

LIFE AFTER WELFARE: ANNE ARUNDEL COUNTY

CORRENE SAUNDERS, PHD, LETITIA LOGAN PASSARELLA, & CATHERINE E. BORN, PHD



The 2011 update to Maryland's landmark longitudinal study of welfare leavers, *Life after Welfare*, revealed that even in the toughest economic climate, most families who receive cash assistance do so temporarily, most welfare exits are still permanent, and work effort among cash assistance customers remains relatively high, both before and after receiving assistance (Born, Saunders, Williamson, and Logan, 2011).

Nonetheless, there are challenges. Compared with Pre-Recession leavers, those who exited welfare in Maryland during or after the Great Recession received more months of assistance before making their exit, tended to have lower employment rates both before and after their welfare spell, and were slightly more likely to return to benefits. All around the state, program managers and public leaders strive to find interventions that will offset the loss of resources and jobs in their communities. In a diverse state like Maryland, the approach varies by location.

The *Life after Welfare* study uses a random sample of welfare recipients from every jurisdiction within the state to provide an accurate portrayal of how leavers are faring throughout the state. In order to develop a more local perspective, however, we need to examine the data by region.

Resources are limited everywhere, and the distribution of resources can be complicated. Certain trends, such as changes in family composition of welfare recipients or changes in the work and welfare outcomes of welfare leavers, may alter the types of resources individual jurisdictions need in order to be successful. In general, statewide averages are necessary and useful for policy changes, particularly because states are required to report their performance to the federal government. Statewide averages, however, are heavily influenced by larger jurisdictions. In order to develop programs and initiatives that are relevant throughout the state, it is important to understand regional variation.

Thus, this report provides many of the same types of analyses found in the full *Life after*

Welfare report, but specifically for Anne Arundel County. This study is issued at a time of ongoing economic fragility and turmoil for families, state, local, and national governments and, indeed, the entire world. In the United States, unemployment and the number of Americans looking for work remain at high levels, 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. Therefore, to capture changes in outcomes of welfare leavers likely due to the turmoil of the Great Recession, many analyses will separate leavers by cohorts. Specifically, we look at the following cohorts: 1) Pre-Recession leavers, those who left between October 1996 and November 2007; 2) Recession leavers, cases closing between December 2007 and June 2009; and 3) Post-Recession leavers, welfare exits between July 2009 and March 2011.

Anne Arundel County Characteristics¹

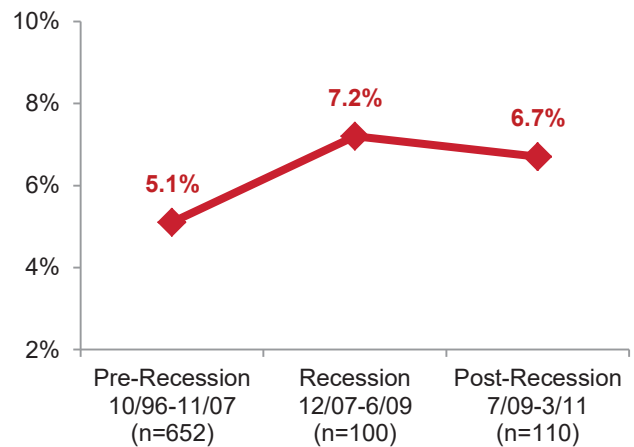
Anne Arundel County is in the heart of central Maryland, with over 500 miles of coastline and close proximity to the Baltimore and Washington metropolitan areas. Major employers in Anne Arundel County cover a range of industries, and include Southwest Airlines, Northrup Grumman, two major medical centers, and Wal-Mart (Maryland DLLR, 2012). Half of the county residents are female (50.6%) and the majority of residents are Caucasian (75.4%). Nearly nine out of every ten adults over the age of 25 have obtained at least their high school diploma, and over one-third have gone on to attain a bachelor's degree or higher. As of 2009, the poverty rate for Anne Arundel County was at a relatively low level of 6.8%. Accordingly, the proportion of Maryland welfare leavers who reside in Anne Arundel County is slightly less (5.5%) than might be expected given the

distribution of the general population. Recent census data show that over 530,000 people reside in Anne Arundel County, accounting for approximately nine percent of the entire state population.

