Child poverty and CalWORKs

January 17, 2018

Caroline Danielson
The program

- CalWORKs rolled out in 1998
  - The successor cash assistance program to AFDC
- Added lifetime assistance limits, work requirements, and sanctions for non-compliance
- A number of changes to time limits and work requirements in the years since
- But children have always been “held harmless”
  - In 2017, 81% of CalWORKs recipients were children
Federal government provides block grants to states, not adjusted for inflation

Some restrictions, but states have discretion in use of federal funds
- California spent about two thirds of its TANF grant directly for CalWORKs ($2.4 billion in 2016-17)
- State Maintenance of Effort funds are required
- State and county CalWORKs funds totaled $2.8 billion

CalWORKs funds are used both for cash assistance and supporting welfare-to-work activities
- California used about 42% of its total state and federal funds for cash assistance
Cash assistance was much more common in the 1990s in California and elsewhere
- 2.7 million participants in 1995
- 1.1 million participants in mid-2017

But in 2015 California assisted 65 for every 100 in poverty, compared with a national average of 23
California’s TANF policies are relatively moderate

<table>
<thead>
<tr>
<th></th>
<th>California</th>
<th>Low</th>
<th>Median</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum TANF grant*</td>
<td>$704</td>
<td>$170</td>
<td>$432</td>
<td>$923</td>
</tr>
<tr>
<td>Income for $0 TANF benefit*</td>
<td>$1,632</td>
<td>$268</td>
<td>$1,081</td>
<td>$2,269</td>
</tr>
<tr>
<td>Lifetime time limit</td>
<td>48</td>
<td>12 months – 60 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time limits and sanctions apply to children?</td>
<td>No</td>
<td>Sanctions: Vermont and New York prorate Time limits: DC, Oregon and Indiana prorate, New York has safety net program</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* For a family of 3.
Average monthly CalWORKs grants (inflation-adjusted) are below pre-recession levels

Source: Author calculations from CDSS, CalWORKs Annual Summary 2017
Research indicates TANF helped some families, but worsened extreme poverty

- Like the federal EITC, introduction of TANF appears to have raised employment among single mothers
- But also associated with a rise in “disconnection”
- Welfare reform experiments indicate that more income, not employment, behind improved outcomes
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:

Caroline Danielson (danielson@ppic.org; 415-291-4462)

Thank you for your interest in this work.