



LIFE ON WELFARE: TEMPORARY CASH ASSISTANCE FAMILIES & RECIPIENTS, 2018

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After the Great Recession, Maryland's economy entered a period of growth that mirrored the economic upturn across the United States. In the years following the recession, Maryland's unemployment rate steadily declined and the state's labor force continued to grow (U.S. Bureau of Labor Statistics, 2018). However, it may be difficult to sustain this level of growth, which can lead to periods of stagnation.

This is evidenced by recent plateaus in the unemployment rate and job growth. Maryland's unemployment rate has remained relatively steady over the past several years, but increased slightly to 4.3% in March 2018, the highest rate in over a year, and remained at this rate for several months before declining in August. (U.S. Bureau of Labor Statistics, 2018). Additionally, Maryland had five months of negative job growth throughout 2018 and ended the state fiscal year in June with a decrease of 5,500 jobs (Maryland Department of Labor, Licensing, and Regulation, 2018). If these trends indicated a recession, as some economists have suggested (Wood, 2019), we might expect to see more adults seeking out safety net programs.

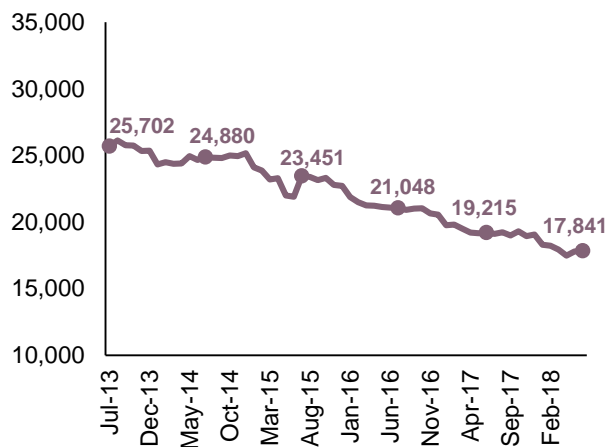
Increased participation in safety net programs can be a leading indicator of the state of the economy. When the economy is doing well, with low unemployment and steady job growth, fewer families tend to seek assistance from safety net programs. When the economy is doing poorly, and unemployment is rising or job growth is declining, adults may have a harder time supporting their families and be more likely to seek assistance. This can be seen when examining Maryland's cash assistance caseloads in context with the Great Recession. Cash assistance caseloads began to increase in March 2007, nine months prior to the official start of the recession in December 2007.

KEY FINDINGS

- ❖ Across the state, the number of families receiving TCA declined 8% between SFYs 2017 and 2018.
- ❖ Most cases include one adult and one or two children.
- ❖ Adult recipients are typically African American women in their 20s and 30s who graduated high school but have no further education.
- ❖ Over one quarter of adult recipients were receiving TCA for the first time.
- ❖ One in four adult recipients were classified as being disabled during 2018.
- ❖ The majority of adult recipients worked in the year before they received TCA, but most did not work in all four quarters.
- ❖ Median annual earnings in the year before receiving TCA were about \$6,000, which is well below the poverty line (\$20,780) for a three-person family.
- ❖ Adult recipients most commonly worked in low-wage industries such as administrative and support services, restaurants, and general retail.

Despite indicators of a stagnating economy, Maryland's Temporary Cash Assistance (TCA) caseload has continued to decline. This trend suggests that the individuals who are most likely to first experience the effects of a recession have not experienced symptoms of an economic downturn. Figure 1 shows that the number of Maryland families receiving TCA in each month from July 2013 to June 2018 has declined by over 30%, from 25,702 to 17,841. Caseloads continue to fall, reaching all-time lows in the state.

Figure 1. Number of TCA Cases, July 2013 to June 2018



Note: Data retrieved from statistical reports provided by the Maryland Department of Human Services: <http://dhs.maryland.gov/business-center/documents/>

In this brief we focus on families, particularly the adult recipients of these families, who received TCA during state fiscal year (SFY) 2018.¹ To learn more about recipient families, we examine the following research questions:

1. What are the characteristics of cases and families who receive TCA including their patterns of cash assistance participation?

2. What are the demographic characteristics of adult recipients?
3. What were adult recipients' employment experiences prior to receiving TCA?

Whether the economy is in an upswing or facing a possible recession, it is important to examine the characteristics of TCA recipients and their experiences with the program. Answering these questions can give policymakers and program administrators valuable information needed to best serve TCA clients and provide insight into Maryland's economy as a whole.

Data and Study Population

Data

Data comes from the Client Automated Resource and Eligibility System (CARES) and the Maryland Automated Benefits System (MABS), which are the administrative data systems for TCA and Unemployment Insurance, respectively. Additional data on disability is from WORKS, which the Maryland Department of Human Services uses to document participation in work activities. CARES provides individual- and case-level data on demographics and program participation for families receiving TCA. 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

¹ All years in this report are state fiscal years, unless otherwise noted.