Characteristics of Welfare Leavers

This brief presents information about a sample of welfare leavers (n=862) in Anne Arundel County who left welfare for at least one month between October 1996 and March 2011. When the sample is separated into cohorts, as presented in Figure 1, we can see a slight increase in the proportion of welfare leavers from Anne Arundel County, from about five percent in the Pre-Recession cohort to approximately seven percent in the Recession and Post-Recession cohorts.

Figure 1. Anne Arundel County: Percent of Total Statewide Exiting Cases



¹ Data obtained from U.S. Census Bureau State and County QuickFacts website: <http://quickfacts.census.gov/qfd/states/24/24003.html>.

Table 1 presents demographic information about welfare leavers in Anne Arundel County. The typical payee is a female (94.5%) in her early 30's (average age of 32.42) who has never been married (69.3%) and has received her high school diploma or higher (70.5%). Compared to the state as a whole, Anne Arundel County welfare leavers are typically more educated (70.5% vs. 61.4%) and are less likely to be African-American (51.6% vs. 74.0%). Although there are only slight changes in the demographic profile of Anne Arundel welfare leavers between the Pre-Recession and Recession cohorts, there are some notable differences between those who exited in the Recession and Post-Recession cohorts. Specifically, those who exited during the Post-Recession cohort were less likely to be African American (43.3% versus 55.1%) and more likely to

have at least a high school education (75.2% versus 70.8%).

As presented in Table 2, at the time of exit, welfare cases in Anne Arundel County included an average of 2.62 people who qualified for cash assistance, which is nearly equal to the state average (2.60). While most of these cases included a single-parent case, approximately one in five (19.6%) was a child-only case. Two-parent cases made up just about four percent (4.3%) of exiting cases, though they were considerably more common among Post-Recession leavers than the Recession cohort (6.4% vs. 2.0%, respectively). Overall, two in five cases (40.7%) were considered single-parent cases at the time of exiting welfare, indicating that they were subject to work requirements and time limits at the time of the exit.

Table 1. Anne Arundel County: Demographic Characteristics of Welfare Leavers

	% Female	Mean Age	% African American	Never Married	% HS Degree or Higher
Anne Arundel County (n=862)	94.5%	32.42	51.6%	69.3%	70.5%
Pre-Recession (n=652)	94.8%	32.21	52.5%	68.2%	69.1%
Recession (n=100)	91.0%	33.33	55.1%	73.7%	70.8%
Post-Recession (n=110)	95.5%	32.86	43.3%	69.7%	75.2%
Maryland (n=15,818)	95.2%	32.77	74.0%	75.0%	61.4%

Note: Valid percentages are reported.

Table 2. Anne Arundel County: Case Characteristics of Exiting Cases

	Mean Case Size	% Single-Parent	% Child-Only	% Two-Parent
Anne Arundel County (n=862)	2.62	40.7%	19.6%	4.3%
Pre-Recession (n=652)	2.68	-	-	-
Recession (n=100)	2.38	40.4%	19.2%	2.0%
Post-Recession (n=110)	2.49	40.9%	20.0%	6.4%
Maryland (n=15,818)	2.60	49.2%	18.8%	3.8%

Note: We present caseload designations for the last two cohorts (n=210 in Anne Arundel; n=3,012 in the State) since the data are not available prior to February 2004 and coding changed in October 2007. Valid percentages are reported.

