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LIFE ON WELFARE: TEMPORARY CASH ASSISTANCE FAMILIES & RECIPIENTS, 2019

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Maryland's Temporary Cash Assistance (TCA) program experienced record lows in 2019, with just over 16,000 families receiving assistance each month. Figure 1 shows that over the past five years, the caseload has decreased by 35%.

The state's TCA caseload continues to shrink while Maryland's economy, much like the national economy, is improving. Generally, when the economy is healthy and unemployment is low, fewer families are enrolled in the TCA program. After reaching its highest point (7.8%) in 2010, Maryland's unemployment rate has gradually declined (U.S. Bureau of Labor Statistics, 2019). At the end of state fiscal year (SFY) 2019, Maryland's unemployment rate was 3.8%, a figure that has remained stable since mid-2018 (U.S. Bureau of Labor Statistics, 2019).

While a healthy economy and lower unemployment rate are generally associated with lower TCA rolls, this prosperity does not reach everyone equally. For example, Maryland is a very diverse state, and as such, the county-level unemployment rates vary widely. In September 2019, average unemployment rates ranged from 2.6% in Howard County to 5.4% in Somerset County (Maryland Department of Labor, 2019). Another factor to consider is whether the TCA program is reaching everyone who needs it. From 2016 to 2017, only 39% of Maryland families in poverty were enrolled in TCA. This number has decreased since 1996, the year Temporary Assistance for Needy Families (TANF) was enacted, when 97% of Maryland's families in poverty received assistance (Center on Budget and Policy Priorities, 2018).

While Maryland's poverty rate, which currently sits at 9% (U.S. Census Bureau, 2019a), has been decreasing since 2014, there are many families in need of assistance. TCA, which is Maryland's version of the Temporary Assistance for Needy Families (TANF) program, provides cash assistance to families experiencing economic hardship or other crises.

KEY FINDINGS

- ❖ The number of families receiving TCA in Maryland declined 9% between SFYs 2018 and 2019.
- ❖ Most cases include one adult and one or two children.
- ❖ One quarter of families were receiving TCA for the first time.
- ❖ Adult recipients are typically African American women in their 30s who graduated high school but have no further education.
- ❖ One in four adult recipients were experiencing a long-term disability.
- ❖ Over half of adult recipients worked at some point during the year before they began receiving TCA. Two in five of these recipients worked all four quarters of that year.
- ❖ Median annual earnings during the year before receiving TCA were low, at about \$6,300.
- ❖ Two in five employed adults worked in low-wage industries like administrative and support services, restaurants, and general retail. Only 17% worked in higher paying industries such as health care and social assistance.

Figure 1. Number of TCA Cases, July 2014 to June 2019



Note: Data retrieved from statistical reports provided by the Maryland Department of Human Services: <http://dhs.maryland.gov/business-center/documents/>

This brief—part of an annual series—focuses on families who received TCA during SFY 2019.¹ To learn more about the families receiving TCA, we will examine the following three research questions:

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

Analyzing these questions in the context of the current economy will provide policymakers and program administrators with valuable information regarding the barriers and needs of these families.

¹ All years in this report are state fiscal years, unless otherwise noted.

² One in six (16.8%) Maryland residents works out of state, which is over four times greater than the

Data and Study Population

Data

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

There are a variety of limitations to MABS data. MABS only reports data on a quarterly basis, which means that it is not possible to calculate weekly or monthly employment and earnings. Another limitation is that MABS does not contain data on certain types of employment, such as self-employment, independent contractors, and informal employment; consequently, earnings from under-the-table jobs are not included. Finally, MABS has no information on employment outside Maryland. Because out-of-state employment is common in Maryland,² we are likely understating employment and may be missing some earnings.

national average (3.7%) (U.S. Census Bureau, 2019b).

Study Population

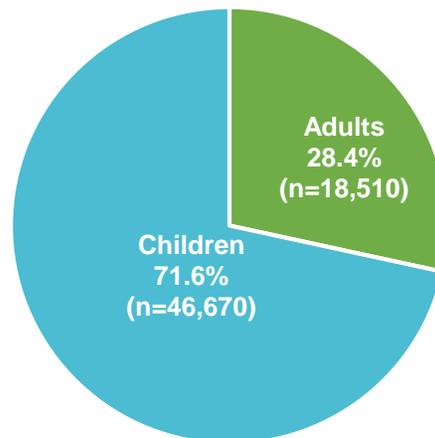
The study population for this year's report includes every family who received TCA for at least one month in SFY 2019 (July 2018 through June 2019). Demographic and employment analyses are only for adult recipients, so payees who are not recipients themselves are excluded. Adult recipients who are not payees, such as the second parent in a two-parent family, are included.³

Because we are interested in receipt during a state fiscal year, the first month in the year that a family actually received benefits is the first month included in the analysis. For example, if a family applied for TCA in January 2019, that family might not actually receive benefits until February 2019. We would consider February 2019 the first month of receipt. However, benefits are retroactive to the date that a family applied for assistance, so this family would receive prorated benefits for January. Since the family received benefits for January 2019, some of the measures we use, such as months of receipt in the state fiscal year or months of receipt counted toward the time limit, would count January as a month of receipt. These discrepancies are relevant in understanding data related to past program participation.

