CalWORKs and Poverty in California: An Overview

A PRESENTATION BY
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The Budget Center was established in 1995 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The Budget Center engages in independent fiscal and policy analysis and public education with the goal of improving the economic and social well-being of low- and middle-income Californians. Support for the Budget Center comes from foundation grants, subscriptions, and individual contributions. Please visit our website at calbudgetcenter.org.
Economic security for low- and middle-income families in California has eroded over the past generation.
Only California’s Wealthiest Saw Increases in Average Income Over the Last Generation

Percent Change in Average Adjusted Gross Income (AGI), 1987-2012, Inflation-Adjusted

Source: Franchise Tax Board
One in Seven Californians and One in Five California Children Lived in Poverty in 2013

Percentage of Californians With Incomes Below the Federal Poverty Line

Source: US Census Bureau
The state budget is a statement about California’s values and priorities.

In recent years, budget cuts have weakened key services and supports that help ensure that economic prosperity is broadly shared.
Nearly Four in Five Californians Who Receive CalWORKs Cash Assistance Are Children

Number of Individuals Receiving CalWORKs Cash Assistance in November 2014 = 1,301,236

Source: Department of Social Services
The CalWORKs Grant Has Lost One-Fifth of Its Purchasing Power Since 2007-08

Maximum Monthly CalWORKs Grant for a Family of Three in a High-Cost County

*2015-16 proposed.
Note: Actual maximum grant for 2014-15 reflects a 5 percent increase scheduled for April 2015. The Governor’s proposed budget does not provide a grant increase in 2015-16. Inflation adjustment is based on the California Necessities Index. Source: Budget Center analysis of Department of Social Services data.
Under the Governor’s Proposal, CalWORKs Grants Would Remain Far Below the Deep-Poverty Threshold

Annualized Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line

Note: Grants are for high-cost counties beginning in 1996. Prior to 1998, grants were provided through the Aid to Families with Dependent Children Program. The 2015 grant reflects a 5% increase scheduled for April 2015. Source: Budget Center analysis of Department of Social Services, US Department of Health and Human Services, and US Social Security Administration data.
The CalWORKs Grant Is Lower Than Cash Assistance for Families in 22 States, When Compared to Housing Costs

Maximum Monthly Grant for a Family of Three as a Percentage of the Fair Market Rent, 2014

Note: The Fair Market Rent is for a two-bedroom apartment.
Source: Center on Budget and Policy Priorities and National Low Income Housing Coalition
Even CalWORKs and CalFresh Food Assistance Combined Fails to Lift Families Out of Poverty

Maximum CalWORKs Grant and CalFresh Assistance as a Share of the 2015 Federal Poverty Line

Note: The CalWORKs grant is for a family of three in a high-cost county and reflects the 5 percent increase scheduled for April 2015. Source: Department of Social Services, Legislative Analyst’s Office, and US Department of Health and Human Services
Families Currently Lose CalWORKs Cash Assistance Before Their Incomes Lift Them Out of Poverty
Under the Governor’s Proposal, the Income Limit Would Remain Below the Federal Poverty Line

* Income limits are for high-cost counties and are partly based on the maximum CalWORKs grant level. The Governor’s proposed budget does not provide a grant increase in 2015-16.
Source: Department of Social Services and US Department of Health and Human Services
Poverty Imposes Steep Costs on Children, Families, and Society

Children are affected by poverty in many ways, and those who live in deep poverty are particularly susceptible to the effects of economic hardship.

Children living in poverty are more likely to:

- Fall behind academically
- Experience greater emotional and behavioral problems
- Face a variety of health problems

As adults, these children are more likely to:

- Experience health problems
- Have less education and lower earnings
- Live in poverty