

# **A Window on Welfare Reform: Early Impacts on Families and Communities in Los Angeles County**



**COUNTY OF LOS ANGELES**  
**Chief Administrative Office**  
**Service Integration Branch**  
**CalWORKs Evaluation Services**

Manuel H. Moreno, Ph.D., Principal Investigator

Michael Licher, Ph.D.

*and*

Beverly Burr, M.A.

Nicole Eisenberg, B.A.

Elizabeth González, M.A.

John Horton, Ph.D.

Vandana Joshi, Ph.D.

Linda Shaw, Ph.D.

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**Chief Administrative Office  
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CalWORKs Evaluation Services**

David E. Janssen, Chief Administrative Officer

Alisa Drakoididis, Administrator  
Service Integration Branch

Manuel H. Moreno, Principal Investigator  
CalWORKs Evaluation Services

## Preface

This report is part of a multi-year evaluation effort initiated by the Los Angeles County Department of Public Social Services (DPSS). The aim of the evaluation project, which is entitled, *Evaluating CalWORKs in Los Angeles County*, is to analyze the impact of welfare reform in Los Angeles County. The Project follows guidelines established in the CalWORKs Performance Monitoring and Evaluation Plan approved by the Los Angeles County Board of Supervisors in 1998. The Plan's three major objectives are 1) measuring the success of welfare-to-work; 2) monitoring the effectiveness with which welfare reform has been implemented and administered; and 3) evaluating the impact of CalWORKs on families, children and communities in Los Angeles County. This report focuses on the third objective of the plan, evaluating the impact of CalWORKs on communities and families in Los Angeles County.

This report focuses on the impacts of welfare reform on families and communities during the first 21 months of its implementation in Los Angeles County. Because the implementation of welfare reform in Los Angeles County coincided with a period of sustained economic growth, it was difficult to analytically separate the effects of the reform program itself from the more general economic expansion. Whatever the underlying causes may be, however, welfare reform at least partially correlated with some positive outcomes for families and communities in Los Angeles County.

In Los Angeles County Temporary Aid to Needy Families (TANF) caseloads are down substantially since the mid 1990s, and the number of single-parent families aided in the county declined by about a third between 1995 and 1999. Although the vast majority of welfare families continue to live in poverty, poverty rates have declined among two-parent welfare families since the implementation of CalWORKs. Moreover, single mothers in the County have entered labor markets at unprecedented rates during the 1990s, even though their wages have remained flat.

The proportion of welfare cases that have been assisted for more than five years increased in Los Angeles County since early 1998 to October 1999 (time-period of current report), as has the proportion of families on aid for two years or less. This suggests that there are segments within the County's welfare population that face barriers in making the transition from welfare to work. In addition, a high proportion of families who have left welfare have not taken advantage of benefits for which they continue to be eligible such as Medi-Cal and Food Stamps.

With time and more research, observers will be able to provide comparative perspective necessary to fully understand the ways in which the implementation of welfare reform policies in Los Angeles County have served the region's families and communities. The significance of this report lies in the fact that it provides an initial basis upon which such a perspective can be built.

Manuel H. Moreno, Ph.D.  
Principal Investigator

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# Executive Summary

The California Work Opportunity and Responsibility to Kids (CalWORKs) program has been in operation in Los Angeles County since January 1, 1998. This new program, which replaces Aid to Families with Dependent Children (AFDC), brings a number of changes to the provision of public aid to needy families, including the imposition of time limits on aid receipt, the addition of a broad work requirement for adults, and the provision for a number of supportive services including post-employment services, transportation assistance, and child care. The legislators who created CalWORKs hoped that it would have beneficial effects on aided families and the broader communities in which they live. Those effects, or impacts, are the subject of this report.

The orienting principles for this report come from the legislation that created CalWORKs. The Welfare-to-Work Act of 1997 stated that the intent of the California Legislature in enacting welfare reform was to:

- ◆ Reduce child poverty in the State;
- ◆ Reduce dependence of needy parents on government benefits by promoting job preparation, work, and marriage; reduce out-of-wedlock births; and encourage the formation and maintenance of two-parent families; and
- ◆ Ensure that CalWORKs implementation does not result in unanticipated outcomes that negatively affect child well-being, the demand for County general assistance, or the number of families affected by domestic violence.

Measuring the success of CalWORKs in meeting these broad goals is not simple. First, there are many factors aside from public assistance that affect, for example, the prevalence of poverty, the formation of families, and the incidence of

domestic violence. Changes caused by welfare reform are not easily separable from those caused by other factors, such as economic growth. Second, although CalWORKs has been in operation in Los Angeles County since January 1, 1998, some provisions, such as one-time diversionary payments to keep families off welfare, had yet to be implemented, as of March 2000. Third, some impacts need more time to mature, such as, developing job skills, moving into a viable career, or meeting and marrying a partner. Fourth, scientific approaches to measuring welfare reform impacts, is a complex process, with new methodologies still being tested to measure data at various levels.

These factors place limits on what can be accomplished within the timeframe of data used in this report (i.e., case management data from April 1998 to October 1999). This report is the first in a series of reports on impacts in Los Angeles County, it aims to highlight important positive and negative trends related to welfare reform in Los Angeles County. It also aims to inform program administrators and policy makers about data needed to enhance the usefulness of the evaluation project and allow more precise measurement of impacts in the future.

Following national trends, social indicators in Los Angeles County have improved since the area emerged from the deep recession of the early 1990's. During the recession, unemployment and poverty rose, more jobs were destroyed than created, and poverty and welfare caseloads increased. By late 1995, unemployment, welfare caseloads, poverty among female-headed households, crime rates, teen birth rates, and a number of other negative indicators of family, child, and community well-being had peaked and began improving—with Federal, State, and local welfare reform still in the future.

This report's findings of specific positive and negative outcomes are as follows:

- ◆ For Los Angeles County as a whole, a diverse set of measures of family, child, and community well being either stabilized or improved between 1992 and 1999. To determine whether CalWORKs had either positive or negative impacts on these measures, ten "target" communities were chosen where high proportions of the residents were CalWORKs recipients. These communities were more likely to reveal the effects of welfare reform than by observing the County as a whole. However, in the target communities, the observed measures improved or deteriorated in the same manner as in the County as a whole suggesting that CalWORKs neither facilitated nor impeded progress with regard to family, child, and community well being.
- ◆ Following a national pattern, County TANF caseloads have declined significantly since the mid-1990s. From a peak of 268,000 in March 1995, the number of single-parent families aided in Los Angeles County declined 31 percent, to 185,000 in October 1999. During this period, the County received fewer new applications for aid and also saw an increase in the number of families leaving aid.
- ◆ Between April 1998 and October 1999, the proportion of Los Angeles County welfare cases that had been on aid for more than five years increased, as did the proportion of families on aid for two years or less. By October 1999, 41 percent of single-parent families had been on aid for 8 or more years, an increase of 18 percent from April 1998. The relative increase in long-term cases is, in all likelihood, a reflection of the multiple barriers to independence faced by parents in long-term cases.
- ◆ Although the Federal Welfare Reform Act of 1996 barred many non-citizen legal immigrants from several Federal aid programs, California has chosen to use State funds to provide Medicaid (a medical assistance program), Food Stamps (which provides vouchers redeemable for food), and cash assistance to most eligible legal immigrants. The special immigrant provisions of welfare reform apply only to non-citizen legal immigrants, or to the undocumented, who remain ineligible for most kinds of public assistance and not to naturalized citizens, who have the same rights under the law as native-born citizens. Despite the State's policies, the share of new cash aid cases among legal immigrant families dropped in Los Angeles County between 1996 and 1998, while holding constant for citizen-headed families. Analysts have attributed this drop to confusion and fear regarding the new Federal policies. Many immigrants may fear that using benefits will hurt their chances to become citizens, re-enter the United States, or obtain a green card.
- ◆ Single-mother headed families, make up four-fifths of the welfare caseload in Los Angeles County, and have entered the labor market at record rates during the 1990s. By comparison, married mothers have not changed their propensity to work. Over the last several years, wages have remained flat for single mothers, while married mothers' wages have been growing.
- ◆ It appears that policy changes at the national, State, and local levels are encouraging single mothers to work. The extent to which this is a result of welfare or other reforms, such as more liberal Earned Income Tax Credits, is not known for certain. Between 1995 and 1999, employment among single mothers has increased at a higher rate in Los Angeles County than in the nation as a whole, possibly due to changes in the local economy and

changes in the delivery of welfare-to-work services.

- ◆ Employment rates among aided adults in Los Angeles County did not rise appreciably between April 1998 and October 1999. However, participation in the welfare-to-work program increased significantly in the first two years of reform. Adults who work while continuing to receive welfare are working more hours.
- ◆ Although the vast majority of welfare families are poor, poverty rates declined among two-parent welfare families since the implementation of CalWORKs in January 1998 till October 1999. Among single-parent welfare families, however, those living in extreme poverty (with family income below 50 percent of the Federal Poverty Threshold) increased very slightly, from about 22 percent to about 23 percent. At the same time, extreme poverty declined for two-parent aided families, from about 15 percent to about 13 percent.
- ◆ Los Angeles County welfare leavers are apparently becoming more self-sufficient, with the proportion remaining off welfare increasing between January 1998 and October 1999. Although 23 percent of those who left CalWORKs in April 1998 had returned to aid within 6 months (28 percent within one year), of those leaving in April 1999, only 18 percent had returned within 6 months.
- ◆ Elsewhere in the country, the majority of those leaving welfare report having done so because their incomes had risen. This has yet to be tested with available data for Los Angeles County.
- ◆ As of March 2000, in Los Angeles County, a single parent with three children could have had a family income slightly over the Year 2000 Federal Poverty Threshold of \$17,524, if she worked full-time and year-

round at the then-current \$5.75 minimum wage, if she received Food Stamps (counted at their cash value), and if she took advantage of the Federal Earned Income Tax Credit. However, her family would have been better off if she continued receiving cash welfare, because her total income would have been higher and she could have benefited from a longer period of subsidized child care and other supportive services. (Note that if the family did leave CalWORKs, child care assistance would still be available for up to two years as long as the children were age-eligible and the family income remained under 75 percent of the State median.)

- ◆ Most families leaving welfare through October 1999 were not taking advantage of the Food Stamps program. Only one in seven Los Angeles County families received Food Stamps three months after leaving CalWORKs. The proportion of former CalWORKs families that remain eligible for Food Stamps benefits is unclear, but it is likely to be substantially above the actual level of receipt.
- ◆ Many families, due to lack of knowledge of program eligibility after leaving CalWORKs regarding Medi-Cal and Food Stamps, end up with no coverage even though they typically remain eligible for benefits. Nearly two in five Los Angeles County families leaving CalWORKs in April 1999 were no longer covered by Medi-Cal six months later. Among low-income persons in Los Angeles County as a whole, the proportion uninsured has been rising for several years, mostly because the proportion covered by Medi-Cal has been falling.
- ◆ During the period for which data is available, indicators of social and health problems such as teen births, low birth weight, infant mortality, and child abuse/neglect have differed little among CalWORKs families and

among Angeleno families as a whole. At the County level, the incidence of teen births, infant mortality, and child abuse/neglect have been declining; an increasing proportion of births have been low birth weight. Trends in these indicators among high-CalWORKs communities have generally followed countywide patterns. All of these trends began prior to welfare reform.

The main tenor of the findings in this report is cautious optimism. In the context of rapidly growing economy during most of the late 1990s, welfare reform in Los Angeles County does not appear to have had the disastrous effects that some critics anticipated. In fact, there have been some improvements for CalWORKs families and the County as a whole between January 1998 and October 1999. However, there are serious reasons for concern, such as the rapid decline in participation rates in the Medi-Cal program and especially Food Stamps after families leave CalWORKs. Furthermore, the recession of the early 1990s was hard on area residents and resulted in large increases in the welfare rolls. With another recession having begun in early 2001, and further deteriorating economy due to the events of September 11, 2001, job opportunities are expected to further decline. Therefore, efforts to help CalWORKs participants find employment are likely to be difficult. For

parents that have reached their lifetime aid limits, the current recession will also increase their families' risk of extreme impoverishment. On the topic of continued research, The Service Integration Branch CalWORKs Evaluation Services (SIB/CES) strongly suggests the following:

- ◆ Distinguish between the individual and neighborhood effects of the reform process on CalWORKs families, while tracking key social and economic indicators, such as child and family well-being, development of job skills, neighborhood quality and homelessness. This would help better understand the extent to which self-sufficiency among CalWORKs families can be attributed to the overall economy versus changes in the new welfare reform.
- ◆ DPSS should endeavor to track the job and skill characteristics of all adults in CalWORKs families, not just those who participate in the welfare-to-work program. CES recommends that DPSS determine the reasons for CalWORKs terminations and carefully monitor the status of families after they leave aid.

# Introduction

In late 1996, the United States Congress and President Clinton officially ended welfare, as it had long been known in the United States. Ever since, interested Americans have been asking whether or not the welfare reforms then set in motion are "working." To answer this question, the results of the reforms must be compared against their overall objective. But the architects of welfare reform had multiple objectives that were inexplicit. Some observers will judge the success of the reforms based on the degree to which they decrease reliance on public assistance and promote two-parent families, while others are more concerned with reductions in child poverty and increases in employment levels among welfare parents. Thus, there is no simple answer to the question of welfare reform success.

The popular media have heralded welfare reform as a success, but have focused single-mindedly on drops in welfare caseloads. It is true that welfare caseloads have declined steeply since the enactment of the 1996 reform, but in doing so they have moved along a trajectory that started well before the law was changed and follows the growth of the American economy more generally. In any event, the Federal welfare reform law defined success more broadly, including among its primary goals ensuring that children are cared for within their families, promoting marriage and family stability, and helping families to support themselves without need to rely on public aid.

In contrast to the media focus on caseloads, the State of California and the County of Los Angeles have asked that the success of welfare reform be judged on a specific range of outcomes. These outcomes fall into two major categories: desired goals, such as a decrease in child poverty; and undesirable side effects, such as an increase in the number of homeless families. By understanding the impacts of welfare reform on a range of outcomes, such as poverty, employment,

health insurance coverage, and domestic violence rates, policymakers will be better able to embark on additional reforms and to make any necessary mid-course corrections.