In 2019, 25,690 unique families received at least one month of TCA. Although we focus on the adult recipients (n=18,510) in these families, it is important to note that the majority of TCA recipients are children. As shown in Figure 2, 72% of all TCA recipients were children.

³ In earlier reports, the study population was families who received TCA in October of a given year, and only payees were included in demographic and employment analyses, regardless of whether they

Figure 2. Adult and Child Recipients, 2019



Cases and Families

Each family receiving TCA is counted as one TCA case. Analyzing the characteristics of these cases is an important first step in understanding the needs of the families who receive assistance and which services and programs would best fit their needs.

One characteristic to examine is where these families live. Families living in urban, rural, or suburban areas can face different challenges that may contribute to the need for assistance and make it harder to exit the program. These can include access to transportation, location of colleges and trade certification programs, job availability, and proximity to services offered to TCA recipients. Table 1 shows the percentage and number of families receiving TCA in each jurisdiction for 2018 and 2019.

were recipients. Due to these changes, the data in this brief is not comparable to the data in reports published prior to 2017.

Table 1. Percent of State Caseload and Number of Cases by Jurisdiction, 2018 and 2019

	SFY 2018		SFY 2019		Year-to-Year Change	
	%	n	%	n	%	n
Baltimore City	38.9%	(10,963)	36.8%	(9,455)	-13.8%	(-1,508)
Baltimore County	12.4%	(3,489)	12.7%	(3,268)	-6.3%	(-221)
Prince George's County	8.9%	(2,511)	8.7%	(2,242)	-10.7%	(-269)
Anne Arundel County	6.8%	(1,918)	7.0%	(1,790)	-6.7%	(-128)
Montgomery County	5.6%	(1,585)	5.6%	(1,439)	-9.2%	(-146)
Washington County	3.8%	(1,059)	4.0%	(1,026)	-3.1%	(-33)
Harford County	2.7%	(771)	2.9%	(748)	-3.0%	(-23)
Wicomico County	2.7%	(762)	2.9%	(743)	-2.5%	(-19)
St. Mary's County	2.5%	(704)	2.6%	(678)	-3.7%	(-26)
Cecil County	2.4%	(669)	2.4%	(618)	-7.6%	(-51)
Allegany County	2.0%	(558)	2.2%	(568)	+1.8%	(+10)
Howard County	1.8%	(518)	2.0%	(524)	+1.2%	(+6)
Frederick County	1.9%	(540)	2.0%	(502)	-7.0%	(-38)
Charles County	1.8%	(506)	1.9%	(494)	-2.4%	(-12)
Somerset County	0.8%	(238)	1.0%	(251)	+5.5%	(+13)
Carroll County	0.9%	(260)	0.9%	(229)	-11.9%	(-31)
Dorchester County	0.8%	(237)	0.9%	(221)	-6.8%	(-16)
Caroline County	0.7%	(190)	0.8%	(194)	+2.1%	(+4)
Worcester County	0.5%	(140)	0.6%	(145)	+3.6%	(+5)
Talbot County	0.4%	(122)	0.5%	(129)	+5.7%	(+7)
Calvert County	0.6%	(157)	0.5%	(128)	-18.5%	(-29)
Garrett County	0.3%	(88)	0.4%	(108)	+22.7%	(+20)
Queen Anne's County	0.4%	(110)	0.4%	(94)	-14.5%	(-16)
Kent County	0.4%	(101)	0.4%	(92)	-8.9%	(-9)
Maryland	100%	(28,203)	100%	(25,690)	-8.9%	(-2,517)

Note: These counts differ from those provided by DHS's statistical reports, because the statistical reports provide the average number of cases receiving TCA in each month while these counts provide the total number of cases that received TCA in 2018 and 2019. Jurisdiction count does not sum to the state total due to missing jurisdiction information on four cases.

