FAMILY WELFARE RESEARCH & TRAINING GROUP

Welfare Recipients Who Find Good Jobs:

Who Are They, and What Are Their Outcomes?

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EXECUTIVE SUMMARY

When the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) went into effect, many states adopted a "work-first" approach to helping welfare recipients find employment (Holcomb & Martinson, 2002). According to this approach, any job, even if it does not pay well, is better than no job, and any job can be a steppingstone to a better job. Much of the research on how to move welfare recipients into the labor market that was done during the 1990s found that this approach was successful. Therefore, in practice, assistance with job search and job readiness is often included, but further education and training are not emphasized.

Maryland's reformed welfare program also emphasizes work, but the state's model has always recognized that one size does not fit all. Through comprehensive research and rigorous program monitoring, state leaders and welfare administrators know that the large majority of adults heading cash assistance cases are not strangers to the world of work. Most work before coming on aid, many leave welfare because of employment, and most work after welfare, often long into the future.

Research also shows that some women do return to welfare after having a work-related exit. Often their greatest difficulties lie not in finding a job, but in maintaining their employment, earning a family-sustaining wage, and being able to advance. In partnership with Skills2Compete and, soon, the new Employment Advancement Right Now (EARN) initiative, the Maryland Department of Human Resources is poised to address these lingering issues. EARN, in particular, with its focus on equipping adults with skills that are in high demand, has enormous potential to help many clients move from intermittent jobs to stable careers with family-sustaining wages and obviate any need for cash assistance.

Today's report offers information that may be helpful in efforts to translate EARN concepts into concrete plans focused on TCA recipients. It describes the clients served by the Maryland Department of Human Resources (DHR) as well as their short-term outcomes observed from an initiative by DHR to move TCA clients into good jobs. A good job was defined as one that paid at least $10 per hour, required at least 30 hours of work per week, offered benefits like health insurance and paid leave, and provided opportunities for career advancement.

In this report we examine the initiative for the lessons it may provide going forward. Who are the TCA customers who found good jobs? What are their prior welfare use and employment histories? What are their short-term outcomes? Do they return to welfare or do they remain in the labor force?

Demographic Profile

Study participants, all of whom found good jobs, are demographically similar to the active TCA caseload. Typically, they are African-American women in their 30s who have finished 12th grade but never married. Compared to the active caseload, however, those who find good jobs are more likely to have a 12th-grade education, more likely to be African-American, less likely to be on a child-only case, and more likely to be part of a two-parent case.

Welfare Use

TCA customers who find good jobs do not have long histories of cash assistance receipt. The typical customer who found a job paying $10 per hour received TCA for one year in the five years prior to finding the job and for less than six months in the year prior to finding that job. About half of those who found good jobs received TCA for three or fewer consecutive months before finding the job.

A majority of customers who found $10 per hour jobs remain off TCA after finding the job, and those who return to welfare do not stay long. Two-thirds of those who found good jobs do not return to TCA within two years, and less than 15% receive TCA for more than one year after finding a good job.

Employment History and Outcomes

TCA customers who find $10 per hour jobs have solid work histories, and their earnings improve substantially after finding that job. Two-thirds were employed in Maryland UI-covered jobs in the year prior to finding a $10 per hour job, but their median total earnings for that year were just $6,808. In the year after finding that job, almost nine in ten worked in Maryland UI-covered jobs, and median total earnings for that year were $17,118, more than twice what earnings in the year before finding the job were.

The most common industries employing these TCA customers involve administrative support and healthcare. This finding is encouraging because these industries do offer advancement opportunities.

All else equal education matters. Study participants who found good jobs but had not finished high school were significantly more likely to return to TCA than their counterparts who had finished 12th grade. The earnings of study participants who did not have a high school degree were markedly smaller as well. The modest number of TCA customers with education or training beyond high school who found good jobs had the best outcomes. These findings imply that investing in TCA customers' human capital is likely to have positive effects; returns to welfare are likely to diminish, earnings are likely to increase over time, and steady employment, rather than cycling between work and welfare should be enhanced as well.

These findings from this DHR "good jobs" initiative are promising. The TCA clients we profile here were able to draw on their strong work histories and desire to work and acquire good jobs, which most of them were able to maintain. These women are hard-working and they want to succeed. Through the EARN initiative, with its emphasis on providing adults with the training and other resources needed to succeed and thrive in today's and tomorrow's economy, we have an unprecedented opportunity to help them achieve their dreams. In so doing, we will also be helping their children, the local communities in which they reside, and employers who need motivated employees. Outcomes from the DHR good jobs initiative demonstrate clearly that adults who head TCA cases in Maryland are motivated, but also that many of them could greatly benefit from and be a benefit to the EARN initiative.

INTRODUCTION

A key principle of welfare reform in Maryland, including welfare-to-work efforts with clients, is that one size does not fit all. The principle derives from empirical data about the characteristics and circumstances of families who use cash assistance, their welfare and work histories, and what happens when families leave welfare.[1]

One consistent finding is that most adult recipients are not strangers to the world of paid employment. A majority worked before receiving aid, many are working when they leave welfare, and most work afterwards (Nicoli, Logan, & Born, 2012). Research has also shown, however, that the adult client population is diverse (Williamson, Saunders, & Born, 2010; Hetling, Born, & Tracy, 2004). Some have human capital deficits such as logistical barriers, limited education, poor health, sporadic employment, or a criminal history (Passarella & Born, 2013a; Ovwigho, Saunders, & Born, 2005). Cycling between welfare and work is not uncommon among clients who fit this profile (Passarella, Hall, & Born, 2013; Nicoli, Logan, & Born, 2012).

Other clients have extensive, stable work histories and fewer work impediments. They are more likely to turn to welfare only in times of unexpected economic hardship, such as those many families encountered and still face due to the recession and its persistent aftereffects (Nicoli, Passarella, & Born, 2012; Saunders, Young, & Born, 2010).

Studies have also found that recipients often find jobs that are not adequate to sustain their families. Their jobs may be characterized by instability, low wages, and part-time, irregular, or changing hours/shifts with few, if any, fringe benefits or opportunities for advancement (Rangarajan, Schochet, & Chu, 1998; Ovwigho, Born, Ruck, & Tracy, 2003; Strawn & Martinson, 2000).

Current and former recipients have also tended to find work in certain industries. Each year from 1997 through 2003, for example, three industries accounted for at least three-quarters of all jobs Maryland welfare leavers found at the time of or immediately after exit (Ovwigho et. al, 2003). These industries are: wholesale/retail trade; personal/business services; and organizational services. Within these industries, recipients most often found jobs in one of four fields: temporary help/employment agencies, eating/drinking places, department stores, and nursing homes/hospices.

Jobs such as these can be an appropriate job market entry point for some adults who have been on welfare. They can also be steppingstones to better jobs. Many times, though, the jobs do not last or develop into permanent, full-time positions and the family returns to welfare. These dynamics are well known to the Maryland Department of Human Resources (DHR), but its leaders also recognize that many recipient adults may qualify for more advanced positions. Thus, they have placed an emphasis on helping transitioning adults to restart their employment careers in a better place, specifically with unsubsidized jobs that pay at least $10 per hour, provide health insurance, paid leave, and other benefits, and offer the possibility of advancement. The ultimate goal is to help clients find jobs that enable them to lead economically independent, productive lives.

To pursue this goal, DHR partnered with Skills2Compete Maryland, a statewide effort to help state residents obtain the skills and training needed for middle-skill jobs and is active in the new EARN (Employment Advancement Right Now) initiative as well. The DHR-EARN partnership has great promise and potential for any number of

[1] Downloadable copies of major Maryland welfare studies we have done since welfare reform are at www.familywelfare.umaryland.edu.

reasons. Among these is that the stated EARN goal of "family sustaining wages for Maryland moms and dads" (DLLR, n.d.) is precisely the same outcome DHR wants to achieve for its clients when they make the transition from welfare to work.

EARN focuses equally on closing critical skill gaps among Maryland workers and on meeting the needs of industry, as both are essential to the state's economic growth and competitiveness. Middle-skill jobs, which require training or certification beyond high school but not a bachelor's degree, are a growing segment of jobs in Maryland (National Skills Coalition, 2010). However, while Maryland produces more than enough high-skill and low-skill workers to meet demand, there is a pronounced gap for middle-skill workers. In 2007, almost half (47%) of all Maryland jobs were middle-skill but only 37% of the workforce had that level of training (National Skills Coalition, 2010).

Under federal law, cash assistance recipient adults are constrained by a 12-month limit on vocational education, but this does not preclude them from being candidates for many middle-skill employment fields and careers. Training for occupations such as licensed practical nurse (LPN) or licensed vocational nurse (LVN), for example, is shorter than for registered nurses, but these occupations still provide a living wage. In 2011, to illustrate, the hourly entry wage in Maryland for an LPN or LVN was $19.25.

As EARN begins to take shape, DHR will be working closely with public and private sector partners to insure that adults leaving welfare are able to benefit fully from the initiative. Empirical information about clients who, despite the recession and its lingering aftermath, have found good jobs may be of practical and programmatic value. This type of information should be particularly helpful as the EARN concepts are translated into concrete plans focused on transitioning adults. For example, if the data show that middle-skill jobs that pay well and have high retention rates were largely in the health industry, it may make sense to steer clients toward careers in this sector. Similarly, if the data show that the most successful clients tend to have occupational licenses, consideration should perhaps be given to programs that prepare clients to meet the qualifications for and successfully obtain the appropriate career licenses.

In short, having some reliable information about what types of clients with what types of jobs have been most successful in the recent past can help in constructing a good program going forward. Importantly, too, these data can serve as a baseline against which to assess future achievements.

To assist in these vital and forward-looking activities, this report provides heretofore unavailable information about adults heading Maryland cash assistance cases who worked at least 30 hours per week at jobs paying at least $10 per hour. The goal is to learn about the characteristics and circumstances of these clients and their short-term welfare and employment outcomes. To this end, we address the following questions:

1. What is the profile of clients with $10 per hour, 30 hours per week job placements between July 1, 2008 and June 30, 2010? How do they compare to the active caseload?
2. What are customers' employment and cash assistance histories?
3. What are the welfare and employment outcomes for these customers in the one to three years after their job placement?

BACKGROUND

Helping welfare recipients find employment has been a key goal of the cash assistance program since the 1996 welfare reform. In Maryland, and nationwide, caseloads fell in the late 1990s as both policy changes and the strong economy enabled tens of thousands of recipients to move from welfare to work. Research has shown, however, that many jobs that welfare recipients found do not pay a living wage, do not have benefits like health insurance, are not full-time, and may not provide avenues for advancement (Rangarajan, Schochet, & Chu, 1998; Strawn & Martinson, 2000). As a result, some recipients tend to cycle in and out of low-wage employment, receiving cash assistance when they are unable to find or hold onto a job. The federal work-first emphasis of welfare reform has, in some cases, led to clients taking whatever jobs they can find, even if the job is temporary or offers little chance of upward mobility.

All else equal, particularly in this still fragile economy where jobseekers still outnumber job openings, many Temporary Cash Assistance (TCA, Maryland's TANF program) recipients are at a disadvantage when they seek good jobs. A majority (57.2%) of Maryland recipients has completed high school, but almost two in five (38.3%) have not and about 1 in 20 (4.6%) have any education beyond high school (Nicoli, Passarella, & Born, 2012). This does not bode well for many clients in today's world where jobs increasingly require education or specialized training beyond high school.

