



OPPORTUNITY YOUTH RECEIVING TANF

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Opportunity youth—that is, individuals ages 16 to 24 who are not working or in school (The Aspen Institute Forum for Community Solutions, n.d.)—face a number of challenges. They are more likely to be poor and less likely to have education beyond high school than their peers who are connected to work or school (Jobs for the Future, n.d.). Without work, they do not have a way to pay for additional education and training, and they may have difficulty accessing resources they need, such as transportation and housing (Jobs for the Future, n.d.). Their name derives from the fact that “they are seeking opportunity and they present an opportunity to our nation if we invest in them” (Bridgeland & Mason-Elder, 2012, p. 5).

Within the broader population of opportunity youth, some subpopulations have particular difficulties. For example, opportunity youth who are aging out of foster care or involved with the juvenile justice system may require different interventions (Bridgeland & Mason-Elder, 2012). One such subpopulation is parents ages 16 to 24 who are not working or in school. Unlike other opportunity youth, these young parents may need assistance with childcare, and their housing needs may be different as well. Young parents typically live in households with other adults, such as their own parents, grandparents, or spouses, and those other adults may help with child care (Sick, Spaulding, & Park, 2018). While over 60% of young parents work over the course of a year, they only earned roughly \$16,000 in that year (Sick et al., 2018).

Young parents who are participating in safety net programs such as Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP) are a segment of the opportunity youth population who may benefit from a closer look. Because just 4% of young parents receive TANF (Sick et al., 2018), those who participate in that program may be particularly disadvantaged. Despite recent interest in serving the opportunity youth population, young parents receiving TANF have not received a great deal of attention.

There are some new avenues to pursue for opportunity youth who are parents, however. The Workforce Innovation and Opportunity Act (WIOA), which reauthorized the federal workforce system,

KEY FINDINGS

- ❖ About one in four adult TANF recipients in Maryland is a youth (ages 18 to 24).
- ❖ Youth are more likely to be female, African American, pregnant, and to have never married than adult recipients who are at least 25 years old. They are also less likely to have finished high school and less likely to have a long-term disability.
- ❖ Youth are more likely to participate in federally defined work activities. The two most common activities among youth participants are employment (69%) and job search (65%).
- ❖ Over 40% participate in job skills training, and more than 25% participate in vocational education.
- ❖ About 75% of youth work in the first or second year after their cases close, which is consistently higher than their older peers.
- ❖ Youth typically earn about \$6,300 in the first year after case closure and about \$7,800 in the second year. Adults who are at least 25 years old usually earn almost 50% more.
- ❖ Both youth and their counterparts often work in low-paying industries, but youth earn less, even in the same industry.

shifted the focus of youth-related funding (Lower-Basch, 2016). Now youth funding targets out-of-school youth rather than those in school, and it has been extended to age 24. These changes mean that most TANF recipients who are 24 years old or younger would qualify for assistance as out-of-school youth. This is a considerable portion of the total TANF population, as about one in four adult TANF recipients is under age 25 (Lower-Basch, 2016).

Workforce agencies who want to use Title I Youth workforce funding may find partnering with TANF agencies to be helpful in serving the out-of-school youth population.

Furthermore, many states, including Maryland, are revamping their TANF programs to utilize a two-generation approach. This approach, which developed from the insight that programs serving children are often wholly separate from programs that serve their parents, entails centering the entire family rather targeting individuals within the family (Ascend at the Aspen Institute, n.d.). For example, parental educational attainment is related to children's educational attainment, so programming that helps parents obtain higher education benefits their children as well. A two-generation approach to education among TANF recipients would integrate top-notch early childhood education for young children with education and training designed to lead to family-sustaining employment for their parents.

A two-generation approach may be especially well-suited for opportunity youth who receive TANF (Lower-Basch, 2016). Parents in their teens and early 20s have their entire careers ahead of them, so

interventions to improve their education or earning power may have long-lasting effects. Similarly, high-quality early childhood programs may have outsize effects because so much brain development occurs in children's first three years (Center on the Developing Child at Harvard University, 2016).

In order to serve young parents receiving TANF and their children well, it is helpful to have a better understanding of who they are, what they did while receiving TANF, and what their outcomes are. To that end, this report focuses on *youth*, which we define as adult TANF recipients in Maryland between the ages of 18 and 24.¹ We compare youth to adult recipients who are 25 years old or older to see how youth differ from older TANF recipients. With this knowledge, Maryland can offer targeted assistance to opportunity youth and their children, providing them with the support they need to thrive.

Data and Study Population

Study Population

The population for this study is all adults who received TANF benefits in Maryland during state fiscal year (SFY) 2016 (n=25,463). For this report, the study month is the first month in SFY 2016 that adult recipients received benefits. For example, a family could apply for TANF in January 2016 but might not actually receive benefits until February 2016. We would consider February 2016 the study month. However, benefits are retroactive to the date that a family applied for assistance, so this family would receive prorated benefits for January.

¹ There are 16 adult TANF recipients in the data set who are ages 15 to 17.

