



## Family Welfare Research & Training Group

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### Long Term AFDC Recipients: Experiences in the First Years of TANF

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Since the enactment of PRWORA in 1996 and subsequent dramatic caseload declines, much research has focused on TANF leavers. Discussion has also been devoted to federal and state time limits and families at risk of reaching these limits (Greenberg, Savner & Swartz, 1996; United States General Accounting Office, 1997; Welfare and Child Support Research and Training Group, 2001). Long-term AFDC recipients are likely to have multiple problems leading to their chronic receipt of cash assistance, and may be at greatest risk of reaching the federal 5-year time limit. The current study takes a closer look at some of these families. We focus on women with long-term AFDC histories, and examine their experiences with cash assistance participation and employment under AFDC and under TANF. This brief addresses the following questions:

1. What differences exist between long-term AFDC recipients and other first-time recipients at the time of entry to cash assistance?
2. What do we know about the cash assistance participation of long-term AFDC recipients under the TANF program?
3. What do we know about the employment patterns of long-term AFDC recipients during AFDC and more recently under TANF?

#### Methodology

#### Sample

In 1987, a study of first-time AFDC recipients was started by the University of Maryland in partnership with the Maryland Department of Human Resources. Lengthy face-to-face interviews were held with 663 individuals who were receiving AFDC in their own names for the first time. In 87% of these cases (n=580/663) the payees were the mothers of children for whom assistance was being provided. Administrative data on monthly AFDC receipt is available for 493 of the 580 mothers (85%). This sample of first-time AFDC recipient mothers has been the focus of several reports, most recently, *Setting The Baseline: Patterns of Recidivism in Maryland under AFDC* (Born, Caudill & Cordero, July 1998)<sup>1</sup>.

The present study focuses on 36 women who received AFDC in their own name for the first time in 1987 and who continued to receive cash assistance benefits without a break in receipt through September 30, 1996. This date is significant because it marks

the last day of AFDC in Maryland. Maryland's TANF program took effect on October 1, 1996.

### **Data Sources**

Two sources of data were used in this study: responses from a face-to-face interview of the participants within a few months of their entrance to AFDC and administrative data on program participation taken from the state's automated systems. The interview covered a wide range of topic areas, from payee characteristics, AFDC history, knowledge and utilization of community social services and benefit programs, to employment, education, health, social support, and housing.

Administrative data were gathered from three automated systems. Two systems: Client Automated Resources and Eligibility System (CARES) and its predecessor, Automated Information Management System/Automated Master File (AIMS/AMF), contain individual- and case-level client characteristics and service utilization data for public assistance and social service programs managed by the Maryland Department of Human Resources. The third, Maryland Automated Benefit System (MABS), contains official data on employment and wages in Maryland industries which are covered by the state's Unemployment Insurance (UI) law.<sup>2</sup>

### **Analyses**

Using the interview data, collected shortly after AFDC entry, the 36 long-term recipients were compared to the remainder of the 580 first-time recipient mothers (n=544) on various demographics, employment, and education. Administrative data were then used to examine program participation and employment between 1987 and the end of AFDC on September 30, 1996. Data were also examined covering the first four years of TANF implementation in Maryland, from October 1, 1996 to September 30, 2000.

## **Baseline Findings: Demographic Differences at Time of Entry to AFDC**

\_\_\_\_\_ This first findings section presents the results of comparisons between our 36 long-term recipients and the balance of the sample (n=544) at the time of the interview in 1987. The next section will describe follow-up data during the AFDC and TANF periods through September 2000.

- " Four fifths of long-term recipients were African American (80.6%, n=29/36), and one fifth Caucasian (19.4%, n=4/36). In the remainder of the sample, payees were equally divided between the two racial groups: 47.3% African American (n=255/539) and 48.2% (n=260/539) Caucasian.
- " More than three in five (61.1% n = 22/36) long-term recipients lived in Baltimore City at the time of the interview. In contrast, only about one in four of the balance of the sample lived in the City (24.3%, n=132/544).
- " Nearly nine in ten long-term recipients had never been married at the time of the interview (88.9%, n=32/36) The remaining one in ten were either separated or divorced (11.1%, n=4/32). In the remainder of the sample, only six in ten payees had never been married (58.6%, n=319/544), three in ten were either separated or divorced (31.8%, n=173/544), and not quite one in ten were currently married (9.4%, n=51/544).
- " Long-term recipients were on average, three years younger than the rest of the sample at the time of the interview. The mean age of long term recipients was 21.17 years, with a median of 19, while the remainder of the sample averaged 24.71 years of age with a median of 22.
- " Long-term recipients, had significantly fewer children at the time of the interview. The mean for long-term recipients was 1.31 and the mean for the rest of the sample was 1.62. The median for both groups was one child.
- " Long-term recipients were significantly more likely to have not finished high school. About three of five long-term recipients (61.1% or 22/36) had less than a high school education, compared to about two of five (38.2% or 206/539) in the rest of the sample.
- " Significantly fewer long-term recipients had ever been employed since high school. About six in ten (58.5% or 20/34) long-term recipients had worked since leaving high school, compared to more than eight in ten (84.5% or 458/542) in the balance of the sample.
- " About three in ten (30.6% or 11/36) long-term recipients worked in the year before their first child was born compared to more than six in ten (64.3% or 349/543) in the rest of the sample.

