



BY ALISSA ANDERSON

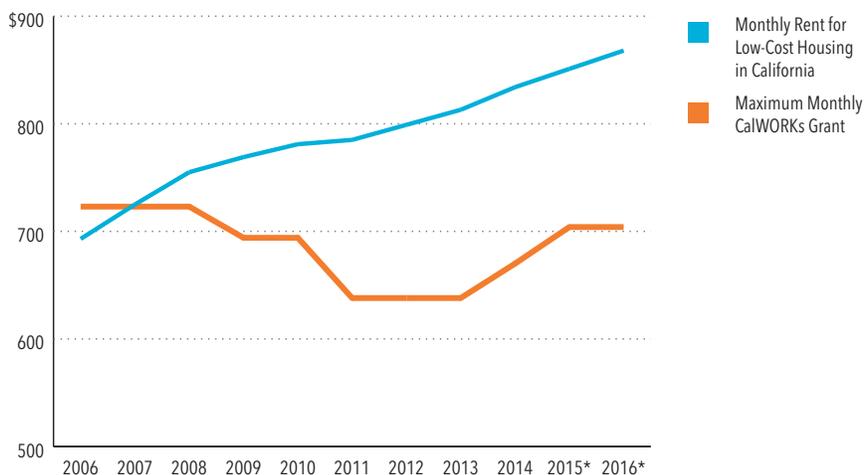
## CalWORKs Grants Fall Short as Rents Continue to Rise

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program provides modest cash assistance to nearly 1 million low-income children while helping parents overcome barriers to work and find jobs. Despite modest increases in recent years, CalWORKs grants still fall far short of allowing families to maintain a decent standard of living. Governor Brown’s proposed 2016-17 budget does not make any new investments in CalWORKs, leaving the maximum monthly grant for a family of three \$19 lower than it was in 2006. Yet monthly rents for low-cost housing – housing priced at the 25th percentile – have steadily increased over the past decade, widening the gap between rents and cash assistance (see figure). In fact, the current maximum CalWORKs grant for a family of three in a high-cost county is *more than \$160 short* of the amount needed to afford low-cost housing in 2016.<sup>1</sup>

Insufficient cash assistance may be putting more families with children at risk of becoming homeless. For example, in Los Angeles County the number of CalWORKs families who reported lacking a stable place to live more than tripled between 2006 and 2015, an increase that far outpaced the roughly 7% increase in all families served by the program during that period.<sup>2</sup> These figures are alarming given that housing challenges can put children at risk of physical and mental health problems and hinder their school performance.<sup>3</sup> In addition, lack of affordable housing could undermine one of the chief goals of CalWORKs: helping parents find stable employment. People who do not have a permanent address or phone number to put on job applications cannot be easily reached by prospective employers,

### CalWORKs Grants Provide Less Support Than in 2006 Even As Rents for Low-Cost Housing Have Risen

Maximum Monthly CalWORKs Grant Compared to 25th Percentile Monthly Rent



\* Rents are estimated based on the compound annual growth rate between 2011 and 2014.  
Note: CalWORKs grant is for a family of three in “high-cost” counties. The Governor’s proposed budget assumes that there will be no increase to CalWORKs grants in the 2016-17 fiscal year, which begins July 1. Rent excludes utilities and reflects all unit sizes.  
Source: Department of Social Services and US Census Bureau, American Community Survey

and homeless parents may not be in a position to attend job interviews if they lack consistent access to showers or interview-appropriate clothing. Employers may also be reluctant to hire people who lack stable homes.<sup>4</sup>

Addressing California's lack of affordable housing will require a significant, multi-year effort by federal, state, and local policymakers. However, state lawmakers can begin to provide relief this year by increasing support for low-income families through CalWORKs. Specifically, state policymakers should:

- **Develop a multiyear plan for raising CalWORKs grants, including by restoring annual cost-of-living increases.** The maximum grant for a family of three has lost more than half of its purchasing power since 1989-90 and currently does not provide enough support on its own to lift a parent raising two children above half of the federal poverty line.<sup>5</sup>
- **Expand and strengthen CalWORKs housing supports.** Increasing funding for the Housing Support Program (HSP), which was created in 2014 to help CalWORKs families secure stable housing, would allow more families to keep a roof over their heads and avoid homelessness.<sup>6</sup> Further, removing strict limitations on how often and for how long parents can access support through the Homeless Assistance Program, which predates the HSP, would also help.<sup>7</sup> Parents are generally eligible to receive assistance through this program just *once in their lifetime*, even if they experience multiple episodes of homelessness. Moreover, this program provides modest payments for temporary shelter for just 16 consecutive days, even if families do not find permanent housing by the end of that period.<sup>8</sup>

By strengthening CalWORKs in these ways, policymakers could improve the well-being of low-income families and expand opportunities for parents to move up the economic ladder.

<sup>1</sup> Low-cost housing is estimated based on the compound annual growth rate of 25th percentile contract rent in California between 2011 and 2014, as reflected in the US Census Bureau's American Community Survey. Contract rent at the 25th percentile differs from "fair market rents" (FMRs), which are determined by the US Department of Housing and Urban Development. FMRs generally represent the 40th percentile of rents paid by recent movers to an area.

<sup>2</sup> Personal communication with the Los Angeles County Department of Public Social Services on March 2 and 3, 2016. These figures reflect CalWORKs families in Los Angeles County in July 2006 and July 2015.

<sup>3</sup> Will Fischer, *Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children* (Center on Budget and Policy Priorities: Updated October 7, 2015), p. 2.

<sup>4</sup> National Alliance to End Homelessness, *Overcoming Employment Barriers for Populations Experiencing Homelessness* (August 21, 2013).

<sup>5</sup> The maximum grant for a family of three in all counties is around 40% of the poverty line. See Alissa Anderson, *CalWORKs Grants Fall Short of Covering Housing Costs* (California Budget & Policy Center: February 2016). Even CalWORKs and CalFresh food assistance combined leave many families living in poverty. See Kristin Schumacher, *Even CalWORKs and CalFresh Food Assistance Combined Fails to Lift Families Out of Poverty* (California Budget & Policy Center: April 2015).

<sup>6</sup> County human services agencies report receiving over 4,000 requests for assistance from homeless families every month. Although not all of these families are eligible to receive HSP assistance, this figure suggests that there is a significant need for housing assistance among CalWORKs families.

<sup>7</sup> The Homeless Assistance Program provides eligible families with "temporary" housing assistance – a modest cash benefit to help pay for temporary shelter for no more than 16 consecutive days – and/or "permanent" housing assistance – help covering either (a) their last month's rent and security deposit in order to secure housing or (b) up to two months of unpaid rent in order to avoid eviction. Under certain circumstances, families can receive both "temporary" and "permanent" housing assistance. For example, if a family remains homeless after receiving temporary shelter payments, they could receive assistance paying for a security deposit once they find housing. However, if a family receives "permanent" housing assistance without ever having received "temporary" assistance, they are typically not eligible to receive any additional support through the Homeless Assistance Program – whether "temporary" or "permanent" – due to the program's "once in a lifetime" limit on assistance. Personal communication with the Los Angeles County Department of Public Social Services on March 16, 2016.

<sup>8</sup> In addition, assistance with rent payments is only available to families that "have found permanent housing costing no more than 80 percent of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size." Welfare and Institutions Code, Section 11450. This means that a family of three receiving the maximum monthly CalWORKs grant in a high-cost county (\$704) would have to find housing with a rent payment of no more than \$563, which is \$305 less than the 25th percentile rent in California in 2016.