

# Lost Leavers: Uncovering the Circumstances of Those Without Welfare and Without Work

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An increasing number of people no longer enrolled in Temporary Assistance for Needy Families (TANF) experience periods of “disconnection” after exiting the welfare program. The present research, based on data from a large longitudinal state welfare leaver study, explores the circumstances and characteristics of welfare leavers who receive no formal employment earnings but do not return to cash assistance for at least 1 year after exiting welfare. Using a variety of administrative program data and welfare caseworker notes, the size of the various subgroups within the disconnected population and their possible needs were examined. Cluster analysis revealed 6 important subgroups with differing needs and barriers. The findings focus on policy implications, particularly in relation to the Congressional reauthorization of TANF.

## IMPLICATIONS FOR PRACTICE

- Welfare agencies should work to identify the most vulnerable: those with long welfare histories, a high rate of sanctioning, low historical earnings and little access to other income sources.
- Broadening the definition of work activities and providing more extensive employment, education and family services are needed to assist some chronically disconnected leavers.

Following creation of the Temporary Assistance for Needy Families (TANF) program in 1996, many state studies emerged focusing on the circumstances of families leaving the welfare rolls. According to the National Conference of State Legislatures, 34 states have conducted at least one “TANF leaver” study. In addition, several national analyses have been published based on the National Survey of American Families (NSAF) data. Despite great variability in sampling and data sources, this body of literature yielded remarkably consistent findings: A little more than half of all TANF exiters leave welfare for work (Acs & Loprest, 2004). For policymakers, advocates, and researchers alike, these data raise the question, “And what about the other half?” The studies of initial leavers partly answer that question: A significant minority of families returned to cash assistance in the first year (Acs & Loprest, 2004). For yet another group, their welfare exits are marked by a disconnection from the two most common sources of support—formal employment and cash assistance—for a long period of time.

Current economic conditions are prompting renewed interest in these lost welfare leavers and renewed concern about the adequacy of the public safety net. With welfare rolls increasing only slightly and unemployment rates continuing to rise, many policymakers and journalists are questioning how some families are surviving and what the proper public response should be (e.g., Children’s Defense Fund, 2003; DeParle, 2009). Several state and national studies indicate that, even before the economic downturn, the proportion of “disconnected” families, living without earnings from formal employment and without cash welfare, was growing (Acs & Loprest, 2004; Blank, 2007; Brock et al., 2002; Fletcher, Winter, & Shih, 2008; Loprest, 2003; Turner, Danziger, & Seefeldt, 2006; Wood & Rangarajan, 2003). Many of these studies also show that most disconnected families formerly

received cash assistance and face more barriers to employment than recipient and working families. Thus, Blank (2007) suggested that the current TANF program is “not intensive or flexible enough to meet the needs of women with multiple disadvantages who find it difficult to get and keep full-time employment” (p. 183).

This study utilizes data from one of the nation’s largest and longest running studies of state TANF leavers to address important questions concerning families who, as or after they leave welfare, experience one or more years without work or welfare. We focus on the postwelfare lives of lost or chronically disconnected leavers who remain without employment and without a return to cash assistance for at least 5 years. Are these lost leavers experiencing situations similar to the disconnected families more widely studied? An exploratory cluster analysis identifies subgroups within this population, and caseworker narratives are used to illustrate the circumstances of families in each of the subgroups. Findings provide important information about the outcomes of former TANF customers and offer insight into how new or existing services might be targeted to provide extra support for families most in need.

### ***How Many Families Are Disconnected From Work and Welfare?***

Recent studies providing estimates of the disconnected population vary widely in their base population, whether single mothers or former welfare recipients, in the length of time they consider disconnection and in their definition of disconnection. Despite these differences, the estimates consistently indicate that one tenth to one fourth of former welfare recipients were without work and without cash assistance at a particular point (Acs & Loprest, 2004; Brock et al., 2002; Loprest, 2003; Wood, Moore, & Rangarajan, 2008). Blank (2007) used a broader definition, low-income single mothers, and found that one fifth reported no earnings from work and no cash assistance in the previous year. Evidence also indicates that the proportion of disconnected families is growing. Data from both the NSAF and Cuyahoga County, Ohio, show increases from the late 1990s to 2001 (Brock et al., 2002; Loprest, 2003). In our study state, Maryland, the percentage of disconnected leavers (those without formal employment and without TANF) almost doubled from about one fifth (22.2%) in the first follow-up year to two fifths (39.1%) in year 11 (Born, Owwigho, Kolupanowich, & Patterson, 2009).