There is some evidence, however, that strong "soft skills" can compensate for a lack of education and training for entry-level jobs (Regenstein, Meyer, & Hicks, 1998). Soft skills, which can be defined as "skills, abilities, and traits pertaining to personality, attitude, and behavior" (Moss & Tilly, 2001), are important in a number of jobs that welfare recipients might aim for, such as certified nurse's aide and receptionist. When asked to choose the positive attributes considered most important, two-thirds of the employers who were surveyed listed "have positive attitude toward job" and "reliable" as two of the top three (Regenstein, Meyer, and Hicks, 1998). Notably, employers ranked these traits higher than "have prior work experience" and "have all necessary training". This suggests that job readiness and other world-of-work activities can encourage the development of soft skills. For obvious reasons, these types of activities may also be crucial in helping some TCA recipients find and maintain good-paying jobs.

In this economy, however, even excellent soft skills may not be enough. The Maryland Department of Labor, Licensing and Regulation found that, among occupations requiring a high school education or less, the fastest-growing occupations pay less than $10 per hour.[2] These occupations include retail salespersons; waiters and waitresses; cashiers; and combined food preparation and serving workers, including fast food.

All of these occupations have an hourly, entry wage of $8.25 per hour or less, and median wages are less than $10 per hour except for retail salespersons. Two growing occupations that may be a good fit for TCA recipients for whom additional education or training are not necessary are general office clerk and customer service representative. While general office clerks have an entry wage of $9.50 per hour, the median wage is $14 per hour. Typically, compensation is even higher for customer service representatives: an average entry wage of

[2] All data about growing occupations is from the Department of Labor, Licensing and Regulation's (DLLR) Occupational Outlook (2008-2018) by Workforce Investment Area (http://www.dllr.state.md.us/lmi/iandoproj/wiaindocc/). All data on statewide average wages is from DLLR's Occupational Employment and Wages (http://www.dllr.state.md.us/lmi/wages/).

$11.25 per hour and a median wage of $16.50 per hour.

An examination of the fastest-growing occupations that do require vocational training or an associate's degree suggests that innovative, sector-specific approaches are required in order for cash assistance recipients to qualify. Some of the growth occupations, such as registered nurses, require significantly more than 12 months of training, but pay very well. Others have a lower entry bar, but generally have lower wages as well. For example, fitness trainers, aerobics instructors, hairdressers, hairstylists, and cosmetologists, have starting wages of $9 per hour or less. Median wages are above $10 per hour, though.

The best career opportunities for TCA clients among industries that are growing appear to lie in the healthcare field. For example, nursing aides, orderlies, and attendants have an hourly entry wage of $10.25 per hour and a median hourly wage of $13.25. Importantly also, the training required to become a certified nursing assistant fits within the 12-month federal training limit. The training requirements for licensed practical and vocational nurses would be more difficult, but not impossible, to fit within the federal training restrictions. These fields should not be eliminated from consideration merely due to federal constraints. Demand for these fields is high and compensation is good, with an entry wage at $19.25 per hour, and a median hourly wage at $24.

With the assistance of DHR staff, low-income women on welfare have achieved positive outcomes over an extended period of time. However, DHR managers are acutely aware that a job is not the same thing as a career, that getting a job is often much easier than maintaining it, and that skill development and training will be key ingredients of its clients' success in the years ahead. There is no doubt either that just as sporadic employment does not help clients sustain their families or remain off welfare, high turnover is not good for employers and the state's economy.

For these and other reasons, DHR and its 24 constituent local Departments of Social Services is a natural and obvious candidate to be an active partner in the Employment Advancement Right Now (EARN) initiative. More importantly, the adults who head cash assistance cases are one group of state residents who could benefit greatly from EARN efforts to "encourage mobility for the most fragile jobseekers in overcoming barriers to employment" and to "address the needs of workers by creating formal career paths to good jobs" (DLLR, n.d.).

Adults who receive cash assistance do not lack the desire to work, as most have at least some prior attachment to the labor force, and their work efforts persist over time. We consistently find that at least 70% of adults who exit welfare worked before coming on assistance, many of them worked at the time of their case closure, and most work in subsequent years. Contrary to the stale stereotype, the data show that they are among our state's hard-working families. Now, through EARN and the sector-driven, substantive training it will make possible, we can help many more of them to achieve family sustaining wages and lasting independence from welfare.

As the EARN initiative is poised to get underway, information about TCA recipients who have jobs that pay well, offer benefits, and provide opportunities for advancement can be of value. Even in the best of times, it can be hard for people who did not finish high school and those with no training or education beyond high school to find good jobs. Nonetheless, some TCA recipients have such jobs: this report investigates who these recipients are, what jobs they have, and how long they have these jobs.

METHODS

In this chapter we describe the research methods used to carry out this study, including sampling, data sources, and the statistical techniques used.

Sample

Our focus in this report is to describe the characteristics and circumstances of TCA recipients who find full-time employment at a decent wage. We used WORKS, the computerized data system that tracks recipients' participation in work activities, to identify TCA recipients whose work activity was listed as unsubsidized employment. We further refined the sample to include only clients whose hourly wage for that work activity was at least $10 and who were scheduled to work 30 or more hours per week in that work activity. Working at $10 per hour for at least 30 hours a week usually means that recipients' TCA cases will close, typically because their earnings make them ineligible for benefits. For this reason, we restrict our sample to closed cases. Additionally, we only include caseheads' employment because they are the primary persons of interest in terms of welfare-to-work efforts and transitions.

The sample selection period for this study covers two complete state fiscal years, July 2008 to June 2010. Using the stringent sample selection criteria above we identified 2,583 caseheads that found jobs paying $10 per hour between July 2008 and June 2010. These are our study participants.

We tracked TCA participation and employment for up to three years after the start of the $10 per hour job. However, because cases entered our study sample at different points in time, we do not have three years of follow-up data for every case in the sample. Just under three-fifths (56.4%) of sample cases had employment start dates in or prior to August 2009, the cutoff point for cases for which 36 months of welfare use data were available at the time of data collection. Employment data are available for 18 months for 93% of sample cases (n=2,429) and 36 months of follow-up data are available for about one in four cases (n=637).

Data Sources

Study findings are based on analyses of administrative data retrieved from computerized management information systems maintained by the State of Maryland. Demographic and program participation data were extracted from the Client Automated Resources and Eligibility System (CARES). Employment and earnings data come from the Maryland Automated Benefits System (MABS) and were obtained from the Jacob France Institute at the University of Baltimore. In addition to using WORKS to select the sample, we acquired some data on job characteristics from that system.

CARES

CARES has been the statewide automated information and case management system for certain Department of Human Resources (DHR) programs since March 1998. CARES provides individual and case level program participation data for programs including Temporary Cash Assistance (TCA), the Supplemental Nutrition Assistance Program (SNAP, known in Maryland as the Food Supplement program (FS), and Medical Assistance (MA). Demographic data are available, as well as information about the type of program, application and disposition (denial or closure) date for each service episode, and codes indicating the relationship of each individual to the head of the assistance unit.

WORKS

The WORKS system was developed by DHR to document information related to the participation of TCA and other DHR customers in work and work-related

activities. Specifically, since December 2006, the WORKS system has been used to collect and report data related to federal work participation reporting requirements, provide DHR with information that can be used to monitor the results of local work programs, and provide local office staff with information that can be used to manage and improve program operations.

MABS

Our data on quarterly employment and earnings come from the Maryland Automated Benefits System (MABS). MABS includes data from all employers covered by the state's Unemployment Insurance (UI) law and accounts for approximately 91% of all Maryland civilian employment. Independent contractors, commission-only salespeople, some farm workers, members of the military, most employees of religious organizations, and self-employed individuals are not covered by the law. Additionally, informal jobs—for example, those with dollars earned "off the books" or "under the table"—are not covered.

The MABS system only captures employment in Maryland. However, our state shares borders with Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia, and out-of-state employment is common. Overall, the rate of out-of-state employment by Maryland residents (17.5%) is more than four times greater than the national average (3.8%)[3]. Out-of-state employment is particularly prevalent among residents of two very populous jurisdictions (Montgomery County, 29.8%, and Prince George's County, 42.4%), which have the 5th and 3nd largest welfare caseloads in the state, respectively. We are unable to determine the extent to which these high rates of out-of-state employment are also characteristic of recipients but it is probably safe to say that our reported employment findings understate the true rate of employment by the adults in our sample, albeit, to an unknown degree.

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

Analyses

We use descriptive statistics to profile study participants' demographic characteristics, their TCA use, and their employment and earnings. We also compare Baltimore City study participants to study participants in the 23 counties. This comparison is important because Baltimore City has a disproportionate share of the TCA caseload, relative to its share of the total Maryland population and is home to a plurality of cases targeted for welfare-to-work program participation.

We use chi-square tests to determine if differences between Baltimore City and the counties are statistically significant for categorical variables, and we use analysis of variance (ANOVA) to test for statistical significance for continuous variables.

[3]Data obtained from U.S. Census Bureau website http://www.factfinder.census.gov using the 2008-2010 American Community Survey 3-Year Estimates for Sex of Workers by Place of Work – State and County Level (B08007).

FINDINGS: INDIVIDUAL AND CASE DEMOGRAPHICS

This chapter describes key client and case characteristics for 2,583 former cash assistance recipient adults who began a "good job" in Maryland between July 2008 and June 2010. Where appropriate, we make comparisons to the October 2011 active TCA caseload to see if there are any differences between the two populations.[4]

Payee Demographics

The typical TCA casehead who found a "good job" is an African-American (81.9%) woman (93.8%) in her early 30s (average age 31.48 years). She has never been married (78.0%) and she has finished 12th grade (79.5%).

There are some differences between Baltimore City and the other 23 counties. In Baltimore City, study participants are almost exclusively African-American (95.2%) while, in the counties, about one in five (22.1%) are Caucasian. The large majority of adults, regardless of where they live, have never been married (78.0%), but the rate is significantly higher in Baltimore City (87.1%) than in the 23 counties (72.0%). Clients residing the in the 23 counties who found good jobs are, on average, about one year older than Baltimore City participants who also found good jobs (31.9 years vs. 30.9 years).

Study participants in the counties tend to have more education than Baltimore City participants. Twice as many county caseheads as Baltimore City caseheads have education beyond high school (9.1% vs. 4.2%) and the high school completion rate is also significantly higher. It is 84.6% among adults in the counties and 72.0% in Baltimore City. At the other end of the spectrum, more than one-quarter (28.0%) of Baltimore City adults have less than a 12th grade education, not quite double the rate among the counties (15.4%).

On most of the demographic variables, our study adults are quite similar in profile to the typical TCA payee in October 2011 (Nicoli, Passarella, & Born, 2012).[5] The typical TCA casehead at that time was an African-American (75.0%) woman (94.4%) in her mid-30s (average age 35.14) who had never married (78.8%), and had finished 12th grade but had no further education beyond that point (57.2%).

There are a few noteworthy differences between the active TCA caseload in October 2011 and study participants, however. Most importantly, the women in this 'good jobs' sample are much more likely to have completed high school than are women in the active caseload. This is true for Baltimore City as well as the counties. In Baltimore City, about one of every two caseheads (49.3%) in the active caseload did not have a 12th-grade education, compared to a bit more than one of every four (28.0%) caseheads in our study sample. The picture was the same for the counties. The percentage of active cases in the 23 counties with a casehead who did not finish 12th-grade (29.0%) is nearly double the rate among county cases in our sample (15.4%).

