Family Welfare Research & Training Group

Life after Welfare Annual Update

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EXECUTIVE SUMMARY

This 2011 annual update of Maryland's landmark, legislatively-mandated *Life after Welfare* study went to press as our state, nation, and world continue to grapple with the persistent negative effects of the most severe, widespread economic downturn since the Great Depression of the 1930s. Unemployment rates remain stubbornly elevated, one in nine Americans receives Food Supplement assistance (i.e. Food Stamps), job growth is anemic at best, public budgets are extremely strained, and high levels of near-term uncertainty at the personal, political, economic, and international levels are individually and collectively disconcerting, to say the least. Little relief is in sight. Virtually all forecasts suggest that, all else equal, the recovery's rather glacial pace is likely to continue, it will take years if not decades to return to pre-recession employment levels and at household level, employment and economic recovery, at best, lie several years in the future.

For various reasons, Maryland fared better than many other states during the meltdown. Still, our state, its economy, its public programs, and our people have not been unscathed by the economic maelstrom. This includes our state's highly-regarded Temporary Cash Assistance (TCA) program and its low-income families which, with agency help, have been trying to transition from welfare to work in an environment characterized by intense competition for available jobs and rigid federal work requirements. For both clients and welfare agencies, the degree of difficulty associated with achieving speedy and lasting welfare to work transitions remains exponentially greater than it was in the first decade or so of welfare reform, when the economy was robust and jobs were plentiful.

Things are different now. Our reformed welfare system and its client families face their greatest challenges by far since the reforms' adoption in 1996. And, while the financial stakes are extremely high for families and state budgets, there are no historical precedents to help policymakers, program managers, advocates, and families navigate these unprecedented and difficult times. We cannot predict the future either but, through the *Life after Welfare* project, we can continue to empirically chronicle Maryland's welfare reform story, as we have since the program began in October 1996. Now, more than ever, it is vitally important that policymakers and managers have valid, reliable, up-to-date data about how many families are leaving welfare, why their cases are closing, and what happens to those families over time. Providing that information, for Maryland, is the overarching purpose of the ongoing *Life after Welfare* study in general and this 2011 annual update in particular.

Today's report describes the characteristics and post-exit outcomes of 15,818 families who left welfare for at least one month between October 1996 and March 2011. Using multiple administrative data systems, we profile clients and cases at the time of the welfare exit and track their employment and earnings outcomes over time, as well as their use of work supports, receipt of child support income, and subsequent returns to welfare. We report findings for the entire sample but also by cohort to see if and how the recession and its aftermath may have led to changes in the type of exiting families and their post-exit experiences. Specifically, we look at pre-recession leavers (n=12,792), those who left between October 1996 and November 2007; recession leavers (n=1,381), cases closing between December 2007 and June 2009; and post-recession leavers (n=1,645), welfare exits between July 2009 and March 2011. Key findings include the following:

- The exiting payee/case profile is generally the same as it has been over the course of the study: a never-married, African-American woman in her early 30s with one or two children who resides in Baltimore City, Prince George's County, or Baltimore County.

- The profile is generally the same for all three cohorts, but two differences bear mention. First, although Baltimore City still accounts for the plurality of exiting cases, its share of total statewide closures declined over time, from 46.2 percent in the pre-recession era to 38.2 percent in the post-recession period. In contrast, post-recession (48.4%) and recession (49.4%) leavers are more likely to have at least one child in the home who is younger than three years of age.

- For the entire sample each time cohort, most clients leave welfare after relatively short spells (12 or fewer months) and long-term, continuous welfare use remains relatively rare. But, continuing a trend noted last year, the findings hint that post-recession clients may be finding it harder to exit and find work. For example, average spell length for post-recession leavers (9.3 months) is elevated compared to those who left during the recession (8.1 months).

- No matter when their welfare cases closed, the women in our sample are not strangers to employment: most worked before coming onto welfare and most worked in the two years before exiting. However, post-recession leavers (July 2009—March 2011) are significantly less likely to have worked in the two years before their welfare exits—a time period (July 2007—March 2009) which includes all 19 months of the official recession period.

- For the entire sample, the top three reasons for case closure remain income above limit (27.6%), work sanction (17.8%), and failure to reapply (16.2%), but there are significant cohort differences. Notably, in the recession (28.5%) and post-recession (31.1%) periods, the rate of work sanctioning is more than double what it was before the recession (14.9%).

- Work effort remains strong among women leaving welfare, but the recession's effects are evident: significantly fewer post-recession leavers work when or immediately after they exit welfare. They are also significantly less likely than earlier leavers to work at every other post-exit measuring point as well. Also, overall employment rates for the most recent time period (October 2010—March 2011) show small declines compared to prior years. This is troubling because it suggests that even women who left welfare during earlier, more prosperous times are being adversely affected by the recession and its jobless aftermath.

- On a more heartening note, among those who do work, average and median earnings increase over time; this is true for the sample as a whole and separately for each cohort. Mean annual earnings exhibit a similar pattern, averaging $11,348 for the first post-exit year and rising to $22,568 some 14 years after case closure.

- Also positive is the finding that while fewer post-recession leavers are employed, those who are initially earn more, on average, than those who left earlier. In the exit quarter, to illustrate, post-recession leavers who worked averaged $3,618, compared to $3,261 and $3,116 for recession and pre-recession leavers, respectively.

- There has been remarkable consistency over our 15-year study in the industries where leavers initially find work. Among all first post-welfare jobs for which industry classification could be determined (87.5%), two-thirds of all first jobs were in one of three industries: professional and business services (22.9%); trade, transportation, and utilities (22.5%); or education and health services (22.3%).

- Most families who leave welfare do not return, no matter when their welfare cases closed. For the whole sample and separately for each cohort, recidivism risk is highest in the first one to two years after exit; if families have not returned by then, it is unlikely that they will.

- Certain recidivism risk factors can be identified. These include: Baltimore City residence, being a person of color, being never-married, not having graduated high school, having a child under three, having a case closure due to 'work sanction' or 'failure to provide eligibility/verification information,' and not working at or near the time of case closure.

- Clients whose cases closed during the recession or since its end have significantly higher recidivism rates at six and 12 months post-closure than clients who left welfare in earlier years. One year post-exit, to illustrate, one of three recession (33.3%) and post-recession (33.7%) leavers had returned to welfare, compared to 28.2% among earlier exiters.

- The most common outcome in the first post- welfare year is unsubsidized employment and no simultaneous cash assistance receipt (47.6%). Another 16.5 percent of clients worked and also received cash assistance, meaning that just about two of every three (64.1%) leavers had unsubsidized employment during the first post-welfare year.

- Roughly two-thirds of all leavers use the Food Supplement (FS, formerly Food Stamps) Program, but utilization rates are significantly higher for recession and post-recession leavers at all first post-exit year measuring points. In months four to six, for example, about three-fourths of recession (74.9%) and post-recession (76.9%) leavers used FS, compared to about three-fifths (63.1%) of earlier leavers. In one way this is positive because the FS program is meant as a buffer in tough economic times; however, recent higher rates of FS use also testify to the recession's ongoing effects on low-income working families.

- Participation in the Medical Assistance (and M-CHP) programs is also high, and, again, rates are higher among the more recent leavers. In months seven to 12 after case closure, nearly all recession (93.8%) and post-recession (92.5%) cases had at least one member taking part in one or the other program, as did more than eight of 10 (84.9%) pre-recession cases.

- The large majority of leavers (81%) had active child support cases at or within three months of their welfare exits, but the rate was higher among earlier leavers (83%) than among those who left during (79%) or after (76%) the recession. Among clients who had received at least one child support disbursement (i.e. payment) by the end of the first post-exit year, the mean amount received was $1,897 (median = $1,347). These are not insignificant amounts and confirm the importance of child support income to families like those in our sample.

What does this mean and what does it portend? First, we think this 2011 annual *Life after Welfare* update continues to confirm that welfare agencies, community partners, and low-income recipient women still do take welfare reform seriously. Efforts continue to meet federal work requirements and, despite the difficult environment, welfare leavers have worked in the past and display a willingness to work again. Even now, many low-income Maryland women continue to leave welfare for work and most exits are permanent. This in turn provides ongoing evidence that Maryland's carefully-crafted, empirically-based, bi-partisan approach to welfare reform was and remains a robust one.

It is also clear from the 2011 findings that "welfare" and welfare-to-work programs do not exist in isolation nor are they independent from or unaffected by the larger economy. *Life after Welfare* study results were almost wholly positive in reform's first decade, reflecting the expanding economy of that era and the bounty of jobs available. Results this year are more sobering, but again reflect the state of the larger economy and, in particular, the abysmal state of the job market. On almost every measure, recession-era and post-recession leavers do not fare as well as those who left welfare before the economic tsunami struck. Notwithstanding this fact, when one considers everything that has happened and the unprecedented difficulties now facing all but the most highly-educated, highly-skilled job seekers, we think today's results should be considered in a positive, rather than negative, light.

Still, it seems a near certainty that the short-term future will remain quite challenging for welfare agencies, low-income women, and the welfare-to-work programs that serve them. State budgets will remain challenged, too, because federal TANF rules remain rigidly in place, the block grant has not increased, supplemental ARRA and contingency funds are no longer available, and the outcome of the once-again overdue TANF reauthorization process is unknown.

The situation is taxing indeed. But despite today's unprecedented and unrelenting challenges, history suggests that with our continued, best, collective and steadfast, bi-partisan efforts, Maryland will successfully traverse these troubled times. In addition to its many other strengths, the persistence of advocates and the prescience of legislators in commissioning the longitudinal *Life after Welfare* study means that should any difficult, near-term policy or budgetary choices need to be made with regard to cash assistance and the TANF block grant, Maryland will be able to base its decisions on empirical data rather than anecdote. This also positions our state to have a prominent voice in the overdue, but already contentious and somewhat polarized TANF reauthorization discussions. Maryland is one of the few states with long-term, reliable empirical data that could be used to inform those important deliberations.

As a state our welfare reform program has accomplished much and this report, like prior ones in the series, has highlighted areas of achievement, but also areas of challenge. As participants and empirical observers of our state's reformed welfare system since its initial design phase, we remain confident that, while celebrating the former, our state will be more than able to effectively tackle the latter.

Introduction

This 2011 annual update to Maryland's landmark, legislatively-mandated *Life after Welfare* research study is issued at a time of ongoing economic fragility and turmoil for families, for state, local and national governments and, indeed, for the entire world. In the United States, unemployment and the number of Americans looking for work remain at levels not seen since the 1930s, consumer confidence is quite low, income inequality is rising, growth is proceeding at a snail's pace at best, and the number of Americans applying for Supplemental Nutrition Assistance (formerly Food Stamps) has reached record high levels. Amid all the punditry about the causes and cures for our present situation, the gravity of the employment/unemployment situation facing American adults, including women trying to leave welfare for work, was made crystal-clear in recent Congressional testimony by the Director of the Bureau of Labor Statistics. In an August, 2011 hearing he was asked to comment on the 117,000 new jobs created in the most recent reporting period – a number celebrated for being higher than the two prior periods. The Director, in response, was unequivocal in stating that, at this pace of job creation, our nation would never achieve pre-recession job levels.

It is in this volatile economic and employment environment that we present this year's installment of the *Life after Welfare* tracking study. The central question addressed is an obvious and important one: How are today's welfare leavers faring in the midst of the most difficult economic times most of us have seen in our lifetimes and—without doubt—the most difficult economic times since the adoption of welfare reform in the mid-1990s. This question is of far more than mere academic interest. While employment opportunities are few and far between, perhaps especially for those with limited education and/or skill sets, state cash assistance programs and their clients are still being held to federal pre-Recession work participation mandates and penalties for non-compliance. Some observers have already questioned whether the almost exclusively "work first" framework embodied in the 1996 and 2005 reforms makes sense in the wake of the Great Recession, especially when the odds of a 'double dip' seem to have increased, not decreased, in recent months. On the other hand, there have been calls for significant cuts in social programs, such as cash assistance.

These debates will continue but, much more importantly, so will the challenges that confront states' cash assistance programs and the low-income women they are attempting to assist in making the transition from welfare-to-work. Unfortunately, most states do not have longitudinal, empirical data to help them understand today's unprecedented *Life after Welfare* realities, how those realities compare to outcomes achieved in prior, more prosperous years, and what might happen or need to be done in the next few years. Thanks to the persistence of the advocate community and the bipartisan prescience of the General Assembly, however, Maryland does have in place a large, longitudinal, ongoing study, *Life after Welfare*, that tracks client outcomes and whose findings can inform and guide policy and program choices in these difficult times as they have in years past. This is because the *Life* study, like the welfare policy world and the larger economy, is dynamic, not static. New cases are added to the study sample every month, as they have been since the study's inception in October 1996. We also continue to track families after they leave cash assistance, so that mid-range and longer-term outcomes can be reported and assessed. In short, the *Life after Welfare* study provides state and local policy makers and program managers with unparalleled data on the outcomes of welfare leavers over time, thus allowing for the analysis of work and welfare outcomes across various policy shifts and revisions, and, perhaps most critically, as the economy expands and contracts.

In this 2011 installment of the *Life after Welfare* series, we examine the characteristics and outcomes of over 15,000 families who exited welfare in Maryland and, to be most useful, we report findings based on whether the welfare exit occurred before, during, or after the Great Recession. These specific research questions are addressed:

1) What are the characteristics of Maryland's welfare leavers?

2) What are the administrative reasons why families' welfare cases close?

3) What are clients' short- and long-term employment patterns post-exit? How do these patterns compare to pre-exit employment?

4) How many (and how soon do) families return to the cash assistance program?

5) After exit, how do families package other work support benefits to make ends meet?

   a. SNAP (Food Stamps)
   b. Medical Assistance (including MCHP)
   c. Child support

For the most recent exiters, we examine the circumstances surrounding their welfare exit and their immediate, short-term outcomes in terms of post-exit employment, returns to assistance, and use of work supports. We also include earlier exiters in order to examine mid-range and longer-term outcomes, and to compare the outcomes of today's leavers to those in previous years. This landmark research initiative, then, affords Maryland legislators and program managers a rich source of information that is both extensive and relevant, and the advantage of having a rare, empirically-based picture of who is leaving welfare during these troubled times, what happens to them after they exit, and how their circumstances compare with those who left in better times. There is, of course, no quick or easy fix to the heightened challenges facing welfare-to-work programs and their clients in these uncertain and difficult times. Particularly when times are tough, however, it is essential that decision-makers have access to reliable empirical data such as the *Life* study provides to help inform whatever policy debates may arise and programmatic revisions that may need to be made.

METHODS

This chapter summarizes our methodological approach to the *Life after Welfare* study in general, and includes details on sampling and data analysis for this report in particular.

Sample

In every month since October 1996 (the beginning of welfare reform), we have drawn a five percent random sample of welfare cases that closed in Maryland, resulting in a total sample of 22,299 cases. We include all Temporary Cash Assistance (TCA, Maryland's version of TANF) cases that closed in the sampling population, regardless of the reason for case closure or the length of time the case remained closed. However, the findings presented in this annual update exclude sampled cases that closed and then reopened within one month (n=6,481), which we refer to as "churners". In a previous study we compared churners to other recidivists and to non-recidivists, and we found that churners are more likely to have experienced case closure because of missing an appointment for redetermination of ongoing eligibility, suggesting that the closure was unintended (Born, Ovwigho, & Cordero, 2002). Thus, today's report includes the subset of sampled cases that closed for *at least one month*, from October 1996 through March 2011 (n=15,818).

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) and its predecessor, the Automated Information Management System/Automated Master File (AIMS/AMF); work participation data were obtained from the WORKS system; employment and earnings data were obtained from the Maryland Automated Benefits System (MABS); and child support data were obtained from the Child Support Enforcement System (CSES).

CARES and AIMS/AMF

CARES became the statewide automated data system for certain DHR programs in March 1998. Similar to its predecessor AIMS/AMF, CARES provides individual and case level program participation data for cash assistance (AFDC or TCA), Food Supplement (formerly Food Stamps), Medical Assistance and Social Services. 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.

WORKS

The WORKS system was developed by DHR to document information related to the participation of Temporary Cash Assistance (TCA) and other DHR customers in work and work-related activities. Specifically, since December 2006, the WORKS system has been used to collect and report data related to federal work participation reporting requirements, provide DHR with information that can be used to monitor the results of local work programs, and provide LDSS staff with information that can be used to manage and improve program operations.

MABS

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

The MABS system only tracks employment in Maryland. However, our state shares borders with Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia, and out-of-state employment is common. Overall, the rate of out-of-state employment by Maryland residents (17.4%) is roughly five times greater than the national average (3.6%)[1]. Out-of-state employment is particularly prevalent among residents of two very populous jurisdictions (Montgomery County, 31.3%, and Prince George's County, 43.8%), which have the 5th and 2nd largest welfare caseloads in the state, respectively. One consideration, however, is that we cannot be sure the extent to which these high rates of out-of-state employment also describe welfare recipients or leavers accurately.

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

CSES

The Child Support Enforcement System (CSES) contains child support data for the state. Maryland counties converted to this system beginning in August 1993 with Baltimore City completing the statewide conversion in March 1998. The system includes identifying information and demographic data on children, noncustodial parents and custodial parents receiving services from the IV-D agency. Data on child support cases and court orders including paternity status and payment receipt are also available. CSES supports the intake, establishment, location, and enforcement functions of the Child Support Enforcement Administration.

Data Analysis

This profile of welfare leavers—the 16th in this series—uses univariate statistics based on a random sample of case closures during the sampling period (October 1996 through March 2011) to describe welfare leavers and their cases. When appropriate, we also use chi-square and ANOVA tests to compare the characteristics of pre-recession leavers (October 1996 through November 2007, n=12,792) with those who left during the Great Recession (December 2007 through June 2009, n=1,381) and those who left welfare after the Great Recession (July 2009 through March 2011, n=1,645).

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[1] Data obtained from U.S. Census Bureau website http://www.factfinder.census.gov using the Census 2000 Summary File 3 Sample Data Table QT-P25: Class of Worker by Sex, Place of Work and Veteran Status, 2000.

Findings: Baseline Characteristics

Who is leaving welfare?

Our first research question, "Who is leaving welfare?" is answered in this initial findings chapter. Specifically, we look at the pre-exit and month-of-exit individual and case characteristics of families whose Temporary Cash Assistance (TCA, Maryland's TANF program) cases closed between October 1996, the first month of welfare reform in our state, and March 2011, the most recent month for which data were available for inclusion in this annual update. We begin by providing information about the demographic characteristics of individuals who headed the welfare case that closed and basic descriptive information about their cash assistance cases. We then present a discussion of caseheads' pre-exit welfare use patterns and work histories and conclude with discussion of exit-month work activity assignments and the administratively-recorded reasons for case closure. The information presented in this chapter provides an important context for the work and welfare outcomes discussed in the following chapters.

Characteristics of payees

Basic demographic information about the caseheads whose welfare cases closed during our study period (October 1996—March 2011) is presented in Table 1, following this discussion. Findings are presented separately for three different cohorts of leavers, and then for the sample as a whole. The first data column in Table 1 represents the pre-recession cohort of leavers, those whose case closures took place sometime between the first month of welfare reform (October 1996) and last month (November 2007) before the official start of the Great Recession. Not surprisingly, this is the largest of our three study cohorts (n=12,792) and represents roughly four of every five cases in our sample (80.8%, 12,792/15,818). The second data column in Table 1 presents findings for the 1,381 payees—just under 10 percent of the total sample (8.7%, 1,381/15,818)—whose case closures occurred during the 19 officially-declared months of the Great Recession (December 2007 through June 2009).[2] The third cohort of leavers is the post-recession group, those whose closures took place during the 21 month period from July 2009, the first post-recession month, to March 2011, the last month of closures included in this annual update. There are 1,645 cases in this cohort, accounting for just about one of every 10 closures (10.4%, 1,645/15,818). The final column in Table 1 provides summary findings for the entire sample (n=15,818).

For the sample as a whole, Table 1 shows that, regardless of whether her welfare case closure took place before, during or since the end of the Great Recession, the typical payee is an African-American (74.0%) woman (95.2%) in her early 30s (average 32.7 years of age) who has never been married (75.0%) and has a 12th grade education or the equivalent (55.9%). The table also shows that this profile has remained remarkably consistent over time; there are only a few noteworthy, albeit small, differences across the three time cohorts. First, post-recession leavers are twice as likely to be of a race other than African American or Caucasian as pre-recession or recession era leavers (6.2% versus roughly 3% in the other two time periods). Second, on measures of marital status and education, it is the pre-recession cohort that stands apart. They are more likely to have been divorced, separated, or widowed (18.0% versus 13.4% among recession leavers and 15.0% among

[2] Since 1929, the National Bureau of Economic Research (NBER) has issued business cycle data for the United States, including begin and end dates of economic recession. In its most recent report, the Business Cycle Dating Committee of NBER confirmed that the nation was in recession from December 2007 through June 2009, marking the longest recession since World War II (http://www.nber.org/cycles/sept2010.html).

post-recession leavers), and also more likely to have less than the equivalent of a high school education (40.0% versus 35.4% among recession leavers and 34.4% among post-recession leavers).

These basic descriptors of welfare leavers are important for two reasons. First and foremost, the general stability in the profile of welfare leavers in Maryland over an extended period of time (October 1996—March 2011) means that any differences in welfare and work outcomes that we observe probably cannot be attributed to changes in the characteristics of the women whose welfare cases closed. Second, the demographic information gives us a more substantial picture of these real-life women and their circumstances. Women and particularly minority women who are single mothers, have made impressive gains in education, employment and earnings in recent decades. Still, the indicators of unemployment and economic recession remain more difficult for this population than for non-minority women without children. It is also true that the women in our study, in general, are less well-educated than the general population of American women and thus almost certainly face an even slower pace and less certain path to economic recovery and stable employment.

