



BALTIMORE CITY: ADULTS RECEIVING TEMPORARY CASH ASSISTANCE IN 2016

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KEY FINDINGS

Despite its small size, Maryland is a diverse state. Its 24 jurisdictions sometimes have very different populations, and, consequently, may have very different needs. While statewide data can be extraordinarily helpful to state-level program managers and policymakers, it may not reflect the customers that local departments of social services see in their offices.

To assist local departments in serving their Temporary Cash Assistance (TCA) customers better, we are examining adult recipients in each of the 24 jurisdictions over the next four years. In this brief, we focus on Baltimore City, Maryland's urban center. In general, Baltimore City has a high percentage of families with children under 18 years of age living in poverty—nearly three in 10 (28.8%) families live below the poverty level compared to one in 10 (10.7%) in Maryland (U.S. Census Bureau, 2016b). Additionally, the median family income (\$51,032) in Baltimore City is nearly \$40,000 less than the median family income in Maryland as a whole (U.S. Census Bureau, 2016b). With about 40% of the state's TCA caseload in state fiscal year (SFY) 2016, Baltimore City is the jurisdiction with the largest percentage of the state caseload. This is substantially higher than any other jurisdiction; the jurisdiction with the next highest percentage is Baltimore County at 12%.

Even though adult recipients in Baltimore City are a considerable portion of the state caseload, it is worth noting ways in which they differ from recipients in other parts of the state. Table 1, on the following page, provides an overview of the demographic characteristics of Baltimore City adult recipients. Baltimore City TCA recipients are African American (90.3%) women (92.5%) in their early 30s who never married (87.7%), which is very similar to adult recipients statewide. Compared to the rest of the state, Baltimore City recipients are more likely to be African American—and less likely to be Caucasian or Hispanic—and they are more likely to have never married.

For adult recipients who are required to work or to participate in work-related activities, educational attainment is a particularly important characteristic, as it can affect the job opportunities that available to customers. Figure 1 places educational attainment among

- ❖ Baltimore City adult recipients are typically African American women in their early 30s who never married.
- ❖ Just over 40% have not finished high school, and slightly less than one in four have a disability that is expected to last over 12 months.
- ❖ Over half worked in the year before they began receiving TCA, but only 33% of those employed worked all four quarters in that year.
- ❖ Earnings among employed adult recipients in that year were low, with a median close to \$4,650.
- ❖ Just over half of Baltimore City adult recipients who worked in the year before they received TCA were employed in administrative and support services, restaurants, or general retail.

Table 1. Demographics

| | |
|-----------------------------------|-------|
| Gender | |
| % Female | 92.5% |
| Age | |
| Average | 31.3 |
| Race & Ethnicity | |
| % Caucasian [^] | 7.1% |
| % African American [^] | 90.3% |
| % Hispanic | 1.0% |
| % Other [^] | 1.7% |
| Marital Status | |
| % Married | 4.9% |
| % Never Married | 87.7% |
| % Divorced, Separated, or Widowed | 7.4% |

Note: [^]=non-Hispanic. Valid percentages reported.

Baltimore City adult recipients in context with adult recipients statewide and in other jurisdictions. The lines represent the range of values seen in all 24 jurisdictions, with the bars at the top and bottom indicating the *statewide high*—the highest value across all jurisdictions—and the *statewide low*—the

lowest value across all jurisdictions. The square shows what the statewide average is, and the colored diamond denotes where Baltimore City falls.

Comparing Baltimore City with the rest of the state reveals that adult recipients in Baltimore City have much lower educational attainment than their counterparts elsewhere. Over 40% of Baltimore City adult recipients have not finished high school or received a GED, which is the highest percentage in the state. In the jurisdiction with the lowest percentage not completing high school, close to 15% lack a high school diploma, although the statewide average is closer to 30%.