Second, study participants are more likely to be African-American than payees in the active caseload. In both Baltimore City (95.2%) and the counties (73.0%), study participants are overwhelming African-American. African-Americans are still a majority of the active caseload in Baltimore City (90.7%) and the counties (61.8%), but the percentages are lower, particularly in the counties. Finally, study participants tend to be younger than their counterparts in the

[4] October 2011 is not the ideal comparison because all study cases closed earlier, but active client demographics do not vary much from one year to the next. We use October 2011 mainly because prior years' datasets do not contain information about education.

[5] The appendix displays demographic information on the October 2011 active TCA caseload.

October 2011 active caseload. The average age of study participants is 31.48 while the average age of payees in the active caseload is 35.14. The medians (29.6 vs. 31.7) are two years apart rather than four. This suggests that the average age gap may be skewed by a sizable number of older individuals in the active caseload. Most of these older individuals are probably grandparents who are caring for their grandchildren in child only TCA cases.

Table 1. Casehead Demographic Characteristics

	Baltimore City (n=1,025)	Other Counties (n=1,558)	Total (n=2,583)
Gender			
% Women	94.4% (968)	93.4% (1,455)	93.8% (2,423)
Race* **			
% African American^	95.2% (951)	73.0% (1,078)	81.9% (2,029)
% Caucasian^	3.8% (38)	22.1% (326)	14.7% (364)
% Hispanic	1.0% (10)	4.9% (73)	3.4% (83)
Education* **			
Below 12th grade	28.0% (286)	15.4% (237)	20.5% (523)
Finished 12th grade	72.0% (734)	84.6% (1,297)	79.5% (2,031)
Beyond 12th grade	4.2% (43)	9.1% (139)	7.1% (182)
Marital Status* **			
Never married	87.1% (888)	72.0% (1,114)	78.0% (2,002)
Married	4.6% (47)	11.8% (182)	8.9% (229)
Divorced, separated, or widowed	8.3% (85)	16.2% (251)	13.1% (336)
Age at Study Month			
Mean** [median]	30.87 [28.49]	31.88 [30.33]	31.48 [29.61]
Range	17.94-63.31	18.29-65.31	17.94-65.31

Note: Counts may not sum to actual sample size because of missing data for some variables. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Case Demographics

Table 2 presents case-level demographic information, including the distribution of cases across Maryland's regions.[6] Not surprisingly, Baltimore City has the largest share of study cases (39.7%), and the sparsely populated Western region has the smallest (1.4%). This finding parallels the geographic distribution of the October 2011 active caseload, as 44.0% of cases were in Baltimore City and 3.7% were in the three westernmost counties.

In other parts of the state, there is less congruence between the cases in our sample and the active caseload. Some counties and regions are overrepresented in our sample; others are underrepresented. We find overrepresentation in the four largest counties: Prince George's (15.3% vs. 11.3%); Baltimore (12.3% vs. 11.7%); Montgomery (7.9% vs. 4.2%); and Anne Arundel (6.3% vs. 5.3%). Adults from counties in the metropolitan region (Carroll, Frederick, Harford and Howard) are also overrepresented in our sample, compared to their representation in the active caseload (9.4% vs. 7.0%).

Baltimore City, on the other hand, is underrepresented. It accounts for a plurality of all study cases (39.7%) and more than twice as many as any other jurisdiction (Prince George's County is second with 15.3% of study cases), but its share of study participants with good jobs is markedly less than its share of the active caseload (44.0%).

The remaining regions of the state are all also underrepresented in our study sample, compared to the active caseload. Southern Maryland has 2.8% of the cases in this sample, compared to 4.1% of the active caseload, and in Western Maryland the situation is the same (1.4% vs. 3.7%). Both the Upper Shore (2.3% vs. 5.0%) and Lower Shore (2.6% vs. 3.8%) also account for smaller shares of our study cases than they did of the active caseload.

With one important exception, the other differences between the study cases and the active caseload shown in Table 2 are not germane to this study. This is because, as the table shows, there are virtually no child-only cases among our study sample (0.6%), but these cases make up more than one-quarter (28.9%) of all active cases.

The demographic profile of child-only cases differs from that of the more typical cases where a parent is part of the assistance unit (Hetling, Saunders, & Born, 2005). This explains why study cases tend to be larger (average size 3.11 persons) than active cases (average size 2.54 persons).

Typically, study cases contain two children who are less than 18 years of age. On average, the youngest child in our study cases is just under five years old (average age 4.9 years) and, in about half the cases (49.3%) there is at least one child who is less than three years old.

Finally, almost three times as many families in the good jobs sample are two-adult cases (9.4%), compared to the active caseload (3.3%). It could be that if two adults are present, and both are available to participate in the labor force, the household may have more opportunities for one of the adults to find a good job. Having two adults present, of course, may also alleviate childcare-related barriers to employment.

[6] The ten regions are defined as follows: Baltimore City; Prince George's County; Baltimore County; Montgomery County; Anne Arundel County; Metro (Carroll, Frederick, Harford, & Howard Counties); Southern (Calvert, Charles, & St. Mary's Counties); Western (Allegany, Garrett, & Washington Counties); Upper Shore (Caroline, Cecil, Dorchester, Kent, Queen Anne's, & Talbot Counties); and Lower Shore (Somerset, Wicomico, & Worcester Counties).

Table 2. Case Demographic Characteristics

	Study Sample (n=2,583)	Active Caseload (n=27,281)
Region		
Baltimore City	39.7% (1,025)	44.0% (11,997)
Prince George's County	15.3% (395)	11.3% (3,072)
Baltimore County	12.3% (317)	11.7% (3,181)
Montgomery County	7.9% (205)	4.2% (1,156)
Anne Arundel County	6.3% (164)	5.3% (1,450)
Metro *Carroll, Frederick, Harford, & Howard Counties*	9.4% (242)	7.0% (1,912)
Southern *Calvert, Charles, & St. Mary's Counties*	2.8% (72)	4.1% (1,121)
Western *Allegany, Garrett, & Washington Counties*	1.4% (37)	3.7% (998)
Upper Shore *Caroline, Cecil, Dorchester, Kent, Queen Anne's, & Talbot Counties*	2.3% (60)	5.0% (1,336)
Lower Shore *Somerset, Wicomico, & Worcester Counties*	2.6% (66)	3.8% (1,028)
Child-Only Cases	0.6% (15)	28.9% (7,892)
Two-Adult Cases	9.4% (239)	3.3% (898)
Size of Assistance Unit (AU)		
Mean	3.11	2.54
Standard Deviation	1.24	1.29
Number of Children in AU		
Mean	2.02	1.80
Standard Deviation	1.17	1.13
Age of Youngest Recipient Child		
Mean	4.89	5.92
Standard Deviation	4.77	5.14
Percent with a child under the age of 3	49.3% (1,258)	40.2% (10,641)

Note: Study participants' case demographics are very similar across Baltimore City and the 23 counties, so they are presented together. Counts may not sum to actual sample size because of missing data for some variables. Valid percentages are reported.

Caseload Designations

In order to more fully understand the needs of TCA clients and to help them overcome barriers to employment, Maryland devised a classification system through which each cash assistance case is assigned to one of two categories: work-eligible or work-exempt. As the category names imply, cases determined to be work-eligible are required to participate in work activities as a condition of benefit receipt; work-exempt cases are not. Within each of the two broad categories, there are several sub-categories of caseload designations. Each active case is assessed to one of these designations, based on certain characteristics.

Table 3 shows the distribution of caseload designations, and two findings stand out. The first is that slightly more than two-thirds (68.3%) of all study participants who found good jobs were single-parent, work-eligible cases. This is a positive finding because these cases have long constituted the single largest group of families who receive cash assistance and are the families targeted for welfare to work efforts.

In the October 2011 active caseload, in contrast, just over one-third (35.6%) of payees were work-eligible, single-parent cases. As with case-level demographics, child-only cases are largely responsible for this disparity. Less than one percent (0.5%) of study cases were designated as child-only compared to roughly three in ten (29.0%) active cases.[7]

The other notable finding is that the second most common caseload designation in the study sample is child under one. Cases with that designation are slightly over-represented in the good jobs sample compared to the active caseload (11.6% vs. 10.0%). This is particularly important because it means that these women, whose cases were designated as work-exempt, sought and found or returned to good jobs even though, at the time, they had a very young child at home.

[7] The percentages of child-only and two-adult cases shown here differ from the percentages depicted in Table 2. This is because of the manner in which caseload designations are assigned.

Table 3. Caseload Designations

	Study Sample (n=2,583)		**Active Caseload** (n=27,281)	
Work-Eligible Cases				
Single-Parent Cases	68.3%	(1,709)	35.6%	(9,719)
Earnings Cases	4.6%	(114)	4.1%	(1,130)
Short-Term Disabled	1.4%	(34)	1.5%	(402)
Legal Immigrant	1.2%	(30)	0.6%	(165)
Domestic Violence^	1.2%	(30)	0.9%	(241)
Two-Parent Cases^^	8.1%	(202)	2.2%	(600)
Work-Exempt Cases				
Child-Only	0.5%	(13)	29.0%	(7,910)
Child Under One	11.6%	(291)	10.0%	(2,715)
Long-Term Disabled	2.3%	(58)	11.8%	(3,232)
Caring for Disabled Family Member	0.6%	(16)	2.4%	(662)
Needy Caretaker Relative	0.2%	(4)	1.8%	(503)

Note: For study participants, the caseload designation distribution in Baltimore City and the 23 counties is very similar, so they are presented together. Counts may not sum to actual sample size because of missing data for some variables. Valid percentages are reported.

^ While domestic violence are work-eligible, they can request a waiver to the work requirements.
^^ Two-parent cases are required to participate in a work-related activity, but they are not counted in the federal work participation rate because they are solely state-funded.

FINDINGS: WELFARE USE

In this chapter we describe the extent to which the women who found good jobs had or had not been welfare-dependent before that positive event occurred. We look at their welfare use in the year immediately preceding the employment event that brought them into our study, but take a longer, retrospective look as well. We also discuss returns to welfare after acquiring jobs that paid at least $10 per hour.

We provide preliminary answers to several important questions on which empirical data have been quite limited, if available at all. Is the extent of one's prior welfare use correlated with one's likelihood of finding a good job? Are women with little welfare experience more likely to find $10 per hour jobs than are women who have many months or years on aid? How many women who found good jobs come back on welfare? How does the recidivism rate among study cases compare with the rate among all welfare leavers?

Welfare Use before the Good Job

Table 4 presents quite a bit of information about the median and mean number of cumulative months our study participants had received assistance in the ten years, five years, and one year before starting their $10 per hour jobs. It also shows how many months had been used, on average, of the 60-month federal limit.

The general takeaway point to be gleaned from Table 4 is a simple, but important one. It is also a point that has been empirically demonstrated in numerous of our studies of Maryland TCA program clients. The point is this: long-term welfare dependency is rare. The typical adult in our sample received aid in about 20 (19.8) months over a period of 120 months (i.e., 10 years). In other words, in a 10 year period, the typical woman in our sample was on assistance about 15% of the time and off for 85% of the time.

