BEFORE AND AFTER TANF
TEMPORARY CASH ASSISTANCE CASELOAD DYNAMICS:
PROFILES OF WOMEN BORN IN 1967 OR 1977

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INTRODUCTION

Do age-specific temporary cash assistance (TCA) profiles look different when the last 10 years of AFDC and the first 10 years of TANF are compared? If profiles look different, what are the explanatory contributions of federal, state and local policies, front-line staff and TCA recipient behaviors, and relevant economic conditions? Looking ahead to the new TANF rules for participation in work activities, will our findings offer insights about actions to be taken or avoided? Today's conversation addresses the 'look different' question.

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OVERVIEW

We define two birth-year cohorts of female head-of-household TCA recipients using Maryland Department of Human Resources (DHR) administrative records:

- **Cohort 1** (N=5,336): All women born in 1967 and having a valid Social Security Number (SSN) issued in Maryland\(^4\) that received Maryland TCA as a case head-of-household in any month(s) from January 1986 through December 1995.

- **Cohort 2** (N=4,020): All women born in 1977 and having a valid SSN issued in Maryland that received Maryland TCA as a case head-of-household in any month(s) from January 1996 through December 2005.

These monthly Maryland TCA profiles cover only pre-TANF years for **Cohort 1** and only post-TANF years\(^5\) for **Cohort 2**. We also extend the **Cohort 1** time span covered to 20 years—1986-2005, split evenly between pre-TANF years and post-TANF years, as the women in **Cohort 1** matured from age 19 to 38.

PRESENTATION OF FIGURES

**Figure 1**

- Panel (a) of Figure 1 shows the **Cohort 1 number** receiving TCA in each of the 120 months January 1986 through December 1995.

- Panel (b) of Figure 1 shows the **Cohort 1 percent** receiving TCA in each of the 120 months January 1986 through December 1995.

- Panel (c) of Figure 1 shows the **Cohort 2 number** receiving TCA in each of the 120 months January 1996 through December 2005.

- Panel (d) of Figure 1 shows the **Cohort 2 percent** receiving TCA in each of the 120 months January 1996 through December 2005.

\(^4\) The “having a valid Social Security Number issued in Maryland” filter is a proxy for knowing whether and when these women lived in Maryland. The valid SSN filter also ensures a possibility that reported employment and earnings can be found in a match with Maryland UI wage records, other state UI wage record files, and Federal Employment Data Exchange System (FEDES) data extracts.

\(^5\) Reference to pre-TANF and post-TANF timing is necessarily imprecise. Maryland’s Welfare Innovations Act of 1996, eliminating AFDC and replacing it with a Family Investment Program, took effect July 1, 1996. Up-front job search, child support first, and welfare avoidance grants and childcare only components of the Family Investment Program policies were introduced on a county-by-county schedule beginning in September 1995 and continuing through July 1996.
Figure 1: Monthly Cohort TCA Counts And Percentages Over 10 Years

Panel (A) - Cohort 1 (1986-1995)

Panel (B) - Cohort 1 (1986-1995)

Panel (C) - Cohort 2 (1996-2005)

Panel (D) - Cohort 2 (1996-2005)

Source: The Jacob France Institute, University of Baltimore (August 2006)
Figure 1 panel (a) shows the month-to-month count of Cohort 1 women receiving TCA. The discontinuity at month 43, when 609 first TCA spells begin, results from our reliance on the DHR Automated Master File (AMF) database from January 1986 through June 1989 and then the DHR Automated Income Maintenance System (AIMS) database beginning in July 1989. 6

Figure 1 panel (c) shows the month-to-month count of Cohort 2 women receiving TCA. The discontinuity at month 10 (October 1996), followed by spikes in months 15 (March 1997) and 27 (March 1998), are artifacts of the DHR phased switchover from the AIMS database to the current Client Automated Resource and Eligibility System (CARES). 7 The spike in month 49 (January 2000) is unexplained at this time, but coincident with Y2K.

