



PRESS RELEASE
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WHAT HAPPENS AFTER WELFARE RECIPIENTS LEAVE CalWORKs?

After CalWORKs, some work. Many don't. And it's harder with a tough economy.

(Sacramento) – While California's welfare caseload has dropped steeply since 1995, a new California Budget Project (CBP) *Welfare Reform Update* reports that many former recipients are not working, and many who do work do not earn enough to make ends meet in California.

Moving Beyond Welfare: What Do We Know About Former CalWORKs Recipients? takes a close look at data available on California's welfare "leavers" to assess how well they have fared when transitioning from CalWORKs to employment and self-sufficiency. Using data from major California metropolitan areas, other states, and the nation, the *Update* looks at why individuals leave welfare; their success in getting jobs; the extent to which they participate in programs designed to help them transition to employment and self-sufficiency; the hardships they face after leaving cash assistance; and how many return to welfare.

"CalWORKs was created to help welfare recipients transition to work where they can support themselves," said Scott Graves, a CBP policy analyst and author of the report. "Reducing welfare rolls is not – by itself – an adequate measure of success for CalWORKs. The program can only be called a success if recipients who leave are working and able to provide for their families' needs. Our analysis shows that quite often, that is not the case."

Among the new report's findings:

- While many recipients cite employment or increased earnings as the reason for leaving CalWORKs, only about half of California recipients who left welfare in 1999 were working in any given quarter during the follow-up period.
- National data indicate that the weaker economy has made it even tougher for welfare leavers to get jobs, with only 42 percent of 2002 leavers throughout the nation being employed, as compared to 50 percent in 1999.

- The typical leaver in Los Angeles County and some Bay Area counties who worked after leaving welfare in the late 1990s was earning well above the state minimum wage, but much less than what's needed to provide for a family's basic needs in California. Moreover, more than half of Los Angeles County leaver families who left welfare in the late 1990s had household incomes below the federal poverty level.
- Many leaver families experience hardships after they stop receiving cash aid, including not having enough food to eat. In addition, many of these families do not benefit from programs designed to help them transition from welfare to work, including food stamps, Medi-Cal, child care, and the federal Earned Income Tax Credit.

“While recipients are transitioning off of CalWORKs, many of them are clearly not finding or keeping jobs,” said CBP Policy Analyst Scott Graves. “In addition, even many of those who are working don't earn enough to meet their basic needs and tend to work in jobs with little chance of advancement. In these areas, CalWORKs clearly needs improvement.”

For CalWORKs to work effectively, the CBP *Update* recommends that the state and counties:

- More closely monitor and evaluate the progress of those who leave welfare – both those who are working and those who are unemployed;
- Better educate and assist leavers in taking advantage of programs, such as food stamps and Medi-Cal, designed to help them effectively transition to self-sufficiency;
- Ensure that programs focus on helping leavers get jobs with greater opportunities for advancement so that they can move toward self-sufficiency.

For copies of this *Update*, please visit our website at www.cbp.org or call our office at (916) 444-0500.

The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic issues. The 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.

Reporters who agree to honor the January 6, 2004 embargo may download Moving Beyond Welfare: What Do We Know About Former CalWORKs Recipients? from www.cbp.org/2003/r0312leaversupdate.pdf.