In addition to gathering data about adult recipients in the study month, we also track recipients for a period of time after the study month. The *follow-up period* in this report refers to the period between the study month and June 30, 2018. This provides an additional two years after the end of SFY 2016 to examine participation in Maryland's TANF program.

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 Maryland's TANF and Unemployment Insurance programs, respectively. Additional data on disability and work activity participation 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 TANF in Maryland. 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

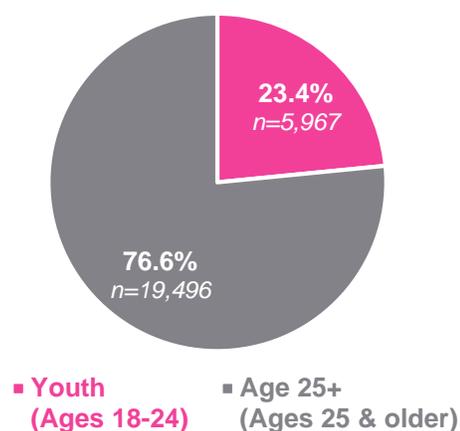
(including *gig economy* workers), and informal employment; consequently, earnings from under-the-table jobs are not included. Finally, MABS has no information on employment outside Maryland. Because out-of-state employment is common in Maryland,² we are likely understating employment and may be missing some earnings.

The Maryland Children's Electronic Social Services Information Exchange (MD CHESSIE) is the automated child welfare case management system. It supports the delivery and management of child welfare services. We identify out-of-home placements through MD CHESSIE.

Who Are Youth?

To begin, we first determine how many of Maryland's adult TANF recipients are youth. According to other research, youth—that is, those who are ages 18 through 24—constitute about one in four adult TANF recipients (Lower-Basch, 2016). Figure 1

Figure 1. Percentage of Youth



² One in six (16.8%) Maryland residents works out of state, which is over four times greater than the national average (3.7%) (U.S. Census Bureau, 2018).

shows that 23% of adult TANF recipients in Maryland are youth, indicating that Maryland resembles the rest of the country. It also shows the importance of serving youth, as they are a sizable segment of the total TANF population.

It may be the case that youth and adults age 25 and older are mostly similar. If that were true, then youth would not need programs targeted to them. However, Table 1 suggests that youth and adults aged 25 and older are quite different populations, so interventions aimed at youth may be helpful in serving that population.

On every metric in Table 1, youth differ from their older counterparts. Although adult TANF recipients in both groups are overwhelmingly likely to be African American women who never married, youth are even more likely to be African American (81.4% vs. 71.1%), female (96.9% vs. 88.6%), and to have never married (92.7% vs. 76.6%). Being a female householder with no husband present—as well as being African American and being female—is associated with lower income and a greater likelihood of being poor (Fontenot, Semega, & Kollar, 2018). These differences can be stark: about one in three (32.9%) families

Table 1. Demographic Characteristics

	Youth	Age 25+
Gender		
% Female	96.9%	88.6%
% Male	3.1%	11.4%
Age		
Average age	22.4	34.9
Race & ethnicity		
% Caucasian^	15.8%	24.0%
% African American^	81.4%	71.1%
% Hispanic	2.3%	2.7%
% Other^	0.5%	2.2%
Marital status		
% Married	2.4%	10.8%
% Never married	92.7%	76.6%
% Divorced / separated / widowed	4.8%	12.6%
Education		
% Did not finish high school	37.3%	29.6%
% Finished high school	56.5%	61.7%
% Education beyond high school	6.2%	8.7%
Pregnancy		
% Pregnant	15.3%	5.3%
Disability		
% Disabled for 12+ months	7.1%	28.0%

Note: Valid percentages reported.

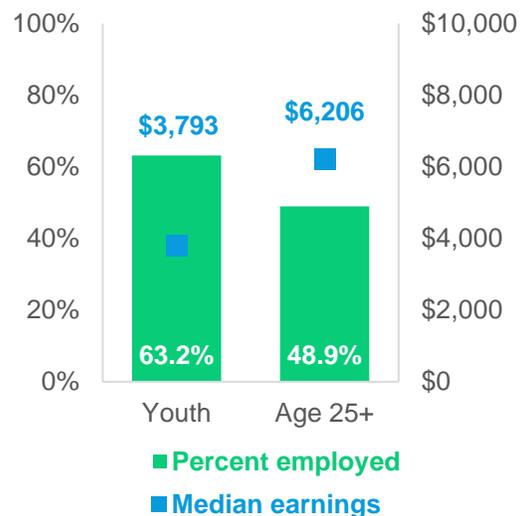
headed by an African American woman (with no spouse present) is poor, compared to just 6% of all Caucasian families (Fontenot et al., 2018). Furthermore, youth are also more likely to lack a high school education (37.3% vs. 29.6%). They are much more likely to be pregnant (15.3% vs. 5.3%) as well as far less likely to have a disability that is expected to last for more than 12 months (7.1% vs. 28.0%).