Pre-Exit Welfare History

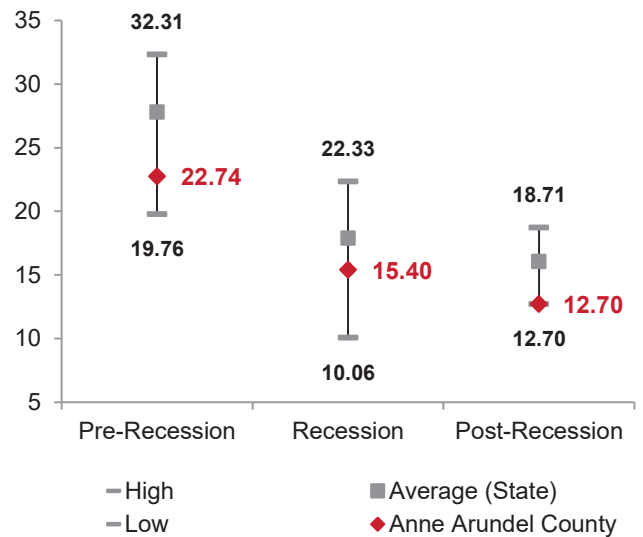
Figure 2 presents findings on one measure of welfare history—length of exiting spell. As shown, the majority of caseheads in Anne Arundel County, regardless of cohort, leave welfare after relatively short welfare spells of 12 or fewer *consecutive* months. Over time, we see that this percentage increased from 79.6% in the Pre-Recession cohort to 89.1% in the Post-Recession cohort, suggesting that short welfare spells have become more common over time. Compared to the state average, Anne Arundel County welfare leavers are more likely to have short spells of 12 months or less, particularly in the Pre-Recession and Post-Recession cohorts (79.6% and 89.1%, respectively).

Figure 2. Anne Arundel County: Percent of Cases with an Exiting Spell of 12 Months or Less



The second measure, depicted in Figure 3, is the average number of months of cash assistance benefits received over the previous five years regardless of whether those months were consecutive or not. Similar to our analysis of exiting spells, we see welfare histories becoming shorter over time. Among Anne Arundel leavers, the decline is steady, from an average of 22.74 months out of the previous 60 in the Pre-Recession cohort, to 15.40 months in the Recession cohort, to 12.70 in the Post-Recession cohort. This means that, on average, those who exited a welfare spell in the Post-Recession cohort were relatively new to the program. While this is true for most jurisdictions, Anne Arundel leavers in the Post-Recession cohort had the shortest average welfare histories in the state.

Figure 3. Anne Arundel County: Average Number of Months of Cash Assistance in Previous Five Years



Note: Figures with the ‘High’ and ‘Low’ markers represent the Maryland counties with highest and lowest average or percent of cases with that particular indicator. For example, in Figure 2, the ‘High’ marker represents the county with the highest percent of cases with an exiting spell of 12 months or less. Valid percentages are reported.

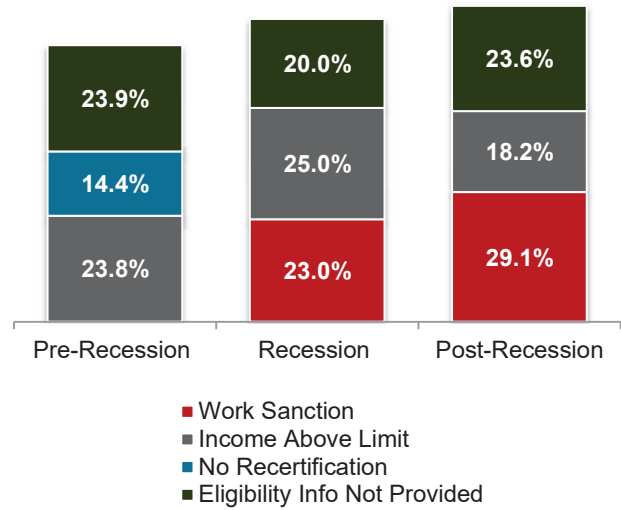
Reason for Case Closure

Figure 4 shows the top three case closure reasons for Anne Arundel County leavers. The most notable finding is the relatively high rate of closures due to “Eligibility Info Not Provided.” More than one in five exits, in each cohort, occurred for this reason. While this is fairly typical around the state in the Post-Recession cohort, in the earlier cohorts Anne Arundel County stands out for using this code more frequently than others. In a previous analysis, we found that this closure code is highly correlated with employment (Ovwigbo, Tracy, and Born, 2004). Based on what else we know about Anne Arundel County’s welfare leavers—they are more educated and tend to have short welfare histories—it is reasonable to assume that a substantial portion of those who exited with “Eligibility Info Not Provided” as the recorded reason for case closure, left welfare because they became employed.