The intent of this investigation is to analyze trends in a range of behavioral areas that might have been affected by welfare reform. By documenting trends over the five years preceding local welfare reform and the two years following initial implementation, the report provides a baseline for future evaluations. In addition, the evaluation team sought to identify dramatic positive or negative changes of which policymakers would need to take notice. Many critics and social commentators thought that welfare reform would have devastating effects, while some supporters hoped for spectacular successes overnight. The evaluation team examined the following questions: Are domestic violence rates going up because the threat of losing assistance is pushing mothers into untenable situations? Is the extreme poverty rate (the proportion of all families whose income falls at or below 50 percent of the Federal Poverty Threshold) rising because those who leave welfare are unable to support themselves? Are poverty rates dropping because more parents are working in stable, full time jobs? Are child abuse rates declining because fewer families are suffering severe stress?

This report presents research on the context for and results of welfare reform in Los Angeles County. Trends are shown in the following areas: 1) welfare caseload dynamics and composition; 2) the labor market, income, and poverty; 3) health insurance coverage; and 4) several social and health indicators including domestic violence, child abuse and neglect, teenage pregnancy, and infant mortality. The voices of welfare recipients are presented in regard to how welfare reform has changed their lives. Finally, the way in which potential impacts can be measured over the coming years is explained. Special emphasis is

placed on both measurement techniques and the data needs for an optimal evaluation effort. Key findings of this report are listed in the Executive Summary and in the Conclusion.

This is primarily a baseline report, describing trends over several years prior to and immediately following implementation. Future trends may diverge from or continue the trends presented; in either event, the comparison will be informative. This report is also analytical, seeking to tentatively link the broad social and economic trends associated with policy and program changes. While cause and effect relationships cannot be definitively demonstrated, such relationships can and will be suggested here when it is felt that the data adequately bare them out.

To best address the evaluation team's charge, it was decided that there were three populations that warranted special attention. The first is poor families who are welfare-eligible, but are not presently on aid. This is the larger pool from which welfare-aided families are drawn, and learning what distinguishes the aided from the unaided population is essential. For instance, there is strong evidence suggesting that legal immigrants who were otherwise eligible for aid refrained from applying for aid during 1997 and 1998 for fear of endangering their current status and possible future citizenship. Likewise, as a result of time limits, some welfare-eligible families that are not able to support themselves above the poverty line may still be choosing not to receive aid, saving their benefits for future days when job prospects may not be so ample.

The second population is single-mother headed families as a whole. Not all are poor, and not nearly all are on welfare, but single-mother headed families make up four-fifths of the welfare caseload in Los Angeles County. This report focuses, in particular, on unmarried mothers because they have headed and continue to head the great majority of welfare-aided families. CES expects to see few dramatic trends among two-

parent families, because they are much less likely to qualify for and use the welfare system. When the focus is on two-parent families in the countywide population, CES expects that the proportion eligible for welfare will be rather small.

The third and final window used to observe impacts of reform is a set of communities where welfare recipients tend to live. Roughly 650,000 County residents (parents and children) are aided by CalWORKs, accounting for about 7 percent of the total population.<sup>1</sup> CalWORKs-aided persons, including both parents and children, account for about one-third of the County's poor population. Families receiving CalWORKs assistance are not spread randomly across the County; housing costs, availability of public transportation, and other factors combine to restrict aided families to a relatively small set of local areas.<sup>2</sup> It follows that the local communities in which current, former, and, likely, future CalWORKs recipients are concentrated ought to be much more sensitive to the impacts of CalWORKs than the County as a whole. For that reason, trends in ten communities were selected because of their high concentration of CalWORKs participants.

Approximately 52 months have elapsed since the welfare reforms became effective in Los Angeles County. The current report provides a historical background and analysis of trends related to the welfare reform among Los Angeles County residents between 1992 and 1999. To examine the trends among CalWORKs families, eighteen months of case management data from April 1998 to October 1999 was examined. With the limited window of post-reform observation, causality is difficult to establish. To measure impacts, a causal linkage must be established—it must be demonstrated that the outcomes were the result of program changes, and not due to unrelated events. Researchers around the country are developing appropriate tools to distinguish true impacts of the reforms from other simultaneous factors, such as the state of the economy and changes in other social policies.

The reader of this report should be cautioned not to assume that changing trends are only due to the reforms. Only in the case of the most direct program impacts can it be assumed that reform has played a role. Simply because welfare caseloads have been falling since Los Angeles County began implementing reform does *not* mean that reform has caused welfare caseloads to fall. Welfare policy changes and outcomes have taken place in the context of a robust economy, with rapid economic growth and unprecedented drops in unemployment during mid to late 1990s. It is not only possible that the economy is responsible for the positive outcomes observed so far, but it may also be that the strong economy is masking program impacts that, on balance, may be negative. Political events, not just economic trends, are also important to consider. For instance, a noted decline in the AFDC application rates of legal immigrants in late 1990s (discussed in more detail below) could be linked to the passage in the early 1990s of Proposition 187, a Statewide initiative that aimed to reduce undocumented immigration by barring the undocumented from receiving public services.

Information about the data employed in this report is available in Appendix A. A discussion of the data needs for CES's ongoing evaluation research is located in Appendix D.

### Road Map

An attempt has been made to organize this report for maximum convenience and readability. Areas that are most likely to have been affected by welfare reform—"primary impacts"—are those related to background information. These pertain to changes in CalWORKs caseloads; labor market experiences of CalWORKs recipients; and income, poverty, and hardship among CalWORKs recipients, followed by broader areas of concern—"secondary impacts." These include family structure, children's school performance, and family dysfunction (domestic violence and child abuse). Following the secondary impacts is a section based on CES focus group research,

featuring welfare recipients who relate the impacts of welfare reform in their own words. Finally, this report's conclusions and a set of appendices with a wealth of supporting materials are presented.

In greater detail:

The next major section, "Background," includes information that is useful, but not essential, for understanding the rest of the report. Of the three subsections presented, the first, "The New Policy Environment," discusses welfare policy changes, and illustrates how the incentives offered to welfare recipients to convince them to seek employment have changed over time. That subsection is followed by "Data Context," which helps provide a basis for understanding the tables and figures presented throughout the report. The third subsection, "Background on Local Communities," describes the ten local communities that were selected to aid in understanding the impacts of CalWORKs within the County.

"CalWORKs Caseload Dynamics and Composition" follows next. This section discusses the components of CalWORKs caseload decline. It presents data on the likelihood of families leaving CalWORKs to return and changes in the likelihood of return over time. It also shows how the composition of the CalWORKs caseload has changed over time, including the proportions of families headed by legal immigrants, children-only cases, or families aided for five years or more.

In the "Labor Market" section, the focus is on job and wage growth in the County, unemployment fluctuations, and the meaning of these trends for the working poor and less-skilled job seekers. Questions asked include: Are there adequate job opportunities for welfare recipients in the Los Angeles County area? Have welfare impacts reduced the number of jobs available to the working poor? What are the chances that accessible jobs will pay enough to keep a family out of poverty?

Another question—Has CalWORKs affected the County poverty rate?—is addressed in the next section, “Income, Poverty, and Hardship.” This report shows how poverty has changed among CalWORKs-aided families, single-mother headed families, and others.

The “Families and Children” section covers trends in family health care coverage, family headship, teen births, and infant mortality. This section looks at the incidence of domestic violence, child abuse and neglect, and school attendance and achievement. Among the questions addressed, if not answered, are: Have marriages or teenage birth trends been impacted by CalWORKs? What is the residual effect of CalWORKs on children? How might their school attendance or achievement be affected?

This report then explores the impacts of CalWORKs on recipients of cash assistance and their families, with emphasis on access to housing and health insurance, children’s educational achievement, child abuse, and trends in teenage births and infant health.

To illuminate this data, in the section, “In Their Own Words,” this report also presents data collected from focus groups conducted with actual CalWORKs participants. This section looks at how new welfare policies have influenced participants’ daily lives.

This is followed by a brief conclusion and a set of appendices for the reader.

# Background

## The New Policy Environment

Federal welfare reform has given rise to a new, short-term system of public assistance to poor families with children. Recent welfare policy changes have modified not only the cash assistance program, but also affected the other major components of a poor family's assistance package: tax credits, Food Stamps, and health insurance. This section discusses the broad changes in the policy environment that affect the choices and opportunities available to welfare recipients.

### What Is Welfare?

The term "welfare" has traditionally been used to refer to cash assistance for families with children. The original impetus for welfare was "to provide mothers and their children a means to survive when breadwinning fathers either died or abandoned their families."<sup>3</sup> Welfare was first conceived in the 1930s, and was championed by progressive reformers who thought it desirable "to relieve poor mothers of the necessity of wage-earning so that they might engage in the full-time care of their children."<sup>4</sup> Over the years, divorce and never-married parenthood became increasingly common, and the welfare system grew with the ranks of single mothers. As mothers' labor force participation increased—and welfare caseloads as well—support for welfare as a subsidy for stay-at-home mothers declined. Serious welfare-to-work efforts date back to at least 1967.<sup>5</sup>

Children and their related adult caretakers are eligible for cash welfare assistance when they have low incomes and few economic resources. Adults supported by welfare are typically the parents of aided children, but they may also be grandparents, aunts, or uncles. Undocumented

immigrants have never been eligible for cash welfare assistance, but legal immigrants have traditionally been treated the same as citizens.

The single-parent aided family receives aid under the CalWORKs "Family Group" classification, which is often abbreviated as "FG." Two-parent families become eligible when the primary wage earner for the family is unemployed or has been working less than 100 hours monthly, and the family meets income and resource limits similar to those for single-parent families. The two-parent family receives CalWORKs "Unemployment Parent" aid, often abbreviated as "UP" or simply "U."

In Los Angeles County in 1999, a typical family comprising of a single mother and two young children must have a monthly income below \$793, and less than \$2,000 in savings, to qualify for cash assistance.<sup>6</sup> Even when they are working, many parents continue to qualify for welfare because they make low wages or work few enough hours that their incomes are below eligibility thresholds. The cash grants are small and will not by themselves lift a family out of poverty. For the prototypical single-parent family, the cash grant would be, at most, \$626 per month, and would be less if the family had other sources of income. However, poor families have access to other assistance programs that supplement this cash grant with resources for buying food and with health insurance. Some aided families may also qualify for housing subsidies or Earned Income Tax Credits, and some family members may qualify for Supplemental Security Insurance (SSI), a program supporting the disabled.

In the late 1980s and early 1990s, DPSS, through its welfare-to-work program Greater Avenues for Independence (GAIN), focused on helping long-term welfare recipients build their employment-

relevant skills through, for example, adult basic education, General Educational Development (GED) test preparation, and English as a Second Language classes. Based in part on the findings of an influential 1994 Manpower Demonstration Research Corporation (MDRC) report on the implementation of GAIN in six California counties,<sup>7</sup> the Los Angeles County program was revamped after seven years in operation. The program was then renamed Jobs First GAIN to emphasize the new goal of rapidly moving recipients into the labor force.<sup>8</sup>

### **How Was Welfare Reformed?**

Federal welfare reform legislation adopted in August 1996 fundamentally changed welfare in America. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) repealed the AFDC program and implemented a new program: Temporary Assistance to Needy Families (TANF). This new Federal program eliminated the historic cash assistance and long-term maintenance aid programs and instituted a jobs-linked incentive and support system. These new regulations required mandatory work and provided a cap on lifetime benefits.

The temporariness of support under the new Federal welfare program is enforced through a strict five-year time limit on lifetime receipt of aid. The drafters of the legislation crafted a combination of incentives and sanctions to convince the great majority of welfare parents to become wage-reliant rather than welfare-reliant. The reformers assumed that most welfare parents could become stable wage earners, able to support their families without reliance on public assistance in fewer than five years.

By funding the new aid program through block grants and opening up many new options, PRWORA has enhanced flexibility. States and local welfare departments are now able to design many of the features of their cash assistance programs and decide how to implement supportive services such as childcare, substance abuse

counseling, and transportation assistance. PRWORA also subjects states to a reduction in Federal funds if they fail to meet work participation requirements.

Each state needed to adopt legislation implementing TANF locally. California legislators responded in August 1997 by replacing AFDC with CalWORKs. Unlike many other states, California chose to apply five-year time limits only to adult recipients, meaning that the portion of a family's cash aid intended for the children does not decrease when time limits are reached. Because CalWORKs did not reach the implementation stage until January 1998, California families' five-year clock started later than in most other states.

Although welfare reformers revamped the basic structure of the welfare system, many of its features have remained unchanged. Eligible families receive cash aid, Medi-Cal, and, typically, Food Stamps just as they did before the reforms were instituted. In Los Angeles County, the GAIN program continues to provide employment-related services to CalWORKs recipients to help them find employment, stay employed, and move on to better jobs that will lead to independence. Some program elements that were left unchanged in 1996 and 1997 are, nonetheless, regarded as part of the newest wave of welfare reform. One example is California's Maximum Family Grant program ("family cap"), enacted in 1994 and effective in 1997, which bars welfare agencies from increasing cash aid payments to support children conceived while the mother is on aid.<sup>9</sup>

CalWORKs has brought a larger, coordinated system of services to support the transition of aided parents from welfare to self-supporting work. Child care expenses are covered for participants who work or are in approved welfare-to-work activities, such as basic education or training programs. Transportation and clothing allowances can be provided to job seekers who demonstrate need. Special supportive services are to be made available for participants to deal with barriers to

employment, such as problems with substance abuse, depression/mental health, and domestic violence.

Prior to welfare reform, legal immigrants and their foreign-born children were entitled to health care and other public benefits on more or less the same terms as citizens. The Federal Welfare Reform Act of 1996 considerably restricted the availability of Federal aid programs to legal immigrants, especially those arriving after the law's passage. (Note that these restrictions do not affect children born in the United States, whatever their parents' immigration status.) Although the Federal government prohibits the use of TANF funds to benefit many legal immigrants, it does allow the State of California to offer—and pay for—CalWORKs for legal immigrants. California sponsors a Food Assistance Program (CFAP) for most legal immigrants, but Food Stamp benefits are not available for most post-1996 legal immigrants elsewhere in the United States. Supplemental Security Income (SSI) disability payments are also no longer available to many legal immigrants. These policy changes are of special concern in Los Angeles County where so many families are headed by immigrant parents.

