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Life on Welfare: Temporary Cash Assistance Families & Recipients, 2023

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Haley Smith, Lauren A. Hall, & Letitia Logan Passarella

Many of the economic indicators adversely impacted by the COVID-19 pandemic trended upwards throughout 2023. Government increases in federal aid and expanded access to safety net resources were two of the key reasons the economy was able to rebound quickly from the 2020 pandemic-induced recession (Hinh & Kimmins, 2023; Gwyn, 2023; Trisi, 2023). During 2023, the unemployment rate remained below 4%, similar to the pre-pandemic rate, and the country's real Gross Domestic Product (GDP) grew more than previously predicted (Stone, 2023).

Inflation growth, which spiked after the pandemic period, also slowed (O'Trakoun, 2023). Additionally, low-wage workers experienced an increase in earnings, with real wages increasing 3% between 2019 and 2023 (Van Nostrand et al., 2023). The employment rate of women, especially Black and Hispanic/Latinx women, who disproportionately lost jobs in the pandemic, also rebounded (Khattar & Roberts, 2023). While there were many positive economic indicators in 2023, millions of families still struggled (U.S. Census Bureau, 2023), notably due to labor market conditions in which job seeker skill sets and employer needs were misaligned (Edwards, 2023; Haltom & Waddell, 2023), increased housing costs (Latham, 2023a; Latham 2023b), and child care shortages (Kashen et al., 2023; Khattar & Coffey, 2023).

The Maryland economy was largely similar to the national economy in 2023 and had even lower unemployment. The state's unemployment rate was among the lowest in the nation throughout the year, at 3% or less (Economic Policy Institute, n.d.). Unemployment was relatively low in every jurisdiction; for example, the lowest unemployment rate was 1.7% in Howard County and the highest was only 3.5% in Worcester County (Maryland Department of Labor, n.d.). However, the state's labor market also faced misalignment of job seeker skills and employer demands; moreover, the loss of working-age people in the labor force from the pandemic as well as a slow workforce recovery both impacted the state's labor market (Mengedoth, 2022; Mena, 2023).

Marylanders also faced issues accessing child care. During the pandemic, Maryland's child care industry contracted, and it has had difficulty regaining its workforce. Federal child care funding to help child care centers stay in business during the pandemic period also subsided (January 2023). While the state made stabilization grants available to child-care facilities, more child care providers are needed to meet demand (Barker & Weeldreyer, 2023; January, 2023; Maryland Center on Economic Policy, n.d.).

KEY FINDINGS

- Maryland's 2023 TCA caseload included nearly 28,000 families, similar to 2022.
- In 2023, 14% of Maryland children received TCA.
- The number of two-parent families tripled from 862 cases in 2019 to 2,347 in 2023.
- Most families (85%) had a child under age 13 on their case, indicating child care or after school care needs.
- One in six (16%) families were new to TCA.
- Families had 23 months of receipt over the last 60 months, on average.
- Most (78%) adult recipients had at least completed high school.
- Many (54%) adult recipients worked in the year prior to their TCA spell. Median annual earnings were $8,956.
- Adult recipients worked in low paying sectors such as retail trade.

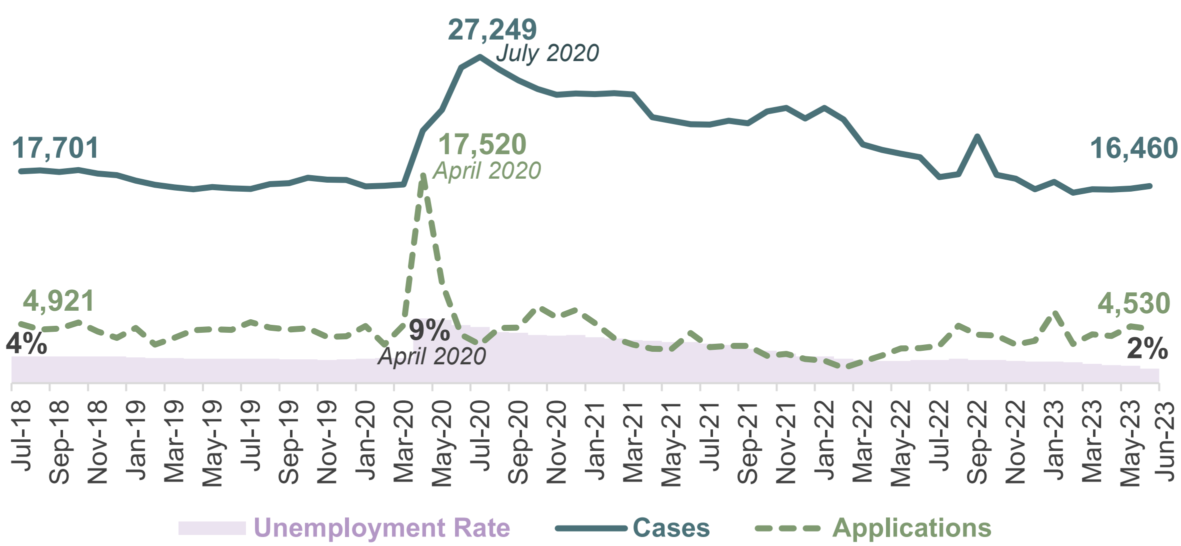
Complicating issues of child care is that Maryland has some of the highest child care costs in the country (Barker & Weeldreyer, 2023). This means families who cannot find appropriate child care or cannot afford it may not be able to work.

Unfortunately, even in a strong economy, conditions arise that prevent many families from being economically self-sufficient. Conditions may be from broad economic conditions, as described above, or from personal circumstances, such as ill health, that results in job loss. Many of the Maryland families experiencing financial distress require the assistance of the state's Temporary Cash Assistance (TCA) program. Figure 1 demonstrates that in State Fiscal Year (SFY) 2023 (July 2022 to June 2023), thousands of families received TCA each month, despite a relatively improved, post-pandemic economy. This *Life on Welfare* update examines the families (n=27,973) who received cash assistance in SFY 2023.[1] To understand the families who were in need during this period, the report addresses the following questions:

1. What are the characteristics of cases and families who receive TCA?
2. What are the demographic characteristics of adult recipients?
3. What were adult recipients' employment experiences prior to receiving TCA?

Understanding the characteristics of the families receiving TCA benefits in 2023 can provide insight into how to best support them. The pandemic period highlighted just how important the cash assistance program is to helping families navigate a difficult financial time. With that in mind, examining TCA families can help structure state policy and inform program changes to ensure TCA is a positive resource when families need support the most.

Figure 1: TCA Applications, Cases, and Unemployment Rate, SFYs 2019 to 2023



Note: The TCA case data come from statistical reports provided by the Maryland Department of Human Services (DHS), Family Investment Administration. The seasonally adjusted unemployment data come from the Bureau of Labor Statistics Local Area Unemployment Statistics.

[1] All references to years in the remainder of this report are state fiscal years (SFYs) unless otherwise noted.

Data and Study Population

Data

Demographic and program participation data were extracted from the Eligibility and Enrollment (E&E) system and its predecessor, the Client Automated Resources and Eligibility System (CARES). E&E and CARES are the administrative data systems for safety net programs managed by the Maryland Department of Human Services (DHS). CARES was operational between March 1998 and November 2021. The migration to E&E began in April 2021 and was completed in November 2021.[2] Both systems provide individual- and case-level program participation data for the Temporary Cash Assistance (TCA) program, the Supplemental Nutrition Assistance Program (SNAP), and other services as well as demographic data on participants. Certain demographic data in this report reflect limitations of the administrative data systems used (e.g., gender is a binary field). Race (e.g., Black, White) and ethnicity (i.e., Hispanic/Latinx) data represent individuals who self-identify or for whom case managers assign a race and ethnicity (Family Investment Administration [FIA], 2008). This report uses the combined non-gendered term Hispanic/Latin*x* in place of Hispanic or Latino to be inclusive.

Employment and earnings data were obtained from BEACON, which became the administrative data system for Unemployment Insurance (UI) in September 2020 (replacing the Maryland Automated Benefits System) and includes data from all employers covered by the state's UI law and the Unemployment Compensation for Federal Employees (UCFE) program. Together, these account for approximately 91% of civilian employment. However, these data have a few limitations. First, BEACON provides quarterly earnings. Thus, it is not possible to compute hourly wages or weekly or monthly salaries. Second, the data do not include informal work or alternative work arrangements not covered by UI law. Finally, BEACON does not include out-of-state jobs. Out-of-state employment by Maryland residents (14%) is four times greater than the national average (3%) (U.S. Census Bureau, n.d.-b.).