Just as welfare receipt and employment tend to be dynamic among low-income populations, being disconnected from both sources of support also varies over time. For example, data from five waves of the Women's Employment Survey indicate that at any given point 18.1% of women are without work and TANF. However, only about half of those are chronically disconnected, defined as being without work and welfare for at least 20 of the 79 study months (Turner et al., 2006). Similarly, Wood & Rangarajan (2003) reported that only 5% of former New Jersey welfare recipients who experienced a spell of disconnection remained so for a year or more. Qualitative studies also reveal a great deal of variability in families' economic circumstances over time (Fletcher et al., 2008).

### Are the Disconnected More Disadvantaged?

Several studies focused on the characteristics of disconnected families and why they are not connected to the formal labor market or cash assistance. In general, these families are more likely to have health and mental health problems, have limited work experience, and lack a high school diploma and marketable skills (Acs & Loprest, 2004; Loprest, 2003; Wood & Rangarajan, 2003). Similarly, a study of chronically disconnected welfare leavers without other income found that they had more barriers, lower education levels, and fewer work skills, and they were more likely to have a physical limitation, alcohol dependence, or illicit drug use (Turner et al., 2006). When asked why they were not working, disconnected mothers gave a variety of reasons. One third indicated that they needed to take care of their homes and families, and an additional one quarter stated that they were in poor health themselves (Acs & Loprest, 2004).

Empirical data addressing how disconnected leavers are supporting themselves and how they are faring provide an unclear picture. A significant minority have gone on to the Supplemental Security Income (SSI) rolls or have children who are receiving SSI benefits (Acs & Loprest, 2004; Wood & Rangarajan, 2003). A majority continue to receive Supplemental Nutrition Assistance Program (SNAP; formerly food stamps) benefits (Turner et al., 2006), and some likely have housing assistance also. However, only a minority, less than one fourth, receive child support (Wood & Rangarajan, 2003). Income from other household members may be another source of support. Blank (2007) estimated that about half of disconnected, low-income single mothers live with another adult, either a parent or an unrelated male. Besharov (2002) contended that an increase in the extent to which single mothers cohabit with male partners and other adults explains much of the increase in the number of disconnected families. If these living arrangements improve families' financial circumstances, then their being disconnected is not necessarily bad. However, as Blank (2007) pointed out, the other adults in these households may not always be able to contribute to the household, and many women live with others who need care because of a health problem or disability.

Ethnographic studies reveal that many low-income mothers, both welfare recipients and nonrecipients, are involved in the secondary economy and find creative ways to make money to support their families. In Cleaveland's (2007) study of 29 Philadelphia women, "under the table" employment such as delivering pizzas, cleaning, styling hair, and making and selling pillows were just some of the ways women found to generate additional income. Even with these other income sources, however, the women typically remained at the low end of the income scale. Edin and Lein's (1997) classic study revealed that single mothers combine income from a variety of sources, including

work, men, other family, and welfare, to support their families. Other researchers have also found similar strategies of income packaging (Brown & Lichter, 2004; Miranne, 1998). Examining specifically the lives of working families, Iverson and Armstrong (2006) found that those in the formal economy were also struggling to make ends meet.

The data on how much income disconnected families actually have, relative to their "connected" peers, is quite mixed. In a national sample, Blank (2007) found that the income of low-income single mothers averaged \$4,500 a year. As mentioned earlier, about half of these women resided with other adults, and their total household income was about 3 times greater than those who did not live with other adults. Miller (2002) found that the income of those not working at the time of their welfare exit was about the same as the income of those who left for work. Surprisingly, the disconnected leavers reported fewer material hardships, except for food insecurity (see also Loprest, 2003). In contrast, data from the NSAF indicate that former welfare recipients without work have much lower incomes than other leavers, even when the value of food stamp benefits is included (Acs & Loprest, 2004).

A likely explanation for these seemingly conflicting data is that there are really several subgroups within the disconnected population. In their sample of former welfare recipients who were now without work and without welfare, Wood and Rangarajan (2003) identified five distinct subgroups. One group consists of those who are disabled and have gone on SSI. Another group, which fares the best financially, is made up of those who are living with an employed spouse or partner. Two groups—those receiving unemployment insurance (UI) benefits and those who worked recently but have since lost a job—are the most likely to return to TANF within a few months. The fifth group is the least stable and the one about which most researchers and advocates have concerns. This group, which is estimated to include two fifths of nonworking leavers, lacks alternative sources of financial support, is the most disadvantaged in terms of education and work experience, and relies heavily on financial assistance from friends and relatives.

For policymakers and program managers, the current literature raises some concerns that the TANF program has weakened the safety net for low-income families. However, it also leaves open many questions about the ultimate size of the various subgroups within the disconnected population and their possible needs. The present study attempts to fill in some of the gaps in this literature.