Some of these differences, such as being less educated or less likely to have married, may ultimately stem from age. On average, youth are 22 years old, compared to 35 years old for older adults. Those 13 years provide time to get married and additional time to complete an education. Similarly, adults age 25 and older may be less likely to begin receiving TANF due to becoming pregnant, and they have had more time to develop long-term disabilities.

In addition to demographic characteristics, we also examine employment and earnings in the year before TANF receipt. Once again, there are clear differences between youth and adults age 25 and older. Youth are far more likely to have worked in that year; more than three in five (63.2%) were employed, compared to less than half (48.9%) of adults aged 25 and older. Employed adults who were at least 25 years old earned substantially more than youth, however. Their median earnings in the year before TANF receipt were over \$6,000 while median earnings among youth were less than \$4,000. To a certain extent, this is to be expected, as youth have had less time to accumulate experience than their older counterparts. However, those who were age 25 or older earned over 60% more than youth, which is a formidable gap. While both

groups have very low earnings, the fact that earnings among youth are even more depressed suggests that they may benefit from different strategies.

Figure 2. Percent Employed and Median Annual Earnings
Year before TANF Receipt



Note: Valid percentages reported. Earnings standardized to 2018 dollars.

The picture that emerges from these numbers is that youth have a number of characteristics that are associated with lower earnings and higher poverty. They are more likely to be African American women, and they are particularly likely to have never married. They are less likely to have finished high school and more likely to be pregnant. Although they are more likely to have worked prior to receiving TANF, they earned considerably less than adults who were at least 25 years old. These characteristics suggest specific strategies, such as helping youth obtain high school degrees and improving their human capital so that they are able to access higher earnings.

Out-of-Home Placements among Youth

Another factor that may affect opportunity youth who receive TANF is their involvement with the child welfare system. Youth in foster care as well as those aging out of it are much more likely to be pregnant or parenting than similarly aged individuals who have no association with the child welfare system (Radey, Schelbe, McWey, Holtrop, & Canto, 2016). Such youth are often overwhelmed, particularly because they lack parenting role models (Radey et al., 2016). Many former foster youth who are also parents struggle to find employment and to remain employed (Dworsky & Gitlow, 2017).

Whether or not youth were in an out-of-home placement at some point during their childhood could affect both the decision to receive TANF as well as employment and earnings outcomes. It may also be another way to better target TANF-receiving youth, as youth aging out of foster care may be eligible for additional resources not available to other opportunity youth receiving TANF, such as free tuition at Maryland state universities (Maryland Higher Education Commission, n.d.).

Out-of-home placements were not uncommon among youth.¹ One in six (16.8%) youth had at least one out-of-home placement as a child. These youth spent a median of almost three years (35 months) in care when all of their placements are combined. For these youth, there may be additional barriers to overcome in order to successfully transition to self-sufficiency (Gypen, Vanderfaillie, De Maeyer, Belenger, & Van Holen, 2017).

¹ We were only able to determine whether youth were in an out-of-home placement; the data do not extend far enough back in time for those who are 25 years old or older.

Participation in Work Activities

While receiving TANF, most adult recipients are subject to the work requirement. *Work-exempt* recipients are not subject to this requirement, usually because they are disabled, or they are caring for a child less than 12 months old or a disabled family member. *Work-eligible* adult recipients must participate in work-related activities for 20 hours per week if the youngest child in the family less than six years old; that rises to 30 hours per week if the youngest child is over six years old.

Work-related activities, which are intended to improve adult recipients' labor market prospects, are the main conduit through which the Maryland Department of Human Services (DHS) can support adult recipients. Federal law defines 12 categories of work activities, nine of which

are considered *core* and three of which are considered *non-core*. TANF recipients must engage in core work activities for at least 20 hours per week; if necessary, non-core activities may be used to fill the remaining 10 hours per week. Work activities include unsubsidized employment, subsidized employment, work experience, and community service, among others. Three work activities are related to education and training, but only one of those—vocational education—is a core activity. Vocational education is also limited to 12 months in the recipient's lifetime; most activities are geared toward short-term interventions.³

In addition to these federally defined activities, Maryland has created state-defined work activities. The key difference is that state-defined activities are typically related to barriers to employment. State-

³ Beginning in July 2020, Maryland will allow TANF recipients to participate in vocational education or

education directly related to employment for up to 24 months (H.B. 1066, 2019).

defined activities include a breakdown in transportation or childcare, disability, illness, and substance abuse or mental health treatment. They do not count as work, but they indicate why an individual is not participating in federally defined activities, and they often have deadlines associated with them (e.g. 30 days to secure childcare).

Tracking participation in federally defined activities is particularly important for states. In order to meet the federal performance measure for TANF, states must have a certain percentage of their work-eligible adult recipients engaged in federally defined work activities for the required number of hours. States may be assessed a financial penalty if they do not meet this requirement. Thus, the percentage of adult recipients who are in federally defined work activities—as well as the percentage who are only in state-defined activities—can have serious ramifications.