Child support data comes from the Child Support Management System (CSMS), the statewide automated information management system for Maryland's public child support program. CSMS began operation in November 2021 after transitioning from its predecessor, the Child Support Enforcement System (CSES). CSMS supports the intake, establishment, location, and enforcement functions of Maryland's Child Support Administration (CSA) and contains identifying information and demographic data on children, obligors, and custodians receiving services from the IV-D agency.[3] Data on child support cases and court orders including paternity status and payment receipt are also available.

[2] The transition to E&E resulted in some data inaccuracies. When we were able to identify data inaccuracies, we excluded analyses or used the CARES data to supplement and correct data. Given the transition to a new data system, there may be additional unknown data issues. Comparisons with previously reported data should be interpreted with caution.

[3] The public child support program is authorized under Title IV-D of the Social Security Act and is often referred to as the IV-D program.

Additional data throughout this report come from several state and federal public data sources including the U.S. Census Bureau, the American Community Survey, Office of Family Assistance reports on Temporary Assistance for Needy Families (TANF), and statistical reports provided by DHS. When applicable, analyses throughout this report identify these data sources in footnotes and table or figure notes.

Study Population

The study population includes every family who received TCA for at least one month in SFY 2023 (July 2022 to June 2023). There were 27,973 families who received at least one month of TCA in SFY 2023 including 24,429 adult recipients. Data were missing identifying information for 797 adult recipients. As a result, employment information was unavailable for these adults, and they are excluded from employment analyses.

Additional Population Information

Families that received TCA for more than 1 month in the SFY are included in the population only once. Specifically, this report includes the data from the very first month in the SFY that the household received benefits, even if the household participated for more than 1 month in the SFY or had multiple exits from and reentries into the program. For example, if a family applied for TCA in January 2023, that family might not receive benefits until February 2023: this brief would include February 2023 as the first month of receipt. However, benefits are retroactive to the date that a family applied for assistance. Since the family received retroactive benefits for January 2023, some of the measures we use, such as months of receipt in the state fiscal year, would count January as a month of receipt. These discrepancies are relevant in understanding data related to past program participation.

Defining Recipients

This report defines recipients using data available in the administrative data systems previously described.

Adult Recipients. Adult recipients include any individual who: (1) has a “recipient” code in the administrative data system; (2) has an “adult” code for the adult-child indicator in the administrative data system; and (3) is 16 years or older during the first month in which they received benefits in the SFY.

Child Recipients. Child recipients include any individual who: (1) has a “recipient” code in the administrative data system; (2) has a “child” code for the adult-child indicator in the administrative data system; and (3) is younger than 19 years of age during the first month in which they received benefits in the SFY.

Data Analysis

This report utilizes descriptive statistics to describe cases and adult recipients who participated in TCA, including percentages, medians, and averages. The average represents the total (e.g., all earnings) divided by the number of individuals included in the analysis. Median is sometimes preferred as a better representation of the data. The median is derived by arranging all values from lowest to highest and selecting the midpoint value. Extreme values do not affect the median, which can sometimes skew averages. This report examines population statistics and therefore does not include inferential statistics which are used to generalize sample findings to the population.

Characteristics of Cases & Families

Changes in Caseload Size

Maryland's TCA caseload remained stable between 2022 (27,756) and 2023 (27,973), increasing by only 1 percentage point, (Table 1). Both annual caseload sizes are much smaller than in 2020 (32,532) and 2021 (32,561), years marked by the pandemic (Smith & Passarella, 2022). The stability of the smaller caseload over the last two years is largely correlated with the state's low unemployment rate. The unemployment rate steadily declined following a pandemic peak of 9% in April 2020 and has remained under 4% since December 2021. The ending of the pandemic-era automatic benefit redetermination policy also contributed to the caseload decrease.[4]

There were jurisdictional differences between the 2022 and 2023 caseload, however. In 2022, the caseload contracted by 15% and all but one of Maryland's 24 jurisdictions experienced a caseload reduction (Smith & Passarella, 2023b). While similar in size, the 2023 caseload had more jurisdictional shifts. Primarily, four of the five most populous jurisdictions experienced a caseload decrease while many of the less populous jurisdictions experienced growth.

The five most populous jurisdictions include Baltimore City, Baltimore County, Prince George's County, Anne Arundel County, and Montgomery County, which are home to two thirds (66%) of the state's population (U.S. Census Bureau, n.d.-a) and comprised two thirds (67%) of the state's TCA caseload, as shown in Table 1. Across these large jurisdictions, Baltimore City (-8%), Baltimore County (-9%), Prince George's County (-4%), and Anne Arundel County (-5%) experienced caseload contractions. Baltimore City lost the most cases (-632), and its 2023 caseload was the smallest in the last decade (*see Life on Welfare, 2013 for comparison*). Montgomery County was the only large jurisdiction to experience an increase in its caseload, which grew by 12%.

Within the less populous jurisdictions, 16 of the 19 experienced a caseload increase. In total, these jurisdictions house one in three (33%) Maryland residents (U.S. Census Bureau, n.d.-a) and one in three TCA families (33%). Wicomico County, on the Eastern Shore, experienced the largest (41%) increase in TCA families, followed by Carroll (30%) and Frederick counties (27%). While these are relatively large growth rates, they equate to only an increase of 527 cases. In the context of each jurisdiction, though, this growth represents an increased number of families in financial need. A rise in cases also increases the amount of work necessary by these jurisdictions' small numbers of staff, adding stress to their already substantial workloads. St. Mary's County (-0.5%), Calvert County (-3%), and Kent County (-6%) were the three smaller jurisdictions that experienced caseload contraction between 2022 and 2023.

While it is unclear why the larger jurisdictions mostly experienced a participation decrease and medium and smaller counties experienced growth, one possible explanation might be a gap between available job positions and job seeker skill sets. Maryland has experienced one of the tightest labor markets in the country, but employers have reported difficulty in finding workers with appropriate skill (Haltom & Walker, 2022; Mena, 2023).

[4] Automatic redeterminations of TCA benefits began in March 2020 (DHS, 2020) after the start of the pandemic and allowed families to continuously receive TCA throughout the pandemic without periodic assessment of continued eligibility. Automatic redeterminations ended in December 2021 (FIA, 2021).

In smaller counties, where there might be a smaller variety of industries, job seekers whose skill sets do not align with the industries that are hiring might struggle to find work.

Additionally, issues of child care in particular counties (Maryland Family Network, n.d.) can keep parents from entering the workforce, precipitating participation in cash assistance.

Table 1: Percent of State Caseload and Number of Cases by Jurisdiction, SFYs 2022 and 2023

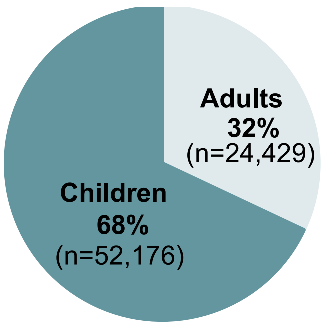
	SFY 2022		SFY 2023		Year-to-Year Change	
	%	*n*	*%*	*n*	*%*	*n*
Baltimore City	30%	(8,423)	28%	(7,791)	-8%	(-632)
Baltimore County	15%	(4,039)	13%	(3,670)	-9%	(-369)
Prince George's	13%	(3,727)	13%	(3,591)	-4%	(-136)
Anne Arundel	7%	(2,063)	7%	(1,967)	-5%	(-96)
Montgomery	6%	(1,617)	6%	(1,805)	12%	(188)
Washington	4%	(1,120)	5%	(1,332)	19%	(212)
Wicomico	3%	(782)	4%	(1,103)	41%	(321)
Harford	3%	(842)	3%	(941)	12%	(99)
Allegany	2%	(658)	3%	(795)	21%	(137)
Frederick	2%	(536)	2%	(681)	27%	(145)
Cecil	2%	(596)	2%	(657)	10%	(61)
Howard	2%	(557)	2%	(613)	10%	(56)
St. Mary's	2%	(611)	2%	(608)	-0.5%	(-3)
Charles	2%	(497)	2%	(587)	18%	(90)
Somerset	1%	(264)	1%	(282)	7%	(18)
Carroll	0.7%	(201)	0.9%	(262)	30%	(61)
Caroline	0.7%	(191)	0.8%	(236)	24%	(45)
Worcester	0.8%	(229)	0.8%	(235)	3%	(6)
Dorchester	0.8%	(224)	0.8%	(228)	2%	(4)
Calvert	0.5%	(144)	0.5%	(139)	-3%	(-5)
Queen Anne's	0.4%	(113)	0.5%	(133)	18%	(20)
Talbot	0.4%	(124)	0.5%	(127)	2%	(3)
Garrett	0.4%	(103)	0.4%	(105)	2%	(2)
Kent	0.3%	(85)	0.3%	(80)	-6%	(-5)
Maryland		**27,756**		**27,973**	**1%**	**(217)**

Note: These counts differ from counts provided by DHS's statistical reports because the statistical reports provide the average each month as well as the annual average number of cases receiving TCA, while the counts in this report provide the total number of unduplicated cases that received TCA. Jurisdictional counts do not sum to the state total due to some cases missing jurisdictional codes. Valid percentages are reported to account for missing data.