Patterns in the previous five years (which includes the recession) are similar. The typical study participant received TCA, cumulatively, in 12 of the preceding 60 months, or about 20% of the time. During the year immediately prior to finding the good job that brought her into our study sample, the average adult was on aid for about five months (5.4 months). She had also used about one-third (20.73 months) of the 60 months of lifetime TCA receipt that the federal government allows. It must be remembered that all of these figures represent cumulative, not necessarily, consecutive months of benefit receipt.

Welfare use patterns before the good jobs are significantly different, however, depending on whether the women lived in Baltimore City or in one of the 23 counties. In sum, no matter which measure is used, women from Baltimore City who found good jobs had statistically significantly more months of total welfare use than did the women who lived in the counties.

Across both the ten-year and five-year periods, Table 4 shows that Baltimore City residents had accumulated more than twice as many months on aid as had county residents. During the ten-year period prior to finding good jobs, Baltimore City residents had 31.0 cumulative months on aid, compared to 12.4 months for residents of the counties. In other words, Baltimore City residents had been off welfare for about 75% of the time and on for about 25% of the time, whereas county residents had been off almost all of the time (90%) and on for just about 10%.

Looking back just five years, the findings are similar. Total months on aid averaged 17.5 for Baltimore City residents and 8.6 for county residents. In this period, too, the typical client in both places had been off welfare much more of the time than she had been on it. Baltimore City residents received aid in about 30% of the elapsed time, on

average, and among county residents, time on welfare was about 15%. These geographic differences narrow when the timeframe is reduced to one year. In the 12 months prior to obtaining a $10 per hour job, Baltimore City study participants averaged 6 of the 12 months on aid (6.43 months) or about half of the year. The average number of months of assistance received by study participants in the counties was 4.63 months.

Table 4. Historic TCA Participation

	Baltimore City (n=1,025)	Other Counties (n=1,558)	Total (n=2,583)
Months of Receipt in Last 120 Months			
Mean*** [median]	31.04 [25]	12.42 [7]	19.81 [11]
Standard deviation	26.09	15.95	22.51
Months of Receipt in Last 60 Months			
Mean*** [median]	17.48 [14]	8.60 [5]	12.12 [8]
Standard deviation	14.33	10.05	12.70
Months Used Toward TANF Time Limit			
Mean*** [median]	31.07 [24]	13.92 [8]	20.73 [12]
Standard deviation	27.08	16.11	22.75
Months of Receipt in Last 12 Months* **			
None	7.6% (78)	16.3% (254)	12.9% (332)
1 - 3 months	24.5% (251)	34.9% (543)	30.7% (794)
4 - 6 months	18.3% (188)	17.8% (277)	18.0% (465)
7 - 9 months	17.8% (182)	13.0% (202)	14.9% (384)
10 - 12 months	31.8% (326)	18.1% (282)	23.5% (608)
Mean*** [median]	6.43 [6]	4.63 [3]	5.35 [5]
Standard deviation	4.19	4.09	4.22

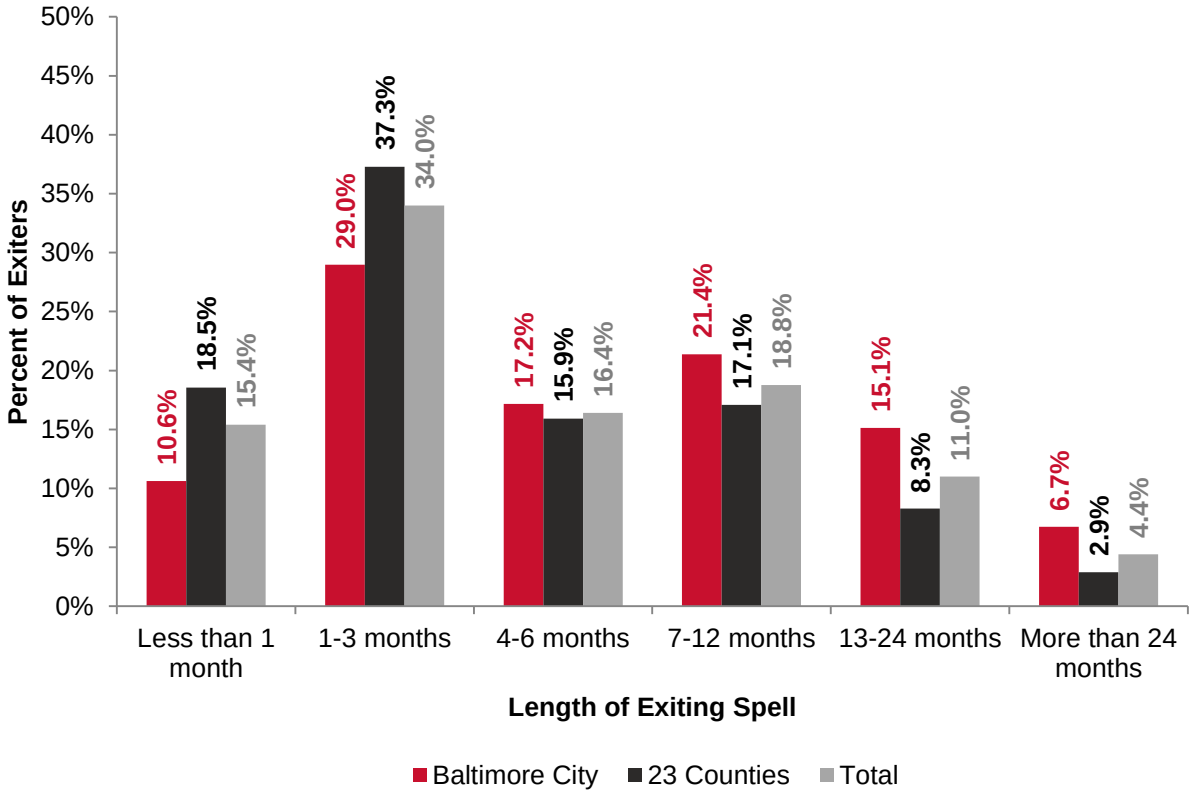
Note: Counts may not sum to actual sample size because of missing data for some variables. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

The data in Table 4 describe the cumulative number of months on aid over various time periods. Because they are cumulative and not consecutive, however, they do not tell us how long study participants had been receiving TCA without interruption, until the time their TCA case closed. This information on welfare spells is provided in Figure 1.

Most study participants in Baltimore City and in the 23 counties had relatively short welfare spells. A majority in both groups had been on aid continuously for six or fewer months at the time they exited welfare. This was the case for somewhat more than half (56.8%) of Baltimore City residents in the study sample and for about seven in ten (71.7%) participants in the counties.

Very few study participants had continuous spells of more than two years in length (6.7% for Baltimore City, 2.9% for the counties). In terms of very short stays on welfare, Figure 1 shows that this phenomenon was substantially more common in the counties than in Baltimore City. Over half (55.8%) of study participants in the counties had spells of three months or less, compared to about two in five (39.6%) Baltimore City study participants.

Figure 1. Length of Exiting Welfare Spell***



Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Returns to Welfare after the Good Job

In a perfect world, the story of welfare use by all study participants would end here. By definition all study participants had received some number of months of cash assistance, but then found jobs paying at least $10 per hour and their welfare cases closed. Ideally, their circumstances would be such that none of them would return to aid. In reality, however, returning to welfare after an exit is not uncommon. All else equal, about one in three returns to assistance occur within the first two years of exit (Nicoli, Passarella, & Born, forthcoming). Women who leave welfare for work are less likely to return than others. For some former clients who work, however, complicated life situations, including emergencies, family crises, or another problem make it a struggle to stay employed. Sometimes, returning to welfare might seem to be the only feasible alternative. In this next section, we examine the extent to which study participants—all of whom left welfare for good jobs—returned to welfare at various points over the three years after they left.

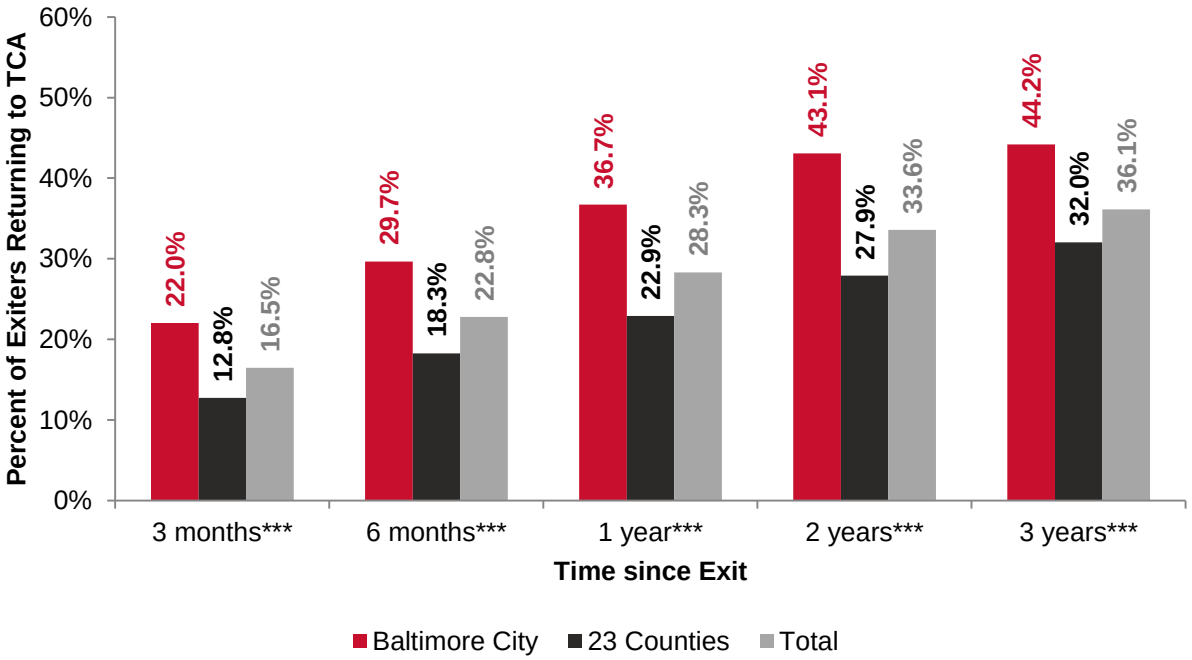
Figure 2 shows how many participants had returned to cash assistance within 3, 6, 12, or 24 months after their job-related exits. At the three month point, 16.5% of study participants were back on TCA. Returns increased incrementally, but steadily after that point. Three years after case closure, a little over one in three (36.1%) study participants had experienced a welfare return.

There are some clear differences between Baltimore City and the counties. Roughly one in five (22.0%) Baltimore City study

participants returned to TCA within three months, compared to about one in eight (12.8%) study participants in the counties. By two years after the job-related welfare case closure, somewhat more than two in five (43.1%) Baltimore City study participants and over one-quarter (27.9%) of county participants had returned to aid. These percentages increased slightly by the three year post-exit point, to 44.2% and 32.0% for Baltimore City and the counties, respectively. However, we caution readers that there are substantially fewer study participants for whom we have three years of follow-up data.

