

## CALIFORNIA'S WELFARE CASELOAD

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► **CalWORKs is one component of California's safety net for low-income families.**

Established in 1998, the California Work Opportunity and Responsibility to Kids (CalWORKs) program provides cash assistance to needy families with children. Eligibility is limited to low-income families with few assets. In addition, certain restrictions apply for parents: they must comply with specific work-related rules and must have received less than four years of assistance over their adult lives. Children, however, remain eligible for assistance regardless of the length of time they have been in the program. (California is one of four states to continue assistance to children even when parents are noncompliant or have reached time limits.)

► **Although it is well below its 1990s peak, California's welfare caseload has grown since the recession began.**

The number of welfare recipients in California peaked in the mid-1990s at about 2.7 million adults and children, then declined to fewer than 1.2 million recipients in 2007. The caseload began rising again during and after the Great Recession (which officially began in December 2007 and ended in June 2009). Between 2007 and 2010, the caseload in California grew 27%, compared to only 13% in the rest of the nation.

► **Recent and proposed budget cuts are transforming CalWORKs.**

State budget cuts in July 2009, July 2010, and July 2011 sharply reduced work-support services for families with young children (e.g., subsidized child care services and transportation assistance), shortened parental time limits from five to four years, and reduced the financial support provided by grants. In January 2012, Governor Brown proposed to restore the work-support services provided to parents during their first two years of assistance and to increase financial incentives given to working parents. However, he also proposed to restrict parents who work too few hours to just two years of assistance and services. Families in which children are eligible would see another round of grant reductions and would be transferred from CalWORKs to a new Child Maintenance program.

► **The percentage of CalWORKs-eligible parents who are employed fell during the recession.**

About 35% of CalWORKs parents receiving assistance in 2006 and 2007 had at least some earnings recorded in the state's wage database. By the end of the recession in June 2009, the share of CalWORKs parents with any earnings had dropped to 27%, and this percentage continued to decline slightly in each of the following two years. (Employment trends also declined among *all* California adults.)

► **Nearly half of all CalWORKs families receive financial assistance for children only.**

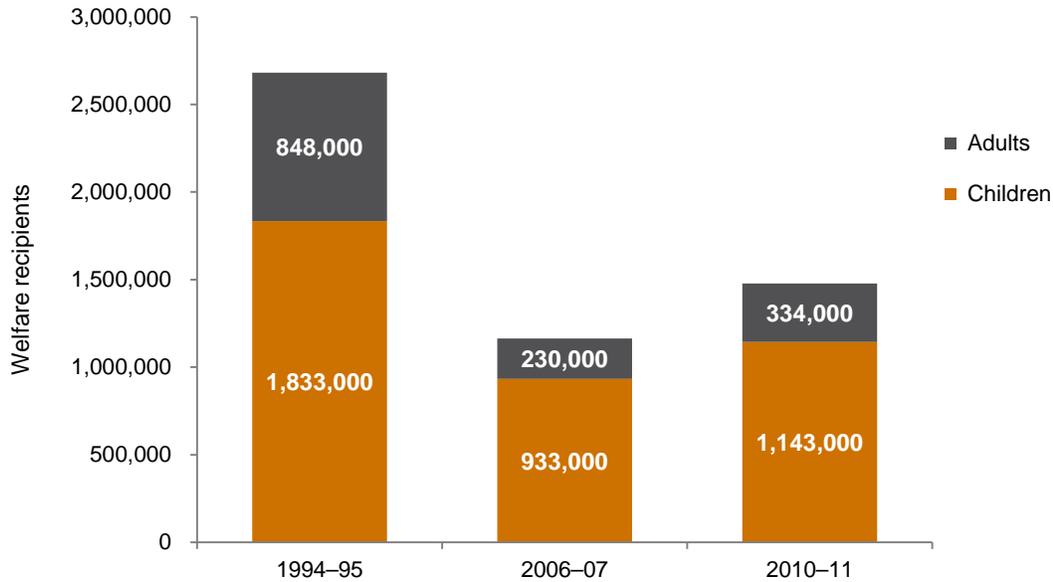
By July 2011, 45% of families in CalWORKs received grants only for the children in the family. Ineligibility among parents as a result of reaching a time limit grew sharply after the 2011 reduction of the time limit from five to four years. A substantial number of parents are ineligible because they are unauthorized immigrants (although their children are citizens), because they are eligible for federal Supplemental Security Income (SSI) instead, or because their children are in the care of relatives.

► **Many California children who live in poverty do not receive CalWORKs financial assistance.**

In 1995, 24% of California children lived in poverty and 20% received welfare assistance. This ratio widened considerably following the recent recession: in 2010, nearly 22% of California children lived in poverty while slightly more than 12% received welfare assistance. It should be noted, however, that some children whose family incomes are above the official poverty line are eligible for CalWORKs, and some children living in poverty are not eligible because they participate in other programs (such as SSI or foster care) or are not citizens.



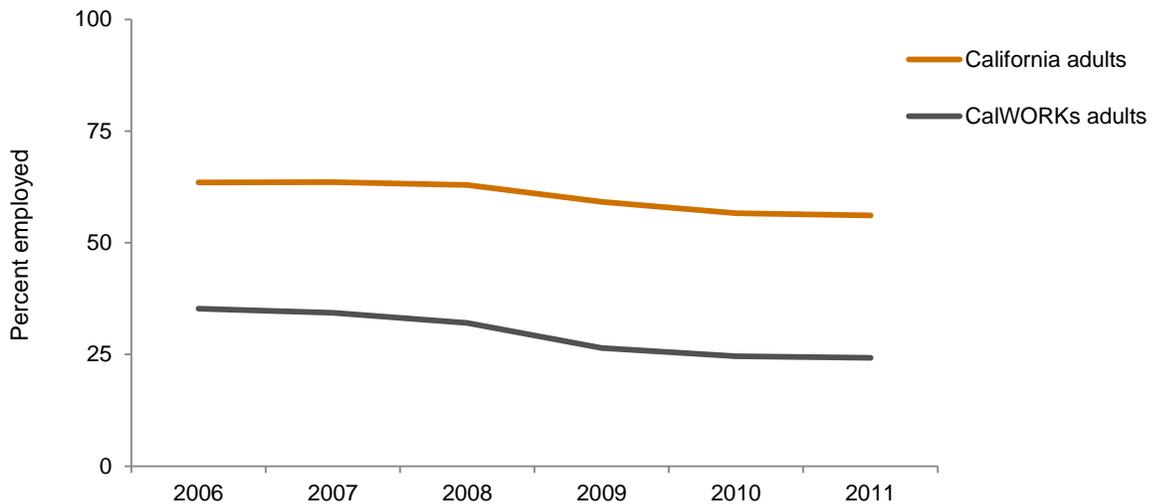
**California's welfare caseload increased during and after the recent recession but remained well below its mid-1990s peak**



**Source:** U.S. Department of Health and Human Services, Administration for Children and Families.

**Note:** Totals include only those family members receiving assistance.

**Employment among CalWORKs adults and all California adults declined during the recession**



**Sources:** California adults: RAND California. California adult employment: U.S. Bureau of Labor Statistics, QCEW. CalWORKs adults and employment: California Department of Social Services.

**Notes:** Percentages based on the first six months of each year. Data for 2011 are preliminary.

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