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. Because out-of-state employment is common in Maryland,² we are likely understating employment and may be missing some earnings.

Study Population

The study population for this year’s report includes every family who received TCA for at least one month in SFY 2018 (July 2017 through June 2018). Demographic and employment analyses are only for adult recipients, so payees who are not recipients themselves are excluded. Adult recipients who are not payees, such as the second parent in a two-parent family, are included.³

Because we are interested in receipt during a state fiscal year, the first month in the year that a family actually received benefits is the first month included in the analysis. For example, if a family applied for TCA in January 2018, that family might not actually receive benefits until February 2018. We would consider

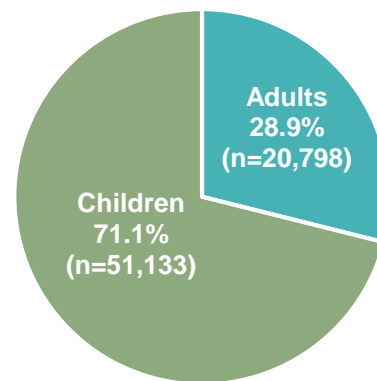
Adult Recipient
20,798 in 2018

An adult who receives the TCA benefit and is either the payee (head of household) on the case, the payee’s spouse, or the other parent of the children on the case.

February 2018 the first month of receipt. However, benefits are retroactive to the date that a family applied for assistance, so this family would receive prorated benefits for January. Since the family received benefits for January 2018, some of the measures we use, such as months of receipt in the state fiscal year or months of receipt counted toward the time limit, would count January as a month of receipt. These discrepancies are relevant in understanding data related to past program participation.

In 2018, 28,203 unique families received at least one month of TCA. Although we focus on the adult recipients (n=20,798) in these families, it is important to note that the majority of TCA recipients are children. As shown in Figure 2, 71% of all TCA recipients were children.

Figure 2. Adult and Child Recipients, 2018



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

³ In earlier reports, the study population was families who received TCA in October of a given year, and only payees were included in demographic and

employment analyses, regardless of whether they were recipients. Due to these changes, the data in this brief is not comparable to the data in reports published prior to 2017.

Cases and Families

The TCA population is made up of families, and each family who receives TCA has its own case. The characteristics of these cases are crucial in understanding the families who receive cash assistance and in creating services and interventions that best suit each family's needs.

A fundamental piece of information in understanding the needs of recipient families is knowing where they live. Families living in urban, suburban, and rural areas can all face different challenges, such as access to transportation, job opportunities, and proximity to services, that may impact what type of assistance they require. Table 1 shows the percentage of the state's caseload and the number of families served in each jurisdiction for 2017 and 2018.

Maryland's TCA caseload tends to be concentrated in the most highly populated areas of the state. Baltimore City, which is the fourth most populous jurisdiction in Maryland, carried the largest share of the state's caseload (38.9%). This is not surprising, as in addition to containing over 10% of the state's population, Baltimore City also has a substantially lower median income and a higher rate of poverty than Maryland overall (U.S. Census Bureau, 2018b). Prince George's County (8.9%) and Baltimore County (12.4%), which are Maryland's second and third most populous jurisdictions, respectively, also had large portions of the state's caseload. Combined, these three jurisdictions make up three fifths of Maryland's TCA caseload. The remaining 21 jurisdictions each comprised less than 7% of the state's caseload, and 10

jurisdictions each accounted for less than 1% of the total caseload.

Consistent with recent years, Maryland's 2018 caseload declined 8% from the previous year. This decline is mirrored in all but three of Maryland's jurisdictions. The three jurisdictions with the largest share of the state's caseload all saw substantial caseload decreases; Baltimore City had a decline of 12%, and Baltimore County and Prince George's County both had declines of 7%. Because these jurisdictions have large shares of the TCA caseload, declines in their caseloads can have a substantial impact on the statewide caseload. In fact, Baltimore City alone accounted for 56% of the total statewide caseload decline, and the three jurisdictions combined made up 74% of the caseload decrease in the state.⁴ Caseload decline throughout the rest of the state varied. An additional 18 jurisdictions experienced caseload decreases ranging from under 2% in St. Mary's County to just over 12% in Wicomico County.

Only three jurisdictions—Harford County, Worcester County, and Talbot County—had caseload increases between 2017 and 2018. After declines in each year since 2015, Harford County had an increase of 4% in 2018. Worcester County experienced a 3% increase in 2018. Talbot County had a caseload increase of over 4% in 2018 and is the only jurisdiction to have a caseload increase each year since 2015. It should be noted that Talbot County has one of the state's smallest TCA populations, so these increases have had a minimal impact on Maryland's caseload as a whole.