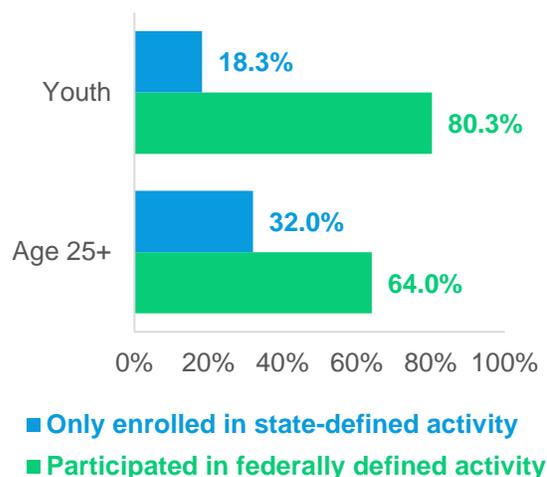
To start examining any differences in work activity participation between youth and adults who are at least 25 years old, Figure 3 shows the percentage of each group that participated in a federally defined activity and the percentage that was enrolled only in one or more state-defined activities in the follow-up period. Those in a federally defined activity may or may not have participated for the required number of hours; this only indicates that they participated in a federally defined activity at some point.

Compared to their older counterparts, youth are far more likely to have participated in a federally defined activity. Fully 80% had some hours in at least one federally defined

activity during the follow-up period while fewer than two in three (64.0%) adults ages 25 and older did the same. Similarly, almost one third (32.0%) of adults who were at least 25 years old were only enrolled in state-defined activities, while fewer than one in five (18.3%) youth had only state-defined activities.

These differences suggest that youth may have a greater ability to take advantage of opportunities that DHS offers than adults who are ages 25 and older. These somewhat older adults may have more serious barriers to their participation in both work and federally defined work activities. We already know that they are more likely to have a long-term disability; issues related to disability, poor mental and physical health, and substance abuse may be more common among adults who are at least 25 years old as well.

Figure 3. Participation in Work Activities During Follow-Up Period



Note: Valid percentages reported.

Unsubsidized Employment (WEJ)

Full- or part-time employment in the public or private sector that is not subsidized by TCA or any other public program.

Job Search (JBS)

Activities to assist a recipient in locating unsubsidized employment, such as resume writing, interviewing skills, or career exploration.

Work Experience (WEX)

Unpaid work placements in which the recipient has the opportunity to acquire the skills and knowledge necessary to perform a broad array of jobs.

Job Skills Training Directly Related to Employment (IST)

Training or education for job skills required by an employer to provide a recipient with the ability to obtain employment or to advance or adapt to the changing demands of the work place.

Vocational Education (BEV)

Organized educational programs to prepare a recipient for employment in current or emerging occupations. Programs are provided by vocational-technical schools, community colleges, or proprietary schools.

Satisfactory Attendance at Secondary School/GED (BED)

Educational instruction provided by a secondary school or an alternative educational program leading to a high school diploma or high school equivalency (e.g., GED).

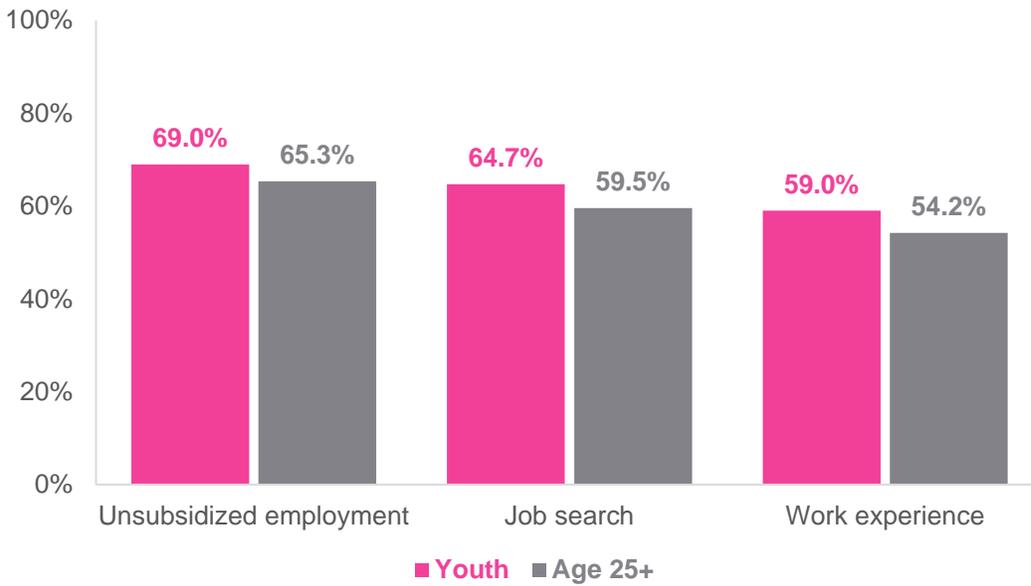
It is clear that youth are more likely to participate in federally defined work activities. There may be further differences in terms of the specific activities youth and adults who are at least 25 years old attend. Figure 4 displays the percentage of youth and adults at least 25 years old who participate in each of the three most common federally defined work activities.⁴ In each of these activities—unsubsidized employment, job search, and work experience—the percentage of youth who participated in the activity is about four or five percentage points higher. Among youth, more than two in three (69.0%) participated in unsubsidized employment, less than two in three (64.7%) participated in job search, and about three in five (59.0%) participated in work experience.