These findings indicate that, for whatever reason, finding a good job—one paying at least $10 per hour—has not been enough to enable some former recipients to remain independent of welfare. Study participants have recidivism rates comparable to those observed for our very large, longitudinal sample of welfare leavers (Nicoli, Logan, & Born, 2012). Compared to the larger study on welfare leavers, the study participants with a good job had slightly higher recidivism rates in the first three and six months after exit, but lower at all points beyond that. Other Maryland studies have repeatedly found that, for all welfare leavers, recidivism risk is highest in the first two post-exit years. There is at least the suggestion in Figure 2 that all else equal, for leavers who find good jobs, the period of greatest risk might be the first 12 post-exit months.

Figure 2. Percent Returning to Welfare



Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

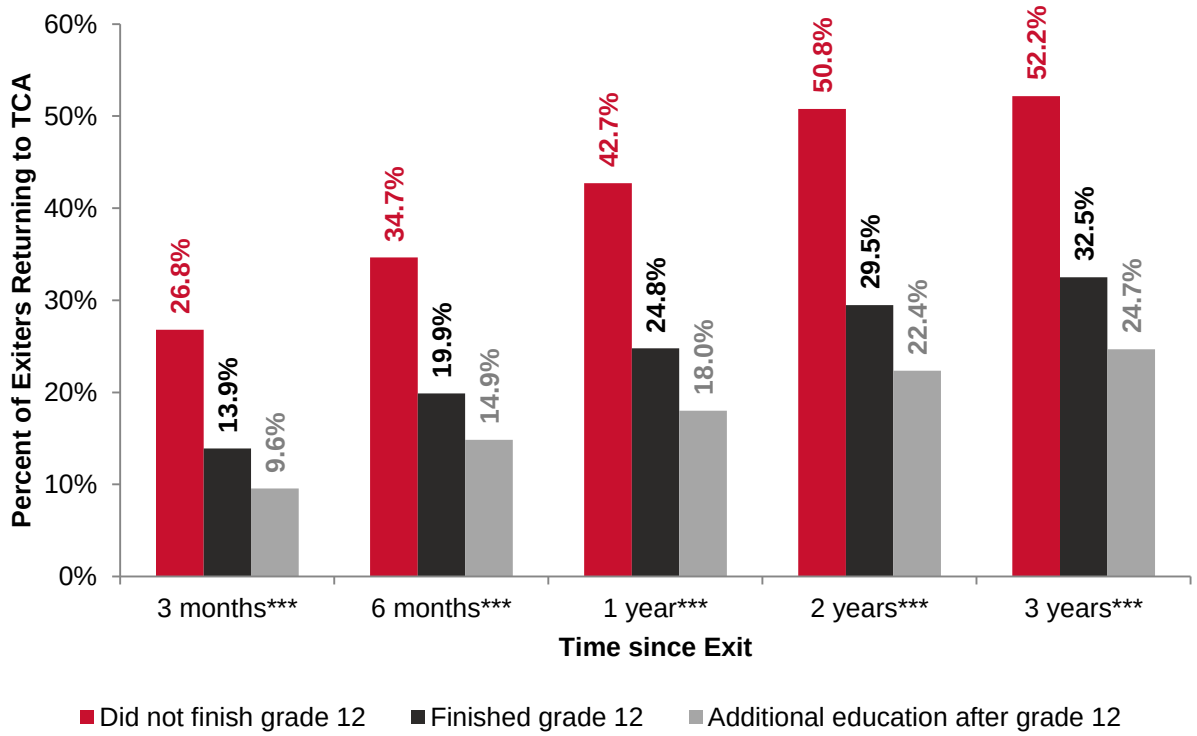
Returns to Welfare by Education

To further explore one plausible reason why study participants may return to TCA, we look at recidivism by educational attainment. As a reminder, about four in five (79.5%) study participants finished 12th grade. Another 7.1% have some education beyond high school, and one in five (20.5%) have less than 12 years of education. Findings about returns to welfare by education level are presented in Figure 3.

The findings are clear and consistent: at every follow-up point, study participants who found good jobs but had not finished 12th-grade are more likely to return to welfare. One in four (26.8%) study participants who had not finished high school returned within three months and half (50.8%) had returned within two years. In contrast, less than 15% (13.9%) of study participants with a 12th-grade education came back to TCA within three months, and about three in ten (29.5%) had returned within two years. Study participants with education beyond 12th-grade were least likely to come back on welfare. At three months after exit, one in ten (9.6%) had returned, and only one in four (24.7%) had come back within three years.

These results strongly suggest that the education, training, and skill development activities at the core of the EARN initiative may be particularly effective in helping TCA recipients and former recipients achieve and maintain self-sufficiency. It is clear that these women have worked, want to work, and do find employment; it is equally clear that, for many of them, the difficult challenge is not finding a job, but keeping one. Study findings suggest that investments made to increase the human capital of these women, perhaps especially those who already have a high school education, could pay large dividends.

Figure 3. Percent of Exiters Returning to Welfare by Education



Note: "Finished grade 12" includes those who also had additional education after grade 12. Significance testing applies to the difference between those who did not finish grade 12 and those who finished grade 12. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

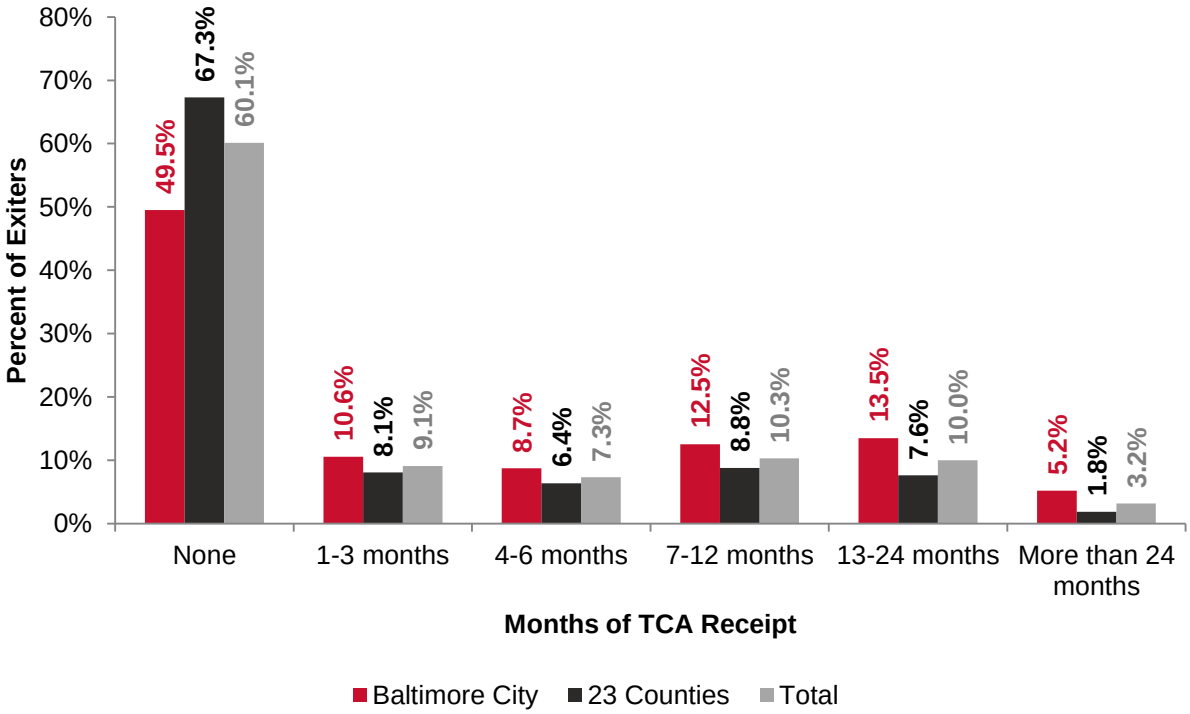
Months of Welfare after Returning

We have seen that some study participants return to TCA after the closure of their case once they obtained a job that paid $10 per hour. The obvious next question is: how long did those who returned to TCA receive assistance? We looked at this question and present results in Figure 4.

The first and arguably most important finding is that, for the sample as a whole, most (60.1%) study participants who had found a good job did not return to welfare during the follow-up period. Another noteworthy point is that those who returned did not receive very many months of assistance. Less than 15% (13.2%) of all study participants received TCA for 13 months or more, while 16.4% received benefits in six or fewer months.

There are significant differences between Baltimore City study participants who came back on welfare after finding a good job and leaving assistance and their peers who resided in one of the 23 counties. As shown in Figure 4, two-thirds (67.3%) of study participants in the counties did not return to TCA, compared to half (49.5%) of Baltimore City study participants. Baltimore City study participants also received more months of assistance after returning than study participants in the counties, but they are still unlikely to have many months of receipt after acquiring a $10 per hour job. Fewer than one in five (18.7%) Baltimore City study participants have 13 or more months of TCA receipt after finding a $10 per hour job, for example.

Figure 4. Number of Months of TCA Receipt after Return to Welfare***



Note: Valid percentages are reported. *p<.05, **p<.01, ***p<.001

FINDINGS: EMPLOYMENT

In this chapter, we discuss study participants' histories with paid employment as well as whether they continue to work after exit and how much they are earning. We also explore the characteristics of the jobs that study participants have, including the benefits they offer and the industries in which those jobs are located.

Employment History and Short-Term Outcomes

Table 5 shows study participants' histories with Maryland UI-covered employment. Study participants have substantial work histories in the two years before and one year before starting a $10 per hour job, and very high percentages of them continue to work after finding that job. Four in five (81.2%) study participants were employed in the two years before acquiring a $10 per hour job, and two in three (66.5%) were employed in the year before finding that job. Four in five (79.2%) were employed in Maryland UI-covered jobs in the quarter in which the $10 per hour job was found, and almost nine in ten (88.8%) worked at some point in the year after procuring that job. Because Maryland residents have considerable out-of-state employment, these numbers almost certainly understate the level of employment among study participants.

We also see that earnings increased substantially in the year after study participants found a $10 per hour job. Average total earnings in the year before finding a $10 per hour job are $10,501 while average total earnings in the year after finding a $10 per hour job are $17,423, which is a 66% increase. Average quarterly earnings rose too. In the two years before acquiring a $10 per job, average quarterly earnings were $3,680, and they were $3,307 in the year before finding that job. In the quarter of finding the job, earnings were lowest at $2,808, but they increased dramatically in the following year, climbing by more than $2,000 to $4,872. With regard to earnings, study participants are much better off after finding a $10 per hour job.

As one might expect, there are a number of statistically significant differences between study participants in Baltimore City and those in the other 23 counties. Generally, Baltimore City participants are more likely to be employed in Maryland UI-covered jobs, but participants in the other 23 counties earn more money, on average. Work effort, as measured by the number of quarters worked, is quite similar across the city and counties, though. The difference in employment participation could reflect the fact that Baltimore City does not border another state, but many other jurisdictions do, and study participants could easily be employed in the District of Columbia, West Virginia, Pennsylvania, or one of the other contiguous states.

These differences between Baltimore City and the 23 counties can be substantial, although they narrow after study participants find $10 per hour jobs. In the year prior to finding that job, average total earnings for study participants in the counties were nearly $3,000, or more than 30%, higher than total earnings for Baltimore City participants ($11,832 vs. $8,842), but 87.6% of Baltimore City participants were working, compared to 76.8% in the counties. In the year after finding the $10 per hour job, total earnings for study participants in the counties were nearly $2,500, or 15%, higher than total earnings for Baltimore City participants ($18,459 vs. $16,031), and the difference in employment participation was only 6.6 percentage points (92.7% city, 86.1% counties).