Maryland's TCA caseload is generally concentrated in more highly-populated jurisdictions. The five most populous jurisdictions are also the jurisdictions with the largest share of the state's TCA caseload. Baltimore City, the fourth most populous jurisdiction, had the largest share of cases, at just under two in five (36.8%) of the state's cases in 2019. This higher percentage of TCA recipients can be explained by certain economic factors.

Baltimore City has a median family income (\$59,000) that is \$40,000 less than Maryland's median family income (\$99,000), and the poverty rate for families (17%) is two and a half times higher than the state average (6%) (U.S. Census Bureau, 2019a).

Baltimore County had the next highest share of TCA cases, at just over one in 10 (12.7%) cases. The next three counties—

Prince George's (8.7%), Anne Arundel (7.0%), and Montgomery (5.6%) counties—held similar shares of the caseload. These five counties represented 70% of the state's caseload in 2019. The remaining 19 counties each had less than 5% of the total share of TCA cases. Additionally, 10 of these counties had 1% or less of the total state caseload.

Maryland's 2019 caseload declined 9% from the previous year, and this decline has been consistent in the years since the Great Recession. The caseload in most jurisdictions also declined. Baltimore City (-13.8%) and Prince George's County (-10.7%) experienced above-average decreases in their caseloads, while Montgomery County's caseload (-9.2%) decreased at the same rate as the state average. These three jurisdictions affected the statewide average, since they represented three fourths (1,923 of the 2,517 cases) of the statewide decline, and Baltimore City alone represented 60% of the decline with just over 1,500 fewer cases between 2018 and 2019.

Other jurisdictions had considerable decreases as well. Carroll County (-11.9%), Calvert County (-18.5%), and Queen Anne's County (-14.5%) experienced decreases above the state average. However, their caseloads are small, amounting to a total decline of only 76 cases.

On the other hand, seven jurisdictions saw increases in the number of current TCA cases from 2018 to 2019—the largest number in recent years. Garrett County increased the most (+22.7%); and Allegany County (+1.8%), Howard County (+1.2%), Somerset County (+5.5%), Caroline County (+2.1%), Worcester County (+3.6%), and Talbot County (+5.7%) all increased from

last year as well. Notably, Talbot County is the only county whose caseload has increased every year since 2015. It is also worth noting that most of these jurisdictions are smaller, so these increases have less impact on the statewide caseload.

The composition of families is another useful area of analysis, because it provides insight into who is receiving benefits. This information can help practitioners decide which services best suit a family's needs. For example, families with younger children are more likely to need child care assistance or a pregnant woman may be eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC program).

Table 2 highlights these characteristics of families who received TCA in 2019. More than one third (36.1%) of cases had two recipients. The other three categories—

Table 2. Number of Recipients, 2019

	%	<i>n</i>
Number of recipients		
1	21.7%	(5,577)
2	36.1%	(9,270)
3	22.4%	(5,754)
4 or more	19.8%	(5,083)
Number of adult recipients		
0	31.4%	(8,061)
1	65.3%	(16,761)
2	3.4%	(862)
Number of child recipients		
0	3.7%	(941)
1	46.6%	(11,960)
2	27.6%	(7,097)
3 or more	22.1%	(5,686)

Note: Of the 973 cases with no children, 575 (59.1%) had a pregnant head of household. The remaining cases with no recipient children may include children who receive disability, subsidized adoption, or foster care payments.

cases with one recipient (21.7%), three recipients (22.4%), and four or more recipients (19.8%)—were somewhat evenly distributed, with around one in five cases in each category. Most (65.3%) cases had one adult recipient, followed by one in three (31.4%) cases with no adult recipients. Only 3% of cases had two adult recipients.

For child recipients, nearly half (46.6%) of Maryland’s cases only had one child recipient, which was by far the most common category. About one in four (27.6%) cases had two recipient children, and one in five (22.1%) had three or more recipient children. Only 4% of cases had no recipient children, and most of these cases included a pregnant woman.

Many families receiving TCA benefits had a young child in the household. The average and median age of all children receiving TCA was eight years old, as shown in Table 3. Two in five children were ages five or younger with one in five (21.4%) under the age of three. Three in five children were over the age of five with 40% between the ages six and 12. Even still, the youngest child was under the age of three in one third (34.9%) of families receiving TCA, indicating that there may be substantial need for child care assistance so the adults can work or participate in an activity leading to work.