⁴ Baltimore City's decline of 1,461 is 56% of the total statewide decline of 2,600 cases. Baltimore City, Baltimore County, and Prince George's County had a

combined decline of 1,919, which is 74% of the total statewide decline.

Table 1. Percent of State Caseload and Number of Cases by Jurisdiction, 2017 and 2018

	SFY 2017		SFY 2018		Year-to-Year Change	
	%	n	%	n	%	n
Baltimore City	40.3%	(12,424)	38.9%	(10,963)	-11.8%	(-1,461)
Baltimore County	12.2%	(3,751)	12.4%	(3,489)	-7.0%	(-262)
Prince George's County	8.8%	(2,707)	8.9%	(2,511)	-7.2%	(-196)
Anne Arundel County	6.6%	(2,034)	6.8%	(1,918)	-5.7%	(-116)
Montgomery County	5.4%	(1,659)	5.6%	(1,585)	-4.5%	(-74)
Washington County	3.8%	(1,163)	3.8%	(1,059)	-8.9%	(-104)
Harford County	2.4%	(740)	2.7%	(771)	+4.2%	(+31)
Wicomico County	2.8%	(868)	2.7%	(762)	-12.2%	(-106)
St. Mary's County	2.3%	(717)	2.5%	(704)	-1.8%	(-13)
Cecil County	2.4%	(724)	2.4%	(669)	-7.6%	(-55)
Allegany County	1.9%	(594)	2.0%	(558)	-6.1%	(-36)
Frederick County	1.9%	(570)	1.9%	(540)	-5.3%	(-30)
Howard County	1.8%	(543)	1.8%	(518)	-4.6%	(-25)
Charles County	1.8%	(560)	1.8%	(506)	-9.6%	(-54)
Carroll County	0.9%	(282)	0.9%	(260)	-7.8%	(-22)
Somerset County	0.8%	(253)	0.8%	(238)	-5.9%	(-15)
Dorchester County	0.9%	(267)	0.8%	(237)	-11.2%	(-30)
Caroline County	0.7%	(204)	0.7%	(190)	-6.9%	(-14)
Calvert County	0.5%	(168)	0.6%	(157)	-6.5%	(-11)
Worcester County	0.4%	(136)	0.5%	(140)	+2.9%	(+4)
Talbot County	0.4%	(117)	0.4%	(122)	+4.3%	(+5)
Queen Anne's County	0.4%	(119)	0.4%	(110)	-7.6%	(-9)
Kent County	0.3%	(105)	0.4%	(101)	-3.8%	(-4)
Garrett County	0.3%	(98)	0.3%	(88)	-10.2%	(-10)
Maryland	100%	(30,803)	100%	(28,203)	-8.4%	(-2,600)

Note: These counts differ from those provided by DHS's statistical reports. The statistical reports provide the average number of cases receiving TCA in each month, and Table 1 provides the total number of cases that received TCA in 2017 and 2018. Jurisdictional count may not sum to the state count due to missing jurisdiction information (n=7).

In addition to location, the number of recipients on each case and age of the youngest child can provide important information as to who recipient families are and what services they may need. For example, cases with small children are more likely to require child care assistance than cases with teenagers. Table 2 displays the total number of recipients on each case, as well as the number of adult and child recipients. Over half (57.3%) of all cases had one or two recipients, and one in five (20.1%) cases had four or more. Just under

one in three (30.3%) had no adult recipients, two thirds (65.7%) had one, and just 4% had two adult recipients.

Child recipients are far more common than adult recipients. Almost half (46.5%) of all cases had one recipient child, one in four (27.7%) had two, and one in five (22.1%) cases had three or more child recipients. The average age for the youngest recipient child is six years old, and more than half (56.8%) of families had a child age five or younger.

Table 2. Case Characteristics, 2018

		%	<i>n</i>
Number of recipients	1	21.0%	(5,928)
	2	36.3%	(10,241)
	3	22.6%	(6,361)
	4 or more	20.1%	(5,671)
Number of adult recipients	0	30.3%	(8,555)
	1	65.7%	(18,517)
	2	4.0%	(1,129)
Number of child recipients	0	3.7%	(1,034)
	1	46.5%	(13,114)
	2	27.7%	(7,810)
	3 or more	22.1%	(6,243)
Age of youngest recipient child	Younger than 3	36.2%	(9,827)
	3 - 5	20.6%	(5,586)
	6 - 12	29.5%	(8,000)
	13 - 18	13.7%	(3,703)
	Average [median] age	6.2	[4.8]

Note: Of the 1,034 cases with no children, 627 (60.6%) had a pregnant head of household. The remaining cases with no recipient children may include children who receive disability, subsidized adoption, or foster care payments.