Table 1. Demographic Characteristics of Exiting Payees

	Pre-Recession 10/96 – 11/07 (n=12,792)	**Recession** 12/07 – 6/09 (n=1,381)	**Post-Recession** 7/09 – 3/11 (n=1,645)	**Total Sample** (n=15,818)
Gender (% female)	95.4% (11,971)	94.5% (1,305)	94.4% (1,553)	95.2% (14,829)
Mean Age (Standard Deviation)	32.78 (10.97)	33.05 (11.81)	32.39 (11.47)	32.77 (11.10)
Race				
African American	74.6% (9,038)	72.2% (971)	71.1% (1,136)	74.0% (11,145)
Caucasian	22.8% (2,761)	24.5% (329)	22.7% (362)	22.9% (3,452)
Other	2.6% (314)	3.3% (44)	6.2% (99)	3.0% (457)
Marital Status***				
Married	7.8% (871)	7.7% (103)	7.7% (122)	7.8% (1,096)
Never Married	74.2% (8,321)	78.9% (1,053)	77.4% (1,233)	75.0% (10,607)
Divorced, Separated, or Widowed	18.0% (2,017)	13.4% (179)	15.0% (239)	17.2% (2,435)
Education				
Less than grade 12	40.0% (3,072)	35.4% (449)	34.4% (530)	38.6% (4,051)
Finished grade 12	54.2% (4,170)	60.5% (766)	60.2% (929)	55.9% (5,865)
Additional education after grade 12	5.8% (445)	4.1% (52)	5.4% (83)	5.5% (580)

Notes: Due to missing data for some variables, cell counts may not sum to cohort totals. In particular, education status is missing for most leavers who exited before April 2000. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Characteristics of cases

Another important piece of the picture is information describing the households of the generally never-married women of color who headed Maryland cash assistance cases that closed during the time period covered by this study. In terms of assessing post-closure employment and other outcomes, it is also important to know if there have been any significant changes in these case/household profile variables over time. This type of information, separately for each cohort and for the sample as a whole, is presented in Table 2, following.

Across the entire study period, we see that the plurality (45.0%) of closing cases were located in Baltimore City and that the typical or average closing case was fairly small, consisting of between two to three persons (mean=2.6), including one or two children (mean=1.73). The youngest child, on average, was about five and one-half years of age (mean=5.58 years), but about two-fifths (42.3%) of all cases that closed had at least one child under the age of three years in the home. Finally, we see that child-only cases, those in which the adult is not included on the grant, represent less than one-fifth of all closures (16.7%). Compared to the active caseload, child-only cases are underrepresented among closures. This is not necessarily a matter for concern, however, for we know that child-only cases tend to have longer welfare spells and, further, that many of these cases, in reality, bear more resemblance to kinship foster care than they do to cash assistance.

There are both commonalities and a few differences when we examine these same variables by exit cohort. A few of the observed differences are statistically significant (region, average age of youngest child, percent of case with a child under three, child-only cases) and, although not necessarily indicative of any immediate 'red flags,' are worth noting. First, in all three time periods, Baltimore City accounts for the plurality of all closing cases statewide. This is generally consistent with the fact that the City also accounts for the plurality of all active cases across the state. It is interesting to see, however, that over time there is a relatively steep decline in the City's share of total closures. That is, Baltimore City accounted for nearly half (46.2%) of all statewide closures in the pre-recession years, about two-fifths (41.9%) during the recession, but only 38.2% in the most recent period (July 2009 through March 2011). Over the same time period, certain other counties and regions experienced the opposite trend; their share of statewide closures increased. Although the percentage increases were not large (i.e., two percentage points or less), Table 2 shows that share increases took place in Prince George's County (14.6% of all recent closures, compared to 10.6% during the recession, and 12.7% in the earliest period), in Montgomery County, on the lower shore (the counties of Somerset, Wicomico and Worcester), and in the metropolitan region (the counties of Carroll, Frederick, Harford and Howard).

The only other notable difference among our exit cohorts is that cases which closed during the recession or since then are significantly more likely to have at least one child under three in the home. About half of recession (49.4%) and post-recession (48.4%) leavers had at least one child this young, compared to just about two-fifths (40.8%) of those whose cases closed between October 1996 and November 2007. (Average age of the youngest child also differs across cohorts, but the difference, while significant, is small; in all three time periods the average age of the youngest child is between 5.0 years and 5.6 years).

The general takeaway point from Table 2 is essentially the same as the takeaway point associated with Table 1. There we noted that over the entire 15 year period that we have been tracking the characteristics and outcomes of Maryland cash assistance leavers, the profile of exiting payees has not changed in any dramatic manner or degree. The same is true for case characteristics as well; while the "numbers" themselves may change a bit over time, the general profile remains the same. The potentially important exception to this statement, however, is the significant increase, since the onset of the recession, in the proportion of exiting families with at least one child under the age of three years. Otherwise, Table 2 shows that Baltimore City and Prince George's County, together, did and still account for the lion's share of all closures, households still tend to be small ones, with one or two children, the youngest of whom, on average, is five years old. The implication then is also the same: any observed differences in post-exit employment and other outcomes are probably not primarily attributable to changes in the characteristics of existing cases. Having said this, however, we do acknowledge the very real possibility that the presence of more households with toddlers (in the recession and post-recession cohorts) could be problematic vis-à-vis employment outcomes.

Table 2. Case Characteristics

	Pre-Recession 10/96 – 11/07 (n=12,792)		**Recession** 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/11 (n=1,645)		**Total Sample** (n=15,818)	
Region*** [3]								
Baltimore City	46.2%	(5,903)	41.9%	(578)	38.2%	(628)	45.0%	(7,109)
Prince George's County	12.7%	(1,619)	10.6%	(147)	14.6%	(240)	12.7%	(2,006)
Baltimore County	11.5%	(1,469)	10.8%	(149)	9.7%	(159)	11.2%	(1,777)
Montgomery County	4.4%	(560)	4.8%	(66)	5.4%	(89)	4.5%	(715)
Anne Arundel County	5.1%	(652)	7.2%	(100)	6.7%	(110)	5.5%	(862)
Metro Region	6.2%	(797)	7.5%	(103)	8.9%	(146)	6.6%	(1,046)
Southern Region	3.0%	(389)	4.3%	(59)	3.8%	(62)	3.2%	(510)
Western Region	3.4%	(431)	4.6%	(64)	3.7%	(61)	3.5%	(556)
Upper Shore Region	4.1%	(529)	5.0%	(69)	4.7%	(77)	4.3%	(675)
Lower Shore Region	3.3%	(423)	3.3%	(46)	4.3%	(71)	3.4%	(540)
Mean AU Size (Standard Deviation)	2.60	(1.19)	2.60	(1.24)	2.55	(1.21)	2.60	(1.19)
Child-only cases**	16.2%	(2,063)	19.0%	(262)	18.4%	(303)	16.7%	(2,628)
Mean Number of Children (Standard Deviation)	1.73	(1.06)	1.75	(1.09)	1.68	(1.06)	1.73	(1.07)
Age of Youngest Child								
Mean*** (Standard Deviation)	5.66	(4.82)	5.02	(4.89)	5.43	(5.20)	5.58	(4.87)
Percent with a child under the age of 3***	40.8%	(4,955)	49.4%	(653)	48.4%	(772)	42.3%	(6,380)

Notes: Due to missing data for some variables, cell counts may not sum to cohort totals. The age of the youngest child considers all children within the household, regardless of whether they were included in the calculation of the TCA grant amount. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

[3] The regions are defined as followed: Metro Region (Carroll, Frederick, Harford, & Howard Counties); Southern (Calvert, Charles, & St. Mary's Counties); Western (Allegany, Garrett, & Washington Counties); Upper Shore (Caroline, Cecil, Dorchester, Kent, Queen Anne's, & Talbot Counties); and Lower Shore (Somerset, Wicomico, & Worcester Counties)

Core caseload designation

Having presented information about payee and case characteristics in the preceding sections, we now turn to a summary measure used by the Family Investment Administration to identify the "core" TCA caseload, for which many of the work-related priorities and goals are intended, and to identify subgroups of non-core cases so that appropriate case management strategies can be utilized. The categorization is based on a number of different case and payee characteristics available in the administrative data, and there is a hierarchy that guides which category is the most appropriate in the event that a case meets the criteria for more than one category. It should be noted that the core caseload designation is unavailable in the administrative data prior to 2004, and there have been changes to the category definitions over time. One particularly important change occurred in October 2007, when two-parent families and legal immigrants were separated out from the "core" cases. We present the core caseload designations (using the post-2007 categories) for the two most recent cohorts of leavers in Table 3, following this discussion.

Overall, the percent of exiting cases that were considered core cases at the time of case closure was slightly higher during the post-recession period than the recession period (50.8% vs. 47.2%). This difference was not statistically significant, but in a practical sense it fits with the general challenges to helping work-eligible caseheads leave welfare for work during an economic crisis. Non-core cases may also sometimes leave welfare for work, and, for some non-core cases, in fact, work is the most appropriate and desired outcome. But, generally speaking, there is a greater proportion of non-core cases in the active TCA caseload at any given point than there is among closed cases (see Williamson, Saunders, & Born, 2010 for information on the active TCA caseload).

In terms of the types of non-core cases that closed during our sample period, two trends stand out. The first is an increase in the percent of closures that were two-parent cases in the post-recession period (4.5%) versus the recession period (2.8%). This is in line with a parallel increase in two-parent families observed among the active TCA caseload, and especially among recent and brand-new TCA applicants (Saunders, Young, & Born, 2010; and Williamson, Saunders, & Born, 2010). Historically, the eligibility guidelines for cash assistance have made it more difficult for two-parent families to qualify for benefits. However, given the epic nature of the Great Recession, it is not surprising that many two-parent families, many perhaps for the first time, have found themselves in need of and eligible for cash assistance.

The second notable trend in core caseload categorizations over time is a decrease in the percent of closing cases that included a child under the age of one at the time of exit—11.8 percent versus 8.1 percent in the recession and post-recession periods, respectively. This is a more difficult trend to interpret, because this category can only be used once for a particular case. That is, once a casehead has received a work exemption for caring for an infant, she is not eligible to be exempted again for this same reason. Thus, the longer individuals remain on welfare, the less likely it is that they will be categorized as a non-core case with a child under one. If they have no other work exemptions, then, they will likely be included in the "core" group even though they do have very young children. This is but one example among many of how challenging and complex it can be to navigate the interactions of work-oriented policies in an environment of economic crisis.

Table 3. Core Caseload Groups During and After the Great Recession

	Recession 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/11 (n=1,645)	
Core Caseload Category				
Core Case	47.2%	(646)	50.8%	(835)
Non-Core Case	52.8%	(723)	49.2%	(810)
Type of Non-Core Case*				
Special Family Type				
Child Only	19.1%	(261)	18.5%	(305)
Two Parent Cases	2.8%	(39)	4.5%	(74)
Disabilities				
Short-term Disabled	1.3%	(18)	0.9%	(15)
Long-term Disabled	5.1%	(70)	4.9%	(81)
Caring for Disabled Family Member	1.4%	(19)	1.0%	(16)
Other				
Child Under One	11.8%	(161)	8.1%	(134)
Earnings Cases	8.8%	(120)	8.4%	(139)
Domestic Violence	0.9%	(12)	1.1%	(18)
Needy Caretaker Relative	0.8%	(11)	1.2%	(19)
Legal Immigrant	0.9%	(12)	0.5%	(9)

Note: Core Caseload designations are not available for any leavers prior to February 2004, and the coding changed in October 2007 to include separate categories for two-parent and legal immigrant families. Thus, for clarity and ease of interpretation, we only present the core caseload categories for the most recent two cohorts (n=3,026).

What are payees' experiences with the welfare system and UI employment?

Clients' work histories and the length of time they have been on cash assistance are two other important indicators of how prepared they might be to enter or re-enter the workforce and, perhaps, how successful they might be. In this section, we examine both the short- and long-term welfare histories of Maryland welfare leavers and their recent experience, if any, in Maryland jobs covered by the Unemployment Insurance system.

Welfare history

Table 4, following this discussion, presents findings on two measures of welfare utilization. The top half of the table presents data describing the length of the current welfare spell, that is, the number of months of continuous benefit receipt leading up to the exit which brought the case into our study sample. The bottom half of the table reports on clients' cumulative, but not necessarily consecutive, months of assistance received in the last five years. Findings are presented separately for the three time periods (pre-recession, recession, post-recession) and for the sample as a whole.

The first and most obvious finding with regard to current welfare spells is a positive one: for the sample as a whole and for each time cohort, the large majority of clients exit welfare after having received assistance for 12 or fewer months. The proportion of short-term exits is highest among those whose cases closed during the recession (85.7%) and those who have left since July 2009 (82.7%). Even among those whose cases closed earlier, however, seven of every 10 clients (71.6%) had 12 or fewer consecutive months of continuous benefit receipt at the time of case closure.

There is at least a suggestion in these data, however, that some clients in the post-recession period may be finding it more difficult to support themselves and, thus, are remaining on welfare for slightly longer periods of time. We see, to illustrate, that the percentage of clients who had been on welfare for 13 to 24 months at the time of exit (11.4%) is noticeably higher in the post-recession cohort than it had been during the recession itself (8.8%). Notably, too, the mean or average length of the most recent welfare spell is higher – by about one and one-half months – among post-recession leavers (9.30 months) than among those whose cases closed during the recession itself (8.13 months). These findings are most probably due to a lack of available jobs during and since the recession, rather than to some change in client behavior or characteristics, as Table 4 suggests. That is, while more post-recession clients are exiting after a spell of 13 to 24 months, there is no comparable uptick in the percentages exiting from even longer spells (i.e. 25 months or more). If the jobless recovery persists, of course, we are likely to see an increase in the percentage of clients in the 25-36 months category in next year's *Life after Welfare* report.

Information about the length of the welfare spell that led up to case closure is important, but does not necessarily tell the complete story about families' reliance on welfare over an extended period of time. Some families, for example, cycle between welfare and work, so point in time measures that consider only one welfare "spell" may seriously underestimate their true welfare histories. Thus, our second measure, the total number of months of cash assistance receipt in the last 60 months or five years, presents a more complete picture of the extent to which our exiting clients have relied on cash assistance in the past. Findings on this measure, in the bottom half of Table 4, are positive and consistent with those reported in prior years.

First and foremost, we see that long-term welfare use—not uncommon under the old Aid to Families with Dependent Children program—has become relatively rare over the now 15 year history of the Temporary Assistance to Needy Families (TANF) program. Among those whose cases closed between October 1996 and November 2007, about one in five (21.5%) had been on welfare for at least 49 of 60 months. In stark contrast, only 7.2 percent and 6.0 percent of recession and post-recession clients had accumulated that many months at the time of exit. Likewise, the average total time on welfare has also dropped significantly over time. For the large pre-recession cohort of leavers, clients had welfare for an average of 27.78 months at the time of exit; among those who left welfare during the recession and after its official end, the averages are 17.88 months and 16.05 months, respectively. Even the recent severe recession has not seemed to alter the "new normal" under TANF which, at least through March 2011, has been shorter stays on welfare and less cumulative welfare use over time.

Table 4. Welfare History

	Pre-Recession 10/96 – 11/07 (n=12,792)		Recession 12/07 – 6/09 (n=1,381)		Post-Recession 7/09 – 3/11 (n=1,645)		Total Sample (n=15,818)	
Length of Exiting Spell*								
12 months or fewer	71.6%	(9,159)	85.7%	(1,183)	82.7%	(1,360)	74.0%	(11,702)
13 to 24 months	13.9%	(1,773)	8.8%	(122)	11.4%	(188)	13.2%	(2,083)
25 to 36 months	5.3%	(676)	2.5%	(35)	2.4%	(40)	4.7%	(751)
37 to 48 months	2.8%	(354)	1.1%	(15)	1.2%	(20)	2.5%	(389)
49 to 60 months	1.7%	(216)	0.7%	(9)	0.7%	(12)	1.5%	(237)
More than 60 months	4.8%	(614)	1.2%	(17)	1.5%	(25)	4.1%	(656)
Mean***	15.10		8.13		9.30		13.89	
Median	7.15		4.24		5.23		6.57	
Standard Deviation	25.34		14.33		16.22		23.89	
TCA Receipt in the 5 Years Before Exit*								
12 months or fewer	31.1%	(3,976)	50.5%	(697)	55.4%	(912)	35.3%	(5,585)
13 to 24 months	19.4%	(2,475)	24.6%	(340)	25.7%	(423)	20.5%	(3,238)
25 to 36 months	15.3%	(1,960)	11.6%	(160)	8.8%	(144)	14.3%	(2,264)
37 to 48 months	12.7%	(1,629)	6.2%	(85)	4.1%	(68)	11.3%	(1,782)
49 to 60 months	21.5%	(2,747)	7.2%	(99)	6.0%	(98)	18.6%	(2,944)
Mean***	27.78		17.88		16.05		25.69	
Median	24.00		12.00		11.00		21.00	
Standard Deviation	19.21		15.44		14.68		18.97	

Note: The length of exiting spell is calculated as the difference (in months) between the exit month and the month of the most recent TCA application. Due to small instances of missing data, cell counts may not sum to column totals. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Work history

We turn now to the second indicator of potential job readiness and a demonstrated predictor of the likelihood of obtaining employment: recent work experience. “Employment” is perhaps the central concept undergirding the current cash assistance program and, operationally, one of the defining characteristics of TANF compared its predecessor, AFDC, is its strict work requirements.

Often termed “work first,” the TANF program’s approach is based on the idea that any job is better than no job and that work experience—even in the context of suboptimal work—will lead to better work outcomes among welfare recipients and increase the likelihood that they become permanently self-sufficient. In this section, then, we investigate the work histories of our three cohorts of welfare leavers. More specifically, Figure 1 below presents information on leavers’ employment in the two years before coming onto welfare and the two years before the welfare case closure that brought them into our sample.

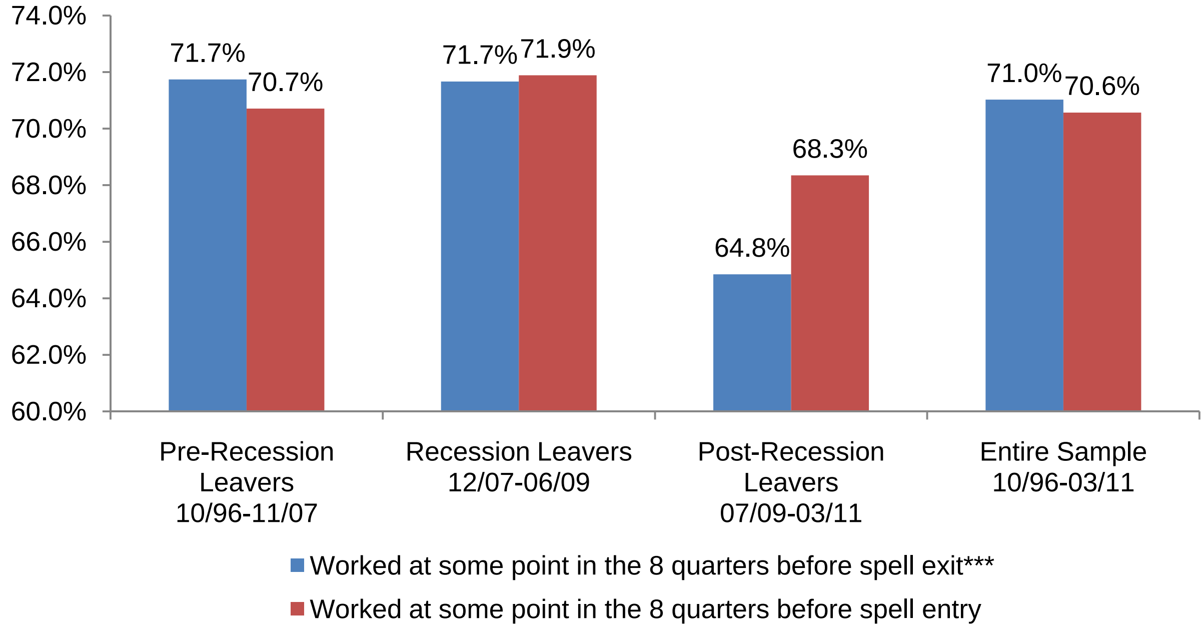
Considering the two years before beginning their welfare spells, post-recession leavers were slightly less likely to have worked than individuals in either of the earlier cohorts—68.3 percent versus 71.9 and 70.7 percent, respectively, but this difference was not statistically significant.

Considering the two years before exiting welfare, however, leavers in the post-recession period were significantly less likely to have worked before exiting welfare than their peers in earlier years were. While just shy of three in four (71.7%) caseheads in the earlier two cohorts of leavers had worked at some point in the eight quarters before exit, only 64.8 percent of leavers after the recession had worked in the two years leading up to the exit that brought them into our sample.

Figure 1 also highlights an important change regarding work patterns among leavers. Earlier leavers were more likely to work before exit than before entry (71.7% versus 70.7%), which indicates an improvement, albeit a slight one, in work outcomes over time. Among those individuals who left welfare during and after the recession, however, work participation seems to drop off. These leavers are less likely—and in the case of post-recession leavers, *much* less likely—to work in the years before exiting welfare than they were in the years before entering. For example, 71.9 percent of leavers during the recession worked before entering, but only 71.7 percent worked before exiting. Though this difference is practically small, the trend continued and is more pronounced among post-recession leavers: 68.3 percent worked before entering, but only 64.8 percent worked before exiting.

Despite these cohort differences, it is important to also note, as we have in all prior *Life after Welfare* reports, that the women in our sample are not strangers to the world of work. For all three cohorts at both measuring points, the data show that the large majority (between roughly two-thirds and 70% have at least some earnings from a Maryland UI-covered job. In the earlier years of welfare reform, the challenge was not so much to turn non-workers into workers, but rather to help women secure jobs that were stable and offered benefits and opportunities for advancement. That challenge remains, certainly, but the immediate, pressing and unquestionably daunting challenge right now—especially because federal work rules and penalties have not been relaxed—is to help adult TCA recipients find any type of employment at all.

