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PROPOSED BUDGET CUTS COME AT A TIME OF GROWING NEED More Californians Turn to Public Programs as Food Prices, Unemployment Rise

SACRAMENTO - A new analysis by the California Budget Project (CBP), a nonpartisan public policy research group, shows an increased demand for public programs at a time when state policymakers have proposed deep cuts to health and human services programs to help close the budget gap.

The new report, *Proposed Budget Cuts Come at a Time of Growing Need*, shows that as many low- and middle-income Californians are finding it increasingly difficult to make ends meet, more are turning to programs such as Healthy Families, Medi-Cal, Food Stamps, CalWORKs, and WIC.

"These tough economic times underscore the vital role that government plays in people's lives. Public programs provide a lifeline that help keep California's families afloat when they struggle to make ends meet," said Jean Ross, executive director of the CBP. "As policymakers work to solve California's fiscal crisis, they should be mindful that we're in an economic downturn where it's more important than ever that California retain a strong safety net for those in need."

The report found:

- **Food prices are up.** In addition to facing a declining economy, Californians face a sharp rise in food prices. Nationally, the price of food eaten at home increased by 7.6 percent between September 2007 and September 2008 - the highest year-over-year increase in food prices since February 1990.
- **California's unemployment rate reached its highest level in more than a decade.** California's unemployment rate reached 8.4 percent in November 2008 - its highest level in 14 years.
- **The number of Californians receiving food stamps has risen substantially.** The number of Californians receiving food stamps increased by 13.8 percent (288,212) between September 2007 and September 2008 - nearly four times the increase during the prior 12 month period (3.7 percent).
- **The number of women and children enrolled in the WIC Program has increased steadily.** The number of Californians enrolled in the Women, Infants, and Children (WIC)

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Program, which provides food assistance and other services to low-income women and young children, increased by 1.4 percent (19,421) between the third quarters of 2007 and 2008, and by 3.6 percent (48,453) between the third quarters of 2006 and 2007.

- **Healthy Families enrollment is up.** The number of children enrolled in this program, which provides low-cost health coverage to children in low-income working families, increased by 5.8 percent (48,544) between September 2007 and September 2008.
- **More Californians are enrolled in Medi-Cal.** Between June 2007 and June 2008, the number of people enrolled in Medi-Cal rose by 2.0 percent (132,267) compared to a 0.3 percent increase during the prior 12 months. This trend reflects Californians losing employer-based health coverage and turning to public programs for assistance.
- **The number of families receiving cash assistance through the CalWORKs Program is up.** The CalWORKs caseload increased by 5.9 percent (26,914) between September 2007 and September 2008, marking a reversal from the prior year's trend, when the caseload declined.

The full report is available at www.cbp.org.

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The California Budget Project (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. Support for the CBP comes from foundation grants, publications, and individual contributions. Please visit the CBP's website at www.cbp.org.