

FAMILY WELFARE RESEARCH & TRAINING GROUP

LIFE AFTER WELFARE: *THE CHANGING WELFARE POPULATION IN MARYLAND*

CORRENE SAUNDERS, MPP
SARAH WILLIAMSON, MPP
LETITIA LOGAN, MPP
SUSAN ROLL, PH.D.

NOVEMBER 18, 2011

Presented at the 32nd Annual Welfare Advocates Conference
This research was funded by the Maryland Department of Human Resources



UNIVERSITY of MARYLAND
SCHOOL OF SOCIAL WORK

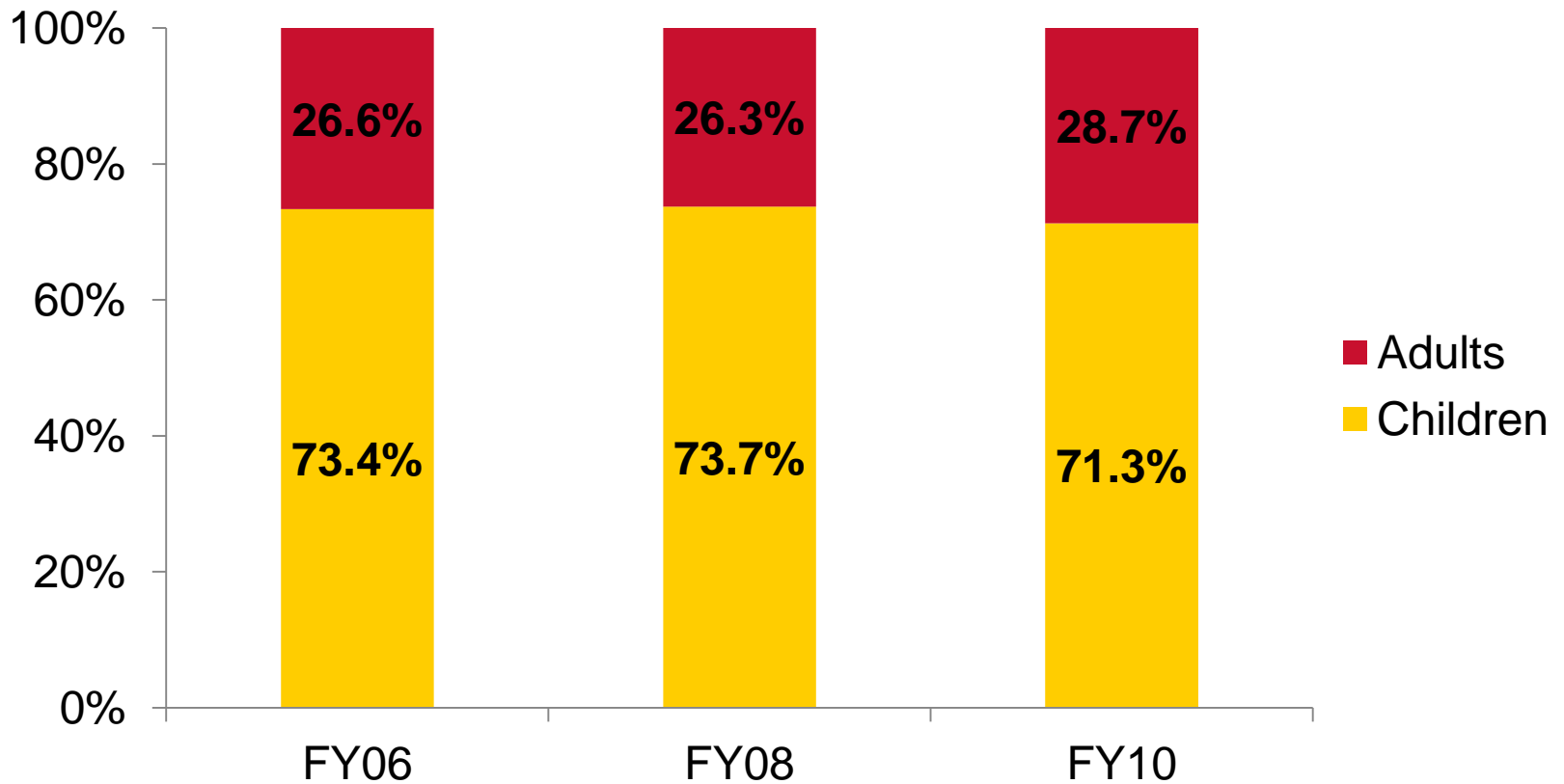
Family Welfare Research & Training Group
525 West Redwood Street, Baltimore, MD 21201
410-706-5134 • www.familywelfare.umaryland.edu

WHO WE ARE

- Family Welfare Research & Training Group, located at the University of Maryland School of Social Work
- Research Partnership with the Family Investment Administration for 30 years
- Led by Dr. Catherine Born, a founding member and long-time friend of Welfare Advocates

WHY WE CARE ABOUT TCA

Three-Fourths of Paid TCA Recipients are Children



CURRENT ISSUES IN TCA

- Slow recovery from the Great Recession
- Less-than desirable support from TCA for those who have fallen on hard times, as opposed to other benefits programs
- Mismatch between stringent TCA work participation requirements and current economic environment
- Changes in the TCA caseload

TODAY'S PRESENTATION

- How has the welfare population in Maryland changed since welfare reform (1996)?
 - Welfare leavers
 - Welfare recipients
 - Welfare applicants
- How do changes in the welfare population inform program implementation in the current economic context?

WELFARE LEAVERS IN THE CHANGING ECONOMY

Sarah Williamson, MPP

WHAT IS *LIFE AFTER WELFARE*?

- *Life after Welfare* (2011) examines the characteristics and outcomes of 15,818 families who exited welfare in Maryland since welfare reform.
 1. Who are welfare leavers?
 2. Why do they leave welfare?
 3. Do they go on to work after leaving in the short-term? How about the long-term?
 4. Who comes back to welfare?

CONTEXT OF THE 2011 REPORT

- **Great Recession and slow recovery**

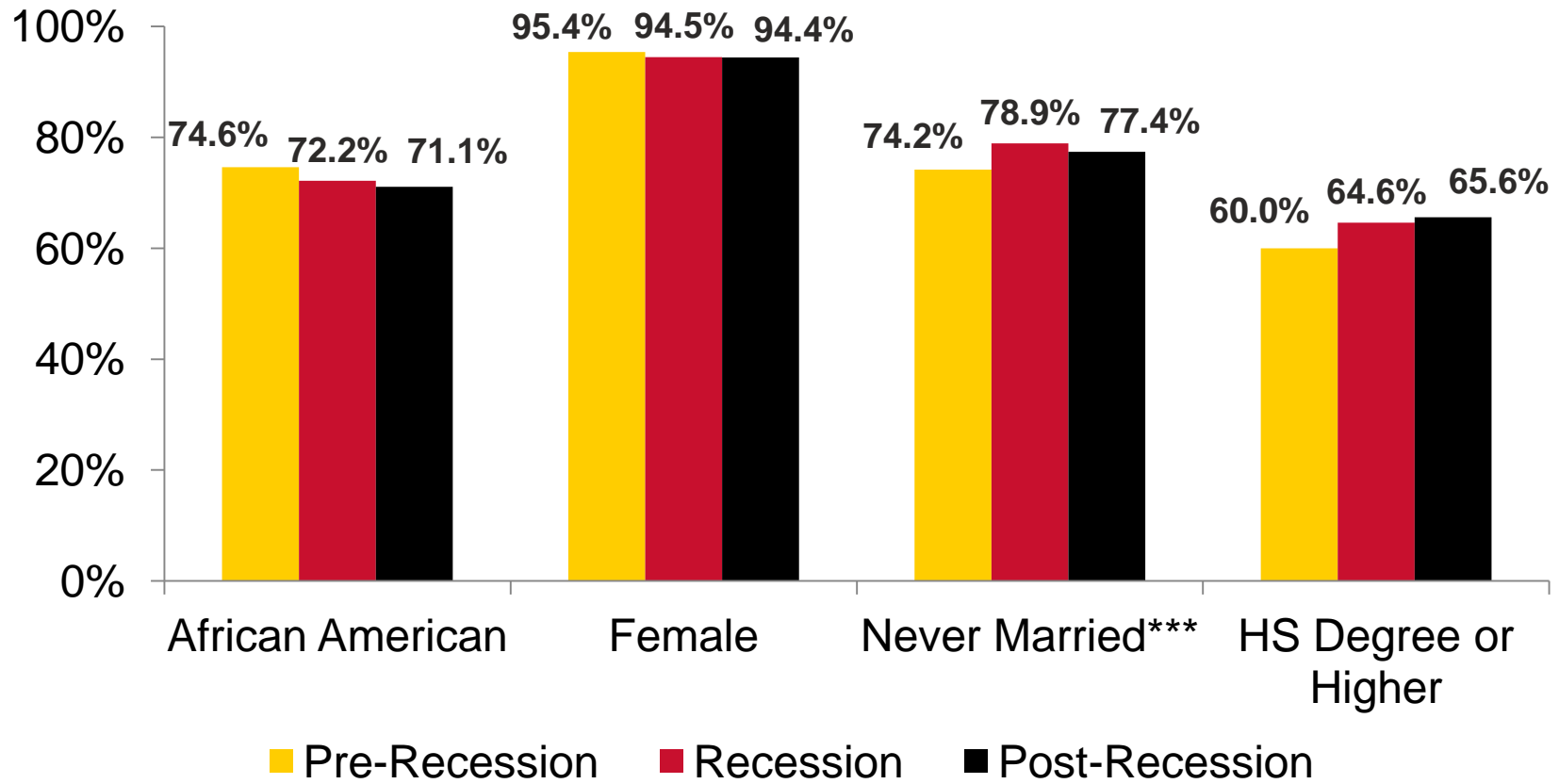
Welfare caseloads are a leading indicator of recession and a lagging indicator of recovery.

