

## WHAT DO WE KNOW ABOUT FORMER CALWORKS RECIPIENTS?

A healthy economy and welfare reform's time limits and work requirements have moved many families off the welfare rolls, both in California and nationally. However, consensus is emerging that steep caseload reductions are not sufficient to consider welfare reform a success; helping families attain self-sufficiency once off welfare is just as important. Limited information exists to begin to answer important questions about how California recipients fare after they leave cash assistance:

- How many welfare "leavers" are working?
- How much are they earning and in what types of jobs?
- Do they receive the child care, food stamps, health coverage, and other supports to which they are entitled?
- Do welfare leavers move out of poverty?
- Do they return to welfare?
- What do we know about people who have left welfare but are not working?
- How do these outcomes differ by region?

Many of these questions may never be fully answered, and complete answers will certainly be complex, due in part to differences in regional economies and county welfare programs. Regional economies in large part define the work opportunities, wage levels, and other labor market conditions confronting welfare recipients. Differences among counties regarding welfare-to-work program design (such as training and education components) and implementation of state policies (such as sanctions) mean that experiences with "welfare reform" vary widely across the state. Thus, conclusions about welfare leavers from Los Angeles County, for example, may say little about the prospects of former recipients in Alpine or Marin Counties.

This *Update* defines welfare "leavers" as former CalWORKs adults whose families no longer receive cash assistance. In many states leavers include a sizable number of people who have been "sanctioned off" the welfare rolls as punishment for not meeting work or other program requirements. This is less often the case in California, since the maximum penalty for not following program rules is a reduction of the family's cash grant by the amount attributable to the sanctioned adult(s). Hence, this report does not address the numerous issues regarding sanction policies or the characteristics of adults who are sanctioned.<sup>1</sup>

Key findings of this analysis, based on a statewide survey and county-level studies, include:

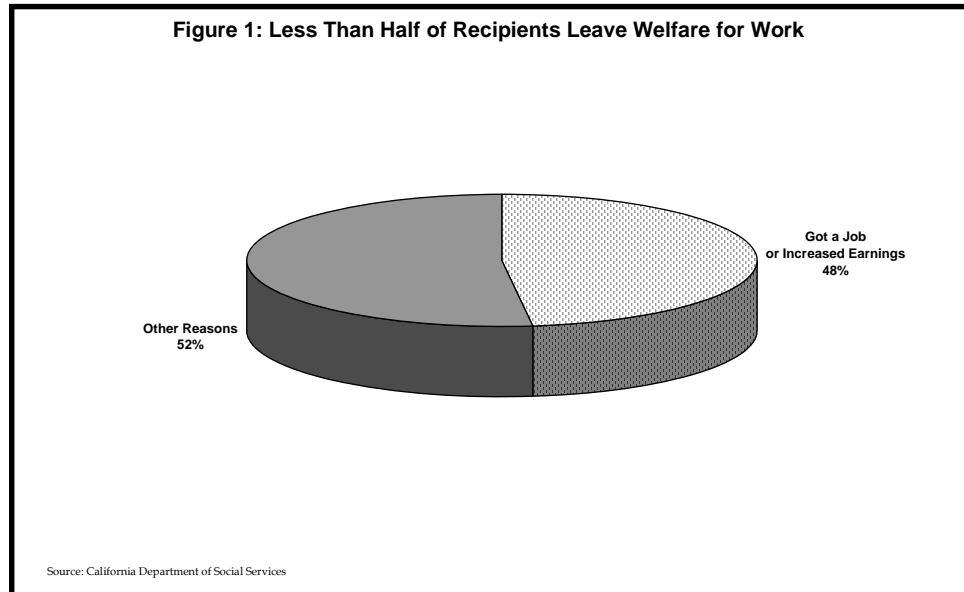
- Over half of leavers surveyed are working; however, their earnings are generally low. Among leavers who are working, earnings tend to be above the federal poverty level but far below what it costs to support a family in California.
- Most leavers are employed in low-wage industries that often have few opportunities for advancement and low levels of employer-sponsored health coverage.
- Many families do not receive the supports designed to help them make the transition to employment and self-sufficiency. These include food stamps, child care, Medi-Cal, and the federal Earned Income Tax Credit (EITC).

- Statewide studies lack basic information such as what types of jobs leavers find, how many hours they work, and how much they earn. Information is nearly absent about leavers in rural areas and differences in key outcomes by race and ethnicity.

## WELFARE LEAVERS: DO RECIPIENTS LEAVE “WORK-FIRST” WITH A JOB?

One of the basic presumptions underlying welfare reform is that work is the best way for people relying on cash assistance to attain self-sufficiency. CalWORKs’ “work-first” orientation, along with that of the 1996 federal welfare law, limits the time that individuals can spend in training and education, based on the theory that the best way to move people off welfare is to get them into jobs as quickly as possible. Under a successful work-first model, recipients would find jobs and retain employment once off welfare.