As might be expected, the percentage of adult recipients in Baltimore City who have finished high school is just above the statewide low. Slightly more than half (53.3%) of Baltimore City adult recipients have a high school diploma, which is not far below the state average. However,

Data and Study Population

Data comes from the Client Automated Resource and Eligibility System (CARES) and the Maryland Automated Benefits System (MABS), which are the administrative data systems for TCA and Unemployment Insurance (UI), respectively. CARES provides individual- and case-level data on demographics and program participation for families receiving TCA. Additional data on adult recipients' disabilities comes from WORKS, which documents participation in work and work-related activities. The MABS system includes data from all employers covered by the state's Unemployment Insurance (UI) law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment.

There are a variety of limitations to MABS data. MABS only reports data on a quarterly basis, which means that it is not possible to calculate weekly or monthly employment and earnings. Another limitation is that MABS does not contain data on certain types of employment, such as self-employment, independent contractors, and informal employment; consequently, earnings from under-the-table jobs are not included. Finally, MABS has no information on employment outside Maryland. Only about 3% of Baltimore City residents work out of state, which is close to the national average (3.8%) but far below the state average (17.1%) (U.S. Census Bureau, 2016a). As a result, we may be understating employment and some earnings.

The study population in this report is the unique number of adults who received at least one month of TCA in SFY 2016 (July 2015 to June 2016). Statewide, 25,467 adults received TCA in SFY 2016; in Baltimore City, 10,946 adults received TCA.

educational attainment among adult TCA recipients is much higher in some jurisdictions. More than 75% of adults in the jurisdiction with the highest percentage have finished high school.

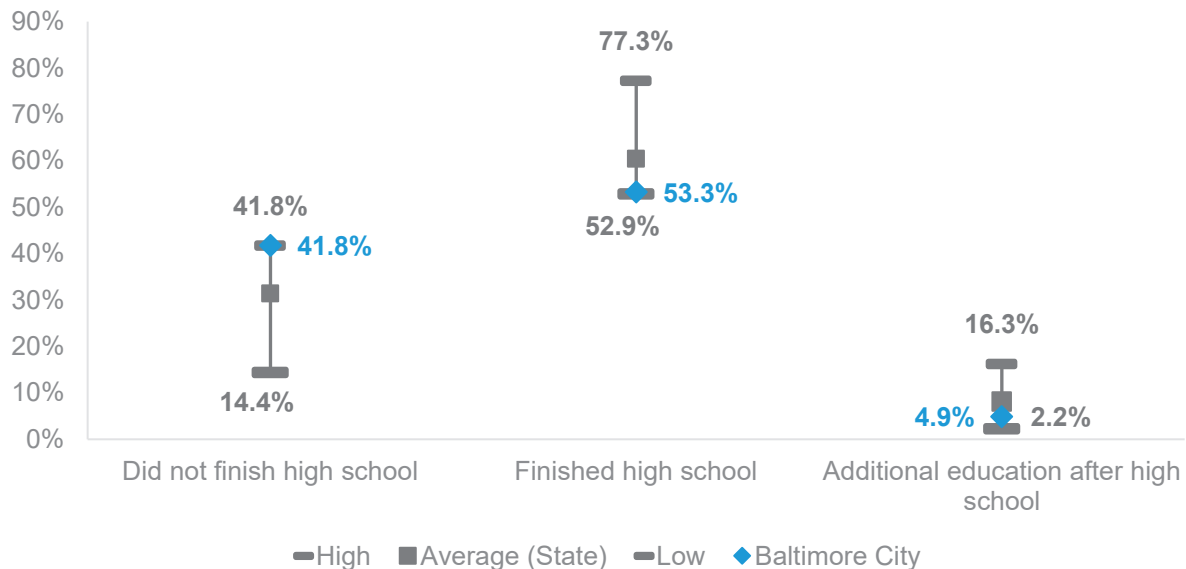
In terms of education beyond high school, Baltimore City adult recipients have less extreme values than on the previous education measures. About 5% have additional education after high school; the statewide low is 2%. While 5% is still below the statewide average and far from the statewide high, it suggests that a few customers may have specialized education or training that could lead to well-paying jobs.