- **Data is presented in 3 groups:**

1. Pre-Recession	10/96 to 11/07	n=12,792
2. Recession	12/07 to 06/09	n=1,381
3. Post-Recession	07/09 to 03/11	n=1,645

PROFILE OF EXITING CASEHEAD HAS NOT CHANGED MUCH

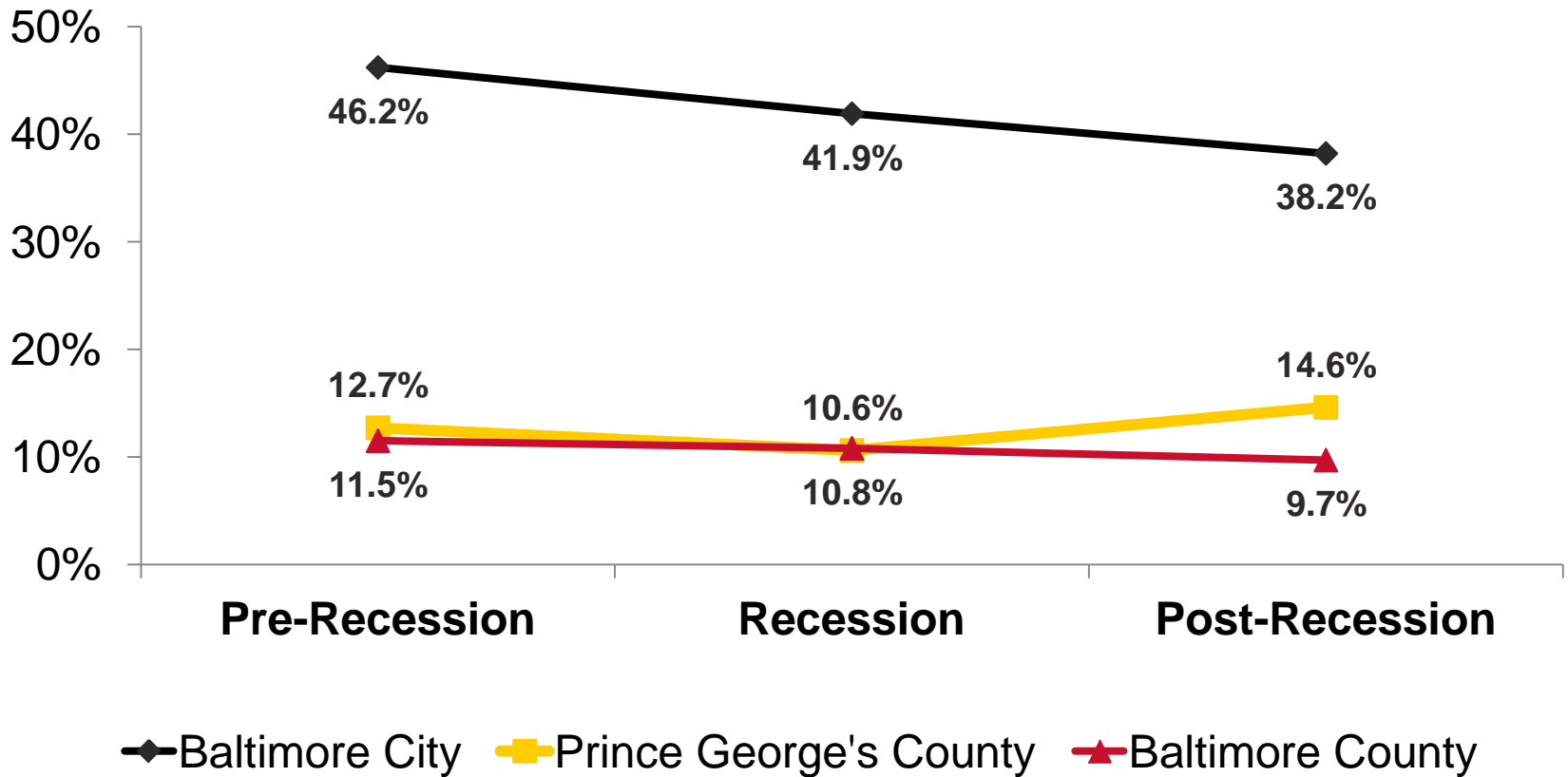
Characteristics of the Casehead



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

RESIDENCE HAS CHANGED SLIGHTLY

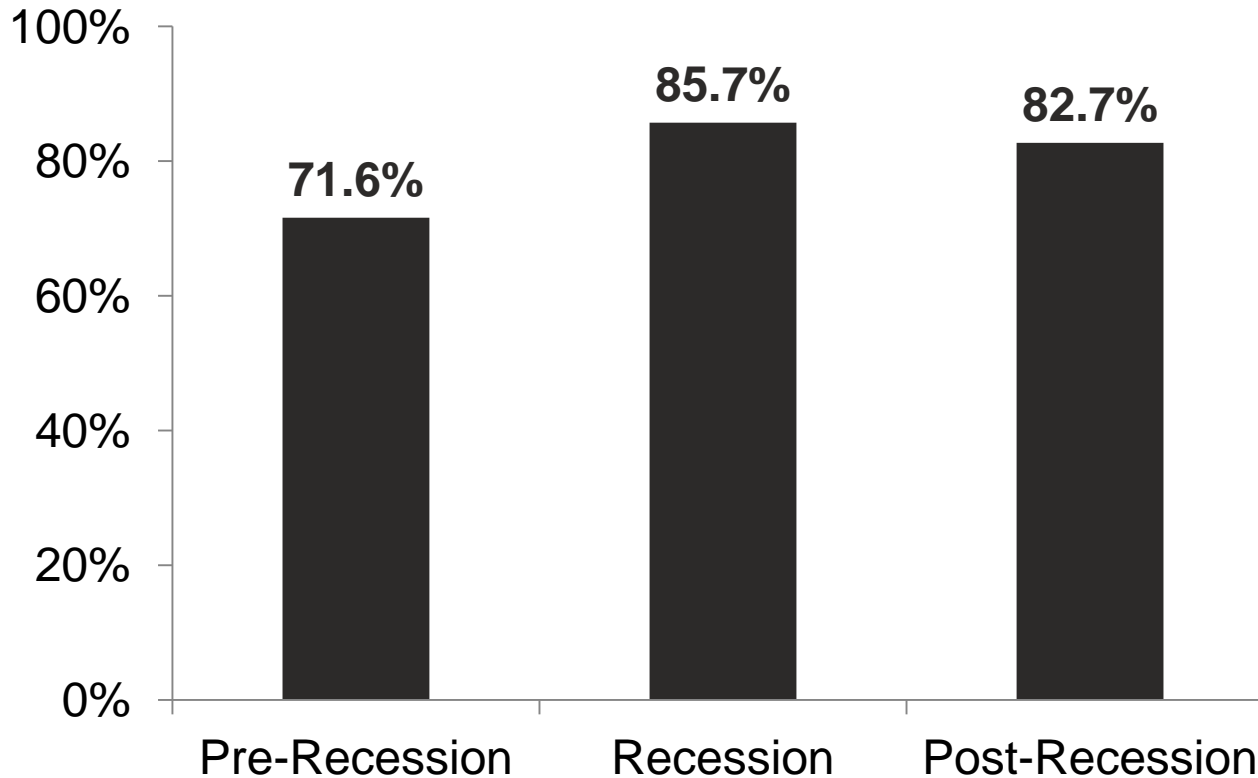
Percent of Exiting Families Residing in Three Major Jurisdictions***



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

FAMILIES LEAVE WELFARE AFTER SHORT SPELLS

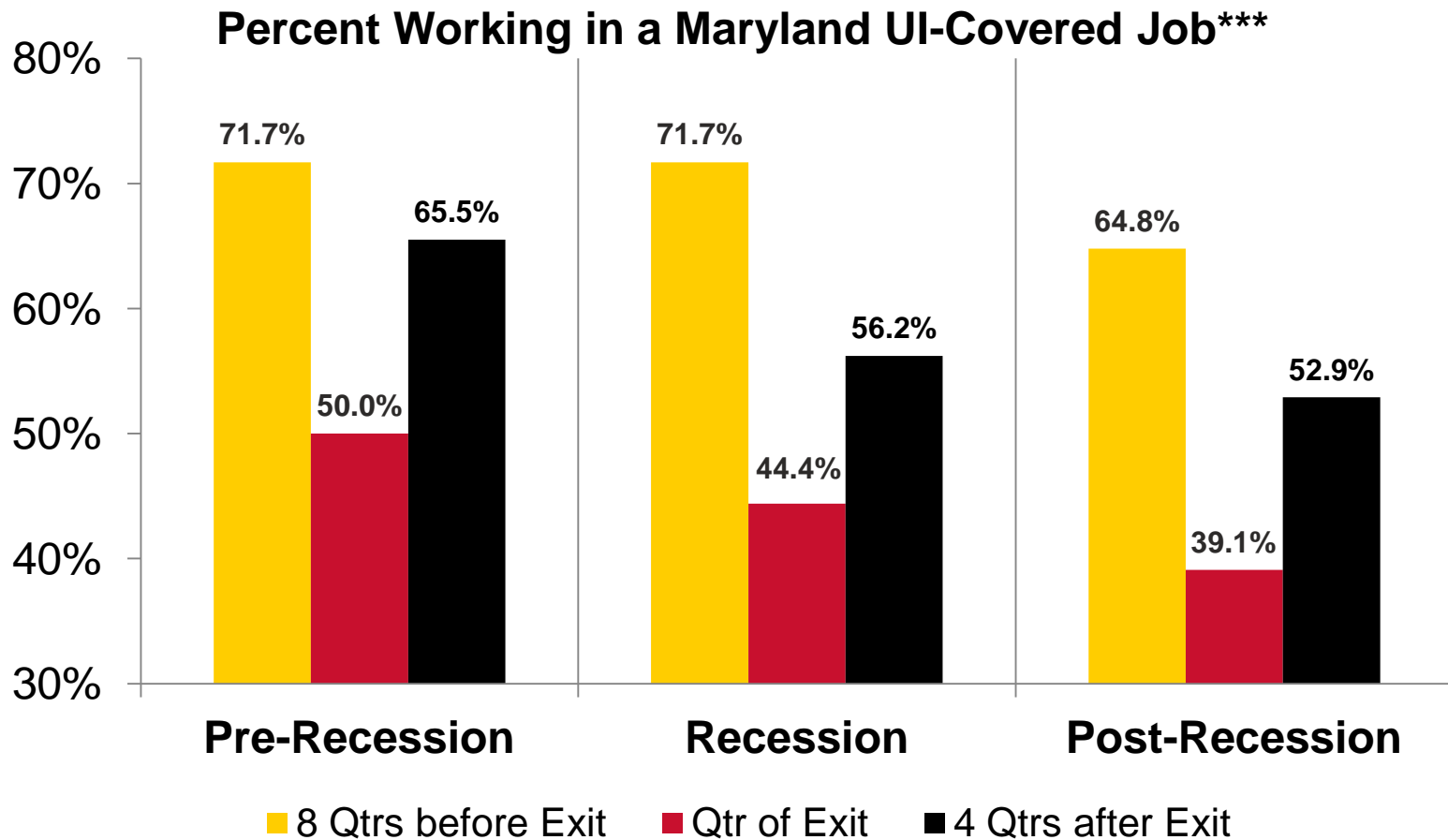
**Percent of Families with a TCA Exit Spell of
12 Months or Less*****



Also, most families received TCA for 2 years or less in the 5 years before exit.

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

RECESSION LOWERED EMPLOYMENT



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

FEWER ARE WORKING, BUT EARNINGS INCREASED OVER TIME

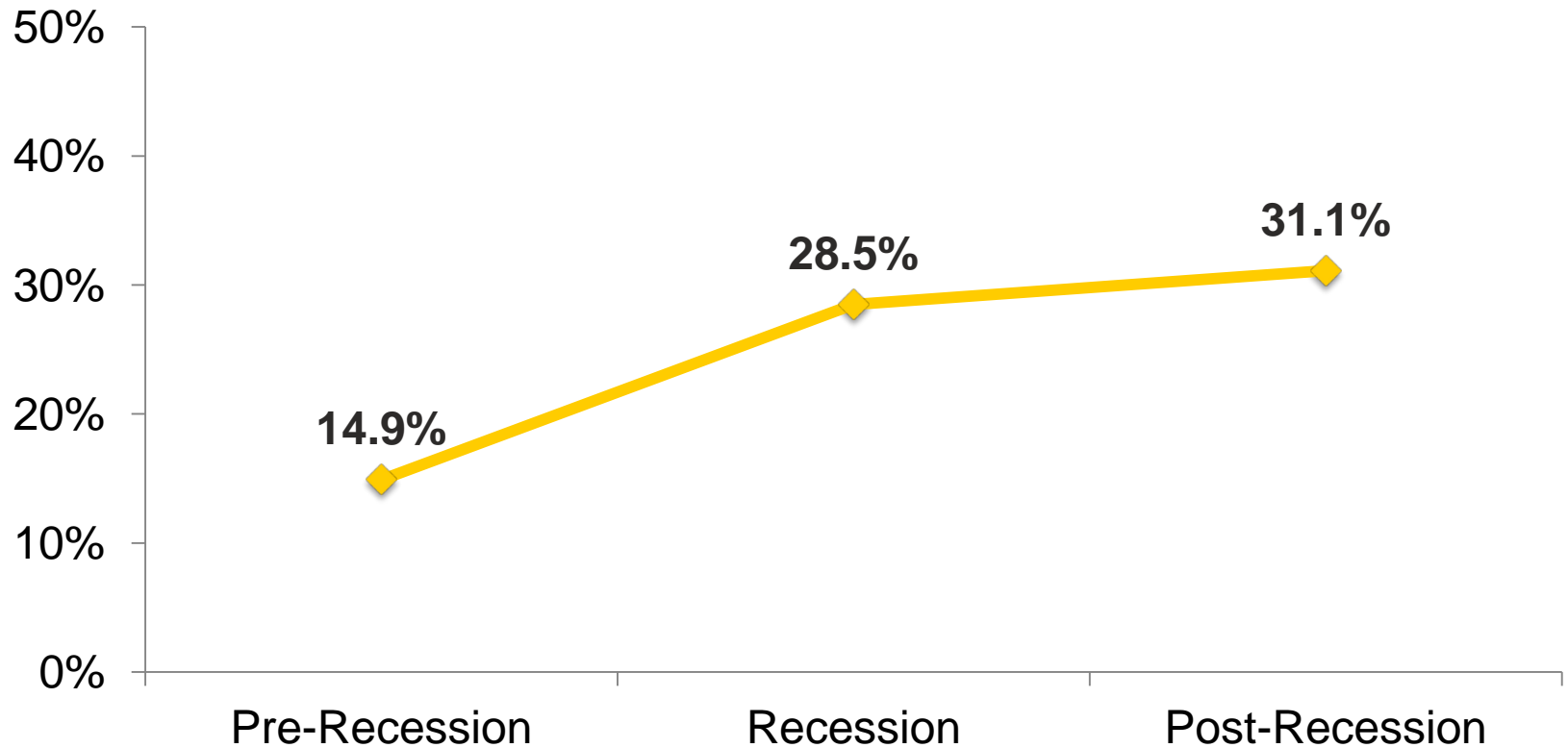
Average Quarterly Earnings for Employed Caseheads