### **What Are the Incentives to Work?**

Welfare reform has brought with it both incentives and consequences designed to encourage recipients to work and to meet various other requirements. The incentives allow welfare parents to significantly increase their total monthly income when they add child support payments or earnings from work. The consequences include time limits and threats of benefit reductions. In this section, the way in which these positive and negative incentives function in practice will be discussed. To do so, reference will be made to a "model" family, one consisting of a native-born, non-disabled single mother in her twenties and her two young children. Calculations will be based on the minimum wage in 2000 (\$5.75) and benefit calculations current in March 2000.

It is sensible to begin with a discussion of noncompliance with program requirements: sanctions, penalties, and time limits. Parents who do not comply with CalWORKs work requirements are *sanctioned*<sup>10</sup>—they lose the adult portion of their CalWORKs cash grant. For the model family, a sanction would have reduced their monthly grant by \$121 (from \$626 to \$505).<sup>11</sup> When an adult is sanctioned for a period of three consecutive months or more, the County may convert the grant into a voucher to cover rent and utilities. Parents may be penalized if they fail to assign to the County their rights to child and spousal support payments. Failure to cooperate in the County's efforts to establish paternity and collect child support payments from an absent parent results in a penalty, the loss of either a percentage of the family's cash benefits or a parent's portion of the grant. Parents also face a penalty if they are unable to document that their children have been immunized and are attending school.

The five-year lifetime limit on aid receipt—a Federal policy not unique to CalWORKs—was clearly meant to encourage parents to meet their economic needs either through the labor market or through marriage to a partner of sufficient means. CalWORKs also imposes its own time limit: recipients must find full-time employment within 18 months (24 months for recipients who were on aid before January 1, 1998) after entering the welfare-to-work program. For recipients who make a good-faith effort to secure employment, but are not fully employed after the 18/24-month "work trigger" time limit, CalWORKs has created a Community Service employment program. Community Service employment is typically inferior to employment in the general labor market in two important respects: first, it is unwaged, and thus will not raise family incomes;<sup>12</sup> and second, it does not offer mobility opportunities. Thus, the work trigger not only requires recipients to work, it also encourages them to find work in the general labor market.

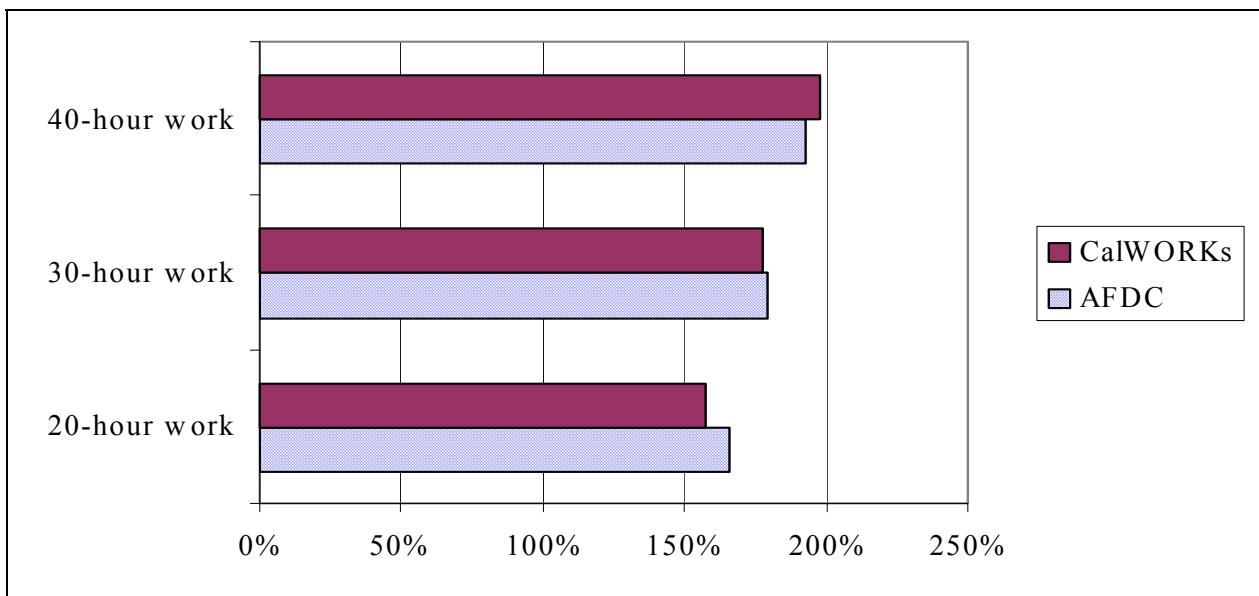
Noncompliance factors aside, CalWORKs was structured to provide some very attractive incentives—positive encouragement for parents to work. California gives recipients financial incentives to work by allowing them to boost their total income substantially through earnings from employment. When an aided single parent earns wages, she can earn \$225 per month without decreasing her family grant, and only half of what she earns beyond \$225 will be subtracted from the grant. That is, if she works a bit more than half time at a minimum wage job, taking home \$500 in a month, none of the first \$225, and only half of the remaining \$275, counts against the family grant. For the model family, the total cash income would rise from \$626 (without earnings) to \$989.<sup>13</sup>

To further quantify work incentives, the total amount of income a welfare parent can bring home when she works is compared with the welfare check she would receive if she did not work at all. This comparison appears in Figure 1 for the model family of a single mother and two children. The computation was made by looking at the welfare rules that were in effect before CalWORKs (under the AFDC program) and comparing them with the subsequent CalWORKs benefit calculation rules. In both instances, the cash benefit amounts current in March 2000 were used.

When the model family parent works only 20 hours weekly at minimum wage, her total family income (including both earnings and cash aid) is more than 150 percent of the income of an equivalent family where the parent is not working. Her income is, in fact, nearly twice that of a sanctioned parent (not shown in Figure 1) with no job and a family of the same size. However, the work incentive declines with higher earning levels. When a parent works 40 hours weekly at the minimum wage, she has a total cash income nearly twice that of the non-working parent. This is only 25 percent more (\$239) than the income of the parent working half as many hours. The work incentive of \$225 will also decline slightly over time.

Returning to the comparison between AFDC and CalWORKs rules displayed in Figure 1, CalWORKs is slightly less effective at rewarding low-wage and low-hours work than was its predecessor. For a single mother working 20 hours or more at minimum wage, she would take home 5 percent more income under AFDC rules than she does under CalWORKs rules. On the other hand, when she reaches 40 hours per week, she takes home 3 percent more than she would have under AFDC. In other words, the work incentive power of CalWORKs earned *income disregards* is essentially the same today as it was under AFDC.

**Figure 1. Working Single-Parent Cash Income Compared with Non-Working Income, March 2000**



Source: CalWORKs Evaluation Services (CES) calculations based on California Legislative Analyst's Office, *CalWORKs Welfare Reform: Major Provisions and Issues*, ([http://www.lao.ca.gov/012398\\_calworks.html](http://www.lao.ca.gov/012398_calworks.html) [January 23, 1998] [Accessed March 9, 2000]).

Although cash income is clearly important, economists expect welfare parents to make their decisions about employment based on how it will affect their total family resources. These resources potentially include benefits from many public assistance programs, but the most common and important benefits to consider are Food Stamps and refundable tax credits. Almost all welfare families qualify for Food Stamps, with the amount of benefits depending on their incomes and expenses. Both before and after welfare reform, Food Stamps benefit formulas have discounted work-related expenses like taxes and child care from income.

An aspect of tax policy that has favored low-income working parents whether or not they receive welfare is the Earned Income Tax Credit (EITC). The EITC provides refundable tax credits to low-income families with earnings. Although the EITC can be obtained on a monthly basis, most of those who take advantage of the program receive

the EITC in an annual lump sum. Families with two children may receive a check as large as \$3,816, depending on their earnings. The model single-parent working full-time at the California minimum wage would qualify for the maximum benefit; net of the payroll taxes deducted from her paychecks, she would end up with a \$3,000 income supplement. And since this credit is not counted as income for either CalWORKs or Food Stamps purposes, it does not result in benefit reductions.

In California, a single parent with up to three children could have a total family income above the Year 2000 Federal Poverty Threshold of \$17,524, if she worked full-time and year-round at the \$5.75 minimum wage, if she received Food Stamps (and counted them as if they were cash), and if she took advantage of the Federal EITC. (The Federal Poverty Threshold is widely regarded as an inadequate measure of family needs, especially in areas like Los Angeles County where

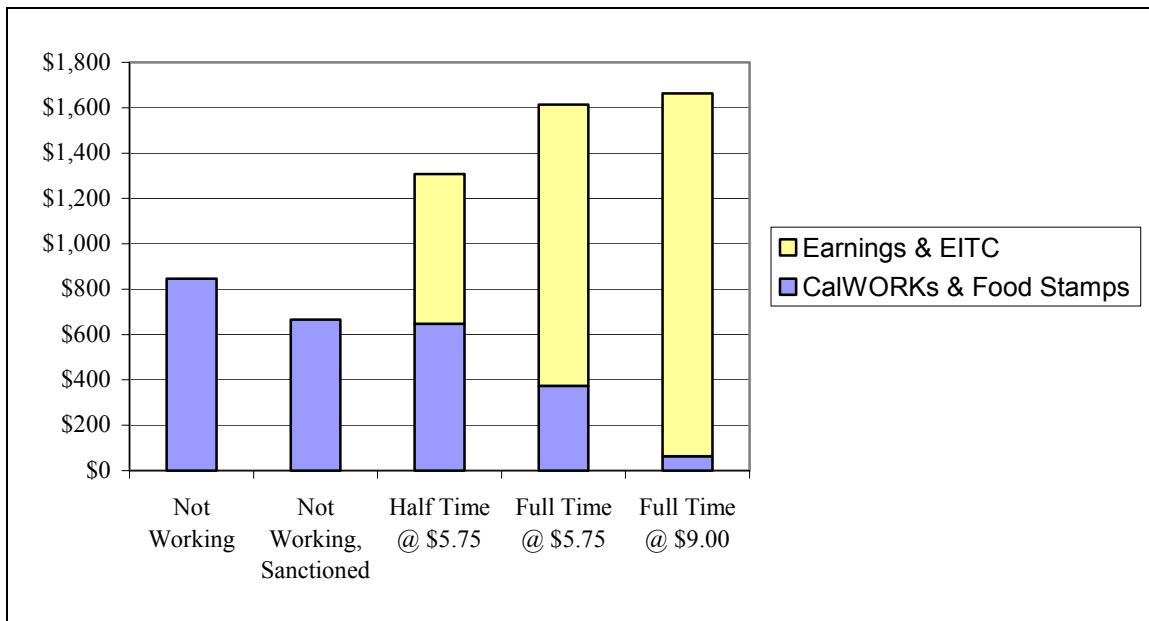
the cost of living is relatively high, most welfare families do not exceed this low bar.)

When taxes, Food Stamps, cash welfare, and earnings are all taken into account, an aided parent is significantly better off combining work and welfare rather than simply receiving welfare. Under current policies, the model family would end up with only \$626 in monthly resources if the parent does not meet work requirements and incurs a sanction (see Figure 2). If she were enrolled in job search or training activities and she were meeting work requirements, she would receive \$847 in total monthly resources. By working half-time at the minimum wage, however, she would boost her resources by more than 50 percent. She would also be generating more than half of her income through her own employment, as Figure 2 shows. The income benefits of working increase even more for a welfare parent who works full-time at the minimum wage.

As parents work more, the welfare check becomes a less important component of their

income package. For the mother working full-time at minimum wage, 15 percent of her resources are provided by the welfare grant. In other words, this parent would lose 15 percent of her family income if she were to leave the welfare system. (She would lose an additional 8 percent if she were to terminate her Food Stamps participation.) The benefits do not improve significantly for those who earn wages significantly above the minimum wage, however. Parents earning higher wages have little reason to remain on welfare under current policies. In Los Angeles County, a parent working full-time at \$9 hourly receives only 4 percent of her income from public assistance (see the last column in Figure 2; note that this is a Food Stamp benefit only, no CalWORKs aid is available at this income level). Parents relying on their wages alone at this level are somewhat better off in terms of total income than are minimum-wage workers still on welfare, but the difference is not particularly profound. However, at \$9 hourly or more, the parent has few incentives to remain in the welfare system, and, all else being equal, it would be prudent to “bank” the benefits for later use.

**Figure 2. Single-Parent Family After-Tax Monthly Resources, March 2000**



Source: CES calculations based on CalWORKs and Food Stamps program rules, and Internal Revenue Service tax rules.

Note: Family income is the income for a single-parent family with two children in the State of California based on program rules current in March 2000, and 1999 tax policy. Income includes cash TANF assistance, Food Stamps, Federal EITC, less Federal income and payroll taxes. Food Stamps calculations assume a \$150 monthly housing expense deduction and, for full-time workers, an additional \$150 monthly child care deduction (\$75 for half-time workers). The "Earnings and EITC" dollar amounts shown are net of payroll taxes and income taxes, if any.

Work incentives among actual welfare families are more complicated than for the model family. Parents with young children or with larger numbers of children face high child care costs that CalWORKs can help with; and parents with unhealthy family members may place a high value on the Medi-Cal health insurance benefits that normally come with CalWORKs aid. Most families qualify to continue receiving these benefits for a limited time after leaving welfare, but in the long run they have no guarantee that they will continue to receive subsidized medical care (depending on their income and other factors) or subsidized child care (regardless of their needs). If the work supports that CalWORKs provides were available indefinitely to low-income families like these, they would have significantly higher incentives to move off the welfare rolls.

In sum, CalWORKs offers both incentives and consequences to encourage parents on welfare to find work. Sanctions and time limits threaten those who do not seek and find employment. Those who do secure employment can enjoy significant boosts in their total income, even with only half-time employment at the minimum wage. The Federal EITC provides CalWORKs families with part of this income. It boosts their incomes without costing them any benefits, and it also helps some parents with minimum wage jobs bring their family incomes above the Federal Poverty Threshold. These facts, and the ways in which current and potential CalWORKs recipients respond to them are a key part of producing the social and economic impacts that we are seeking to identify and explain.

