California families want the ability to put food on the table, keep a roof over their heads, and help their children thrive in their classrooms and communities. For families who struggle to find good-paying jobs, face gender- and race-based discrimination, lack a high school degree, and experience mental illness or trauma, the California Work Opportunity and Responsibility to Kids (CalWORKs) program is critical. CalWORKs is California’s version of the federal Temporary Assistance for Needy Families (TANF) program and supports about 400,000 children throughout the state, providing their families with modest monthly cash grants while helping parents address barriers to employment and find work. Yet as this Issue Brief outlines, the federal program focuses on quickly pushing parents into paid employment over addressing longer-term barriers to work and resources needed to lead thriving lives. State and federal policymakers can change short-sighted, work-first approaches that undermine efforts to work with California families with low incomes and offer them the support they need.
CalWORKs is a Key Resource for Families Living in Poverty

CalWORKs is an important part of California’s safety net. Families turn to CalWORKs because the adults struggle to find a job, or because the wages they earn do not keep them out of poverty.¹ CalWORKs parents face an economy that increasingly requires a postsecondary credential for all but the lowest-paying jobs, a labor market rife with ongoing gender- and race-based discrimination, and workplace practices that make it hard for parents to work and care for their families. ² These dynamics significantly affect CalWORKs parents, who are predominantly women, people of color, and parents of young children (Fig. 1).³

Figure 1

CalWORKs Clients Are Particularly Exposed to an Economy That Discriminates Against Women, People of Color, and Parents

Welfare-to-Work Caseload, Federal Fiscal Year 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>86.5%</td>
</tr>
<tr>
<td>People of Color</td>
<td>78.3%</td>
</tr>
<tr>
<td>Parents of Children Younger than Age 6</td>
<td>62.1%</td>
</tr>
</tbody>
</table>

Source: Budget Center analysis of Department of Social Services data
CalWORKs parents also experience significant challenges that negatively affect both their health and their employment prospects. According to administrative data from the Department of Social Services, on average at least 30.8% of clients each month report having experienced mental health challenges, 20.0% have faced domestic abuse, and 5.4% have struggled with substance use (Fig. 2). Additionally, in almost 4 in 10 (37%) CalWORKs cases, the head of the household did not complete high school. These data reflect national research that TANF parents often face at least one of these barriers, with a significant share experiencing more than one. As the Office of the California Surgeon General has noted, adverse experiences like mental illness, substance use, and domestic abuse, as well as poverty, sexism, and racism, are linked to toxic stress and create negative health outcomes for children and their families. However, though families living in poverty are more likely to face these challenges, they are also unlikely to have access to resources or financial support needed to heal and adapt from their trauma instead of developing toxic stress.

**Figure 2**

**CalWORKs Participants Face Significant Barriers to Employment and Personal Well-being**

Share of CalWORKs Appraisals, Monthly Average for State Fiscal Year 2018-19

![Graph showing experience with poor mental health, domestic abuse, and substance use among CalWORKs participants, with 30.8% experiencing poor mental health, 20.0% facing domestic abuse, and 5.4% struggling with substance use.](image)

*Note: Data are from the Online CalWORKs Appraisal Tool used to assess participant barriers to employment and reflect if a participant has ever experienced a specific barrier. Source: Budget Center analysis of Department of Social Services data.*
These work requirements force Californians to “earn” public support and are based on racist and sexist beliefs that people of color take advantage of public assistance and that the unpaid caregiving that women traditionally provide is not real work.
While CalWORKs parents face mounting discriminatory workplaces, as well as educational and health barriers that limit many participants’ ability to maintain or advance in jobs over the long term, TANF rules focus primarily on getting parents into jobs as quickly as possible. This work-first focus undermines families’ needs and the state’s goals of achieving economic and health security for all Californians. For many families, receiving cash assistance is conditional on engaging in employment or other specified “welfare-to-work” activities intended to lead to employment, such as on-the-job training or unpaid work experience.\(^9\) The federal government evaluates state programs not on how well they serve families in crisis, but on whether they meet specific work participation rate (WPR) targets, defined as the share of families receiving assistance that engaged in a narrowly-defined set of welfare-to-work activities.\(^10\) States that don't meet these narrow targets can lose part of their federal funding. Like other states, California has at times struggled to meet its WPR targets; however, due to appeals and corrective actions, the state has never paid a WPR penalty.\(^11\)