Program Participation

The length of time program participants receive TCA is an essential part of their relationship with the program. As illustrated in Table 3, most families have spent less than half of the previous five years receiving assistance. One in five (20.8%) families did not receive TCA at all in the previous five years, one in four (25.3%) received benefits for one year or less, and about one in six (15.7%) families received TCA for one to two years. Less than one in five (18.3%) families received TCA for four to five years. On average, clients received TCA for 22 months out of the previous 60 months, and over 60% received assistance for two years or less. This indicates that most families do not rely on cash assistance for the long term, but for brief periods of time.

This notion is supported when looking at the number of months counted towards the federal 60-month time limit.⁵ Two in five (41.1%) families had 12 months or less counted towards the federal time limit, and one in seven (14.9%) had more than 60 months. On average, families had 30 months of receipt counted towards the federal time limit.

Since 2015, the number of months families have received TCA in the previous five years has remained consistent over time, while the number of months counted toward the federal time limit has increased, as shown in Figure 3. During this four-year period, average months of receipt in the previous five years increased by less than one month from 21 to 22 months. On the

⁵ The federal government has a five-year limit on TANF benefits, but states are allowed to exempt up to 20% of their caseloads from this limit. These

exemptions are permitted for families facing hardships.

other hand, average months counted towards the federal time limit increased from 24 to 30 months. This may be related to the removal of the long-term disabled designation in October 2015, after which most long-term disabled cases were re-categorized⁶ as work-eligible cases (Nicoli & Passarella, 2017). Thus, former long-term disabled cases began accruing time on the federal time limit in addition to any months they previously received before their long-term disabled designations.

Figure 3. Average Number of Months of TCA Receipt

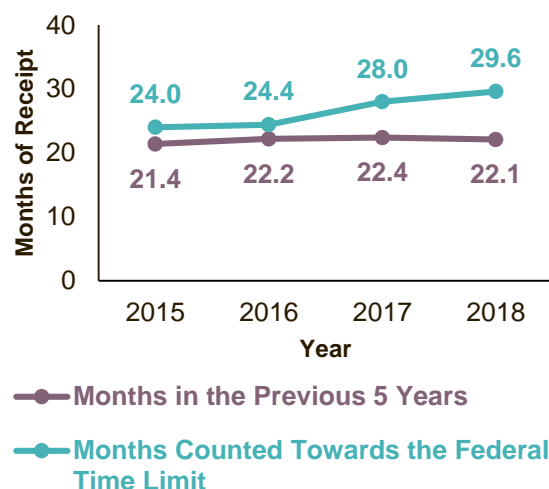


Table 3. Program Participation, 2018

		%	n
Months of receipt in the last 5 years	0 months	20.8%	(5,865)
	1 - 12 months	25.3%	(7,133)
	13 - 24 months	15.7%	(4,425)
	25 - 36 months	11.1%	(3,144)
	37 - 48 months	8.7%	(2,467)
	49 - 60 months	18.3%	(5,169)
	Average [median]	22.1	[15]
Months counted toward time limit	0 Months	3.0%	(547)
	1 - 12 months	38.1%	(7,003)
	13 - 24 months	17.1%	(3,144)
	25 - 36 months	12.2%	(2,241)
	37 - 48 months	8.5%	(1,559)
	49 - 60 months	6.1%	(1,127)
	More than 60 months	14.9%	(2,737)
	Average [median]	29.6	[19]
Months of receipt in state fiscal year	1 - 3 months	24.6%	(6,951)
	4 - 6 months	19.8%	(5,588)
	7 - 9 months	14.9%	(4,191)
	10 - 12 months	40.7%	(11,469)
	Average [median]	7.4	[8]
First time recipient as an adult	First spell of TCA	26.9%	(20,622)
	Not first spell of TCA	73.1%	(7,581)

Note: Cases exempt from the federal time limit are excluded from the time limit analyses. The first TCA spell is determined by any prior receipt as an adult payee; receipt as a child is not included. Valid percentages reported.

⁶ See page 9 for more information.

In addition to measuring TCA receipt over the previous five years, we also examine TCA receipt during the state fiscal year. Families received about seven months of TCA during 2018, on average. One quarter (24.6%) had one to three months of receipt, one in five (19.8%) had four to six months of receipt, and one in seven (14.9%) had seven to nine months of receipt. Many families (40.7%) received TCA for 10 to 12 months during this year.

A key component in understanding participation in the TCA program is knowing whether families have received TCA before. Circumstances such as noncompliance with work requirements, changes in eligibility, or issues with paperwork can all contribute to families exiting and subsequently returning to TCA. Prior research has shown that about one third of families who exited TCA returned within one year, and almost half returned within the five years after exit (Nicoli & Passarella, 2018). Thus, it is not surprising that almost three quarters (73.1%) of adult recipients in 2018 had previous spells⁷ of receipt (Table 3). While TCA recipients may not rely on assistance for long periods of time, it is still common to have multiple spells of assistance.