## Method

### Sample

For this study, we use a subsample from Maryland's longitudinal study of welfare leavers. The larger study is based on a random 5% sample of all TANF cases that close each month (Ovwigbo, Saunders, Patterson, Kolupanowich, & Born, 2007). This study focuses on cases ( $n = 3,555$ ) that exited between October 1998 and September 2001 and did not return to assistance in the first month. Follow-up data for the first 5 years after the initial welfare exit, extending through September 2006, serve as the basis for classifying cases into one of three analytical groups. The first group consists of consistently connected leavers ( $n = 1,912$ ; 53.8%), defined as cases where the case head was employed and/or the family received TANF in all 5 follow-up years. The second group, sometimes disconnected leavers ( $n = 1,273$ ; 35.8%), is composed of cases that were without case head employment and without TANF during at least one of the follow-up years. Last, chronically disconnected leavers ( $n = 370$ ; 10.4%) were without case head employment and without TANF in all 5 follow-up years.

### 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 were obtained from the Maryland Automated Benefits System (MABS) and are supplemented with data from the states that border Maryland.

**CARES.** The welfare case management system provides individual and case level program participation data for cash assistance, food stamps, medical assistance, and child support. Demographic data are provided, 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. Administrative data on SSI were available only for November 2007 and provide a snapshot of an individual's SSI status in that month. In addition, caseworkers can also access a freeform space in the system in which they can narrate their interactions with case members. Although some case aspects must be documented in the case narrative (e.g., verifications requested), caseworkers are free to enter any information they feel is relevant. Narratives are a rich source of information about family circumstances and challenges (Ovwigbo, 2001; Ovwigbo, Saunders, & Born, 2008).

Coding of the case narratives focused on how chronically disconnected families were supporting themselves during the follow-up period. If there was a note about some life event, such as moving out of state, that would explain why there was no record of the client in the employment or TANF data. Two coders were given a standard set of instructions describing the dimensions on which they should code. They were also permitted to add to these categories if they came across factors that explained how families were supporting themselves which were not already covered. A pretest was conducted in which the coders manually coded the same set of five narratives and came to a consensus on their ratings. For coding, the 370 narratives were separated into smaller sets with 10 cases in each set overlapping cases in another set. This produced a total quality control set of 109 cases. Each set was coded by one of two coders. The like cases in the quality control sets were compared, and if a discrepancy was found by the quality control checker, the narrative was reread and the first author then made the decision about how to code the case. A coder agreement rate was calculated as (number of comparisons – number of discrepancies) / (number of comparisons). The overall agreement rate between the two coders was 97.0%.

**MABS.** Employment and earnings data were obtained from the study state's UI data system and are supplemented with limited UI-covered employment data from the states that border Maryland. These data include all employers covered by the state's UI law (approximately 93% of Maryland jobs). Independent contractors, salespeople on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees, and self-employed persons who do not employ paid individuals are not covered. Data on UI-covered employment in the states that border Maryland were used to supplement the MABS data. These data became available in 2003 and are not available for all exiting cohorts. Although the inclusion of these data provides a more comprehensive picture of leavers' postexit employment, readers are reminded that our lack of data on federal civilian and military employment depress our employment findings to an unknown extent.

### Analyses

Descriptive and bivariate statistics were used to compare the three analytical groups in terms of their demographic characteristics and welfare and employment histories. Consistent with the exploratory nature of this study, cluster analysis was used to distinguish subgroups of chronically disconnected leavers. Also referred to as segmentation analysis or taxonomy analysis, cluster analysis identifies homogeneous subgroups within a population based on the natural patterns occurring in the data. Two-step clustering was conducted using SPSS<sup>®</sup> 15. The cluster analysis was based on five categorical variables and five continuous variables, which represent important characteristics from a program perspective (e.g., jurisdiction and case type) or factors that would explain why the family was chronically disconnected from Maryland UI-covered employment and TANF. Our choice of variables was limited by the data available. Although the inclusion of characteristics such as the former case heads' educational level, health, and mental health problems would have been ideal, these types of data are limited and often unreliable in the administrative systems. The categorical variables used were jurisdiction (Baltimore City vs. other); case type (child only vs. nonchild only); and whether or not they received SSI, housing, or food stamps assistance. The continuous variables were number of children, age of youngest child, UI earnings in 2 years before exit, total earnings of other adults, and total child support received. The latter two variables included the total earned or received across the entire 5-year follow-up period and those earning or receiving nothing in the calculation of the mean value. Case vignettes extracted from case narratives are used to illustrate the circumstances of these subgroups.<sup>1</sup>

### Findings: Differences Among Analytical Groups

The demographic characteristics of the three analytical groups, as well as the total sample, are shown in Table 1. Statistically significant differences exist among the groups on all variables examined, although many are small and may not have practical significance. The largest differences exist when comparing chronically disconnected leavers to consistently connected leavers, with the sometimes disconnected often falling in the middle.