Table 5. Employment Before and After Finding a $10 per Hour Job

	Baltimore City (n=988)	Other Counties (n=1,431)	Total (n=2,419)
Previous Two Years			
Percent employed***	87.6% (865)	76.8% (1,099)	81.2% (1,964)
Mean # of quarters worked	4.97	4.97	4.97
Average total earnings***	$18,660	$24,020	$21,659
Median total earnings	$12,757	$16,126	$14,568
Average quarterly earnings***	$3,227	$4,037	$3,680
Median quarterly earnings	$2,645	$3,443	$3,030
Previous Year			
Percent employed***	72.6% (717)	62.3% (892)	66.5% (1,609)
Mean # of quarters worked	2.65	2.75	2.70
Average total earnings***	$8,842	$11,832	$10,501
Median total earnings	$5,324	$8,024	$6,808
Average quarterly earnings***	$2,818	$3,700	$3,307
Median quarterly earnings	$2,125	$3,063	$2,594
Quarter in which Job Found			
Percent employed***	82.9% (819)	76.6% (1,096)	79.2% (1,915)
Average total earnings***	$2,559	$2,995	$2,808
Median total earnings	$2,213	$2,552	$2,369
Year after Finding Job			
Percent employed***	92.7% (916)	86.1% (1,232)	88.8% (2,148)
Mean # of quarters worked	3.30	3.31	3.31
Average total earnings***	$16,031	$18,459	$17,423
Median total earnings	$15,646	$18,085	$17,118
Average quarterly earnings***	$4,491	$5,156	$4,872
Median quarterly earnings	$4,441	$5,052	$4,752

Note: Employment analyses exclude individuals for whom we have no unique identifying information. Earnings and quarters worked are only for those employed in that period. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

Employment & Earnings by Education

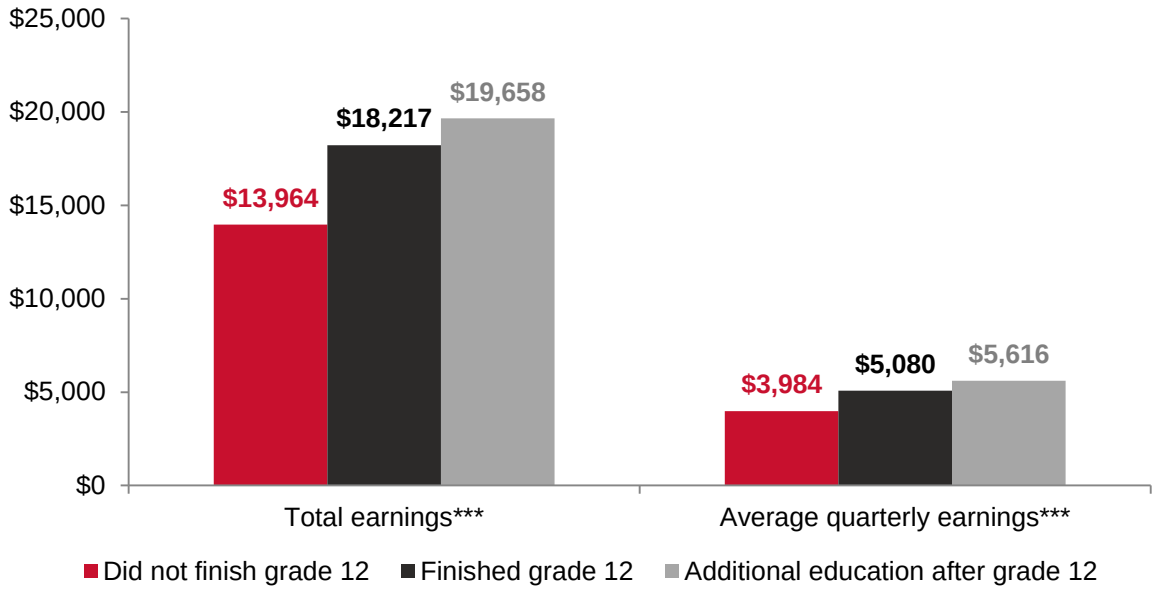
Earlier we found that study participants with less than a 12th grade education are significantly more likely to return to TCA after finding a $10 per hour job. Here we examine whether mean earnings in the year after finding the $10 per hour job also vary by educational level. Findings are depicted in Figure 5.

Again, we find statistically significant differences between those who have a 12th grade education and those who do not. Study participants who did not finish 12th grade earned $13,964, on average, in the year after finding a $10 per hour job, while study participants who finished 12th grade earned an average of $18,217 in that year. The $4,253 difference between these two figures means that, over the course of a year, study participants with a high school education earned 30.5% more, on average, than study participants who lack a high-school education.

Figure 5 also shows average quarterly earnings by education. Study participants who finished 12th-grade earned $5,080, on average, each quarter in the year after finding a $10 per hour job, compared to $3,984, on average, for study participants who did not finish 12th-grade. This indicates that, on average, study participants with a 12th-grade education earned 27.5% more each quarter than those without a 12th-grade education.

It is also important to note that the few study participants with education and training beyond high school earned even more than study participants who finished 12th grade. Their average earnings in the year after finding a $10 per hour job were $19,658, and their average quarterly earnings, $5,616, were higher as well. These findings offer further evidence that the types of educational and skill development services to be provided through the EARN initiative could be highly beneficial to this population.

Figure 5. Mean Earnings in the Year after Finding a $10 per Hour Job by Education



Note: "Finished grade 12" includes those who also had additional education after grade 12. Significance testing applies to the difference between those who did not finish grade 12 and those who finished grade 12. Employment analyses exclude individuals for whom we have no unique identifying information. Earnings are only for those employed in that period. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Employment and Earnings after Finding a $10 per Hour Job

Ideally, TCA customers would continue to be employed in the $10 per job that brought them into this study, rising through the ranks and earning more money over time. This does not always work out in reality, however, which makes it important to see how study participants are faring a year or more after they found the original $10 per hour jobs and made their exit from welfare. Thus, in Figure 6 we show the percent of study participants who are engaged in Maryland UI-covered employment from the first quarter after they found their good jobs through 36 months, or three years, afterwards.

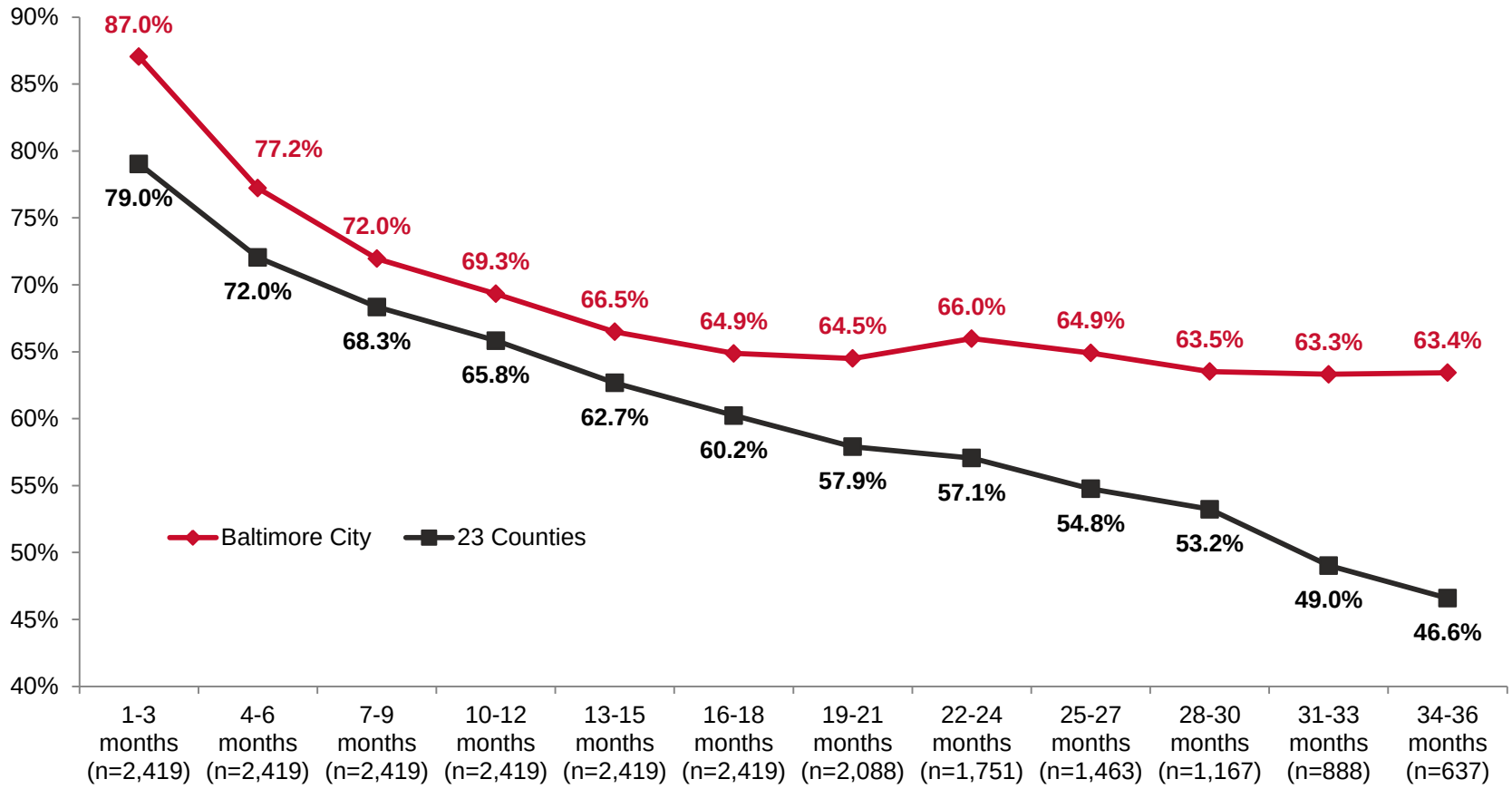
We find very high levels of employment in the quarter after the $10 per hour jobs were found. Four in five (79.0%) study participants in the counties and almost nine in ten (87.0%) Baltimore City participants worked in a Maryland UI-covered job at some point in that quarter.

Baltimore City and the counties have a similar pattern through the first year and a half, or six quarters, after finding a $10 per hour job. There is a steep decline from the first quarter to the second quarter after the job was found. After that point in time, the percent employed in Baltimore City and in the counties continues to decrease, such that 64.9% of Baltimore City study participants and 60.2% of study participants in the counties are employed in the sixth quarter (16 to 18 months) after finding a $10 per hour job.

From a year and a half to three years, or 6 quarters to 12 quarters, after finding that job, Baltimore City and the counties diverge. Percent employed among Baltimore City study participants hovers between 63% and 66% while it steadily declines from 60.2% to 46.6% for study participants in the counties. Although the city and the counties began less than 10 percentage points apart, they end up more than 15 percentage points apart. Why employment is so much lower in the counties is impossible to determine from these data. Some of the gap may be due to out-of-state employment, but some is almost certainly attributable to local economic conditions, including the number and types of industries and jobs available, and differential effects of the recession and recovery.