Although many families had previous spells of TCA receipt, just over one quarter (26.9%) were first time TCA recipients. While there are a myriad of reasons why families may begin receiving TCA, one possibility is that many of these families require support while caring for infants and

young children. First time TCA recipients were substantially more likely to have a child under the age of three than those who had received TCA before (48% vs 32%), and the average age for the youngest child was five for first-time recipients, compared to six and one half for families who had prior TCA receipt.⁸ This suggests that many first-time recipient families have young children, and they may need time to care for these children before returning to the workforce.

Caseload Designation

Families who receive TCA may have a multitude of different circumstances that can lead them to have different needs. To reflect these varying circumstances, Maryland uses a classification system to group families into categories. At the most basic level, the system distinguishes between two types of cases: work-eligible and work-exempt. Work-eligible cases are those in which adult recipients are required to participate in work-related activities as a condition of receiving TCA. Work-exempt cases are those in which adults do not have to work, including relative caregivers and others who are caring for infants or disabled family members. Under the overarching categories of work-eligible or work-exempt, cases are further categorized into more specific designations. While some cases may fit more than one designation, a hierarchical algorithm assigns each case to only one.

⁷ A TCA spell is defined as the number of consecutive months that a family received cash assistance.

⁸ Analyses not shown.

Table 4. Caseload Designation, 2018

	%	n
Work-eligible	56.0%	(15,788)
Single-parent cases	43.0%	(12,119)
Earnings cases	4.5%	(1,269)
Short-term disabled	3.4%	(959)
Two-parent cases	2.9%	(821)
Domestic violence	1.3%	(379)
Legal immigrant	0.9%	(241)
Work-exempt	44.0%	(12,392)
Child-only	30.4%	(8,576)
Child under one	8.7%	(2,439)
Caring for disabled family member	3.3%	(939)
Needy caretaker relative	1.6%	(438)

Note: Cases designated as legal immigrant or two-parent are required to participate in work activities, although they are not included in the federal work participation requirement (WPR). Valid percentages reported.

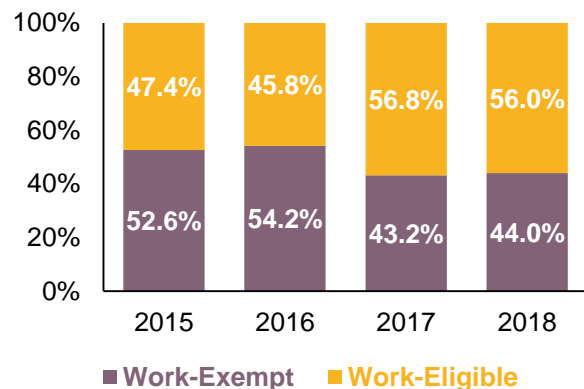
In 2018, 56% of cases were work-eligible, and 44% of cases were work-exempt, as shown in Table 4. Among work-eligible cases, single-parent cases were the most common, accounting for 43% of the entire caseload. Earnings cases accounted for about 5% of the caseload, short-term disabled and two-parent cases were each 3% of the caseload, and legal immigrant and domestic violence cases each made up approximately 1% of the total caseload.

Work-exempt cases were less common than work-eligible cases, although they still comprised a substantial portion of the caseload. Cases designated as child-only were by far the most common work-exempt designation and made up 30% of the caseload. Cases with a child under the age of one accounted for about 9% of cases,⁹ the designation of caring for a disabled family member was 3% of the caseload, and

⁹ The work exemption for caring for an infant is only available for a total of 12 months in each recipient's lifetime.

cases designated as needy caretaker relative accounted for just under 2%.

The work-eligible and work-exempt caseloads have undergone a shift over the past several years, as shown in Figure 4. The TCA caseload, which was majority work-exempt in 2015 and 2016, changed to majority work-eligible starting in 2017. This shift reflects the removal of the long-term disabled caseload designation in October 2015. Long-term disabled cases were re-categorized in the next most applicable designation, and over 80% were designated as work-eligible (Nicoli & Passarella, 2017).

Figure 4. Work-Eligible and Work-Exempt Caseload, 2015-2018

Note: The long-term disabled caseload designation, a work-exempt category, was eliminated in October 2015.

Adult Recipients

Although most TCA recipients are children, adult recipients are an important part of the program. Because the primary goal of the TCA program is for families to attain self-sufficiency, many interventions target adult recipients to help them learn new skills or find jobs with which they can support their families. Demographic information about adult recipients can help ensure that policymakers and program administrators have the information they need to make these interventions as impactful as possible.