Otherwise, Anne Arundel County follows the rest of the state, with a marked increase in the use of full-family work sanctions over time, from less than 14 percent in the Pre-

Recession cohort (not depicted because it was not a top 3 closing code), to 29.1% in the Post-Recession cohort.

Figure 4. Anne Arundel County: Top 3 Closing Codes

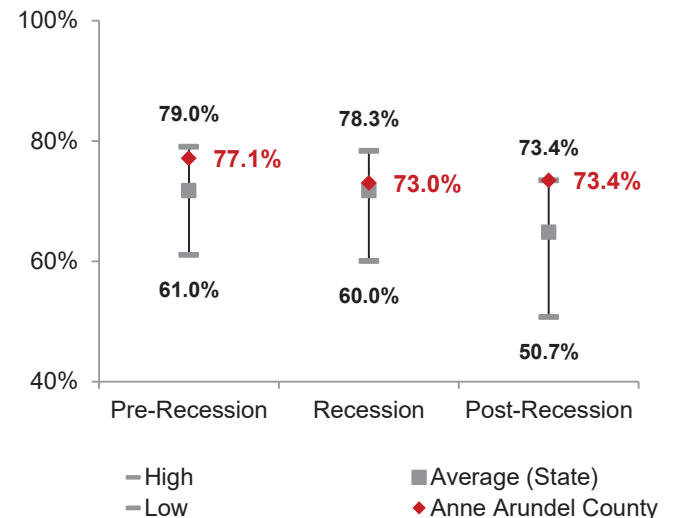


Note: Valid percentages are reported.

Pre-Exit Employment

In this section we examine the work history of welfare leavers, in the eight quarters (two years) leading up to the exit. As depicted in Figure 5, at least seven out of ten leavers from Anne Arundel County had some recent employment in a Maryland job covered by Unemployment Insurance (UI), regardless of exit cohort. As with most other jurisdictions across the state, there is a slight decline over time in the percent of leavers with previous employment, from 77.1% in the Pre-Recession cohort to 73.4% in the Post-Recession cohort. Despite this, in the Post-Recession cohort, Anne Arundel leavers were most likely to have recent employment compared with their counterparts in the state.