Several studies have examined how many recipients leave welfare due to earnings from work and how many former recipients continue to work after leaving cash assistance. The California Department of Social Services (DSS) interviewed 142 former CalWORKs recipients between December 1998 and June 1999 and found that more than half (61 percent) were working at the time of the interview.<sup>2</sup> Either the respondent and/or the spouse/partner was working in two-thirds (69 percent) of the households. However, just over half (52 percent) left cash aid for a reason other than work or increased earnings (Figure 1).<sup>3</sup> Three out of eight respondents (37 percent) said their own work or increased earnings was the principal reason; an additional 9 percent said the main reason was that their spouse or other family member got a job. Other frequently cited reasons for leaving welfare included no longer having an eligible child in the household and the rules being “too much of a hassle.” However, results from this survey should be interpreted with caution due to the low response rate and small sample size.<sup>4</sup>



Local studies indicate that similar proportions of leavers are working. The Sphere Institute studied both administrative and survey data to assess the status of leavers from San Mateo, Santa Clara, and Santa Cruz Counties. They find similar employment rates among former recipients. Administrative data, which may underestimate employment, suggest that less than 60 percent of people who left the welfare rolls in late 1998 were employed in the following three quarters.<sup>5</sup> Over half of welfare leavers (56 percent) in these three counties reported working at the time of the interview and about 12 percent reported working 30 hours or more per week when interviewed. Another 39 percent had been employed recently, but were not working at the time.<sup>6</sup> In total, over 70 percent of leaver households had

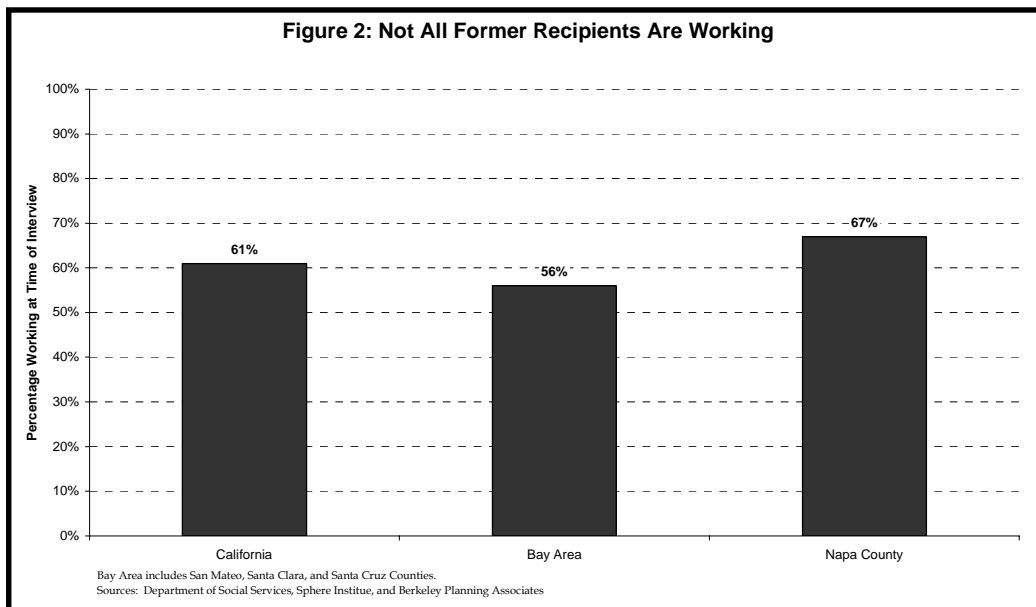
earnings of some kind when interviewed.

It is important to note that San Mateo and Santa Clara Counties are perhaps “best case scenarios” in terms of local economy. San Mateo had the lowest poverty level among California counties in 1997 (the most recent year for which data are available) and the lowest or second lowest unemployment rate among all California counties between 1997 and 2000. Santa Clara County’s unemployment rate over the same period has been slightly higher, but among the lowest in the state, and Santa Clara’s caseload has been higher than the other two counties over recent years. Santa Cruz, with the smallest caseload of the three counties, has an unemployment rate about a percentage point above the state average.<sup>7</sup>

A survey of individuals who left welfare in Napa County, which has an unemployment rate and poverty level well below the state average, found that two-thirds (67 percent) of leavers were employed at the time of the interview. However, this survey may not be representative of all leavers in Napa County due to the low response rate.<sup>8</sup> The survey found that more than half (61 percent) of the respondents left aid due to increased earnings. Over half (58 percent) of those working were employed full time (at least 35 hours per week). Administrative data from Los Angeles County show that half or fewer of 1996 Los Angeles welfare leavers were working in any quarter during the year after they left cash aid.<sup>9</sup>

Little is known about the impact of welfare reform on recipients of different races and ethnic groups in California. However, the number of white adults receiving cash assistance in California has declined more substantially than the number of Latino or African-American adults (37 percent vs. 29 and 24 percent, respectively.)<sup>10</sup> The national picture is similar: the number of white families receiving welfare has declined much more sharply in the late 1990s than the number of African-American or Latino families (51 percent vs. 40 and 32 percent, respectively).<sup>11</sup> Moreover, studies suggest that white recipients may be more likely to become employed and/or receive favorable treatment by welfare agency workers. One survey found that employers in Los Angeles and other cities seemed to be less likely to hire leavers who were non-white or high school dropouts.<sup>12</sup> On the other hand, studies in other states have generally found that African-Americans leaving welfare were more likely to be employed and have higher earnings; findings on the prospects of Latinos have been mixed.<sup>13</sup>