The demographic characteristics of adult recipients remain very similar from year to year, and 2018 is no exception. Table 5 displays demographic characteristics for

adult recipients in 2018. Most adult recipients are female (90.0%), and they are predominantly African-American (72.7%). Slightly over one in five (22.2%) are Caucasian, and 3% are Hispanic. Adult recipients are typically in their 20s and 30s, with an average age of about 33. Just 4% of adult recipients are 20 or younger, and one third (33.7%) are 35 or older. Over three quarters (78.3%) of adult recipients never married, while 10% are married and 12% are divorced, separated, or widowed.

It is pertinent to look at disability when examining employment among TCA recipients, as a disability can greatly impact a client's ability to work. In this brief, *long-term disabled* refers to those who have a disability lasting longer than 12 months.

Table 5. Demographic Characteristics, 2018

		%	n
Gender	Female	90.0%	(18,721)
	Male	10.0%	(2,077)
Race and Ethnicity	African American [^]	72.7%	(14,295)
	Caucasian [^]	22.2%	(4,365)
	Hispanic	3.0%	(591)
	Other [^]	2.1%	(406)
Age	20 & younger	4.2%	(872)
	21-24	14.8%	(3,083)
	25-29	25.7%	(5,349)
	30-34	21.6%	(4,483)
	35 & older	33.7%	(7,011)
	Average [median]	32.6	[31.1]
Marital Status	Never married	78.3%	(16,163)
	Married	9.7%	(1,993)
	Divorced / Separated / Widowed	12.1%	(2,492)
Long-Term Disabled	Disabled	24.8%	(4,849)
	Not disabled	75.2%	(14,700)
Education	Did not finish grade 12	27.2%	(5,628)
	Finished grade 12	63.1%	(13,036)
	Additional education after 12th grade	9.7%	(1,997)

Note: [^]=non-Hispanic. Long-term disabled represents those coded as OTD (disabled for 12+ months) in WORKS at any point during SFY18. The second adult on cases with more than one adult recipient is excluded from the disability analysis due to data availability (n=1,222). Valid percentages reported.

Long-term disabilities are common among TCA recipients, and one quarter (24.8%) of adult recipients were classified as long-term disabled in 2018.

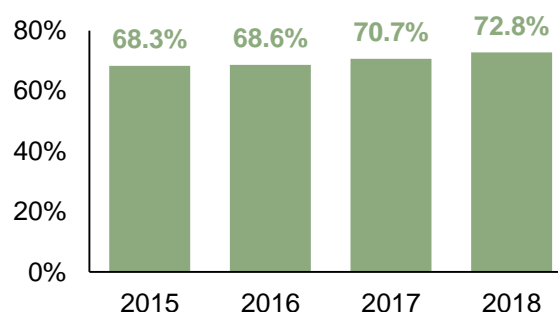
As a considerable percentage of adult recipients have a long-term disability, these recipients may benefit from services aimed at assisting them in transitioning to a program that provides longer term assistance, such as Supplemental Security Income (SSI). Prior research has found that while most long-term disabled TCA recipients applied for SSI, only about one in six applicants received SSI during the two-year follow-up period. However, those who applied multiple times were more likely to receive SSI than those who applied only once (McColl & Nicoli, 2018). Encouraging disabled clients to apply for SSI even if they face an initial denial could raise their chances of being approved, enabling them to receive more substantial assistance.

Most adult recipients had at least a high school education, although few had education beyond high school. More than one quarter (27.2%) of adult recipients did not finish high school, 63% completed high school, and 10% had additional education after high school. As shown in Figure 5, educational attainment among adult TCA recipients has increased over the past several years. Between 2015 and 2018, the percentage of adults who completed high school or had further education beyond high school grew by over four percentage points.

Educational attainment in adult recipients is linked to economic outcomes, and those who exit TCA and have at least a high

school diploma are more likely to be employed in a higher paying industry and realize economic stability¹⁰ than those without a high school diploma (Nicoli, Passarella, & Born, 2014; James & Nicoli, 2016). Focusing on increasing educational attainment or helping recipients learn new skills may be beneficial strategies to help clients attain self-sufficiency.

Figure 5. Percent with a High School Education or Higher, 2015-2018

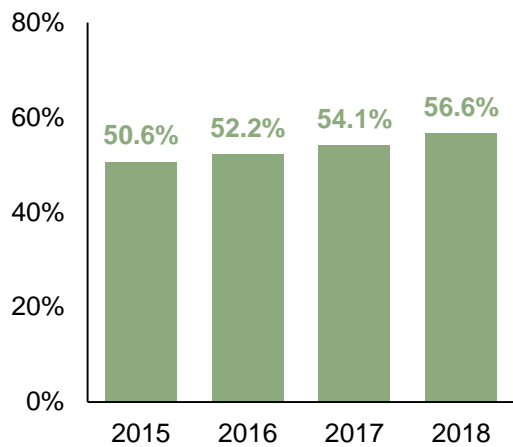


Prior work history is another factor that may affect a recipient's ability to find and retain employment. Previous research found that TCA recipients who experienced economic stability after leaving assistance were more likely to have been employed prior to receiving welfare than their counterparts who were less successful upon exit (James & Nicoli, 2016). Since 2015, both employment and earnings in the year before TCA receipt have continued to increase for adult recipients. As seen in Figure 6, the percent of adult recipients who were employed in the year before TCA receipt has risen by six percentage points over this four-year period. Among recipients in 2018, 57% of adults were employed in the year before TCA.