Because education and training are so crucial to future opportunities for TANF recipients, we also examine participation in federally defined work activities that are focused on those areas in Figure 5. More than two in five (44.8%) youth participated in job skills training, more than one in four (27.1%) participated in vocational education, and 4% participated in secondary school. These percentages are higher than those among adults age 25 and older across the board. For job skills training and vocational education, the percentage of adults who are at least 25 years old is seven percentage points lower; for secondary school, it is just two percentage points lower.

While participation in each of the three most common federally defined work activities is slightly lower among adults age 25 and older, the overall pattern is the same for both youth and their older counterparts. Across the board, youth are more likely to participate in any federally defined work activity, even when the population is restricted to those who participated in at least one of those activities at some point. The contrast is greatest, however, among the two most common education and training activities. These differences could reflect greater interest in and ability to participate in activities that may help TANF recipients find better jobs and earn more money.

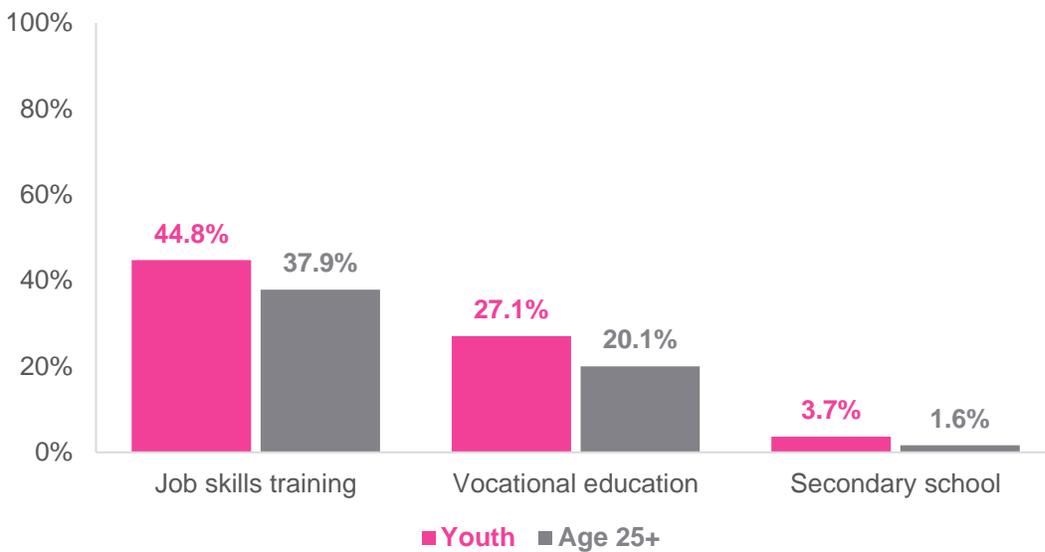
⁴ These percentages are of those who participated in any federally defined activity (i.e., only those in the green bars in the previous figure). Otherwise, the percentages are skewed by the fact that adults age 25 and over are less likely to participate any federally defined activity.

Figure 4. Participation in Most Common Federally Defined Activities
During Follow-Up Period



Note: Individuals who did not participate in any federally defined activities are excluded.

Figure 5. Participation in Education & Training Activities
During Follow-Up Period



Note: Individuals who did not participate in any federally defined activities are excluded.

Employment and Earnings after Case Closure

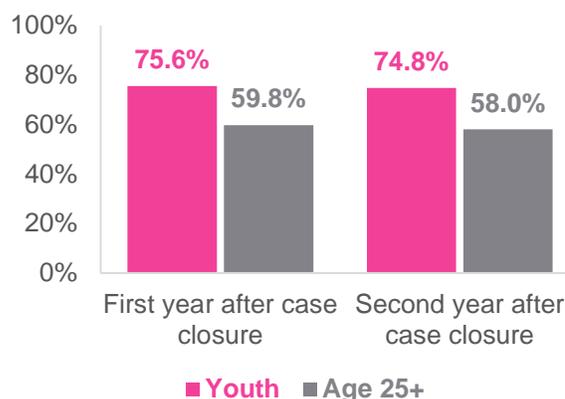
Ultimately, the goal of Maryland's TANF program is help families become self-sufficient through employment. This goal drives the work activities in which adult recipients participate while receiving TANF, and it informs assessment of how families fare after they leave TANF. Examining employment and earnings among adult recipients, then, is a good way to determine if youth are doing well after they leave TANF, compared to adult recipients who are at least 25 years old.

Even though this report focuses on current recipients, investigating outcomes after case closure still makes sense. Virtually everyone, regardless of age, has a case closure in the follow-up period. Analyses of employment and earnings after case closure capture 99% of youth and 97% of adults who are 25 years old or older.