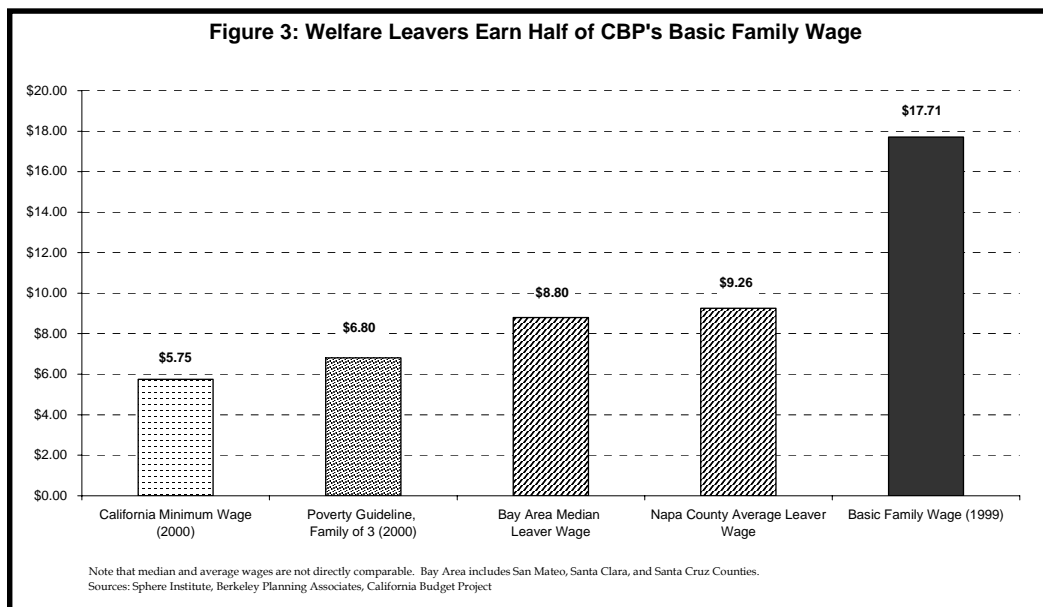
In sum, evidence from county-level research and a state survey indicates that over half, but far from all, former recipients are employed after leaving CalWORKs (Figure 2). While only limited informa-



tion exists on former recipients who are working, even less is known about those who are not working. Studies from other states show similar rates of leavers working: about half from administrative data and slightly more according to surveys.<sup>14</sup> Welfare leavers in these surveys worked an average of 36 to 39 hours per week.<sup>15</sup>

## LEAVERS' EARNINGS ARE LOW BUT MOVE SOME FAMILIES ABOVE POVERTY LINE

Former welfare recipients in areas with strong economies earn about \$9 an hour, according to county-level studies. The median recipient who was working at the time of leaving aid in San Mateo, Santa Clara, or Santa Cruz County in late 1998 earned about \$1,125 a month in the first quarter after leaving. The average leaver in these counties who was working six months later made slightly more – \$1,260 a month.<sup>16</sup> Survey data indicate that the median wage for working leavers in these counties is \$8.80, or \$18,304 for a full-time year-round worker (Figure 3).<sup>17</sup> Median household income from all sources for all leavers (including households in which the leaver was not working) was over \$1,400 a month, according to survey data. The Sphere Institute calculates that the median leaver household had an income of just under the federal poverty level (FPL) in 1999.



The Napa survey reports somewhat higher wages: the average (mean) hourly wage for employed leavers was \$9.26 an hour, and nearly two-thirds (63 percent) of respondents earned over \$8.00 per hour. Over half (61 percent) of the former recipients who were employed would be above the FPL if they worked full-time year-round.<sup>18</sup> The statewide survey conducted by DSS did not ask respondents about wages, so there is no current statewide data.

These wages are well above the state minimum wage and somewhat higher than typical “leaver” wages in other states, but much lower than what it costs to meet a family’s basic needs in California.<sup>19</sup> The CBP estimated in 1999 that California’s high cost of living means that a single parent with two children must earn about \$18 an hour to cover basic expenses.<sup>20</sup> Moreover, not all leavers are working full time or year round, and wage data are currently available only for areas with relatively strong economies.

## **MOST FORMER RECIPIENTS WORK IN LOW-WAGE JOBS WITH LIMITED OPPORTUNITY FOR ADVANCEMENT**

The work-first approach assumes that welfare recipients will not only work their way off cash aid, but also that their wages will eventually be high enough to support a family. However, evidence indicates that leavers often find jobs without promise for advancement. Findings from San Mateo, Santa Clara, and Santa Cruz Counties suggest that earnings rise slowly. Other data indicate that most leavers may find jobs with few opportunities for wage increases. Moreover, these jobs often do not provide employer-sponsored health insurance.

The Napa survey indicates that over two-thirds (71 percent) of working leavers were employed in service, clerical or administrative support, or sales and related occupations – all low-wage jobs. In contrast, less than half (45 percent) of the general population in California works in these occupations.<sup>21</sup> Over one-third (36 percent) of the leavers were employed in service jobs alone. Service and related jobs have an average wage \$9.42 in California, about the same as Napa County leavers' wages. This indicates that wages of former welfare recipients with these jobs may not increase substantially over time. On the other hand, relatively few were working in occupations that tend to pay higher wages. About one in eight leavers (12 percent) were employed in professional, paraprofessional, and technical occupations. These occupations employ 22 percent of the California workforce at an average wage of \$22.02.<sup>22</sup>

Welfare recipients in Los Angeles County who are working (i.e., not welfare *leavers*) are predominately employed in low-wage jobs, according to a recent study by the Economic Roundtable.<sup>23</sup> Of the nearly 60,000 welfare recipients in the county who were employed in the third quarter of 1997, over half (61 percent) were employed in low-wage industries. Moreover, welfare workers were over-represented in the retail trade and certain service industries with below average earnings. In contrast, 14 percent were employed in high-wage sectors such as the information, finance, and insurance industries. While the report did not directly address welfare leavers, it is likely that similar companies employ recipients who leave welfare in Los Angeles County.

