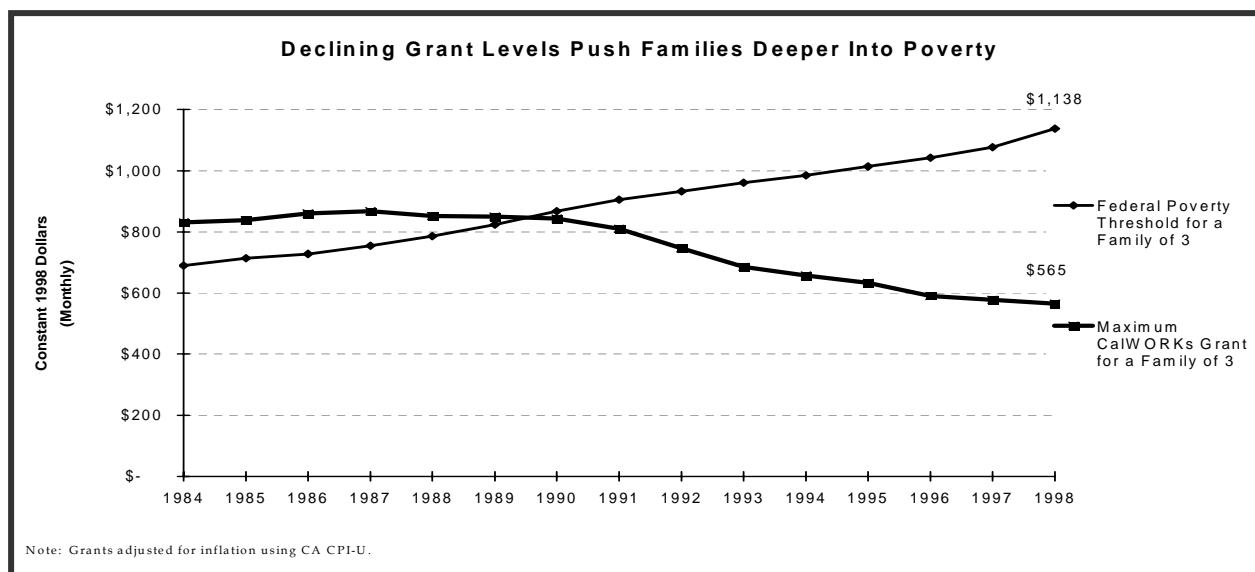


July 28, 1998

DECLINING GRANT LEVELS PUSH FAMILIES DEEPER INTO POVERTY

- The maximum monthly CalWORKs grant for a family of three (\$538 in low-cost counties and \$565 in high-cost counties) is approximately half the 1998 federal poverty threshold.
- If CalWORKs grant reductions and cost-of-living adjustments (COLAs) are not restored, grant payments will be 34 percent lower than they were a decade ago, after adjusting for inflation. While the purchasing power of welfare grants declined in all but two states between 1990 and 1997, California's drop was the largest of any state in the nation. The drop in the purchasing power of California's grant levels was more than twice the drop in the national average.
- California's child poverty rate was the 9th highest in the nation in 1996. Permanent grant reductions and COLA suspensions will push California children deeper into poverty.



- CalWORKs recipients with two children will receive less than the equivalent of the state minimum wage for every hour they participate in required work activities if grant reductions and COLAs are not restored in November.
- Over half (56 percent) of the families receiving CalWORKs live in counties where the Fair Market Rent for a one-bedroom apartment is *more* than the maximum grant for a family of three; 91 percent live in counties where the fair market rent for a one-bedroom apartment is at least 80 percent of the maximum grant levels for a family of three. This leaves many families with no or minimal resources to pay for essentials such as a telephone, diapers, or transportation.
- Even if the 4.9 percent CalWORKs grant reduction and COLAs are restored, four out every five welfare families will live in counties where the fair market rent for a one-bedroom apartment is at least 80 percent of maximum grant levels for the region.