Figure 1 panel (b) and panel (d) show the percentage of the respective cohort women that received TCA in each of the 120 months observed for each group. We turn to Figure 2 to highlight selected features of the two cohort 10-year profiles of TCA.

Figure 2

- Panel (a) of Figure 2 overlays panels (a) and (c) from Figure 1, showing the difference in cohort N on TCA in each of the 120 months observed for the women in Cohort 1 or Cohort 2.

- Panel (b) of Figure 2 overlays panels (b) and (d) from Figure 1, showing the difference in percent of cohort on TCA in each of the 120 months observed for the women in Cohort 1 or Cohort 2.

Figure 2 panel (a) shows a direct comparison of the 10-year Cohort 1 and Cohort 2 TCA counts. 8 Because of our temporary data source transitions affecting the earliest years of coverage we focus here on respective months 43 through 120—or July 1989 through December 1995 for Cohort 1 and July 1999 through December 2005 for Cohort 2.

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6 We received August 11, 2006 confirmation that the Maryland Department of Human Resources will deliver monthly TCA case documentation to us for each month of the January 1986-June 1989 period in question, so we will be able to eliminate this temporary deficiency in the data series.
7 We will consult with our Maryland Department of Human Resources colleagues to determine whether appropriate remedial steps can be taken similar to the January 1986-June 1989 solution.
8 We used 2000 decennial census data, found at http://factfinder.census.gov quick table QT-P1 Age Groups and Sex 2000: Maryland, to estimate the relative sizes of the gender/age-specific groups to which the cohorts belong. The 5,336 women in Cohort 1 represent 12.7 percent of an estimated 41,867 women in the gender/age-specific population in Maryland. The 4,020 women in Cohort 2 represent 12.9 percent of an estimated 31,180 women in the gender/age-specific population in Maryland.
Figure 2: Direct Comparison Of Cohort TCA Counts and Percentages Over 10 Years

Source: The Jacob France Institute, University of Baltimore (August 2006)
The net + and - areas between the two cohort TCA trend lines in Figure 2 panel (a) is the difference between the cohort-specific TCA caseloads over the defined years. These are back-to-back pre-TANF and post-TANF profiles.

Figure 3

Figure 3 shows the Cohort 1 and Cohort 2 distributions of first month receiving TCA during the respective 10 year reference periods. Two features of this comparison are striking:

- The women in Cohort 2 began their first TCA spell at a younger age than the women in Cohort 1.

- The timing of first TCA spell start for the women in both cohorts is distributed more evenly across the respective 10 year reference periods than we expected.

Our remaining challenge is to adopt appropriate statistical methods to explain why these patterns occurred.

Figure 4

- Panel (a) of Figure 4 shows the Cohort 1 percent of maximum annual months possible spent on TCA during each of the 10 years 1986-1995.

- Panel (b) of Figure 4 shows the Cohort 2 percent of maximum annual months possible spent on TCA during each of the 10 years 1996-2005.

The two panels of Figure 4 aggregate the monthly data from Figure 1 panels (a) and (c), showing the percentage of maximum possible annual months of TCA received by the women in each of the age-specific cohorts. For example, there are 5,336 women in Cohort 1, all known to have received one or more months of TCA between January 1986 and December 1995. If all 5,336 women received TCA in all 12 months of any one of these 10 years the sum of Cohort 1 TCA months in this year would be 5,336 x 12 = 64,032. This becomes the denominator for the 10 annual calculations of percent of months on TCA for this cohort. The numerator of each annual calculation is the sum of the 12 monthly counts of TCA from Figure 1 panel (a) Cohort 1 or panel (c) Cohort 2.
Figure 3: Direct Comparison Of Cohort First Month of TCA

Source: The Jacob France Institute, University of Baltimore (August 2006)
**Figure 4:** Annual Cohort Percentage Of Total Time Receiving TCA

**Panel (A) - Cohort 1**

- Years: 1986 to 1995
- Percent of Annual Months On TCA

**Panel (B) - Cohort 2**

- Years: 1996 to 2005
- Percent of Annual Months On TCA

**Source:** The Jacob France Institute, University of Baltimore (August 2006)
Figure 5 compares annual percent of time on TCA for the two cohorts—1986 through 1995 for Cohort 1 and 1996 through 2005 for Cohort 2.