State data confirm this trend. A recent analysis of administrative data by the DSS indicates that nearly two-thirds (63 percent) of current and former CalWORKs recipients statewide are employed in the services and retail trade sectors. In comparison, just over half (55 percent) of the overall workforce was employed in these sectors.<sup>24</sup>

The fact that many welfare leavers are employed in low-wage jobs has implications not only for the size of leavers' paychecks, but also for their likelihood of receiving employer-covered benefits. A recent California survey indicates that fewer retail and service employers offer health coverage, as compared to all California firms. Moreover, companies with more low-wage workers are much less likely to offer health insurance than other firms.<sup>25</sup> As discussed in the next section, not all former recipients receive transitional Medi-Cal coverage and thus many may have no health coverage at a time when they may be especially vulnerable.

In sum, the available data suggest that some welfare leavers find employment in high-wage industries; the majority, however, work for low-wage employers with limited options to climb the earnings ladder and few possibilities for employer-provided health coverage.

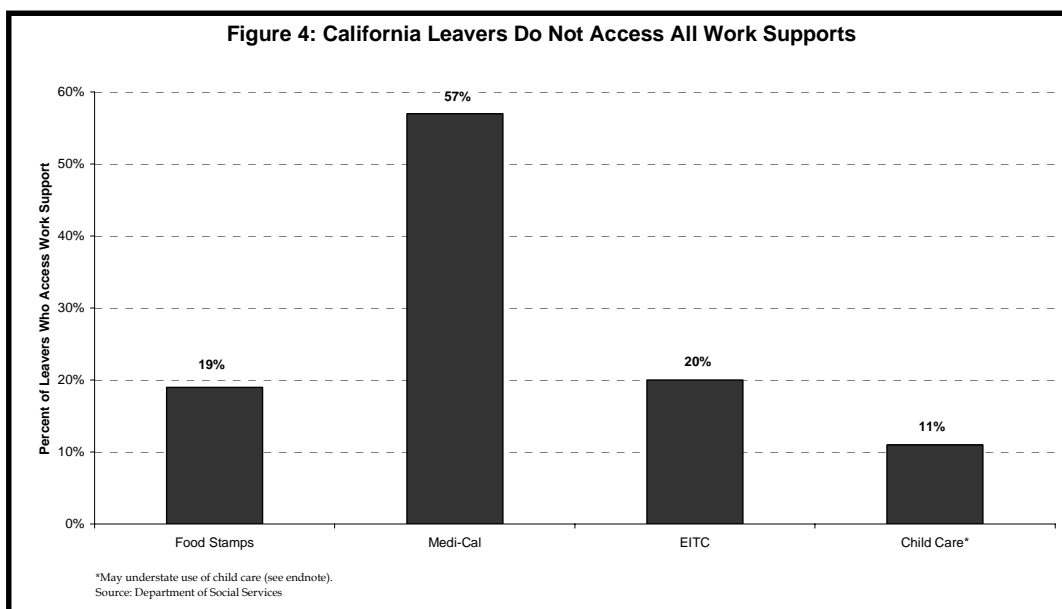
## **MANY LEAVERS RECEIVE FEW WORK SUPPORTS**

Many leavers and their families are eligible for various work supports to help low income families stay

in jobs and support their families. These include food stamps, Medi-Cal, and subsidized child care, as well as the federal Earned Income Tax Credit (EITC). Eligibility for these programs generally depends on a family's income. Despite the importance of these work supports for families in transition off cash assistance, recent studies indicate that many former recipients are not accessing them.

## Food Stamps

A full-time working parent in a family of three can earn up to about \$9 per hour and still be eligible for food stamps. Despite the fact that many leavers earn less than this amount, few receive food stamps. According to the statewide telephone survey, one in five respondents (19 percent) received food stamps (Figure 4). Leavers from three Bay Area counties appear to receive food stamps less often than leavers statewide. Fewer than one in ten (5 to 7 percent) of San Mateo, Santa Clara, and Santa Cruz County leavers received food stamps after leaving cash assistance. The Sphere Institute estimates that over half of leavers in these counties who do not receive food stamps are eligible to receive them.<sup>26</sup> Welfare leavers in Napa County generally received work supports at a higher rate. Despite having slightly higher wages than leavers from the Bay Area counties, nearly one-third of respondents (33 percent) received food stamps.



In eight states and counties studied across the US, between 33 percent and 57 percent of leavers received food stamps just after leaving cash assistance; food stamp receipt fell to between 26 and 40 percent nine months later.<sup>27</sup> Lower usage levels in California may be explained in part by higher income disregards and grant levels, which together allow recipients to “earn off” CalWORKs at higher wages than welfare recipients in other states. This makes people who leave CalWORKs due to earnings less likely to have income that meets the food stamp thresholds, which are set federally. However, it is also clear that many leavers are eligible for food stamps and do not receive them.