Case Characteristics

The TCA program is designed to support families with children, and children are the program's primary beneficiaries. As Figure 2 shows, children comprised two in every three (68%) recipients in 2023. Adults, who are the parents or caregivers of these children, comprised the remaining one in three (32%) recipients.

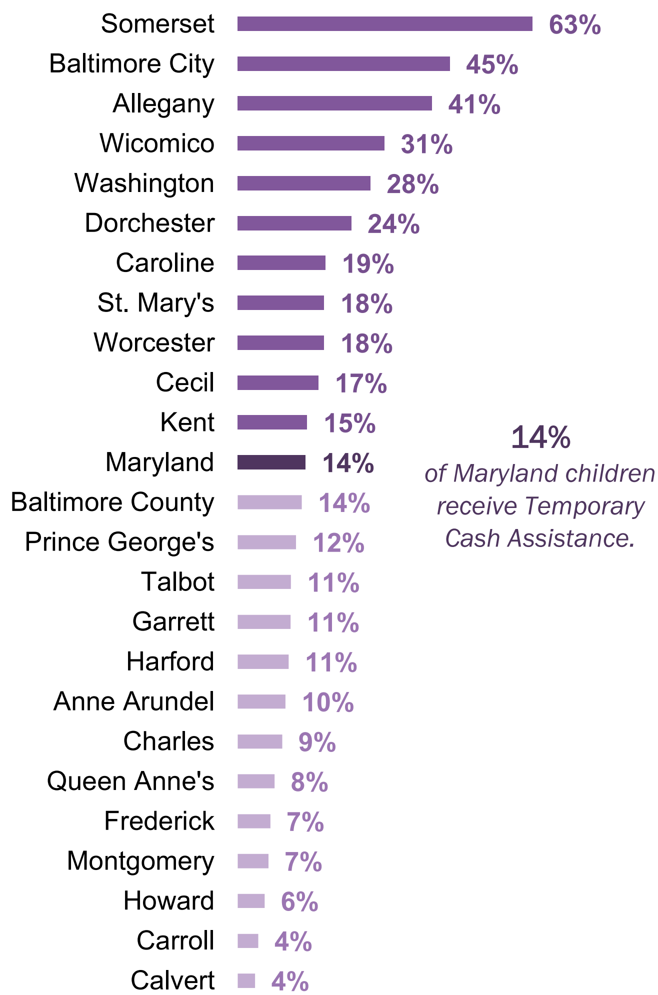
Figure 2: Adult & Child Recipients, SFY 2023



In total, the TCA program reached one in seven (14%) Maryland children (Figure 3). The analysis provided in Figure 3 is a first for the *Life on Welfare* annual report and shows the percentage of all children living in a Maryland jurisdiction who received TCA. In six jurisdictions, more than 20% of children were supported by the TCA program. The highest share was in rural Somerset County, where more than three in five (63%) children received TCA benefits. The other jurisdictions where a high percentage of children received TCA benefits were also mostly smaller, rural counties, including Allegany County (41%), Wicomico County (31%), Washington County (28%), and Dorchester County (24%). Baltimore City (45%) was the only large, non-rural jurisdiction in which a higher proportion of children received TCA. Connectedly, these jurisdictions also have some of the highest poverty rates in the state (The Department of Housing and Urban Development [HUD], n.d.).

Jurisdictions with the lowest percentages of children receiving TCA were Frederick County (7%), Montgomery County (7%), Howard County (6%), and Carroll (4%) and Calvert counties (4%) counties. Each of these counties had poverty rates lower than the state average (15%) (HUD, n.d.). **Appendix A** provides additional detail, including the percentage of adults and the percentage of all residents by jurisdiction who received TCA in SFY 2023.

Figure 3: Percentage of Maryland Children Receiving TCA, SFY 2023



Note: This figure divides the number of children receiving TCA in each jurisdiction in the SFY by the number of total children living in each jurisdiction. The estimated number of children living in each jurisdiction comes from the American Community Survey Demographic and Housing 5-Year Population Estimates, 2017-2022.

The size of a typical TCA family was similar to the average family size in Maryland, which is between two and three people (U.S. Census, n.d.-c). Table 2 shows that in 2023, 36% of TCA families had two case members and 25% had three members, accounting for 61% of all cases. An additional one quarter (24%) of TCA families were larger and consisted of four or more family members. About one in seven (15%) cases had only one recipient. Likely, these represent child-only cases[5] in which only a single child on the case receives benefits. Alternatively, these may include cases in which a pregnant person is soon expecting a child.

Table 2: Number of Recipients per Case, SFY 2023

	%	*n*
Number of Recipients		
1	15%	(4,288)
2	36%	(10,021)
3	25%	(6,946)
4 or more	24%	(6,691)
Number of Adult Recipients		
0	21%	(5,987)
1	70%	(19,608)
2	8%	(2,347)
Number of Child Recipients		
0	4%	(1,013)
1	44%	(12,432)
2	28%	(7,820)
3 or more	24%	(6,681)

Note: Cases with no children typically include a pregnant head-of-household or a case in which the child on the case receives disability, subsidized adoption, or foster care payments and is ineligible for TCA benefits. Valid percentages are reported to account for missing data.

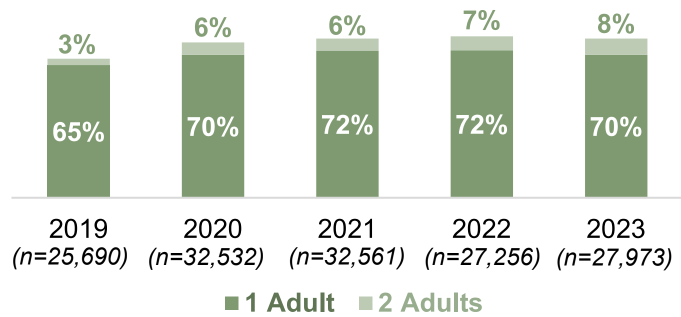
Most families (70%) had one adult on their case and one in five (21%) TCA families had no adults on the case. Two-parent TCA families were less common (8%). This is because two-parent families are generally less likely to be in poverty compared to one-parent families (Annie E. Casey Foundation, 2022). Similarly, they are also more likely to exceed the income threshold for cash assistance eligibility and not qualify for the program (Hahn et al., 2016).

The number of **two-parent** TCA families has increased from **862** in 2019 to **2,347** in 2023.

The percentage of adult recipients, including two-parent families, has climbed since the beginning of the pandemic. Figure 4 shows this increase. In 2019, the last full year before the pandemic, 65% of TCA families had one adult recipient and 3% had two adult recipients. Comparatively, between 2020 and 2023, 70% to 72% of families had one parent on the case and 6% to 8% had two parents. While the pandemic likely increased the percentage of one- and two-parent households requiring TCA, it is unclear why the percentage remains elevated. Practically, the number of two-parent families increased from 862 in 2019 to 2,347 in 2023, nearly tripling over the 5 years. Additional future analysis might be warranted to examine the rise in two-parent families and if two-parent families on the post-pandemic caseload have any unique barriers to self-sufficiency. This is particularly important because the prolonged uptick of two-parent families might have state budget implications, since TCA grant amounts for two-parent families without disabilities come from general state funds instead of federal TANF funds (FIA, 2006).

[5] Child-only cases are cases in which an adult is caring for a child who is eligible for TCA but the adult is not eligible for benefits. For example, a child-only case might be a non-parent family member caring for a relative child.

Figure 4: Number of Adult Recipients on Cases, SFYs 2019–2023



Note: Valid percentages are reported to account for missing data.

The final section of Table 2 shows that most (72%) families had one (44%) to two (28%) children on their cases. This is consistent with families receiving TCA in 2021 and 2022. Also consistent is the percentage of families with three or more children (24%). In 2023, 4% of cases had no child recipients. These cases often have unique circumstance and can include a pregnant head-of-household expecting their first child or instances in which a child receives disability, subsidized adoption, or foster care payments and is not eligible for TCA, but their caregiver qualifies so that they can care for themselves and the child.