- " Only about two in ten long-term recipients worked in the year after their first child was born, compared to about four in ten in the rest of the sample.
- " When asked how long do you think it will take you to get off AFDC? long-term recipients estimated it would take them 1.22 years to leave AFDC, almost twice as long as the balance of the sample who estimated 0.66 years.

Table 1, following, presents the above results in more detail.

**Table 1. Payee Characteristics at Time of Interview**

Characteristics	Long Term Recipients N=36	Balance of Sample N = 544	Total N=580
<b>Racial/Ethnic Group***</b> African American Caucasian	80.6% (29/36) 19.4% (7/36)	47.3% (255/539) 48.2% (260/539)	49.4% (284/575) 46.4% (267/575)
<b>Region***</b> Baltimore City Baltimore Metro Western Maryland Washington Metro Eastern Shore Southern Maryland	61.1% (22/36) 5.6% (2/36) 8.3% (3/36) 11.1% (4/36) 2.8% (1/36) 11.1% (4/36)	24.3% (132/544) 16.9% (92/544) 15.6% (85/544) 21.0% (114/544) 11.2% (61/544) 11.0% (60/544)	26.6% (154/580) 16.2% (94/580) 15.2% (88/580) 20.3% (118/580) 10.7% (62/580) 11.0% (64/580)
<b>Marital Status at Time of Interview***</b> Never Married Separated Divorced	88.9% (32/36) 5.6% (2/36) 5.6% (2/36)	58.6% (319/544) 23.2% (126/544) 8.6% (47/544)	60.5% (351/580) 22.1% (128/580) 8.4% (49/580)
<b>Age of Payee at Time of Interview***</b> Mean Median Std. Dev. Range	21.17 19.00 4.33 16 to 32	24.71 22.00 7.38 16 to 57	24.49 22.00 7.28 16 to 57
<b>Number of Children at Time of Interview*</b> Mean Median Std. Dev. Range	1.31 1.00 .786 0 to 4	1.62 1.00 1.11 0 to 7	1.60 1.00 1.09 0 to 7
<b>Age at First Birth</b> Mean Median Std. Dev. Range	19.03 18.00 3.67 14 to 26	19.72 19.00 3.08 13 to 26	19.67 19.00 3.12 13 to 26
<b>Highest Grade Completed in School*</b> Less than High School Finished High School/GED At Least Some Post-Secondary Education	61.1% (22/36) 30.6% (11/36) 8.3% ( 3/36)	38.2% (206/539) 44.7% (241/539) 17.1% ( 92/539)	39.7% (228/575) 43.8% (452/575) 16.5% ( 95/575)
<b>% Ever employed since High School***</b> <b>% Employed Before Birth of First Child***</b> <b>% Employed in yr After First Child's Birth*</b>	58.8% (20/34) 30.6% (11/36) 23.5% ( 8/34)	84.5% (458/542) 64.3% (349/543) 41.1% (215/523)	83.0% (478/576) 62.2% (360/579) 40.0% (223/557)
<b>How long do you think it will be until you get off AFDC? (In years)**</b>			
Mean Median Std. Dev. Range	1.22 1.00 1.15 0 yrs to 3 yrs	0.66 0.00 0.95 0 yrs to 3 yrs	0.71 0.00 0.98 0 yrs to 3 yrs

**Note:** Due to missing or unavailable data, total n may not always equal 580. \* p<.05, \*\* p<.01, \*\*\*p<.001

## Follow-up Findings: Cash Assistance and Employment

This section presents the results of our analysis of administrative data for our 36 long-term recipients. Specifically, we examine AFDC receipt through September 1996, TANF receipt through September 2000, as well as employment data for both periods.

### AFDC and TANF Cash Assistance Participation

- " By definition, all 36 long-term recipients were on for the entire possible time between their entry to AFDC and the end of AFDC in September 1996. Since these were first-time recipients who had continuous receipt, mean total AFDC receipt is identical: about 9 years.
- " TANF participation ranged from 1 to 48 months in the four year follow-up period.
- " On average, TANF first-spell length was 23 months and mean total TANF participation was 25 months. Actual TANF participation was 52.36% of the possible TANF participation.
- " Between October 1996 and September 2000, 5.6% (2/36) never exited TANF, 25.0% (9/36) exited but returned, and 69.4% (25/36) exited and did not return.