## Medi-Cal

Eligibility for Medi-Cal depends on family income as well as the employment status of an adult in the family. If a parent leaves CalWORKs for any reason other than increased earnings, he or she may or may not be eligible for Medi-Cal. However, children of welfare leavers may be eligible for Medi-Cal even if the parents are not.<sup>28</sup>

While Medi-Cal enrollment among welfare leavers is much higher than food stamp receipt, it is far from universal. Just over half of the respondents (57 percent) in the DSS survey received Medi-Cal. Leavers from the three Bay Area counties appear to receive Medi-Cal more often than leavers statewide. Medi-Cal coverage was about 80 percent in the first months after a family left CalWORKs and fell to about 60 percent a year after leaving.<sup>29</sup> Survey data indicate that one in ten children and over 20 percent of adults in families who were previously on cash assistance are uninsured. Coverage among welfare leavers in Napa County was similar to the Bay Area. Two-thirds of the survey respondents (67 percent) had Medi-Cal coverage, and 13 percent of respondents had neither Medi-Cal nor employer coverage.<sup>30</sup>

Research from other states indicates that roughly half of parents in families who have left welfare and over one-third of children in those families lose Medicaid.<sup>31</sup> This is similar to California's overall experience, but lower than receipt in Napa and the three Bay Area counties studied. In addition, studies in other states indicate that significant numbers of welfare leavers have health barriers that may impede their finding and keeping a job.<sup>32</sup>

## **Earned Income Tax Credit**

The EITC works by using the tax system to target cash assistance to low income families with earnings from work, and can boost a family's income by well over 30 percent. A full-time working parent with two children can earn up to about \$15 per hour and still be eligible for the EITC. Despite near universal eligibility among working leavers, usage is low. One in five respondents (20 percent) in the state survey reported using the EITC. About a third of the leavers from the three Bay Area counties who were interviewed had recently claimed the EITC, while over half had never heard of it.

## **Child Care**

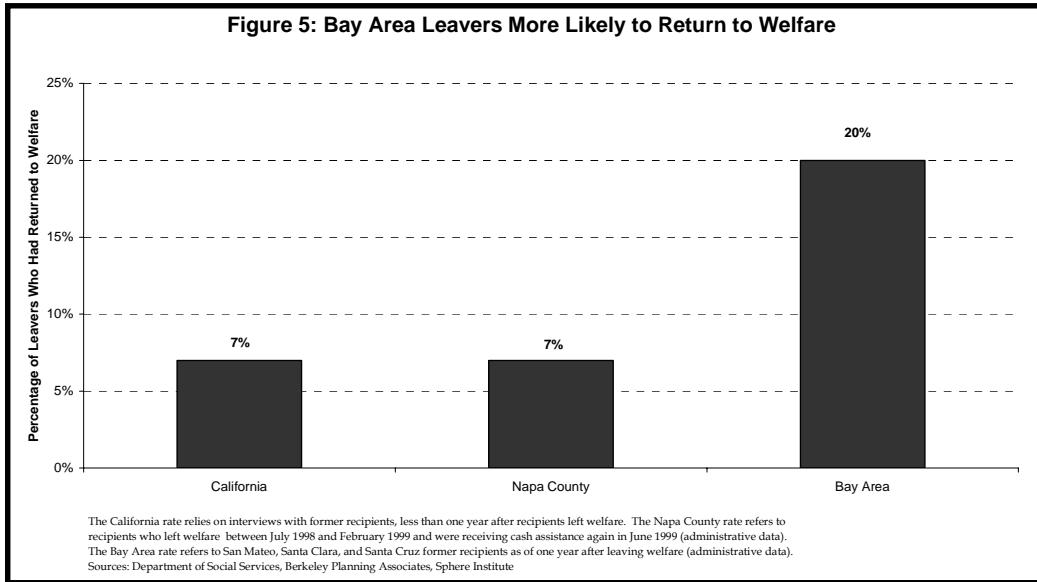
Leavers who are working are eligible for child care assistance for children 12 years and younger for at least two years after leaving cash aid. Only 11 percent of the respondents in the statewide survey reported receiving child care assistance.<sup>33</sup> Many more respondents in Napa County received child care assistance. Nearly one-third (33 percent) of all respondents and close to half (45 percent) of employed respondents received child care assistance.

In sum, use of many work supports, especially food stamps, child care assistance, and the EITC, appears to be quite low among leavers statewide. This likely varies substantially by county. For example, leavers from Napa County appear to use work supports at higher rates than respondents of the statewide survey, and leavers from the three Bay Area counties cited above seem to receive Medi-Cal more frequently than Napa County leavers. In general, though, a substantial number of welfare leavers are not receiving the services and supports for which they are eligible. Many parents may not need to earn \$18 an hour to make ends meet if they receive these work supports. However, the available evidence indicates that this is not the case for many leavers.

## **HOW MANY LEAVERS STAY OFF CASH AID?**

Recent welfare leavers in California do not appear to cycle back onto cash assistance quickly, according to the available evidence. The great majority of the respondents (93 percent) in the statewide survey were not receiving cash assistance at the time they were interviewed (Figure 5). The respondents had been off aid for different amounts of time when interviewed (two to eleven months), so the survey does not permit an estimate of how many people remain off welfare for a given period of time (such as for six months). In Napa County, only 7 percent of cases in the survey pool had returned to