More broadly, the low level of educational attainment among Baltimore City adult recipients is concerning. Our research shows that the more education adult recipients have, the more likely they are to find good jobs or to realize economic

stability (Nicoli, Passarella & Born, 2013; James & Nicoli, 2016). Thus, acquiring more education could be crucial to Baltimore City adult recipients' efforts to achieve self-sufficiency.

The Maryland Department of Human Services is already pursuing one potential avenue to increase educational attainment through partnering with the Maryland Department of Labor, Licensing & Regulation's Division of Workforce Development and Adult Learning. Adult basic education can help adult recipients who lack a high school education with any number of goals, from improving literacy to completing a GED. Furthermore, federal law, in the form of the Workforce Innovation and Opportunity Act, encourages this kind of partnership, and Maryland has been a leader in ensuring that high-need adults, such as TCA recipients, receive priority of service as the law mandates (Center for Law and Social Policy, 2016).

Figure 1. Educational Attainment



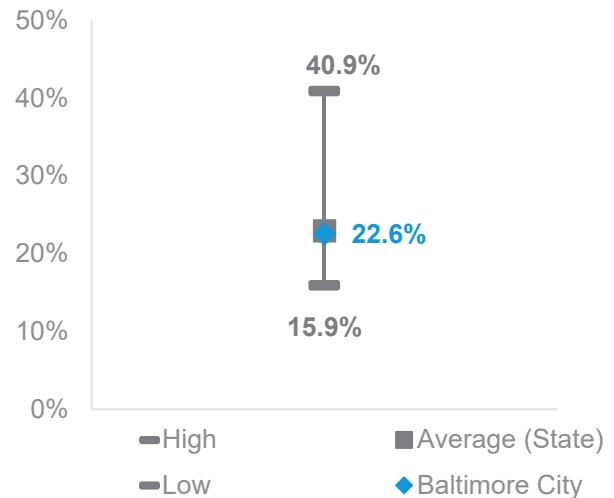
Note: *High* refers to the jurisdiction with the highest percentage. *Low* refers to the jurisdiction with lowest percentage. General Education Development program (GED) certificates are included in high school completion rates. Valid percentages reported.

Partnerships with other entities within Maryland's workforce system may also be beneficial for adult recipients with disabilities. Figure 2 shows the percentage of adult recipients who have disabilities that are expected to last longer than 12 months.¹ As with education, the figure includes the percentage for Baltimore City adult recipients, the statewide average, and the highest and lowest percentages among all 24 jurisdictions. Just over one in five (22.6%) adult recipients in Baltimore City has such a disability, which is very close to the statewide average. The range across the state is much larger, though. In the jurisdiction with the highest percentage, about 40% of adult recipients have long-term disabilities, compared to only 16% in the jurisdiction with the lowest percentage.

Even though the percentage of Baltimore City adult recipients with disabilities is well below the statewide high, there are still a substantial number of customers in Baltimore City who may require disability-related services. This could be anything from assistance with applications for federal disability programs, such as Supplemental Security Income (SSI), to support for finding and keeping jobs while also managing disabilities. Through a statewide contract with a vendor, caseworkers can already offer assistance to those who need help with applications. For those who want to work, the Division of Rehabilitation Services (DORS), located within the Maryland State Department of Education, may be an excellent resource. Like the TCA program, DORS is part of Maryland's workforce system, so this is another way that closer

collaboration with workforce partners may benefit TCA customers.

Figure 2. Percent with Disabilities Lasting 12+ Months



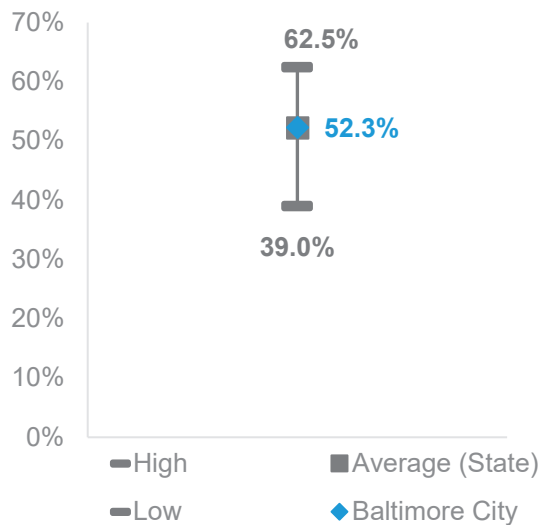
Note: *High* refers to the jurisdiction with the highest percentage. *Low* refers to the jurisdiction with lowest percentage. Valid percentages reported.