Most frequently, TCA families have young children from ages 1 to 5 (46%) and/or school-aged children from ages 6 to 12 (56%) (Table 3). Families with multiple children can have children in more than one category. For example, a family could have a four-year-old, who would be considered a young child, and a six-year-old, who would be considered a school-aged child. Across all age categories, 85% of families had at least one child under the age of 13. For these families, child care and after school care are imperative so that adults can work.

To that end, Maryland provides a child care scholarship for TCA families to relieve the costs of child care (Division of Early Childhood, n.d.). Securing child care, however, can be difficult. Maryland, like many states, has had an ongoing child care shortage, exacerbated by the pandemic (January, 2023). Federal funding from the American Recuse Plan Act and state funds have helped make money available to facilities, but the state still has a shortage of providers (January, 2023). In fact, a survey by Maryland Family Network found that one in seven (15%) parents experienced a long-term disruption in their work in the previous year due to issues of child care (Talbert et al., 2018).

Most (85%) families have **children under the age of 13** who may require **child care** or **after school care.** Child care may impact parents' ability to work.

Furthermore, child care is hardest to access in the state's more rural areas, with many communities experiencing a child care desert (Maryland Family Network, n.d.). TCA families with teenagers from ages 13 to 18 (35%) are likely less prone to work disruptions due to child care issues since teenagers are more independent and, as research has found, sometimes help provide care to younger siblings (Zippay & Rangarajan, 2007).

Families with infants (i.e., a child younger than one), represent 10% of all TCA families and have a special program provision. Under Maryland law, which expands upon federal requirements, single TCA parents with a child under one receive a work requirement waiver until the child reaches 12 months old (FIA, 2022). This applies for each new child (FIA, 2022).[6]

[6] Federal TANF regulations allow families a lifetime limit of 12 months of a work requirement exemption for a new child. Maryland followed this regulation until October 2022. Under new state law, Maryland allows a parent 12 months of a work requirement exemption for each new child.

By waiving the work requirement for parents with infants, parents can afford to remain home and take care of their new child. Additionally, this may alleviate some burden of securing child care for additional children in the house.

Table 3: Percent of Cases with *at least One Child* in each Age Category

Ages of Children	%	n
Younger than 1	10%	(2,689)
1–5	46%	(12,335)
6–12	56%	(14,974)
13–18	35%	(9,370)

Note: Percentages do not add to 100% because a family could have children in multiple age categories. Valid percentages are reported to account for missing data.

Program Participation

Families seek the resources of TCA as a temporary support to help them survive periods of extreme financial difficulty. Frequently, families receiving cash assistance earn poverty-level wages or less prior to TCA receipt (Smith & Passarella, 2023b). These families are often pushed towards cash assistance when they experience a change in their circumstances that removes or diminishes their income, which might stem from large-scale economic unemployment, like that caused by the COVID-19 pandemic, or personal circumstances, such as job loss or ill-health (Karpman et al., 2018). Some families in the 2023 caseload likely experienced multiple bouts of hardship or barriers that caused longer-term receipt (Hall et al., 2020) while other families were navigating their first experience.

New to TCA

The percentage of new families in the state's TCA caseload has undulated over the past 5 years.[7] In 2019, the last full state fiscal year before the pandemic, 16% of the caseload, or 4,484 families, were first-time recipients (Figure 5). This percentage grew by 6 percentage points to 22% in 2020, the year in which the pandemic began. In particular, a spike in new families occurred between April and June 2020, the pandemic's initial months (Passarella & Smith, 2021). Following this increase in new families, the percentage dropped in 2021 and 2022, to 8% and 10%, respectively. The number of new families dropped as well. In 2020, 7,274 new families sought out TCA but in 2021 and 2022, that number dropped to less than 3,000.

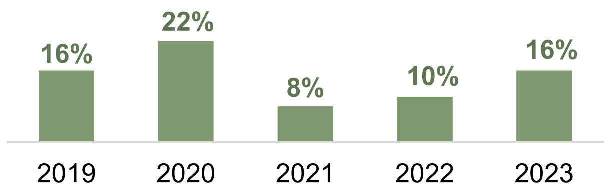
Likely, the percentages of families seeking TCA for the first time in 2021 and 2022 decreased as the recovery from the pandemic's abrupt economic shock began. Moreover, pandemic-era program modifications, such as automatic benefit redeterminations, as well as a disparate impact on industries in which TCA recipients often work, meant new families continued to receive benefits.

Families who are new in one SFY and remain on the program into the subsequent SFY are no longer considered to be new in the second year. For example, families who were new in 2020 and remained on the program in 2021 or 2022 were no longer considered *new* families in those years and were added to the count of families with *previous* receipt. In 2023, the percentage of new families (16%) as well as the count of new families (4,443) increased. Importantly, this percentage and count were similar to 2019, indicating that in the post-pandemic period, the number of new families in the state's caseload has become similar to the pre-pandemic period.

However, once a parent exceeds the federal maximum number of months for this work exemption, additional months of the exemption count against the state's Work Participation Rate (WPR) (H.B.1043, 2022).

[7] New families include those in which the adults on the case had not received TCA benefits as an adult before the current SFY; this includes adults on child-only cases as well. Any TCA benefits that adults received as a child are not counted in this measure.

Figure 5: Cases New to TCA, SFYs 2019–2023



Note: *New families* include families who began their first TCA spell in the SFY. Due to a refinement in how we identify new cases in the administrative system, results are not comparable to previous reports. Valid percentages are reported to account for missing data.

Families new to cash assistance, however, have likely faced previous financial instability. For example, adult recipients new to TCA in 2023 had median earnings of only $11,330 in the year prior to cash assistance,[8] too low to support a family of three in Maryland (Glasmeier, 2024).

> Over **three in four (78%)** new families in 2023 received SNAP benefits in the year before coming onto TCA.

Often, families that apply for cash assistance have faced financial hardship for at least a year before applying and have also experienced periods of food insecurity (Purtell et al., 2012). Correspondingly, families who participate in cash assistance frequently participate in other safety net programs including the Supplemental Nutrition Assistance Program (SNAP) (McKernan et al., 2021). In 2023, over three in four (78%) new TCA families participated in SNAP in the year prior to their TCA spell.[9]

Receipt in SFY 2023

Months of receipt, as shown in Table 4, provides insight into how long TCA families utilize the program within a year. In 2023, two in five (40%) families utilized the program for 6 months or less, one in five (19%) families between 7 and 9 months, and two in five (41%) between 10 and 12 months. In general, this is similar to participation in 2022, in which 36% of families utilized TCA for 6 months or less. However, average participation in 2023 was higher (8 months) than in 2022 (7 months).

It is unclear why an increase in average months of receipt occurred in 2023. However, receipt patterns have generally fluctuated since the start of the pandemic as an influx of families with varying needs sought TCA (for example, see receipt patterns in *Life on Welfare, 2021*). Additionally, yearly receipt patterns in 2023 closely reflect findings in 2019, in which 43% of families had 6 months or less of receipt, 14% had between 7 and 9 months of receipt, and 42% between 10 and 12 months (Gross & Passarella, 2020). This might indicate that, as the effects of the pandemic wind down, yearly receipt patterns are reverting towards pre-pandemic trends. Information in the following years will help identify if this is true.

Table 4: Months of TCA Receipt in SFY 2023

	%	*n*
1–3 months	21%	(5,944)
4–6 months	19%	(5,346)
7–9 months	19%	(5,198)
10–12 months	41%	(11,449)
Average [Median]	8	[8]

Note: Valid percentages are reported to account for missing data.

[8] Analysis not shown.

[9] A TCA spell is the consecutive months of TCA benefit receipt beginning with the most recent application for current benefits in this report.

Past Receipt

Table 5 examines families' histories with Maryland's cash assistance program over the prior 5 years. As the table shows, one in five (21%) families had no prior TCA receipt in the 5 years before their most recent spell and 36% had 2 years or less. The average amount of previous receipt was just under 2 years (23 months) with a median of 20 months. Collectively, this information indicates that families typically utilized the program for 2 years or less. This is in line with the temporary nature of the program's design. About two in five (44%) families had more than two years of previous receipt.