Because TANF is so focused on work, examining what percentage of adult recipients were employed after their cases closed is a particularly telling metric.⁵ Figure 6 shows that three in four (75.6%) youth worked in the first year after their cases closed, which is 16 percentage points higher than the percentage among adults who are least 25 years old. Just three in five (59.8%) of those who are 25 and older worked in the first year after case closure. Those percentages stay virtually the same in the second year after case closure, suggesting that the differential in employment may hold up in the short term.

⁵ We use the first case closure after the study month for these analyses. Many cases closed and reopened more than one time in the follow-up period. For

Figure 6. Percent Employed

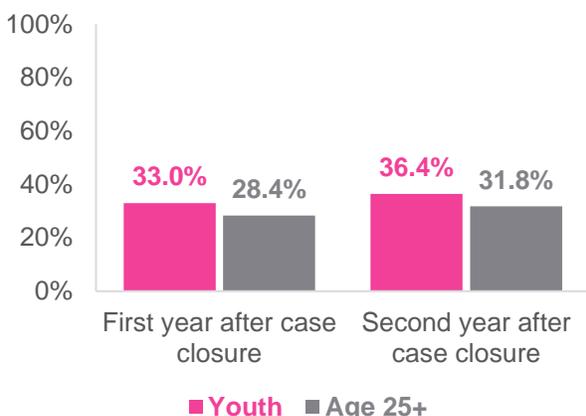


The percentage of youth who work is unusually high. In the most recent annual report on families who leave TANF in Maryland, the percentage of adult recipients who were employed in the first year after exit is 62%; even among those who left recently, during a stronger economy, 67% were employed (Nicoli & Passarella, 2018). This indicates that youth may be a subpopulation of TANF recipients who are most likely to work. Adults age 25 and older were more likely to have a disability, so issues related to health and disability may be playing a role too. Nevertheless, a disproportionately high percentage of youth work in the formal labor market after case closure, meaning that they may be more receptive to interventions focused on improving their ability to find jobs.

In other research, we have found that there is a discrepancy between the percentage of adult recipients who work at some point during the year and those who work all four quarters of a year. For instance, our most recent annual report on Maryland TANF leavers found that just 28% of those who

example, 29% of youth and 22% of adults who were at least 25 years old had their cases close four or more time in this period.

Figure 7. Percent with Full-Year Employment
Adult recipients with 4 quarters of employment in Maryland



were employed in the first year after exit worked all four quarters in that year (Nicoli & Passarella, 2018). As Figure 7 demonstrates, that percentage is the same for adults who are at least 25 years old. Only 28% worked in the first year after case closure, although that rose slightly to 32% in the second year after exit. Youth were more likely to work all four quarters. One in three (33.0%) were employed for the full year in the first year after case closure, and that percentage grew to 36% in the following year.

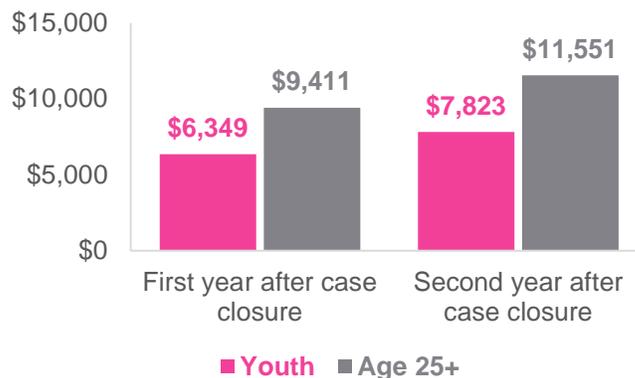
Although it is higher than the percentage among other adult recipients, the percentage of youth who worked all four quarters in a year is still rather low. Far more than half of youth were not employed in each quarter after case closure, suggesting that they may have had difficulty maintaining employment. This may indicate the need for follow-up or supportive services among youth and other adult recipients after they leave TANF.

⁶ The 2018 federal poverty guideline for a three-person family is \$20,780 (U.S. Department of Health & Human Services, 2018).

Earnings among Maryland TANF recipients are typically quite low. In the first year after exit, median earnings among employed adult recipients were about \$8,400 (Nicoli & Passarella). As Figure 8 reveals, earnings among youth are actually considerably lower than that figure. Youth earned \$6,349 in the first year after case closure, which is markedly lower than their older counterparts. Adults who are at least 25 years old earned \$3,000 more than in that year, making their earnings almost 50% higher than what youth earned.

Both youth and adults age 25 and older earned more in the second year after case closure, but the wage gap persisted. Youth earned about \$7,800, compared to about \$11,600 among adults who are at least 25 years old. Those who were at least 25 years old still earned close to 50% more than youth in the second year after case closure. While these older adults were not earning enough to exceed the federal poverty guideline for a three-person family, they still earned about \$3,700 more than youth.⁶ This is not an insignificant amount of income for family in which one adult is earning \$7,823.

Figure 8. Median Annual Earnings



Note: Earnings standardized to 2018 dollars.

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.