Chronically disconnected leavers are disproportionately child only cases (43.0%), in which the adult caregiver was not included in the TANF grant, and they are headed by an adult who is significantly older (42.9 years) and more likely to have been married (13.8%) compared to members in the other analytical groups. These families exited from a welfare spell that had lasted about twice as long as other leavers' (27.37 months compared to 14.03 and 14.28 months), although their lifetime welfare histories were similar. In terms of past connection to employment, fewer chronically disconnected leavers worked in Maryland UI-covered jobs. About a third (36.3%) of chronically disconnected leavers worked at any point in the eight quarters preceding spell entry, and a little more than one fourth (28.1%) did so in the 2 years preceding their welfare exit. Finally, leavers who experienced a chronic disconnection from employment and TANF likely exited welfare because they were no longer eligible for TANF, they requested closure, their income was above the TANF eligibility limit, or they did not reapply for benefits.

<sup>1</sup> Some of the details of the narrative text have been changed to protect the confidentiality of the sample members.

**TABLE 1.** Demographic Characteristics of Welfare Leavers

Characteristics	Consistently connected (n = 1,912)	Sometimes disconnected (n = 1,273)	Chronically disconnected (n = 370)	Total (N = 3,555)
Payee's gender (% female) ***	96.5	94.8	91.0	95.3
Payee's race (%) ***				
African American	82.1	70.2	62.5	75.8
Caucasian	16.8	27.2	33.2	22.3
Other	1.1	2.6	4.2	2.0
Payee's age ***				
M (SD)	30.43 (8.98)	34.12 (10.58)	42.90 (13.53)	33.05 (10.80)
Marital status (%) ***				
Married	4.9	9.0	13.8	7.3
Never married	77.2	65.6	50.0	70.2
Divorced/separated/widowed	14.0	19.6	31.6	17.9
Assistance unit size (%)				
M (SD) ***	2.68 (1.17)	2.60 (1.22)	2.15 (1.19)	2.60 (1.20)
Child only cases ***	10.9	16.0	43.0	16.1
Number of children				
M (SD) **	1.77 (1.07)	1.73 (1.08)	1.54 (0.96)	1.73 (1.06)
Age of Youngest Child (%)				
M (SD) ***	4.97 (4.40)	6.19 (4.99)	7.71 (5.23)	5.68 (4.78)
Households child under 3 ***	46.3	36.5	24.2	40.6
Households youngest child 17+ ***	0.9	2.1	4.3	1.7
Baltimore City	54.7	46.8	46.8	51.1
Length of exiting spell ***				
M (SD) ***	14.03 (22.60)	14.28 (22.24)	27.37 (43.81)	15.51 (25.83)
Median	7.76	7.36	10.65	7.92
TANF receipt in 5 yrs prior to exit *				
M (SD)	30.92 (18.92)	30.62 (19.55)	30.98 (20.38)	30.82 (19.30)
Median	30.00	29.00	30.00	30.00
Employment (%)				
8 quarters before spell entry ***	81.3	62.3	36.3	69.9
8 quarters before spell exit ***	86.2	62.7	28.1	71.7
Case closure reasons (%)				
Income above limit	34.9	20.9	17.6	28.1
Did not reapply	19.2	22.2	18.6	20.2
Eligibility information not provided	17.9	16.7	11.1	16.7
Work sanction	12.2	15.7	9.2	13.2
Requested closure	4.7	7.2	14.3	6.6
Not eligible	4.2	8.2	17.3	7.0

Note. Due to missing data for some variables, counts may not sum the total number of cases. Valid percentages are reported. \*  $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ .

### Findings: Chronically Lost Leavers

Data from multiple administrative data systems were combined and used in the cluster analysis to identify subgroups of chronically disconnected families and to try to piece together what happened to them after their welfare exit. Other sources of income available to the family, including employment among other adults in the household, receipt of SSI, and receipt of child support, were considered, as well as families' receipt of benefits from other means-tested programs such as housing assistance, food stamps, medical assistance, and emergency assistance.<sup>2</sup> Administrative data sources provide information on receipt of other means-tested benefits but do not capture all of the possible family scenarios for exiting welfare. Thus, case narratives are

<sup>2</sup> Because our focus is on examining the income sources and noncash supports available to families during the follow up period, we excluded 24 cases where the former case head died during the follow up period.

used to investigate other types of support and other reasons behind the welfare exit. For example, families could have moved out of state, former case heads could have become self-employed, or the children living with grandparents could have returned to their parents. The analysis of the narratives focused specifically on identifying any sources of unreported income that the family had, family composition changes, and moves.

