The counties and Baltimore City bore the financial burden of their almshouses and out-pensioners alone, although the legislature passed all laws relating to their administration. The State took no direct fiscal responsibility for the poor and destitute; relief came from county taxes. An unusual statewide measure passed in 1816 for the temporary relief of the poor due to "the awful calamity of a scarcity of grain" enabled the counties to borrow, levy, or appropriate funds for their suffering citizens, but no State monies were provided (Chapter 192, Acts of 1816). State funds built a few State institutions in the late nineteenth century, but they were far outnumbered by private charitable institutions. The legislature, recognizing the vital necessity for such private institutions, haphazardly granted annual appropriations to a select and favored few, requiring no accountability or efficiency in return.

Private philanthropy grew profusely, paralleling the growth of private fortunes in the nineteenth century. In Baltimore City especially, private citizens and religious bodies supported soup kitchens, orphanages, hospitals, schools, nurseries, and old-age homes. Private charitable institutions developed to meet public welfare needs not met by almshouses, out-pensions, and the few existing State institutions. Due in part to the multiplicity of charitable institutions, out-pensions in Baltimore City ceased around 1862, and, until outlawed by the legislature, City government instead appropriated funds to private charities. Baltimoreans early realized that while private charitable donations and institutions were more than adequate to meet the needs of the City's poor, distribution was chaotic and inadequate. Two organizations, the Baltimore Association for Improving the Condition of the Poor (1849) and the Baltimore Charity Organization (1881), were formed to organize philanthropy according to the ideals of "scientific charity," which ultimately resulted in the professionalization of social work but also categorized the poor as worthy and unworthy. Both organizations, to avoid duplication of resources, used a central registry of recipients and investigated applications for assistance. Both organizations were concerned more with solutions to underlying causes of poverty than with relief of immediate needs.

Scientific charity attacked in particular the out-pensioner system, which was flawed. For instance, the Trustees of the Poor or the levy court, whichever had responsibility for the pensions, had no authority or manpower to check on recipients without an act of legislature. A person receiving a pension could receive it until death, no matter how circumstances changed. In each county, the process was different with no uniform standard of need or accountability. In contrast, the proponents of scientific charity wanted an organized system with the poor classified and labeled according to need; they believed statistics would provide enlightened forms of relief. Opponents of scientific charity's campaign to end out-pensions argued that most recipients of out-pensions were mothers with children who would be separated if pensions were ended. Progressives working for reforms such as workmen's compensation and child labor laws embraced the mothers' pension issue as well. A federal conference in 1909, the White House Conference on Children, influenced some states to establish mothers' pensions. In 1916, Maryland extended partial relief to widows with children under the age of fourteen. County government administered and funded the pensions, each application was investigated, and a mother's worthiness was considered (Chapter 670, Acts of 1916). Pensions went to the most needy, in case county funds were not sufficient to provide pensions to all acceptable applicants.

The Great Depression beginning in 1929 and the resultant New Deal changed the structure of social welfare. The federal government established and funded programs for jobs, old age pensions, allotments for dependent children, and distribution of surplus food commodities. States were responsible for creating the machinery to issue federally subsidized benefits. In Maryland, the State role in social welfare had begun prior to the New Deal with the creation in 1900 of the Board of State Aid and Charities, the first State agency with any responsibility for social services (Chapter 679, Acts of 1900). The Board did not shape State policy for social welfare or administer programs for the poor; instead,the Board investigated private charitable institutions and recommended to the legislature which were worthy to receive State funds. Beginning in 1922, the Board headed the Department of Charities and received annual reports from the State's two tuberculosis sanitoriums (Chapter 29, Acts of 1922). Retaining its watchdog function, the State Department of Public Welfare replaced the Board in 1939 (Chapter 99, Acts of 1939). The new Department coordinated welfare activities in Maryland, administered Aid to Dependent Children, Old Age Assistance, Assistance to the Needy Blind, and General Public Assistance. It also licensed institutions, agencies, or organizations having custody of either children or the elderly, was empowered to create county welfare boards, and was the State agency authorized to receive federal funds and surplus commodities under any federal act relating to public welfare. Reorganized and renamed, the State Department of Social Services took over duties of the State Department of Public Welfare (Chapter 702, Acts of 1968), until it, too, was superseded by the Department of Employment and Social Services in 1970 (Chapter 96, Acts of 1970). Under the State Department of Public Welfare, county welfare boards had certified eligible persons for employment in the federal Works Progress Administration, the Public Works Administration,