Table 5: Months of Receipt over the Last 5 Years (60 months)

	%	*n*
No receipt	21%	(5,780)
1 year or less *(12 or fewer months)*	20%	(5,524)
1–2 years *(13–24 months)*	16%	(4,351)
2–3 years *(25–36 months)*	18%	(5,051)
3–4 years *(37–48 months)*	9%	(2,520)
4–5 years *(49–60 months)*	17%	(4,747)
Average [Median]	23	[20]

Note: Months of receipt over the previous 5 years include all months received in the 5 years prior to each family's first month of TCA receipt in SFY 2023. Valid percentages are reported to account for missing data.

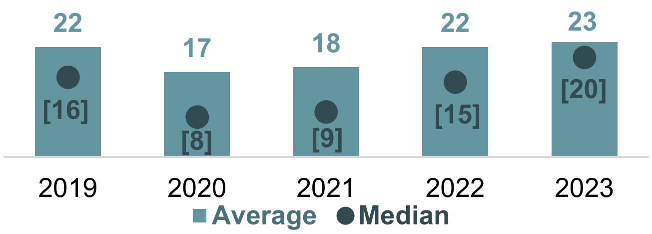
Average Receipt over the Last Five Years

Many shifts occurred in patterns of previous receipt during and following the pandemic. Figure 6 shows that in 2019, the last year before the start of the pandemic, families had an average of 22 months of previous receipt with a median of 16 months. In 2020, the year in which the pandemic began, average previous receipt decreased to 17 months while the median decreased by 50% to 8 months. During the initial months of the pandemic, many families sought the resources of TCA for the first time (Passarella & Smith, 2021). Families were driven onto the program due to factors such as temporary or permanent job loss, loss of child care and closures of schools, as well as pandemic-related illnesses (Karpman et al, 2020; Kashen et al., 2020; Urban Institute, n.d.).

The influx of new families increased the percentage of families with no previous TCA receipt and decreased average and median months of previous receipt. Pandemic-era policies, such as the automatic redetermination of benefits that allowed families to remain on the program longer, as well as a slower recovery in some of the industries in which TCA recipients often work, resulted in many families (including new families) remaining on the program into 2021. Consequently, average receipt increased slightly to 18 months and median receipt to 9 months.

In 2022, as the economy continued to improve. Likely, many of the families that sought TCA during the toughest economic part of the pandemic exited and families who needed more help remained. As a result, average receipt increased to 22 months and median receipt to 15 months. This is very similar to the pre-pandemic average in 2019. Most recently, the average increased slightly to 23 months of prior receipt and the median increased to 20 months, which is the largest average and median since 2015 (see *Life on Welfare, 2015 & 2016*). One potential reason for the increase might be the return of some families to TCA after experiencing an elongated period of pandemic receipt, increasing overall average and median lengths of receipt.

Figure 6: Months of Receipt over the Last 5 Years (60 months), SFYs 2019–2023



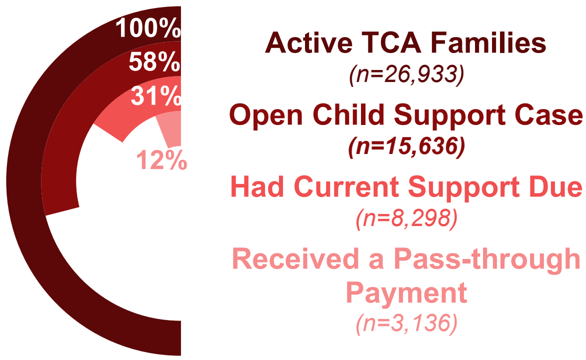
Child Support

During their TCA spells, families are expected to apply for and cooperate with the state's child support agency as mandated by federal law. While receiving TCA, federal regulations require Maryland to retain families' collected child support, some of which the state shares with the federal government to recoup a portion of program costs (Deficit Reduction Act [DRA], 2006). Federal law, however, also allows states to pass-through a portion of collected child support payments to families (DRA, 2006). Maryland is in the majority of states that participate in this child-support pass-through option.[10]

Maryland passes through up to $100 of collected child support for families with one child and up to $200 to families with two or more children (National Conference of State Legislatures [NCSL], 2023). Through pass-through, active TCA families with a payment on their child support case receive additional income to supplement their TCA grant amount. A support order also benefits families upon program exit: after exit, families receive their whole support amount. For low-income families, child support can account for 41% of a family's income (Sorensen, 2016), making it an important support for families to have in place.

As Figure 7 shows, about three in five (58%) families had an open child support case in 2023 and three in 10 (31%) had an established support order. Families with open support cases but no established support orders might still be in the process of order establishment. Processes might be delayed by backlogs in court—an issue exacerbated by the pandemic (Maryland Courts, n.d.)—or difficulty locating the parent who owes support. Overall, one in eight (12%) TCA families in 2023 received a pass-through support payment.

Figure 7: Child Support Status, SFY 2023
Among families with at least one child on their TCA case



Among families with a support order, 37% received a pass-through payment. On average, pass-through payments provided families with an additional $479 of income in 2023. Besides providing additional income to families with children, pass-through has been associated with the prevention of child maltreatment (Cancian et al., 2013) and increases in the likelihood a parent who owes support will make a payment (Cancian et al., 2008; Zolot et al., 2020, Lippold et al., 2010). Given the potential benefits of pass-through, it is important for as many families to receive the benefit as possible.

Among TCA families with support due and a child on the case:
- **37% received** a **pass-through** child support payment in SFY 2023
- Families received **$479** from pass-through, on average in SFY 2023

[10] As of May 2023, 26 states, the District of Columbia, and Puerto Rico participate in child support pass-through (NCSL, 2023).

Demographics

Demographically, the composition of adult recipients has remained consistent over time. Similar to other years, Table 6 shows the typical adult TCA recipient in 2023 was a Black (67%) woman (86%) who had a median age of 33 years old. She had likely never married (77%) and had graduated high school (78%). She was also unlikely to have a long-term disability (9%).

Several small changes in demographic characteristics, however, have occurred over time. Some changes were driven by the pandemic, such as gender representation in the caseload. For example, the percentage of the caseload who were men increased from 9% in 2019 to 12% in 2020, after the start of the pandemic (Gross & Passarella, 2020; Passarella & Smith, 2021) and remained at 12% through 2022 (Smith & Passarella, 2022). In 2023, the percentage of male recipients remained elevated (14%) from the pre-pandemic period. The increase in male recipients additionally corresponds with the percentage of adult recipients who were married. In 2019, only 8% of adult recipients were married (Gross & Passarella, 2020). In the years of the pandemic, the percentage of married adult recipients was between 12% and 13% (Passarella & Smith, 2021; Smith & Passarella, 2022; Smith & Passarella, 2023b). In the most recent year, the percentage remained within that range (12%). Given the similar trajectory of male recipients and married recipients, it is possible both changes are due to the rise in married adult men who came onto the program during the pandemic. This is further evidenced by the increased percentage of two-parent families, previously shown in Figure 4.

Table 6: Adult Recipient Demographic Characteristics, SFY 2023

	%	*n*
Gender		
Female	86%	(20,956)
Male	14%	(3,472)
Race & Ethnicity		
Black^	67%	(15,556)
White^	23%	(5,314)
Hispanic/Latinx	4%	(993)
Other^	7%	(1,525)
Age		
20 & younger	2%	(494)
21–24	9%	(2,162)
25–29	21%	(5,184)
30–34	26%	(6,454)
35 or older	41%	(10,135)
Mean [Median]	34	[33]
Marital Status		
Never married	77%	(15,656)
Married	12%	(2,388)
Previously married+	11%	(2,291)
Disability Status		
Long-term disability	9%	(2,079)
Education		
Did not finish high school	22%	(4,820)
Finished high school#	78%	(17,457)
> High school only	66%	(14,674)
> Post-secondary education	12%	(2,783)

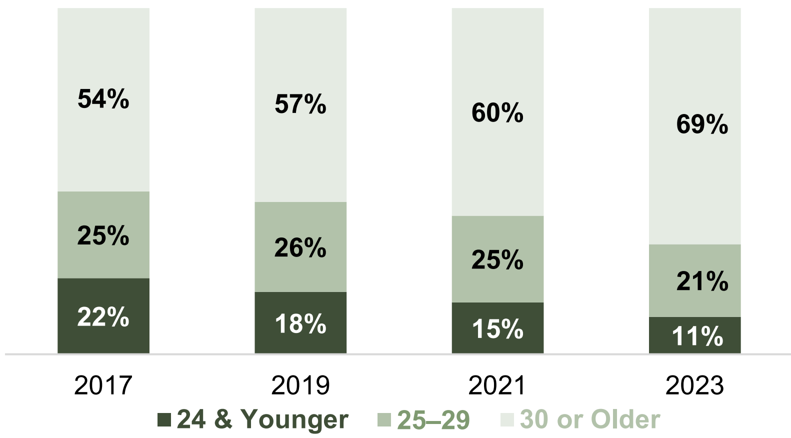
Note: ^Non-Hispanic/Latinx. +Previously married includes individuals who are divorced, separated, or widowed. #General Education Development Program (GED) certificates are included in high school completion rates. Education after high school can include college, vocational education, or job training. Percentages may not add to 100% due to rounding. Valid percentages are reported to account for missing data.