- Figure 5 overlays the two panels from Figure 4, showing the difference in annual TCA concentration for the two birth-year cohorts.

We again concentrate on years four through ten until the data source artifacts impacting earlier years are resolved. Returning to our basic question posed in the first sentence of this paper—do age-specific TCA profiles look different when the last 10 years of AFDC and the first 10 years of TANF are compared?—we now have an affirmative answer.

We pause while looking at Figure 5 to point out that a recession of equal length, eight months\(^9\), occurred in each of the cohort-specific 10-year observation periods—July 1990-March 1991 (parts of Year 5 and Year 6) for Cohort 1, and March 2001-November 2001 (Year 6) for Cohort 2.

The Figure 5 difference in TCA trend direction through these pre-TANF and post-TANF recessions for two age-specific cohorts of women in Maryland remains our challenge to update and refine what predecessors have found for other TCA groups elsewhere.\(^{10}\)

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\(^9\) See http://www.nber.org/cycles.html. Our forthcoming statistical estimates will substitute Maryland and sub-state data points for this national timing defined by the Business Cycle Dating Committee of the National Bureau of Economic Research.

Figure 5: Direct Comparison of Cohort Percentages of Total Time Receiving TCA

Source: The Jacob France Institute, University of Baltimore (August 2006)
We will use multiple administrative data sources in our next phase of statistical analysis:

- Authorized use of Maryland UI wage records maintained by The Jacob France Institute at the University of Baltimore through a data sharing agreement between the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Institute. Current coverage is April 1985-April 2006. Quarterly updates occur during the fourth month following the end of a reference year/quarter.

- Authorized use of UI wage records received through multi-state data sharing agreements among Delaware, the District of Columbia, Maryland, New Jersey, Ohio, Pennsylvania, Virginia and West Virginia.

- Authorized use of federal civilian employee and U.S. Postal Service employee data received through the Federal Employment Data Exchange System (FEDES) funded by the Employment and Training Administration, U.S. Department of Labor, managed by DLLR with the quarterly portal maintained by The Jacob France Institute.\(^\text{11}\)

- Authorized use of Census Bureau Local Employment Dynamics (LED) Program *Quarterly Workforce Indicator* (QWI) series data, which include quarterly hire transaction calculations by sub-state area, detailed industry classification, gender and age.\(^\text{12}\)

**Figure 6**

- Panels (a) and (b) of Figure 6 extend the observation period for panels (a) and (b) of Figure 1 to 20 years; 240 months—January 1986 through December 2005.

**Figure 7**

- Figure 7 extends the observation period for panel (a) of Figure 4 to 20 years—1986 through 2005, and overlays the *Cohort 2 TCA* trend line for the common years 1998-2005 (omitting the common years 1996-1997 because of the outstanding data source artifact issues)

\(^\text{11}\) Contact the France Institute’s FEDES manager, Jane Staveley, jstaveley@ubalt.edu, for information about this data source.

\(^\text{12}\) For information about the Census Bureau LED Program, see [http://lehd.dsd.census.gov](http://lehd.dsd.census.gov). For a recent example of how the QWI series has been used see: David W. Stevens (2006), *New Information to Promote Successful Job Search by Temporary Cash Assistance Recipients*, Baltimore, MD: The Jacob France Institute, University of Baltimore ([http://www.ubalt.edu/jfi](http://www.ubalt.edu/jfi)). Also see many other examples of our use of the LED QWI series data, which can be found at [http://www.ubalt.edu/jfi/meets](http://www.ubalt.edu/jfi/meets) (Market-responsive Education and Employment Training System).
Figure 6: Monthly Cohort 1 TCA Counts and Percentages Over 20 Years