## **Data Context**

The background material relating to data presented in this report is provided to clarify for the reader why the data is presented as it is. For details about specific data sources and methods used in this report, please refer to Appendix A. For recommendations about data needed for future evaluation research, please see Appendix D.

### **Time Frame of Data Presented**

Throughout this report, tables and figures tracking a variety of trends over time are provided. The time periods used are not uniform, sometimes due to data availability and sometimes because of the particular context. For data describing Countywide trends among Los Angeles County residents or the low-income population, this report typically tracks trends from 1992 through 1999. For these County-level trends, this report relies primarily on publicly available data sources. Typically, these sources had data available as early as 1992 and as late as either 1998 or 1999. CES chose to look backward in time to 1992. For this time frame, County and community trends using administrative records from diverse sources, including vital records data and child abuse data are also reported. Some sources were unavailable for specific years, so some indicators "start" in 1993, while others "end" as early as 1997.

Although the CalWORKs program was implemented in January 1998, this report tracks trends for CalWORKs participants for the time period between April 1998 and October 1999. This three-month lag in the data was introduced in order to observe program effects a few months after they had been implemented. This time period also had the advantage of being easily divided into six-month periods: April to October 1998, October 1998 to April 1999, and April to October 1999.

Some aggregate caseload data collected by the State was available through the 1980s. This was

useful because caseloads were lower in early 1989 than they are at present, even though caseloads now are lower than at any point in the 1990s. In general, data goes back farther than 1992 when it was available and added something meaningful to the report. There are also some very-short-duration comparisons in the text, like the year of 1998 and the year of 1999. In these cases, there were only one or two or three time points to work with.

### **Recipient Coverage in Tables**

Most of the tables in this report with data from DPSS administrative records exclude CalWORKs families served by the Pasadena and South Family District Offices because data on these recipients for the period from April 1998 through October 1999 was not available.

Data for this report came primarily from two longstanding DPSS case management database systems called Integrated Benefit Payment System (IBPS) and Case Data Management System (CDMS).

As the older systems were being phased out in favor of Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER), CES was supplied information on the proportion of the DPSS caseload. Selection bias and other data issues are discussed in Appendices A and D.

## **Background on Local Communities**

The population of Los Angeles County was 9,639,037 as of 1998, constituting 3 percent of the nation's population. It is also "the nation's poverty capital,"<sup>14</sup> with the largest poor population in the nation and a poverty rate of approximately 22 percent. Los Angeles County is a diverse metropolis where no racial/ethnic group is in the majority. Hispanics are the largest population group (44 percent), followed by Whites (34 percent), Asians (13 percent), and African

Americans (10 percent).<sup>15</sup> Roughly one-third of County residents were born outside the United States.

It is the opinion of CES that the County as a whole is far too large and heterogeneous to be considered a “community,” and the same is true if the County is broken down into the five Supervisorial Districts or eight Service Planning Areas. Some cities are small enough to be considered communities, but some—particularly Los Angeles and Long Beach—are substantially oversized. CES’s (practical) vision of community was an area that had a recognized identity, was home to between roughly 10,000-50,000 residents, and was relatively homogeneous in terms of race/ethnicity or social class composition. To choose among the many communities in the County meeting this definition, CES relied upon two primary criteria: 1) each selected community had to have high or moderate numbers of CalWORKs recipients; and 2) the communities selected needed to be, when taken together, representative of the County’s geographical diversity.

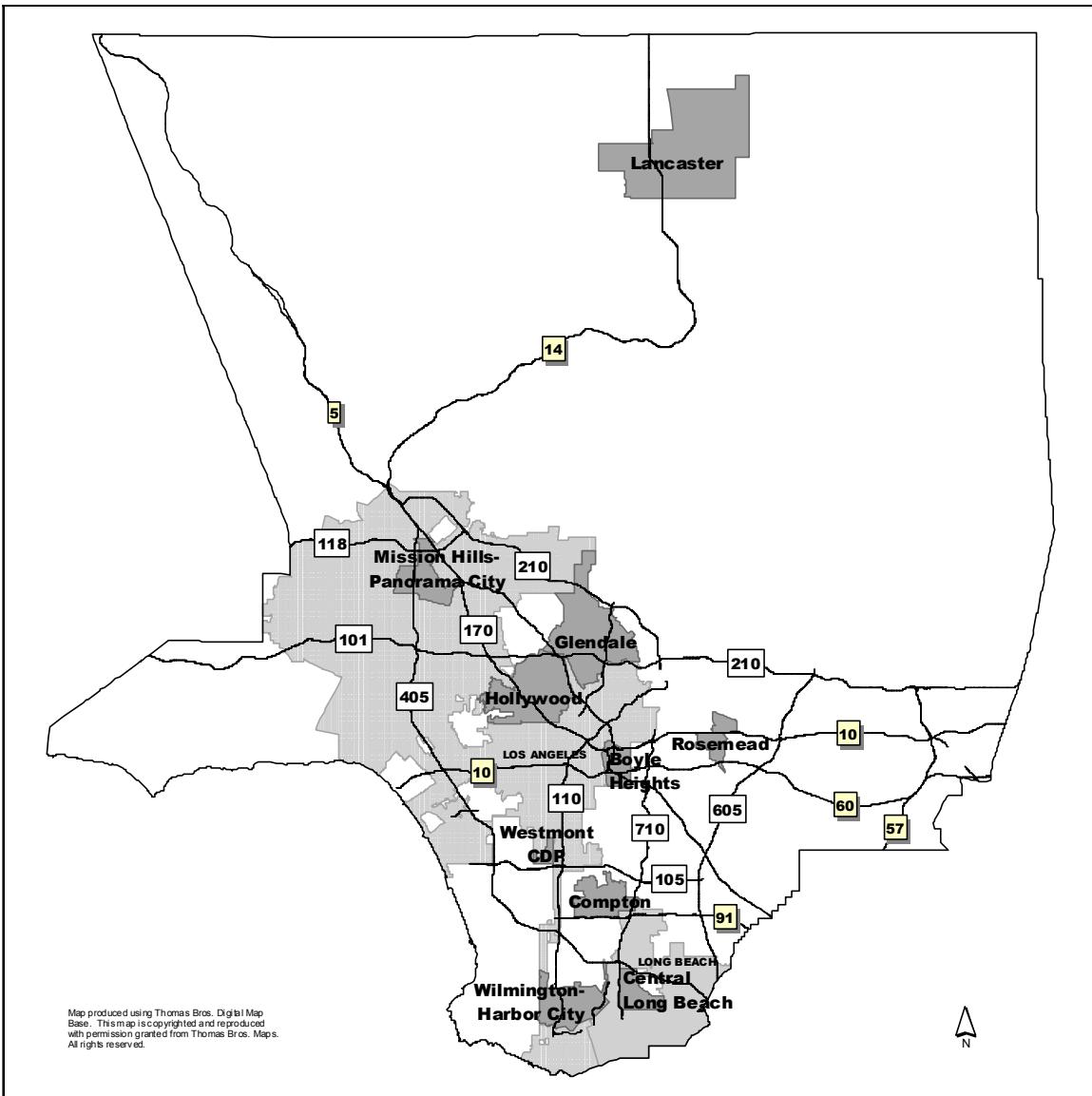
CES selected a small number of areas that met these criteria and were strategic research sites in other ways. Some of them are independent cities, others are planning areas within the City of Los Angeles, and some are unincorporated areas within the County.<sup>16</sup> The areas selected to study are profiled here. (See Figure 3 for the location of each community.)

*Boyle Heights.* District of the City of Los Angeles, First Supervisorial District. Boyle Heights is one of the most residentially segregated areas of the

County; 97 percent of Boyle Heights residents are Latino or Hispanic.<sup>17</sup> This is one of the County’s poorest communities, with 43 percent of residents in poverty. Although nearly half of the areas’ residents fall below the poverty line, only about one-eighth of them were aided by CalWORKs as of August 1998. One reason for this is that many of the poor in this area are legal immigrants who may be leery about seeking aid and undocumented immigrants who are ineligible for aid. Another reason—and this applies to all of the communities, not just Boyle Heights—is that CalWORKs only aids families with minor children—excluding both young and elderly childless adults. Located just east of downtown Los Angeles, Boyle Heights has an ethnic past that was much less homogeneous than its present.

*Central Long Beach.* Area within the City of Long Beach, Fourth Supervisorial District. Unlike Boyle Heights, no single racial/ethnic group is dominant in this mixed area, but Latinos still form the largest group at 44 percent. Asians, many of them recent immigrants, form the second largest group (21 percent), and is one of the largest pockets of Asian poverty in the County. Although at 40 percent, the concentration of poverty is slightly less than Boyle Heights, this is still a very poor area. Twenty-five percent of area residents receive CalWORKs assistance, the highest proportion of the 10 selected communities.

**Figure 3. Map of Neighborhoods in Los Angeles County**



Source: SIB Urban Research

Note: Solid gray areas denote selected communities; hatched areas denote cities of Los Angeles and Long Beach, as marked. Boxed numbers indicate Interstate and local Highways.

**Compton.** An incorporated city at the southern and western edge of South Central Los Angeles, Second Supervisorial District. Just over one-half of Compton residents are Latinos, and most of the remainder are African American. The city's transition from majority Black to majority Latino created significant intergroup tension and conflict. Its poorly managed school district remains under State control. Roughly 40 percent of Compton

residents are poor, but only 17 percent receive CalWORKs assistance.

**Glendale.** Glendale is a relatively affluent incorporated city in the Fifth Supervisorial District. About 20 percent of Glendale residents have incomes below the poverty line, and 9 percent of residents receive CalWORKs cash assistance. This is one of two studied communities where a

majority of the residents are White (57 percent). Few African Americans live in Glendale; but one-quarter of the residents are Latino and most of the remainder are Asian (17 percent). A large part of the CalWORKs caseload is Armenian immigrants, many of whom have very limited English language skills.

*Wilmington–Harbor City.* Harbor City and Wilmington (considered together) are districts within the City of Los Angeles in the South Bay area of Los Angeles County, located just north of Long Beach, Fourth Supervisorial District. Almost 30 percent of residents have poverty-level incomes, but only 9 percent receive CalWORKs cash aid. This is partly because so many residents are legal immigrants. Most of the residents are Latino (68 percent), with a substantial minority of Whites (19 percent), and a smaller number of Asians (8 percent) and African Americans (4 percent).

*Hollywood.* District of the City of Los Angeles, located west of downtown Los Angeles, Third Supervisorial District. It is by far the largest community included in this study, with more than 100,000 residents. Whites form the largest racial/ethnic group in the area (48 percent), but they are a diverse group including many immigrants from Europe (especially Russia) and the Middle East (especially Armenia and Israel). Latinos comprise the second largest group (37 percent). Roughly 30 percent of area residents have incomes under the poverty line, but only 8 percent of area residents receive CalWORKs cash aid. Again, the proportion of immigrants is a likely reason for the low number of CalWORKs recipients among the poor.

*Lancaster.* One of the first cities in the Antelope Valley, in the far northern reaches of Los Angeles County, Fifth Supervisorial District. It is the second majority-White area in CES's list (63 percent), and it has one of the highest ratios of CalWORKs receipt (10 percent) to poverty

population (16 percent). Most non-White residents are Latino (23 percent).

*Mission Hills–Panorama City.* Located in the San Fernando Valley, Panorama City and Mission Hills are districts within the City of Los Angeles, Third Supervisorial District. One-quarter of area residents live in poverty, but just 8 percent receive CalWORKs assistance. The area is mainly Latino (60 percent) and White (23 percent), with smaller numbers of Asians (12 percent) and African Americans (5 percent).

*Rosemead.* An incorporated city, First Supervisorial District, located in the middle of the San Gabriel Valley. Just over one-quarter of residents are in poverty, and 11 percent receive CalWORKs assistance. Many East and Southeast Asian immigrants and refugees have settled in the San Gabriel Valley over the past three decades, and Rosemead has received a substantial share. This is the only area in which Asians form the largest group (47 percent). The remainder of area residents are Latino (44 percent) or White (9 percent).

*Westmont CDP.* Part of South Central Los Angeles, an unincorporated area within the County, Second Supervisorial District. This area has no official name or boundaries. The Census has designated it the Westmont Census Designated Place (CDP). No less poor than Boyle Heights (43 percent), nearly one-quarter of area residents (23 percent) receive CalWORKs assistance. The large difference in the proportion of families receiving public assistance in Westmont relative to Boyle Heights (23 percent versus 12 percent) is probably attributable to higher eligibility. Westmont is 61 percent African American and 37 percent Latino (with Asians and Whites comprising 1 percent each). Because so many Boyle Heights residents are immigrants, and because almost all African Americans are native born, it is reasonable to assume that eligibility would be higher among the Westmont population despite similar levels of poverty.

**Table 1. Demographic Characteristics of Selected Communities**

Area	Total Pop.	Super. District	% in Poverty	% Cal-WORKs	% Black	% White	% Latino	% Asian/PI
Boyle Heights	96,258	1	43	12	0	0	97	3
Central Long Beach	115,157	4	40	25	19	15	44	21
Compton	107,720	2	40	17	42	1	55	2
Glendale	187,728	5	20	9	1	57	25	17
Wilmington–Harbor City	78,041	4	28	9	4	19	69	8
Hollywood	200,493	3	30	8	4	48	37	11
Lancaster	121,103	5	16	10	9	63	23	5
Mission Hills–Panorama City	121,271	3	25	8	5	23	60	12
Rosemead	60,355	1	27	11	0	9	44	47
Westmont	31,070	2	43	23	61	1	37	1

Source: 1998 CES population and poverty estimates; DPSS administrative records.

Note: "% CalWORKs" gives the percentage of local residents who were CalWORKs-aided in August 1998 based on a geocode of DPSS administrative records. The "Total Pop.," "% in Poverty" and "% Black" (etc.) were calculated from 1998 SIB population and poverty estimates. Note that a significant number of persons in poverty may not be eligible for CalWORKs assistance, e.g., elderly and other adults without minor children.