Case narratives included two types of income-related notes. First, in two out of five (39.7%) cases, the narratives included mention of some type of additional source of income. Most often this additional income came from friends and family members who helped with specific family expenses such as rent, mortgage payments, or car payments. Second, self-employment income from activities such as babysitting or cleaning houses was recorded for 9.3% of chronically disconnected leavers.

Changes related to the family's residence or composition may also explain why they were disconnected from UI-covered employment

and Maryland's TANF rolls. A little more than one tenth of cases (11.6%) moved out of Maryland, oftentimes to return to a state in which they had previously lived. We also found that about one third (32.2%) of chronically disconnected leavers had a child move out of the household. This could have happened for a variety of reasons, including the child turning 18 and moving out on his or her own, the child going to live with another relative, or, in the case of child-only cases, the child returning to his or her parent(s).

Also notable is the amount of time, in months, from exit date to the last narrative entry. The vast majority (84.1%) of chronically disconnected leavers had at least one narrative entry after their welfare exit. On average, the last narrative entry was made about four years (mean = 48.10 months) after exit, indicating that most families had remained in contact with the welfare agency and had done so for a significant amount of the time they were "disconnected."

### Subgroups of Lost Leavers

The statistical technique of cluster analysis was used to identify subgroups within our sample of chronically disconnected leavers. Our analysis revealed six clusters of cases, each with unique characteristics. The first cluster is composed of child-only cases that received SSI benefits. The second cluster consists of mostly county residents who had relatively high previous earnings and a high rate of outside earnings. The third cluster also consists of child-only cases, but unlike Cluster 1 these cases did not receive SSI benefits. Members of the fourth cluster all received housing assistance. The final two clusters are traditional cases, in which at least one adult, usually a single mother, and at least one child were recipients of the grant. Cluster 5 consists of Baltimore City residents, and Cluster 6 consists of county residents. The clusters are displayed in Table 2. In order to assess the validity of the subgroups, we include descriptive data for several additional variables that were not used in defining the clusters. Case vignettes, extrapolated from the CARES narratives, are used to illustrate each cluster.

**Cluster 1: Child-only/SSI.** The first cluster accounts for one in five of all of chronically disconnected leavers. The defining characteristic of this cluster is that all cases received SSI benefits. Most cases in this cluster are child-only (68.9%) cases from Baltimore City (67.6%). During the follow-up period, more than three out of five (62.6%) families in this cluster received food stamp benefits. And, in two fifths of these cases (39.7%), the narratives indicated that a child left the household at or after the TANF case closure. The following are case vignettes describing three typical cases in Cluster 1:

Ms. A originally applied for TANF for herself and one child. She claims that she is disabled, but is still trying to work. She receives assistance off and on for about 4 years. Her pending SSI is eventually approved.

Ms. B applies for TANF for her grandson. She does not apply for herself because she receives SSI. When the grandson's mother moves into the household with her other child, the grandson is removed from Ms. B's TANF case. He is added to his mother's case. Customer's TANF case then closes, but she continues to receive food stamps and medical assistance.

Ms. C receives SSI for herself and TANF and food stamps for her two children. She received benefits for about a year before her TANF case was closed for failure to reapply. (A few years later the narrative noted that she had moved to another state.)

**Cluster 2: County resident/high earner.** Our second cluster (13.0% of chronically disconnected leavers) are mostly from the counties (87.5%) and mostly traditional (89.6%) welfare cases. This cluster was primarily defined by their pre-exit earnings. These cases had by far the highest earnings, receiving more than \$10,000 more from UI-covered employment in the 2 years before exit than cases in the other clusters ( $M = \$12,217.88$ ). The amount of earnings for other adults was also high ( $M = \$20,841.66$ ), over \$5,000 more than the next highest cluster. Other notable characteristics of Cluster 2 cases are that they have a high rate of having additional income (56.5%) noted in the narrative and of moving out of state (21.7%).

Mrs. D applies for TANF for her infant niece, whose parents are incarcerated. She receives benefits for approximately 4 years. The TANF case closes when Mrs. D requests closure because she and her husband have adopted their niece. The family has income from Mr. D's job and from Mrs. D's child care business.

Ms. E moves from North Carolina to Maryland with her three children and applies for TANF for her family of four. She initially lives with her aunt. Later she is residing at a hotel and working with a services worker to deal with family crises. She receives benefits for several months before her case is closed because she did not return information needed to maintain her eligibility. Agency mail sent to her address is returned.