As TCA moves toward being more fully integrated with its workforce partners, understanding adult recipients' work histories is even more important. After all, past employment experiences can shape future employment and earnings. To that end, Figure 3 displays the percentage of adult recipients who worked in the year before they began receiving TCA.² Just over half (52.3%) of Baltimore City adult recipients were employed in that year, which is virtually the same as the statewide average. It also places Baltimore City in the middle of the range across jurisdictions, as the statewide high was 63% and the statewide low was 39%.

¹ This data, which comes from WORKS, represents the percentage of adult recipients with an *OTD* code at any point in SFY 2016. *OTD* is a state-defined activity code indicating that the individual has a disability that is expected to last over 12 months.

² This percentage reflects adult recipients who were engaged in formal employment in a job covered by the Maryland Unemployment Insurance system. Please see the sidebar on data on page 2 for more information.

Figure 3. Percent Employed
Year before TCA Receipt



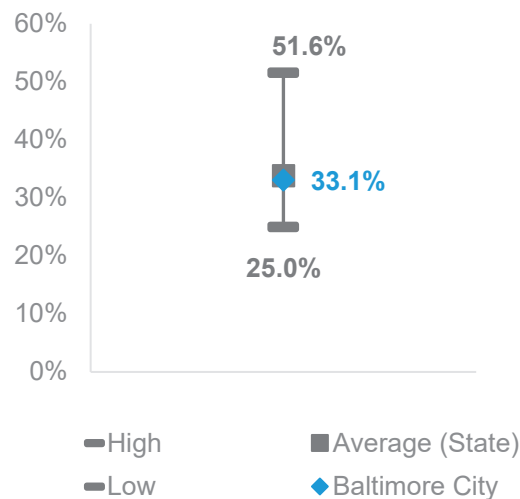
Note: *High* refers to the jurisdiction with the highest percentage. *Low* refers to the jurisdiction with lowest percentage. Valid percentages reported.

While these percentages provide useful information, it may also helpful to know how many quarters adult recipients worked in the year before they began receiving TCA. Each year contains four quarters, so Figure 4 presents the percentage of employed adult recipients who worked all four quarters of that year. Only one in three (33.1%) employed Baltimore City adult recipients worked four quarters in the year before TCA receipt, which is very close to the statewide average. There is considerable variation across the state, however. In the jurisdiction with the highest percentage, over half of employed adult recipients worked in all four quarters, but the statewide low is 25%.

Knowing that slightly more than half of Baltimore City adult recipients were employed in the year before receiving TCA—but that only one third of those employed worked in all four quarters—provides some context on what these recipients may need in order to become self-sufficient. These findings indicate that

many adult recipients have worked in the recent past, but two thirds of those who were employed did not work consistently over the course of a year. Thus, while some adult recipients may need substantial assistance in finding a job, those who find jobs may need ongoing services, at least at first, to help them maintain employment.

Figure 4. Percent Who Worked Four Quarters
Year before TCA Receipt

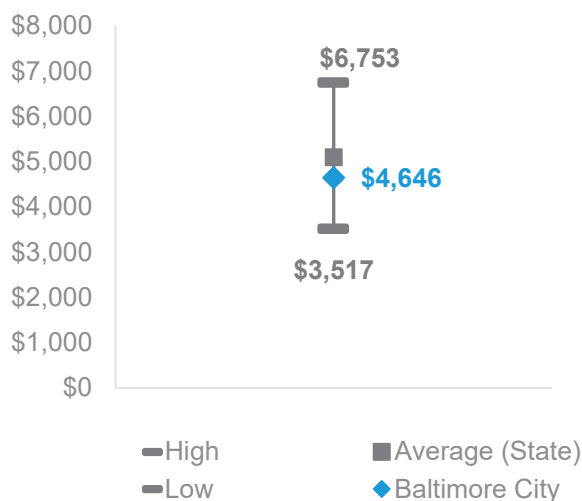


Note: *High* refers to the jurisdiction with the highest percentage. *Low* refers to the jurisdiction with lowest percentage. Valid percentages reported.