# CalWORKs Caseload Dynamics and Composition

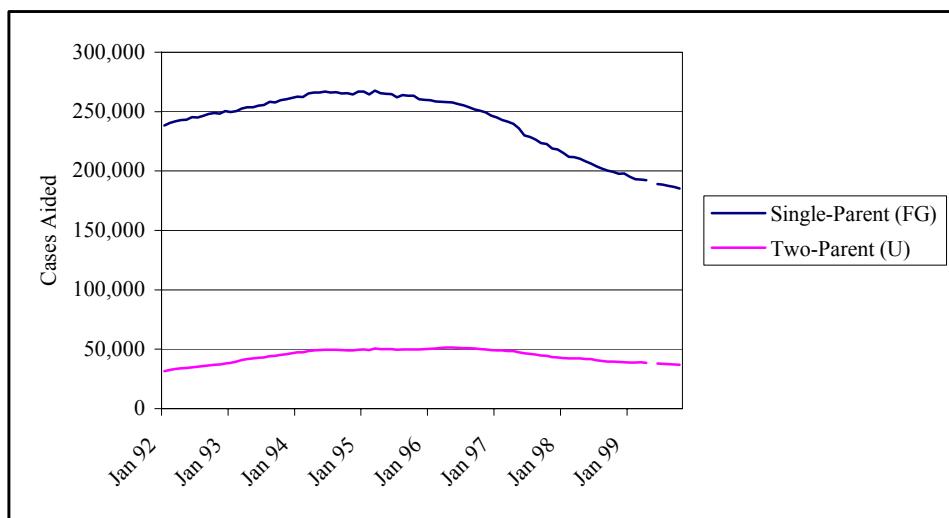
How have CalWORKs caseloads changed in the wake of welfare reform? The answer is complex. Nationally, AFDC caseloads began decreasing even before the Federal Welfare Reform Act passed. This was also true in Los Angeles County (see Figure 4). AFDC/FG (single-parent) caseloads reached their peak of 268,000 in March 1995. By December 1997, however, FG caseloads had decreased to 218,000, nearly 20 percent below the peak. Caseloads continued to decline after January 1998, shrinking by another 14 percent to 185,000 in October 1999, the lowest level since December 1989.

What are the mechanisms by which caseloads have declined? Are more people leaving welfare, are fewer people applying for or being approved for aid, or is it some combination of the two? To answer these questions, CES looks at applications and approvals—the main source of new cases—and then terminations.

If applications increase, the number of new cases will increase, assuming that denial and approval

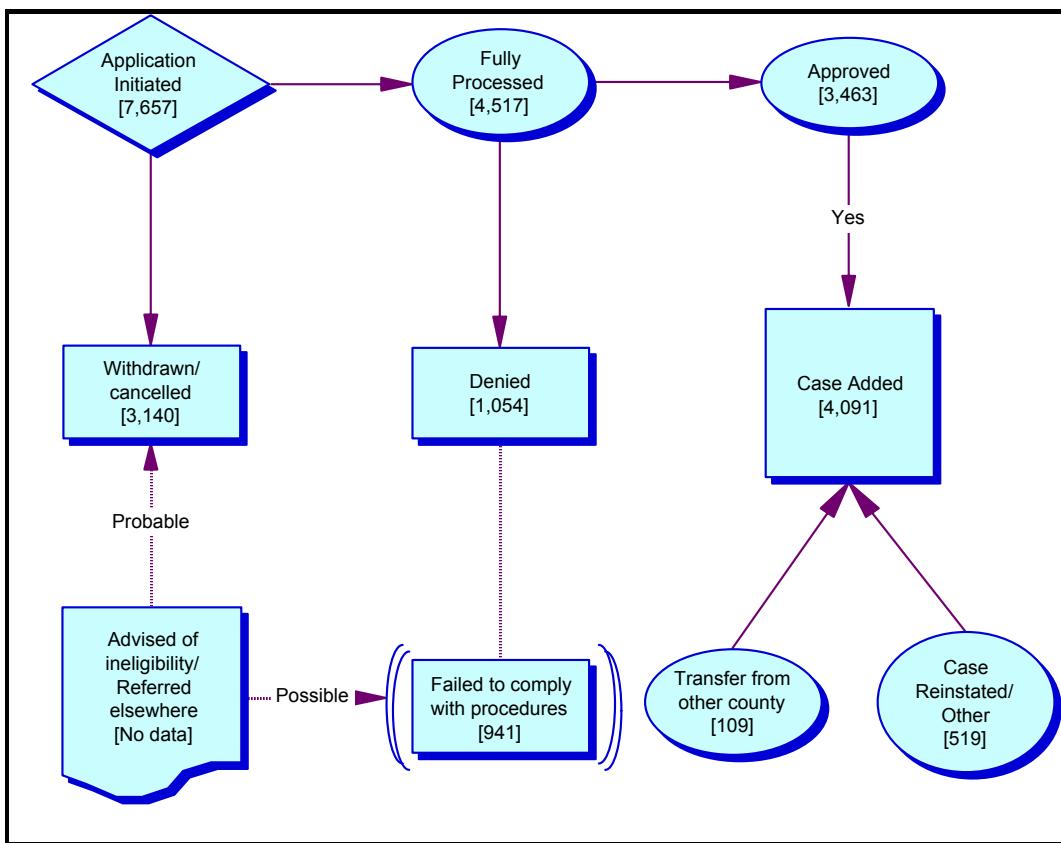
rates remain relatively steady. Figure 5 illustrates the CalWORKs application process, showing the way in which applications are diverted from the path leading to approval. At each point in the flow the figure shows counts (of applicants, denials, etc.) for October 1999. In brief, the process begins when a new or returning applicant parent travels to a DPSS CalWORKs district office where he or she begins completing an application for aid. A designated DPSS eligibility staff member, a screener, often informally reviews the application before being sent on for official approval/denial processing. If the screener determines that the applicant is not eligible for aid, the screener may advise the applicant of that fact. The applicant is entitled to pursue an official determination, however, regardless of what the screener finds. Moreover, the screener is required to refer ineligible CalWORKs applicants to Medi-Cal, Food Stamps, or other programs for which they appear to be eligible.<sup>18</sup> Almost half of all applications are withdrawn or cancelled at this point. Three-fourths of the remaining cases are approved.

Figure 4. Families Receiving AFDC/CalWORKs Aid, 1992–1999



Source: DPSS Statistical Reports.

**Figure 5. CalWORKs Application Flow, October 1999**

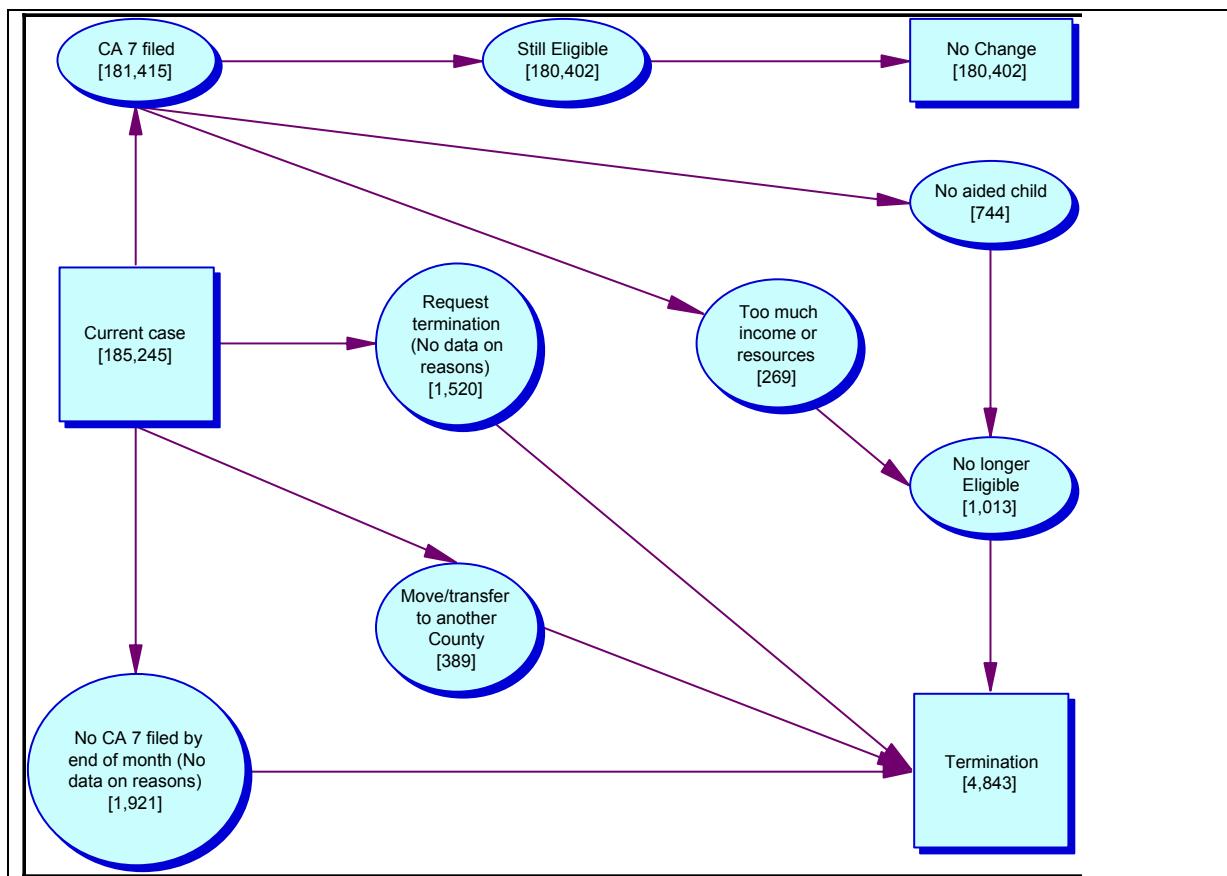


Source: DPSS Report, October 1999, and CalWORKs Report on Reasons for Denials and Other Non-Approvals of Applications for Cash Grant, October 1999 (CA 255 CalWORKs 10/99) for Los Angeles. Both reports use estimates for Pasadena and South Family District offices.

The number of applications submitted for cash assistance each month has declined significantly since the early 1990s. In August 1992, for instance, there were 14,805 applications for AFDC/FG assistance and 4,249 applications for AFDC/U (two-parent). Similar numbers of applications also came in monthly during 1993. By October 1999, there were only 55 percent as many CalWORKs/FG applications (8,038) and only 42 percent (1,789) as many CalWORKs/U applications monthly as there had been seven years before. Most of this decline in applications (and new cases monthly) took place before the beginning of 1997, although there has been an additional, smaller decline since early 1998.

Declining applications is thus one component of the declining local welfare caseload. Because CalWORKs has more eligibility restrictions than the previous rules,<sup>19</sup> it might be expected that, in addition, fewer applications would be approved each month than had been the case under AFDC. As shown in Figure 5, applications are typically either approved or withdrawn/never completed, as opposed to being denied outright. Some proportion—unknown, but probably large—of withdrawn/never completed applications would have been denied if they had been fully processed. It would thus be expected that new rules would affect withdrawals and denials more or less evenly.

**Figure 6. CalWORKs/FG Terminations and Continuations, September 1999**



Source: DPSS Statistical Reports.

In fact, there is no evidence supporting increased numbers of denials or withdrawals. The proportion of applications not approved remained remarkably consistent over the years. In each month, very close to half of all FG (single-parent) applications were not approved, and in each month just about two-thirds of U (two-parent) applications failed to be approved. Only a small proportion of these applications were denied outright: just about one-quarter of FG applications and under one-fifth of U applications. The remaining 75-80 percent of applications were withdrawn by applicants, some of whom were told informally by DPSS staff that they were not eligible for aid.<sup>20</sup> In August 1992, 53 percent of AFDC/FG applications were not processed, with

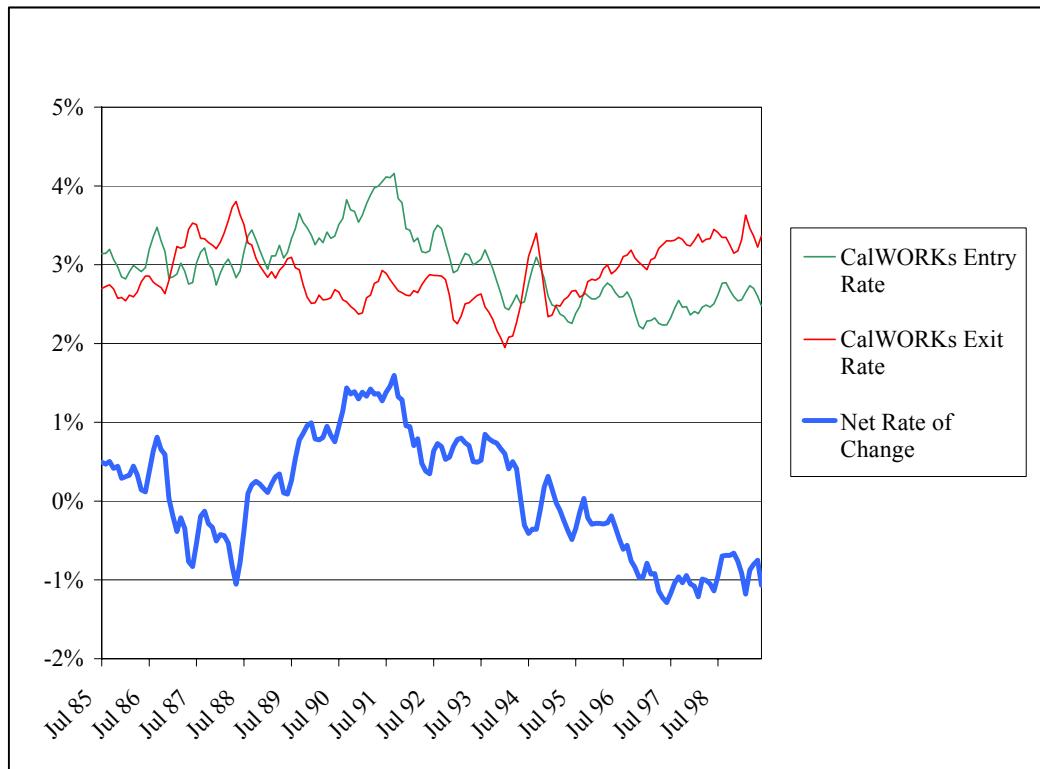
27 percent of the total denied. In October 1999, 52 percent were not processed and 25 percent were denied. If this small decline in non-approvals is at all meaningful, it might indicate that a portion of the ineligible people who would have applied in the past have been scared away by the rhetoric or reality of welfare reform. In any event, the high consistency in the proportion of applications that are approved means that there is a very close relationship between trends in applications and trends in new cases. Figure 6 illustrates some of the components of monthly case terminations using data from September 1999. Given the emphasis of welfare reform on the attainment of self-sufficiency through employment, it might be expected that a large number of case terminations would come about because family incomes or resources have

exceeded eligibility limits. In fact, only 5 percent of CalWORKs/FG terminations in September 1999 were unambiguously the result of increased earnings, and another 1 percent was the result of increased resources or other income. (These numbers were a bit higher for CalWORKs/U cases, with 13 percent exceeding income limits and 2 percent exceeding resource limits.) The vast majority of terminations were either the result of failure to turn in income documentation (the CA 7) or voluntary terminations (71 percent altogether). (This is discussed in more detail in the section on Leavers.)