Ms. F, a pregnant refugee moving to Maryland from Maine, applies for food stamps and TANF for herself. She receives assistance for approximately 10 months before her case is closed because of a work sanction. After a year, the customer reapplies for TANF, but is denied when she doesn't come in for her face-to-face interview.

**Cluster 3: Child-only/non-SSI.** Table 2 also shows the third and largest cluster (24.4% of chronically disconnected leavers), all of which are child-only cases that do not receive SSI. "Requested closure" was the top closing code for this cluster, accounting for 30.0% of chronically disconnected leavers in this category. Also, the narratives revealed that in at least two fifths (39.7%) of Cluster 3 cases, a child left the household right before or after the TANF case closed.

Ms. G receives TANF for her teenage grandchild for approximately 4 years. She has income of her own of approximately \$800 per month. She requests that her TANF case be closed. She continues to receive medical assistance for her grandchild.

Ms. H receives TANF for one grandchild. The child's mother is in drug rehab and the father is living elsewhere. After about 2 years of assistance, she requests that her case be closed because her grandchild is no longer living with her.

Ms. I is a caretaker relative who applies for TANF for her nephew who has come from Texas to live with her. The child's mother is unable to care for him because of her drug abuse and criminal involvement. Ms. I received benefits for her nephew for approximately 18 months before the case was closed because she failed to cooperate with child support enforcement.

**Cluster 4: Housing assistance.** Cluster 4 turned out to be the smallest cluster (9.5% of chronically disconnected leavers). Families in this cluster resided primarily in Baltimore City (62.9%), and most were traditional (65.7%) cases. These cases were characterized by low historical UI earnings (\$724.82 average in the 2 years before exit) and fairly high earnings from other adults ( $M = \$15,461.96$ ). According to the quantitative data, none of these chronically disconnected leavers received SSI, but all of them received housing assistance. Three out of every five (60.0%) participated in the food stamps program during the follow-up period. Notably, the case narratives indicate that within this cluster, it was fairly common to have received SSI in the past (46.7%), have a child move out of the home (46.7%), and have a source of additional income (40.0%). The top two closing codes were “not eligible” and “no recertification/no redetermination,” accounting for almost half of Cluster 4 cases.

Mrs. J initially applies for food stamps for herself, her spouse, and two children. She initially has a monthly income from an

insurance claim. When her spouse moves back to New Jersey to look for work, Mrs. J and her children begin receiving TANF. After about 18 months on the welfare rolls, she gives birth to her third child and returns to New Jersey with her family.

Ms. K has one minor child and had recently moved from Arkansas to Maryland. She claims disability but never turns in a medical form for herself. The agency suspects that the customer is involved in fraud. Her TANF case closes after about 6 years of on and off assistance with a work sanction. Her food stamps case is closed shortly after that as well for failure to cooperate with a fraud examination.

Ms. L is a caretaker relative who receives benefits herself and for a revolving group of one to three grandchildren. According to the narrative, she is in receipt of SSI benefits, as is one of the grandchildren. Her case closes after about 6 months of receipt, because there are no longer any dependent children on the case.

**Cluster 5: Baltimore City traditional.** Cases in the fifth cluster (14.6% of chronically disconnected leavers) were all traditional cases from Baltimore City. Although they had the second highest average historical UI earnings, that average was fairly low at \$1,530.11 for the 2 years before exit. Income from another working adult was fairly uncommon in this group, as was child support. Like some of the other clusters, none of the Cluster 5 cases received SSI or housing assistance, and about three out of five (59.3%) participated in the food stamps program. Case narratives noted the presence of a source of additional income for a little more than two fifths (44.0%) of chronically disconnected leavers in this group.

Ms. M receives TANF for herself and her one child. After about 7 months on the rolls, she takes a job as a home health care worker for her housemate and becomes overscale for cash assistance.

Ms. N applies for TANF for herself. She is pregnant as a result of a rape and has recently relocated from Pennsylvania to Maryland. She stays with her grandmother in a senior home while her social worker tries to help her find another place to live. She receives TANF and food stamps for herself and her baby for about a year before her cases are closed because she does not reapply. A narrative notation approximately a year later suggests that an agency in another state has requested verification that Ms. N’s cases are closed, perhaps because she has applied for benefits in that state.

Ms. O, suffering from drug addiction, receives TANF for herself and one son. She also receives financial help from her father. After several years of receipt, her son turns 18 and graduates from high school, so the TANF case closes.