Figure 1. Employment History



Note: The employment figures exclude 76 sampled individuals for whom we have no unique identifier. In addition, employment preceding spell entry excludes an additional 167 sample members due to data limitations. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

What is the status of cases as they exit welfare?

The final section of our discussion of baseline client and case characteristics addresses the status of cases as they closed. We examine two issues in particular: (1) the number and type of client work assignments in the exit month and (2) the administratively-recorded reason for case closure. The analyses illuminate the circumstances surrounding the case closure, and augment the findings we have discussed so far about the characteristics of cases and caseheads.

Work activity assignment

Work participation has been mandatory for most adult cash assistance recipients since the beginning of welfare reform in 1997. However, there was a somewhat reasonable degree of flexibility afforded states in terms of how they defined work activities and how they calculated work participation. State discretion was notably diminished, however, under the much more stringent requirements included as part of TANF reauthorization under the Deficit Reduction Act of 2005. The final standards were later issued by the U.S. Department of Health and Human Services (HHS) in the 2008 TANF Final Rule (Federal Register, February 5, 2008). Although there were no changes to the twelve categories of acceptable work activities that were originally included in the 1996 reform legislation, the 2008 HHS regulations standardized the definitions of the work activities. At present then, there are nine core activities and three non-core activities. The core activities are: unsubsidized employment; subsidized private sector employment; subsidized public sector employment; work experience; on-the-job training; job search and job readiness assistance; community service programs; vocational educational training; and job skills training directly related to employment. The three non-core activities are: education directly related to employment; attendance at a secondary school; and the provision of child care services to an individual participating in a community service program.

The rules for counting hours of work participation are complex, and include limits on how many hours in each type of activity should be counted for various types of participants. In cases where an individual is considered work-eligible but is unable to participate in any of the specified work activities, or has exceeded the allowable hours in a particular activity, states may define their own activities. This is with the caveat, however, that these state-defined activity hours will not be countable towards work participation, but are important for program tracking and management. That being said, there are some caseheads who are not assigned to a work activity (whether federally- or state-defined); for instance, a non-parental caregiver in a child-only case. Table 5, below, presents the number of work activity assignments per casehead in the month that the TCA case closed, as well as the general type of work activity assignments in that month. The analyses are limited to the two more recent cohorts, due to limitations in data availability for earlier leavers.

Overall, about one in four leavers in either the recession or post-recession period appeared not to be assigned to any work activities in the exiting month (29.3% and 26.4%, respectively). Separate analyses (not presented here) confirmed that most of these caseheads were in child-only cases, or there was a question about their eligibility which eventually led to the case closure. Approximately two in five caseheads were assigned to one work activity in the exiting month (40.9% in the recession cohort, and 44.9% in the post-recession cohort), one in five were assigned to two activities (17.9% in the recession cohort and 18.0% in the post-recession cohort), and the remaining ten percent in either cohort were assigned to three or more activities (11.9% in the recession cohort and 10.7% in the post-recession cohort).

In terms of the broad categories of work activities caseheads were engaged in during the exit month, approximately one-half of the caseheads in each cohort were engaged in at least one federally-defined core activity, though this was true for fewer of the caseheads in the post-recession period (53.4% in the recession cohort and 47.2% in the post-recession cohort). Less than ten percent were engaged in at least one federally-defined non-core activity (7.3% in the recession cohort and 8.2% in the post-recession cohort). The most common type of work activity assignment was a state-defined activity. There are at least 20 different types of state-defined activities, and they vary from work and work-related activities that are not countable under the federal work participation rate calculation rules (for instance, if an individual has exceeded the number of allowable hours conducting a job search) to various reasons for non-participation in work or work-related activities (for instance, if there is a child care or transportation barrier, disabilities, etc.). The broad range of possibilities for state-defined activities, then, makes it likely that at least one state-defined activity will apply for a given casehead in a given month, even if they are also assigned to a federally-defined core or non-core activity in the same month. Overall, approximately seven out of ten leavers had at least one state-defined activity in the exiting month (71.0% in the recession cohort and 74.6% in the post-recession cohort).

Table 5. Work Activity Assignments in the Critical Month

	Recession 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/11 (n=1,645)	
Number of Work Activity Assignments in Critical Month				
None	29.3%	(404)	26.4%	(434)
1	40.9%	(565)	44.9%	(739)
2	17.9%	(247)	18.0%	(296)
3 or more	11.9%	(165)	10.7%	(176)
Type of Work Activity Assignments (Not mutually exclusive, limited to those with at least one assignment)				
Federally-defined "Core" Activity	53.4%	(522)	47.2%	(571)
Federally-defined "Non-Core" Activity	7.3%	(71)	8.2%	(99)
State-defined Activity	71.0%	(694)	74.6%	(903)

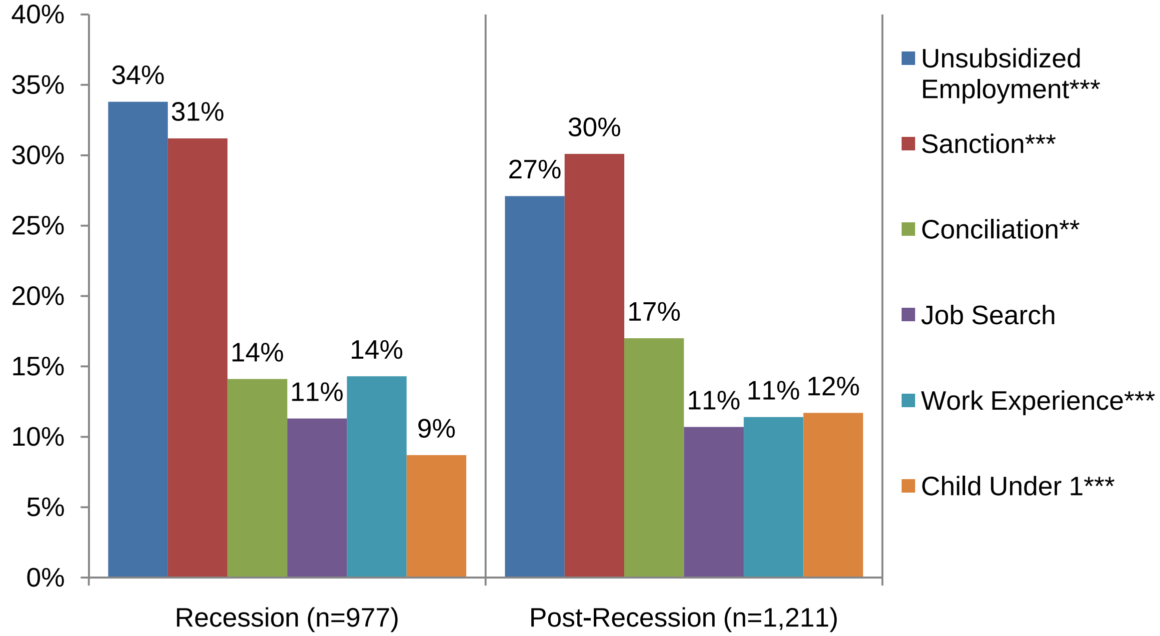
Note: Work activity information is not available for pre-recession leavers before July 2003, so for clarity and ease of interpretation this analysis is limited to leavers in the most recent two cohorts. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

As mentioned, there are 12 federally-defined core and non-core work activities, and at least 20 state-defined activities, and caseheads can be assigned to one or more activities from each category in a given month. To understand the specific types of activities that leavers are most commonly assigned to in the month of their welfare exit, we combined the federal and state activities together and then ranked them in descending order according to how many leavers were assigned that activity in the exit month. The resulting top six activities are presented in Figure 2, below.

In both the recession and post-recession periods, the top six work activities were: unsubsidized employment (federal core); work sanction (state defined); work sanction conciliation period (state defined); job search (federal core); work experience (federal core); and a "child under 1" work exemption (state defined). Although the same six activities were the most common in both cohorts, there were statistically significant differences on five of the six (all but job search). Unsubsidized employment and work experience, both federal core activities, for example, were both significantly more common in the recession period than the post-recession period (34% versus 27% for unsubsidized employment and 14% versus 11% for work experience, respectively). The work sanction conciliation status (during which an individual is given an opportunity to "cure" the sanction by cooperating with work activities) and the "child under 1" exemption status were significantly more common in the post-recession period (17% versus 14% for conciliations and 12% versus 9% for child under 1 exemptions, respectively). Otherwise, one in three caseheads in both cohorts were in the process of being sanctioned (31% during the recession and 30% in the post-recession period), and just over one in ten were conducting a job search (11% in both cohorts).

It is important to note that we are looking at the work activity assignments through a retrospective lens rather than a prospective one. That is, we are looking at work assignments among people who left, rather than an exit rate within a certain type of work assignment. Still, it is interesting that about the same proportion of leavers were participating in unsubsidized employment, as were facing or about to face a full-family sanction for noncompliance with work requirements, and that more structured work activities (e.g. vocational training, job skills training, subsidized employment, etc.) were not among the top six activities for leavers. This does not mean that these activities are not important or that they do not lead to good outcomes, only that they are not commonly utilized relative to unsubsidized employment or job search assistance. Limited use of these activities may be understandable given how resource-intensive the more structured activities are, the cessation of ARRA and TANF contingency funding and the general budget environment, nationally and at the state and local levels. On the other hand, most prognostications are that, going forward, the post-recession economy will require workers to have more or at least different skills. Certain employment sectors where jobs are almost certain to abound because of the aging of the population, in fact, require specialized training, and, in some cases, certification or licensure. Jobs and career opportunities of this type include such things as nurse's aide, nursing assistant, licensed practical nurse, home health aide, respite care workers, and the like. Thus, while emphasis on more time-limited and arguably less expensive "welfare-to-work" activities is understandable given fiscal realities and inflexible federal rules, it is other, less frequently used activities such as vocational training that may have greater promise as avenues to achieve the real goal of welfare reform—lasting, sustainable transitions from welfare to work.

Figure 2. Top 6 Work Activity Types



Note: Categories are not mutually exclusive; that is, individuals may have more than one activity recorded at a time. Cases without any activities in the critical month are excluded. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Reason for case closure

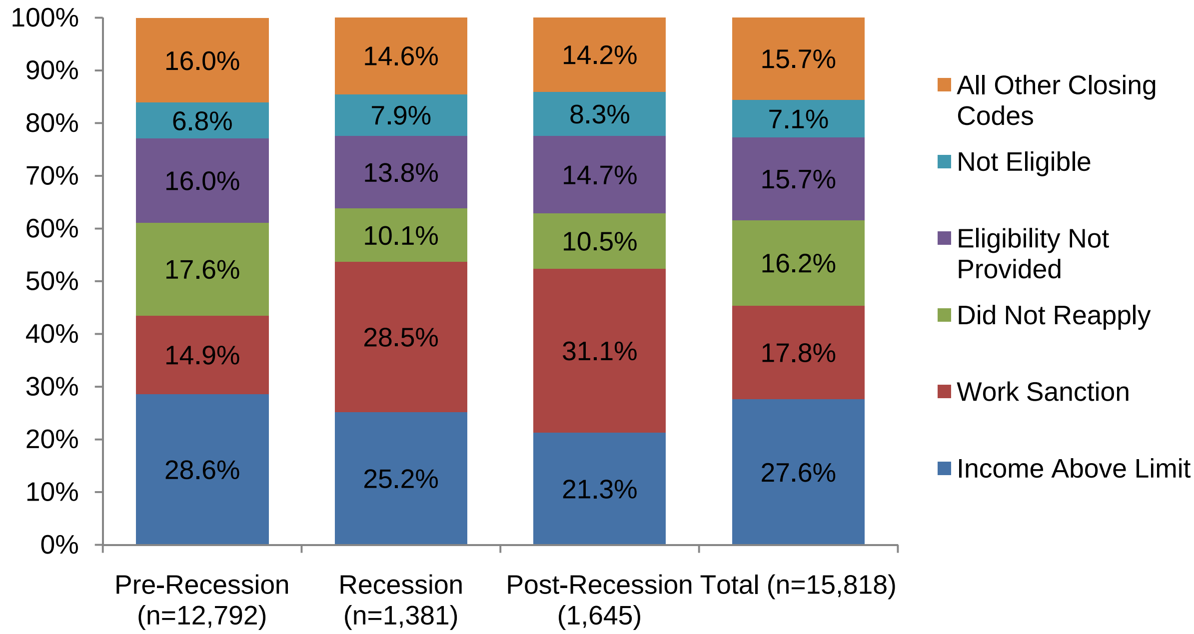
Last but not least, we conclude this baseline chapter by taking a look at the administratively-recorded reasons that clients' welfare cases closed. To close a case, the agency staff member must select a reason for closure from a pre-determined set of system codes. There are many codes from which to choose but, nonetheless, having a finite, fixed set of choices may mean that, at least some of the time, the administratively-recorded case closing reason may not fully capture the sometimes complex situations that bring about families' welfare exits. In past reports, to illustrate, we have often noted that administrative closure codes understate the true rate of work-related exits because clients may not have notified the agency when they found employment; in situations such as these, cases might be closed with the code "did not reapply." Their limitations notwithstanding, case closure codes are useful to examine, particularly as case closure patterns may vary over time. Importantly also, these codes are the best empirical way to track full family sanctions and we have also found, over time, that closure codes are correlated with important post-exit outcomes such as employment and returns to welfare after an exit (i.e. recidivism). Thus, in Figure 4, which follows this discussion, we report administratively-recorded case closing codes for our sample as whole and, separately, for our three time cohorts of cases.

Figure 4 shows that there have been statistically and almost certainly programmatically significant changes in case closure reasons over time. Most notably, we see that the work sanction rate in both the recession and post-recession periods is more than double what it was in the pre-recession era. In the earlier period, about 15 percent of all cases were closed because of non-cooperation with work requirements (14.9%). In the period of the recession and in the months since then, however, we see that more than one in every four closures (28.5%) and then almost one of every three (31.1%), respectively, had a full family work sanction recorded as the reason the case was closed. Indeed, since the outset of the recession, work sanction has been the most common case closing code utilized in our state.

To some degree, an increase in work sanction closures over time is not an unexpected finding because sanction risk increases the longer families remain on the rolls, grace periods run out, and good cause allowances cease. However, it seems a near certainty that much of the increase in sanctioning results from the more broadly-applied and more stringent federal work participation requirements enacted as part of the Deficit Reduction Act of 2005. Practically speaking, the DRA rules require states to engage a much broader spectrum of clients in work activities and offer few alternatives other than the imposition of the state-determined penalty when there is non-compliance. In Maryland, at present, the penalty is a full family sanction—cessation of cash assistance to the entire family. Given the horrific employment situation at the present time and short-term forecasts that are also grim, it would greatly benefit families if the federal government would at least temporarily relax its work participation rules. For the same reasons, at least in the near term it might also behoove the Maryland legislature to reconsider the use of the full family, rather than adult-only, sanction for non-compliance with work requirements.

Two other observations about Figure 4 also seem worth noting. The first is that the percentage of cases closed with the code "income above limit," been on the decline since the recession started. Whereas in the pre-recession period this code accounted for 28.6 percent of all closures, it represented 25.2 percent during the recession and has declined to 21.3 percent during the most recent, post-recession period. Historically, this has been the closing code most often used when clients left welfare for work or when employed clients' earnings increased to the point where they no longer qualified for TANF because of their incomes. Our finding that closures of this type have declined over time seems to confirm what common sense would suggest: the recession and its aftermath have made it more difficult for women to leave welfare for work. There has also been an incremental uptick in the percentage of cases closed because they were not eligible to receive aid; for the pre-recession, recession, and post-recessions cohorts, the percentages here are: 6.8 percent, 7.9 percent, and 8.3 percent, respectively. It is beyond the scope of these descriptive data to explain why this uptick has occurred, but a common-sense explanation might be that at least some of it has been caused by financially-strapped families who have turned to the welfare agency for help but were subsequently determined not to meet one or more of the eligibility requirements.

Figure 3. Case Closing Reasons***



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

FINDINGS: POST-EXIT EMPLOYMENT AND WELFARE OUTCOMES

In this findings chapter, we investigate the post-exit work and welfare outcomes of Maryland's welfare leavers. We begin by examining whether and how often leavers are employed in Maryland UI-covered jobs, how much they earn, on average, and whether and how those employment outcomes differ by exit cohort. Next, we examine whether leavers return to welfare, and how quickly they do so, on average. Additionally, we explore whether certain indicators—payee and case demographic characteristics, welfare and employment histories, case closure reasons, and exit cohort—are risk factors for welfare recidivism. Finally, this chapter presents the combined work and welfare status of Maryland's welfare leavers over time and investigates whether individuals in different exit cohorts have significantly different combined work and welfare outcomes. To the best of our knowledge, this is the first study to so thoroughly examine post-recession outcomes of families who experience a welfare case closure under TANF.

Employment Outcomes

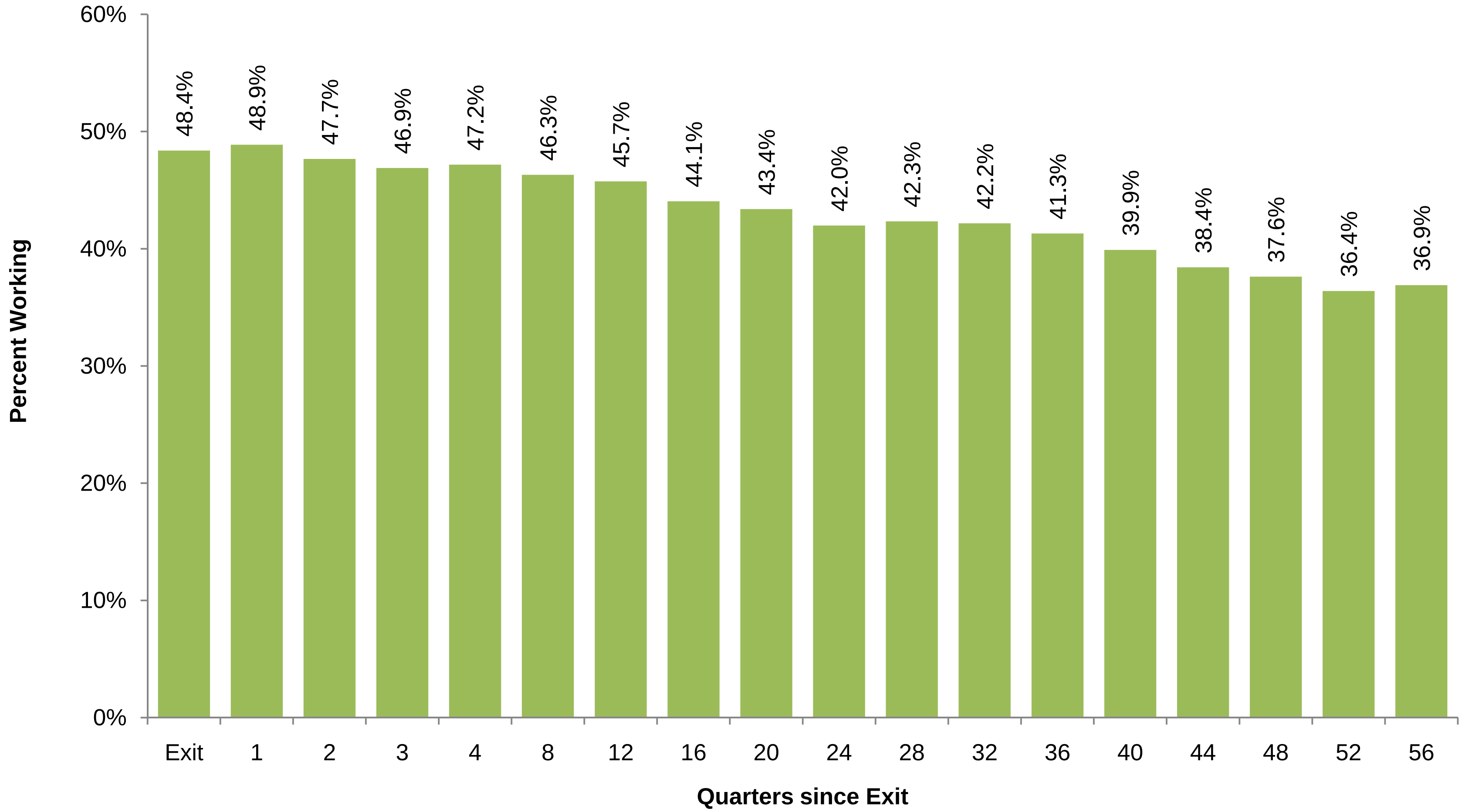
How many caseheads work in Maryland UI-covered jobs over time?

Figure 4, below, presents the most basic post-exit employment information: the percentage of leavers who worked in the quarter they left welfare and in each year thereafter. Our earliest leavers now have 56 quarters, or 14 years, of follow-up employment information. Overall, for the sample as a whole, about half (48.4%) of welfare leavers worked in the quarter that their welfare cases closed. Although that percentage increased slightly in the first year post-exit (to 48.9%), the percentage of leavers working trended down nearly every year thereafter. By the 14th year post-exit, fewer than two in five leavers (36.9%) had any Maryland UI-covered employment.

There are three important caveats to these findings. First, our employment data reflect only employment within the state of Maryland. It is likely that some individuals found work outside the state, as Maryland borders several other states. We expect that this depresses our employment findings by a few percentage points.

Second, and related, because the length of this study period is quite long, it is also possible that as sample members move out of state, marry, retire, and pass away, our findings may reflect this as a declining percentage of leavers participating in Maryland UI-covered work. To at least partially explore this phenomenon, we present findings on leavers who become disconnected from both work and welfare over time at the end of this findings chapter. For more information about this population, see citations on our website (e.g. Ovwigho, Kolupanowich, Hetling, & Born, forthcoming; Ovwigho, Kolupanowich, & Born, 2009).Third, it is important to bear in mind that the findings in each year in the figure below represent data from a narrower sample than the year before. For example, nearly all our sample members (n=15,742) have employment data in the quarter of exit, but the findings for quarters 52 through 56 represent data from only 973 individuals for whom we have 56 quarters of follow-up data—those who exited between October 1996 and March 1997. As a result, later quarters disproportionately represent the employment of leavers during recent years while earlier findings reflect employment across all 16 study years.