Another critical aspect of adult recipients' employment histories is how much they are able to earn. Figure 5 shows median earnings in the year before adult recipients began receiving TCA for Baltimore City, the state, and the jurisdictions with the highest and lowest earnings. Even though these earnings represent what employed adult recipients earned in one year, it is important to remember that these earnings usually do not reflect full-time, full-year employment. As Figure 4 revealed, most employed adult recipients work less than four quarters in a year.

In Baltimore City, and across the state, median earnings are very low. Employed adult recipients in Baltimore City earned \$4,646 in the year before TCA receipt, which is slightly below the state average. It is still about \$1,000 more than the statewide low, although it is about \$2,000 less than the statewide high. Regardless, even in the jurisdiction with the highest median earnings (\$6,753), earnings were far below \$20,160, which was the 2016 federal poverty threshold for a three-person household (U.S. Department of Health and Human Services, 2016).

Figure 5. Median Earnings
Year before TCA Receipt



Note: *High* refers to the jurisdiction with the highest percentage. *Low* refers to the jurisdiction with lowest percentage. Earnings are standardized to 2016 dollars. One jurisdiction was excluded from this figure as it represented an outlier in the data.

These low wages add another piece to the puzzle. From earlier figures, we know that many adult recipients work before receiving TCA, but they often do not work in all four quarters. Low wages may be both cause and consequence of this inconsistent work.

Adult recipients may be unable to earn enough to cover their job-related expenses, such as transportation, uniforms, and child care, which may lead to an inability to work. At the same time, being unable to work consistently is likely to drive wages downward.

One strategy to increase wages focuses on the industries in which adult recipients work. Some jobs can be performed in a number of different industries. For example, administrative assistants may work in health care settings, in schools, or in private firms, but each of these industries may compensate administrative assistants differently. Helping adult recipients find employment in industries that offer higher pay is one way to increase self-sufficiency.

In Table 2 we report the three most common industries among Baltimore City adult recipients who worked in the year before receiving TCA.³ Over one quarter (26.8%) worked in administrative and support services, which includes temporary employment agencies. About 15% worked in restaurants, and 9% worked in general retail. Over half of all employed adult recipients in Baltimore City worked in one of these industries.

Prior research has found that none of these industries is associated with high earnings. Individuals who left TCA and initially worked in these three industries, particularly restaurants and general retail, have below-average earnings, and they were more likely to return to TCA (Nicoli, Passarella, & Born, 2014). They were also less likely to realize economic stability after exiting TCA (James & Nicoli, 2016). In contrast, individuals who

³ Industries were identified with three-digit North American Industry Classification System (NAICS) codes and are described in Table 2.

left TCA and initially worked in industries such as outpatient health care, nursing homes, hospitals, and education have above-average earnings (Nicoli et al., 2014) and were more likely to attain economic stability after exit (James & Nicoli, 2016). Thus, helping adult recipients work in industries that pay better than the top three is one potential pathway to increase earnings.

Table 2. Three Most Common Industries
Year before TCA Receipt

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| <p>Administrative & Support Services Organizations that support day-to-day operations—clerical, cleaning, and general management activities—and temporary employment services. (NAICS 561)</p> | 26.8% |
| <p>Restaurants Full-service or fast food restaurants as well as caterers and mobile food services. (NAICS 722)</p> | 15.4% |
| <p>General Retail Department stores and other general merchandise stores. (NAICS 452)</p> | 9.4% |

Note: Valid percentages reported.

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