/or familial challenges while the average among

short-term recipients was 0.79; this difference in the average number of

personal/familial problems was statistically significant.

Logistical and situational challenges

Four logistical or situational challenges were also considered in this

analysis: transportation; childcare; unstable housing; and problem neighborhood

characteristics. Although the general pattern is that long-term clients had more

of these challenges than did short-term clients (i.e., 20.1% of long-term case

heads had three or more such problems, compared to 11.8% of short-term

clients), the categorical differences were not statistically significant. The most

common situation among both long-term and short-term clients was to report

having only one of the four logistical/situational challenges. The percentages

with only one of these four challenges were 48.6% and 32.4% for long-term and

short-term clients, respectively. The groups were also not significantly different

in terms of the average number of logistical problems faced; among long-term

clients the average was 1.63 and among short-term recipients, 1.25.

All potential liabilities

The bottom portion of Table 4 considers all deficits, challenges and

liabilities together and shows the total number of problems faced by members of

the two client groups as well as the average number of problems faced by the

typical long-term and short-term case head. On this cumulative measure,

differences are large and statistically significant.   The average number of all

potential problems facing long-term clients was 4.73, compared to an average of

2.84 for the typical short-term client.   Differences are most notable at the

extremes. As illustrated in the table, three of every ten (30.9%) short-term clients

had none (9.1%) or only one (21.8%) of the measured problems, but none of the

long-term clients had fewer than two of them. In contrast, nearly two of every five

(38.4%) clients who had reached or exceeded the 60-month time limit had six or

more of the listed liabilities, compared to just about one in ten (12.7%) of those

who had fewer than 12 months of TANF benefit receipt. Similarly, while the most

common situation among time-limit recipients was to have four of the listed

problems, the most common situation among short-term welfare users was to

have only one.

Conclusion

Two important emerging issues in the post-welfare reform era are the increasing concentration of welfare caseloads, especially long-term recipient families, in the nation's largest cities and the need to understand the characteristics, circumstances and post-threshold experiences of families who reach the 60-month limit on receipt of federally funded assistance payments. There is reason to be concerned about both issues. Policymakers and program managers must also take heed of the fact that, at least in Maryland, families who have reached or exceeded the 60-month time limit to date are also disproportionately concentrated in our state's largest urban area, the City of Baltimore.

Current Maryland policy is that no family is terminated from assistance merely because the 60-month mark has been reached. Provided a good cause has been established and the client and local Department of Social Services have established a service agreement and are working to achieve its goals, benefits will continue to be paid. Nonetheless, it is important to understand more about the time-limit population; this is the first time in our nation's history of cash assistance provision for low-income children and their families that an across-the-board time limit has been in effect.

Empirical studies of time-limit families have begun to be published, but almost all of them focus on time-limit families who have left cash assistance and none of them, to our knowledge, separate out or control for urban residence. These studies have usually found statistically significant demographic differences

between time-limit and other welfare leavers. However, it seems plausible that many of the observed differences are at least as likely to be reflective of differences between the demographics of urban and non-urban welfare families as they are to be documenting real differences between time-limit clients and other welfare recipients.

In this study of the characteristics and circumstances of families who have reached or exceeded the 60-month time limit but remained on the rolls, we were able to control for urban residence by focusing on a random sample of active cash assistance cases in Baltimore City. What did we learn when we compared these long-term City-resident clients to City-resident clients who had received fewer than 12 months of benefits? First, and in contrast to most other published studies, we learned that the demographic profiles of the two groups are very similar. The only significant demographic differences identified in this urban-specific project were related to age, either of the case head or the children, and number of children. Rather than being policy-relevant or notable, these differences are most likely just byproducts of the fact that, by definition, time-limit cases have been on assistance longer. To illustrate, due to eligibility requirements, the youngest time-limit case head must, with very few exceptions, be older (by approximately four years) than the youngest short-term payee.

