California’s Welfare Recipients

Caroline Danielson
CalWORKs Is Central to California’s Social Safety Net

- Has two aims:
  - Provide immediate income support
  - Improve family self-sufficiency through work and access to work supports

- Changing context
  - 1998, CalWORKs created
  - 1995-2007, large reduction in recipients
  - 2008-2011, smaller but notable caseload growth
  - Since 2008, program resources reduced
CaIWORKs Grants Have Declined...

Average case grant (before inflation adjustment)

Average case grant (after inflation adjustment)
...And Work is Required of Fewer Parents

![Bar chart showing the percentage of parents required to work from 2008-09 to 2011-12. The percentages are as follows:

- 2008-09: 38%
- 2009-10 and 2010-11: 29%
- 2011-12: 25%

Legend: Parent aided, required to work]
Governor Brown Is Proposing Major Restructuring

- Temporary young child exemptions ended
- Parent time limit potentially halved if not meeting work activities hours target
- Sanctions no longer stop time limit clock
- Financial incentive to engage in unsubsidized employment
- Grants cut if no parent eligible
What Did We Find?

- CalWORKs families rely heavily on their grant
- Many families have used CalWORKs for a few years
- Families currently targeted by welfare-to-work services have the highest earnings
- Still, relatively few have part- or full-time jobs
Outline

- Family characteristics
- Income sources and work
- Time on assistance
- Considerations for policymakers
We Studied Families with a Current CalWORKs Grant

- **TANF Data Reports (U.S. DHHS)**
- **Strengths**
  - Representative sample, statewide
  - Data collection standardized
  - Collects family, income and work details
- **Limitations**
  - Restricted detail within subgroups
  - Point in time: Family trajectory not known
  - Most recent public release: FFY 2009
CalWORKs Families Have Young Children and Little Education

- 41% of families have one child
  - Average 2.1 children and 1.3 adults
- 25% have a child younger than 2
- Most parents have low educational attainment
  - Among those with 4 years or less toward their time limit, 40% lack a high school degree
Outline

- Family characteristics
- **Income and work**
- Time on assistance
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CalWORKs Grant Is Largest Source of Family Income

Average monthly income: $1,193

- 44% CalWORKs grant
- 28% CalFresh grant
- 18% Earnings
- 8% Other government assistance (children)
- 3% Other government assistance (adults)
Earnings Differ Across Subgroups...

Parent earnings

- All families: $210
- Aided, work required parent (1-24): $333
- Aided, work required parent (25-48): $399
As Does Employment

Some hours of work

- Additional categories of work
- Unsubsidized employment only

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent</th>
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<tbody>
<tr>
<td>All families</td>
<td>25%</td>
</tr>
<tr>
<td>Aided, work required parent (1-24)</td>
<td>38%</td>
</tr>
<tr>
<td>Aided, work required parent (25-48)</td>
<td>39%</td>
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</tbody>
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Few CalWORKs Parents Work Part- or Full-Time

- All families: 8% work 30 hours or more, 7% work 20-29 hours
- Aided, work required parent (1-24): 14% work 30 hours or more, 12% work 20-29 hours
- Aided, work required parent (25-48): 17% work 30 hours or more, 13% work 20-29 hours
Outline

- Family characteristics
- Income sources and work
- **Time on assistance**
- Considerations for policymakers
Many Have Relied on CalWORKs for a Few Years

Cumulative length of time on CalWORKs

- 46% Two years or less
- 18% Between two and four years
- 13% Between four and six years
- 23% Over six years
Long Periods on CalWORKs Differ across Subgroups

- 90th Percentile: Parent has high school degree or equivalent
- 75th Percentile: Parent has high school degree or equivalent
- 25th Percentile: Parent has some high school education, but no degree
- 10th Percentile: Parent has some high school education, but no degree
Outline

- Family characteristics
- Income sources and work
- Time on assistance
- Considerations for policymakers
Meeting the Income Support Goal

- Families are in immediate need
- But receiving CalWORKs is temporary for many
  - More evident during recessionary times
- California continues eligibility for most families, regardless of parents’ actions
  - Issue of long stays deserves careful consideration
Meeting the Self-Sufficiency Goal

- Few parents work full-time
  - Working families likely to exit CalWORKs
- But parents targeted for welfare-to-work services work more and in wider variety of jobs
Going Forward

- Ideally, CalWORKs provides
  - Short-term assistance
  - Support in moving toward self-sufficiency
- Recently, resources for both goals reduced
- Current opportunity to think through balance of program’s two goals
California’s Welfare Recipients

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Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.