Figure 4. Post-Exit Employment



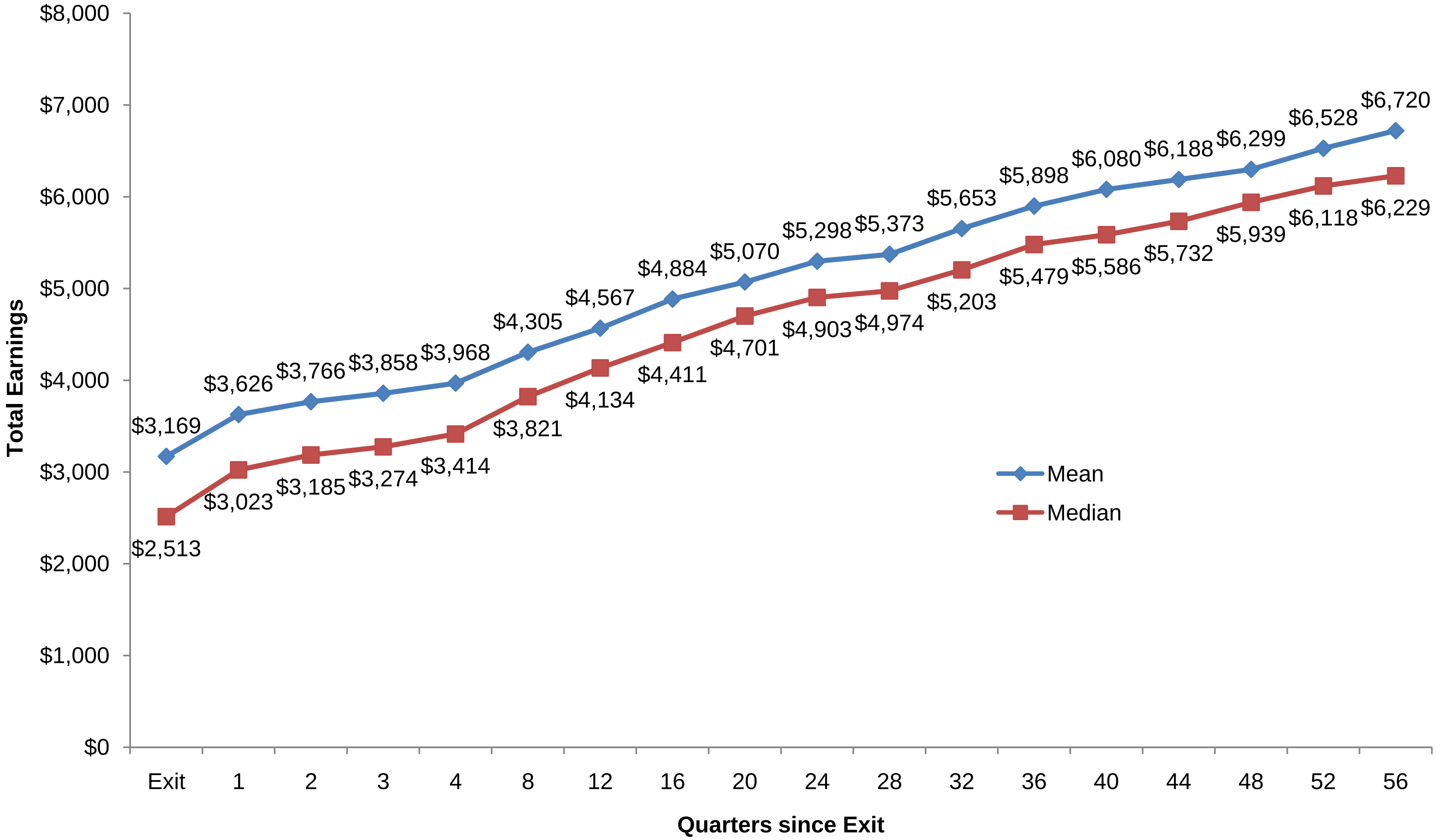
Note: We exclude 76 sample members for whom we have no unique identifier. In addition, the valid number of cases decreases as the number of quarters after exit increases, from 15,742 cases in the quarter of exit to 973 cases in the 56^{th} quarter after exit. Valid percentages are reported.

What are average earnings from UI-covered employment?

To give more detail about the work identified above in Figure 4, Figure 5 below presents the mean and median earnings among employed leavers in the years following the welfare case closure that brought them into our study sample. As always, our earnings data are reported on an aggregated, quarterly basis, which means we cannot determine weekly or hourly wages from these data.

Overall, leavers' earnings have increased over time, on average. The typical working leaver earned $3,169 in the quarter she left welfare; by her 14th year after exit, her average earnings had more than doubled –to $6,720 per quarter. Median earnings follow the same pattern, but are slightly lower, indicating that the mean is pulled upward by a few higher-earning leavers. The bottom line is that although leavers' average earnings start rather low, they do increase steadily over time.

Figure 5. Quarterly Earnings

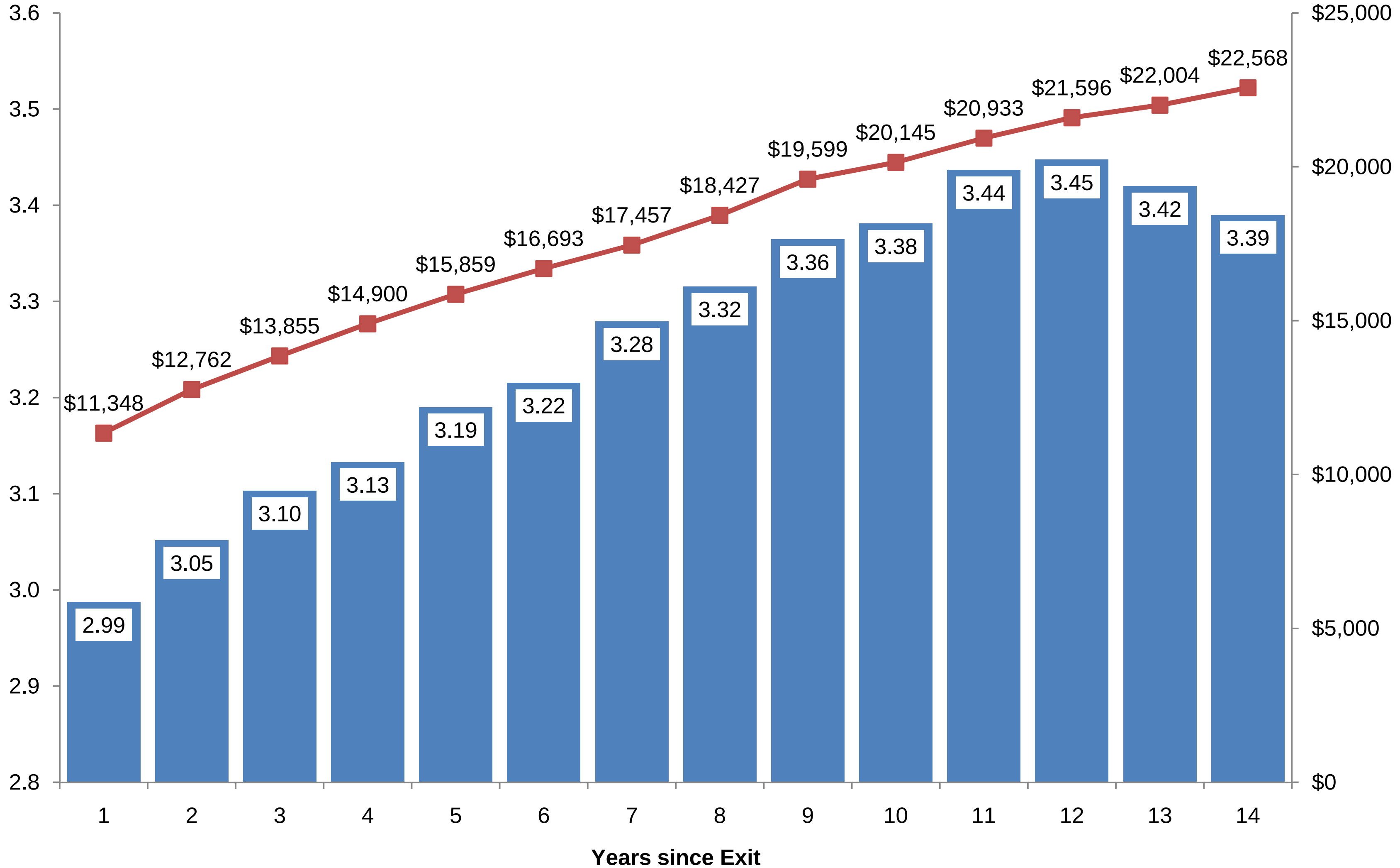


Note: We exclude 76 sample members for whom we have no unique identifier, and averages presented only include those with at least some wages. Also, as noted previously, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed or inferred from these data. Finally, wages are standardized to 2010 dollars.

While Figures 4 and 5 present employment and earnings outcomes incrementally—quarter by quarter—Figure 6 takes a look at the broader employment and earnings picture. For example, while Figure 4 measures whether a leaver worked at any point during a particular post-exit quarter, Figure 6 measures how many quarters, on average, leavers worked in each post-exit year. Additionally, while Figure 5 measures average quarterly wages, Figure 6 presents average total earnings in each post-exit year.

In the first post-exit year, leavers worked in an average of 2.99 (out of four) quarters, earning an average annual total of $11,348 for that work. The trends over time in work effort and average total annual earnings are both positive. Both average total yearly earnings and the average number of quarters worked increased steadily over time such that by the 12th post-exit year, leavers worked at a UI-covered Maryland job in an average of 3.45 quarters and earned $21,596 in the year. In the 13th and 14th post-exit years, earnings continued to rise (reaching $22,568 in the 14th post-exit year) among those who worked. As the last two columns of Figure 6 show, however, while average total annual earnings continued to go up, the average number of quarters worked began to decline. Admittedly, the declines were not large; quarters worked went from 3.45 to 3.42 between the 12th and 13th years and declined again between the 13th and 14th years (from 3.42 to 3.39). These decreases may not be large, but they are worth taking note of because they represent the first-ever decline in quarters worked since we began tracking this variable in 1996. The time periods represented by these last two data points correspond, of course, to the recent recession and the current post-recession periods. The obvious implication of the Figure 6 data is that even women who left cash assistance during the earliest and more prosperous months of TANF are being adversely affected by the recession and its aftermath.

Figure 6. Average Quarters Worked and Earnings



Note: We exclude leavers for whom we do not have a full year of employment data available (March 2010 and after) and the 55 additional sample members for whom we have no unique identifier. In addition, average number of quarters worked and average yearly earnings are only for those working.

In sum, this year's findings reveal that despite positive earnings trends, figures from the most recent post-exit quarters—which reflect current economic conditions—show small but troublesome declines from previous years' reports, particularly in terms of the percentage of employed leavers and the average number of quarters worked after exit. To examine the situation more fully, the following analysis investigates whether employment outcomes differ by exit cohort. In effect, we answer whether those leaving during and after the Great Recession are faring worse in the quarters after exit than those who left welfare in earlier years.

Do pre- and post-recession leavers differ in terms of employment?

Considering earlier findings that the percentage of employed leavers and average quarters worked are declining in the wake of the current economic climate, Table 6 below investigates whether pre-recession, during-recession, and post-recession leavers have different employment outcomes in the first six quarters following the exit that brought them into our sample.

Indeed, the headline story told in Table 6 is in regard to post-recession leavers. First, post-recession leavers are significantly less likely to be working in every post-exit quarter compared to earlier cohorts. For example, while 50.0 percent of pre-recession leavers worked in the quarter of exit, and 44.4 percent of recession leavers worked in that period, only 39.1 percent of post-recession leavers did so. The pattern is the same in each post-exit quarter: in the first, those percentages are 50.4, 43.1, and 40.5 percent, respectively. By the sixth post-exit quarter, 47.8 percent of pre-recession leavers were working, as were 39.4 percent of recession leavers. Among post-recession leavers for whom we have six quarters of post-exit employment data (those whose case closures occurred in July, August, and September 2009), only one in three (33.0%) had earnings from a Maryland UI-covered job. That the effects of the recession persist is evident from the fact that, for these leavers, the sixth post-exit quarter corresponds with the first three months of the current calendar year, January through March 2011. These findings most certainly indicate that, compared to leavers in the earlier years of TANF, recent welfare leavers are having a much harder time finding and keeping work in the current economic climate.

In terms of earnings, the findings are more difficult to interpret. Although fewer post-recession leavers are employed. it appears that those who are able to leave welfare for work are initially earning more, on average, than those whose welfare cases closed before or during the recession. For example, in the quarter of exit, post-recession leavers earned an average of $3,618 while recession leavers earned $3,261 and pre-recession leavers earned an average $3,116. In other quarters, leavers during the recession earned more than their counterparts: for example, in the 2nd quarter after exit, recession leavers' earnings averaged $4,235, compared to $3,922 and $3,713 among post- and pre-recession leavers, respectively. This pattern is also evident in the third and fourth post-exit quarters: average earnings are highest among those who left welfare during the recession and lowest among those who left before the recession hit, with post-recession employed leavers' average earnings falling in the middle.

Although we are unwilling to speculate as to what, if anything, it may portend, it is noteworthy that in the 5th and 6th post-exit periods (i.e. 13 to 18 months after case closure) total average quarterly earnings of employed leavers tend to converge. Regardless of whether they left welfare before, during, or after the recession, to illustrate, average quarterly earnings are between roughly $4,200 and $4,300.

These are the most difficult economic times that the majority of Americans have ever experienced, and, not surprisingly, this is also reflected in our employment findings. Two findings are most troubling. First, fewer recent leavers (those in the post-recession group) are working at the time of or immediately after their welfare cases close. The second is that, for the first time since we began tracking employment outcomes in 1996, we see a decline—in the most recent time periods—in the average number of quarters worked by adults whose welfare cases closed in the earliest years of welfare reform. The general point to be taken from these findings, of course, is that welfare agencies, caseloads, clients, and the welfare to work programs are part and parcel of the larger economy and client-level and program-level outcomes are not immune to the trends and problems extant in the economy in general and the labor market in particular. Having said that, there is one glimmer of hope in this year's otherwise depressing employment findings and it is an important one. Fewer recent leavers are working, but, among those who are, average earnings are higher, at least initially.

Table 6. Post-Exit Employment Outcomes by Exit Cohort

	Pre-Recession Leavers 10/96-12/07	Recession Leavers 12/07-06/09	Post-Recession Leavers 07/09-03/11	Entire Sample 10/96-03/11
Quarter of Exit				
Valid N	(12,756)	(1,373)	(1,613)	(15,742)
Percent Working***	50.0%	44.4%	39.1%	48.4%
Mean Earnings***	$3,116	$3,261	$3,618	$3,169
Median Earnings	$2,507	$2,279	$2,759	$2,513
1st Quarter after				
Valid N	(12,756)	(1,373)	(1,357)	(15,486)
Percent Working***	50.4%	43.1%	40.5%	48.9%
Mean Earnings***	$3,561	$3,935	$4,052	$3,626
Median Earnings	$3,004	$3,083	$3,319	$3,023
2nd Quarter after				
Valid N	(12,756)	(1,373)	(1,131)	(15,260)
Percent Working***	49.1%	41.1%	40.1%	47.7%
Mean Earnings**	$3,713	$4,235	$3,922	$3,766
Median Earnings	$3,171	$3,353	$3,086	$3,185
3rd Quarter after				
Valid N	(12,756)	(1,373)	(898)	(15,027)
Percent Working***	48.1%	40.8%	38.6%	46.9%
Mean Earnings	$3,829	$4,106	$3,978	$3,858
Median Earnings	$3,278	$3,185	$3,293	$3,274
4th Quarter after				
Valid N	(12,756)	(1,373)	(654)	(14,783)
Percent Working***	48.4%	40.7%	37.2%	47.2%
Mean Earnings*	$3,929	$4,196	$4,448	$3,968
Median Earnings	$3,405	$3,391	$3,839	$3,414
5th Quarter after				
Valid N	(12,756)	(1,373)	(415)	(14,544)
Percent Working***	48.6%	38.7%	36.6%	47.4%
Mean Earnings	$4,030	$4,281	$4,427	$4,058
Median Earnings	$3,516	$3,559	$3,621	$3,530
6th Quarter after				
Valid N	(12,756)	(1,373)	(197)	(14,326)
Percent Working***	47.8%	39.4%	33.0%	46.7%
Mean Earnings	$4,172	$4,347	$4,279	$4,188
Median Earnings	$3,657	$3,517	$3,459	$3,651

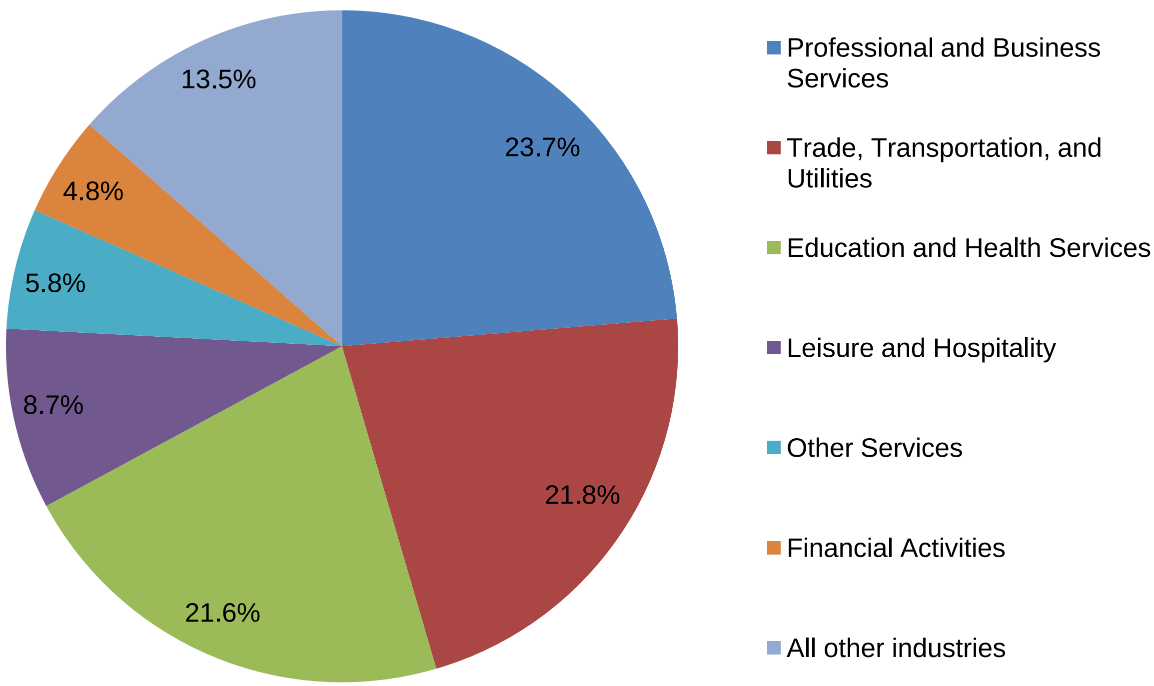
Note: Employment figures exclude 76 sample members for whom we had no unique identifier. Earnings are only for those working. Also, as noted previously, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed from these data. *p<.05, **p<.01, ***p<.001

Which industries hire welfare leavers?

In this final section of our follow-up employment analyses, we investigate the kinds of jobs that welfare leavers secure at the time of or immediately following their welfare case closure. We have been tracking first post-welfare jobs since the outset of this study in 1996; historically, the adults in our study cases have largely found jobs that are generally characterized by low wages, unstable hours and/or few benefits, and which offer relatively few opportunities for career advancement. Historically, too, these jobs tended to be concentrated within only a few industries. Considering that the recent economic recession has impacted certain industries more heavily than others—for example, construction, manufacturing, real estate—and because we know that recent leavers' employment rates are significantly lower than the rates for adults who left welfare earlier, the examination of adults' first post-exit jobs of particular importance for this year's report. In particular, we want to know which industries are hiring welfare leavers in the wake of the recession, and whether and how these industries differ from those that were hiring in pre-recession years.

Figures 7, 8, and 9 are separate pie charts representing each of our three exit cohorts (pre-recession, recession, and post-recession) and, for employed adults for whom industry could be determined, each Figure shows the "top six" industries in which adults worked and the percentage working in each of those fields. From Figure 7 we see that among the earliest, pre-recession leavers, two-thirds (67.1%) found their first post-welfare jobs in one of three industries. These are: professional and business services (23.7%); trade, transportation, and utilities (21.8%); and education and health services (21.6%). When we add the fourth most common industry (leisure and hospitality at 8.7%, we account for fully three-quarters (75.8%) of all first post-welfare jobs among women who left welfare for work between October 1996 and November, 2007 and for whom industry of employment could be determined. For this cohort of leavers, the fourth and fifth most common industries were other services (5.8%) and financial activities (4.8%). As shown in Figure 7, all other industries combined accounted for only 13.5% of pre-recession leavers' first post-welfare jobs.