Table 3. Ages of Child Recipients: All Children and Youngest Child

Age Range	% n		% n	
	All children		Youngest child in each family	
Younger than 3	21.4%	(9,990)	34.6%	(8,532)
3 - 5	19.3%	(9,023)	21.1%	(5,199)
6 - 12	39.4%	(18,404)	30.3%	(7,479)
13 - 18	19.8%	(9,254)	14.0%	(3,448)
Average [median] age	7.9	[7.5]	6.3	[5.0]

Program Participation

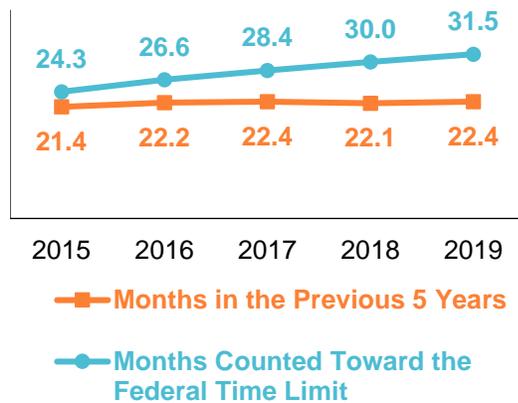
The length of time families receive TCA is an important aspect of their experiences on the program. Table 4 highlights important ways to measure program participation. Overall, most recipients have not been receiving TCA for long periods of time.

One way to measure program participation is by looking at total number of months a family received TCA within the past five years. Nearly half (45.3%) of all cases received benefits for one year or less in the past five years. On average, cases received benefits for 22 months within this time period, and the median was even lower, at 16 months. This higher average can be explained by the one in five (19.3%) cases that received benefits for 49 to 60 months within the past five years. Figure 3 shows that this average has essentially remained the same since 2015.

The finding that families generally receive assistance for shorter periods of time is further supported by the fact that one third (36.8%) of cases have accrued two years or less of time counted toward the five-year federal time limit. The average case accrued 32 months toward the federal time limit, and the median was only 20 months. This difference between the average and the median indicates that there are a few cases with a high number of time-limited months. In fact, 11% of cases had

exceeded 60 months of TCA benefits. There are cases, however, that do not accrue months toward the federal time limit because there are no adult recipients or the adult recipient is employed. In 2019, one third (34.5%) of cases did not accrue time-limited months.

Figure 3. Average Number of Months of TCA Receipt



Interestingly, since 2015, these two metrics—months in the previous five years and months counting toward the federal time limit—reveal two different trends. Figure 3 shows that since 2015, the average number of months counted toward the federal time limit has increased by eight months, from 24 months in 2015 to 32 months in 2019. Meanwhile, the average months of receipt in the previous five years has only increased by one month, from 21 months to 22 months in that same time period.

This increase in the average months accrued toward the federal time limit is largely affected by a funding change for cases in which an adult recipient has a long-term disability. These cases used to have their own designation, *long-term disabled*, and were paid with state funds until October 2015. As long as these cases were solely-state funded, the months in which they received TCA did not count toward the federal time limit and any prior months accrued toward the federal time limit did not count for federal reporting purposes. When Maryland eliminated the long-term disabled designation, the majority of these cases

Table 4. Program Participation, 2019

	%	n
Months of receipt in the last 5 years		
0 months	20.6%	(5,284)
1 - 12 months	24.7%	(6,352)
13 - 24 months	16.0%	(4,120)
25 - 36 months	11.0%	(2,822)
37 - 48 months	8.4%	(2,153)
49 - 60 months	19.3%	(4,959)
Average [median]	22.4	[16]
Months counted toward time limit		
0 Months	1.1%	(263)
1-12 months	25.0%	(6,162)
13 - 24 months	10.7%	(2,644)
25 - 36 months	7.7%	(1,888)
37 - 48 months	6.0%	(1,479)
49 - 60 months	4.2%	(1,041)
More than 60 months	10.7%	(2,635)
Does not accrue time-limited months	34.5%	(8,488)
Average [median]	31.5	[20]
Months of receipt in state fiscal year		
1 - 3 months	24.5%	(6,288)
4 - 6 months	19.0%	(4,891)
7 - 9 months	14.4%	(3,694)
10 - 12 months	42.1%	(10,810)
Average [median]	7.5	[8]
First time recipient as an adult		
First spell of TCA	25.9%	(6,665)
Not first spell of TCA	74.1%	(19,025)

Note: The TCA spell is determined by prior receipt as an adult payee; receipt as a child is not included. Valid percentages reported.

were reclassified into designations that were funded with federal dollars (Nicoli & Passarella, 2017). Consequently, any time-limited months accrued prior to their long-term disabled designation now counted for federal reporting and subsequent months on TCA would now accrue toward the federal time limit. This would especially drive up the state average because Maryland allows individuals with long-term disabilities to

continue receiving benefits as long as they comply with the Supplemental Security Income (SSI) application process. Since SSI applications are rarely approved on the first attempt, these recipients might have to remain on TCA for longer periods while they appeal a denial, all while they are accruing months toward their federal time limit.