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

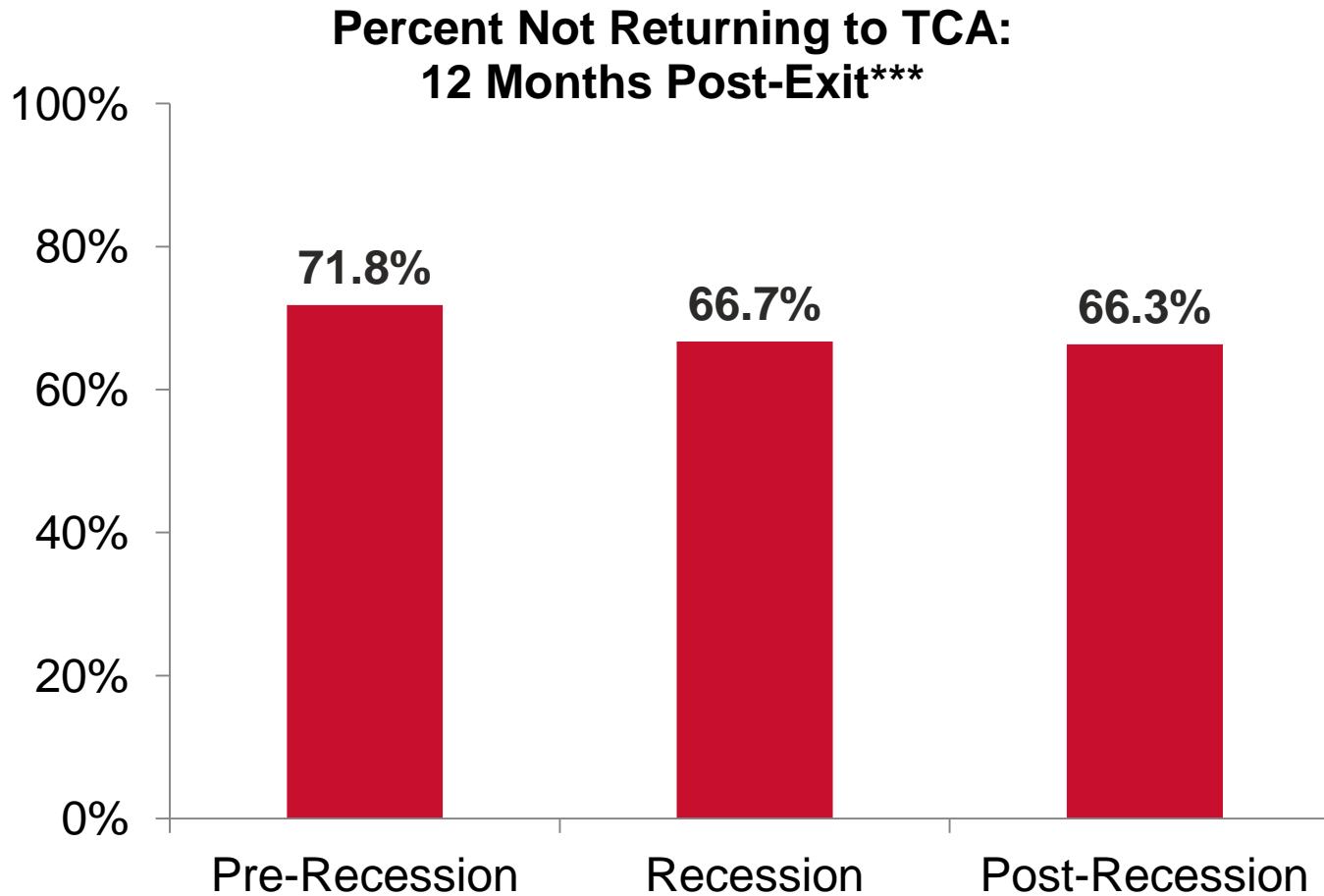
WORK SANCTIONS HAVE INCREASED

Percent of Cases with a Work Sanction at Exit***



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

MOST EXITS ARE PERMANENT



For those families with 14 years of follow-up data, 56.6% have not returned to TCA.

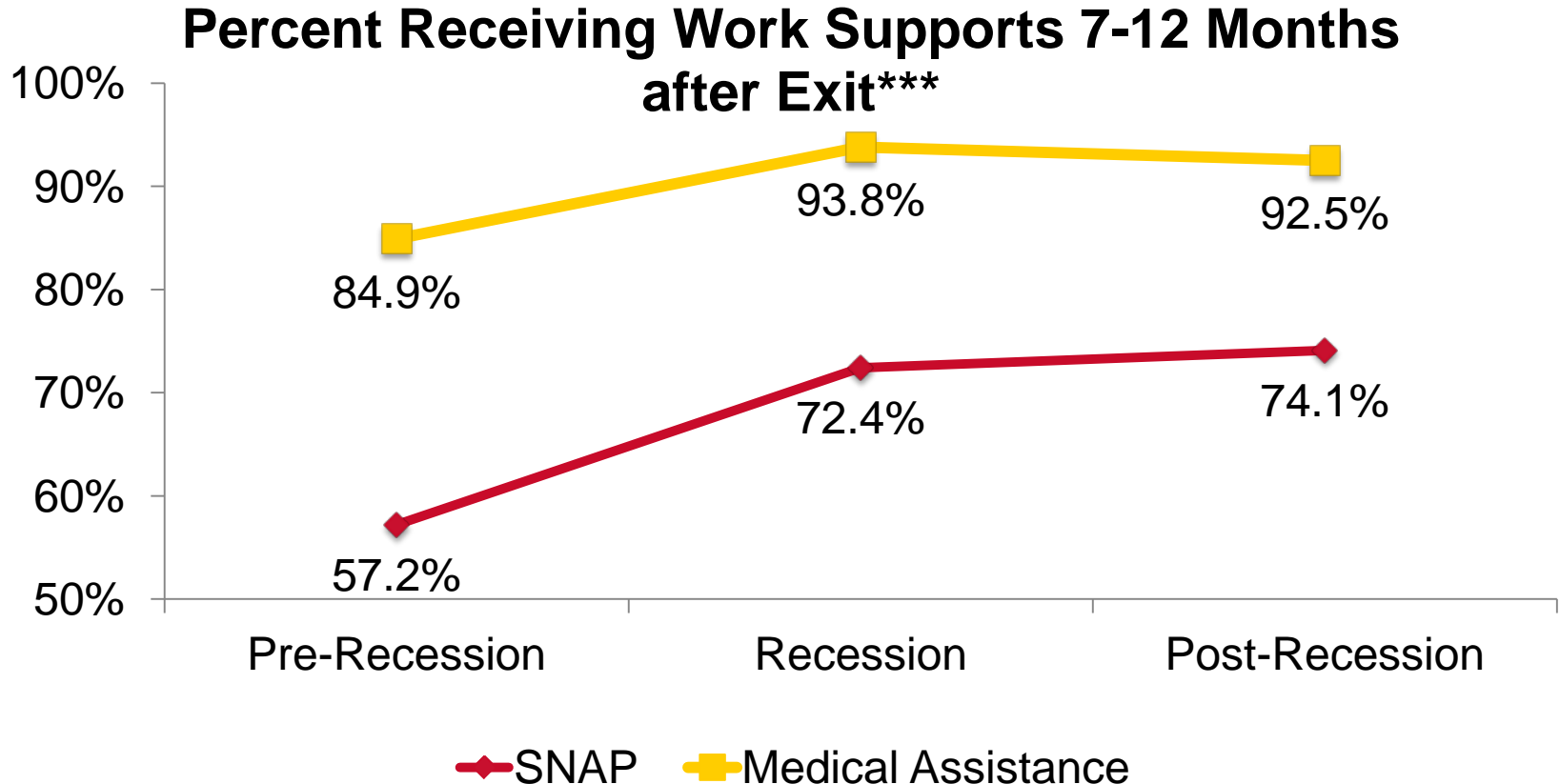
Valid percentages are reported. *p<.05, **p<.01, ***p<.001

RISK FACTORS FOR RECIDIVISM

	Returned in 1st Year (n=4,296)	Did Not Return in 1st Year (n=10,542)
Living in Baltimore City***	56.0%	41.3%
Being a Younger Casehead Average Age	30.86	33.58
Never Marrying***	83.0%	71.5%
Not having a High School Degree***	49.4%	34.0%
Receiving a Work Sanction	24.6%	13.8%
Not Working in Exit Quarter	56.0%	48.9%

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

USE OF WORK SUPPORTS HAS INCREASED



Note: Medical Assistance is the percent cases in which of any case member is receiving assistance. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

CONCLUSIONS

- Welfare clients are affected by the economy
 - Caseheads and their families are similar over time, but outcomes are not as positive as the Pre-Recession cohort
 - Specifically, leavers during and after the recession are less likely to be working and more likely to come back to welfare

CONCLUSIONS

- Circumstances for both families and the TCA program will remain challenging for the foreseeable future
 - Job creation is slow and unemployment rates remain high
 - Clients and agencies must still attempt to meet inflexible work requirements
 - TANF block grant has not increased
 - ARRA Emergency Fund and TANF contingency funds are no longer available
 - Maryland state budget is facing significant shortfall

THANK YOU!

- For a copy of the full report, go to the following link: <http://www.familywelfare.umaryland.edu/reports/life16.pdf>

Sarah Williamson

Senior Research Analyst

Family Welfare Research & Training Group

University of Maryland, School of Social Work

swilliamson@ssw.umaryland.edu

(410) 706-5601

WELFARE RECIPIENTS IN THE CHANGING ECONOMY

LETITIA LOGAN, MPP

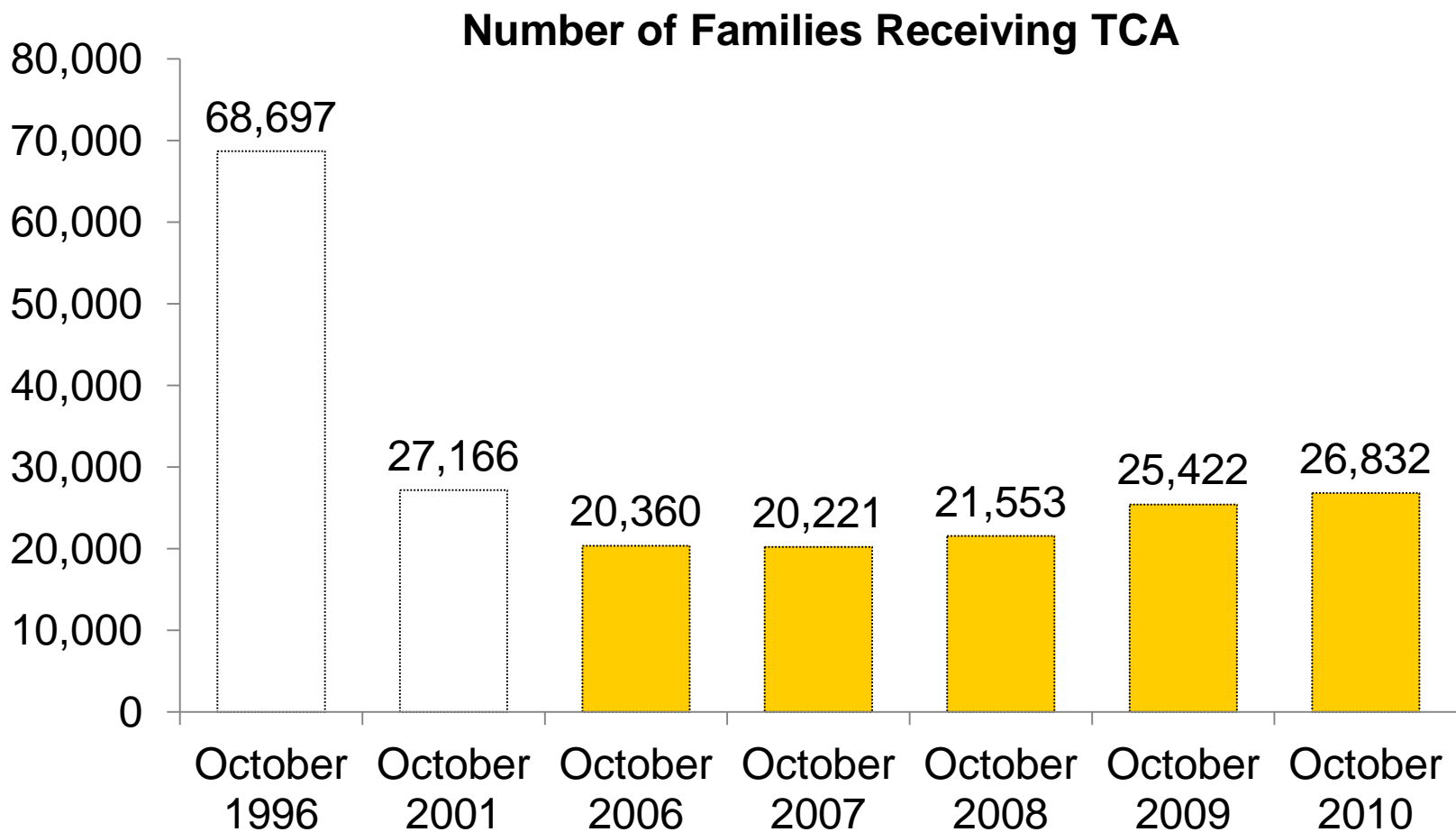


Family Welfare Research & Training Group
525 West Redwood Street, Baltimore, MD 21201
410-706-5134 • www.familywelfare.umaryland.edu