Figure 7. Industry among Pre-Recession Leavers

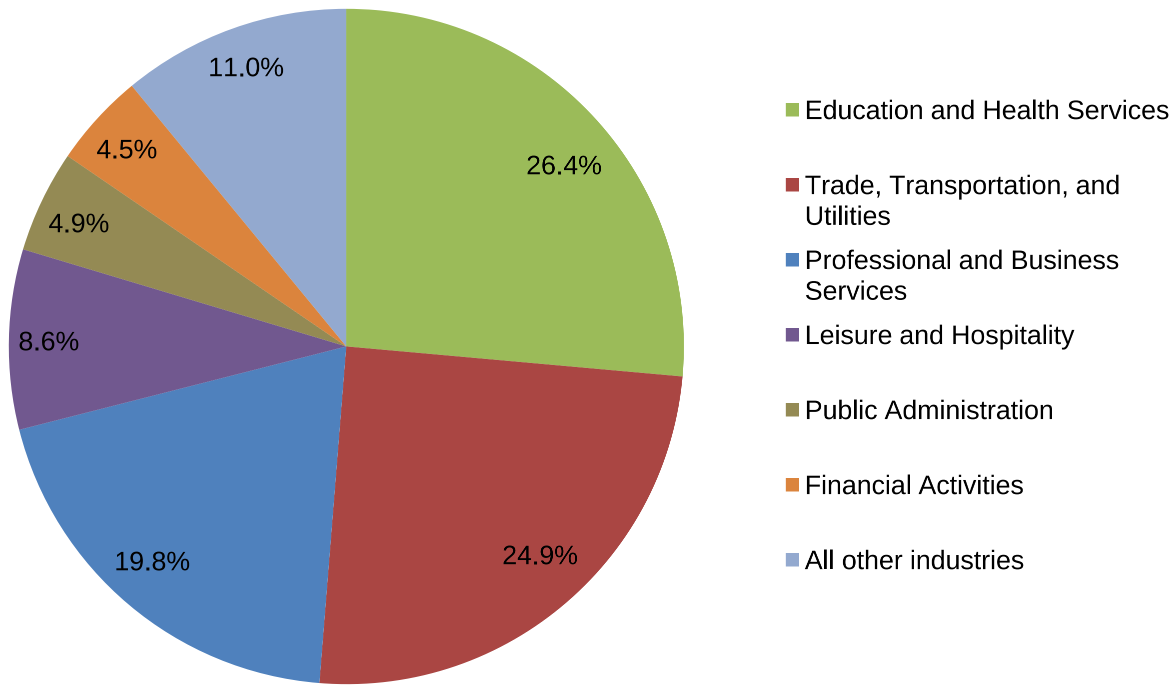


Note: Industry data are only for those working in the quarter after exit. See Appendix B for more information about data availability and more specific industry classifications by exit cohort.

The "top six" industries among recession leavers (December 2007 through June 2009) are presented in Figure 8, following. The same three industries predominate, but their rank order changes somewhat. Trade, transportation and utilities remains the second most common industry in which leavers found work, but accounts for about one in four jobs (24.9%) compared to about one in five (21.8%) among employed leavers whose welfare exits occurred before the official start of the recession. For recession era leavers, education/health (26.4%) and professional/business services (19.8%) were the most common and third most common industries, respectively, for this cohort of leavers, a rankings switch from the earlier period. More specifically, education/health industry jobs accounted for about one in four (26.4%) of jobs among recession leavers, compared to about one in five jobs (21.6%) among those who left earlier. In contrast, while professional/business services had accounted for nearly one in four jobs (23.7%) in the earlier period, this industry accounted for not quite one in five (19.8%) jobs obtained by those who left welfare during the recession and for whom industry could be determined. The top three industries during this time period accounted for just about seven of every 10 first post-welfare jobs (71.1%) a slightly greater share of all jobs than they had accounted for in the pre-recession period (67.1%). Leisure industry jobs were fourth most common in this time period as they had been in the earlier period and accounted for an almost identical share of all jobs for which industry could be identified (8.6% here, 8.7% earlier).

Rounding out the top six industries which hired recession-era Maryland welfare leavers were public administration (4.9% of jobs) and financial activities (4.5%). This represents a slight change from our findings for the pre-recession period. The financial activity sector was the sixth most common industry in both periods and accounted for just about the same percentage of jobs (4.5% here, 4.8% earlier). However, public administration is new to the “top six” list. In the recession period, public administration was the fifth most common hiring industry, accounting for roughly one in 20 jobs (4.9%), displacing “other services” which, in the earlier time period, had been in the number five slot and accounted for 5.8% of jobs). During this time period, leavers’ first post-welfare jobs were even slightly more concentrated in the period’s “top six” industries (79.9% of all jobs) than had been the case in the pre-recession time period (75.8% of all jobs).

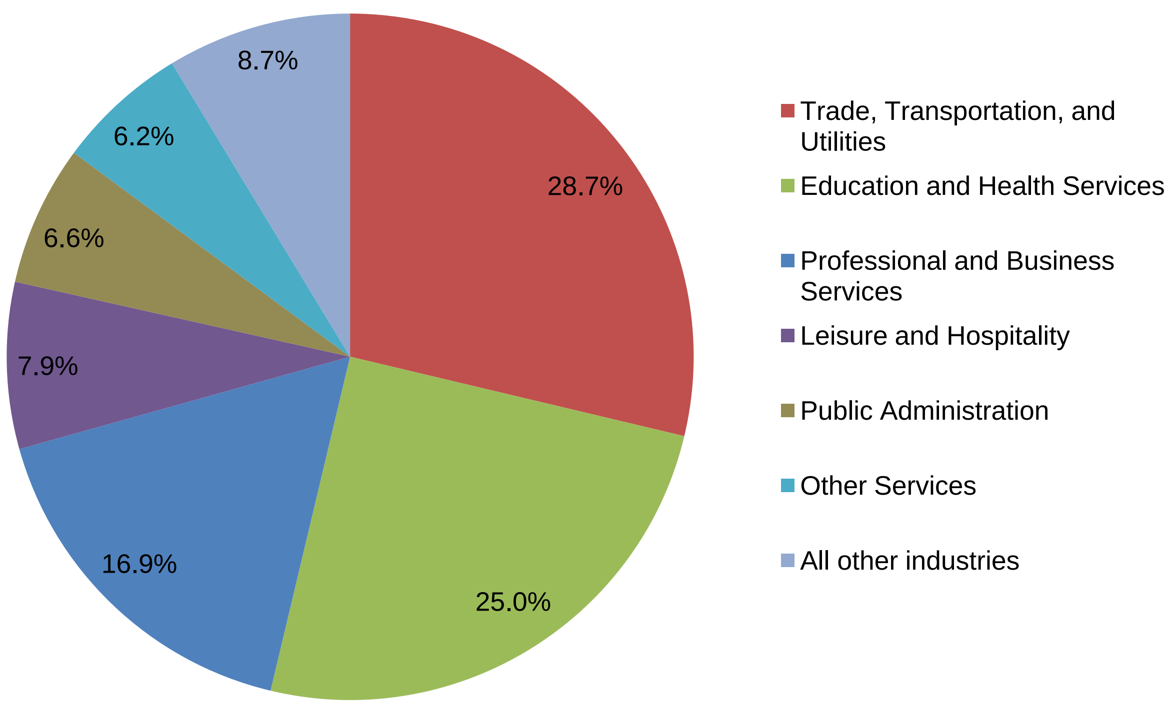
Figure 8. Industry among Recession Leavers



Note: Industry data are only for those working in the quarter after exit. See Appendix B for more information about data availability and more specific industry classifications by exit cohort.

Finally, Figure 9 presents the same information for employed post-recession leavers (July 2009 – March 2011) for whom industry classification could be determined. The top three industries are the same as they were in the prior two periods, but with a different rank order than either of the other two time periods. For the most recent leavers, we see that the trade, transportation and utilities field is most common (28.7%), followed by education and health services (25.0%) and, in third, professional and business services (16.9%). Altogether, these three industries account for the large majority of all jobs (70.6%), as they did in the pre-recession (67.1%) and recession periods as well (71.1%). Rounding out the "top six" industries for our most recent leavers are: leisure and hospitality (7.95%), public administration (6.6%), and other services (6.2%).

Figure 9. Industry among Post-Recession Leavers



Note: Industry data are only for those working in the quarter after exit. See Appendix B for more information about data availability and more specific industry classifications by exit cohort.

Before turning to our next topic, returns to welfare after an exit, a few points about these industry data seem important to make. The first is that, among all first post-welfare jobs for which industry classification could be determined (87.8%), there is remarkable consistency across our 15 year study time frame in the types of industries where welfare leavers initially find work. No matter whether the welfare exit that brought the case into our study sample took place in the first month of welfare reform (October 1996), the most recent month covered in this annual report (March 2011) or any time in between, some 66% to 70% of all first jobs were in one of three industries: professional and business services; trade, transportation and utilities; or education and health services. Cumulatively across the entire 15 year study period, these industries accounted for 22.9%, 22.5% and 22.3%, respectively, of all first post-welfare jobs and, together, for fully two of every three (67.7%) of all first jobs for which industry could be ascertained. Moreover, employment in the leisure industry was fourth most common across and in all three time periods and, when these jobs are factored in (8.6% of all first jobs), the concentration of welfare leavers in certain industry sectors is even more obvious. Three of every four (76.3%) first post-welfare jobs were in one of these four industries. Because the demographic characteristics of welfare leavers have not changed and neither have the industries in which they initially find employment, it does not seem a great leap to think that it is the economy, rather than any personal or behavioral change, that is responsible for the lower rate of employment observed among our most recent leavers.

Other points to keep in mind are ones not depicted in Figures 7 through 9, but rather in Appendix B which presents more specific information about all first post-welfare jobs in all industries for all three cohorts of employed leavers. First, consistency across time in the types of jobs is also evident at the sub-industry level of analysis. For example, the trade, transportation and utilities industry, as discussed above, is one of the top three industries in all three time periods and, cumulatively, accounts for 22.5% of all first post-welfare jobs identified between October 1996 and March 2011. A closer look at these data reveals that, within this industry, jobs in retail trade are and have been, by far, the single most common type of position obtained by welfare leavers, accounting for more than four of five (81.3%) identifiable jobs within the trade, transportation and utilities industry (and 18.3% of all identifiable jobs during the 1996-2011 study period). And, there has been great consistency, too, in the types of retail trade positions most commonly secured by women leaving welfare. For the 15 year study period as a whole and separately within each time period (pre-recession, recession, post-recession), the most common first, post-welfare jobs (all in retail trade), in descending order, are positions in: general merchandise stores, food and beverage stores, clothing and clothing accessories stores, and health and personal care stores.

The same pattern prevails for the two other industries where women leaving welfare most commonly find initial employment. Within the professional and business services industry (which accounts for more than one of every five first post-welfare jobs between 1996 and 2011), administrative and support services jobs predominate. These are the most common jobs within the industry for the sample as a whole (66.1% of industry jobs) and at each measuring point (pre-recession, 67.4%; recession, 60.3%; post-recession, 52.4%). Likewise, in the education and health services sector (some 22.3% of all first, identifiable jobs) positions in nursing and residential care facilities are the most common ones in each time period and for the entire sample.

Again, because client characteristics have not changed nor have the industries and specific types of jobs clients are able to initially command, the less positive employment outcomes for the most recent welfare leavers are almost certainly a reflection of the current economic climate, particularly, persistently high unemployment and persistently sluggish job growth/creation. Despite the best efforts of local Departments of Social Services and their clients, as their welfare-to-work community partners, it seems unlikely that we will witness any great improvement in employment outcomes among women leaving welfare until we first see improvement in overall economic and employment conditions.

Welfare Outcomes

The ultimate goal of the reformed welfare system is for adult recipients to be able to leave welfare for work and to be able to support their families with earnings from employment, rather than benefits from cash assistance. Ideally, low-income families would be able to make one, permanent transition from welfare to work and never again find themselves in such dire financial straits that subsequent cash assistance is necessary. In reality, the post-welfare lives of many former recipient families are complex, difficult and unpredictable; their independence from welfare may be fragile and easily compromised by unexpected life events such as illness, a child care arrangement collapsing, job loss or the like. Thus, another common outcome for families in our study is a return to welfare after an exit. In this section of the chapter we examine various aspects of welfare recidivism, including how often such returns occur, recidivism risk factors, and whether recidivism rates differ depending on whether the case closure took place before, during, or since the Great Recession.

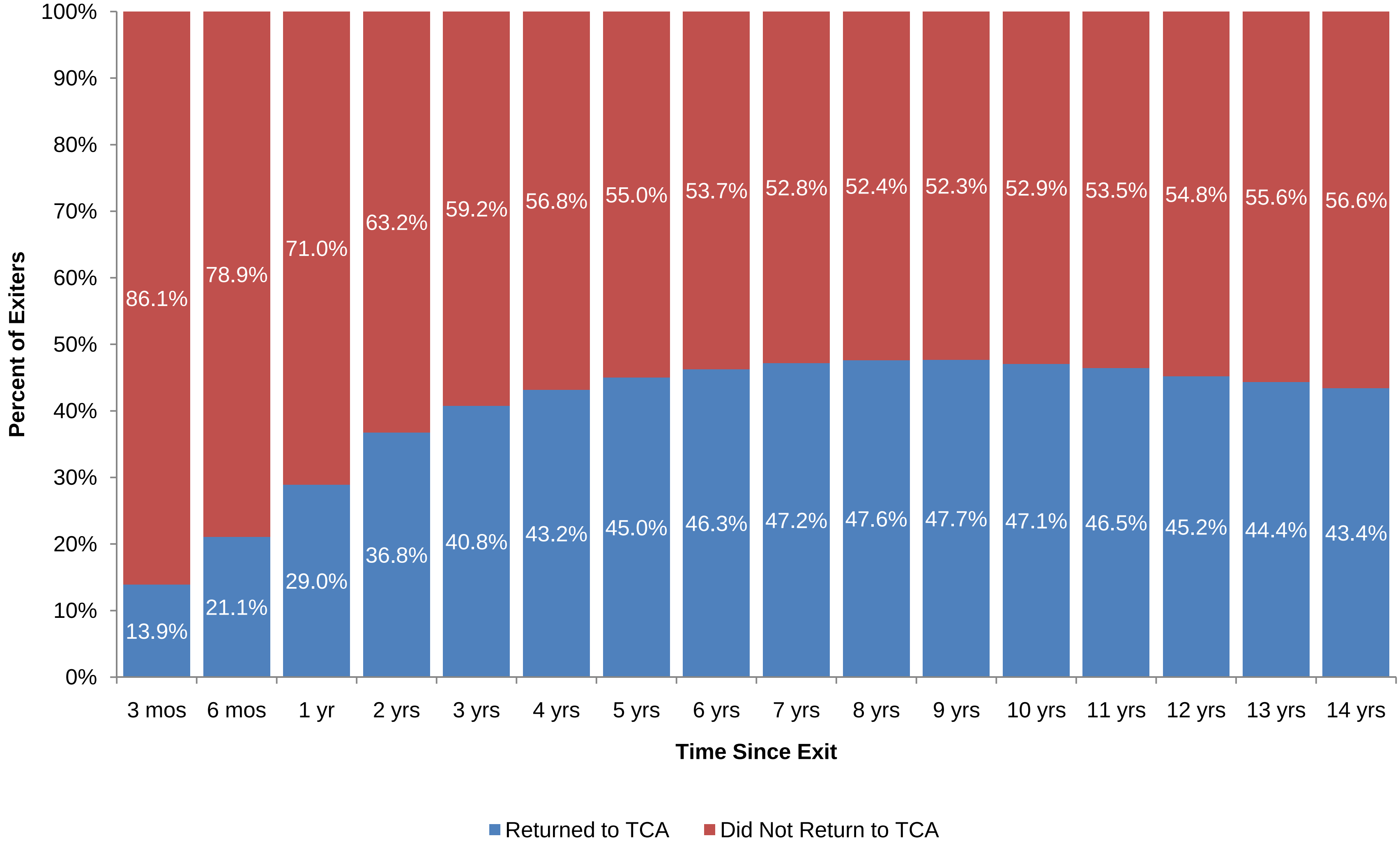
How many families return to welfare?

Figure 10, below, provides information about the percent of leavers who remain off of welfare and the percent who return to assistance during our 14-year follow-up period, cumulatively. First and foremost it is important to emphasize that the majority of Maryland families who exit welfare actually do make a permanent exit: nearly six in 10 families (56.6%) have not returned to TCA for even one month in the 14 years after the exit which brought them into our study sample. This finding speaks volumes about the hard work done by clients and caseworkers to achieve lasting independence and confirms, once again, that Maryland's carefully-crafted, empirically-based, bipartisan approach to welfare reform was and remains a solid one.

The other key point to be gleaned from Figure 10 is one we have also emphasized in prior annual *Life* reports: recidivism risk is highest in the first one to two years after case closure. Regardless of whether they were pre-recession, recession, or post-recession leavers, about one in five clients (21.1%) return to welfare for at least one month within six months of the case closure that brought them into our study sample. By the end of the first full post-closure year, about three of 10 (29.0%) have returned for at least one month and by the end of the second full, post-exit year, slightly more than one-third (36.8%) of all cases have reopened for at least one month. After this measuring point, however, Figure 10 shows that cumulative recidivism rates increase by much smaller increments on a year over year basis, essentially flatten out and then remain stable (i.e. 40% to 47%).

The policy and practice implications of these recidivism findings have both been noted in previous reports but bear repeating. First, although the majority of Maryland families are able to make a permanent exit from welfare, a significant minority – at least two of five - , do return for additional assistance, most commonly with two years of exit. It would be prudent to learn more about these returns, specifically about why the exit was not successful. The second implication is also not new, nor is the finding from which it arises. That is, as has been true since the outset of this study in the mid-1990s, the risk of returning to welfare is highest in the first year or two after exit. Moreover, if families can "make it" past the first year or two, very, very few of them will come back on welfare. This confirms the importance of making sure that transitional benefits are available and ensuring that exiting families are aware that these resources exist. It might also be prudent, resources permitting, to experiment with some type of periodic outreach or follow-up during the first post-exit year to assess how families are doing and what services or linkages might be needed, if any, to help them remain independent.

Figure 10. Cumulative TCA Recidivism Rates



Note: Differences in sample size across follow-up periods result in the appearance that cumulative returns to welfare decrease over time. See Appendix A for sample sizes for each follow-up period.

Risk factors for recidivism

While a majority of families that exit welfare do not return to TCA, it is still important to take a closer look at those who do return and see if there is anything different about this population. Therefore, we compare the payee characteristics, case characteristics, and welfare participation patterns of families that did not return within the first year after exit to the characteristics and welfare use patterns of those that did return within the first post-exit year. We chose the one year timeframe for this analysis because research has consistently shown that recidivism risk is significantly greater in the initial months and years after case closure. Thus, the one year timeframe is a good measuring point at which to try and determine a potential profile of the individuals and cases at greatest risk of experiencing a return to welfare.

We begin by looking at the characteristics of the adult caseheads. Table 7, following, shows that returning adults are significantly different than those who did not return on four of the five casehead characteristics examined. The two groups did not differ significantly with regard to average age, but the mean age of returning clients (30.8 years) was about two and one-half years younger than that of clients who did not return (33.6 years). Returning adults were significantly more likely to live in Baltimore City than in the 23 counties (by 14.7 percentage points) and to be African American (by 11.3 percentage points). They were also more likely to have never been married (by 11.5 percentage points) and more likely to not have graduated from high school (by 15.4 percentage points). Two of these characteristics, of course, are related to income: marriage and education. A two-income household is more likely to achieve self-sufficiency and the human capital associated with having a high school diploma leads to higher earnings. The Bureau of Labor Statistics (2010), for example, reported median weekly earnings of $444 for those without a high school diploma compared to $626 for those with a high school diploma.

Table 7. Comparison of TCA Recidivists and Non-Recidivists: Payee Characteristics

	Did Not Return in 1st Year (n=10,542)		**Returned in 1st Year** (n=4,296)		**Total** (n=14,838)	
Region* **						
Baltimore City	41.3%	(4,349)	56.0%	(2,400)	45.5%	(6,749)
23 Counties	58.7%	(6,180)	44.0%	(1,889)	54.5%	(8,069)
Age						
Mean (Standard Deviation)	33.58	(11.44)	30.86	(9.83)	32.79	(11.07)
Race* **						
African American	70.9%	(7,070)	82.2%	(3,399)	74.2%	(10,469)
Caucasian	26.0%	(2,592)	15.6%	(645)	23.0%	(3,237)
Other	3.0%	(303)	2.2%	(92)	2.8%	(395)
Marital Status* **						
Married	9.0%	(832)	4.8%	(186)	7.7%	(1,018)
Never Married	71.5%	(6,642)	83.0%	(3,233)	74.9%	(9,875)
Divorced / Separated / Widowed	19.6%	(1,819)	12.2%	(474)	17.4%	(2,293)
Education Level* **						
Did Not Finish Grade 12	34.0%	(2,222)	49.4%	(1,499)	38.9%	(3,721)
Finished Grade 12	59.5%	(3,892)	47.4%	(1,438)	55.7%	(5,330)
Additional Education After Grade 12	6.5%	(426)	3.2%	(97)	5.5%	(523)

Note: Due to instances of missing data for some variables, cell counts may not sum to column totals. In addition, one-year follow-up data were not yet available for leavers after March 2010. Details regarding data availability can be found in Appendix A. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

We also compared recidivists and non-recidivist on five case-level characteristics, as shown in Table 8. Returning families were significantly more likely to have at least one child under the age of three years (by 3.4 percentage points) and significantly less likely to be a child-only case (by 8.2 percentage points). While not statistically significant, those who returned to welfare had, on average, larger assistance units (2.76 compared to 2.53 people) and more children (1.84 compared to 1.69). The average age of the youngest child in returning cases was also slightly, although not significantly, lower than in cases that did not return (5.12 compared to 5.79 years).