Indeed, further analysis shows that the receipt of time-limited months is very different for adult recipients with and without a long-term disability. From 2016 to 2019, the average number of time-limited months accrued by cases without any long-term disabled adult recipients remained consistent, at about two years. On the other hand, the average number of time-limited months accrued by cases with long-term disabled adult recipients steadily increased from 34 months to 48 months. By 2019, cases with long-term disabled adult recipients accrued twice as much time toward the federal time limit than cases with non-disabled adult recipients. Additionally, of the 11% of cases that exceeded the federal time limit in 2019, half included an individual with a long-term disability.

Another useful metric to examine is the number of months of receipt during the state fiscal year. In 2019, the average case was open for seven and a half months. Two in five (42.1%) cases received benefits for at least 10 months in 2019. On the other end, 25% of cases were open for three months or less. One in five (19.0%) cases were open between four and six months, and the remaining 14% of cases received benefits for seven to nine months.

In addition to length of receipt, it is helpful to analyze whether this is the first time a family received TCA. Prior research shows that one third of cases return to TCA in one year or less, and almost half reenrolled in the program within five years of their previous exit (McColl & Passarella, 2019a). Families leave TCA for a number of reasons. Some of these reasons, like issues with paperwork or noncompliance with the work requirement, likely contribute to families exiting and then returning to the program once those issues are resolved. This could help explain why three out of four (74.1%) families receiving benefits in 2019 were not in their first TCA spell, according to Table 4.⁴ Notably, this figure has increased by eight percentage points since 2015.

This leaves one in four (25.9%) families who were in their first TCA spell. Differences in case characteristics between families receiving TCA for the first time and families returning to the program suggest that families often enroll in TCA for the first time when they are caring for infants or young children. For example, nearly half (46.1%) of families receiving TCA for the first time have a child in the household under the age of three, versus three in 10 (31.2%) families who had a previous TCA spell. Additionally, 17% of families receiving TCA for the first time were exempt from work activities because they were caring for an infant, compared to 5% for families who have had a previous spell. This also suggests that these new families may need assistance while they care for infants and young children before they return to the workforce.

⁴ A TCA spell is defined as the number of consecutive months that a family received cash assistance.

Caseload Designation

Maryland utilizes a case classification system in order to help reflect the varying family and life circumstances of recipients. These classifications are called *caseload designations* and are divided into two broad categories: work-eligible and work-exempt. Work-eligible cases include adult recipients who are required to participate in work activities in order to receive benefits, and most are included in the federal work participation rate (WPR). Work-exempt cases include case designations in which there are no adult recipients, such as child-only cases, and cases in which the adult recipients, due to certain circumstances, are not required to work. Table 5 shows the case designations that fall within these two categories. While some cases may fit in more than one designation, Maryland uses a hierarchal algorithm to assign each case to only one designation.

Over half (55.2%) of all TCA cases were work-eligible, and just under half (44.8%) were work-exempt in 2019. Single-parent cases were by far the most common case designation among work-eligible cases, at 43% of the entire caseload. The remaining work-eligible designations each accounted for less than 5% of the entire caseload. Cases with an employed adult recipient made up 4% of the caseload, and short-term disabled cases had slightly less at 3%. Two-parent cases were just over 2% of the caseload, and domestic violence cases made up 2%. Cases with a legal immigrant accounted for less than 1% of the overall caseload.

Table 5. Caseload Designation, 2019

	%	n
Work-eligible	55.2%	(14,163)
Single-Parent	42.8%	(10,993)
Employed Adult(s)	4.2%	(1,090)
Short-term Disabled	3.4%	(881)
Two-Parent	2.4%	(615)
Domestic Violence	1.5%	(394)
Legal Immigrant	0.7%	(190)
Work-exempt	44.8%	(11,517)
Child-Only	31.5%	(8,085)
Child under One	8.3%	(2,138)
Caring for Disabled Family Member	3.5%	(891)
Caretaker Relative	1.6%	(403)

Note: Valid percentages reported. Cases designated as legal immigrant or two-parent are required to participate in work activities, although they are not included in the federal work participation requirement (WPR). Valid percentages reported.

For work-exempt cases, child-only cases were the most common, with three in 10 (31.5%) cases in this designation. The three additional work-exempt designations were much less common. About one in 10 (8.3%) cases included an adult caring for a child under the age of one.⁵ Those caring for a disabled family member made up 3% of all cases, and cases with a caretaker relative constituted just under 2% of all cases.