The race and ethnicity of recipients also changed over the pandemic period. In 2019, 73% of adult recipients were Black, 22% were White, 3% were Hispanic/Latinx, and 2% were of another race or ethnicity (Gross & Passarella, 2020). After the start of the pandemic in 2020, the percentage of Black recipients declined and the share of White, Hispanic/Latinx, and recipients of another race or ethnicity increased (Passarella & Smith, 2021; Smith & Passarella, 2022). This pattern has been maintained throughout the post-pandemic period. One potential reason might be the increased racial and ethnic diversity within the state over the past decade (Lang & Mellnik, 2021) and the demographic distributions of the jurisdictions experiencing the highest poverty rates (HUD, n.d.) and subsequently, the highest TCA need.

Contrariwise to characteristic changes that align with the pandemic period, changes in adult recipients' age began prior. In 2017, the average age of an adult recipient was 32 years old (McColl & Nicoli, 2018). In 2023, however, average age increased to 34 years old.

Change in age is also categorically represented in Figure 8. Between 2017 and 2023 the percentage of adult recipients aged 30 or older grew from 54% to 69%. Conversely, the percentage of adult recipients aged 24 and younger decreased by more than half, from 22% to 11%. While it is unclear why adult recipients' ages are increasing, it is possible that younger families are not familiar with the program and its resources or are choosing not to participate in TCA. Maryland, however, is not alone in this trend: nationally, the age of adult cash assistance recipients has increased over the last decade.[11]

Figure 8: Adult Recipient Age Categories, SFYs 2017–2023

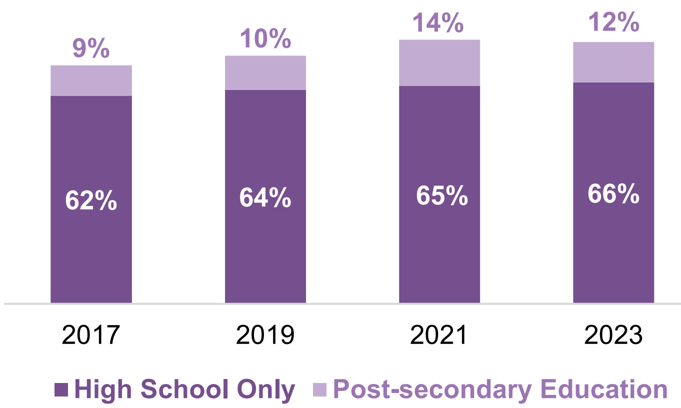


Note: Valid percentages are reported to account for missing data. Data might not add to 100% due to rounding.

Educational attainment is another characteristic that began changing prior to the pandemic. As Figure 9 shows, the percentage of adult recipients with a high school diploma grew from 62% in 2017 to 66% in 2023. While modest, the consistent rise reflects state efforts to increase high school graduation rates (Haislet, 2022). The share of adult recipients with at least some post-secondary education rose from 9% in 2017 to 12% in 2023. Likely, some of the increase was due to new recipients with higher education levels being driven onto the program as a result of the pandemic. However, the percentage has remained elevated in the post-pandemic period. Small increases in post-secondary enrollment, especially for Black individuals, might be a partial reason for a continued and sustained increase (National Center for Education Statistics, n.d.). Increased educational attainment for adult recipients is positive overall. Recipients with higher levels of education have a greater likelihood of financial stability and exit compared to those with less education (James & Nicoli, 2016; McColl & Passarella, 2019).

[11] Based on authors' analysis of the Office of Family Assistance annual reports titled Characteristics and Financial Circumstances of TANF Recipients (FFY2011-FFY2021).

Figure 9: Adult Recipient Education Status, SFYs 2017–2023



Note: General Education Development Program (GED) certificates are included in high school completion rates. Education after high school can include college, vocational education, or job training. Valid percentages are reported to account for missing data.

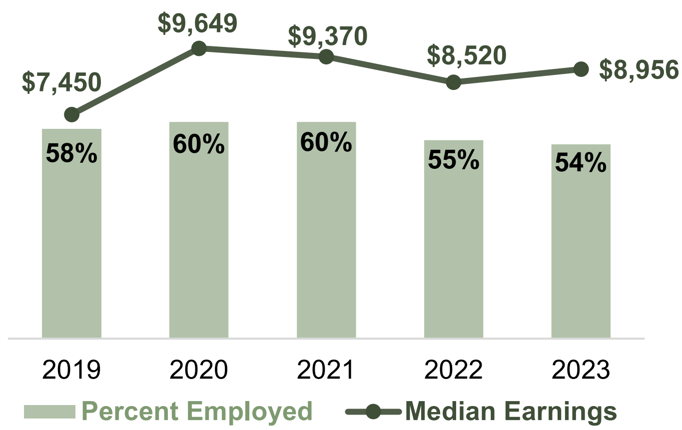
Employment & Earnings

Adult recipients are responsible for the children in their care and many adults are required to pursue employment or employment-related activities as a condition of TCA receipt.[12] To assist adult recipients in securing employment, Maryland offers employment-related programs to help adults increase their education levels and job skills, and to help them find work. Educational attainment and employment history are significant factors in adult recipients securing gainful employment (Hamilton & Scrivener, 2012; Ybarra & Noyes, 2019). As a result, it is important to understand the characteristics and employment histories of adult recipients on TCA who might be engaging with employment and educational services.

Figure 10 shows trends in recipients' employment history before entering TCA. In general, over half of adult TCA recipients worked in the year prior to entering the program In 2019, 58% of adult recipients were employed prior to their most recent spell. After the start of the pandemic, the percentage increased to 60% in both 2020 and 2021. Over the past two years, employment prior to receipt has declined to 55% in 2022 and 54% in 2023.

While there has been a decline in pre-spell employment over the last two years, examination of families' TCA application dates provides important context for understanding the apparent decline. As Figure 11 shows, many families in the 2023 caseload applied for TCA benefits in 2022 or earlier. Of these families, 52% were employed in the year prior to TCA receipt.

Figure 10: Percent Employed and Median Annual Earnings, SFYs 2019–2023
Year before TCA spell



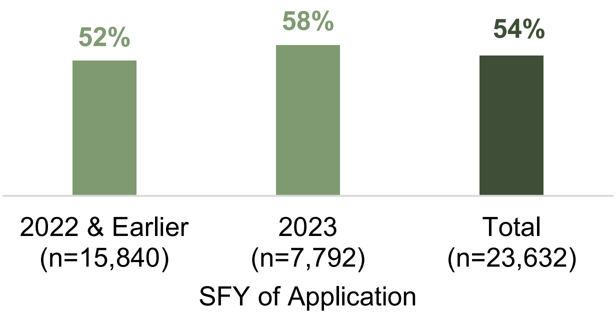
Note: A TCA spell is the consecutive months of TCA benefit receipt beginning with the most recent application for current benefits in this report. Median earnings are standardized to 2023 dollars.

[12] Adults who are not recipients on the TCA case are not required to participate in a work activity. Some adult recipients are also not required to participate in a work activity, including those who are experiencing family violence, adults who have a long-term disability or are caring for a household member with a disability, new adults who are in the first through sixth month of cash benefits, and single parents who have a child under the age of one.

Employment for these families may have been affected by the pandemic. Likely, adult recipients in this group lost work and were unable to find new employment for the year prior to seeking TCA. Under expanded Unemployment Insurance (UI) benefits during the pandemic (Acs & Karpman, 2020), adults might have even been able to use UI immediately after employment loss and sought TCA after they still could not find work and their UI benefits expired.

Comparatively, families who came onto TCA in 2023 were more likely to have prior employment, with 58% employed in the year before benefit receipt. In the year prior to TCA, an improved, post-pandemic economy meant families applying in 2023 were more likely have been employed.[13] The percentage in this group who worked prior to TCA is similar to the percentage in 2019, suggesting some potential reversion to pre-pandemic employment trends.

Figure 11: Percent Employed in Year before Spell by TCA Application Date
Among adult recipients in SFY 2023



Note: A TCA spell is the consecutive months of TCA benefit receipt beginning with the most recent application for current benefits in this report. Application date represents the month in which a recipient applied for TCA benefits. For example, if a family applied for TCA in July 2022, they are included in the 2023 category since that date falls into SFY 2023.