BACKGROUND

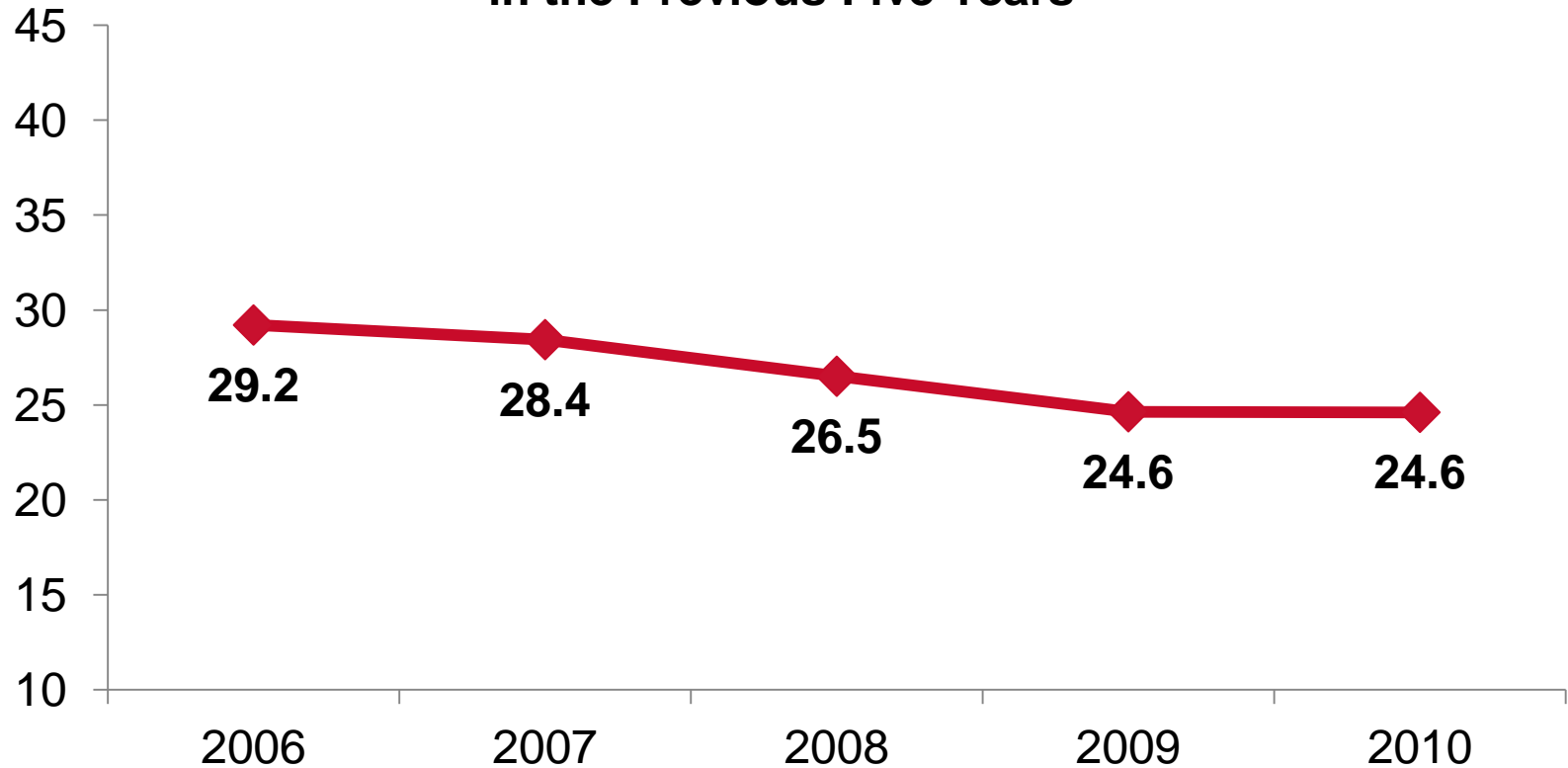
- The *Life on Welfare* series gives us a unique ability to investigate Maryland's active Temporary Cash Assistance (TCA) caseload over time.
- The current economic climate is an opportune time to examine the trends of the active caseload and whether they are changing.
- This study compares characteristics and outcomes among the active caseload from 2006 to 2010.
 - Demographics
 - Human Capital
 - Family Composition
 - TCA History
 - Employment History

TCA CASELOADS HAVE INCREASED FOR THE FIRST TIME SINCE WELFARE REFORM



MONTHS OF TCA RECEIPT HAS DECREASED DUE TO CHANGING CASELOAD COMPOSITION

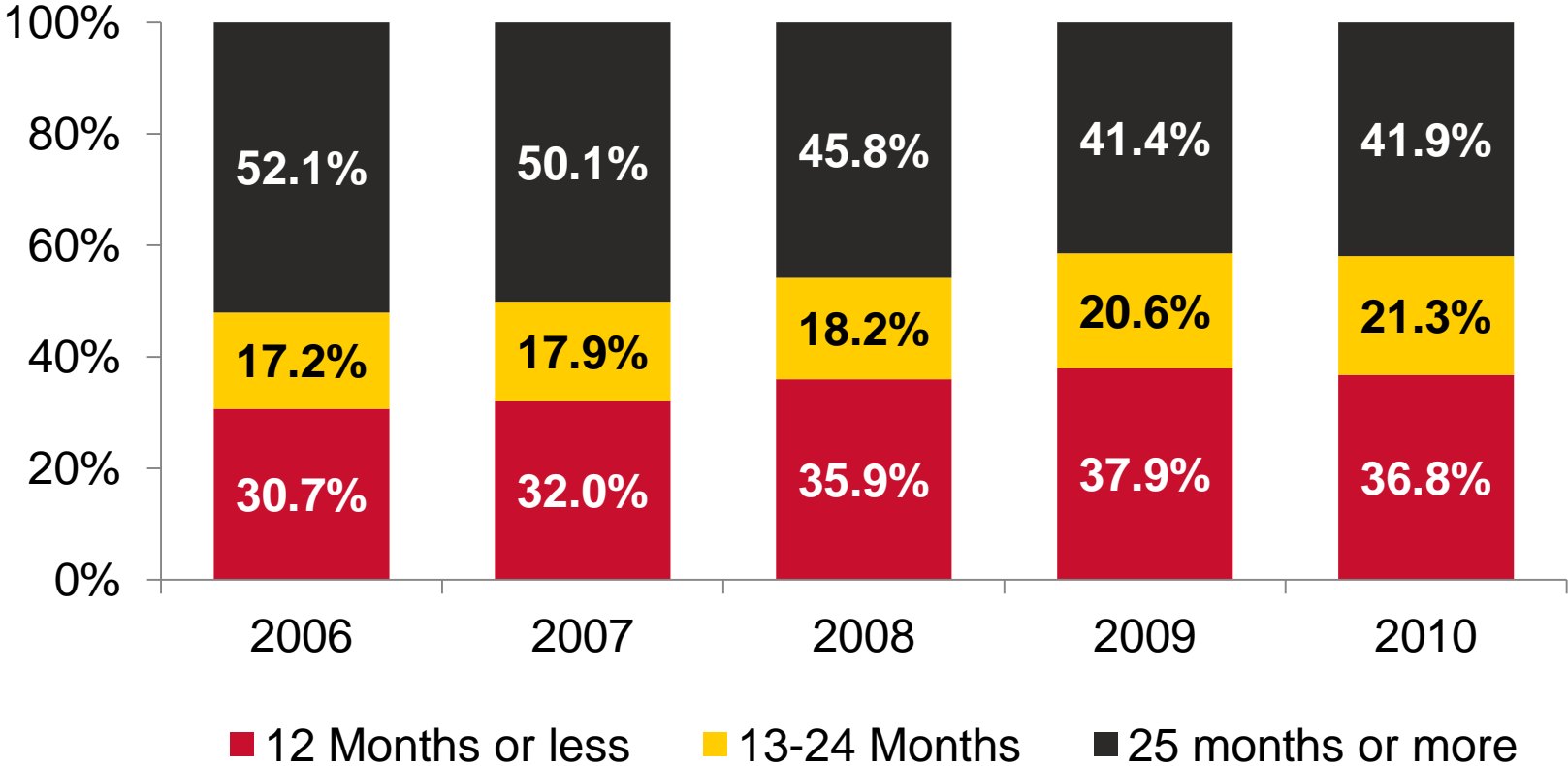
**Average Number of Months of TCA Receipt
in the Previous Five Years*****



*p<.05 **p<.01 ***p<.001

SHORT-TERM TCA RECEIPT HAS INCREASED

TCA Use in the Previous Five Years***



*p<.05 **p<.01 ***p<.001

CHARACTERISTICS OF NEWER CASEHEADS ARE CHANGING

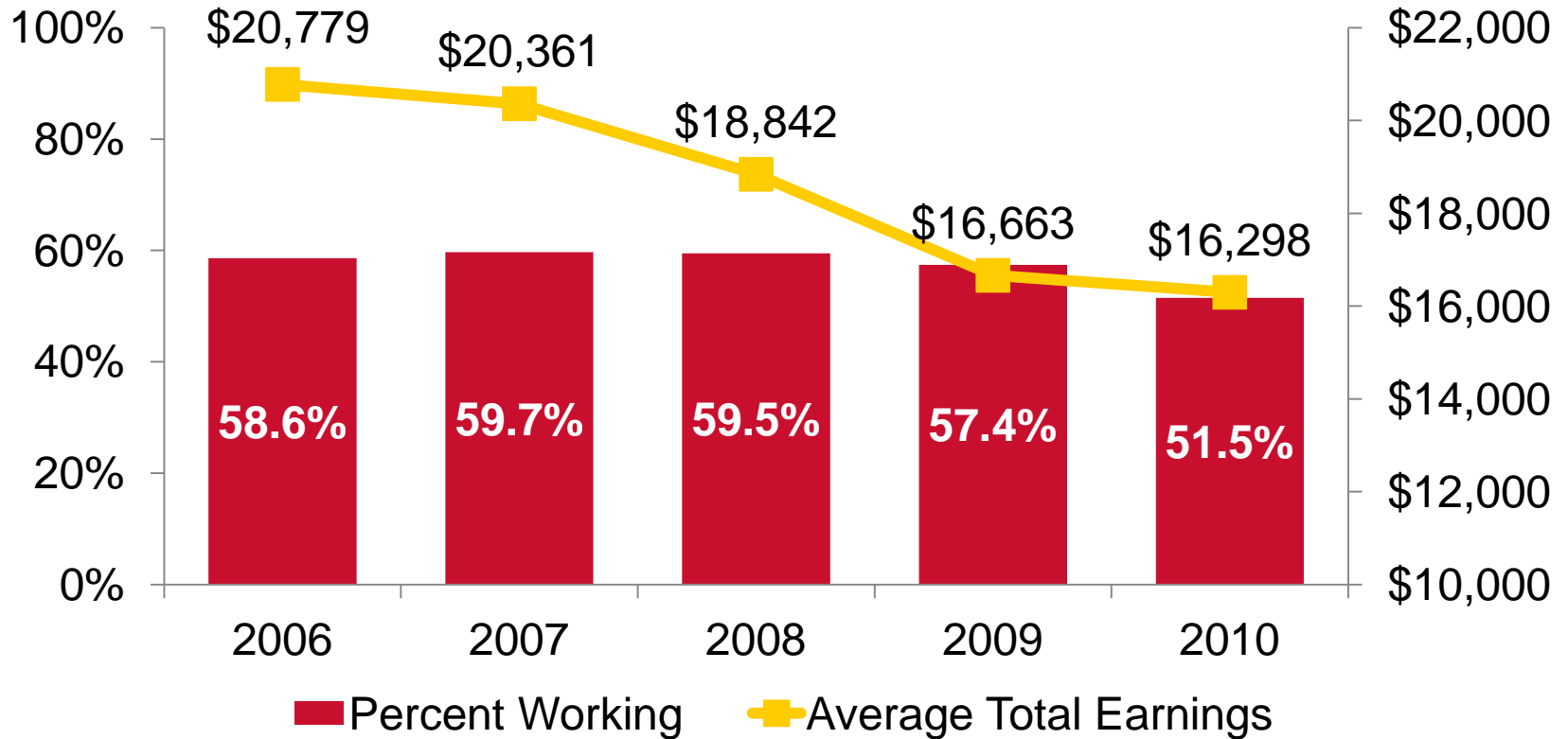
Characteristics of Casehead and Case

	2006 (n=20,360)	2007 (n=20,221)	2008 (n=21,553)	2009 (n=25,422)	2010 (n=26,832)
% Female	94.5%	94.6%	94.5%	94.4%	94.3%
Average Age***	38.55	38.20	37.27	35.77	35.33
% in Baltimore City***	50.4%	49.4%	46.3%	46.2%	45.8%
% Never Married***	73.7%	74.8%	75.5%	77.5%	78.3%
% HS Graduate***	52.9%	54.1%	55.6%	56.3%	56.5%
% Some Post-Secondary Education***	4.2%	4.1%	4.0%	4.3%	4.5%
% Child only***	42.9%	41.3%	38.2%	32.6%	30.3%
Average Size of AU***	2.33	2.35	2.40	2.49	2.51