Adult Recipients

Although adult recipients account for less than one third of TCA recipients, they are an important factor in the success of the TCA program. Since self-sufficiency is a primary goal of TCA, analyzing this demographic can provide key information for policymakers and program administrators to

⁵ Recipients may use this exemption from work requirements for a total of 12 months in their lifetime.

help them shape programs and address barriers for these recipients.

Table 6 displays key characteristics of adult recipients in Maryland. Adult recipients were generally African-American (73.2%) women (90.6%) who never married (79.5%) and who had a high school diploma (73.9%). About half (47.8%) of all adult recipients were between the ages of 25 and 35. Additionally, one in four (25.5%) adult recipients had a long-term disability.

Table 6. Demographic Characteristics, 2019

	%	<i>n</i>
Gender		
Female	90.6%	(16,778)
Male	9.4%	(1,732)
Race and Ethnicity		
African American [^]	73.2%	(12,770)
Caucasian [^]	21.7%	(3,785)
Hispanic	3.1%	(544)
Other	2.0%	(352)
Age		
20 & younger	3.9%	(730)
21-24	13.5%	(2,503)
25-29	26.0%	(4,813)
30-34	21.8%	(4,029)
35 & older	34.8%	(6,435)
Average [median]	32.9	[31.3]
Marital Status		
Never married	79.5%	(14,625)
Married	8.2%	(1,509)
Divorced / Separated / Widowed	12.3%	(2,257)
Long-Term Disabled		
Disabled	25.5%	(4,676)
Not disabled	74.5%	(13,694)
Education		
Did not finish grade 12	26.1%	(4,822)
Finished grade 12	63.7%	(11,757)
Additional education after 12th grade	10.2%	(1,875)

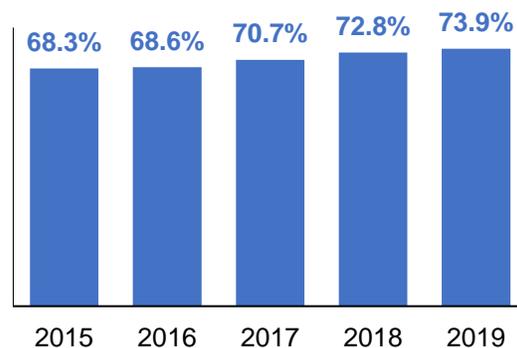
Note: [^]=non-Hispanic. Valid percentages reported.

While the characteristics of adult recipients have remained steady over the past few years, there are a few trends. First, the average and median ages have increased slightly. In 2015, the average and median ages were 31.7 and 29.9 respectively, slowly increasing to 32.9 and 31.3 in 2019.

Educational attainment among adult recipients has also increased as documented in Figure 4. In 2019, 74% of adult recipients completed high school or pursued additional education beyond high school. This figure increased by six percentage points since 2015, when 68% of adult recipients had completed high school or more. A portion of this increase is from adult recipients pursuing additional education beyond high school. From 2015 to 2019, the percentage of adult recipients with additional education rose two percentage points from 8% to 10%, respectively.

Increased educational attainment is a good sign, as an adult recipient's educational attainment is linked to their success after leaving TCA. A recent study examining TCA recipients who exited the program showed that even after five years, only those with additional education beyond high school earned annual median wages above the poverty level. On the other hand, recipients

Figure 4. Percent with a High School Education or Higher, 2015-2019



who did not finish high school remained on TCA for longer periods of time and were more likely to return to the program after exiting (McColl & Passarella, 2019b).

Prioritizing educational attainment could result in better outcomes for TCA recipients. It is worth noting that Maryland recently enacted a law that will provide greater flexibility for adult recipients as they pursue certain types of additional education. In 2020, adult recipients will be able to participate in vocational education programs for a total of 24 months (Md. Code Ann., 2019). Previously, this work activity was capped at 12 months. This increased limit will give adult recipients more time to further their education and complete programs while receiving TCA, which will ideally lead to higher earnings and economic stability.

