ADVOCATES FOR CHILDREN & YOUTH
ISSUE BRIEF
Voices for Maryland's Children

Volume 8, Issue 18, February, 2011

The Recession's Impact on Maryland Families

Data Shows Noticeable Growth in Families Facing Economic Distress

Executive Summary

The "Great Recession" has negatively impacted the overall well-being of Maryland's children. Increased participation in safety-net programs over this time period highlight the vulnerable state of Maryland families and children and illustrates the need to protect them from possible budget cuts to these crucial programs.

Background

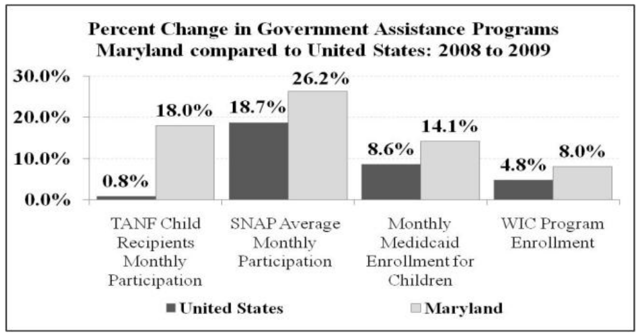
According to a recent study[1], family economic distress in the United States has grown noticeably in 2009 and early 2010 as the effects of the recession linger. Maryland families were no exception to the recession's effects. Data gathered from several sources indicate a significant rise in the enrollment and use of safety-net programs by Maryland families.

Measuring the Impact

From 2007 to 2009, Maryland children living in households with both parents unemployed increased from 1.7 percent to 3.0 percent; which is an increase of 76 percent. Maryland children with at least one parent unemployed during that same time period increased from 3.3 percent to 7.5 percent; an increase of 127 percent over two years[2].

While the unemployment numbers are slightly below the national average, they help to paint the larger picture of the need for families to utilize government assistance programs.

The attached chart illustrates the increase in participation rates for federal safety net programs: a key indicator for measuring the proportion of families in distress. While all states saw an increase in the number of families accessing safety-net programs, Maryland's increases, as compared to the United States as a whole, are significant.



From 2008 to 2009, families applying for Temporary Assistance for Needy Families (TANF) increased 18 percent, WIC enrollment increased 8 percent, Medicaid Enrollment increased by 14 percent and Supplemental Nutrition Assistance Program (SNAP) increased by an alarming 26 percent. Comparing program participation rates between Maryland and the United States shows a 40 percent greater increase than the nation as a whole. In many cases, these figures may be larger because they only represent families that have applied for these safety-net programs, not the number of families that are eligible or who actually enroll. However, states can and do place limits on program enrollment during times of intense economic stress just as the need for these programs increases.

Discussion

With calls to reduce federal spending and close deficits, safety-net programs are almost sure to see budget cuts. However, with the increases in participation and unemployment in Maryland still above 7 percent[3], any cuts to these programs will further impact the economic well-being of already distressed families as well as pushing more families to the brink of economic distress. In this time of fiscal austerity within state and federal budgets, it is imperative that we not forget about the most vulnerable citizens and that we continue to provide for families in need by being creative about ways to fill budget gaps.[4]

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[1] O'Hara, William P., Gutierrez, Florencia (2010) *Children, the Recession and the Safety Net: Data from 2009*. Baltimore, MD: The Annie E. Casey Foundation.
[2] Source: Population Reference Bureau analysis of monthly Current Population Survey files.
[3] Source: Department of Labor Statistics; Dec. 2010 unemployment figure
[4] Advocates for Children and Youth, *Budget Choices and Challenges* (Jan. 2011)

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