Since 1985, CalWORKs termination rates have tended to fall as entry rates have increased (see

Figure 7).<sup>21</sup> Termination and entry rates represent the number of CalWORKs cases ended or added in a month presented as a percentage of all current CalWORKs cases. Entry rates peaked in mid-1991 at over 4 percent monthly, sinking through mid-1994, and remaining relatively stable at about 2.5 percent monthly thereafter. Rates of exit peaked in the late 1980s and again in the late 1990s, both times at more than 3.5 percent. When exit rates were lowest relative to entry rates, monthly increases in the CalWORKs caseload came close to 2 percent. In June 1991, for example, nearly 4,000 cases were added to the caseload after accounting for exits. Since 1995, exit rates have been higher than entry rates. In June 1999, when the decrease in the CalWORKs caseload was over 1 percent, almost 3,000 more cases terminated than were added.

**Figure 7. Los Angeles County Welfare Entry and Exit Rates, 1985–1999**



Source: California Department of Social Services CA 237 Reports.

Note: Displayed rates are three-month moving averages. Net rate of change is the entry rate minus the exit rate.

The substantial decline in caseloads from mid-1996 through late 1997 may in large part represent "anticipatory" behavior, with the ablest recipients taking the Federal legislation as a cue to get a job right away, and those averse to the new red tape staying away before implementation. These could be seen as "early" results of CalWORKs. Many analysts attribute much of the national decline in welfare caseloads to job growth relative to the early 1990s. Los Angeles County was hit particularly hard by the recession in the early 1990s, but unemployment began dropping substantially during 1996, continuing to date. If welfare constitutes "unemployment insurance" for less-skilled single mothers whose previous employment did not qualify them for UI benefits, or whose UI benefits have run out, then it makes sense that decreasing unemployment and decreasing welfare use go together.

## CalWORKs Leavers and Returns

Past research indicates that a large proportion of welfare recipients who leave public assistance return, often after only a few months. For some families, welfare serves as short-term transitional assistance, while the wage earner is between jobs or the family is changing living arrangements. For other families welfare is a long-term means of support. It has often been observed that the exit rate for welfare recipients declines as their time on welfare increases. Of these long-term welfare recipients, however, some receive long-term continuous support, and some are "cyclers" who regularly move on and off welfare. Some cycling is caused by administrative actions, as when recipients fail to submit their monthly financial statements (which are used for benefit calculation and verification of continued eligibility) and are consequently cut off of aid. Another source is the difficulty less-skilled women experience in establishing and maintaining economic independence.<sup>22</sup> The distinction between cyclers and other long-term welfare users is important for policy makers. As two prominent researchers

conclude, "If most people leave welfare, only to fall back into it, then perhaps the focus of policy ought to be not only on getting people off but also on making it possible for people to stay off."<sup>23</sup>

Past research on AFDC recipients throughout the United States identified a number of factors that are associated with the length of periods of continuous welfare receipt ("spells") and with returns to welfare ("recidivism"). These include race, marital status, education, work experience, and disability status. (While substance abuse, mental health problems, and domestic violence have been identified as serious barriers to stable employment and self-sufficiency, CES is not aware of any systematic research documenting their effects on the length of welfare spells or the likelihood of returns to welfare.) Women who had never been married at the time they began their first welfare spell experienced a longer than average initial spell and were more likely to return to welfare (51 percent) compared to married or divorced women. Women who were more educated had shorter spells and less likelihood of recidivism. African Americans women had longer spells than Whites and their recidivism rate was also higher.<sup>24</sup>

A recent study based on a 1997 national survey<sup>25</sup> found that a majority of welfare leavers left because of work (69 percent). The jobs they entered, however, corresponded to the low end of the labor market in terms of hourly wages, monthly earnings and job characteristics. Welfare leavers typically found themselves in the same types of jobs as low-income mothers who had not been on welfare recently. The study also estimated that 2.1 million adults left welfare for at least a month between 1995 and 1997 and that 29 percent of them had returned to welfare and were receiving benefits in 1997.

## **Why Do They Leave?**

Administrative data does not contain information on the reasons why participants leave the CalWORKs program. Therefore, there is a great deal of uncertainty surrounding the reasons for which CalWORKs families leave aid. Studies of welfare leavers in other parts of the country have typically found that a large majority reported leaving welfare because they had found work. Many of these studies, however, are subject to selection bias, since the most economically successful families are likely to be the most stable and, therefore, the easiest to contact.<sup>26</sup> In addition, evidence suggests that most leavers remain eligible for aid.

According to a standard report submitted to the State by DPSS regarding case terminations in September 1999,<sup>27</sup> only 5 percent of single-parent families and 13 percent of two-parent families who left welfare in Los Angeles County had exceeded income limits. A larger proportion of families (15 percent of both FG and U cases) were eliminated because they no longer included an eligible child—the last child in the household became too old, left the household, or became ineligible for some other reason. Failure to submit or correctly complete a CA 7 statement of the family finances led to termination of 40 percent of FG cases and 37 percent of U cases. Another 31 percent of FG and 29 percent of U cases were terminated because the head of the family either failed to comply with some other procedural requirement or because he or she requested that DPSS close the case.

This means CES knows *how* 71 percent of FG cases and 66 percent of U cases came to be closed, but does not really know *why*. Did the parent fail to mail the family's CA 7 because they were about to reach income limits and they wanted to "bank" some months of eligibility for a bleaker time in the future? Was it because they moved out of State? Did the parent fall ill or

became too depressed to function?<sup>28</sup> Without further research it is impossible to tell.

## **When Do They Return?**

This report examined return rates among CalWORKs families that left welfare in any of three different months and who remained off aid for at least one month. The target months were April 1998, October 1998, and April 1999. Of those leaving aid in April 1998, 20 percent had returned to aid within 4 months, a little over 25 percent had returned in 8 months, and about 28 percent had returned at the end of a full year (see Figure 8). In other words, nearly three-quarters managed to stay off of aid for at least one year. The return rates for those leaving in October 1998 were slightly higher but otherwise quite similar to those for the April leavers. In contrast, those leaving in April 1999 were substantially less likely to return in the first six months after leaving aid. This pattern, if it holds up over time, will lead to additional caseload decreases. Whether or not increased income through employment is the reason for a family leaving welfare, there are reasons to believe that families headed by a wage earner will have more resources to stay off welfare for longer periods of time. Figure 9 supports this idea. In April 1998, 30 percent of FG cases (33 percent in April 1999) had some earned income. For each of the two target months shown in the figure, the FG families without earned income were more likely to return to aid than those with earned income. The figure also shows the same decrease in return rates over time that was observed in Figure 8.

Because past studies have used a variety of different methodologies and come up with widely differing estimates for return rates over time, it is difficult to say whether the return rates that have been observed are unusually high or low compared to those in other areas. Without historical Los Angeles County data to compare against, it is difficult to say how unique the current return rates are. It is clear, however, that in the last two years the rates have been decreasing somewhat. This either means that an increasing

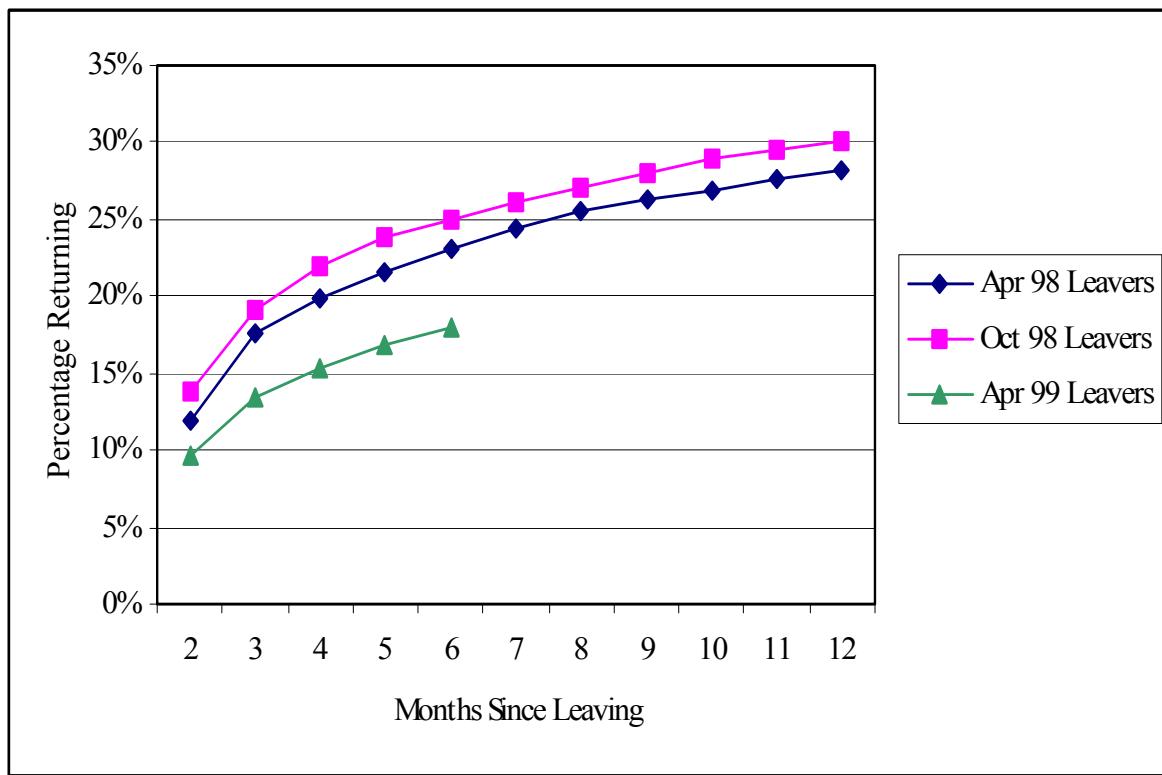
proportion of former CalWORKs families are doing well, or that other conditions are increasingly convincing former recipients to stay away from welfare.

## Caseload Composition

The recent changes in eligibility and requirements related to welfare receipt may have led to differences in the makeup of the CalWORKs caseload. Federal changes in immigrants' eligibility for benefits (most of which do not now hold in California) could, because of confusion,

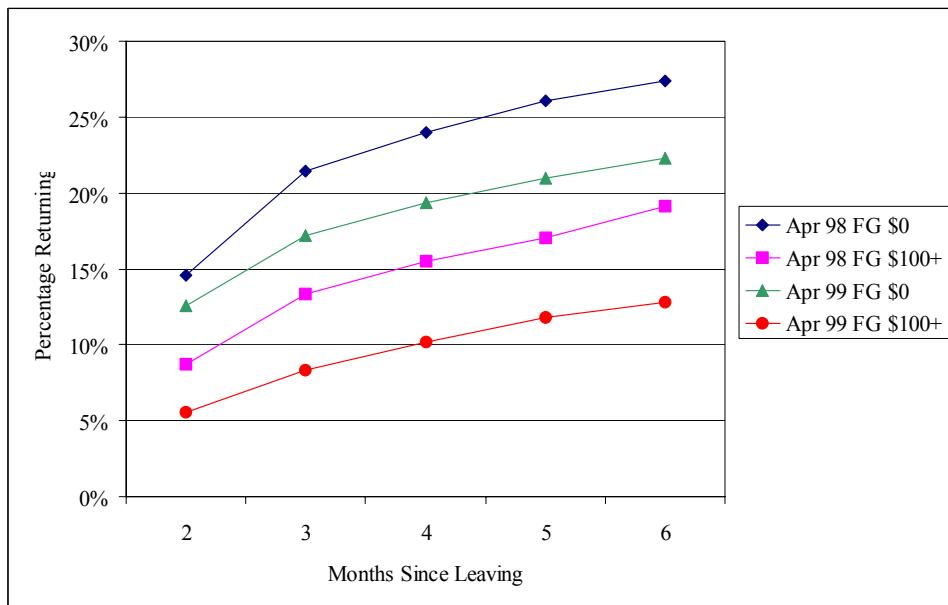
decrease the number of immigrants applying for welfare. Work requirements and time limits should result in some changes in how long people stay on welfare. The enforcement of sanctions on non-compliant parents should increase the proportion of cases where only children are aided. All of these new rules have implications for what kinds of cases are present. Ideally, the way in which recent developments have led to changes in caseload composition could be observed. CES has only recently secured access to some of the data necessary for comparison with caseloads of the past.

**Figure 8. Percentage of CalWORKs Leavers Returning Over Time, 1998–1999**



Source: CES tabulation from DPSS administrative records.

**Figure 9. Return Rates for CalWORKs/FG Leavers With and Without Earned Income**



Source: CES tabulation from DPSS administrative records.

### Headship

Headship is an area of great interest to State lawmakers. The law includes as a goal the transition of single-parent households into two-parent households in order to fight poverty. Though the tracking of marriage formation among CalWORKs single-parent families (and separation and divorce among two-parent families) are of clear interest, little data exist. If a single parent chooses to leave CalWORKs shortly before an impending marriage, the welfare agency is unlikely to be informed of the reasons behind the client's request for termination. If the welfare agency does not know, researchers can find out only by conducting costly independent studies. Since relatively few recipients leave because they have become ineligible, there are compelling reasons for welfare agencies to do more to uncover the complex of factors that lead former participants to leave aid. In particular, a focus on those who leave due to marriage might provide insight into

how to facilitate marriage formation among this population.