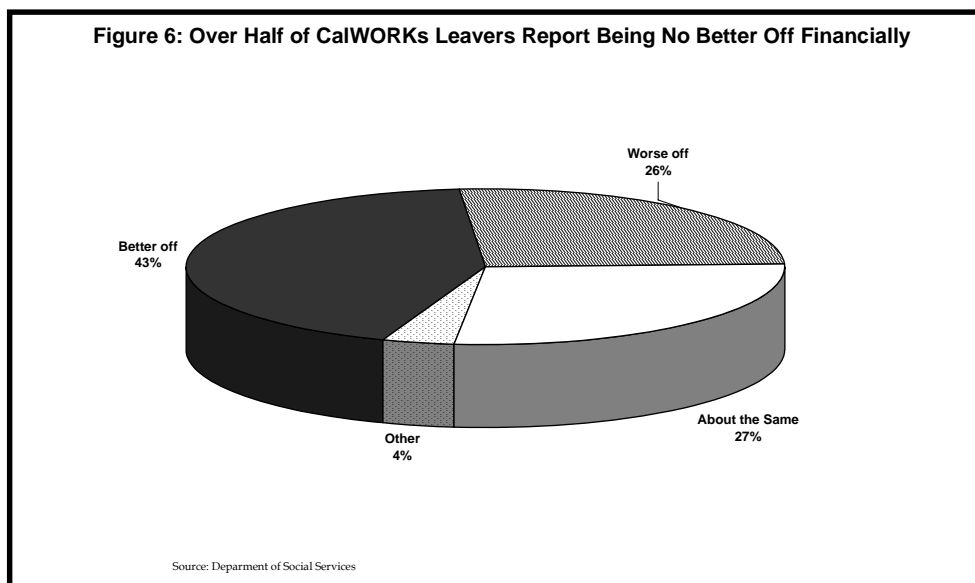
aid by June 1999, within 11 months of when they initially left assistance. About 20 percent of all leavers in San Mateo, Santa Clara, and Santa Cruz Counties received CalWORKs one year later.<sup>34</sup> Families with high earnings when they left CalWORKs were less likely to return to cash assistance.



According to a recent review of welfare leaver studies, about one-quarter of leavers in nine states and counties had returned to cash assistance *at some point* within a year after leaving, which is higher than return rates in California.<sup>35</sup> However, rates of return to cash aid in California vary across studies and evidence comes primarily from counties with healthy economies during periods of strong employment growth. Families may return to cash assistance more quickly when the unemployment rate rises.

### HOW DO LEAVERS RATE THEIR WELL-BEING?

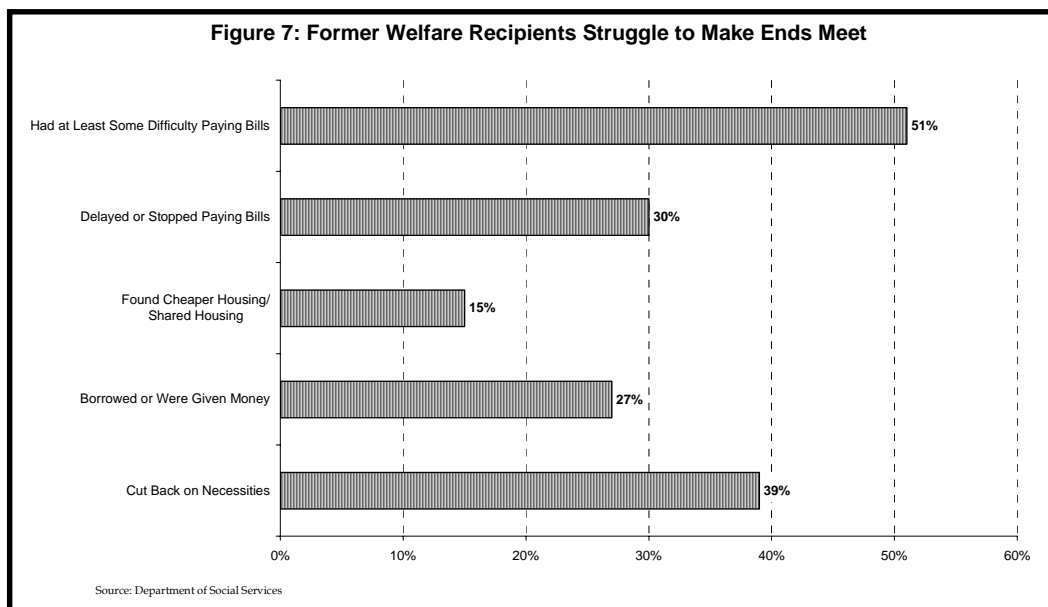
Fewer than half (43 percent) of the respondents in the statewide survey said they were better off financially after leaving aid. About a quarter (26 percent) said they were worse off financially and a





quarter (27 percent) said they were about the same. Thus leavers, on average, report little financial improvement (Figure 6). Half (51 percent) of survey respondents said they were better off overall after leaving aid; 16 percent said they were worse off.

Former welfare recipients struggle to make ends meet. Over a third of the respondents (39 percent) in the statewide survey said they needed to cut back on necessities; 30 percent delayed or stopped paying bills; a quarter (27 percent) borrowed or were given money from friends or family; and 15 percent found cheaper housing or moved in with others. Over half (51 percent) said they had at least some difficulty paying bills, whereas fewer than one in four (23 percent) said they had no difficulty (Figure 7).



Bay Area leavers experience similar difficulties. Nearly one-third (31 percent) of survey respondents in San Mateo, Santa Clara, and Santa Cruz Counties report that there is sometimes or often not enough food to eat in their household. Many of these leavers are eligible for food stamps yet do not receive them, underlining the need for leavers to access the food stamps for which they are eligible. In addition, one-quarter (24 percent) report having excessive rent burdens and over one-third (35 percent) live in crowded housing conditions.<sup>36</sup>

Studies in other states show that California leavers are not alone in experiencing financial difficulties. In Arizona, the District of Columbia, Illinois, Missouri, and Washington, for instance, a quarter or more of former recipients report not having enough to eat, cutting meal size or skipping meals, and being behind on rent after leaving cash assistance.<sup>37</sup> While these numbers are high, they are generally comparable to the experiences reported among those who were receiving cash assistance. In contrast, significantly higher numbers of families in Arizona and Illinois reported being unable to afford or get medical attention after leaving welfare (24 and 31 percent, respectively).