This work-first focus does not address the factors which make it hard for families in low-income households, particularly those led by women and people of color, to find consistent and well-paying jobs. These work requirements force Californians to “earn” public support and are based on racist and sexist beliefs that people of color take advantage of public assistance and that the unpaid caregiving that women traditionally provide is not real work.\(^12\) Though research suggests many clients need both employment-focused activities and those encouraging education and treatment, many welfare-to-work activities related to barrier removal and education do not fully count towards the federally-defined WPR, such as counseling for domestic violence (Table 1).\(^13\)

As states do not want to risk losing funding by missing federal work rates, the WPR penalty discourages states from pursuing longer-term treatment or education that will help parents and families.\(^14\) Ironically, this disincentive to addressing work barriers for families may ultimately hinder states’ efforts to raise WPR. To resolve this conflict, federal policymakers should expand the kinds of activities that fully count toward WPR to include these supportive services. However, in the meantime, states can still take steps to prevent the WPR policy from interfering with the support they provide parents.
<table>
<thead>
<tr>
<th>FOCUS OF ACTIVITY</th>
<th>ACTIVITY</th>
<th>DOES ACTIVITY FULLY COUNT FOR FEDERAL WPR?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsubsidized employment</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Subsidized employment</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>Both Employment and Education and Training</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-the-job training</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Community service</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Unpaid work experience</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td><strong>Job skills training directly related to employment</strong></td>
<td>No Limited to no more than 10 hours a week.</td>
<td></td>
</tr>
<tr>
<td>Adult basic education</td>
<td>No Limited to no more than 10 hours a week.</td>
<td></td>
</tr>
<tr>
<td>Completion of a secondary school program (for those without a high school or equivalent degree)</td>
<td>No Limited to no more than 10 hours a week.</td>
<td></td>
</tr>
<tr>
<td>Education directly related to employment (for those without a high school or equivalent degree)</td>
<td>No Limited to no more than 10 hours a week.</td>
<td></td>
</tr>
<tr>
<td><strong>Issue Brief</strong></td>
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<tr>
<td>----------------</td>
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</tr>
</tbody>
</table>
| **Job search and readiness** | No  
Limited to four consecutive weeks, not to exceed six weeks in a 12-month period. |
| **Vocational educational training** | No  
Limited to four consecutive weeks, not to exceed six weeks in a 12-month period. |
| **Barrier Removal** | Mental health, substance abuse, and domestic violence services |
| **Note:** Analysis is for single-parent families with children ages 6 and over.  
**Source:** Department of Social Services and Congressional Research Service |

The federal government evaluates state programs not on how well they serve families in crisis, but on whether they meet specific work participation rate (WPR) targets.
Recognizing the significant challenges facing CalWORKs families, in recent years California policymakers have made key policy changes intended to better support participants. Through Senate Bill 1041 (SB 1041) in 2012, California established its own CalWORKs participation standards separate from federal standards. Under these state standards, there are no limits on barrier removal and education and these activities are treated as equal to employment activities. The state has also adopted a behavioral approach aimed at helping families set goals (CalWORKs 2.0), created additional outcome measures to evaluate the program beyond the work rate (the California CalWORKs Outcome and Accountability Review or Cal-OAR), and implemented a voluntary home visiting program to support engaged parenting and enhance family health.

Yet a longstanding state policy that makes counties partially liable for any WPR penalty has hampered the effectiveness of these reforms. Counties that miss work rate targets must shoulder half the cost of the WPR penalty, a fiscal threat that pressures counties to prioritize meeting WPR over other goals. An evaluation of the policy changes in SB 1041 revealed how this pressure trickles down to county caseworkers, who can be penalized when the parents they support do not meet the work targets. Consequently, some caseworkers steer clients away from activities like treatment and education that may not meet WPR toward those that will. According to the study, county staff perceived an “inherent conflict” between making WPR and supporting clients under SB 1041. CalWORKs 2.0 and Cal-OAR face similar conflicts. Though the Department of Social Services (DSS) anticipates that these reforms will help increase the state’s work rates in the long term, in the short term counties still risk a penalty for not meeting their target work rates. As WPR remains the only outcome measure for which counties face sanction, it will likely remain the focus for many county caseworkers.
To continue to make progress toward making CalWORKs a program that truly serves families in crisis, policymakers must commit to helping parents address barriers and reject a short-sighted work-first approach that discourages critical counseling and education.