Food & Beverage Stores

(NAICS 445)

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

Clothing Stores

(NAICS 448)

Retail stores that sell new clothing and clothing accessories.

Accommodation

(NAICS 721)

Provide lodging or short-term accommodation for travelers, vacationers, and others.

Warehousing & Storage

(NAICS 493)

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

Social Assistance

(NAICS 624)

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

Regardless of whether an adult recipient is a youth or older, earnings are low, even in the second year after case closure. To some extent, this is due to what we learned from Figure 7: most adult recipients who work, whether or not they are youth, do not work all four quarters in a year. Having no earned income for at least three months over the course of a year obviously decreases total earnings for the year. Helping adult recipients maintain employment may help raise the percentage employed in all four quarters, but it is also likely to help raise median annual earnings.

In addition to the number of quarters worked in a year, another factor that may affect earnings is the industry in which an adult recipient works. In previous research, we found that certain industries are associated with higher earnings and long-term economic stability for individuals who are leaving TANF (Nicoli, Passarella & Born, 2014; James & Nicoli, 2016). Table 3 lists the 10 most common industries among youth along with median quarterly earnings. Administrative and support services, which is the classification that includes temporary work, is the most common industry at 22%. Restaurants, which includes everything from fast food to fine dining, are not far behind at 20%, and general retail stores, such as Wal-Mart and Target, are at 12%. The remaining seven industries each fall between 2% and 5%.

Table 2. 10 Most Common Industries and Median Quarterly Earnings

Youth in first quarter employed after TANF

	%	\$
Administrative & Support	22.4%	\$1,060
Restaurants	19.7%	\$1,244
General Retail Stores	12.0%	\$1,412
Food & Beverage Stores	4.8%	\$1,378
Nursing Homes	4.6%	\$2,374
Outpatient Health Care	3.6%	\$2,346
Clothing Stores	3.4%	\$903
Accommodation	2.7%	\$1,624
Warehousing & Storage	2.6%	\$1,949
Social Assistance	2.5%	\$1,984
Other Industry	21.6%	\$1,890
Total	100.0%	\$1,457

Note: Valid percentages reported. Earnings standardized to 2018 dollars. Industries were classified using three-digit North American Industry Classification System (NAICS) codes. The analysis excludes individuals who were employed but the NAICS code was missing.

Along with clothing stores (\$903), which is the seventh most common industry, administrative and support services (\$1,060) and restaurants (\$1,244) have the lowest quarterly earnings.⁷ This means that the two most common industries are the ones that pay particularly poorly. All of these earnings are low, however. Only the two health care industries, nursing homes (\$2,374) and outpatient health care (\$2,346), have median earnings that exceed \$2,000. Even in the highest paid industry, nursing homes, an individual who earned that median wage would earn about \$9,500 annually if she worked all four quarters. That simply places her in line with overall median earnings for adults who are at least 25 years old—and it does not take into account the fact that most youth do not work the full year.

Among adults aged 25 and older, industries look a little different. Administrative and support services is still the most common industry, and it is at about the same percentage (23.1%). However, working in restaurants and general retail stores is much less common. Adults who are at least 25 years old are seven percentage points less likely to work in restaurants (12.4%) and five percentage points less likely to work in general retail stores (7.5%). The two next most common industries, outpatient health care (5.8%) and nursing homes (5.6%), are one to two percentage points more common among adults who

Table 3. 10 Most Common Industries and Median Quarterly Earnings

Age 25+ in first quarter employed after TANF

	%	\$
Administrative & Support	23.1%	\$1,534
Restaurants	12.4%	\$1,580
General Retail Stores	7.5%	\$1,717
Outpatient Health Care	5.8%	\$2,638
Nursing Homes	5.6%	\$2,949
Social Assistance	4.4%	\$2,225
Food & Beverage Stores	4.2%	\$1,455
Education	2.9%	\$2,128
Professional & Technical	2.9%	\$1,947
Accommodation	2.8%	\$1,687
Other Industry	28.4%	\$2,544
Total	100.0%	\$1,983

Note: Valid percentages reported. Earnings standardized to 2018 dollars. Industries were classified using three-digit North American Industry Classification System (NAICS) codes. The analysis excludes individuals who were employed but the NAICS code was missing.

⁷ Those who worked in restaurants may have higher actual earnings, as these figures do not include tips.

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.

Outpatient Health Care

(NAICS 621)

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

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.

Social Assistance

(NAICS 624)

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

Food & Beverage Stores

(NAICS 445)

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

Education

(NAICS 611)

Instruction or training services such as K-12 schools, community colleges, universities, and training centers.

Professional & Technical

(NAICS 541)

Organizations specializing in legal advice, book-keeping, computer services, or consulting services among others.

Accommodation

(NAICS 721)

Provide lodging or short-term accommodation for travelers, vacationers, and others.



are at least 25 years old. As with youth, the remaining five industries each capture between 2% and 5% of these older adults.