**Cluster 6: County traditional.** Our last cluster consists of cases ( $n = 68$ , 18.4% of chronically disconnected leavers) that are from Maryland’s 23 counties and are mostly traditional cases (98.5%). They did not make much in historical UI earnings on average and had the lowest average amount of earnings from other adults in the household (\$2,148.67). What sets this cluster apart is that these cases received, on average, almost \$3,000 more than other clusters in child support (\$5,350.35). Also of note is that all of the leavers in this cluster were recipients of food stamps. The top closing code for this cluster was “income above limit,” accounting for more than one third (36.8%) of the cases.

Ms. P initially receives TANF for her child and SSI for herself. She eventually marries, and her husband is added to the TANF case. Her husband has health problems as well, although he works part time as an artist. After about 4 years of TANF receipt, Ms. P’s case closes because of a work sanction. Shortly after that, the agency receives notice that her SSI has ended as well. Two years later Ms. P applies for medical assistance for her child, but is not eligible because she now resides in West Virginia.

Ms. Q initially applies for TANF for herself and her newborn right before her 18th birthday. She dropped out of high school in ninth grade and was living with her mother. She receives TANF for about 2 years. During that time she is sanctioned multiple times for noncompliance with work requirements. At the time of the last closing because of a work sanction, Ms. Q is receiving sporadic

child support from the father of her first child. She is living with the father of her second child and depending on his salary; they are on and off the food stamps and medical assistance rolls.

Ms. R receives TANF for her two children. Her parents sometimes help with her expenses. After about two and a half years on the rolls, her income from SSI and child support put her family overscale and her TANF case closes.

### Implications for Practice

The current research sought to add to our understanding of welfare recipients who become disconnected from both employment and TANF upon their exit from the welfare rolls. By combining data from multiple sources, we were able to uncover a complex, and more complete, picture of this phenomenon. During the first 5 years after TANF case closure, the majority (53.8%) of welfare leavers remained consistently connected (to either welfare or work or both). About one third of clients (35.8%) were disconnected at least once from both sources of income, and one in 10 (10.0%) was chronically disconnected. Our comparison of the analytical groups suggests several possible risk factors for long-term disconnection. Chronically disconnected leavers were significantly more likely to be child-only cases, to be exiting from a long welfare spell, to include an older child, and to be headed by an adult who is not of a minority race and who is older than her counterparts. Although the chronically disconnected leavers had no income from work or welfare for at least the first 5 postexit years, data show that many received at least some cash or noncash support from other sources.

Before considering the implications of our findings, it is important to point out the limitations of our study. Our data sources in this study were primarily Maryland administrative data, with some UI data from the states that border Maryland. These data did not indicate the number of disconnected families who were not actually disconnected but appeared so because they moved away from Maryland. The administrative case closing reasons and CARES narratives made note of some, but certainly not all, of these moves. Our employment data also undercounted the extent of employment and earnings among our sample because we did not have data on federal civilian and military jobs and our data on jobs outside of Maryland were limited. However, this omission in employment data is likely less applicable to our population of interest than our lack of knowledge of participation in the informal economy and “off the books” employment, such as hairstyling and babysitting. Further qualitative studies can shed more light on these issues. Most importantly, our findings must be considered in the context of Maryland state policy. Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), states had the discretion to make a variety of important policy choices, and thus our findings are specific to the policy choices extant in the study state. Similar state studies are needed to further understanding of welfare leavers who leave TANF and are not employed.

These limitations notwithstanding, the present study provides one of the most comprehensive state-level pictures of lost TANF leavers. Findings show that families may be disconnected for a variety of reasons: some are cause for concern, and others are not. The cluster analysis uncovered six distinct subgroups based on data patterns, revealing that rather than looking at the population of disconnected former recipients as a whole, it would be of greater programmatic and