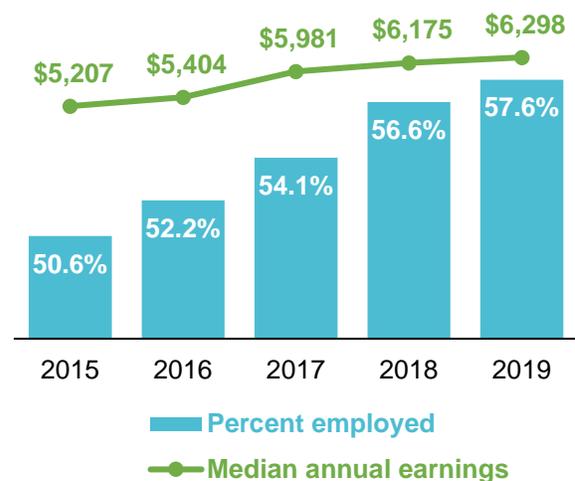
Prior work history is another element of a recipient's ability to find and maintain employment after leaving the TCA program. Previous research has shown that recipients employed before entering TCA were more likely to experience economic stability⁶ after exiting the program (James & Nicoli, 2016). Figure 5 provides the percentage of adult recipients who were employed in the year before receiving TCA benefits as well as their median annual earnings. The figure examines the caseloads between 2015 and 2019.

Both recipients' earnings and the percentage of recipients employed in the year before TCA receipt have increased each year since 2015. The percentage of

adult recipients employed in the year before receipt has increased seven percentage points since 2015, with 58% of recipients working before receiving TCA in 2019. Median annual earnings have also increased by 21% over this same time span from just over \$5,200 to nearly \$6,300. This amount is still well below the federal poverty level, which was \$16,910 for a family of two and \$21,330 for a family of three in 2019 (U.S. Department of Health and Human Services, 2019).

Additionally, a sizable portion of TCA recipients worked during all four quarters in the year before TCA receipt. Figure 6 shows that among recipients who did work in the year before receiving TCA in 2019, nearly two in five (38.1%) worked during all four quarters of that year.

Figure 5. Percent Employed and Median Annual Earnings, 2015-2019
Year before TCA Receipt

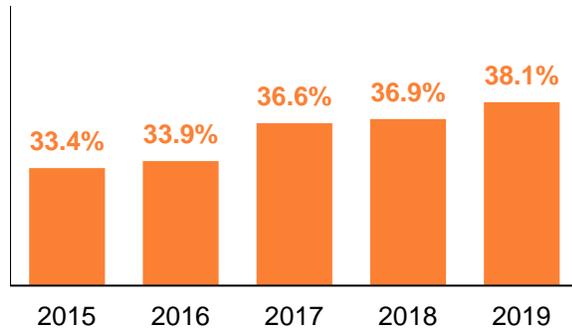


⁶ This study defines economic stability as having consistent employment for five years after exit with earnings that either grew over time, consistently

exceeded the federal poverty threshold, or remained above the federal poverty threshold for the last two of those five years (James & Nicoli, 2016).

Figure 6. Adult Recipients Employed During All Four Quarters before TCA Receipt

Among Employed Adult Recipients



The percentage of recipients working all four quarters in the year before receipt has steadily increased since 2015, rising by nearly five percentage points during this time. This trend, which is likely related to an improving economy, could explain why wages have also risen during this time. Additionally, the state minimum wage has increased five times during this time period,

which likely also contributed to this upward trend (Maryland Department of Labor, *n.d.*). However, wages are still low and may be part of the reason these families needed assistance.

The industries in which adult recipients were employed before receiving TCA provides more insight as to why earnings were low. Table 7 highlights the 10 most common industries in which TCA recipients were last employed in the year before TCA receipt. A majority (71.7%) were employed in one of these 10 industries. Adult recipients most commonly worked in the administrative and support services industry, which employed one in five (20.4%) adult recipients. Restaurants and general retail, the second (16.5%) and third (7.9%) most common industries, are also industries associated with unstable work schedules in addition to low earnings. These factors could explain why families qualify for TCA even though one or more adult recipients worked in the

Table 7. 10 Most Common Industries, 2019

Among Employed Adult Recipients

Industry	%	<i>n</i>	Median Quarterly Earnings
Administrative & Support	20.4%	(2,151)	\$1,314
Restaurants	16.5%	(1,745)	\$1,218
General Retail	7.9%	(830)	\$1,258
Nursing Homes	5.9%	(620)	\$2,596
Outpatient Health Care	5.6%	(586)	\$2,248
Food and Beverage Retail	4.1%	(435)	\$1,176
Social Assistance	3.2%	(336)	\$2,356
Warehousing and Storage	2.8%	(298)	\$1,376
Accommodation	2.7%	(290)	\$1,842
Hospitals	2.6%	(277)	\$4,193
Other	28.3%	(2,985)	\$2,012
Total	100.0%	(10,553)	\$1,646

Note: Industry is based on the last job the adult recipient worked in the year before receiving TCA benefits. Valid percentages reported. Excludes individuals who were employed but the NAICS code was missing (*n*=101).

INDUSTRY DESCRIPTIONS

Administrative & Support (NAICS 561)

Organizations that support day-to-day operations—clerical, cleaning, and general management activities—and temporary employment services.