While employment prior to TCA receipt was lowest among 2023 recipients, pre-spell earnings increased. Employed adult recipients on the SFY 2023 caseload had median annual pre-spell earnings of $8,956, 5% higher than in 2022 ($8,520), as shown in Figure 10. Pre-spell earnings were lower, however, than for employed adults participating during the peak pandemic years of 2020 ($9,649) and 2021 ($9,370).

Likely, increased earnings in these years was due to both stronger work histories for adults whose families were driven onto TCA during the pandemic as well as greater educational attainment (Passarella & Smith, 2021) which are both associated with higher earnings for recipients (James & Nicoli, 2016; McColl & Passarella, 2019). Earnings for all post-pandemic years were higher than in 2019, in which yearly median earnings for employed adult recipients were $7,450. While a general increase in earnings over the last several years is positive, median earnings for employed adult recipients are less than 50% of the federal poverty level ($24,860) for a family of three (Office of the Assistant Secretary for Planning and Evaluation [ASPE], 2023).

Cash assistance recipients often work in low-wage positions (Safawi & Pavetti, 2020). In addition to little pay, low-wage positions are often unsecure and have little to no employment benefits, such as paid leave or employer-provided health care (WorkRise, 2023). Health issues and scheduling issues faced by cash assistance recipients can make maintaining low-wage positions difficult (Wood, 2008, Maye & Banerjee, 2021).

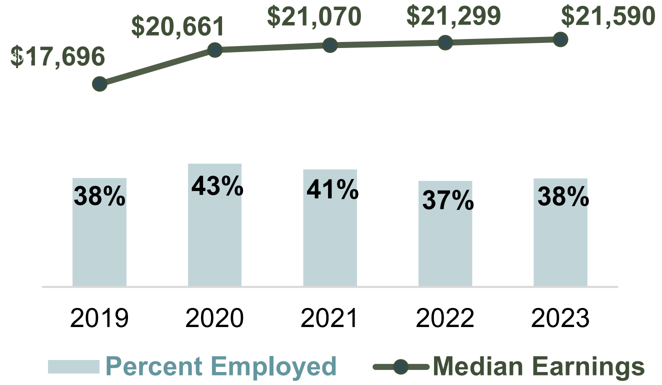
[13] In juxtaposition, 54% of families in 2022 who applied for TCA in that year worked in the year prior to benefit receipt and 56% who applied prior to 2022 were employed in the year before benefits.

In 2023, only 38% of employed adult TCA recipients worked consistently (i.e., in all four quarters) in the year prior to benefit receipt (Figure 12). This demonstrates the challenges in regularly maintaining low-wage employment. Consistent employment in all four quarters of the year were similar in prior years, ranging between 37% and 43%.

When adult recipients did work consistently in the year prior to TCA receipt, they had substantially higher earnings compared to all employed adult recipients. In 2023, adults who consistently worked in the year prior to their spells had median earnings of $21,590, which was nearly $13,000 higher than all adult recipients who worked in the year prior to TCA ($8,956). Earnings among those with consistent employment have also continually increased over the past several years. In 2019, recipients who worked in all four quarters of the year earned $17,696; this increased by 22% between 2019 and 2023. During this time period, wages, and especially wages in low-paying sectors, increased (Hartman, 2021). The much higher wages of adults who consistently work emphasizes the importance of helping parents overcome job barriers so they may find stable and secure employment. However, even with these greater earnings, wages are still below the poverty line (ASPE, 2023).

Figure 12: Percent Employed all Four Quarters and Median Annual Earnings, SFYs 2019–2023

Among employed adult recipients in the year before TCA spell



Note: A TCA spell is the consecutive months of TCA benefit receipt beginning with the most recent application for current benefits in this report. Median earnings are standardized to 2023 dollars.

Sectors of Employment

Sector analyses provide insights into the types of employment adult recipients have before coming onto the TCA program as well as their median earnings in their respective sectors. In prior *Life on Welfare* updates, employment in individual industries was reported.[14] While an industry analysis provides more detailed information about adult recipients' employment, it can mask the larger picture of employment and earnings across related industries. For instance, industries in health care include outpatient healthcare and residential care facilities. Both fall under the larger umbrella of the health care and social assistance sector. By collapsing individual industries into sectors, a broader story can be provided of how many adult recipients previously worked in healthcare more broadly, and the earnings associated with that sector.

[14] The North American Industry Classification System (NAICS) uses six-digit codes to identify specific industries. The first two-digits of the code designate the general sector and the first three digits designate the sub-sector (Bureau of Economic Analysis, n.d.). In the 2023 *Life on Welfare* update, this analysis has switched from utilizing the 3-digit code to the broader 2-digit sector code.

Employment and earnings by sector are shown in Table 7. Adult TCA recipients who worked prior to their 2023 TCA spell likely worked in one of five sectors. The most common sector of employment prior to TCA receipt was health care and social assistance (19%) followed by retail trade (18%). Many also worked in administrative and support services (17%) as well as accommodation and food services (15%). Lastly, one in 10 (11%) adult recipients employed prior to TCA receipt worked in the transportation and warehousing sector.

Table 7: Most Common Sectors of Employment, SFY 2023

Among adult recipients who worked in the year before TCA receipt

	% Employed	Quarterly Median Earnings
Health Care & Social Assistance	19%	$3,382
Retail Trade	18%	$1,861
Administrative & Support Services	17%	$1,992
Accommodation & Food Services	15%	$1,744
Transportation & Warehousing	11%	$2,082
Other	20%	$3,618

Note: Sector is based on the last quarter the adult recipient worked in the year before receiving TCA benefits. If a recipient had more than one job in that quarter, then the job with the highest earnings was used. Analyses exclude recipients who do not have a unique identifier or who were employed but for whom the NAICS code was not identified. The *Other* category includes 15 sectors, each employing 0.02% to 3% of recipients. A TCA spell is the consecutive months of TCA benefit receipt beginning with the most recent application for current benefits in this report. Valid percentages are reported to account for missing data.

Median earnings varied by sector. The largest sector, health care and social assistance, also had the highest median quarterly earnings ($3,382). The transportation and warehousing sector had the second highest median quarterly earnings ($2,082). One industry within this sector, warehousing and storage, has been identified as a top business priority for Maryland (Maryland.gov, n.d.). As a result, employment in the higher-earning, transportation and sector may continue to increase over time. The retail trade, administrative and support services, and accommodation and food services sectors all had median earnings of less than $2,000 per quarter.

Sector Definitions

- **Healthcare & Social Assistance (NAICS 62):** Establishments that provide health care and social assistance for individuals. This sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. Industries in this sector can include outpatient health care and residential care facilities.
- **Retail Trade (NAICS 44-45):** Comprises establishments engaged in retailing merchandise and rendering services incidental to the sale of merchandise. Industries in this sector can include general merchandise retailers and food & beverage retailers.
- **Administrative & Support and Waste Management & Remediation Services (NAICS 56):** Performs support activities for the day-to-day operations of other organizations. Includes office administration, clerical services, cleaning, temporary employment services, and waste disposal services among other services. Industries in this sector can include office administration and waste disposal services.
- **Accommodation & Food Services (NAICS 72):** Includes establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. Industries in this sector can include hotel accommodation and casinos.
- **Transportation & Warehousing (NAICS 48-49):** Includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Industries in this sector can include warehousing and cargo transportation.

Given that sectors encompass a number of industries, individual industries within a sector may have varying median earnings than the sector as a whole. For example, recipients in the health care and social assistance sector who were employed in outpatient health care had median earnings of $3,509, which is higher than the sector median ($3,382).

Sectors encompass different industries with a range of earnings. For example, **Health Care & Social Assistance** can include:

	% Employed	Quarterly Median Earnings
Health Care & Social Assistance	19%	$3,382
Outpatient Health Care	7%	$3,509
Residential Care Facilities	6%	$3,150
Social Assistance	4%	$2,903
Hospitals	3%	$4,573

Note: See Table 7 note for additional details.

While differences in earnings by industry occur, the median earnings in each sector highlight that most adult TCA recipients generally do not earn enough to independently support families. Low earnings mean that families on the program will need continued assistance from resources like the Supplemental Food Assistance Program (SNAP) and Medicaid (MA) concurrently and upon program exit (Smith & Passarella, 2023a). Sectoral work programs, that focus on helping cash assistance recipients gain skilled jobs in higher paying sectors, such as information technology, might help increase earnings and families' financial security (Hopkins & Mitchell, 2022).