Table 8. Comparison of TCA Recidivists and Non-Recidivists: Case Characteristics

	Did Not Return in 1st Year (n=10,542)		**Returned in 1st Year** (n=4,296)		**Total** (n=14,838)	
Case Characteristics						
Mean (Standard Deviation) AU Size	2.53	(1.18)	2.76	(1.21)	2.60	(1.19)
Mean (Standard Deviation) Number of Children	1.69	(1.04)	1.84	(1.13)	1.73	(1.07)
Percent Child-Only Cases***	18.9%	(1,984)	10.7%	(460)	16.5%	(2,444)
Mean (Standard Deviation) Age of Youngest Child	5.79	(4.98)	5.12	(4.51)	5.59	(4.86)
Percent with a Child Under 3***	41.0%	(4,086)	44.4%	(1,850)	42.0%	(5,936)

Note: Due to instances of missing data for some variables, cell counts may not sum to column totals. In addition, one-year follow-up data were not yet available for leavers with a critical month of April 2010 or later. Details regarding data availability can be found in Appendix A. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

Next, in Table 9, we compare recidivists and non-recidivists on our two measures of welfare use (length of current welfare spell and total months of aid in the past five years) and reasons for case closure. There are no statistically significant differences between the two groups on either of the welfare measures, but recidivists and non-recidivists do have significantly different patterns of case closure codes. In particular, almost twice as many recidivists (24.6%) as non-recidivists (13.8%) had experienced a work sanction closure. Recidivists were also more likely (by five percentage points) to have had their cases closed for not providing eligibility and verification information. Those who did not return, in contrast, were significantly more likely to have closed because their incomes were above the eligibility limit (30.2% versus 22.7% among recidivists). These findings make intuitive sense and are consistent with other analyses we have done of the recidivism phenomenon. That is, work sanctioned clients are known to return to welfare with significantly greater frequency than those whose cases close for other reasons. This makes sense and is consistent with program intent. In Maryland, at least, the purpose of imposing the full family sanction (as a case closure reason) is to secure the client's cooperation with the work requirement. When this occurs, the TANF case, in most situations, can be reopened. Similarly, cases closed because not all required documentation was submitted are also often temporary closures. At the other end of the spectrum, it is also not surprising that the "income above limit" code is much more common among those whose cases do not reopen within a year of closure. These are the clients who, most likely, left welfare for work. We know that employed clients are less likely than others to return to welfare.

Table 9. Comparison of TCA Recidivists and Non-Recidivists: Welfare Participation

	Did Not Return in 1st Year (n=10,542)		Returned in 1st Year (n=4,296)		Total (n=14,838)	
# of Months Since TCA Application						
Mean (Standard Deviation)	14.77	(24.84)	12.81	(22.61)	14.20	(24.23)
# of Months of TCA in Past 5 Years						
Mean (Standard Deviation)	25.02	(18.99)	29.52	(18.90)	26.32	(19.07)
Top 5 Administrative Closing Codes* **						
Work Sanction	13.8%	(1,458)	24.6%	(1,057)	16.9%	(2,515)
No Recertification/No Redetermination	15.8%	(1,670)	18.5%	(794)	16.6%	(2,464)
Income Above Limit (including Started Work)	30.2%	(3,181)	22.7%	(976)	28.0%	(4,157)
Not Eligible	8.4%	(890)	3.3%	(143)	7.0%	(1,033)
Eligibility/Verification Information Not Provided	14.3%	(1,507)	19.0%	(818)	15.7%	(2,325)
All other closing codes	17.4%	(1,836)	11.8%	(508)	15.8%	(2,344)

Note: Due to instances of missing data for some variables, cell counts may not sum to column totals. In addition, one-year follow-up data were not yet available for leavers with a critical month of April 2010 or later. Details regarding data availability can be found in Appendix A. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

Finally, Table 10 investigates whether rates of recent employment also offer clues as to who is likely to return to welfare in the year after leaving. Results of our analyses reveal that those who returned to welfare were significantly less likely to have worked in the quarter of exit—44.0 percent of recidivists were employed in the quarter they left welfare, compared to 51.1 percent of non-recidivists. In essence, this means that people who work as they exit welfare or shortly thereafter are likelier to remain off welfare than those who do not work in the weeks after a welfare exit. Notably, however, there is no difference between recidivists and non-recidivists when we look retrospectively. Roughly seven in ten clients in both groups (72.1% and 71.5%, respectively) had been employed at some point in the last two years.

Table 10. Comparison of TCA Recidivists and Non-Recidivists: UI Employment

	Did Not Return in 1st Year (n=10,542)		Returned in 1st Year (n=4,296)		Total (n=14,838)	
Percent Employed in Past 2 Years	71.5%	(7,502)	72.1%	(3,088)	71.6%	(10,590)
Percent Working in Exit Quarter* **	51.1%	(5,360)	44.0%	(1,884)	49.0%	(7,244)

Note: Due to instances of missing data for some variables, cell counts may not sum to column totals. In addition, one-year follow-up data were not yet available for leavers with a critical month of April 2010 or later. Details regarding data availability can be found in Appendix A. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

Do pre- and post-recession leavers differ in terms of recidivism?

Given the near catastrophic nature of recent years' economic crises, massive job losses, stubbornly high rates of unemployment, stagnant growth, international turmoil, and uncertainty about the near-term future, it would not be surprising if more recent welfare leavers had higher rates of recidivism than those who left when the economy was robust and jobs were plentiful. Thus, in Table 11, following this discussion, we look at recidivism rates in the three, six, and 12 months after exit for our sample as a whole and separately for our three cohorts of leavers.

As might be expected, recidivism rates tend to be higher among those who left welfare during or after the recession and lowest among those who left welfare before the recession began. At six and 12 months post-exit, the differences are statistically significant. About one in five (20.5%) pre-recession leavers had come back to welfare at the six-month measuring point, compared to about one in four among the recession-era (23.8%) and post-recession leavers (24.3%). One year after the case closure that brought families into our sample, Table 11 shows that about one in four (28.2%) of the earliest leavers had returned to assistance, compared to one in three in the recession (33.3%) and post-recession (33.7%) cohorts.

Table 11. Recidivism by Exit Cohort

	Pre-Recession 10/96 – 11/07 (n=12,792)	**Recession** 12/07 – 6/09 (n=1,381)	**Post-Recession** 7/09 – 3/11 (n=1,645)	**Total Sample** (n=15,818)
3 Months Post-Exit				
Returned to TCA	13.7% (1,749)	15.5% (214)	15.0% (207)	13.9% (2,170)
Did not return	86.3% (11,043)	84.5% (1,167)	85.0% (1,176)	86.1% (13,386)
Valid N	12,792	1,381	1,383	15,556
6 Months* **				
Returned to TCA	20.5% (2,623)	23.8% (329)	24.3% (280)	21.1% (3,232)
Did not return	79.5% (10,169)	76.2% (1052)	75.7% (870)	78.9% (12,091)
Valid N	12,792	1,381	1,150	15,323
12 Months* **				
Returned to TCA	28.2% (3,612)	33.3% (460)	33.7% (224)	29.0% (4,296)
Did not return	71.8% (9,180)	66.7% (921)	66.3% (441)	71.0% (10,542)
Valid N	12,792	1,381	665	14,838

Note: Follow-up data are available through March 2011, so 3-month, 6-month, and 12-month data are unavailable for some leavers in the most recent, post-recession cohort. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

Work and Welfare Status

Overall categories of work and welfare status

In last year's *Life after Welfare* report, we predicted that the continuing macroeconomic trouble this nation faces would mean that welfare leavers face depressed employment and welfare outcomes, compared to our results from previous years. In the preceding analyses, we examined these two phenomena—post-exit employment and earnings and returns to welfare—separately and found that, indeed, fewer leavers are working in recent years compared to leavers in earlier, pre-recession years. We also found that recession-era and post-recession leavers are more likely to return to welfare in the first year after exit than their pre-recession counterparts. Exploring these outcomes separately is useful for examining the developing trends in each. Exploring patterns of work and welfare receipt together, however, offers a picture of how they interact over time and to what extent leavers disconnect from both UI-covered work and the welfare program. Thus, in the next and final section of this chapter, we present a more dynamic picture of families' post-exit employment and welfare outcomes. In truth, each leaver in our sample may experience any combination of many possible outcomes over time and many do. A complete analysis of all possible outcomes is beyond the scope of this annual update report, but we are able to examine general patterns over time with regard to our two primary outcomes of interest: UI-covered employment and returns to welfare after an exit. We carry out this analysis by identifying four possible welfare and work outcome statuses. These are:

1) Employment only: leavers with UI-covered employment in a particular year, but no receipt of TCA benefits,

2) TCA only: leavers who received TCA benefits at some point during the year, but had no UI-covered work,

3) TCA and employment: leavers who had both TCA receipt and UI-covered employment—not necessarily concurrently—at some point in that post-exit year, and

4) Neither: leavers who had no TCA receipt and no UI-covered employment in that year.

Then, for each case in every post-exit year (up to 14 years after the exit that brought them into our sample) we determine which of the four categories applies.

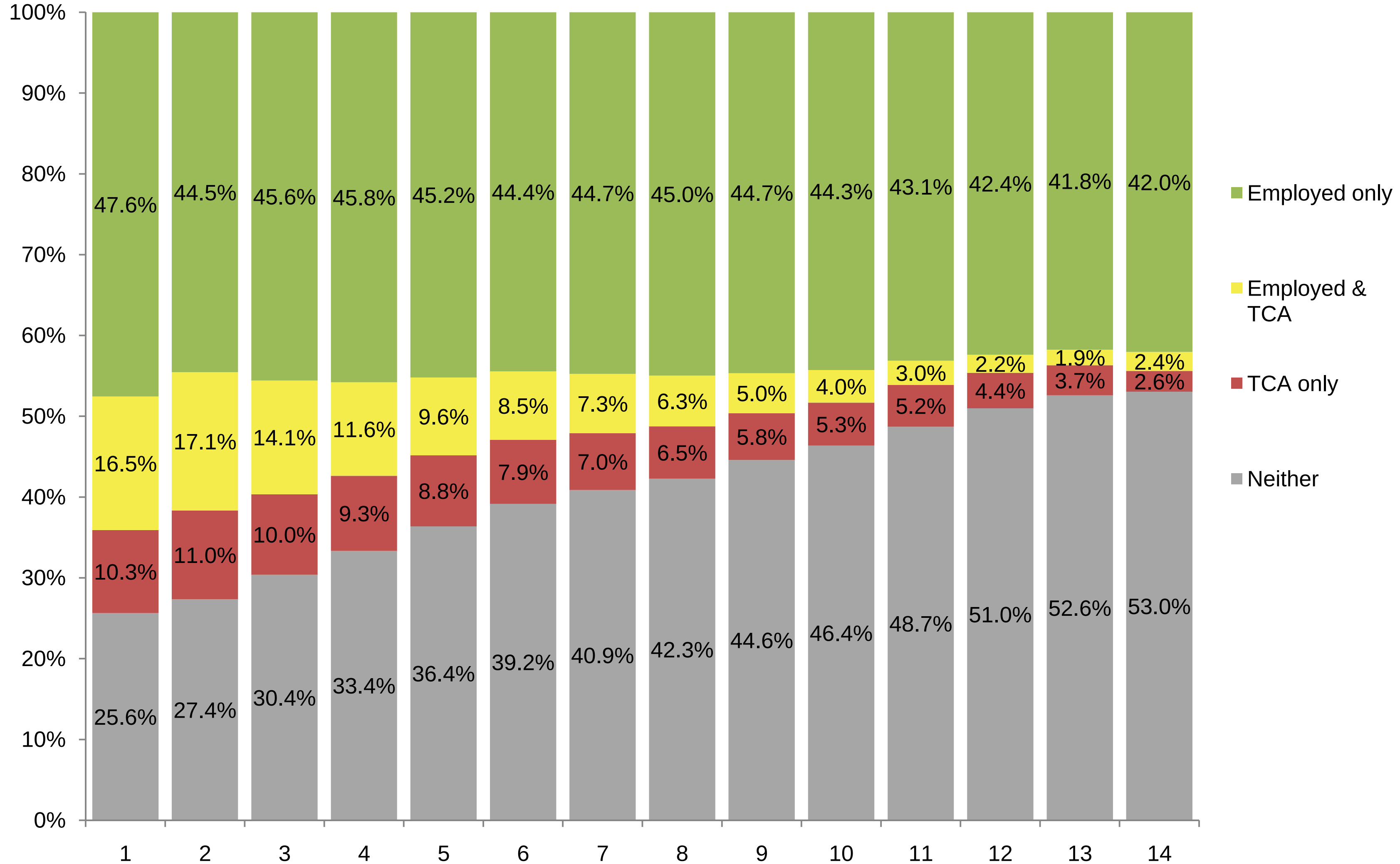
Figure 9, following, shows what we found. First and quite positively, we see (in green) that the most common outcome in the first post-welfare year—across the entire study—is that of unsubsidized employment. Regardless of when their welfare cases closed, for all leavers for whom we have at least one full year of follow-up data (i.e. those whose cases closed between October 1996 and March 2010), almost one of every two (47.6%) worked—and received no cash assistance at all—during the first year after exit. Notably, too, employment only was also the most common situation among our universe of leavers in the 2nd through 9th post-exit years, accounting for at least 44 percent of all clients in each of those years. Another 16.5 percent of clients (in yellow) also had unsubsidized employment during the first post-exit year, but also received at least one month of cash assistance in that year as well.

Combining this group with the previous one, where clients worked but received no assistance, we see that just about two-thirds (64.1%) had unsubsidized employment during the first year after the welfare case closure that brought them into our study sample. Figure 12 also shows that the percentage of clients who combine work and welfare decreases over time such that, by the 10th post-exit year only 4 percent of clients are in this category. Although these employment figures continue to speak highly of the work effort of the adults in our study sample, we should point out that, compared to last year's *Life after Welfare* findings, the percentage of work-only clients is slightly lower this year at each measuring point (Born, Saunders, Williamson & Kolupanowich, 2010). This is almost certainly a reflection of the difficult employment situation that has recently confronted and still confronts virtually all job-seekers in our country.

Relatively few clients are in the 'welfare only' category (red) in any of the 14 post-exit years represented in Figure 12. The percentage is highest in the first through third post-exit years (10.3%, 11.0%, and 10.0%, respectively) but drops incrementally each year thereafter such that, by the 14th follow-up year, only 2.6 percent of clients are in this status group. The finding that the "welfare only" category is largest in the time periods most proximate to the welfare exit is not surprising; we know from this study and others that client returns to welfare are most common in the first few years and diminish greatly after then.

The bottom-most grey bars on Figure 12 represent clients who, based on the administrative data, appear to have no earnings from UI-covered employment and no record of cash assistance receipt. About one in four clients (25.6%) were in this group during the first year after case closure and the percentage of clients in this category gradually increases with each subsequent post-exit year. At the last measuring point, some 14 years after exit, just over half of all families in our study (53.0%) fall into this status category. Clients such as these are usually referred to as "disconnected leavers" and, understandably, they have begun to be the subject of research attention. In Maryland, we have done some study of this population as well and found that the vast majority – more than four of every five – still resided in Maryland and were connected to at least one other public benefit program (Ovwigho, Kolupanowich & Born, 2009; Ovwigho, Saunders, et al., 2007) and, further, that many are child-only cases. This suggests that at least some portion of the "no work, no welfare' group are those with other sources of income (e.g. Social Security, Supplemental Security Income) or cases where a child for whom assistance was being received has returned to his or her parent or parents. Finally, in interpreting the disconnected leavers data trend, in particular, it is important to bear in mind the extremely long follow-up period (14 years) and the effect of sample attrition. That is, as we get further from the time of the original welfare case closure, the likelihood that sample attrition affects our sample only increases. Over time, people and families are more likely to have moved out of state, retired, "aged out" of cash assistance eligibility because all child recipients are now adults, passed away, married, or the like.

Figure 11. Work and Welfare Status over Time



Note: We exclude those without a full year of follow-up data (those exiting between April 2010 and March 2011), and an additional 55 sample members for whom we have no unique identifier. In addition, the number of valid cases decreases as the number of years since exiting increases See Appendix A for sample sizes for each follow-up period. Valid percentages are reported.

The information depicted in Figure 12 is useful because it gives us an overall picture of the work and welfare outcomes of our entire sample over an extended period of time. However, because it does focus on *all* leavers—the large majority of which left welfare well before the recent recession—it may present a rosier picture than is warranted with regard to the outcomes experienced by clients who left welfare during or after the recession. To explore if and how the size of our four post-exit categories (work only, work and welfare, welfare only, neither) may differ depending on when the welfare case closed, we created Figure 13 which follows this discussion.

Two findings are most noteworthy. First, as has been the case in all of the exit cohort analyses presented in this report, Figure 13 shows that, indeed, the recession and its aftermath are reflected in our clients' welfare and work outcomes. Most obvious is the fact that significantly fewer recession (38.9%) and post-recession (37.2%) leavers were in the 'work only' group in their first full post-exit year than had been the case for clients who left before the recession struck (49.0%). In fact, the "before" and "after" contrast could be even more striking because we do not yet have full-year data for cases that have most recently closed (after March 2010). Second, it is also obvious from Figure 13 that nearly twice as many post-recession (18.0%) as pre-recession (9.3%) leavers are in the 'welfare only' category during the first year. This is consistent with our earlier finding about higher recidivism rates in more recent years and, again, is likely at least partially a reflection of the very difficult employment environment. In general, Figure 13 suggests, as have so many of our other findings this year, that women attempting to leave welfare for work are finding it a struggle to do so in this sputtering economy. The Great Recession may have officially ended in July 2009, but the women in our study sample, like so many other Americans, still suffer the effects of the economic downturn and its jobless recovery and may continue to do so for some time.

Figure 12. Work and Welfare Status 1 Year Post-Exit by Cohort***

Note: One-year follow-up data are not available for leavers in April 2010 and after. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

Findings: Use of Work Supports

In many cases, people who leave welfare take advantage of one or more programs meant to ease the transition from welfare dependence to self-sufficiency. The Food Supplement Program, Medical Assistance/M-CHP, and child support are three such programs that, if available, accessible, and utilized, can help fill the gaps. Often, it is these transitional benefits, or work supports, that keep people from falling back onto the welfare rolls. Additionally, many people who disconnect from both work and welfare, as indicated in the previous chapter, rely on these programs. Considering the dearth of jobs during this slow recovery from the Great Recession, the unstable nature of many of the jobs that do exist, and the growing percentage of people who are disconnected from both the formal workforce and the cash assistance program, these programs remain an important component of leavers' post-exit income and resource packaging, and instrumental in keeping recidivism rates down. In this chapter, we examine the extent to which TCA leavers used the three work supports listed above in the months and years following the exit from welfare that brought them into our sample.

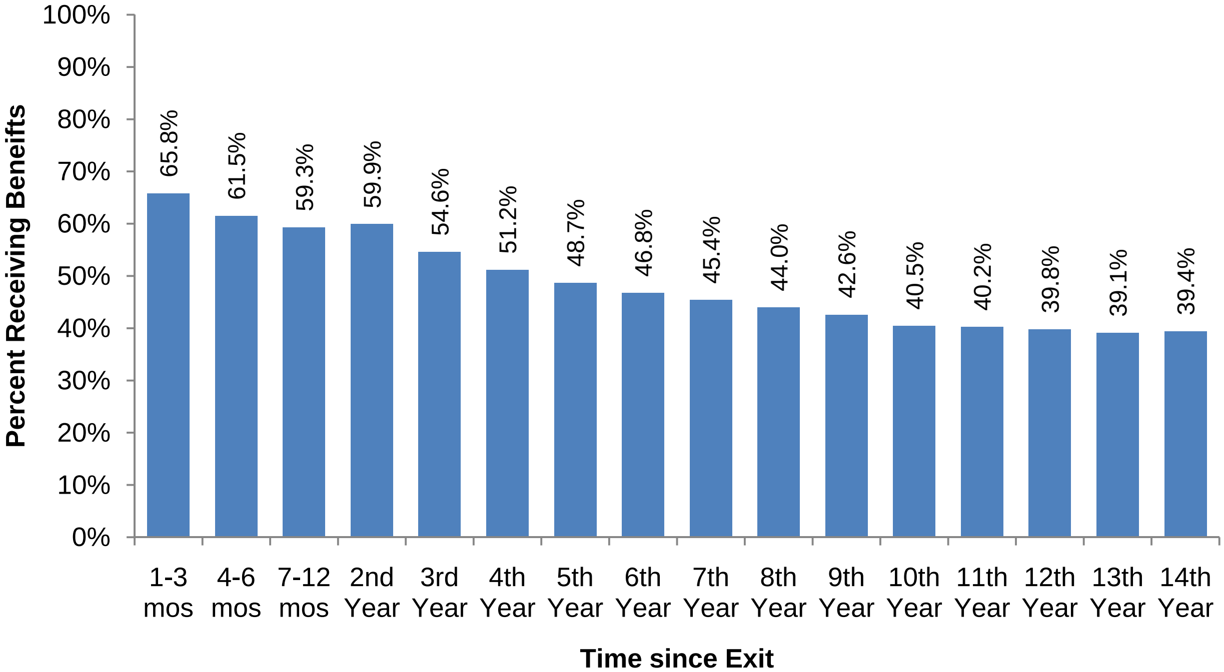
Food Supplement and Medical Assistance

How many families use FS after leaving welfare?

Figure 14, below, presents the percentage of leavers who received Food Supplement (FS) benefits in each post-exit period. In the first three months following exit, nearly two-thirds (65.8%) of leavers utilized the FS program; that percentage stays above half of leavers until the fifth post-exit year. Over time, the percentage of leavers receiving FS benefits declines such that, by the 14th post-exit year, just about two in five (39.4%) of leavers received any benefits from the FS program.

Across the board, these numbers are up over those we reported last year (Born et al. 2010). This is good news: the FS program is meant to act as a buffer for families during tough economic times, and this is evidence that welfare leavers are taking advantage of it to keep their households afloat during this uncertain time. On the other hand, this finding also reflect the economic struggles that our families are facing because it means, of course, that their household incomes remain low enough to qualify them to receive Food Supplement benefits.

Figure 13. Post-Exit Food Supplement Program Participation Rates



Note: The amount of available follow-up data varies by exit date. Details on data availability are presented in Appendix A. Valid Percentages are reported.

More specifically, Table 12 below examines FS use in the months following exit by cohort. As we might expect, a higher percentage of leavers during and after the recession are using the Food Supplement Program than their counterparts in pre-recession years. For example, in the three months following exit, nearly four in five (79.7%) post-recession leavers and slightly more than three in four (77.0%) recession leavers received FS benefits; up from 63.1 percent of pre-recession leavers. This relationship persisted through four to six months post-exit (76.9%, 74.9%, and 58.7%, respectively) and seven to 12 months post-exit (74.1%, 72.4%, and 57.2%, respectively). These findings are consistent with expanded eligibility requirements, Maryland's recent outreach efforts, and increased program funding from the American Recovery and Reinvestment Act (ARRA). Considering the lingering effects of the recent recession, it is likely that FS benefits will remain an integral part of the transition off welfare in the years to come.