Restaurants (NAICS 722)

Full-service or fast food restaurants as well as caterers and mobile food services.

General Retail (NAICS 452)

Department stores and other general merchandise stores.

Nursing Homes (NAICS 623)

Organizations that provide health and social services such as nursing homes, substance abuse facilities, or residential care for the mentally ill.

Outpatient Health Care (NAICS 621)

Outpatient healthcare facilities, medical and diagnostic laboratories, and home health care services.

Food & Beverage Stores (NAICS 445)

Retail stores that sell food and beverages, such as grocery stores and specialty drink stores.

Social Assistance (NAICS 624)

Provide a wide variety of social assistance, including personal & home care, child care, and social & human services.

Warehousing & Storage (NAICS 493)

Warehousing and storage facilities for general merchandise, refrigerated goods, and other warehouse products.

Hospitals (NAICS 622)

Inpatient health services at general and surgical hospitals, psychiatric and substance abuse hospitals, and specialty hospitals.

Accommodation (NAICS 721)

Organizations that provide lodging or other short-term accommodations.

year before receipt. In particular, median quarterly earnings were less than \$1,500 for each of these three industries. Adults employed in food and beverage retail (4.1%) and warehousing and storage (2.8%) also earned similarly low wages.

Although adults were more likely to be employed in low-wage industries, some recipients successfully obtained employment in the health care and social assistance industries, which had above-median earnings in 2019. Less than one in five (17.3%) adults were employed in one of these higher paying industries. Median quarterly earnings for these industries exceeded \$2,200, and those employed in hospitals earned \$4,200. Recipients who work in industries like health care and nursing homes have a much greater chance of achieving economic stability (James & Nicoli, 2016) and are less likely to return to TCA (Nicoli, Passarella, & Born, 2014) than recipients working in low-wage industries like restaurants and retail. Encouraging employment in these industries could help recipients earn higher wages and experience economic stability, which could improve outcomes for these recipients.

Conclusions

Maryland's TCA caseload is a key economic indicator for the state. Maryland's decreasing caseload, low unemployment rate, and decreasing poverty rate all suggest the state economy is strong. In light of these favorable conditions, it is helpful to examine the characteristics of families who need assistance in order to help policymakers and program managers better serve these families.

In this brief, we examined 25,690 families who received TCA in 2019. These families generally resided in more populated jurisdictions. Seven in 10 families lived in either Baltimore City, Baltimore County, Prince George's County, Anne Arundel County, or Montgomery County.

These families typically had one adult recipient, and one or two recipient children. More than half of families had a child ages five or younger, suggesting a substantial need for child care assistance. This may be particularly true for the families new to the TCA program as they are more likely to have infants and may lack maternity benefits.

Adult recipients are an important demographic of TCA, because addressing specific barriers faced by adult recipients can help an entire family exit the program and lead them toward economic stability. Adult recipients were generally in their 20s or 30s, never married, and had a high school diploma. Nearly three out of four adults finished high school or pursued additional education, an increase of six percentage points since 2015. Higher educational attainment is a positive sign, because this factor is linked to jobs with higher pay and greater economic stability (James & Nicoli, 2016). Recent legislation extending the vocational education participation cap to 24 months will allow more recipients to pursue additional education once the law takes effect in July 2020.

In addition to educational attainment, prior work experience, particularly in certain industries, is associated with TCA recipients' economic success and stability. Nearly three out of five TCA recipients worked in the year prior to TCA receipt—a

figure that has steadily increased since 2015. However, earnings were consistently well below the federal poverty level. Median annual earnings for current adult recipients during the year before they enrolled in the TCA program were only \$6,298. Adult recipients were more likely to be employed in industries associated with lower earnings as well as unstable schedules, like administrative & support, restaurants, and general retail. While a minority of recipients previously worked in higher-paying industries like health care, these low earnings could help explain why families need assistance.

However, pursuing additional education and employment may not always be possible for adult recipients. One in four adult recipients had a long-term disability that might have prevented them from participating in these activities. Cases in which an adult recipient had a long-term disability accrued substantially more time toward the five-year federal time limit than cases with no long-term disabled adult recipients. This is partially due to the fact that many recipients with long term disabilities are receiving TCA while applying for Supplemental Security Income (SSI), which can be a lengthy process.

Even in a strong economy, some families still face barriers to achieving economic stability. For some adult recipients, focusing on educational attainment and work experience in higher paying, stable industries could help address these barriers and guide families toward economic stability. However, this may not be possible for all adult recipients. Understanding the unique challenges and opportunities faced by families across the state can help create programs that address these realities.

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