In three states in which leavers were asked to compare their general well-being to before leaving aid, between one in seven and one in five said they were worse off, more than half and up to two-thirds said they were better off, and the rest reported having the same level of well-being.<sup>38</sup> This suggests that leavers in other states view their relative well-being more favorably than California leavers.

## CONCLUSION

Despite CalWORKs' emphasis on finding jobs, not all of the individuals who leave welfare have a job. Among those who are working, earnings are typically quite low, often above the federal poverty level for a family of three but about half of what it costs to raise a family in California. Earnings appear to rise slowly, and most leavers are employed in low-wage industries with few opportunities for advancement and limited access to employer-sponsored health insurance. Even more cause for concern is the high number of families who do not benefit from programs for which they are eligible, such as food stamps, child care assistance, Medi-Cal, and the EITC. The combination of low wages for those who work and the lack of work supports creates a situation of economic difficulty for many families who recently left the welfare caseload.

Information gaps prevent a full understanding of how leavers are doing. There has been no statewide reporting on the wages, hours, and types of jobs that former recipients find. Little is known about variation in outcomes among counties, and the county-level research that has been conducted to date has been in areas with healthy economies. Relatively little is known about those who do not leave welfare with a job, such as how these leavers differ from those who are employed and how they manage without employment or welfare. Finally, differences in outcomes by race and ethnicity have yet to be explored.

The state and counties can take several actions to help fill in the information gaps and help support former welfare recipients and their families:

- **The state should initiate ongoing monitoring and evaluation of welfare leavers, including those without jobs.** This should include surveys regarding wages and hours worked. Without systematic and ongoing tracking of leavers at the state and county levels, it is difficult to understand the effectiveness of welfare reform to improve the lives of low income families in California.
- **The state needs to differentiate among counties and include rural areas in its tracking and monitoring efforts.** Napa and San Mateo Counties are characterized by strong economies and plentiful jobs, a marked contrast to many rural counties, which have not been thoroughly examined.
- **The state needs to monitor outcomes for leavers by race and ethnicity.** Where substantial variation exists, the state should examine the causes and design programs accordingly.
- **The state and counties need to ensure that leavers know about and receive work supports - especially food stamps and the EITC, but also Medi-Cal and child care - to help them in the transition from welfare to self-sufficiency.**
- **Counties should design welfare-to-work programs that are geared toward jobs with opportunities for advancement.** This could help recipients not only move off the welfare caseload, but also obtain jobs that can support a family.

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*David Carroll prepared this Update. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low and middle income Californians. Publication of this Update was supported by grants from the David and Lucile Packard and the William and Flora Hewlett Foundations. This publication is the sixth in a series monitoring the implementation of welfare reform in California. An upcoming Update will examine how the state and counties are spending welfare-related funds. Please visit the CBP's web site at [www.cbp.org](http://www.cbp.org).*

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## ENDNOTES

- <sup>1</sup> Several studies indicate that sanctioned adults are more likely to have barriers to employment, including a variety of health issues. See Eileen P. Sweeney, *Recent Studies Indicate that Many Parents Who Are Current or Former Welfare Recipients Have Disabilities or Other Medical Conditions*, Center on Budget and Policy Priorities (February 29, 2000).
- <sup>2</sup> California Department of Social Services, *CalWORKs Leavers Survey: A Statewide Telephone Survey of Former CalWORKs Recipients* (January 2000).
- <sup>3</sup> Respondents left CalWORKs two to eleven months prior to the interview. Interviewees left cash aid between December 1998 and June 1999 and were interviewed by telephone during the months of July, August, and September 1999.
- <sup>4</sup> The response rate for this survey was 42 percent, much lower than what social science researchers suggest is necessary to describe the situation accurately for those who did not participate in the survey.
- <sup>5</sup> Administrative data may understate the number of leavers employed since they do not include self-employed persons, some agriculture workers, and some government positions. However, administrative data make it possible to track leavers over time.
- <sup>6</sup> The California Budget Project calculates that the response rate for the survey was approximately 66 percent. Anne Moses, David C. Mancuso, and Charles Lieberman, *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data, 12-Month Report*, Sphere Institute (December 2000).
- <sup>7</sup> County poverty data from Census Bureau, Small Area Income and Poverty Estimates Program (November 2000). Annual average unemployment figures from California Employment Development Department, Labor Market Information Division.
- <sup>8</sup> The response rate was 41 percent. Evaluators noted that interview respondents were significantly different from the pool of leavers from which they were chosen in terms of why they left CalWORKs. Deana Goldsmith and Lisa Evans, *Evaluation of the Napa County CalWORKs Program: Participant Outcomes and Post-Program Experiences*, Berkeley Planning Associates (October 15, 1999).
- <sup>9</sup> Data are preliminary and precede the implementation of CalWORKs. Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, submitted by The Urban Institute to the US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (January 4, 2001).
- <sup>10</sup> Decline from October 1996 to Federal Fiscal Year 1999. California Department of Social Services, CalWORKs and Food Stamps Data Systems Design Taskforce, *Temporary Assistance for Needy Families Characteristics Survey, Federal Fiscal Year 1998 and CalWORKs Characteristics Survey, Federal Fiscal Year 1999*.
- <sup>11</sup> Elizabeth Lower-Basch, *"Leavers" and Diversion Studies: Preliminary Analysis of Racial Differences in Caseload Trends and Leaver Outcomes*, US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (revised December 2000).
- <sup>12</sup> Harry Holzer and Michael Stoll, *Employers and Welfare Recipients: The Effects of Welfare Reform in the Workplace*, Public Policy Institute of California (2001).
- <sup>13</sup> Elizabeth Lower-Basch, *"Leavers" and Diversion Studies: Preliminary Analysis of Racial Differences in Caseload Trends and Leaver Outcomes*, US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (revised December 2000).
- <sup>14</sup> Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, submitted by The Urban Institute to the US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (January 4, 2001).
- <sup>15</sup> Includes District of Columbia, Missouri, and Washington. The median number of hours worked was 37 hours (Illinois, which did not report mean hours worked) to 40 hours (District of Columbia, Missouri, and Washington).
- <sup>16</sup> Anne Moses, David C. Mancuso, and Charles Lieberman, *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data, 12-Month Report*, Sphere Institute (December 2000).
- <sup>17</sup> Annualized earnings for the median earner are higher than actual median earnings because not all employed leavers work full time.
- <sup>18</sup> Authors of the evaluations annualized earnings by multiplying reported weekly hours and wages by 50 weeks of work.
- <sup>19</sup> The California minimum wage was \$5.75 during the period covered by these studies, while the mean wage of recent welfare leavers in four other states ranged from \$7.52 to \$8.74 per hour. Survey findings for welfare leavers in 1998 from Arizona, District of Columbia, Illinois, and Washington. Median wage range (not including Arizona) was \$7.00 to \$8.13. Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, submitted by The Urban Institute to the US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (January 4, 2001). See also General Accounting Office, *Welfare Reform: Information on Former Recipients' Status* (April 1999).
- <sup>20</sup> California Budget Project, *Making Ends Meet: How Much Does it Cost to Raise a Family in California?* (October 1999).
- <sup>21</sup> These occupations had an average wage of \$11.78 in California in 1998, substantially lower than the average wage of all other occupations, \$18.39. California Budget Project calculations based on Employment Development Department data. *Occupational Employment Statistics (OES) Survey Results, Occupational Employment & Wage Data 1998* (revised March 30, 2000).
- <sup>22</sup> The average wage does not include teachers and other workers who do not work full time and year round. This has the effect of overstating the average wage.
- <sup>23</sup> Mark Drayse, Daniel Flaming, Peter Force, *The Cage of Poverty*, Economic Roundtable (September 2000).