Across the board, earnings are higher among adults who are 25 years old or older, even in the same industry. For example, administrative and support services is the most common industry for both groups, but earnings are over 40% higher for adults at least 25 years of age at about \$1,500. Nursing homes is the highest paid industry in both groups, although older adults make about 25% more than youth. Education, which is one of four industries that pays adults who are at least 25 years old more than \$2,000, is not among the top 10 industries for youth.

These findings suggest two strategies. First, interventions could help youth enter industries that pay better in greater numbers. This would mean encouraging more youth to find jobs in health care and education, two areas in which adult recipients are able to find higher wages. The promising nature of health care and education has been documented in our other work (Nicoli, Passarella & Born, 2014; James & Nicoli, 2016). Second, youth earn less than their older counterparts, regardless of industry. Among the industries that both groups have in common, there is not a single industry in which youth earn more than adults who are at least 25 years old. Helping youth increase their human capital through work experience, education, and training, even if they remain in the same industry, may allow them to have earnings that are closer to those of older adults.

Conclusions

The term *opportunity youth* encompasses a broad population that contains multitudes. Among those multitudes are young parents receiving TANF, a small subpopulation that may face specific challenges that other opportunity youth do not. Despite these challenges, however, young parents receiving TANF may be able to take advantage of programs that may not be available to other opportunity youth—or other TANF recipients. In order to better understand opportunity youth who receive TANF, this brief compares them to older TANF recipients to see what their needs are.

In Maryland, opportunity youth receiving TANF—that is, adult TANF recipients ages 18 to 24—are a considerable portion of the overall TANF population. About one quarter of (23.4%) adult TANF recipients are youth, and they are markedly different from adult TANF recipients who are at least 25 years old. Youth are more likely to be African American women who never married as well as more likely to be pregnant. They are also less likely to have finished high school and to have a long-term disability.

While receiving TANF, youth were much more likely to participate in any federally defined work activity than their older counterparts. Among adult TANF recipients with any participation, youth were more likely to participate in the three most common federally defined work activities—unsubsidized employment, job search, and work experience—as well as in job skills training and vocational education, which are the two most common education and training activities. This suggests that youth may be more likely than their older peers to

utilize work activities to become more competitive in the labor market.

Compared to adults who are at least 25 years old, youth are more likely to work both before they receive TANF and after TANF case closure. In the first and second years after case closure, about 75% of youth were employed, which is much higher than the percentage of adults who are 25 years old or older. Around 60% of these older TANF recipients worked after case closure, which is probably related to the fact that they are more likely to have long-term disabilities.

Many of the characteristics that youth have, such as being less likely to have finished high school, are associated with lower income and a greater likelihood of being poor. Indeed, whether examining employment and earnings before receiving TANF or after TANF case closure, youth earned substantially less than adults who are 25 years old or older. However, earnings for both groups are quite low. In the second year after case closure, employed youth typically earned about \$7,800 compared to about \$11,600 among adults who are at least 25 years old. While these older adults earned almost 50% more than youth, they are still well below the federal poverty guideline for a three-person family (\$20,780).

The industries in which TANF recipients work after their cases close can also affect earnings. Given the low earnings regardless of age, it is not surprising that youth and adults who are at least 25 years old have the same three most common industries: administrative and support services (which includes temporary work), restaurants, and general retail. However, older TANF recipients were less likely to work in restaurants and general retail and more



likely to work in health care and education, which pay more. Even when employed in the same industries, though, adults who are 25 years old or older earn more than youth.

With all of this information, opportunity youth who receive TANF in Maryland seem like an excellent population to target with high-quality education and training that can lead to better jobs in the long term. Youth are particularly likely to be employed, meaning they want to work, and they are more likely to participate in federally defined work activities. At the same time, they typically earn less than their older peers.

Integrating that high-quality education and training with the work activities in which youth are required to participate is one way to take advantage of WIOA's funding preference for out-of-school youth. Ideally, these work activities would give youth a foothold in growing industries that offer jobs with career ladders. This would benefit employers as well as TANF recipients. Employers in high-demand industries like health care need qualified workers, and young parents receiving TANF need jobs that can potentially provide family-sustaining

wages. Maryland specifically chose to include TANF within the workforce system; connecting youth-focused WIOA programming with TANF work activities leverages the strengths of different partners within the workforce system.

Investing in young parents receiving TANF in Maryland can pay dividends beyond simply helping families leave the program. Youth have their whole adulthood in front of them, and helping them find their way earlier means they may not need TANF in the future. Returning to TANF is common in Maryland; helping young families make permanent exits may benefit both those families and the state. Furthermore, additional income, even just \$3,000 annually, among families in which the adults earn wages below the federal poverty level can have long-term positive effects on the wages that the children in that family eventually earn (Duncan & Magnuson, 2011). The ultimate beneficiaries of these strategies may be the children of these young parents who may have the chance to grow up in an environment that allows them to thrive.

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ACKNOWLEDGEMENTS

The author would like to thank Letitia Passarella for her assistance with editing and Jamie Haskel and Somlak Suvanasorn for their assistance in the collection and processing of data for this research brief. This brief was prepared by the Ruth Young Center for Families and Children with support from its long-time research partner, the Maryland Department of Human Services.

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