### Racial Composition

Partly because of disparities in the prevalence of single-parent and two-parent headed families between racial/ethnic groups, there are parallel differences in the composition of FG vs. U caseloads (see Table 2). Blacks, who have the highest prevalence of single-parent families, are much more likely to be receiving CalWORKs/FG aid (29.5 percent in April 1998) than CalWORKs/U aid (3.6 percent in April 1998). The opposite is true for Whites; over one-quarter of CalWORKs/U families were headed by a White person in April 1998, compared to 12.2 percent of CalWORKs/FG cases during the same month. Hispanics, who comprise over half of both the CalWORKs/U and CalWORKs/FG caseloads, were almost equally represented under both aid categories (55.6 percent vs. 52.9 percent in April 1998).

**Table 2. Race of Head of CalWORKs Case, April 1998-October 1999**

	CalWORKs/FG				CalWORKs/U			
	Apr 98	Oct 98	Apr 99	Oct 99	Apr 98	Oct 98	Apr 99	Oct 99
	%	%	%	%	%	%	%	%
White	12.2	11.7	11.5	11.0	25.9	24.1	23.5	22.4
Hispanic	52.9	53.0	53.1	53.4	55.6	58.2	59.0	60.0
Black	29.5	30.1	30.1	30.3	3.6	3.7	3.7	4.0
Cambodian	1.5	1.4	1.5	1.5	2.1	2.0	1.9	1.9
Vietnamese	1.2	1.2	1.2	1.1	7.3	6.7	6.7	6.4
Other Asian/PI	2.5	2.4	2.5	2.4	5.3	5.1	5.0	5.0
Native American	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CES tabulation from DPSS IBPS/CDMS data.

Note: Figures for October 1999 are based on straight-line projections for Pasadena and South Family offices and actual reports for all other offices. "Other Asian/PI" includes any Asian origin or Pacific Islander groups not explicitly mentioned.

While the ratio of FG to U cases within each group remained relatively constant over time, there have been some striking changes in the overall composition of CalWORKs caseloads. As CalWORKs caseloads have declined, a decreasing proportion of families aided are headed by Whites. This is especially true for U cases, where Whites dropped from 25.9 percent to 22.4 percent between April 1998 and October 1999. An opposite but even more modest trend can be seen in Table 2 among Blacks and Hispanics. The main finding of interest, however, is that Whites are decreasing across the board among CalWORKs recipients.

#### Time on Aid

Numerous studies conducted prior to welfare reform have shown that continuous periods of receipt are often quite short, lasting less than two years.<sup>29</sup> In fact, it was estimated that half of all welfare cases lasted less than 2 years, while only 14 percent of the welfare cases lasted 10 years or more.<sup>30</sup> Most recipients had more than one spell of welfare use, however, when spells were added together the median length of total welfare receipt was close to four years.<sup>31</sup> In addition, long-term

recipients tend to accumulate in the system and, therefore, are more likely to be part of the caseload at any given point in time.<sup>32</sup> It has been estimated, based on national data, that over 75 percent of the AFDC caseload at any point in time was in the process of a welfare "career" lasting 60 months or more.<sup>33</sup> In a national study of families on aid between 1983 and 1995, researchers concluded that a "relatively large number of low-income families may face sanctions or benefit cutoffs as a result of the time limits mandated by the 1996 welfare legislation." The researchers estimated that 41 percent of the current welfare caseload would reach the limit within 8 years.<sup>34</sup> This projection only holds, however, if welfare reform does not cause changes in the behavior of potential long-term recipients; the actual number of recipients hitting the 60-month time limit could, thus, be significantly lower.

Looking at the time on aid among CalWORKs families in the County, we see that at the time of CalWORKs implementation, more FG and U cases had been on aid more than five years than in any other category (see Table 3). These long-term FG cases have remained relatively stable

between April 1998 and October 1999—constituting about 40 percent of the caseload. In contrast, U cases that have been on aid more than five years have increased by almost four percentage points. The increasing share of long-term cases does not overshadow the increases we have seen in shorter-term cases. Among single-parent and two-parent cases, the proportion of families that have been receiving aid for less than two years has increased by more than two percentage

points. A related development is the decreasing proportion of cases that have been on aid two to five years. Within the FG and U caseloads, this category has decreased by four percentage points and about six percentage points, respectively. Thus, the caseload is becoming increasingly bifurcated; that is, the proportions of both short- and long-term cases are growing while those of middling length are becoming less common.

**Table 3. CalWORKs Time on Aid**

	CalWORKs/FG				CalWORKs/U			
	Apr 98	Oct 98	Apr 99	Oct 99	Apr 98	Oct 98	Apr 99	Oct 99
Under two years	32.9	33.1	34.4	35.3	27.3	26.7	28.3	29.4
Two- five years	27.9	26.7	24.9	23.8	31.3	29.8	27.2	25.4
More than five years	39.3	40.3	40.6	40.8	41.3	43.5	44.6	45.1
Total Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	198,622	189,099	180,770	173,411	40,948	38,335	37,499	35,750

Source: CES calculation from DPSS IBPS/CDMS data.

Note: Categories are based on continuous time on welfare with allowances for short breaks in aid receipt. Figures for October 1999 are based on straight-line projections for Pasadena and South Family offices and actual reports for all other offices.

The finding that long-term cases have been relatively slow to leave welfare is consistent with predictions that welfare caseloads will increasingly consist of the hardest-to-serve populations—those welfare recipients who are least educated, have the least work experience, and must overcome barriers like mental health disorders and substance abuse problems. It remains to be seen how effectively special supportive services, welfare-to-work services, and the strict enforcement of work requirements will help these families become self-supporting before they reach their lifetime limits.

### Immigrants

Prior to welfare reform (1996), legal immigrants and their children were entitled to health care and other public benefits on more or less the same terms as citizens. The Federal Welfare Reform Act of 1996 considerably restricted the availability

of Federal aid programs to non-citizen legal immigrants. Three major changes occurred with the reform of welfare: 1) eligibility for receiving full public benefits is determined by an immigrant's citizenship, not legal status; 2) states have greater power to determine which immigrants qualify for Federal and state public services; and 3) immigrants who arrived in the United States after the law's enactment (August 22, 1996) have fewer claims to services than those who arrived before this deadline.<sup>35</sup> In particular, the bill made many immigrants ineligible for SSI, Food Stamps, TANF and non-emergency Medicaid. The bill created a two-tiered system, making aid receipt most difficult for immigrants arriving after 1996. The bill did not prohibit states from filling the gap, spending state money to aid immigrants ineligible for Federal assistance. Many states have partly filled the void left by the Federal government's removal of safety net programs for immigrants. Furthermore, Congress has also restored Food Stamp and SSI

eligibility to specific groups of immigrants, particularly among children and the elderly. The result, however, is a confusing array of separate programs and requirements that the Urban Institute has deemed "patchwork policies."<sup>36</sup>

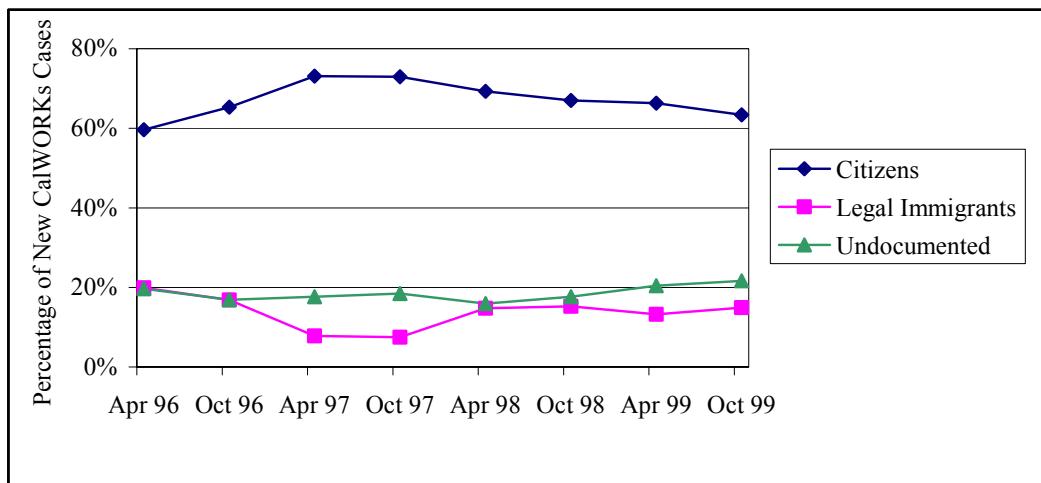
Researchers at the Urban Institute attempted to determine whether the Federal Welfare Reform Act of 1996 and subsequent changes at the State level have caused legal immigrants and their citizen children to fail to take advantage of benefits for which they remain eligible. Under California law, most legal immigrants and their children can be eligible for CalWORKs assistance. In addition, California uses State funds to pay for Food Stamps for income-eligible immigrants. Despite California's relatively generous policies, the Urban Institute still found that the number of newly approved cases for legal immigrant families had dropped even while there was no change for citizen-headed families. They attributed this to confusion and fear about the new policies.<sup>37</sup>

The Urban Institute looked first to the number of new AFDC or CalWORKs cases added each month in Los Angeles County during the period January 1996 through January 1998. Their data are shown in Figure 10, supplemented by equivalent data compiled by CES for April 1998 through October 1999.<sup>38</sup> The Urban Institute found that while the proportion of cases approved each month that were headed by United States citizens increased by a relatively small amount between 1996 and 1998, the proportion of new cases headed by legal immigrants had shrunk by 71 percent by 1998.<sup>39</sup> At the beginning of this period, 56 percent of new cases were headed by United States citizens, 21 percent by legal immigrants, and 22 percent by undocumented immigrants (undocumented immigrants are not eligible for aid, but their children born in the United States are citizens who *can* be eligible for aid). At the end of the period, 72 percent were headed by citizens, 8 percent by legal immigrants, and

19 percent by undocumented immigrants. By late 1999, the share of new cases headed by legal immigrants had crept back up to 15 percent, still well below the 21 percent share of January 1996. The meaning of these trends will be discussed below.

As the vast majority of the children aided in legal immigrant-headed families are citizens, these trends may have important consequences for the economic well-being and physical health of many young natives. The pattern among children in new cases is very similar to that for the heads of their families; the proportion of children new to CalWORKs who were in families headed by legal immigrants dropped during late 1996 and early 1997, rising in 1998 (see Table 4). Families headed by undocumented parents seemed to be relatively unaffected by this trend.

**Figure 10. Citizenship Status, Heads of New AFDC/CalWORKs Cases, 1996–1999**



Source: Data for April 1996–October 1997 taken from Table 1, Zimmerman, Wendy and Michael Fix. 1998. "Declining immigrant applications for Medi-Cal and welfare benefits in Los Angeles County," Urban Institute, Washington, D.C. Data for April 1998–October 1999 from CES tabulations of DPSS administrative data.

Note: Headship determined by "first adult" for Urban Institute, "Applicant" status for CES. Percentages do not sum to 100 due to the omission of cases with missing data for citizenship of the case-head. Total monthly approvals do not equal official DPSS figures because they were compiled using different methodologies.

**Table 4. Citizen Children in New AFDC/CalWORKs Cases by Citizenship Status, Heads of New AFDC/CalWORKs Cases, 1996–1999**

Children in New AFDC/CalWORKs Cases	Citizen Children of Citizens	Citizen Children of Legal Immigrants	Citizen Children of Undocumented	
			%	% Immigrants
April 1996	12,330	56	22	19
October 1996	12,606	62	18	16
April 1997	9,085	70	9	17
October 1997	10,714	70	9	19
April 1998	6,381	66	16	16
October 1998	6,016	64	16	18
April 1999	6,546	64	13	21
October 1999	5,172	62	15	21

Source: Data for April 1996–October 1997 taken from Table 2, Zimmerman, Wendy and Michael Fix. 1998. "Declining immigrant applications for Medi-Cal and welfare benefits in Los Angeles County," Urban Institute, Washington, D.C. Data for April 1998–October 1999 from SIB tabulations of DPSS administrative data.

Note: Headship determined by "first adult" for Urban Institute, "Applicant" status for CES. Percentages do not sum to 100 due to the omission of cases with missing data for citizenship of the case-head. Total monthly approvals do not equal official DPSS figures because they were compiled using different methodologies. Not adjusted for the move in October 1999 of the Pasadena and South Family District Offices to LEADER computer system.

**Table 5. CalWORKs Cases Aided by Citizenship Status of Case-Head**

	Apr 98	Oct 98	Apr 99	Oct 99
Cases Aided	239,564	227,432	218,262	190,490
Cases Headed by Citizen	58%	58%	57%	57%
Cases Headed by Legal Immigrant	23%	21%	21%	20%
Cases Headed by Undocumented Immigrant	18%	20%	21%	22%
Persons Aided	688,120	647,918	616,372	531,360
Cases Headed by Citizen	59%	59%	58%	58%
Cases Headed by Legal Immigrant	27%	26%	25%	24%
Cases Headed by Undocumented Immigrant	12%	14%	15%	16%

Source: CES tabulation from DPSS administrative data.

Note: Not adjusted for the move in October 1999 of the Pasadena and South Family District Offices to the LEADER computer system.

Researchers at the Urban Institute also found that after welfare reform, fewer non-English speaking families have applied and been approved for benefits. Families were classified by the self-reported primary language of the "head" of the family, usually the person who originally applied for welfare benefits. In January 1996, 60 percent of newly approved families were English-speaking, 36 percent were Spanish-speaking, and 4 percent spoke some other language. By January 1998, 72 percent of the newly approved families were English-speaking, 25 percent were Spanish speaking, and 3 percent spoke other languages.<sup>40</sup>

While CES did not conduct an analysis of newly approved cases by primary language of the head of family, CES did look for changes in the total number of CalWORKs cases by language. Of CalWORKs families aided in Los Angeles County in April 1999, most family heads spoke English (59 percent), followed closely by Spanish-speaking (33 percent). The three other languages spoken by comparatively large groups of welfare recipients were Armenian (3 percent), Vietnamese (2 percent), and Cambodian (2 percent). Examining cases by primary language during the period April 1998 to April 1999, it was found that the net rate of change for families speaking each language was essentially the same as that for all

CalWORKs cases. If the tilt towards English-speaking and away from Spanish-speaking among new cases noted in the Urban Institute report did continue through 1998 and 1999, then it must also have been the case that English-speaking were leaving CalWORKs more rapidly than others.