**TABLE 2.** Cluster Analysis of Chronically Disconnected Leavers ( $N = 370$ )

Characteristics	Cluster 1 ( $n = 74$ )	Cluster 2 ( $n = 48$ )	Cluster 3 ( $n = 90$ )	Cluster 4 ( $n = 35$ )	Cluster 5 ( $n = 54$ )	Cluster 6 ( $n = 68$ )
	Child-only/ SSI	County high earner	Child-only/ Non-SSI	Housing assistance	Baltimore City traditional	County traditional
Baltimore City (%)	67.6	12.5	45.6	62.9	100.0	0.0
Child only case type (%)	68.9	10.4	100.0	34.3	0.0	1.5
Months of TANF receipt in 5 years before exit (mean)	18.21	13.25	11.47	26.69	25.87	20.31
Number of children (mean)	1.36	1.69	1.32	1.74	1.48	1.90
Age of youngest child (mean)	10.91	8.02	10.39	8.82	6.07	6.17
UI-earnings 2 years before exit (mean) <sup>a</sup>	\$322.16	\$12,217.88	\$844.76	\$724.82	\$1,530.11	\$1,113.68
Total earnings of other adult (mean)	\$14,357.20	\$20,841.66	\$2,573.79	\$15,461.96	\$3,426.70	\$2,148.67
Total child support received (mean)	\$2,723.07	\$1,976.61	\$684.86	\$1,887.25	\$1,217.91	\$5,350.35
SSI income (%)	100.0	0.0	0.0	0.0	0.0	33.8
Housing assistance (%)	27.0	0.0	0.0	100.0	0.0	26.5
Food stamps (%)	62.2	20.8	24.4	60.0	59.3	100.0
Top closing codes (%)						
Not eligible	27.0	8.30	20.0	22.9	14.8	8.8
No recertification/ No redetermination	20.3	14.6	25.6	22.9	20.4	7.4
Income above limit	13.5	16.7	10.0	11.4	16.7	36.8
Eligibility/ verification info not provided	9.5	18.8	8.9	8.6	11.1	10.3
Requested closure	6.8	16.7	30.0	8.6	3.7	11.8
Work sanction	5.4	8.3	0.0	14.3	20.4	14.7
Residency	4.1	8.3	1.1	5.7	3.7	0.0
Marital status (%)						
Married	12.2	16.7	21.1	5.7	3.7	14.7
Never married	48.6	43.8	25.6	74.3	77.8	54.4
Other	36.5	37.5	44.4	17.1	14.8	26.5
Narrative variables (%)						
Social Security	16.4	4.3	28.2	23.3	6.0	16.4
Social Security death benefits	1.4	0.0	10.3	16.7	2.0	10.4
SSI	87.7	13.0	34.6	46.7	18.0	47.8
Retirement income	0.0	0.0	9.0	6.7	0.0	1.5
Unemployment benefits	4.1	4.3	1.3	0.0	4.0	6.0
Child support	23.3	19.6	7.7	16.7	14.0	44.8
Self-employment income	6.8	13.0	3.8	16.7	4.0	16.4
Additional income	26.0	56.5	21.8	40.0	44.0	61.2
Moved out of state	12.3	21.7	2.6	10.0	8.0	16.4
Child left the household	39.7	19.6	39.7	46.7	20.0	26.9
Lives with another household	8.2	23.9	5.1	3.3	24.0	19.4

Note. Column totals do not sum to 370 because 1 individual lacked a data element that excluded them being assigned to a particular cluster. <sup>a</sup> UI = unemployment insurance.

casework value to focus on the very distinct and separate clusters of such families that appear to make up this larger and poorly understood population. As the brief vignettes indicate, the characteristics of families in the six clusters are quite different, including household composition, place of residence, and sources and amount of income.

Our subgroups are similar to the five groups identified by Wood and Rangarajan (2003) in New Jersey, but because we included child-only cases in our analyses, differences are also evident. Like Wood and Rangarajan, we found that some of these subgroups have sources of support such as SSI or the earnings of other adults. A significant minority of Maryland's chronically disconnected leavers are child-only cases. Typically these families have other income sources, such as SSI, and have experienced household composition changes that eliminated the need and/or eligibility for TANF. Thus, our estimate of the proportion of lost leavers with some source of support is greater than Wood and Rangarajan. Although their incomes may not be high, they do at least have some source of financial support, which is in fact usually greater than the known income available to families who are still on the TANF rolls.

For other subgroups, the available data are more sobering. For example, families in Cluster 5 (15% of the chronically disconnected) have low historical earnings, low earnings of another adult in the household, no SSI receipt, and high rates of food stamp receipt. Although a significant minority have some type of other income noted in their CARES narratives, the source, amount, or reliability of that income is unclear. Moreover, members of this group have long histories of welfare dependence, have the highest rate of full family sanctioning, and are all located in Baltimore City. These vignettes illustrate that some are struggling, not only financially, but also in terms of various difficult familial and intergenerational issues (e.g., incarceration, addiction, disability, domestic violence). Although our estimate of the size of this subgroup is smaller than the "least stable" leavers (40% of the sample) of Wood & Rangarajan (2003), policymakers should be no less concerned and agency efforts should focus on identifying these families.

Because many of these families are still in contact with the welfare agency, there will likely be opportunities for caseworkers to assess if families are struggling and perhaps help them work toward stabilizing and improving their economic situations. The challenge, particularly in difficult economic times, is for the social services agency to devise ways to connect with and engage this higher-risk group through intensive case management so that appropriate assessments and needed services can be provided. The upcoming TANF reauthorization may present limited opportunities. Most critically, our results suggest that a broader definition of work activities and more extensive employment, education, and family services are needed. In particular, our study suggests that family services and stronger relationships with child welfare agencies may be beneficial in terms of providing support and assistance for these families.

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