Time-limit cases are significantly different from short-term cases, however, on two dimensions that have important implications for welfare policy and front-line welfare practice: assets and barriers to employment.   In brief, time-limit adults are more likely than short-term recipients to experience particular and

troublesome barriers such as mental health problems or learning disabilities and

they are also more likely to face multiple barriers to independence. Time-limit

families in Baltimore City averaged 4.73 barriers, while short-term Baltimore City

recipient families averaged 2.84 barriers. The contrast is perhaps most starkly

illustrated by the fact that more than three of every four (76.9%) time-limit

families had four or more impediments to independence; not quite one in three

(32.7%) short-term families faced this many obstacles. Separate and apart from

whatever unique disadvantages may be faced by urban African American women

receiving welfare, these findings suggest that urban time-limit cases represent a

distinct, troubled group of families with multiple barriers for whom intensive,

individualized, multi-faceted case management and service is needed.

It is important to consider what these findings mean for policy and practice

in a time when state fiscal situations remain grim and TANF re-authorization

seems almost certain to increase work requirements and expectations. First,

using their own funds and/or on the basis of good cause, many states, including

Maryland, have extended benefits to families reaching the 60-month limit.

Second, the number of families hitting 60 months can only increase with the

passage of time. As these numbers rise and budget pressures continue,

rethinking of extension policies could result. For example, there may be pressure

to not grant extensions after a certain date or to restrict them to a certain number

of months. In other words, for a combination of reasons, it is possible that, in the

near future, state and local policymakers could be faced with the unenviable task

of deciding, all else equal, which time-limit families should be allowed to remain

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on the rolls and which should not. Study findings suggest that, if difficult benefit

rationing choices do have to be made, they should be based on extremely

careful, professional, case-by-case assessment, rather than adoption of an

across-the-board rule.

Study findings also have important implications for the present moment.

First, findings make it clear that extensions appear not to have been granted

haphazardly or as a matter of routine. The time-limit study families still receiving

assistance face a number of potential liabilities for employment. Second, study

findings also point out the diversity, complexity and multiplicity of the challenges

faced by time-limit families and the local welfare agencies that serve them.

Clinical and case management challenges associated with this population are

numerous, requiring skillful assessment, community resources to which families

can be referred, and effective linkages to those resources. This is not to imply

that many, if not most, time-limit families in Baltimore City or elsewhere cannot

make the transition from welfare to work or that independence should not be the

desired end state. It is to suggest, however, that these families are ones in great

need for whom the journey will not be easy and for whom our community's very

best multi-faceted and multi-disciplinary interventions will almost certainly be

needed.

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Table A-1. Administrative Data on Individual and Case Characteristics

Variable	60 or more months (n=36)	Less than 12 months (n=71)	Total (n=107)
Payee Gender			
Female	97.2% (35)	97.2% (69)	97.2% (104)
Male	2.8% (1)	2.8% (2)	2.8% (3)
Payee Race*			
African American	97.1% (34)	94.4% (67)	95.3% (101)
Caucasian	2.9% (1)	4.2% (3)	3.8% (4)
Other	0% (0)	1.4% (1)	0.9% (1)
Payee Age			
Mean**	35.66 years	28.88 years	31.16 years
Standard Deviation	6.2 years	11.9 years	10.8 years
Payee Age at First Birth			
Mean*	23.0 years	20.3 years	21.3 years
Standard Deviation	5.9 years	5.2 years	5.6 years
Payee Marital Status			
Divorce/Separated/Widowed	5.6% (2)	14.1% (10)	11.1% (12)
Never Married	88.9% (32)	83.1% (59)	85.0% (91)
Married	2.8% (1)	2.8% (2)	2.8% (3)
Unknown	2.8% (1)	0.0% (0)	0.9% (1)
Jurisdiction			
Baltimore City	100.0% (36)	100.0% (71)	100.0% (107)
Maryland Counties	0.0% (0)	0.0% (0)	0.0% (0)
Number of Children			
Mean***	2.5	1.4	1.8
Standard deviation	1.7	0.8	1.3
Assistance Unit Size			
Mean*	3.5	2.4	2.8
Standard deviation	1.7	0.8	1.3
Age of youngest child			
Mean*	7.0 years	4.5 years	5.4 years
Standard deviation	4.4 years	4.7 years	4.7 years

Source: 2002 Maryland administrative data on the TANF caseload.
*p<5 **p<.01 ***p<.001