Figure 5. Anne Arundel County: Percent Working in the Two Years before Exit

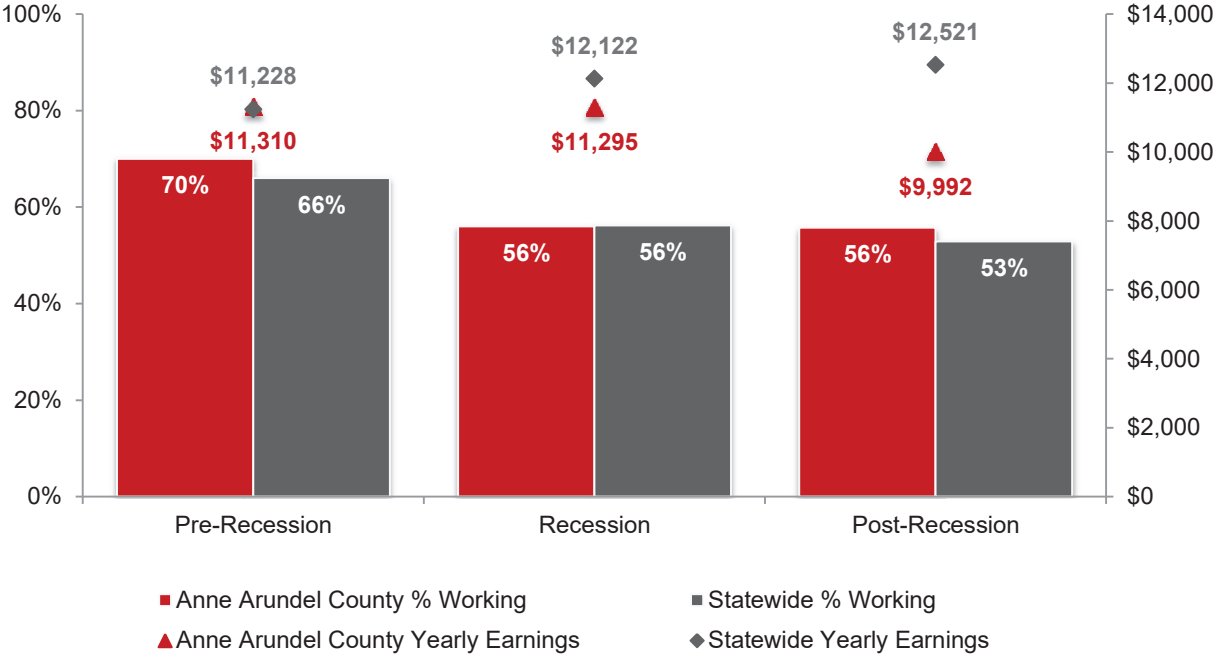


Post-Exit Employment

Figure 6 shows the percent of Anne Arundel welfare leavers who became employed in a Maryland UI-covered job at any point in the year after their welfare exit along with their average earnings. As presented, post-exit employment is less common after the recession than before. In the Pre-Recession cohort, seven out of ten (70%) leavers became employed in their first post-exit year, compared with 56% of leavers in both the Recession and Post-Recession cohorts.

Among those who became employed, earnings were relatively low, at approximately \$11,300 for the year in both the Pre-Recession and Recession cohorts. In the Post-Recession cohort, average earnings for those who were employed dropped below the state average (\$12,521), to just less than \$10,000 for the year.

Figure 6. Anne Arundel County: Percent Working and Average Earnings in Year after Exit

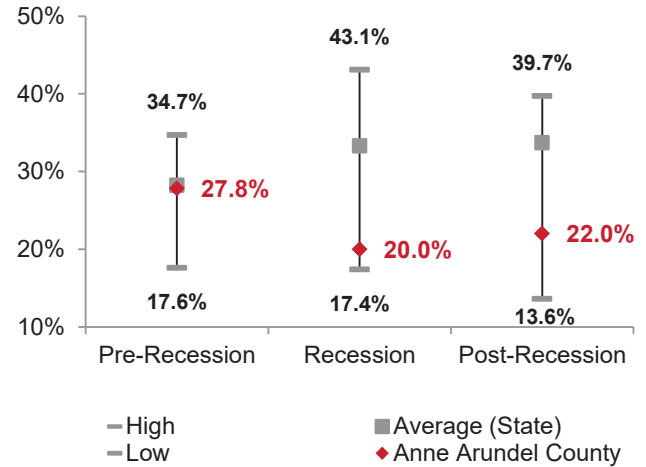


Note: Valid percentages are reported.

Recidivism

Figure 7 provides information about returns to welfare within the first post-exit year by cohort. In the Pre-Recession cohort, over one-quarter of leavers returned to welfare within the first year, both for Anne Arundel County and on average around the state (27.8% and 28.2%, respectively). During the recession, however, returns to welfare became less common among Anne Arundel County leavers and more common, on average, around the state. Specifically, in the Recession cohort, only one in five (20.0%) Anne Arundel County leavers returned to welfare, versus a statewide average of one in three (33.3%). In the Post-Recession era, there was a slight increase in recidivism in Anne Arundel County, from 20.0% to 22.0%, although the state average was still higher.

Figure 7. Anne Arundel County: Percent of Caseheads Returning to Cash Assistance within One Year



Note: One-year follow-up data are not available for leavers in April 2010 and after. Valid percentages are reported.