*p<.05 **p<.01 ***p<.001

WAGES AND EMPLOYMENT WERE AFFECTED BY THE GREAT RECESSION

Percent Employed & Average Earnings in the Previous Two Years***

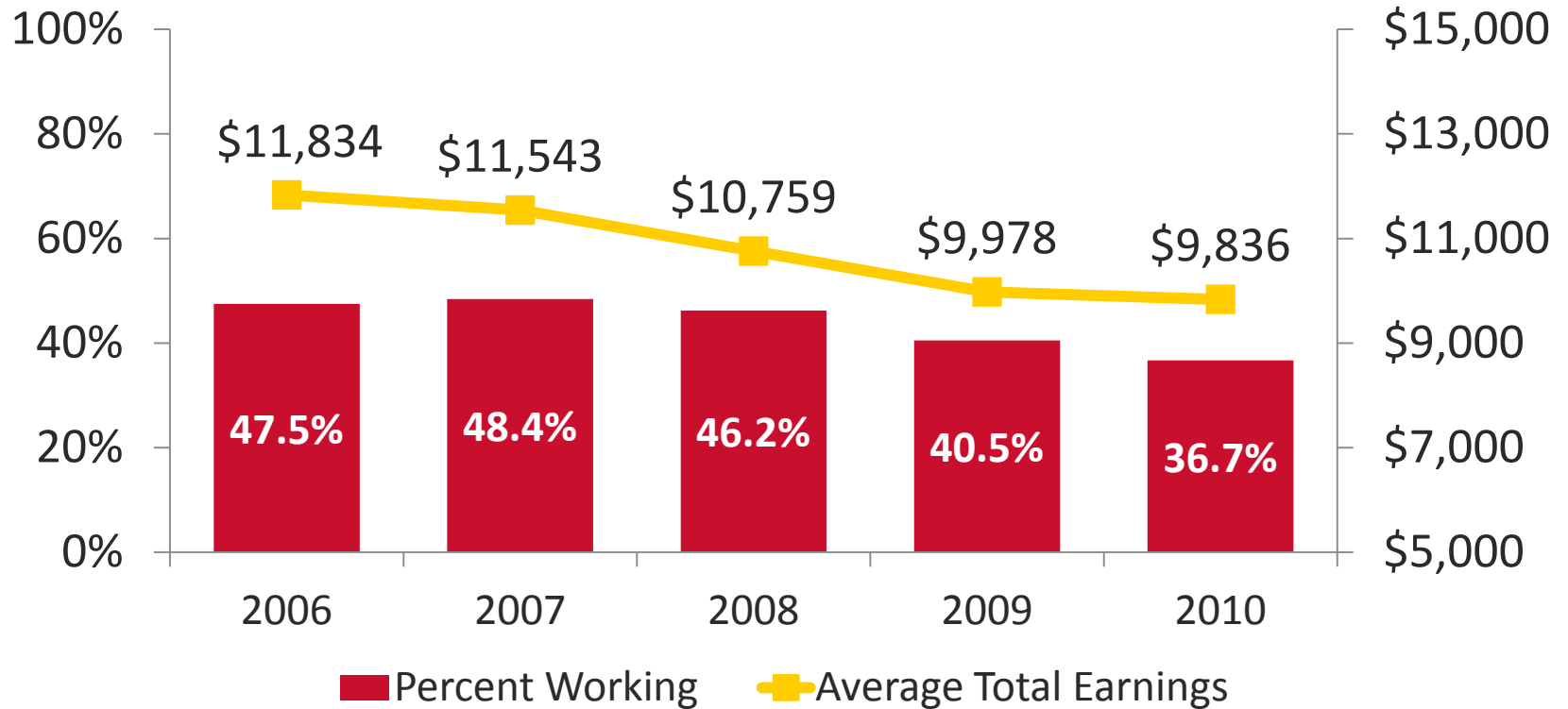


Note: Wages are standardized to 2010 dollars

*p<.05 **p<.01 ***p<.001

WAGES AND EMPLOYMENT WERE AFFECTED BY THE GREAT RECESSION

Percent Employed & Average Earnings in the Previous Year***

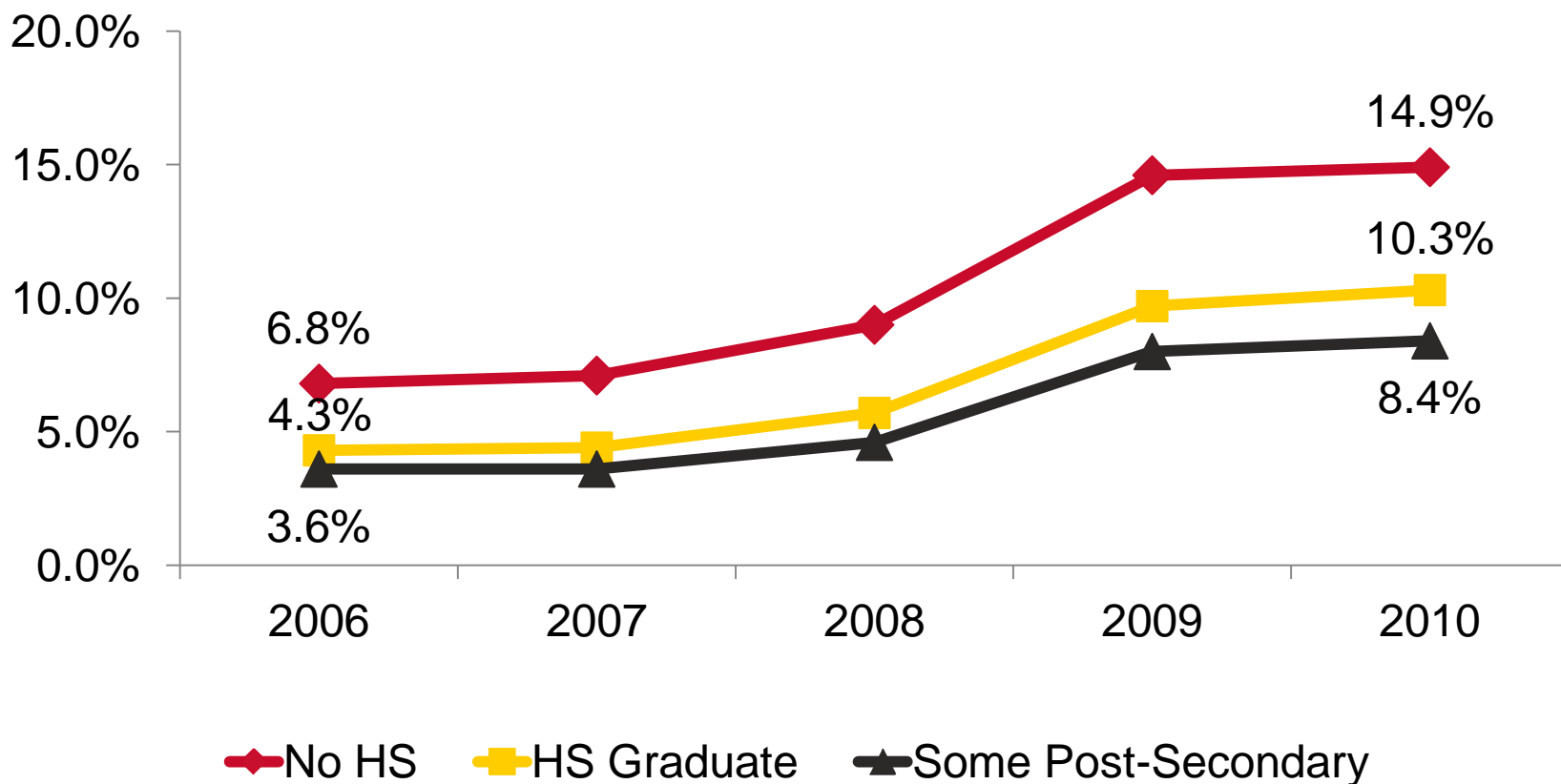


Note: Wages are standardized to 2010 dollars.

*p<.05 **p<.01 ***p<.001

NATIONALLY, THE EMPLOYMENT GAP BY EDUCATION STATUS HAS INCREASED

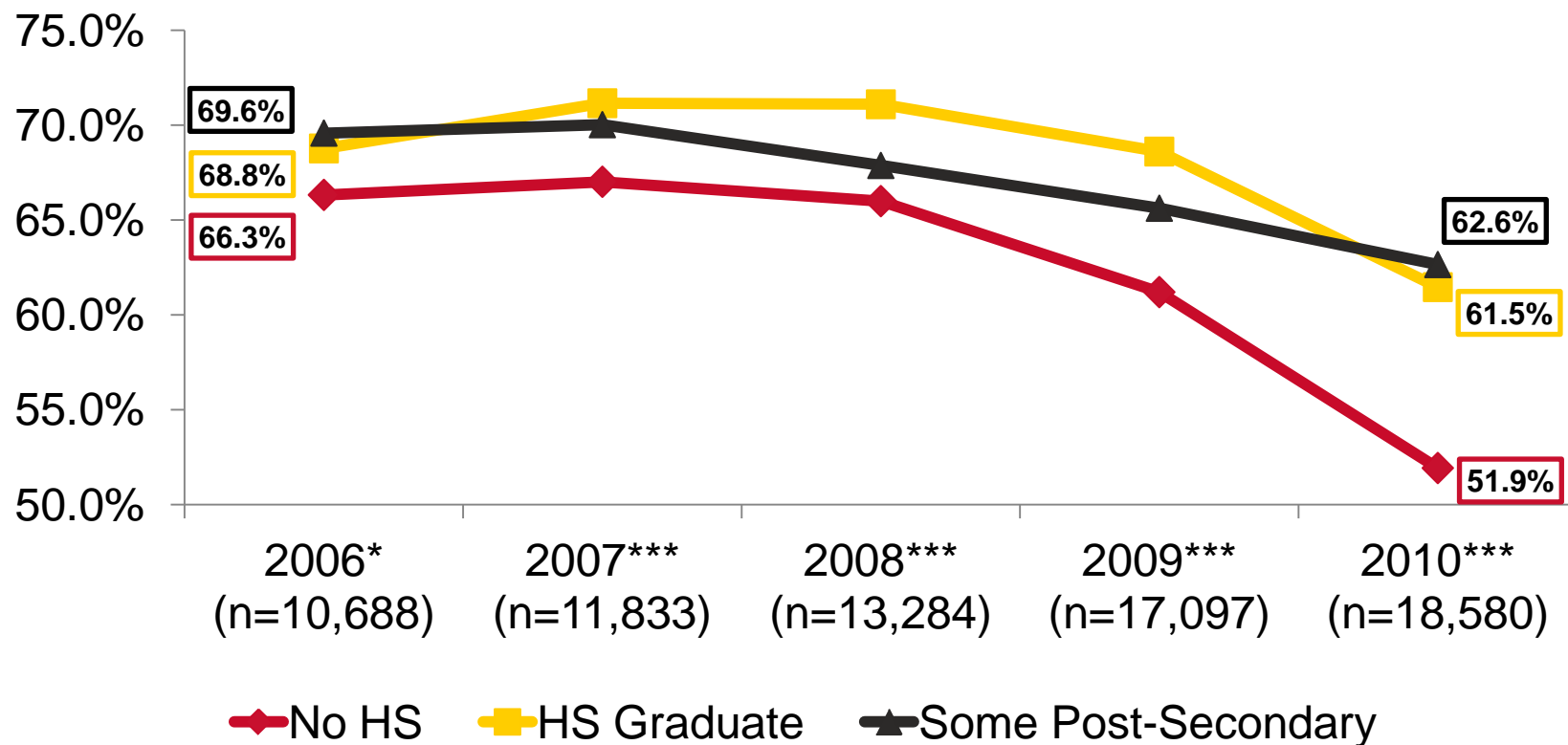
National Unemployment Rate by Educational Attainment



Source: Current Population Survey

THE EMPLOYMENT GAP HAS ALSO INCREASED AMONG WELFARE RECIPIENTS

Percent Employed in the Previous Two Years by Educational Attainment

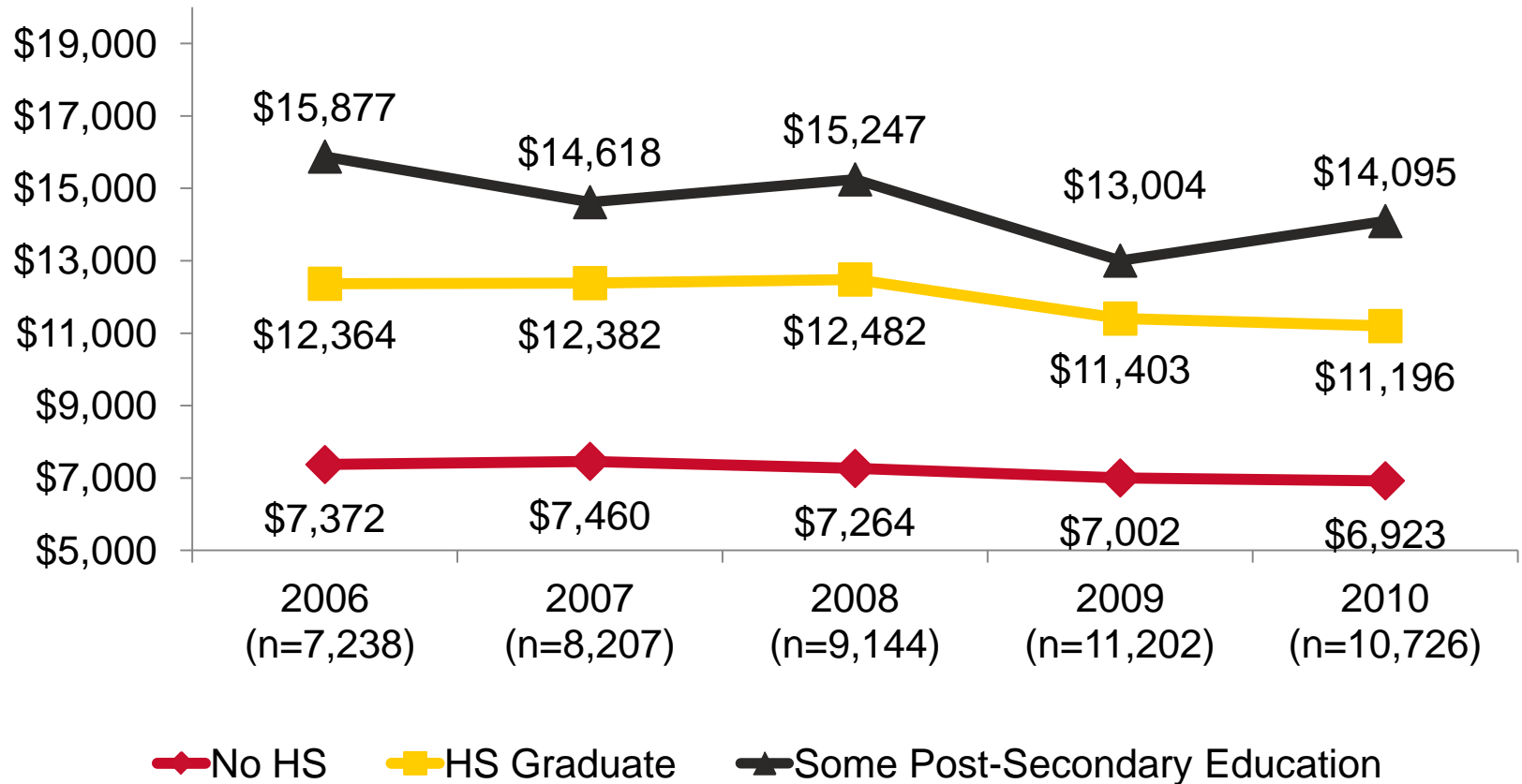


Note: Data excludes child-only cases since 94.5% of all cases missing an education status were child-only cases.