¹⁰ For adults who leave TCA, economic stability is defined as consistent employment for five years after exit with earnings that either grew over time, consistently exceeded the federal poverty threshold,

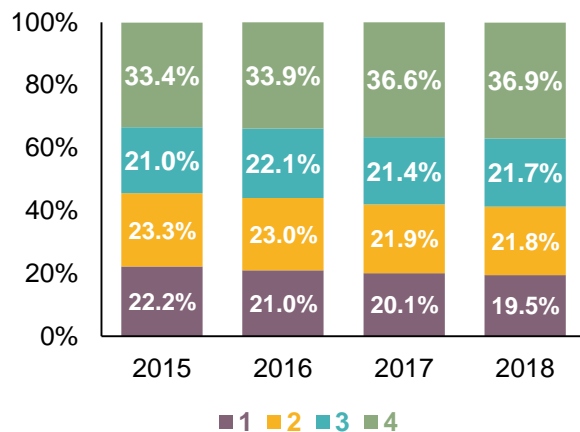
or remained above the federal poverty threshold for the last two of those five years (James & Nicoli, 2016).

Figure 6. Percent Employed, 2015-2018
Year before TCA Receipt



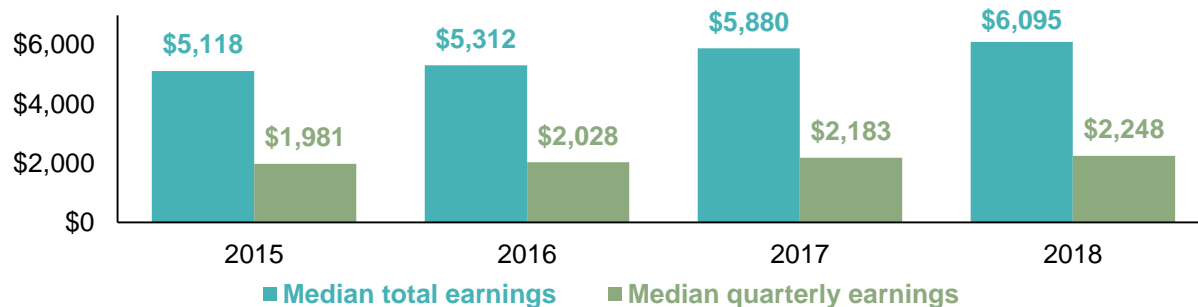
Although over half of all adults were employed in the year prior to their TCA receipt, most did not work for the entire year. Figure 7 displays the number of quarters that employed adult recipients worked throughout the year before TCA receipt. In 2018, 37% of adult recipients worked all four quarters, and between 19% and 22% worked for one, two, or three quarters. Since 2015, there has been nearly a four-percentage point increase in recipients working all four quarters. This is a positive sign, as it shows a trend of adult recipients working for longer stretches throughout the year before TCA receipt.

Figure 7. Quarters Worked among Employed Adults, 2015-2018
Year before TCA Receipt



As the percentage of recipients working all four quarters increased in 2018, it is not surprising that recipients' earnings increased as well. Figure 8 shows both the median total and quarterly earnings for employed adult TCA recipients in the year prior to TCA receipt. In 2018, median total earnings were \$6,095, and median quarterly earnings were \$2,248. Although earnings remain low, they have been increasing over the past several years; since 2015, annual earnings have increased by 19%, and quarterly earnings have increased by 13%. Despite this, the median earnings of TCA recipients are still well under the 2018 federal poverty level, which was \$20,780 for a family of three in 2018 (U.S. Department of Health and Human Services, 2018).

Figure 8. Median Earnings among Employed Adults, 2015-2018
Year before TCA Receipt



INDUSTRY DESCRIPTIONS

Administrative & Support (NAICS 561)

Organizations that support day-to-day operations—clerical, cleaning, and general management activities—and temporary employment services.

Restaurants (NAICS 722)

Full-service or fast food restaurants as well as caterers and mobile food services.

General Retail (NAICS 452)

Department stores and other general merchandise stores.

Nursing Homes (NAICS 623)

Organizations that provide health and social services such as nursing homes, substance abuse facilities, or residential care for the mentally ill.