**Table 2. Cash Assistance Participation under AFDC and TANF**

Cash Assistance Participation	AFDC Period	TANF Period
<b>Time Period Covered</b>	1987 to 1996-3	1996-4 to 2000-3
<b>Length of First Spell (in months)<sup>3</sup></b>		
Mean	110.50	22.52
Median	110.70	24.98
Standard Deviation	1.80	15.11
Range	107 to 115 mos	1 mo to 48 mos
<b>Total Number of Months Receiving Cash Assistance<sup>3</sup></b>		
Mean	110.50	25.13
Median	110.70	25.98
Standard Deviation	1.80	15.44
Range	107 to 115 mos	1 mo to 48 mos
<b>Percent of Time Receiving TANF</b>		
Mean		52.36%
Median		54.12%
Standard Deviation		32.16%
Range		2.00% to 100.00%
<b>TANF Status as of September 30, 2000</b>		
never exited		5.6% (2/36)
exited but returned		25.0% (9/36)
exited and did not return		69.4% (25/36)

## **Employment Pre-entry and During AFDC**

- " Between the second quarter of 1985 and their AFDC entry in 1987, 36.1% of payees worked for a UI-covered employer in at least one quarter.
- " During the AFDC period, 55.6% (20/36) of payees worked in at least one of the 35 possible quarters between 1988-1 and 1996-3.
- " During the AFDC period, between 1988-1 and 1996-3, long-term recipients worked an average of 2.6 quarters or 7.38% of the possible quarters.

## **UI-Covered Employment Under TANF**

- " More than three of four (77.8% or 28/36) long-term AFDC recipients worked in at least one of the 16 quarters between 1996-4 and 2000-3.
- " Long-term AFDC recipients worked an average of 5.9 quarters or 37.15% of possible quarters.

Table 3, following presents employment results in more detail.

**Table 3. UI-Covered Employment between 1988-1 to 1996-3 and 1996-4 to 2000-3**

Employment	AFDC Period	TANF Period
<b>Quarters Covered</b>	1988-1 to 1996-3	1996-4 to 2000-3
<b>Possible quarters of employment</b>	35	16
<b>% with UI-Covered Employment</b>	55.6% (20/36)	77.8% (28/36)
<b>Number of Quarters Worked</b> Mean Median Standard Deviation Range	2.58 1.00 4.40 0 to 23 quarters	5.94 5.00 5.32 0 to 16 quarters
<b>Percent of Quarters Worked</b> Mean Median Standard Deviation Range	7.38% 2.86% 12.56% 0.00% to 65.71%	37.15% 31.25% 33.27% 0.0% to 100.0%
<b>% who worked 50% or more of possible quarters</b>	2.8% (1/36)	16.67% (6/36)

## Discussion

These preliminary analyses of employment and cash assistance participation suggest that welfare reform has had a dramatic impact on the welfare use and employment patterns of long-term AFDC recipients. In the four-year TANF follow-up period, UI-Covered employment has increased, and cash assistance use has decreased. Of these 36 families who remained on AFDC continuously for 9 years, 94.6% exited TANF at least once in the 48 month follow-up period.

Although not discussed in this brief, examination of case narratives suggests that these families struggle with several barriers to employment and self-sufficiency: disabilities (self or child), transportation, child care, substance abuse, and criminal justice involvement. Further analyses are planned with regard to these issues, as well as the industries in which the sample is employed, participation in Food Stamps, Medical Assistance and SSI.

## References

Greenberg, M., Savner, S. and Swartz, R. (1996). *Limits on Limits, State and Federal Policies on Welfare Term Limits*, Washington, D.C.:Center for Law and Social Policy

U.S. General Accounting Office. (1997) *Welfare Reform: States' Early Experiences With Benefit Termination* (GAO/HEHS-97-74). Washington, DC: Author.

Welfare and Child Support Research and Training Group (February 2001). *The TANF Time Limit: Profile of Families at Imminent Risk*. Baltimore: University of Maryland School of Social Work.

## Endnotes

1. Other reports with this sample include: Born, C.E., and Kunz, J.P. (1990). *First-time AFDC recipients in Maryland: Who are they?* Baltimore: University of Maryland School of Social Work. Caudill, P. J. (1998). *Behavioral models of long-term welfare receipt: Rational choice, expectancy, or culture of poverty?* Unpublished thesis, University of Maryland Baltimore County, Baltimore, Maryland; Caudill, P. J., and Bom, C. E. (1997). *Who is at greatest risk of reaching cash assistance time limits?* Baltimore: University of Maryland School of Social Work.
2. Approximately 93 percent of Maryland jobs are covered. Important omissions include military and civilian federal employees, among others. We also do not have access to employment data on the four bordering states (Delaware, Pennsylvania, Virginia, and West Virginia) and the District of Columbia.
3. There are slight differences in AFDC first spell and total range because not all entries to AFDC occurred in the same month in 1987.