*p<.05 **p<.01 ***p<.001

EARNINGS VARY BY EDUCATIONAL ATTAINMENT

Average Total Earnings in the Previous Two Years by Educational Attainment***



Note: Data excludes child-only cases since 94.5% of all cases missing an education status were child-only cases. Wages are standardized to 2010 dollars. *p<.05 **p<.01 ***p<.001

CONCLUSIONS

- The increasing caseload is likely due to the effects of the Great Recession which required families with little to no history with welfare onto Temporary Cash Assistance (TCA).
- For those without a high school diploma, employment participation decreased at a faster pace than for those with a high school diploma or some post-secondary experience.

CONTACT INFORMATION

Letitia Logan, MPP
Assistant Research Director
Family Welfare Research & Training Group
University of Maryland, School of Social Work
(410) 706-2479
llogan@ssw.umaryland.edu

For copies of our reports, please visit our website:
www.familywelfare.umaryland.edu

WELFARE APPLICANTS IN THE CHANGING ECONOMY

SUSAN ROLL, PHD



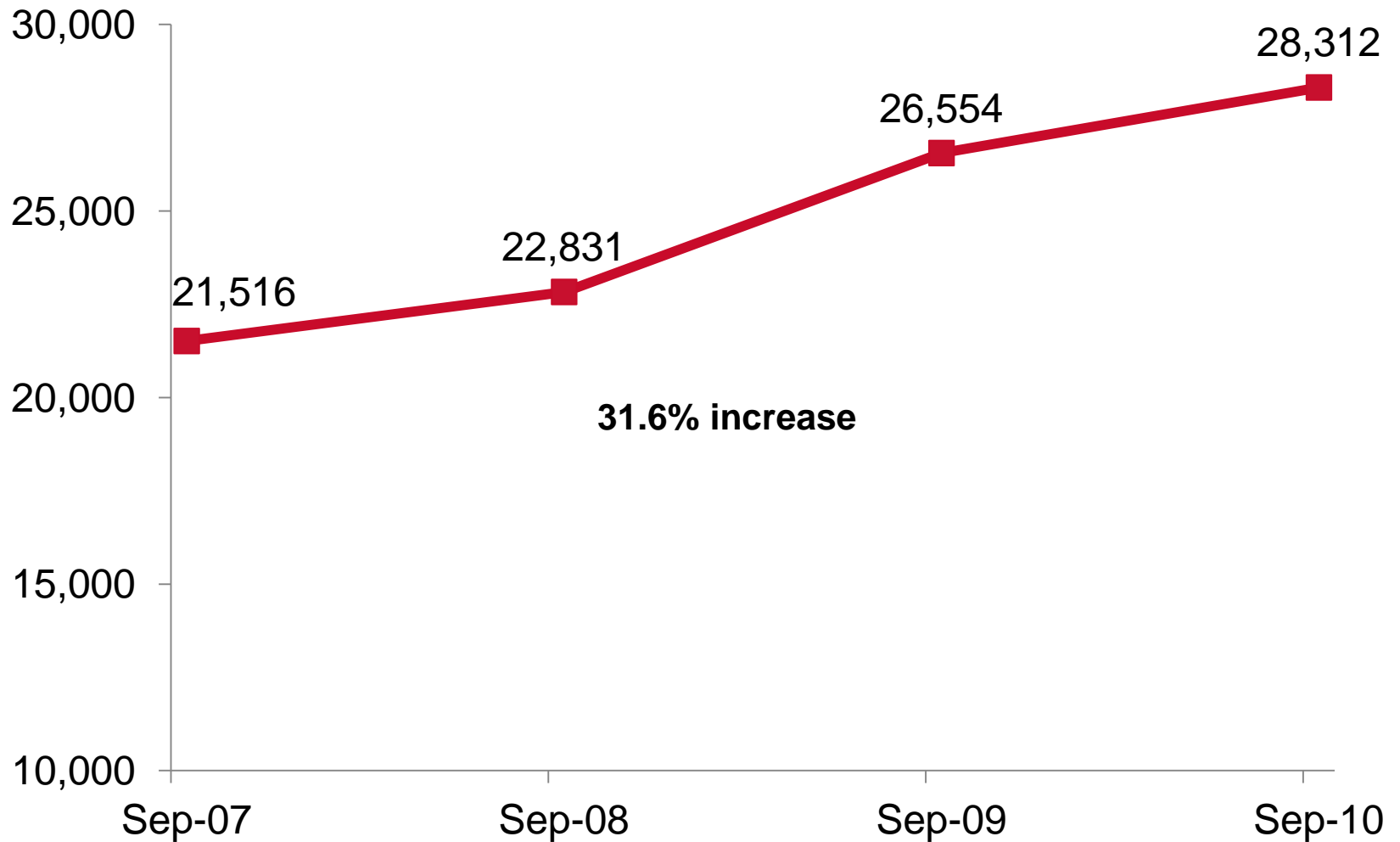
UNIVERSITY of MARYLAND
SCHOOL OF SOCIAL WORK

Family Welfare Research & Training Group
525 West Redwood Street, Baltimore, MD 21201
410-706-5134 • www.familywelfare.umaryland.edu

CENTRAL THEMES

- The Economy
- TANF caseloads up nationally by 10% since start of recession (Pavetti & Rosenbaum, 2010)
- Maryland has had a dramatic increase in TCA applications
 - 67% Increase since 2007
- ARRA Funding = \$50 million in Maryland for TCA

MARYLAND'S TCA CASELOAD



RESEARCH QUESTIONS

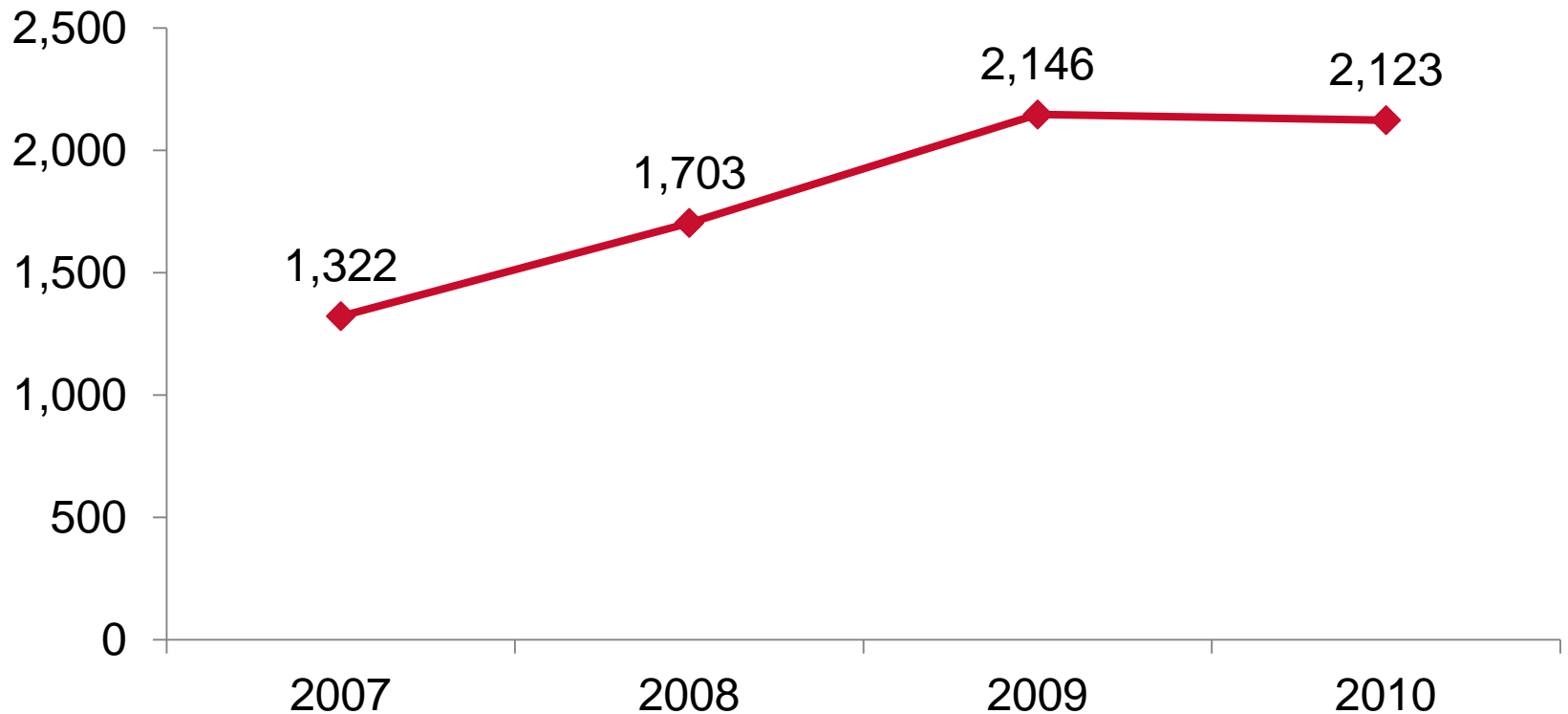
- Who are new applicants?
 - How many are there
 - Demographics trends
 - Receipt of other benefits
 - Employment trends
- What happens to new applicants after they apply?
 - Approval rates over time
 - Post-application TANF participation
 - Post-application employment

SAMPLE

- First time applicants to TCA
- Applied in September of each year, 2007 through 2010
- $n = 7,294$

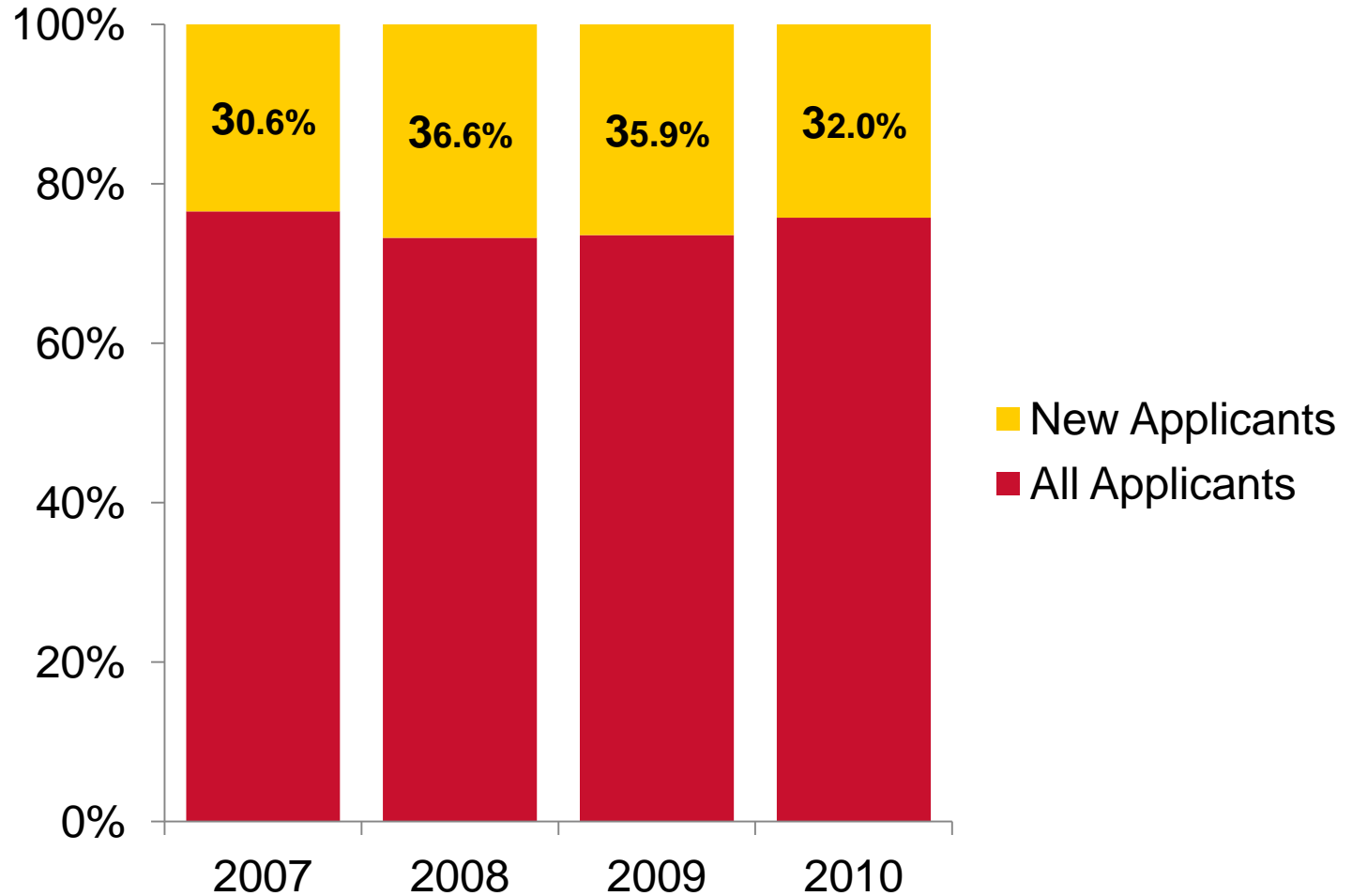
FINDINGS: TRENDS IN APPLICATIONS

Number of New TCA Applicants, 2007-2010***



*p<.05 **p<.01 ***p<.001

PERCENT OF APPLICANTS WHO ARE NEW TO TCA (10 YEARS)