Table 12. Food Supplement Program Participation Rates by Exit Cohort

	Pre-Recession 10/96 – 11/07 (n=12,792)		**Recession** 12/07 – 6/09 (n=1,381)		**Post-Recession** 7/09 – 3/11 (n=1,645)		**Total Sample** (n=15,818)	
Months 1-3***	63.1%	(8,076)	77.0%	(1,064)	79.7%	(1,102)	65.8%	(10,242)
Months 4-6***	58.7%	(7,509)	74.9%	(1,034)	76.9%	(884)	61.5%	(9,427)
Months 7-12***	57.2%	(7,312)	72.4%	(1,000)	74.1%	(493)	59.3%	(8,805)

Note: Follow-up data are not available for all cases in the Post-Recession cohort. Details on data availability are presented in Appendix A. Valid Percentages are reported. *p<.05, **p<.01, ***p<.001.

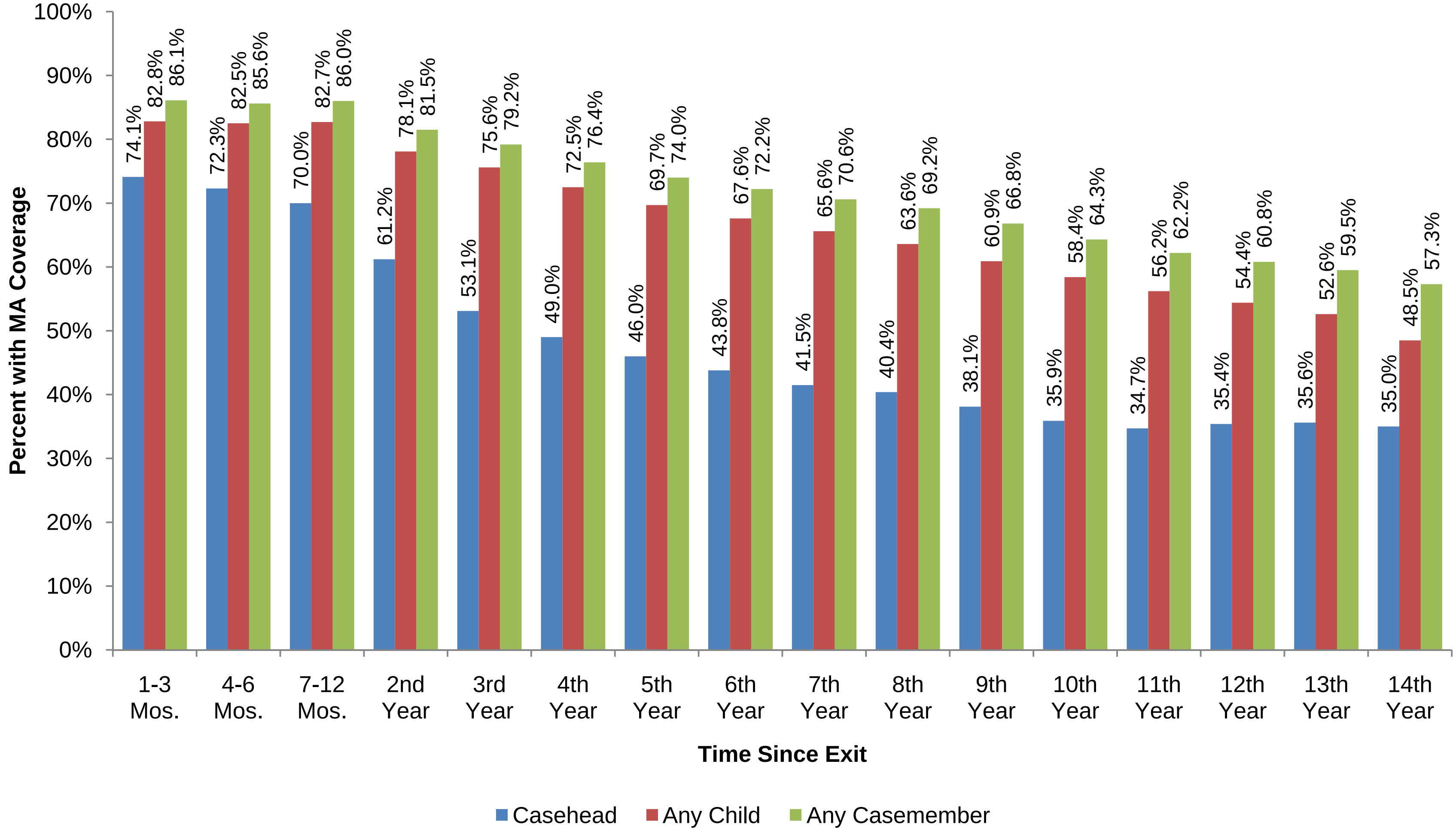
How many families use MA after leaving welfare?

At the national level, legislators passed the Patient Protection and Affordable Care Act—more commonly known as health care reform—in early 2010; Maryland, however, has long been committed to providing access to health care benefits to its citizens. Since the cash assistance and Medical Assistance (MA) programs were separated (decoupled) in 1997, Maryland has encouraged its welfare leavers to continue participating in the MA/M-CHP programs as a transitional benefit. Additionally, the Working Families and Small Business Coverage Act—passed by the Maryland legislature in 2008—expanded medical coverage for low-income families. Many of the jobs available to welfare leavers do not offer employer-sponsored health insurance benefits, and purchasing private insurance is often outside the budgets of most people below or near the poverty line. Thus, the MA program is often the only path by which Maryland's welfare leavers avoid being uninsured—a problem of persistent concern in this nation.

Figure 15, following this discussion, presents the percentage of case members who received MA benefits in the months and years following welfare exit. Additionally, Figure 15 shows the percentage of children on cases and caseheads who received MA benefits after exit. Similar to results in previous years, post-exit MA participation is quite high for many years after welfare exit. In the one to three months after exit, 86.1 percent of exiters had one or more case members who participated in the MA program. Participation in the MA program declined over time: nearly three in four (74.1%) caseheads participated in the three months after exit; by the end of our follow-up period, only 35.0 percent of caseheads participated. Similarly, the percentage of participating children declined from 82.8 percent to 48.5 percent by the end of the 14th post-exit year.

Like the FS participation rates, MA participation is up compared to our results from last year. One caveat, however, is that in the immediate months after TCA and MA were separated in 1997, there were data processing issues that resulted in some families being denied MA coverage that might have been otherwise eligible. The issues were resolved in the latter half of 1999, as detailed in an informational memo issued in October 1999 (FIA IM #00-16). Thereafter, MA coverage for TCA leavers was substantially higher. Some of the increases between last year's update and this year's update in MA participation 10 and more years after the welfare exit, then, result from the newly available long-term follow-up data for more of the post-1999 leavers.

Figure 14. Post-Exit MA Participation Rates



Note: The amount of available follow-up data varies by exit date. Details on data availability are presented in Appendix A. Valid Percentages are reported.

As we have done throughout this report, we also examined MA participation by exit cohort. Table 13, below, reveals that welfare leavers during and after the recession participated in the MA program to a greater extent than their pre-recession counterparts in the months following exit. For example, in the one to three months after exit, 84.2 percent of post-recession exiting caseheads and 82.3 percent of caseheads leaving during the recession participated in MA, compared to only 72.1 percent of pre-recession exiting caseheads. A similar pattern emerges in the four to six months and seven to 12 months post-exit, though participation diminishes slightly as time passes. In the four to six months after exit, 82.7 percent of post-recession exiting payees, 81.0 percent of payees who left during the recession, and 70.5 percent of pre-recession exiting payees participated in MA. For months seven through 12, those figures were 81.2, 80.7, and 68.3 percent, respectively.

Participation was slightly higher across the board for children of exiting payees: in the first three months after exit, 91.8 percent of post-recession exiting children, 92.3 percent of children whose cases closed during the recession, and 80.8 of pre-recession exiting children participated in MA. Again, like their parents, participation among children tapered somewhat over the year, but this trend—leavers during and after the recession participating in higher percentages—remained. In post-exit months four to six, 91.0 percent, 91.5 percent, and 80.8 percent of children participated in the MA program. By months seven through 12, participation had decreased slightly, to 89.8 percent, 91.4 percent, and 81.4 percent, respectively.

Table 13. Medical Assistance/M-CHP Participation Rates by Exit Cohort

	Pre-Recession 10/96 – 11/07 (n=12,792)	**Recession** 12/07 – 6/09 (n=1,381)	**Post-Recession** 7/09 – 3/11 (n=1,383)	**Total Sample (n=15,556)**
Months 1-3* **				
Payee	72.1% (9,223)	82.3% (1,137)	84.2% (1,165)	74.1% (11,525)
Any Child	80.8% (10,331)	92.3% (1,275)	91.8% (1,270)	82.8% (12,876)
Any Case Member	84.2% (10,772)	94.7% (1,308)	94.6% (1,309)	86.1% (13,389)
Valid N	(12,792)	(1,381)	(1,383)	(15,556)
Months 4-6* **				
Payee	70.5% (9,017)	81.0% (1,118)	82.7% (951)	72.3% (11,086)
Any Child	80.8% (10,337)	91.5% (1,263)	91.0% (1,047)	82.5% (12,647)
Any Case Member	84.0% (10,745)	93.6% (1,293)	94.1% (1,082)	85.6% (13,120)
Valid N	(12,792)	(1,381)	(1,150)	(15,323)
Months 7-12* **				
Payee	68.3% (8,739)	80.7% (1,115)	81.2% (540)	70.0% (10,394)
Any Child	81.4% (10,410)	91.4% (1,262)	89.8% (597)	82.7% (12,269)
Any Case Member	84.9% (10,857)	93.8% (1,296)	92.5% (615)	86.0% (12,768)
Valid N	(12,792)	(1,381)	(665)	(14,838)

Note: Follow-up data are not available for all cases in the Post-Recession cohort. Details on data availability are presented in Appendix A. Valid Percentages are reported. *p<.05, **p<.01, ***p<.001.

Child Support

The final piece of our discussion of post-exit work supports for welfare leavers is child support. The pursuit of child support from non-custodial parents has long been viewed as a way to recoup public welfare dollars, on the view that parents have the primary obligation to support their children if they are able to and that public dollars should only be used if the parents are unavailable or unable to financially support their own children. It is this line of thinking that underlies the current requirements for all welfare recipients to cooperate with child support enforcement as a condition of receiving cash assistance. More broadly, however, research has shown that for low-income custodial parents who do pursue and receive child support, the amount they receive becomes a significant portion of their total family income and is correlated with staying off of welfare after exiting (Miller, Farrell, Cancian, & Meyer, 2005; Huang, Kunz, & Garfinkel, 2002; Srivastava, Ovwigho, & Born, 2001).

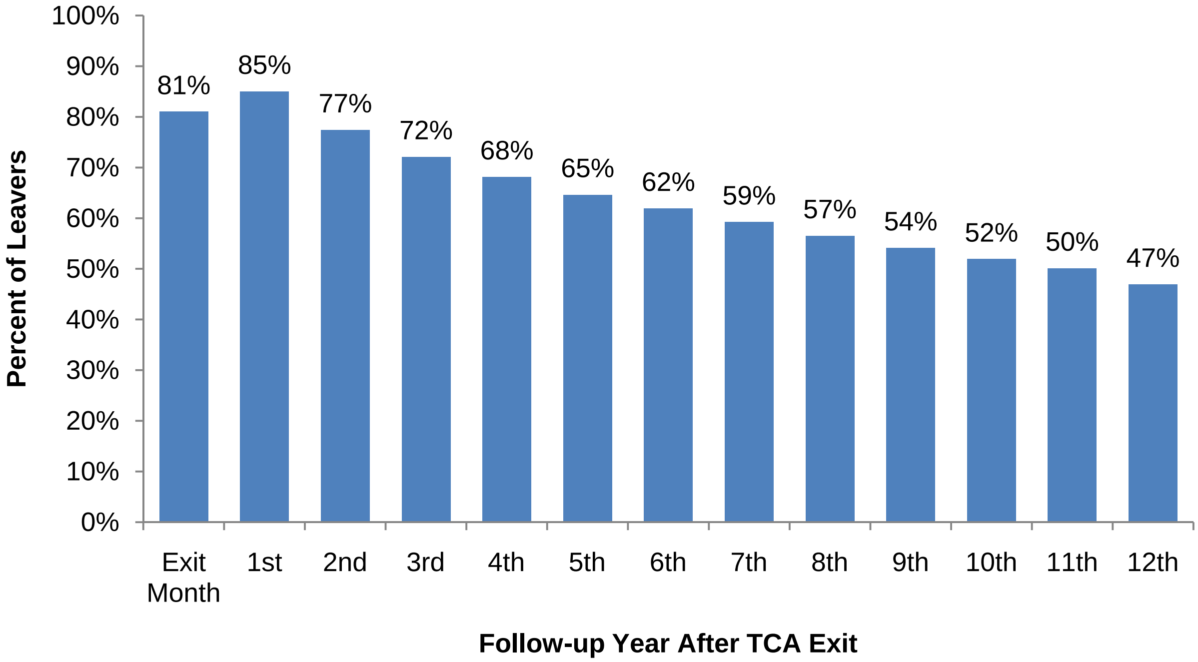
Even for those who are still in the early stages of child support enforcement and have not yet received support payments, there are still positive outcomes for children for whom legal paternity has been established. Specifically, children with legal fathers have more access to emotional and psychological support and access to additional resources such as health coverage and potential social insurance benefits (Pearson & Thoennes, 1995). Work from the Fragile Families study has also shown positive correlations between paternity establishment and several measures of father involvement (Mincy, Garfinkel, & Nepomnyaschy, 2005). All aspects of child support enforcement are more challenging when working with low-income families, but because of the financial and social importance to families and particularly to welfare leavers, we report on several aspects of the child support enforcement process in today's report. We review the percent of leavers with an active child support case in Maryland in the years after leaving welfare, the percent who received support in the first year after exiting, and the amount received.

How many welfare leavers have an active child support case after exiting TCA?

Figure 16, following this discussion, presents the percent of welfare leavers with an active child support case in Maryland in the month of their welfare exit, and in the years following their exit. Overall, the two important points are that approximately eight out of ten leavers (81%) had an active child support case in the month of their exit, and that this percent declines over time. Neither of these findings should be alarming. There are acceptable reasons for not having or pursuing an active child support case despite receiving welfare, such as a documented threat of domestic violence, the presence of both parents in the home, or sincere lack of knowledge about the identity of the father. In addition, some portion of those without an active child support case may have come into our sample precisely because their welfare case closed due to a full-family sanction for noncooperation with child support enforcement.

The decline in active support cases over time is also not completely surprising. As time passes, children age and become emancipated, resulting in the closure of child support cases. People may also move out of Maryland over time, or reunite with former partners, both additional reasons why a child support case would close even if the children were still minors.

Figure 15. Leavers with a Child Support Case after Exit

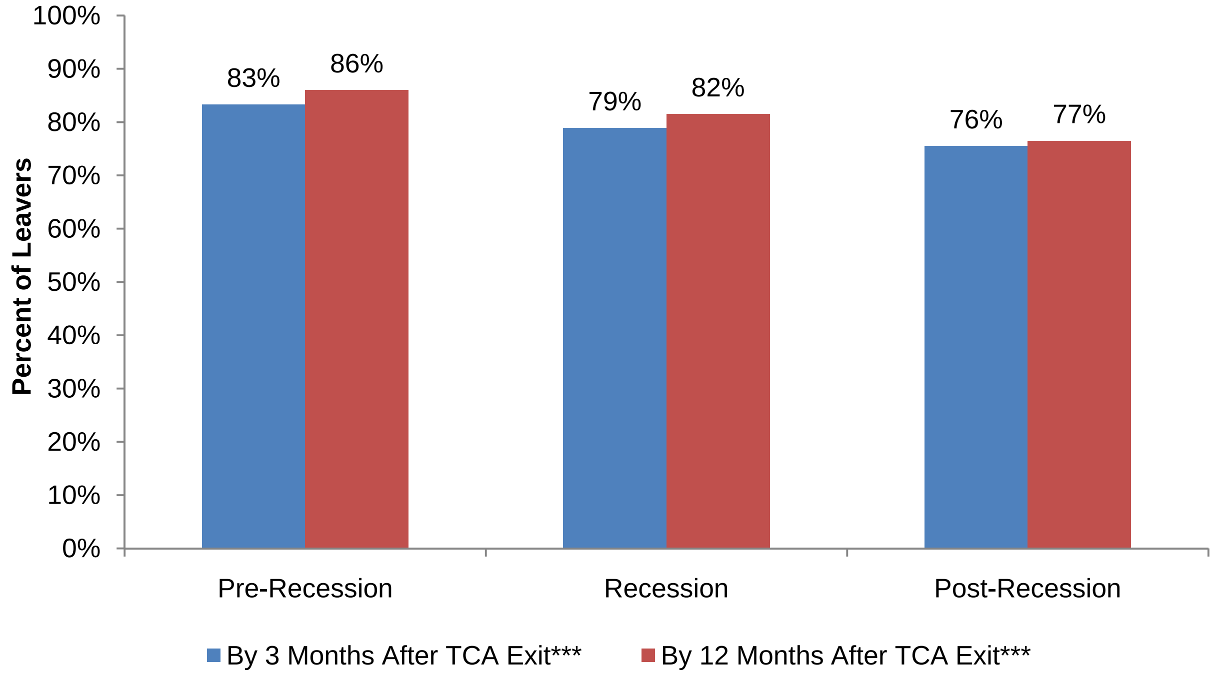


Note: Cases are only counted if the TCA casehead was listed as the custodian or custodial parent on an active or suspended Maryland child support case, excluding child support cases with a foster care sub-type. Exit month and follow-up data are only available for leavers with an exit month of April 1998 or later, and the amount of follow-up data varies by cohort. See Appendix B for details. Valid percentages are reported.

Do pre- and post-recession leavers differ in their child support status?

In addition to looking at the child support case status for the entire sample, we also present the percent with an active case in the first three months after exiting welfare, and by the end of the first follow-up year, by exit cohort. Figure 17, following this discussion, reveals a clear (though slow) declining trend in the percent of leavers with an active child support case in the pre-recession, recession, and post-recession periods. Specifically, the percent of leavers with an active child support case at any point in the three months after exiting cash assistance declined from 83 percent in the pre-recession period to 79 percent during the recession and 76 percent in the post-recession period. The same trend can be seen when looking at one-year outcomes (86%, 82%, and 77% for the three cohorts, respectively). Generally speaking, one could say that at any point, about eight out of ten leavers had an active child support case in the months following their welfare exit. However, the steadily—albeit slowly—declining trend over time is worth watching in the coming years and perhaps exploring for potential explanations if it continues.

Figure 16. Leavers with a Child Support Case after Exit by Cohort

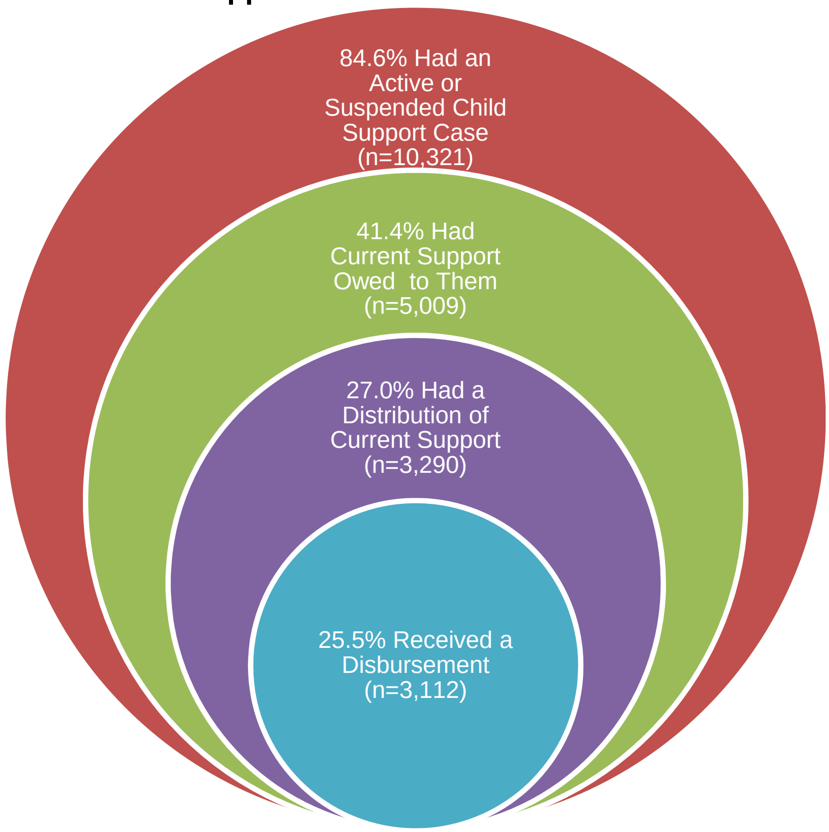


Note: Cases are only counted if the TCA casehead was listed as the custodian or custodial parent on an active or suspended Maryland child support case, excluding child support cases with a foster care subtype. Exit month and follow-up data are only available for leavers with an exit month of April 1998 or later, and the amount of follow-up data varies by cohort. See Appendix B for details. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

How many welfare leavers received child support in the first year after exiting TCA?