Conclusions

Maryland's TCA caseload (n=27,973 cases) in State Fiscal Year (SFY) 2023 was similar in size to the 2022 caseload and substantially smaller from the pandemic-induced peak in 2021 (n=32,561). The reduced caseload size over the past two years is unsurprising given the state's continued economic improvement following the 2020 recession. In 2023, the state consistently had some of the lowest unemployment rates in the nation (Economic Policy Institute, n.d.). Likely, the strong economy means that many families who required cash assistance during the peak pandemic period were able to leave the program and rejoin the workforce, leading to a reduction in the caseload.

However, even in a strong economic period, thousands of families faced severe financial distress and needed the resources of the TCA program. Large-scale factors, such as a mismatch between job seeker skill sets and employer requirements (Mena, 2023), might have resulted in some families being unable to find sufficient work and needing the program's assistance. Other families might have faced child care difficulties. Child care in Maryland is among the most expensive in the country (Maryland Center on Economic Policy, n.d.) and like many other states, there is currently a shortage of care providers (Kashen et al., 2023). Without child care, some parents are unable to work. Personal factors, such as health issues, may have also driven some families onto the program.

This update of the annual *Life on Welfare* report focused on the families that required cash assistance during a strong economy that had largely recovered from the pandemic. The report highlights that TCA was vital for families in 2023, reaching 14% of all children in the state. The report also highlights that many of the families on the caseload had characteristics similar to pre-pandemic families. For instance, the number of families new to the TCA program increased from 10% in 2022 to 16% in 2023. This reflects a reversion to the percentage of new families in 2019 (16%). The same is true for the average months of receipt over in the past five years. In 2019, the average months of receipt in the previous five years was 22 months; this declined in the peak pandemic period of 2020 and 2021 due to an influx of new families with no previous TCA history. However, in 2023, the average realigned to pre-pandemic trends (23 months).

In contrast, some pandemic trends are still evident in the caseload. For example, the number of two-parent families remained elevated. In 2019, only 3% of cases included two-parent families compared to 8% of cases in 2023. Although it is unclear why this percentage has remained elevated since the pandemic, it has implications for the state budget. Unlike single-parent family cases, non-disabled, two-parent cases are funded entirely with state general funds (FIA, 2006).

The demographic profile of an adult TCA recipient has remained fairly consistent over the last several years, albeit, with a couple of notable trends. First, over the last 8 years, adult recipients have been getting older. In 2016, half (51%) of adult recipients were 30 or older compared to 69% in 2023. This trend, however, is not unique to Maryland and has also been occurring in the national cash assistance caseload. Second, adult recipients have also had increasing educational attainment. For example, 69% of adult recipients had completed at least a high school education in 2016 compared to 78% in 2023. One reason for this growth might be the state's efforts to increase high school completion (Haislet, 2022). Increased levels of educational attainment is a positive trend and associated with an increased likelihood of financial stability after TCA exit (James & Nicoli, 2016; McColl & Passarella, 2019).

Among adult recipients who worked in the year prior to TCA entry, median earnings increased to $8,956 in 2023. Although it is positive that families had an increase in median earnings, earnings place families well below the poverty line in 2023 for a family of three ($24,860) (ASPE, 2023). Even families who worked consistently in the year (i.e., in all four quarters) prior to their TCA spells had below poverty-level earnings ($21,590). Given families' low earnings, it is unsurprising that many cash assistance families face food insecurity and financial hardship in the year prior to program receipt (Purtell, et al., 2012). It is also unsurprising that a majority of families need to utilize safety net resources such as SNAP, and MA in the year following their program exits and that one in six families return to the TCA program within 1 year (Smith & Passarella, 2023a).

One reason for recipients' low earnings is the sectors in which they work. This report provides a broad overview of the sectors in which TCA recipients are commonly employed prior to program receipt as well as the median earnings in those sectors. For example, one in five adult recipients who worked in the year prior to TCA receipt worked in retail trade (18%). Median earnings in this sector were only in $1,861 in the quarter before TCA entry.

As the findings throughout this report demonstrate, many families need support even when the overall economic environment is strong. Often, the circumstances TCA families face are structural in nature and not within their control. As a result, it is important to understand the characteristics of families on the TCA program to ensure that the program is supportive and helps better the lives of Maryland families facing financial distress. Every Maryland family is deserving of support and dignity while experiencing difficult hardships.

This makes compiling the annual *Life on Welfare* report a valuable endeavor. Conducting an annual review of the TCA caseload provides important insights into the families who utilize the program. For example, this report demonstrates how the state's economy impacts the number of families in the state seeking benefits. It also demonstrates how families seeking benefits change during different economic periods, such as during the pandemic period, as well as longstanding changes, such as recipient age. Additionally, the annual report provides information pertinent to the state budget: for example, in recent years this report has shown an increase in the number of two-parent families on the program, which are funded differently from single-parent families. Most importantly, this report provides space to critically reflect on the state's TCA caseload and provide necessary context to better understand and support the state's most vulnerable families.

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Appendix A: Adults, Children, and Total Population in Maryland Receiving TCA, SFY 2023

Jurisdiction	Adults Receiving TCA	Population of Adults	% of Adults Receiving TCA	Children Receiving TCA	Population of Children	% of Children Receiving TCA	Total Receiving TCA	Total Population	% of Total Receiving TCA
Allegany	2,310	56,170	4%	4,941	11,991	41%	7,251	68,161	11%
Anne Arundel	4,915	456,502	1%	13,308	131,607	10%	18,223	588,109	3%
Baltimore City	19,772	465,106	4%	53,726	119,442	45%	73,498	584,548	13%
Baltimore County	9,576	666,914	1%	24,930	183,823	14%	34,506	850,737	4%
Calvert	294	71,725	0%*	796	21,519	4%	1,090	93,244	1%
Caroline	489	25,503	2%	1,455	7,817	19%	1,944	33,320	6%
Carroll	690	135,657	1%	1,640	37,568	4%	2,330	173,225	1%
Cecil	1,469	80,710	2%	3,970	23,166	17%	5,439	103,876	5%
Charles	1,441	127,294	1%	3,751	39,741	9%	5,192	167,035	3%
Dorchester	560	25,705	2%	1,650	6,852	24%	2,210	32,557	7%
Frederick	1,731	210,658	1%	4,363	63,171	7%	6,094	273,829	2%
Garrett	245	23,656	1%	583	5,200	11%	828	28,856	3%
Harford	2,581	203,084	1%	6,256	57,975	11%	8,837	261,059	3%
Howard	1,838	252,442	1%	4,533	79,569	6%	6,371	332,011	2%
Kent	173	16,268	1%	445	3,021	15%	618	19,289	3%
Montgomery	6,581	814,659	1%	15,749	242,251	7%	22,330	1,056,910	2%
Prince George's	11,252	746,003	2%	26,074	211,186	12%	37,326	957,189	4%
Queen Anne's	305	39,672	1%	829	10,644	8%	1,134	50,316	2%
Somerset	896	20,543	4%	2,581	4,129	63%	3,477	24,672	14%
St. Mary's	1,735	86,553	2%	4,996	27,261	18%	6,731	113,814	6%
Talbot	251	30,799	1%	774	6,864	11%	1,025	37,663	3%
Washington	3,526	121,108	3%	9,436	33,537	28%	12,962	154,645	8%
Wicomico	3,566	80,912	4%	7,116	22,903	31%	10,682	103,815	10%
Worcester	641	43,770	1%	1,659	9,057	18%	2,300	52,827	4%
Maryland	**76,845**	**4,801,413**	**2%**	**195,617**	**1,360,294**	**14%**	**272,462**	**6,161,707**	**4%**

Note: *Values under 0.1% are rounded to 0%. This figure divides the number of adults, children, and total population receiving TCA in each jurisdiction in the SFY by the number of total adults, children, and population in that jurisdiction. The estimated number of adults, children, and total population living in each jurisdiction comes from the American Community Survey Demographic and Housing 5-Year Population Estimates, 2017-2022.

Interpretation Example: In SFY 2023, 2% of adults in Maryland and 14% of children received TCA. One in 20 (4%) of ***all*** Maryland residents received TCA.

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For additional information, please contact Lauren A. Hall (lahall@ssw.umaryland.edu or 410.706.2763) at the School of Social Work.

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UNIVERSITY of MARYLAND
SCHOOL OF SOCIAL WORK

525 W. Redwood Street
Baltimore, MD 21201
410-706-2479
www.ssw.umaryland.edu/familywelfare/