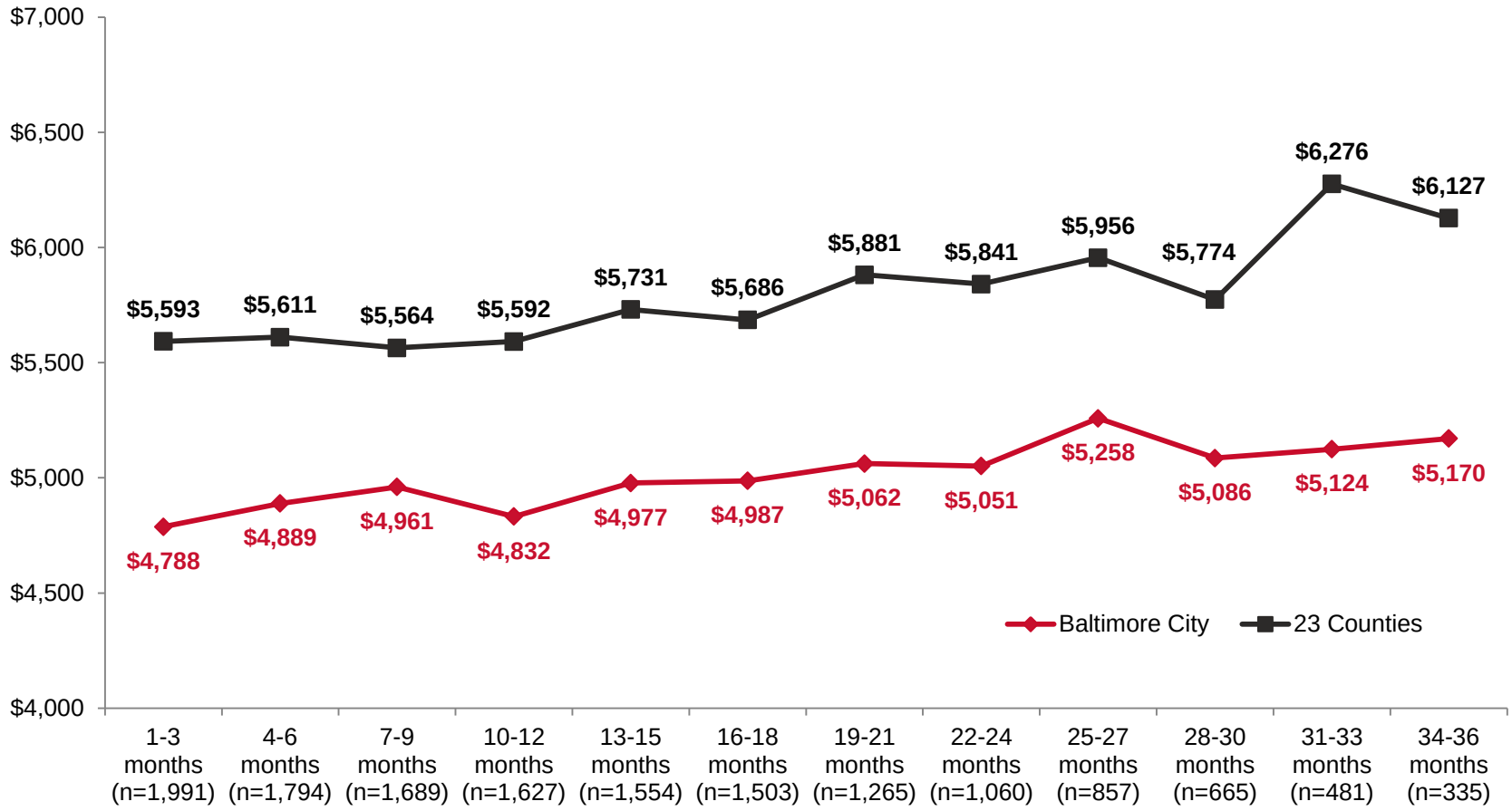
We also examine earnings for study participants through three years after finding a $10 per hour job, shown in Figure 7. Despite having lower rates of employment, study participants in the counties consistently earn more, on average, than Baltimore City study participants. In the first three months after acquiring a $10 per hour job, Baltimore City study participants earned $4,788 while study participants in the counties earned $5,593. Earnings rose slowly over time for both groups. At three years after procuring a $10 per hour job, Baltimore City study participants earned, on average, $5,170 in that quarter, and study participants in the counties earned $6,127, on average, in that quarter.

Figure 6. Percent Working in Each Quarter after Finding a $10 per Hour Job



Note: Employment analyses exclude individuals for whom we have no unique identifying information. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Figure 7. Mean Earnings for Each Quarter after Finding a $10 per Hour Job



Note: Employment analyses exclude individuals for whom we have no unique identifying information. Earnings are only for those employed in that period. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Job Characteristics

The employment and earnings data are informative, but do not tell us much about the kinds of jobs that study participants find. Table 6 details the characteristics of study participants' jobs as recorded in the WORKS system. Because some study participants returned to TCA and later acquired one or more additional jobs, the number of jobs listed (2,972) is larger than the number of study participants in our sample (2,583). Additionally, these subsequent jobs may have had wages lower than $10 per hour, and study participants in those jobs may have been scheduled for less than 30 hours a week.

We find that study participants' wages are not far above $10 per hour, as the average hourly wage is $12.76. The vast majority (84.7%) of study participants worked in private, for-profit businesses, and they usually worked 33.15 hours per week. Because participants were selected into the sample based on scheduled hours, rather than hours attended or worked, this means that study participants are largely working their scheduled hours.

It is more difficult to determine how prevalent medical benefits and paid leave are, however. Fully three out of four (75.8%) jobs are missing any information on paid leave, and over half (58.5%) are missing data on medical benefits. Most of those jobs likely do not offer medical benefits or paid leave, as the kinds of jobs that TCA recipients find often do not offer such benefits. Of the jobs for which we do have information on medical benefits and paid leave, about half offer health insurance and paid leave.

Of the total number of jobs in the sample, we could definitively determine that about one in five (20.4%, 606/2,972) provide medical benefits and 12.1% provide paid leave (360/2,972). This indicates that there is a nontrivial chance that study participants will be offered these benefits, but it is probably not particularly common.

Table 6. Characteristics of Study Participants' Jobs

	Total Jobs (n=2,972)
Hourly Wage	
Mean [median]	$12.67 [$11.91]
Standard deviation	3.01
Medical Benefits	
% Receiving	49.1% (606)
Paid Leave	
% Receiving	50.1% (360)
Sector	
Private, for-profit	84.7% (2,517)
Private, nonprofit	8.2% (243)
Public	7.1% (210)
Average Hours per Week Attended	
Mean [median]	33.15 [36]
Standard deviation	9.48

Note: Some Study participants have more than one job. Valid percentages are reported.

We are also able to determine the industries in which study participants are employed for 67.5% of sample cases. The 10 most common industries that employ study participants are listed in Table 7. The most common industry, Administrative and Support Services, accounts for slightly less than one in five (17.5%) of study participants with valid codes. Together, all ten industries cover almost three in four (72.1%) of all study participants with valid codes.

The industries employing study participants center on either providing clerical support or providing health care. In the Administrative and Support Services; Professional, Scientific, and Technical Services; Educational Services; Executive, Legislative, and Other General Government Support; and Religious, Grantmaking, Civic, Professional, and Similar Organizations industries, study participants are likely assisting white-collar workers with administrative tasks. In the Ambulatory Health Care Services, Nursing and Residential Care Facilities, and Hospitals industries, study participants are likely assisting more highly-trained healthcare professionals in caring for sick and injured patients and elderly nursing home residents. The last two industries on the list, Merchant Wholesalers, Nondurable Goods, and General Merchandise Stores, differ from this pattern. In these retail industries, study participants are likely cashiers, stockers, and warehouse workers. For those in the administrative and healthcare industries, obtaining more education and work experience may help them advance. For those in the retail industries, however, that path may be less likely.

Table 7. Ten Most Common Industries for Study Participants

Industry	Percent	Count	Cumulative Percent
Administrative and Support Services	17.5	305	17.5
Ambulatory Health Care Services	13.5	235	31.0
Professional, Scientific, and Technical Services	8.1	142	39.1
Nursing and Residential Care Facilities	7.5	131	46.6
Educational Services	5.5	95	52.1
Executive, Legislative, and Other General Government Support	5.3	92	57.4
Hospitals	4.9	85	62.2
Religious, Grantmaking, Civic, Professional, and Similar Organizations	3.7	64	65.9
Merchant Wholesalers, Nondurable Goods	3.1	54	69.0
General Merchandise Stores	3.0	53	72.1

Note: Industries are based on 3-digit North American Industry Classification System (NAICS) codes. Valid percentages are reported.

In Table 8, we further examine the industries and jobs. We randomly selected a 10 percent sample of study participants. Then we listed job titles and hourly wages that are available from WORKS in the five most common industries.

Largely, the job titles reflect typical work within the industry, such as administrative assistants in the Administrative and Support Services industry and in the Professional, Scientific, and Technical Services industry as well as the nursing assistants, including CNA and GNA, in the Ambulatory Health Care Services industry and in the Nursing and Residential Care Facilities industry. In these jobs, there are clear pathways for advancement, such as moving up to office manager or executive assistant for the administrative industries, or becoming a licensed practical nurse (LPN) or registered nurse (RN) in the healthcare industries. While study participants may not be earning much in these jobs—$10 per hour at 40 hours per week for 52 weeks works out to an annual salary of $20,800—there is, at least, the potential to parlay that experience into higher wages and a career.

On the other hand, one can see that the job titles sometimes have little to do with the industry listed. For example, there is a security officer and a warehouse worker listed in the Administrative and Support Services industry as well as in the Professional, Scientific, and Technical Services industry. Both the Ambulatory Health Care Services industry and the Educational Services industry list administrative positions like secretary, clerk, and office assistant in addition to job titles more explicitly associated with those industries. For study participants who acquire these jobs—ones that are somewhat atypical for the industry—it may be particularly important to help them figure out paths through which they can advance their careers. Some of these jobs, such as working in a warehouse, do not have clear ladders at all.

Table 8. Selected Job Titles in the Five Most Common Industries

Industry & Job Title	Hourly Wage	Industry & Job Title	Hourly Wage
Administrative & Support		**Professional, Scientific & Technical**	
Data Clerk	$10.00	Cashier	$10.25
Administrative Assistant	$11.00	Warehouse	$10.25
Recruiter	$11.00	Clerical	$11.00
Security Officer	$11.50	Computer Analyst	$11.00
Warehouse Worker	$12.25	Security Officer	$12.02
Office Clerk	$14.00	Administrative Assistant	$14.00
CSR	$14.00	Clerk	$14.21
Translator	$20.00	**Nursing & Residential Care**	
Ambulatory Health Care		Personal Care Assistant	$10.19
Nursing Assistant	$10.00	Caregiver	$10.91
Secretary	$10.00	CNA	$11.00
Patient Care Tech	$11.15	**Educational**	
Behavioral Aide	$11.50	Teacher	$10.00
CNA/GNA	$11.50	Clerk	$13.00
Front Desk	$12.00	Office Assistant	$13.19
Medical Assistant	$12.50	Dietician	$13.50
Discharge Coordinator	$14.25	Special Education Assistant	$13.65
GNA	$15.50	Teachers' Assistant	$14.00

Note: “CSR” means “Customer Service Representative,” “CNA” means “Certified Nursing Assistant,” and “GNA” means “Geriatric Nursing Assistant.”