Once a child support case is opened, there are several stages to the enforcement process, including the establishment of paternity, the establishment of support, and support collection. Each stage has its own challenges, and for low-income families especially, it can take quite some time to get to a point where the family receives money. Figure 18, following this discussion, highlights this reality by presenting the status of child support at the end of the first follow-up year after the welfare exit. As presented earlier, approximately 85 percent of leavers had at least one active child support case in Maryland by the end of the first follow-up year. About two-fifths, or 41.4 percent of those with one year of follow-up data available, had reached the point where the noncustodial parent had been identified, paternity had been established, and a court order for current support had been filed. Of those, more than half (reflecting 27.0% of all those with one year of follow-up data available) had a distribution to current support within the first follow-up year. This means that money had been collected from the NCP and allocated to a case in which our sample member was listed as the custodian. In some cases, money that is distributed to a particular case will not be disbursed (or actually paid) to the custodian, either because the custodian cannot be located or because the custodian has returned to TCA and the current support is withheld to recoup the cost of the welfare benefits. Still, nearly all of the leavers in our sample who had a distribution to their child support case in the first follow-up year (n=3,290) also received at least one disbursement (n=3,112). This of course begs the question, how much did they receive? Our final analysis addresses this point.

Figure 17. Post-Exit Current Support Status

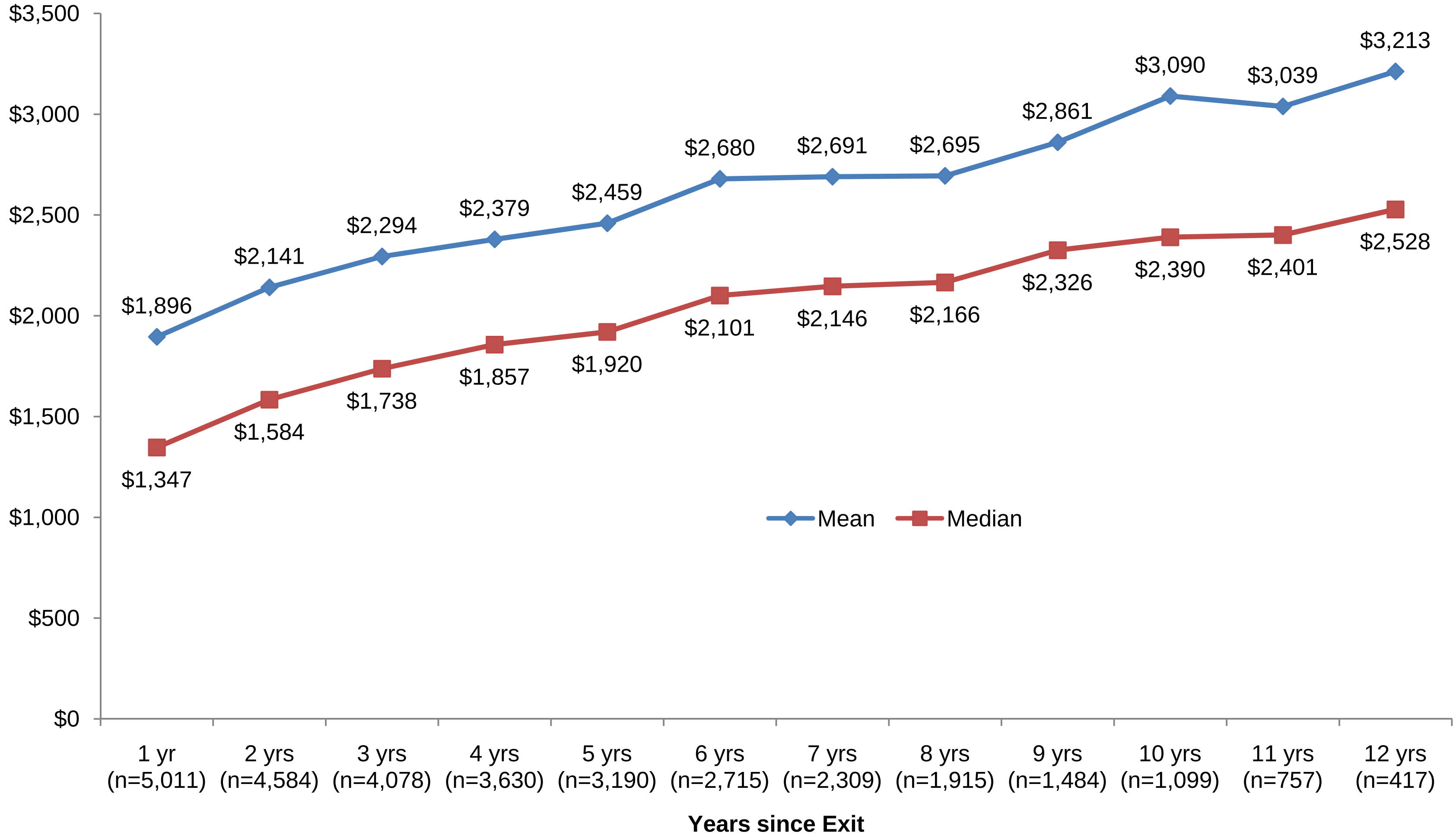


Note: Includes only sample members for whom one full year of child support data is available, and who exited TCA in April 1998 or later (n=12,194). See Appendix B for more details on child support data availability. Valid percentages are reported.

How much do welfare leavers receive in child support after their exit?

Table 14, following this discussion, presents information on the amount of child support actually received by the leavers in our sample. Of those who had support due in each year and who also had any disbursements in that year, the average amount disbursed (as measured by either the mean or the median) increases over time. In the first year after leaving welfare, the average amount of child support disbursed to leavers is less than $2,000 (mean=$1,896) and by the twelfth year after exit, the average amount disbursed is over $3,000 (mean=$3,213). Compared with average earnings for our sample discussed previously, this is not a negligible amount, and serves as good reason to continue exploring ways to increase paternity and order establishment for welfare recipients. Specifically, in addition to continuing the use of full-family sanctions for noncompliance with child support enforcement, research has shown that leveraging child support income disregards and pass-through policies have also been effective in improving child support outcomes for low-income families (Roff, 2010; Cook & Casper, 2006).

Figure 18. Child Support Receipt among Those with Support Due



Note: Excludes sample members with a TCA exit date prior to April 1998, and those with an exit date after March 2010. The number of leavers with support due in the first year (n=5,011) is slightly different than the number presented in Figure 18 (n=5,009) because Figure 18 only considered those with an active case and support due. Two individuals had an order with an open current support account, but the case was closed at the end of each month during the first follow-up year. See Appendix B for more detailed information on child support data availability. Valid percents are reported.

CONCLUSIONS

As we put the finishing touches on this 2011 update of Maryland's landmark, legislatively-mandated *Life after Welfare* study, our state, nation, and world continue to grapple with the persistent negative effects of the most severe and widespread economic downturn since the Great Depression of the 1930s. Unemployment rates remain stubbornly elevated, one in nine Americans receives Food Supplement assistance (i.e. Food Stamps), job growth is anemic at best, public budgets are extremely strained, and high levels of near-term uncertainty at the personal, political, economic, and international levels are individually and collectively disconcerting, to say the least. Little relief is in sight. Virtually all forecasts suggest that, all else equal, the recovery's rather glacial pace is likely to continue, it will take years if not decades to return to pre-recession employment levels and that, for affected families, employment and economic recovery, at best, lie several years in the future.

Maryland fared better than many other states during the meltdown, but our economy, public programs, and people have not been immune to or unscathed by the economic maelstrom. This includes our state's highly-regarded Temporary Cash Assistance (TCA) program and its low-income families which, with agency help, have been trying to leave welfare for work even in the face of intense competition for available jobs, rigid federal work requirements, and static funding, at best. For both clients and welfare agencies, the degree of difficulty associated with achieving speedy and lasting transitions from welfare to work has recently been and remains exponentially greater than it was in the first decade or so of welfare reform when the economy was robust and jobs were plentiful.

Things are different now. Today our reformed welfare system and its client families face their greatest challenges by far since the reforms were enacted in 1996. However, while the financial stakes are extremely high for families and for state budgets, there are no precedents to help policymakers, program managers, advocates, and families navigate these unprecedented and difficult times. Fortunately, while we cannot predict the future either, through the *Life after Welfare* study we can empirically chronicle Maryland's welfare reform story, as we have since October 1996. Now more than ever, it is vitally important that policymakers and managers have valid, reliable, up-to-date data about how many families are leaving welfare, why their cases are closing, and what happens to those families over time. Providing that type of information, for Maryland, is the overarching purpose of the ongoing *Life after Welfare* study in general and this 2011 annual update in particular.

A few general conclusions can be drawn from the detailed findings presented in previous chapters of today's report. First and foremost is the point that "welfare" and welfare-to-work programs do not exist in isolation nor are they independent of or unaffected by events and trends in the general economy. *Life after Welfare* study results in roughly the first decade of reform (1996-2007) were almost wholly positive. This resulted in part from the reforms themselves, but also unquestionably reflected the expanding economy of that era and, in particular, bountiful jobs. Fast forward to today and we see a different picture, but a similar reflection. That is, even though the profile of cases and clients exiting has not changed appreciably over time and the industries in which leavers initially find work have also remained the same, our 2011 results are not as positive as those reported in earlier years. On virtually every measure examined, recession-era and post-recession leavers do not fare as well as those who left welfare before the economic tsunami struck. Most notably, the most recent leavers are less likely to be working and more likely to return to welfare after exiting. These findings are sobering, but again reflect the state of the larger economy and, in particular, the abysmal state of the job market. Still, considering everything that has happened and the unprecedented difficulties which currently face all but the most highly-educated, highly-skilled job seekers, the 2011 findings still speak well of low-income women and welfare agencies. Most women do have prior work experience, most still display a willingness to work, and despite it all, many cash assistance recipients are able to leave welfare for work and not return. One particular bright spot is that post-recession employed leavers earn more, on average, than those who left welfare in earlier years. Another is that most families who leave welfare do not return, no matter when their welfare cases closed.

It also seems reasonable to conclude that the environment is likely to remain challenging, to put it mildly, for the foreseeable future. Welfare agencies and their clients will almost certainly continue to find it a daunting task to meet inflexible federal work participation requirements, avoid financial penalties, and assist women to make lasting transitions from welfare to work, while coping with increased need and limited funding. In addition to persistently high unemployment rates, federal TANF rules—promulgated in more prosperous times—have not been adjusted to reflect the new economic and employment realities, the amount of the TANF block grant has not been increased, and supplemental federal ARRA and TANF contingency funds are no longer available. State budgets are also already under enormous pressure and thus not likely to be able to make up any shortfall that might exist. Moreover, TANF reauthorization is, once again, overdue and indications are that the Congressional debates will be fractious, contentious, and protracted.

The present set of circumstances is far from ideal, and the near-term future is fraught with uncertainty for states, welfare agencies, and low-income families. It is ironic that we are facing this 'perfect storm' precisely as we arrive at the 15th anniversary of welfare reform, but there is reason to be optimistic, at least in Maryland. First and foremost, our state demonstrated collective, bi-partisan will to surmount many philosophical and practical landmines in the design of Maryland's original, reformed welfare program. This was no easy task, but the shared desire to do the 'right thing' for our state and its at-risk children and families overcame differences and divisions and led to a consensus program that has served us well. We know our program has worked because outcomes have been empirically assessed and publically reported through annual *Life after Welfare* project updates. Thus, history suggests that Maryland legislators, program administrators, and advocates will again be able to work their way through current challenges. In addition to Maryland's many other strengths, the persistence of advocates and the prescience of legislators in commissioning the longitudinal *Life after Welfare* project means, importantly, that should any difficult near-term policy or budgetary choices need to be made with regard to cash assistance and the TANF block grant, our state will be able to inform those decisions with empirical data, rather than anecdote. Moreover, because we are one of the few states—if not the only state—to have such a wealth of longitudinal data extending over the entire 15-year history of welfare reform, Maryland is positioned to be a leading voice when Congressional reauthorization discussions move into high gear.

Finally, present circumstances notwithstanding, it is important to keep in mind that as a state, we have accomplished a great deal through our welfare reform program, not the least of which has been enabling thousands of low-income women to make lasting transitions from welfare to work. Today's *Life after Welfare* update report, like prior iterations of the series, highlights areas of achievement while also taking note of new and ongoing challenges. We have been participant-observers of Maryland's welfare reform program from its conceptual design phase through its now 15-year life and have carried out the *Life after Welfare* project since welfare reform began in October 1996. As participants in and empirical observers of our state's reformed welfare program, we remain confident that, while continuing to rightfully celebrate what has been achieved, our state will also prove more than capable of effectively tackling the challenges we now face. We mastered the unprecedented tasks of welfare reform some 15 years ago and, together, we will master today's unprecedented challenges as well.

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APPENDIX A. AVAILABILITY OF EMPLOYMENT AND WELFARE DATA

				1 yr	2 yrs	3 yrs	4 yrs	5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs	11 yrs	12 yrs	13 yrs	14 yrs
Exit Months	Exit Quarter	3 mo	6 mo	12 mo	24 mo	36 mo	48 mo	60 mo	72 mo	84 mo	96 mo	108 mo	120 mo	132 mo	144 mo	156 mo	168 mo
10/96-3/97	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4/97-3/98	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4/98-3/99	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
4/99-3/00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
4/00-3/01	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
4/01-3/02	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
4/02-3/03	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
4/03-3/04	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓							
4/04-3/05	✓	✓	✓	✓	✓	✓	✓	✓	✓								
4/05-3/06	✓	✓	✓	✓	✓	✓	✓	✓									
4/06-3/07	✓	✓	✓	✓	✓	✓	✓										
4/07-3/08	✓	✓	✓	✓	✓	✓											
4/08-3/09	✓	✓	✓	✓	✓												
4/09-3/10	✓	✓	✓	✓													
4/10-6/10	✓	✓	✓														
7/10-9/10	✓	✓	✓														
10/10-12/10	✓	✓															
1/11-3/11	✓																
Total Cases	15,818	15,556	15,323	14,838	13,967	13,076	12,276	11,442	10,490	9,519	8,567	7,569	6,543	5,452	4,345	2,689	974

Table 14. Industry by Exit Cohort

	Pre-Recession		Recession		Post-Recession		Total	
Natural Resources and Mining	0.2%	13	0.2%	1	0.0%	0	0.2%	14
Agriculture, Forestry, Fishing and Hunting		13		1		0		14
Crop Production		1		1		0		2
Animal Production		10		0		0		10
Support Activities for Agriculture and Forestry		2		0		0		2
Construction	1.8%	99	1.6%	8	0.8%	4	1.7%	111
Construction of Buildings		41		4		1		46
Heavy and Civil Engineering Construction		6		0		0		6
Specialty Trade Contractors		52		4		3		59
Manufacturing	4.8%	273	2.9%	15	3.1%	15	4.6%	303
Food Manufacturing		101		5		9		115
Textile Mills		3		0		0		3
Textile Product Mills		4		0		0		4
Apparel Manufacturing		5		0		0		5
Paper Manufacturing		8		0		0		8
Printing and Related Support Activities		19		2		0		21
Petroleum and Coal Products Manufacturing		4		0		0		4
Chemical Manufacturing		12		0		0		12
Plastics and Rubber Products Manufacturing		11		0		0		11
Nonmetallic Mineral Product Manufacturing		8		1		0		9
Primary Metal Manufacturing		1		0		0		1
Fabricated Metal Product Manufacturing		18		0		1		19
Machinery Manufacturing		12		1		0		13
Computer and Electronic Product Manufacturing		21		5		3		29
Electrical Equipment, Appliance, and Component Manufacturing		5		0		0		5
Transportation Equipment Manufacturing		10		0		1		11
Furniture and Related Product Manufacturing		12		1		0		13
Miscellaneous Manufacturing		19		0		1		20

Table 14. (continued)

	Pre-Recession		Recession		Post-Recession		Total	
Trade, Transportation, and Utilities	21.8%	1,232	24.9%	127	28.7%	139	22.5%	1,498
Wholesale Trade		119		16		9		144
Merchant Wholesalers, Durable Goods		66		8		4		78
Merchant Wholesalers, Nondurable Goods		48		5		4		57
Wholesale Electronic Markets and Agents and Brokers		5		3		1		9
Retail Trade		556		38		52		646
Motor Vehicle and Parts Dealers		31		0		7		38
Furniture and Home Furnishings Stores		7		2		1		10
Electronics and Appliance Stores		17		1		2		20
Building Material and Garden Equipment and Supplies Dealers		47		0		8		55
Food and Beverage Stores		252		19		17		288
Health and Personal Care Stores		87		7		6		100
Gasoline Stations		24		1		2		27
Clothing and Clothing Accessories Stores		91		8		9		108
Retail Trade		445		66		62		573
Sporting Goods, Hobby, Book, and Music Stores		22		1		1		24
General Merchandise Stores		334		56		57		447
Miscellaneous Store Retailers		42		7		1		50
Non-store Retailers		47		2		3		52
Transportation and Warehousing		87		4		13		104
Air Transportation		1		0		0		1
Truck Transportation		22		2		4		28
Transit and Ground Passenger Transportation		45		2		6		53
Scenic and Sightseeing Transportation		5		0		0		5
Support Activities for Transportation		14		0		3		17
Transportation and Warehousing		24		2		1		27
Postal Service		5		0		0		5
Couriers and Messengers		12		0		1		13
Warehousing and Storage		7		2		0		9
Utilities		1		1		2		4
Utilities		1		1		2		4

Table 14. (continued)

	Pre-Recession		Recession		Post-Recession		Total	
Information	2.3%	131	2.0%	10	1.0%	5	2.2%	146
Information		131		10		5		146
Publishing Industries except Internet		9		2		0		11
Motion Picture and Sound Recording Industries		43		1		0		44
Broadcasting except Internet		18		3		2		23
Telecommunications		39		2		0		41
Data Processing, Hosting and Related Services		3		2		1		6
Other Information Services		19		0		2		21
Financial Activities	5.0%	281	4.5%	23	3.7%	18	4.8%	322
Finance and Insurance		182		17		16		215
Monetary Authorities-Central Bank		6		1		0		7
Credit Intermediation and Related Activities		89		4		8		101
Securities, Commodity Contracts, and Other Financial Investments and Related Activities		18		2		1		21
Insurance Carriers and Related Activities		35		7		3		45
Funds, Trusts, and Other Financial Vehicles		34		3		4		41
Real Estate and Rental and Leasing		99		6		2		107
Real Estate		69		4		2		75
Rental and Leasing Services		21		1		0		22
Lessors of Nonfinancial Intangible Assets, except Copyrighted Works		9		1		0		10
Professional and Business Services	23.7%	1,339	19.8%	101	16.9%	82	22.9%	1,522
Professional, Scientific, and Technical Services		425		40		39		504
Professional, Scientific, and Technical Services		425		40		39		504
Management of Companies and Enterprises		6		0		0		6
Management of Companies and Enterprises		6		0		0		6
Administrative and Support and Waste Management and Remediation Services		908		61		43		1,012
Administrative and Support Services		903		61		43		1,007
Waste Management and Remediation Services		5		0		0		5

Table 14. (continued)

	Pre-Recession		Recession		Post-Recession		Total	
Education and Health Services	21.6%	1,224	26.4%	135	25.0%	121	22.3%	1,480
Educational Services		307		28		22		357
Educational Services		307		28		22		357
Health Care and Social Assistance		917		107		99		1,123
Hospitals		177		23		12		212
Nursing and Residential Care Facilities		314		29		33		376
Social Assistance		88		8		10		106
Leisure and Hospitality	8.7%	493	8.6%	44	7.9%	38	8.6%	575
Arts, Entertainment, and Recreation		52		3		4		59
Performing Arts, Spectator Sports, and Related Industries		20		2		0		22
Museums, Historical Sites, and Similar Institutions		1		0		0		1
Amusement, Gambling, and Recreation Industries		31		1		4		36
Accommodation and Food Services		441		41		34		516
Accommodation		101		4		1		106
Food Services and Drinking Places		340		37		33		410
Other Services	5.8%	328	4.3%	22	6.2%	30	5.7%	380
Other Services except Public Administration		328		22		30		380
Repair and Maintenance		21		4		1		26
Personal and Laundry Services		104		6		9		119
Religious, Grant-making, Civic, Professional, and Similar Organizations		203		12		20		235
Public Administration	4.3%	241	4.9%	25	6.6%	32	4.5%	298
Public Administration		241		25		32		298
Executive, Legislative, and Other General Government Support		177		19		26		222
Justice, Public Order, and Safety Activities		47		4		4		55
Administration of Human Resource Programs		13		1		0		14
Administration of Environmental Quality Programs		2		0		0		2
Administration of Housing Programs, Urban Planning, and Community Development		2		0		1		3
Administration of Economic Programs		0		1		1		2

Table 15. Availability of Industry Data by Exit Cohort

	Pre-Recession	Recession	Post-Recession	Total
Worked and able to classify wages	5,654	511	484	6,649
Worked but unable to classify wages (NAICS=999)	772	81	66	919
Did not work	6,330	781	807	7,918
No follow-up available yet			256	256
Missing SSN	36	8	32	76
Total in Sample/Cohort	12,792	1,381	1,645	15,818

APPENDIX C. AVAILABILITY OF CHILD SUPPORT DATA

				1 yr	2 yrs	3 yrs	4 yrs	5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs	11 yrs	12 yrs
Exit Months	Exit Quarter	3 mo	6 mo	12 mo	24 mo	36 mo	48 mo	60 mo	72 mo	84 mo	96 mo	108 mo	120 mo	132 mo	144 mo
10/96-3/97															
4/97-3/98															
4/98-3/99	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4/99-3/00	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4/00-3/01	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
4/01-3/02	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
4/02-3/03	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
4/03-3/04	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					
4/04-3/05	✓	✓	✓	✓	✓	✓	✓	✓	✓						
4/05-3/06	✓	✓	✓	✓	✓	✓	✓	✓							
4/06-3/07	✓	✓	✓	✓	✓	✓	✓								
4/07-3/08	✓	✓	✓	✓	✓	✓									
4/08-3/09	✓	✓	✓	✓	✓										
4/09-3/10	✓	✓	✓	✓											
4/10-6/10	✓	✓	✓												
7/10-9/10	✓	✓	✓												
10/10-12/10	✓	✓													
1/11-3/11	✓														
Total Cases	13,129	12,867	12,634	12,149	11,278	10,387	9,587	8,753	7,801	6,830	5,878	4,880	3,854	2,763	1,656