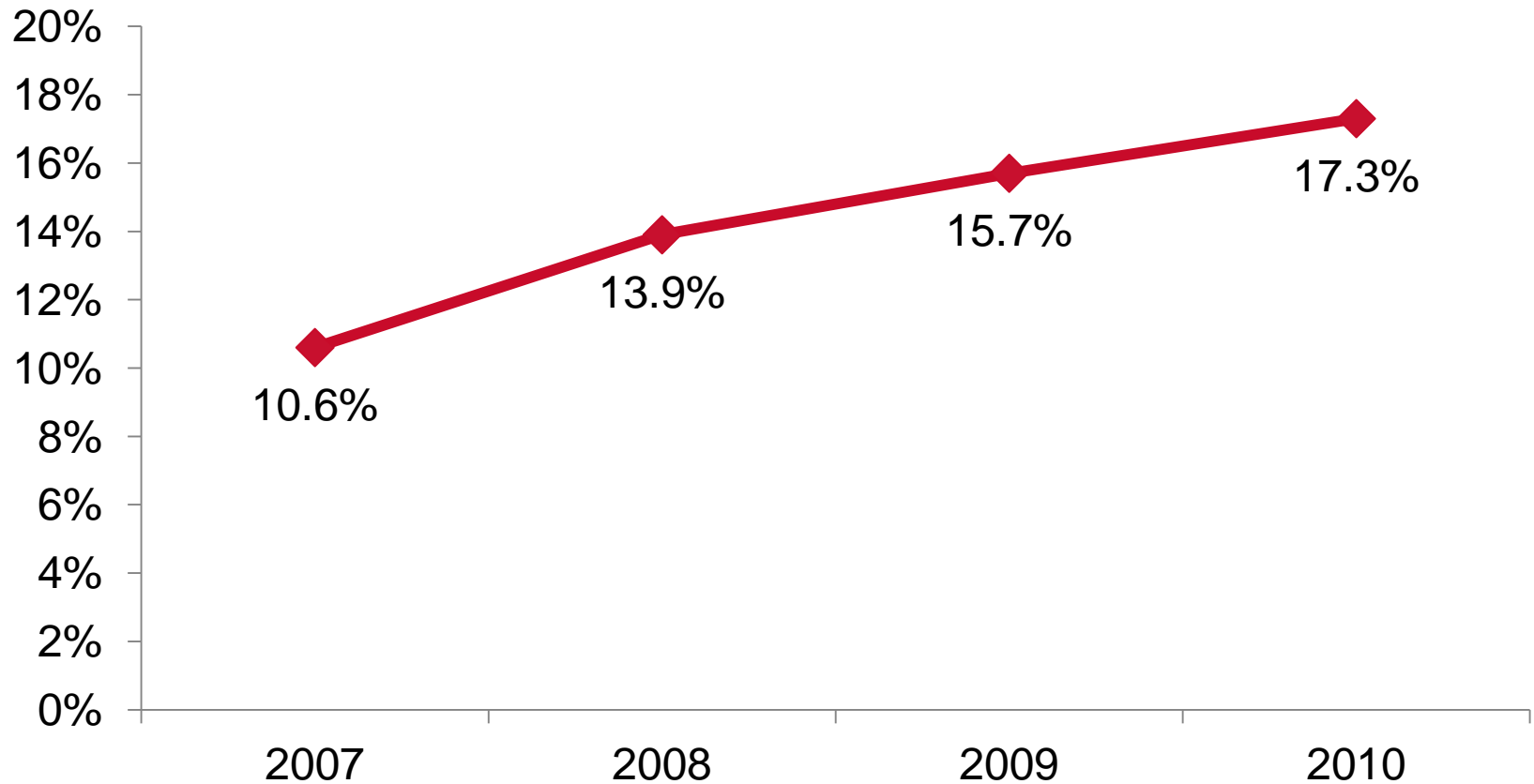


WHO ARE NEW APPLICANTS?

- No significant changes in race, age, marital status
- More men
- More applicants in suburban and rural communities
- Increasing history of other benefits
- Stronger work histories

GENDER

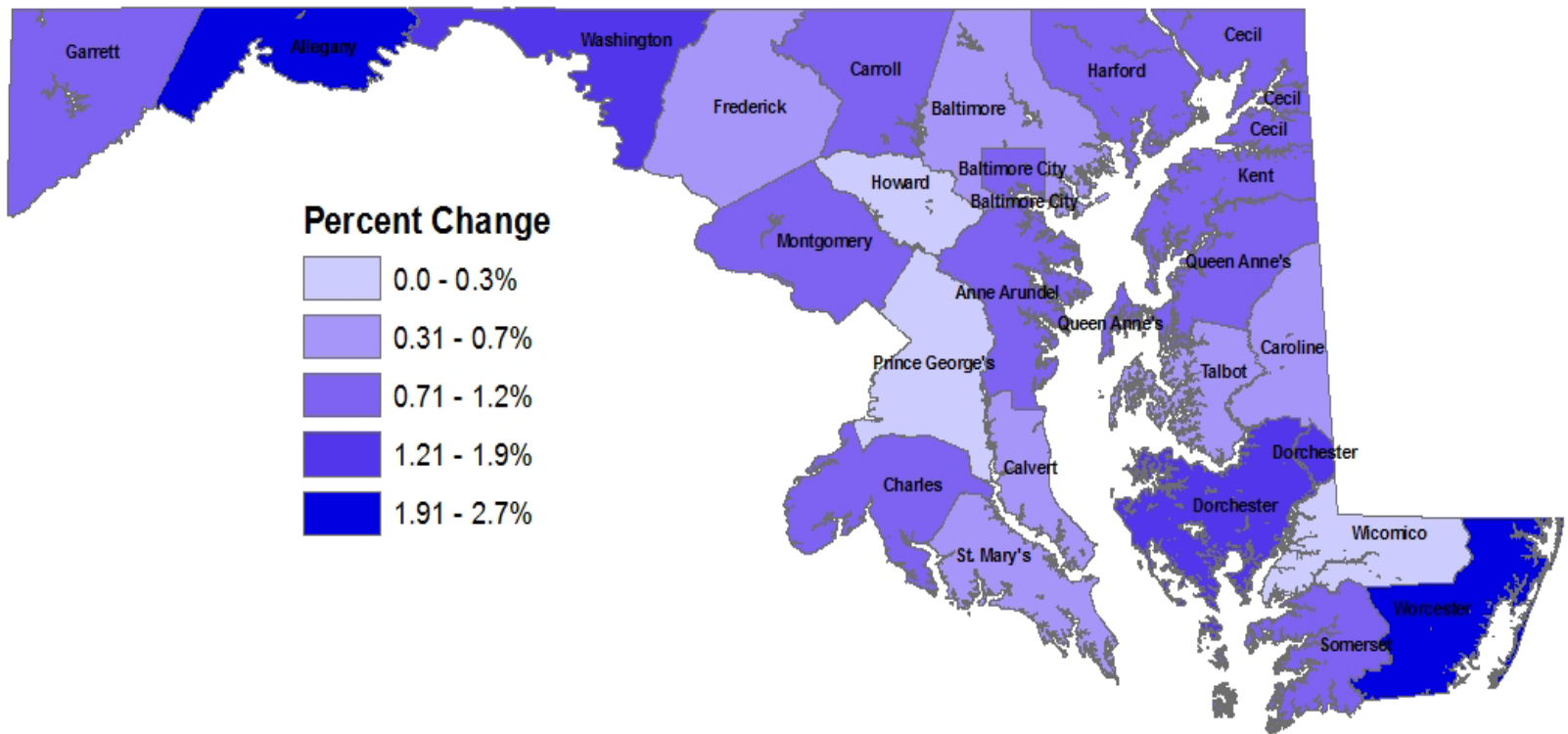
Percentage of New Applicants who were Male***



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

LOCATION

Change in Poverty Rates by County, 2007-2009



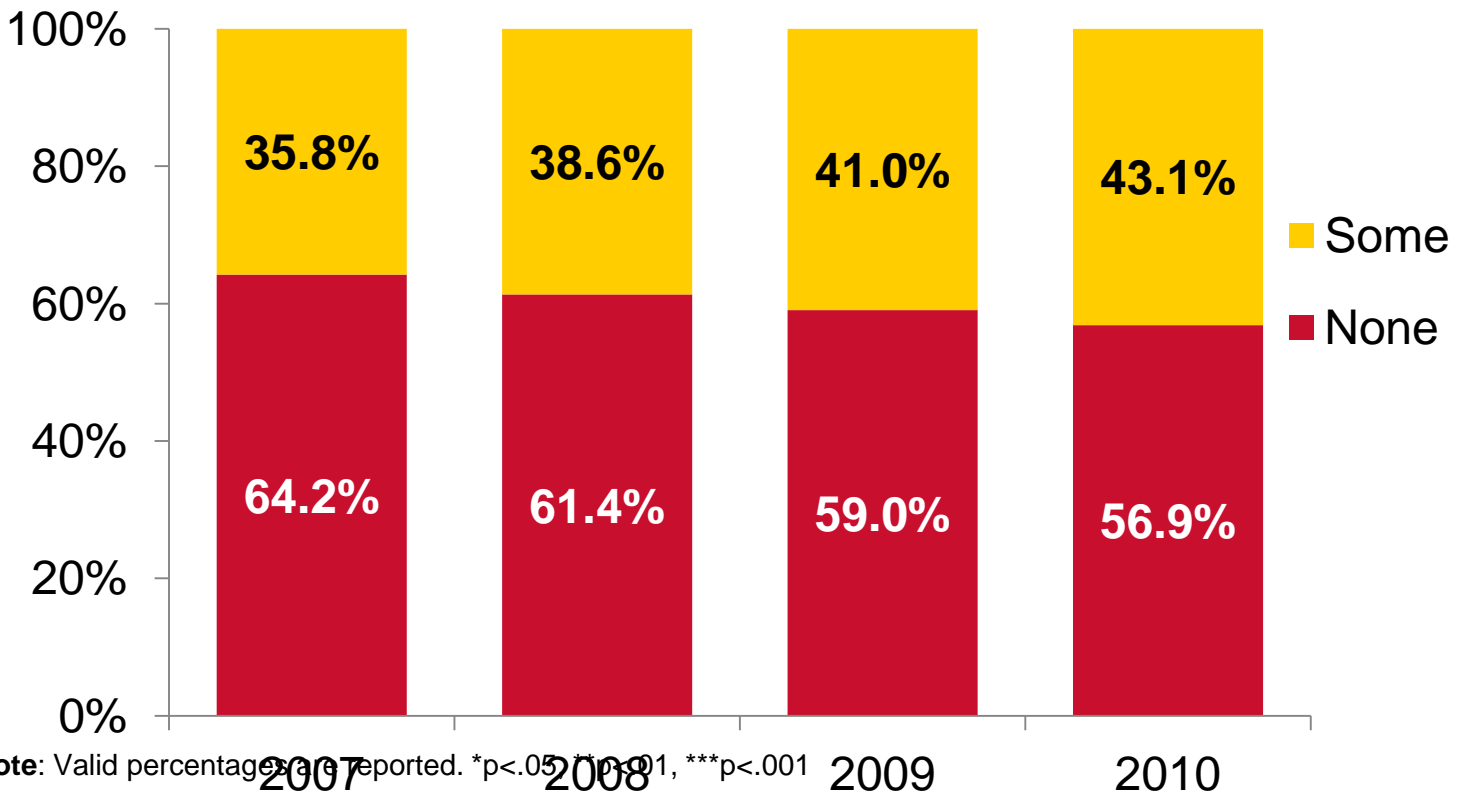
LOCATION

Year-Over-Year Growth in Applicants by Location

	2007-2008	2008-2009	2009-2010	2007-2010
TCA New Applicants				
Suburban Baltimore	39.0%	19.8%	8.0%	79.9%
Suburban Washington, DC	17.2%	36.5%	-10.6%	43.0%
Rural Counties	43.2%	5.7%	14.3%	73.0%
Baltimore City	27.4%	40.2%	-14.7%	52.4%