Outpatient Health Care (NAICS 621)

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

Food & Beverage Stores (NAICS 445)

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

Social Assistance (NAICS 624)

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

Hospitals (NAICS 622)

Inpatient health services at general and surgical hospitals, psychiatric and substance abuse hospitals, and specialty hospitals.

Education (NAICS 611)

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

Warehousing & Storage (NAICS 493)

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

The industries in which recipients work are directly tied to their earning potential and economic stability. Clients who worked in industries such as hospitals, outpatient health care, government, or education after exiting TCA have been shown to be substantially more likely to realize economic stability than recipients who worked in traditionally low-income industries including restaurants, food and beverage retail, and general retail (James & Nicoli, 2016).

In 2018, the majority (71%) of adults who worked in the year prior to receiving TCA were employed in the 10 industries listed in Table 6. One in five (19.3%) were employed in administrative and support services, and one in six (16.7%) worked in the restaurant industry. About 8% worked in general retail, 6% worked in nursing homes, and about 5% were employed in outpatient health care (4.8%) or food and beverage stores (4.5%). Between 2% and 4% were employed in social assistance (3.6%), hospitals (2.7%), education (2.6%), and warehousing and storage (2.5%).

While the three top industries are associated with lower than average earnings, it is worth noting that nursing homes and outpatient health care—both associated with increased economic stability—are in the top five industries. Interventions aimed at increasing employment in these industries, and other industries associated with higher earnings and more stability, could promote improved economic outcomes for TCA recipients.

Table 6. 10 Most Common Industries, 2018

Industry	%	<i>n</i>	Median Total Earnings
Administrative & Support Services	19.3%	(2,239)	\$3,978
Restaurants	16.7%	(1,939)	\$4,250
General Retail	8.1%	(945)	\$4,175
Nursing Homes	6.1%	(703)	\$11,366
Outpatient Health Care	4.8%	(560)	\$10,604
Food & Beverage Stores	4.5%	(524)	\$4,272
Social Assistance	3.6%	(414)	\$8,513
Hospitals	2.7%	(316)	\$16,397
Education	2.6%	(301)	\$8,526
Warehousing & Storage	2.5%	(293)	\$6,679
Other	29.1%	(3,377)	\$7,036
Total	100.0%	(11,611)	\$6,051

Note: Valid percentages reported. Industries were classified using three-digit North American Industry Classification System (NAICS) codes. The analysis excludes individuals who were employed but the NAICS code was missing (n=156).

Conclusions

Maryland's TCA caseload is a leading indicator of the condition of the state's economy. When the economy is doing well, fewer people need to seek assistance and the caseload declines. Conversely, when the economy is doing poorly, caseloads may increase as more people require assistance to support their families.

Fortunately, the TCA caseload continues to decline, even though the economy is showing signs of slowing down. With this in mind, it is important to examine who receives cash assistance. In this brief, we examine the 28,203 families who received TCA throughout state fiscal year 2018.

Families who received TCA were typically comprised of one adult and one to two children. Many of these children were young, and half of families had a child age five or younger. Recipient families generally lived in the most populous areas of the state, and three out of five families lived in Baltimore City, Baltimore County, or Prince George's County. Typically, recipients did not rely on TCA for very long, and on average, spent less than two out of the previous five years on assistance. Over one quarter of families were receiving TCA for the first time in 2018, and these families were more likely to have young children than families who had received TCA before.

Although TCA recipients are mostly children, adult recipients are a crucial part of the program. The demographic characteristics of adult recipients have remained very similar over time. Adult recipients are primarily African American women in their 20s and 30s, with an average age of 33. The majority of these women have never been married, and most have a high school education.

Educational attainment among TCA recipients is closely related to their economic outcomes. Higher educational attainment among recipients has been linked to higher paying jobs and greater economic stability upon exiting assistance (Nicoli, Passarella, & Born, 2014; James & Nicoli, 2016). As such, it is a positive sign that the percentage of adults with a high school education or higher increased by over four percentage points since 2015.

In addition to educational attainment, prior work history is also linked to TCA recipients' economic success. TCA recipients who were employed prior to welfare receipt had greater economic outcomes upon exit from TCA than their counterparts who were not previously employed (James & Nicoli, 2016). Over half of adult recipients worked in the year prior to TCA receipt, but just one third worked for the entire year. Although earnings among recipients have risen over time, median total earnings of \$6,000 were still well under the federal poverty level. Most adults who worked were employed in low-wage industries such as administrative and support services, restaurants, or general retail.

When the economy is showing signs of stagnation, it is important to ensure that adult TCA recipients are able to support their families. Focusing on a combination of increasing educational attainment and work experience among adult recipients could enhance their ability to find employment. Additionally, strategies aimed at increasing employment in higher-paying industries, such as healthcare, social assistance, and education, could improve recipients' economic outcomes and help them ultimately attain self-sufficiency.

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