To achieve this goal, state legislators should:

1. **Focus on providing holistic support to CalWORKs parents.**

   CalWORKs parents deal with myriad stressors of poverty, race and gender discrimination, and other challenges that are detrimental to their health and economic security. Policymakers should focus on how to best reject a punitive and compliance-based model in favor of a supportive behavioral approach, including by strengthening CalWORKs 2.0 and Cal-OAR so that success is defined as how well CalWORKs helps parents move out of poverty and meet their personal goals.

2. **Direct the Department of Social Services to remove or revise the WPR penalty for counties.**

   The penalty-sharing policy effectively punishes counties for fully implementing state reforms and pursuing activities that do not count toward the work rate, which is itself the result of misguided work requirements that do little to support parents’ long-term success in employment. Ideally, the state would end the penalty-sharing policy entirely. This shift would allow caseworkers to instead focus on addressing parents’ barriers to work and on supporting their goals. Fiscally, this change would leave the state to shoulder the full cost of any potential penalty, however unlikely. Another option is to shield counties from potential WPR penalties provided they would have met WPR targets if supportive activities fully counted in calculating the work rate. This change would create an incentive for counties to adopt reforms but could also create more administrative costs.
Move away from work requirements.

All Californians should have access to the support they need to meet their basic needs, regardless of whether an adult is working for pay or not. Work requirements are regressive, racist, and sexist and national research suggests they do not even lead to meaningful improvements in stable employment or reductions in poverty. State policymakers should take dedicated steps to reevaluate work requirements in CalWORKs and to consider alternatives that would better support CalWORKs families.

To actually help families living in poverty, CalWORKs needs to support parents with the challenges of poverty and the barriers put before them due to racist and sexist discrimination in workplaces, education settings, and trauma that affects their physical and mental health. State leaders have already taken the initial steps toward the goal of supporting families in a holistic way and must not leave the work unfinished. In the long term, state leaders should also adopt a strategy that commits to strengthening the safety net by ending poverty for CalWORKs families and focus on policies to improve the labor market, including by expanding access to well-paying jobs with benefits, strengthening worker protections against discrimination, and improving the workplace for parents with low incomes so that every California child and family can thrive.


Department of Social Services, *CalWORKs Annual Summary*, 5-6.

Damien Ladd, email message to author, November 29, 2021. Data are from the Online CalWORKs Appraisal Tool used to assess participant barriers to employment and reflect if a respondent has ever experienced a specific barrier. Data reflect the 2018-19 state fiscal year.

Data reflect CalWORKs cases engaged in welfare-to-work and refer to heads of households. See Department of Social Services, *CalWORKs Annual Summary*, 6.


Department of Social Services, *CalWORKs Annual Summary*, xvi.

Work rate targets are 50 percent for all families and 90 percent for two-parent families. These targets can be reduced if the state receives a “caseload reduction credit” for how much the state’s caseload has fallen since 2005 for reasons other than changes in eligibility rules. See Department of Social Services, *CalWORKs Annual Summary*, 51, and Elizabeth Lower-Basch and Ashley Burns. *TANF 101: Work Participation Rate* (The Center for Law and Social Policy, Revised August 2021), [https://www.clasp.org/sites/default/files/publications/2021/08/Aug%202021_TANF%20Work%20Participation%20Rate.pdf](https://www.clasp.org/sites/default/files/publications/2021/08/Aug%202021_TANF%20Work%20Participation%20Rate.pdf).

Penalties start at 5 percent of federal funding with a maximum penalty of 21 percent ($185 million to $777 million in California). Damien Ladd, telephone interviews, August 27, 2021 and September 10, 2021, and Department of Social Services, *CalWORKs Annual Summary*, 68.


SB 1041 allowed participants to operate under these state standards for a cumulative 24 months out of the total lifetime limit of aid. Assembly Bill 79 (2020) repealed the 24-month limit as of May 1, 2022 and clients will be able to engage in these activities for the full period of CalWORKs assistance. See Department of Social Services, Executive Summary: All-County Letter No. 20-120 (November 13, 2020).