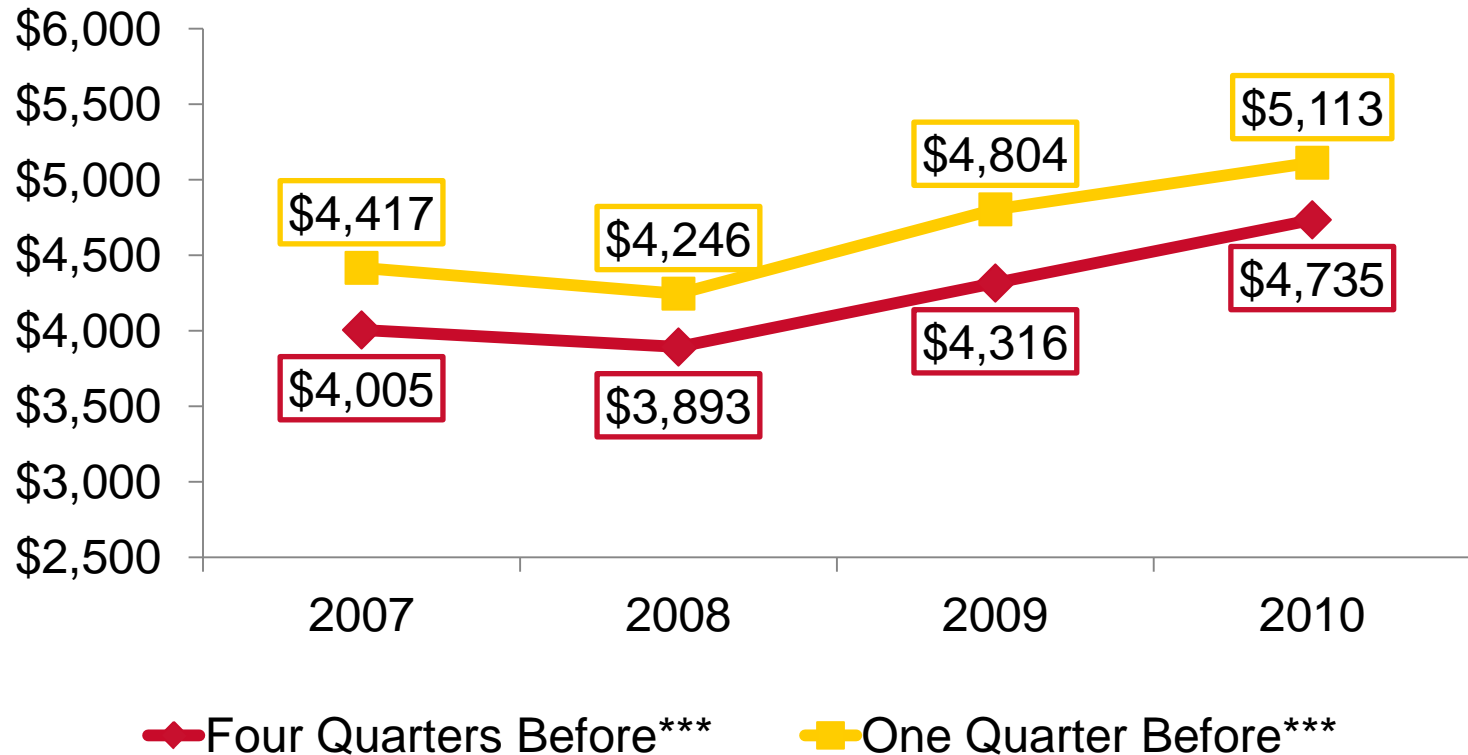
FOOD SUPPLEMENT HISTORY

New TCA Applicants' Histories of FS Receipt**



EMPLOYMENT HISTORY

Average Quarterly Earnings Before TCA Application, 2007-2010



Note: Dollars are standardized to 2010 dollars. Valid earnings are reported. * $p < .05$, ** $p < .01$, *** $p < .001$

WHAT HAPPENS TO NEW APPLICANTS?

Approval Rates Over Time

	2007	2008	2009	2010
TCA New Applicants***				
Approved	24.7%	26.4%	22.3%	19.0%
Denied	75.3%	73.6%	77.7%	81.0%

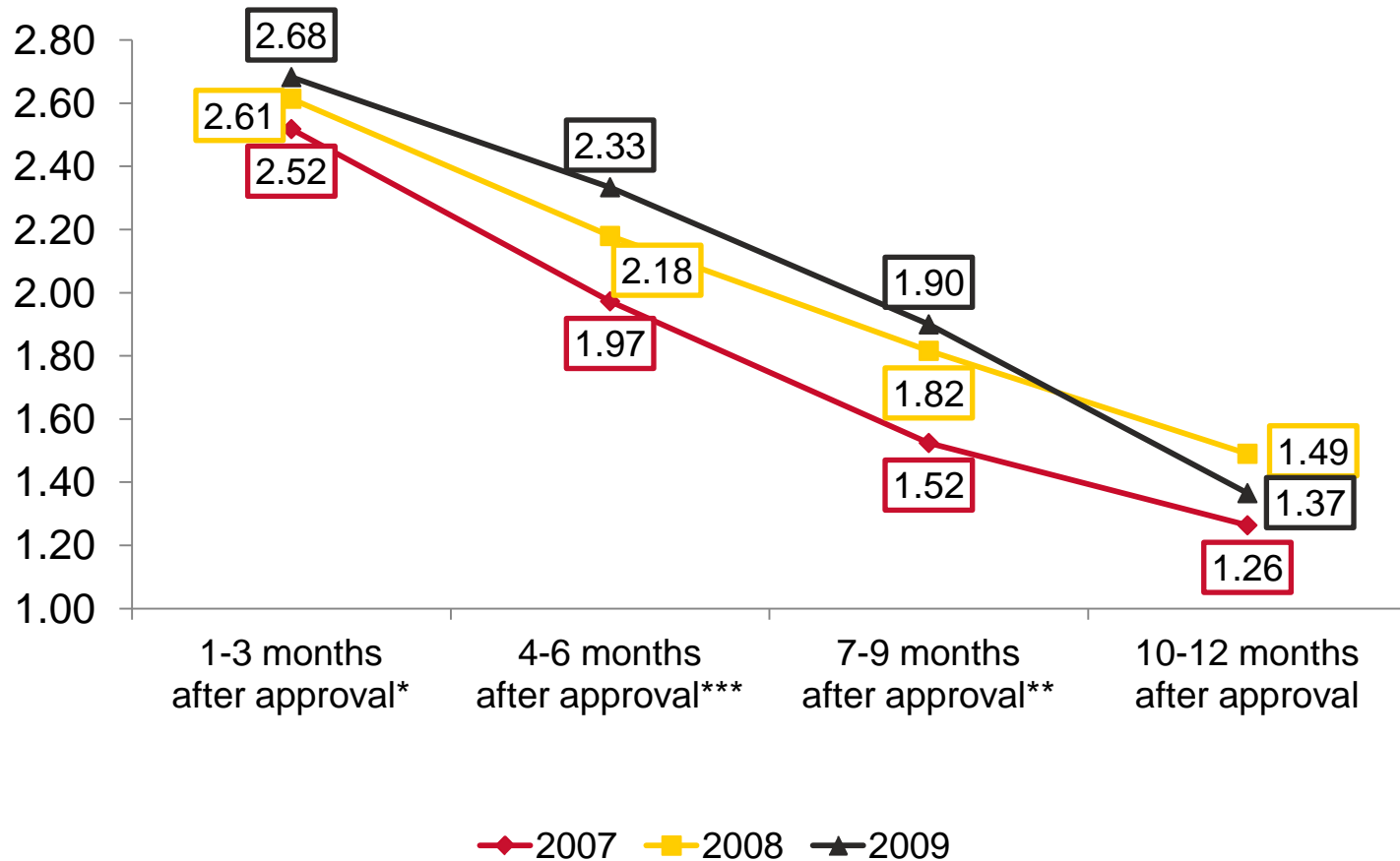
Approval Rates by Location

	2007	2008	2009	2010
TCA New Applicants				
Suburban Baltimore***	23.9%	21.3%	17.0%	13.3%
Suburban Washington, DC***	15.8%	26.9%	16.8%	16.0%
Rural Counties	25.0%	25.4%	25.4%	22.8%
Baltimore City	41.0%	35.0%	36.7%	32.8%

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

TIME ON THE PROGRAM

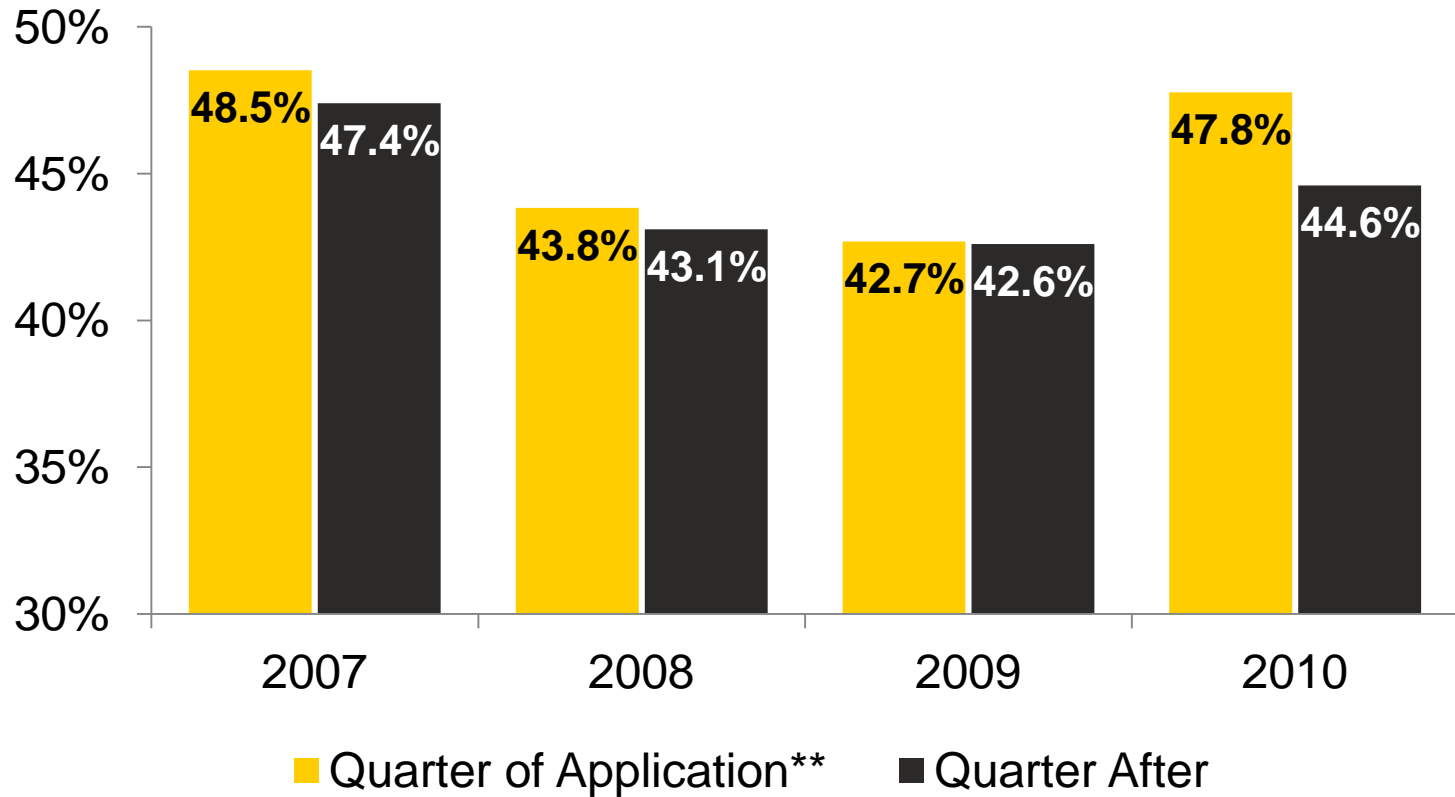
Average Number of Months of TCA Receipt After Approval



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

POST-APPLICATION WORK

Percent of Applicants with UI Earnings



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

CONCLUSIONS

- Between September 2007 and September 2010 new TCA applicants in Maryland grew by 63.6%.
- Roughly one in three applicants were brand new.
- Applicants were more likely to be male and to live outside of urban areas than in the past.

CONCLUSIONS

- New applicants in 2009 received TCA benefits in more months following approval than approved new applicants in 2007 and 2008.
- New applicants had stronger earnings histories.

CONTACT INFORMATION

Susan Roll, PhD
Assistant Professor
Family Welfare Research & Training Group
University of Maryland, School of Social Work
(410) 706-2479
sroll@ssw.umaryland.edu

For copies of our reports, please visit our website:
www.familywelfare.umaryland.edu