CONCLUSIONS

Since the 1996 welfare reform, most states have taken a "work-first" approach to helping welfare recipients find jobs (Holcomb & Martinson, 2002). In this approach, any job is better than no job, and it is assumed that any job can be a steppingstone to a better job. In practice, assistance with job search and job readiness is often included, but further education and training are not emphasized.

Maryland's reformed welfare program also emphasizes work, but the state's model has always recognized that one size does not fit all. Through comprehensive research and rigorous program monitoring, state leaders and welfare administrators know that the large majority of adults heading cash assistance cases are not strangers to the world of work. Most work before coming on aid, many leave welfare because of employment, and most work after welfare, often long into the future.

Research also shows that some women do return to welfare after having a work-related exit. Often their greatest difficulties lie not in finding a job, but in maintaining their employment, earning a family-sustaining wage, and being able to advance. In partnership with Skills2Compete and, soon, the new Employment Advancement Right Now (EARN) initiative, the Maryland Department of Human Resources is poised to address these lingering issues. EARN, in particular, with its focus on equipping adults with skills that are in high demand, has enormous potential to help many clients move from intermittent jobs to stable careers with family-sustaining wages and obviate any need for cash assistance.

Today's report offers information that may be helpful in efforts to translate EARN concepts into concrete plans focused on TCA recipients. It describes clients served and short-term outcomes of a focused DHR initiative to help clients find jobs paying at least $10 per hour and providing fringe benefits and advancement possibilities.

We find that study participants, all of whom did find good jobs, were quite similar in their demographic profile, as well as their past welfare use and employment histories, to the typical TCA casehead in Maryland. The main differences between study participants and active cases are that study participants are more likely to have finished 12th-grade and to be African-American.

Contrary to stale stereotype, we also find that study participants do not have long welfare histories. Most have been off welfare much more than they have been on it over the past five to ten years. Study participants, in the main, seem to use TCA sparingly, mostly as a safety net when they are unable to make ends meet.

Most encouragingly, sample cases show substantial improvement in employment and earnings after the $10 per hour jobs are found. From the year prior to finding those jobs to the year afterwards, we see a 20 percentage point increase in employment, and average quarterly earnings grow almost 50%. Median total earnings more than double, from $6,808 to $17,118 and many study participants were working in jobs and industries where career ladders exist and opportunities to advance are present, such as administrative work and healthcare.

These are impressive accomplishments which even outstrip the positive results documented in Maryland's longitudinal welfare leavers' study, *Life after Welfare*. Moreover, the trend suggests that, all else equal, the gap between good job study participants and the random sample of all welfare leavers is likely to continue to grow. At the very least, finding a good job seems to dramatically increase earnings and somewhat reduce recidivism among women who are making the transition from welfare to work.

More needs to be done, however, to equip more TCA adults with the education, training, and skills necessary to get good jobs such as these and to be able to maintain them. We found that former recipients with at least a 12th-grade education fared the best on all outcome measures. It also appears that the jobs and industries with the clearest paths to advancement, such as administrative support and healthcare, likely require at least that level of education. Jobs that do not require a 12th-grade education, such as cashier or security guard, are also the jobs where there may be less of a career ladder or fewer opportunities to advance.

This interpretation is bolstered by the findings on recidivism and earnings by education. Study participants who lack a high school education are significantly more likely to return to TCA, and they earned significantly less after finding a $10 per hour job. In contrast, study participants with education or training beyond high school had low rates of recidivism and earned more than those who had no education or training beyond high school.

Furthermore, it appears that study participants are finding jobs that are likely to lead to higher earnings and career advancement. Finding a way to help motivated TCA customers gain more education or training, such as the training associated with becoming a licensed practical nurse, is also likely to ensure that they remain off the rolls. For other clients, more basic skill development services may be required.

One way to promote more education and training among women who are expected to move from welfare to work is through the work-activity assignments in which they are placed while their cash assistance cases are still open. In other research we conducted recently, we found that work-eligible caseheads are increasingly assigned to education and training as a work activity and that caseheads who have at least a 12th-grade education seem to be targeted for these activities (Passarella & Born, 2013b). Given our results here, this appears to be a promising strategy and it is one that, with conjoint planning, could be linked with EARN as well.

All of the empirical evidence in today's report, as well as findings from numerous other Maryland welfare studies tells a consistent and hopeful story. Most TCA customers are not long-term cash assistance recipients or strangers to the world of paid employment. They have worked, they do work, and they want to work and have lasting independence from welfare. With some help, such as the skill development, training, and other services soon to be available through EARN, we have a chance to assist them in reaching these goals. These women and their children along with local communities, employers, and the State of Maryland as whole would reap great benefits from EARN investments in these hard-working women.

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APPENDIX A: PAYEE DEMOGRAPHIC CHARACTERISTICS FOR THE OCTOBER 2011 CASELOAD

	Baltimore City (n=11,997)		Other Counties (n=15,284)		Total (n=27,281)	
Gender**						
% Women	94.9%	(11,389)	94.0%	(14,373)	94.4%	(25,762)
Race***						
% African American^	88.8%	(10,652)	56.7%	(8,662)	70.8%	(19,314)
% Caucasian^	6.4%	(770)	28.3%	(4,323)	18.7%	(5,093)
% Hispanic	1.8%	(217)	5.6%	(861)	4.0%	(1,078)
Education***						
Below 12th grade	49.3%	(5,715)	29.0%	(3,988)	38.3%	(9,703)
Finished 12th grade	48.5%	(5,632)	64.4%	(8,863)	57.2%	(14,495)
Over 12th grade	2.2%	(255)	6.6%	(904)	4.6%	(1,159)
Marital Status***						
Never married	87.2%	(10,342)	72.1%	(10,527)	78.8%	(20,869)
Married	3.9%	(457)	11.5%	(1,681)	8.1%	(2,142)
Divorced, separated, or widowed	9.0%	(1,066)	16.4%	(2,399)	13.1%	(3,465)
Age at Study Month						
Mean*** (median)	33.89	(30.52)	36.11	(32.82)	35.14	(31.70)
Range	17.95-97.01		16.37-88.95		16.37-97.01	

APPENDIX B: HISTORIC TCA PARTICIPATION FOR THE WORK-ELIGIBLE STUDY SAMPLE & WORK-ELIGIBLE OCTOBER 2011 ACTIVE CASELOAD

	Work-Eligible Study Sample			Work-Eligible October 2011 Active Caseload		
	Baltimore City (n=898)	**Other Counties (n=1,221)**	**Total (n=2,119)**	**Baltimore City (n=5,896)**	**Other Counties (n=6,361)**	**Total (n=12,257)**
Months of Receipt in Last 120 Months						
Mean*** [median]	31.83 [27]	13.03 [7]	21.00 [12]	40.86 [31]	30.49 [20]	35.48 [25]
Standard deviation	26.03	16.23	22.91	33.57	30.14	32.25
Months of Receipt in Last 60 Months						
Mean*** [median]	17.96 [15]	8.95 [5]	12.76 [9]	26.16 [22]	20.87 [16]	23.41 [19]
Standard deviation	14.32	10.09	12.86	19.15	18.06	18.78
Months Used Toward TANF Time Limit						
Mean*** [median]	33.03 [26]	15.23 [9]	22.77 [14]	27.68 [18]	19.20 [12]	23.28 [14]
Standard deviation	27.51	16.90	23.72	31.00	23.53	27.71
Months of Receipt in Last 12 Months* **						
None	6.6% (59)	13.2% (161)	10.4% (220)	4.3% (252)	6.7% (427)	5.5% (679)
1 - 3 months	25.5% (229)	38.1% (465)	32.8% (694)	13.1% (770)	17.6% (1,117)	15.4% (1,887)
4 - 6 months	18.0% (162)	17.2% (210)	17.6% (372)	12.2% (718)	14.0% (889)	13.1% (1,607)
7 - 9 months	17.1% (154)	12.4% (152)	14.4% (306)	11.5% (677)	11.3% (718)	11.4% (1,395)
10 - 12 months	32.7% (294)	19.1% (233)	24.9% (527)	59.0% (3,479)	50.4% (3,208)	54.6% (6,687)
Mean*** [median]	6.50 [6]	4.72 [3]	5.48 [5]	8.70 [11]	7.82 [10]	8.24 [10]
Standard deviation	4.20	4.09	4.23	4.07	4.38	4.26

Note: Counts may not sum to actual sample size because of missing data for some variables. Valid percents are reported. Significance testing applies to differences within the study sample or the active caseload; it does not apply to differences between the study sample and the active caseload. *p<.05 **p<.01 ***p<.001

APPENDIX C: HISTORIC EMPLOYMENT & EARNINGS FOR THE WORK-ELIGIBLE STUDY SAMPLE & WORK-ELIGIBLE OCTOBER 2011 ACTIVE CASELOAD

	Work-Eligible Study Sample			Work-Eligible October 2011 Active Caseload		
	Baltimore City (n=898)	**Other Counties (n=1,221)**	**Total (n=2,119)**	**Baltimore City (n=5,896)**	**Other Counties (n=6,361)**	**Total (n=12,257)**
Previous Two Years						
Percent employed**	86.9% (751)	74.7% (840)	80.0% (1,591)	58.5% (3,447)	61.6% (3,913)	60.1% (7,360)
Avg # of quarters worked	4.82	4.75	4.78	3.54	3.79	3.68
Avg total earnings***	$17,459	$22,960	$20,363	$8,495	$10,552	$9,588
Median total earnings	$11,267	$13,975	$12,759	$4,227	$5,205	$4,648
Avg quarterly earnings***	$3,106	$3,970	$3,562	$1,870	$2,190	$2,040
Median quarterly earnings	$2,464	$3,217	$2,753	$1,429	$1,555	$1,489
Previous Year						
Percent employed**	71.6% (619)	59.6% (670)	64.8% (1,289)	55.7% (3,281)	53.0% (3,367)	54.3% (6,648)
Avg # of quarters worked	2.60	2.69	2.64	2.25	2.36	2.31
Avg total earnings***	$8,333	$11,367	$9,911	$4,503	$5,638	$5,109
Median total earnings	$4,885	$7,263	$6,155	$2,373	$3,050	$2,648
Avg quarterly earnings***	$2,719	$3,596	$3,175	$1,645	$1,999	$1,834
Median quarterly earnings	$1,980	$2,789	$2,335	$1,254	$1,409	$1,330
Quarter Found Job/ Fourth Quarter of 2011						
Percent employed***	82.2% (710)	75.6% (850)	78.4% (1,560)	28.8% (1,697)	31.7% (2,018)	30.3% (3,715)
Avg total earnings**	$2,441	$2,870	$2,675	$2,078	$2,278	$2,187
Median total earnings	$2,129	$2,402	$2,255	$1,662	$1,739	$1,709

Note: Employment analyses exclude individuals for whom we have no unique identifying information. Earnings and quarters worked are only for those employed in that period. Valid percentages are reported. Significance testing applies to differences within the study sample or the active caseload; it does not apply to differences between the study sample and the active caseload. The lowest level of statistical significance for either the study sample or the active caseload is reported. *p<.05 **p<.01 ***p<.001