Panel (A)

N On TCA

Panel (B)

% On TCA

Source: The Jacob France Institute, University of Baltimore (August 2006)
Figure 7: Direct Comparison Of Cohort Percentages Of Total Time Receiving TCA, 1998 - 2005

Source: The Jacob France Institute, University of Baltimore (August 2006)
We turn next to three snapshots of earnings reported by employers of the Cohort 1 and Cohort 2 women. Figure 8 shows:

- The distribution of inflation adjusted\(^\text{13}\) earnings for Cohort 1 women (3,001 of 5,336 had some earnings; 56.2 percent) reported to the Maryland Department of Labor, Licensing and Regulation (DLLR) by covered employers for the four quarters of 1995.

- The distribution of earnings for Cohort 1 women (N=3,186 of 5,336 had some earnings; 59.7 percent) reported to DLLR for 2005:1-2005:4.

- The distribution of earnings for Cohort 2 women (N=2,815 of 4,020 had some earnings; 70.0 percent) reported to DLLR for 2005:1-2005:4.

Figure 8 highlights include:

- More than 40 percent of the Cohort 1 women had no Maryland reported earnings when they were age 28 (in 1995) compared to 30 percent of the Cohort 2 women having no Maryland reported earnings when they were age 28 (in 2005).

- When the Cohort 1 women were age 38 (in 2005) 40 percent had no Maryland reported earnings.

- The Cohort 1 women with Maryland reported earnings show inflation-adjusted earnings gains between age 28 and 38, 1995-2005, with the percentage having reported earnings of $30,000 or more increasing from 1.5 percent in 1995 (inflation-adjusted) to 14 percent in 2005.

- A comparison of the Cohort 1 and Cohort 2 women at age 28, 1995 or 2005, shows that 7 percent of the Cohort 2 women had reported earnings of $30,000 or more compared with the 1.5 percent figure for the Cohort 1 women (inflation adjusted).

Table 1 shows the cumulative distribution of earnings for the Cohort 1 women at age 28 (1995 inflation-adjusted earnings) and age 38 (2005 earnings) and for the Cohort 2 women at age 28 (2005 earnings).

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\(^{13}\) Chained Consumer Price Index for All Urban Consumers (C-CPI-U), 2005=100 (http://data.bls.gov/cgi-bin/surveymost).
Figure 8: Distribution of Maryland Reported Earnings

Source: The Jacob France Institute, University of Baltimore (August 2006)

<table>
<thead>
<tr>
<th>Annual earnings range</th>
<th>Cohort 1 1995 cumulative %</th>
<th>Cohort 1 2005 cumulative %</th>
<th>Cohort 2 2005 cumulative %</th>
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<tr>
<td>No reported earnings</td>
<td>43.76</td>
<td>40.29</td>
<td>29.98</td>
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<tr>
<td>Some but &lt; $2,500</td>
<td>59.13</td>
<td>47.92</td>
<td>41.64</td>
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<td>$2,500-$4,999</td>
<td>67.45</td>
<td>51.65</td>
<td>48.36</td>
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<td>$5,000-$7,499</td>
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<td>$7,500-$9,999</td>
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<td>$10,000-$12,499</td>
<td>82.12</td>
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<td>&gt; $34,999</td>
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EMPLOYMENT AFFILIATIONS

Maryland is an 'open' state from a commute-to-work perspective. Many workers live in Maryland and work in Washington, D.C., Virginia, West Virginia, Pennsylvania, New Jersey or Delaware; or vice versa.

Table 2 shows the results of attempts to match valid Social Security Numbers issued in Maryland to Cohort 1 or Cohort 2 women with four sources of 1995 and/or 2005 employment status information:


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<td>2</td>
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<td>MD UI Wage Record</td>
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<td>C 2</td>
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<td>Other State UI Wage Record</td>
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