<sup>24</sup> Analysis included 1998 CalWORKs recipients who had wages reported to the state in the third quarter of 1999, regardless of whether they were still receiving cash assistance. California Department of Social Services, Research and Development Division, *Characteristics of Current and Former CalWORKs Recipients: What We Know from Statewide Administrative Data* (June 6, 2000).

<sup>25</sup> Kaiser Family Foundation and Health Research and Educational Trust, *California Employer Health Benefits Survey* (March 2001).

<sup>26</sup> Among families leaving cash assistance in late 1998. Anne Moses, David C. Mancuso, and Charles Lieberman, *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data, 12-Month Report*, Sphere Institute (December 2000).

<sup>27</sup> Includes primarily families with single parents. Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, submitted by The Urban Institute to the US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (January 4, 2001). See also Pamela Loprest, *Families Who Left Welfare: Who Are They and How Are They Doing?*, The Urban Institute, *Assessing the New Federalism* (July 1999).

<sup>28</sup> For example, infants up to age one are eligible if family income is below 200 percent of the FPL, and children between one and five years of age are eligible if family income is below 133 percent of the FPL.

<sup>29</sup> Medi-Cal receipt is defined as having at least one household member covered.

<sup>30</sup> It is possible that some of these leavers were covered by insurance coverage of their spouses. It is important to note that some respondents, about one in ten, had left Napa County's welfare system, but were most likely receiving cash assistance in another county or state.

<sup>31</sup> Jocelyn Guyer, *Health Care After Welfare: An Update of Findings from State-Level Leaver Studies*, Center on Budget and Policy Priorities (August 16, 2000). See also Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, submitted by The Urban Institute to the US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (January 4, 2001).

<sup>32</sup> See Eileen P. Sweeney, *Recent Studies Indicate that Many Parents Who Are Current or Former Welfare Recipients Have Disabilities or Other Medical Conditions*, Center on Budget and Policy Priorities (February 29, 2000).

<sup>33</sup> The wording of the question and lack of information by respondents might have led to underreporting. The survey asked about receipt of various "welfare services for free or at a reduced cost." The respondent may not necessarily associate some CalWORKs child care programs (e.g., CalWORKs Stage 2 and 3) with "welfare services," particularly since they no longer received cash aid. Moreover, these families may use child care programs not directly related to CalWORKs, such as Head Start.

<sup>34</sup> Based on administrative data.

<sup>35</sup> Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, The Urban Institute (January 4, 2001). Includes District of Columbia. Between 18 percent (San Mateo County) and 35 percent (Cuyahoga County, Ohio) returned to cash assistance within a year of leaving welfare.

<sup>36</sup> Anne Moses, David C. Mancuso, and Charles Lieberman, *Examining Circumstances of Individuals and Families Who Leave TANF: Assessing the Validity of Administrative Data, 12-Month Report*, Sphere Institute (December 2000).

<sup>37</sup> "Not having enough to eat" and "being behind on rent" do not include Washington; "cutting meal size or skipping meals" does not include Arizona. Gregory Acs and Pamela Loprest, *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*, submitted by The Urban Institute to the US Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (January 4, 2001).

<sup>38</sup> *Ibid.* Includes Arizona, Illinois, and Washington.