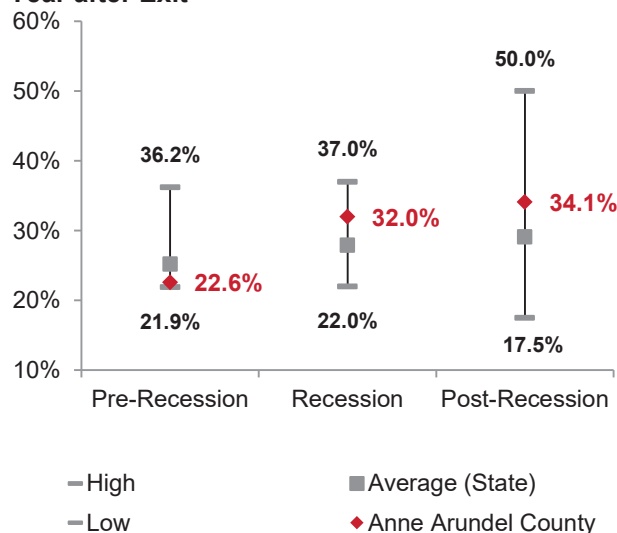
Disconnection from Welfare and Work

The post-exit analyses have revealed that despite a higher rate of employment leading up to a welfare exit, Anne Arundel County welfare leavers are about as likely to become employed after exiting as a typical welfare leaver across the state. However, they are substantially less likely to return to welfare. The final analysis examines what proportion of Anne Arundel County welfare leavers have no record of employment or cash assistance receipt in Maryland, for the duration of their first year after exiting welfare, referred to as disconnected leavers.

As presented in Figure 8, the proportion of Anne Arundel leavers who become disconnected from work and welfare has increased over time. In the Pre-Recession cohort, approximately one in five (22.6%) leavers became disconnected, just under the statewide average. Among leavers in the Recession cohort, nearly one in three (32.0%) became disconnected from work and welfare after exiting, which was somewhat higher than the statewide average. Post-

Recession leavers are similar, with just over one in three (34.1%) disconnected leavers during the first post-exit year. While this trend could be troubling if disconnected leavers are really in need of services but not accessing them, it is important to keep in mind that there are many other possible explanations that are less troublesome. For example, families may move away or become employed in another state (including Washington, D.C.), they may become eligible for other more appropriate long-term benefits such as Supplemental Security Income (SSI), they may be categorically ineligible for benefits because of a change in family composition (i.e., a child in a child-only case returning to their parents or another family member), or they may be employed in a non-UI-covered job (Ovwigo, Kolupanowich, and Born, 2009). More research is needed to determine what other services Anne Arundel County's disconnected leavers are accessing, and whether they eventually return to welfare in later years.

Figure 8. Anne Arundel County: Percent of Caseheads Disconnected Through the First Year after Exit



Summary: Anne Arundel County

Overall, we find that Anne Arundel welfare leavers are more highly educated than a typical welfare leaver in Maryland, with higher rates of pre-exit employment and substantially shorter welfare histories. Additionally, Anne Arundel leavers are more likely to have “Eligibility Info Not Provided” as the recorded reason for case closure, though they are just as likely to be employed in the first post-exit year. Despite lower-than-average earnings among those who do become employed, leavers in Anne Arundel County are less likely to return to welfare within the first year after exiting, and more likely to disconnect from work and welfare altogether in that year.

Note: One-year follow-up data are not available for leavers in April 2010 and after. Valid percentages are reported.

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Owgho, P.C., Kolupanowich, N., and Born, C.E. (2009). *Disconnected leavers: The circumstances of those without welfare and without work*. Retrieved from the University of Maryland, Family Welfare Research and Training Group website: <http://www.familywelfare.umaryland.edu/reports1/lostleavers.pdf>

ACKNOWLEDGEMENTS

The authors would like to thank Jamie Haskel, Somlak Suvanasorn, Michael Funk, Lance Spicer, and Daniel Knott for their assistance in the collection and processing of data for this research brief as well as Lisa Thiebaud Nicoli, Lauren Hall, Nick Kolupanowich, Kari O’Donnell, and Sarah Williamson for their assistance with analysis and editing. This brief was prepared by the Family Welfare Research and Training Group with support from its long time research partner, the Maryland Department of Human Resources.

For additional information about this research brief, please contact Letitia Logan Passarella (410-706-2479; llogan@ssw.umaryland.edu) or Dr. Catherine Born (410-706-5134; cborn@ssw.umaryland.edu) at the School of Social Work. Please visit our website, www.familywelfare.umaryland.edu for additional copies of this brief and other reports.