Urban Institute researchers consider that these declines in immigrant use of welfare owe more to the "chilling effects" of the welfare reform than to actual eligibility changes.<sup>41</sup> Legal immigrants may mistakenly believe that they and their families are no longer eligible, may be afraid of being reported to the INS, or that the use of public benefits will affect their ability to become residents or to naturalize.<sup>42</sup> Current welfare policy divides the immigrant population into qualified and unqualified immigrants; these two broad categories are intended to simplify the law, but also expressly relegate several classes of immigrants lawfully in the United States to the same unqualified status as the undocumented, contributing even more to the confusion as to who is and who is not eligible.<sup>43</sup>

Welfare reform may be inhibiting legal immigrants' use of welfare benefits. As most children of legal immigrants are citizens, new policies may affect the well-being of a group of citizens without intent.

A possible outcome is that the citizen children of needy legal immigrants will be raised in poorer households and grow up to be less self-sufficient than would otherwise be the case.

### **Sanctions**

The repeal of AFDC involved the inclusion of a series of new requirements, sanctions, and penalties. In California, sanctions are applied only to adults; that is, only the adult's and not the child's portion of the grant may be cut off. A sanctioned adult is considered ineligible for aid, at least temporarily. Penalties result in either a percentage of the grant or the adult's portion of the grant being held back. Penalties do not result in anyone being considered ineligible for aid. When families are approved for CalWORKs, or when they attend their annual redetermination meeting

(a session to reestablish eligibility in detail), they must show proof of the following in order to avoid penalties: immunization of their preschool-aged children; regular school attendance of their school-age children under 16; and cooperation with the District Attorney's office in the pursuit of child support from an absent parent. Adults participating in CalWORKs may be sanctioned and prevented from receiving aid if they have not assigned their child and spousal support rights to the County or if they refuse to agree to a welfare-to-work plan or fail to show proof of satisfactory progress in an assigned welfare-to-work activity.<sup>44</sup> The absence of the adult portion of the grant or the decrease in the grant due to penalties may result in economically leaner circumstances for poor families. It is important to see the extent to which this is occurring.

**Table 6. CalWORKs Sanctions in Effect, 1998–1999**

CalWORKs Sanctions	Apr 98	Oct 98	Apr 99	Oct 99
Drug Felon	0	0	0	5
Child Support Assignment	3	8	14	15
Parole Violation/Fleeing Felon	0	0	3	5
Failure to Meet Work Requirements	4,215	7,955	11,730	12,903
Total	4,218	7,963	11,747	12,928

Source: CES calculation from DPSS IBPS/CDMS data.

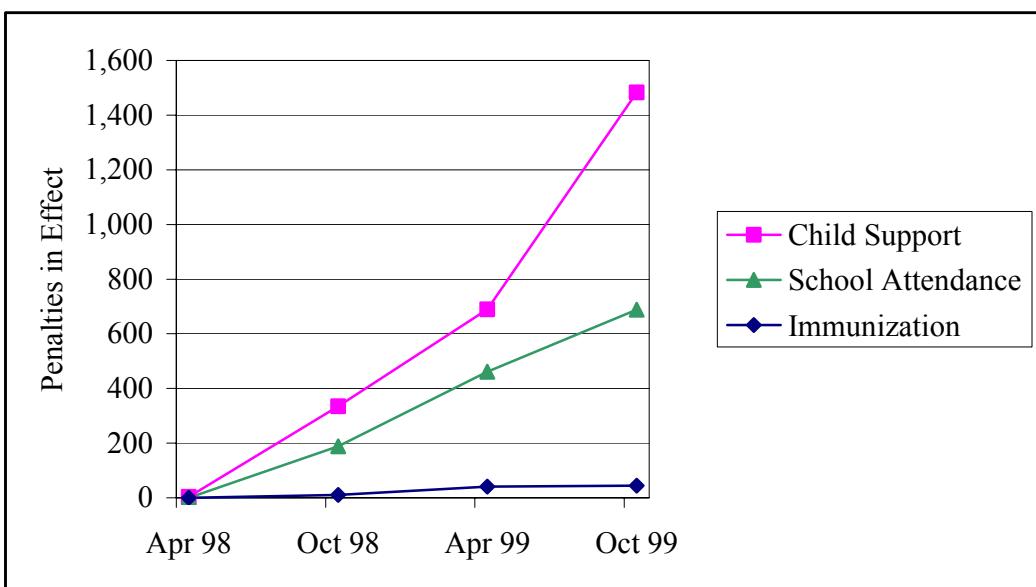
Note: Figures for October 1999 are based on straight-line projections for Pasadena and South Family offices and actual reports for all other offices. Drug felons are not sanctioned, but are ineligible for aid.

Table 6 illustrates that a small but significant number of sanctions are being applied to CalWORKs adults. (This report also includes counts of convicted drug felons, and parole violators because, while not technically sanctioned, these persons have become ineligible for aid under CalWORKs.) Most sanctions applied relate to meeting welfare-to-work program requirements. About 8 percent of all aided adults—one in 12—had a current sanction applied to them in October 1999. More striking is the fact that the number of sanctions in effect in each month more than tripled between April 1998 and October 1999. The number of sanctions in effect

in each month increased from about 4,000 to almost 13,000 over this period. Over the same period, the number of welfare-to-work participants more than doubled, explaining most, if not all, of this increase.

Penalties applied since CalWORKs implementation, while not as numerous as the work requirement sanctions, follow a similar trend (see Figure 11). Penalties relating to child support cooperation more than quadrupled between October 1998 and October 1999 (350–1,500), and those related to child's school attendance more than tripled (200–700) during the same period.

**Figure 11. CalWORKs Penalties in Effect, 1998–1999**



Source: CES tabulations from DPSS administrative data.

Note: Adjusted for Pasadena and South Family District Offices.

This slow start and rapid increase in the application of penalties must be understood within the context of program implementation. Although the penalties officially became effective on January 1, 1998, there was some delay in the development and promulgation of implementing policies at the State and local levels. Moreover, CES's interviews with CalWORKs eligibility and welfare-to-work staff indicated that the workers' understanding of how to detect penalty conditions and apply penalties to cases grew over time.<sup>45</sup> It seems reasonable to speculate that increased staff knowledge and confidence added to an increase in the number of persons penalized.

#### **Child-only Cases**

Children can only be aided under CalWORKs when they live with at least one related caretaker. An aided child's caretaker or caretakers need not be CalWORKs-aided themselves, however. When

no adults are aided on a case, it is considered a "child-only" case. If a caretaker adult is unaided, it is usually for one of three reasons: 1) the adult is legally excluded from receiving aid, 2) the adult is receiving SSI/CAPI (disability) assistance, or 3) the adult is temporarily ineligible for aid because they have been sanctioned as a result of program noncompliance.

In Los Angeles County, the most common reason for a parent or caretaker to be legally excluded from aid is that the adult is an undocumented immigrant. Welfare reform increased the number of legally excluded adults by denying aid to drug felons and fleeing felons, as discussed above. It is through CalWORKs sanctions, however, that welfare most directly contributes to the child-only caseload. Adults are most frequently sanctioned for failing to meet work requirements, but they may also be sanctioned for refusing to assign child support and spousal support rights to the County.

The great majority of cases that have aided adults are subject to welfare-to-work requirements. This includes adults in about 108,000 one-parent and 25,000 two-parent families as of October 1999. Eventually, many adults will become ineligible for aid because they have exceeded program time limits, but no adult will surpass the CalWORKs five-year time limit until 2003.

According to an inquiry conducted by the Federal government, the child-only caseload nationally increased by almost 150 percent between 1988 and 1997.<sup>46</sup> Both child-only and aided-adult cases grew between 1988 and 1994, but child-only cases more than doubled in number. Welfare caseloads have been falling nationally since the mid-1990s, and child-only cases fell by about 27 percent between 1997 and 1998. The overall TANF caseload has declined more rapidly than have child-only cases, however, the latter have increased their fraction of the total caseload.

Across the country, nearly one-quarter of the welfare cases open during 1996 and 1997, were child-only cases, and 61 percent of these child-only cases had at least one parent present in the home. The child-only share of the caseload was the same in California as in the rest of the nation, but about 80 percent of child-only cases in California had at least one parent present in the home. Another way in which California stood out from the national average was that of the cases with parents present in the home, immigration status was the reason for the parent's ineligibility 58 percent of the time—more than double the national average. This is not surprising, given that more undocumented immigrants live in California than in any other state. On the other hand, parents in California's child-only cases were less

likely than the national average to be ineligible because of SSI receipt (25 percent vs. 38 percent) or because of a welfare-related sanction (9 percent vs. 15 percent).

Federal researchers have suggested a number of possible causes for the growth in child-only caseloads. These include increasing local efforts to enroll eligible adults in SSI programs, the greatly increased number of adult aid recipients subject to welfare-to-work requirements and therefore vulnerable to sanctions, and social ills that have led to increasing numbers of children being placed with caregivers who are not their parents.<sup>47</sup> In California, the increasing numbers of ineligible immigrants is very likely another cause for the growth of the child-only caseload.

Data on CalWORKs families in Los Angeles County show that since the implementation of CalWORKs, the number and proportion of child-only cases has increased in both FG and U cases (see Table 7). In fact, the percentage of all FG cases that were child-only increased by 6 percentage points over a year and a half; similarly, the proportion of child-only U cases increased by 5 percentage points between April 1998 and October 1999. This was paralleled by an equal increase in the proportion of all aided children who were in child-only cases. Furthermore, while the total number of aided children has decreased since the implementation of CalWORKs, in both FG and U cases the absolute numbers of children who are in child-only cases have actually increased. This is in contrast to the situation nationwide, where the share of child-only cases has been increasing, but absolute numbers have been in decline.

**Table 7. CalWORKs Cases in Los Angeles County by Child-Only Status, 1998-1999**

	CalWORKs/FG				CalWORKs/U			
	Apr 98	Oct 98	Apr 99	Oct 99	Apr 98	Oct 98	Apr 99	Oct 99
Total number of cases	198,604	189,008	180,694	172,509	40,945	38,322	37,489	35,638
Number of child-only cases	61,002	61,715	64,286	64,468	9,720	10,034	10,381	10,409
Child-only cases as percent of total	31%	33%	36%	37%	24%	26%	28%	29%
Total number of aided children	393,895	376,155	359,888	342,719	100,128	93,796	91,903	87,343
Number of children in child-only cases	117,155	120,010	126,025	127,127	22,849	24,171	25,198	25,581
Children in child-only cases as percent of total	30%	32%	35%	37%	23%	26%	27%	29%
Average number of children, child-only cases	1.9	1.9	2.0	2.0	2.4	2.4	2.4	2.5
Average number of children, all other cases	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5

Source: CES tabulation from DPSS IBPS/CDMS data.

Note: Figures for October 1999 are based on straight-line projections for Pasadena and South Family offices and actual reports for all other offices.

# Labor Market

If there is one phrase that sums up the thrust of welfare reform, it is this: “Get a job!” Through a combination of financial incentives and support services, reformed welfare programs aim to make workers out of almost all adult welfare recipients. In California and in most other states, the incentives and support services are intended to “make work pay,” allowing parents to increase their total monthly incomes without having to absorb all of the costs (transportation, child care, etc.) associated with employment. Welfare time limits are an added encouragement to parents, urging them to work *now* and to “bank” their months of welfare eligibility against potential joblessness in future years.<sup>48</sup> Welfare reform includes one additional reason to work: sanctions—the threat of having some or all of a welfare grant withheld when program requirements are not met.

If these measures—the incentives, supports, and sanctions—function as planned, increased employment among welfare recipients and among similar parents who would otherwise be eligible for welfare could be expected. The effects of the incentives, supports, and sanctions, however, could be muted if the incentives, supports, and sanctions are not sufficiently strong, if job opportunities are not plentiful, or if there are other applicants contending with welfare recipients for the same jobs.

Had the work requirements been implemented for all recipients on the first day of reform, a dramatic rise in local unemployment could have been expected. However, since policymakers shaped a program allowing recipients to enter the labor market gradually, this may have given the region’s dynamic economy time to create jobs to help absorb welfare parents into the workforce. (Reference is made here to *net* job creation—an increase in the total supply of jobs—which occurs when more new jobs are created than older jobs destroyed.)

There are some pressing questions to ask about job creation and welfare reform. Can Los Angeles County create enough jobs to absorb all welfare recipients? Will another recession halt or even reverse progress in moving recipients into the labor market? Will the Los Angeles County economy create the types of jobs that welfare recipients can fill? Will the jobs welfare recipients take pay above-poverty wages?

Some of these questions are answered in this section, while others are deferred to CES’s next report on the success of welfare-to-work. In addition, we discuss how welfare recipients’ labor force participation may affect the working poor parents and individuals with whom welfare parents are competing for jobs. Finally, we present and analyze Los Angeles County employment trends among single mothers and welfare participants in the aftermath of welfare reform.

## Recession

Welfare researchers throughout the country have documented how a booming economy facilitates recipients’ transition off welfare and into the workforce. Although certain researchers believe that declining welfare caseloads are unrelated to job prospects,<sup>49</sup> there is broad consensus among researchers that the booming economy has been a significant cause of falling welfare dependence. On the eve of welfare reform, a study by the Council of Economic Advisers estimated that 31-45 percent of caseload changes through 1996 were due to economic factors.<sup>50</sup> In the aftermath of welfare reform, researchers have found declining unemployment rates to be responsible for 9-19 percent of the decline in caseloads.<sup>51</sup>

Although a strong economy has greatly aided recipients in becoming workers, the role of an expanding economy in facilitating the transition of welfare parents into work may decline over the coming years. Should a recession occur in the

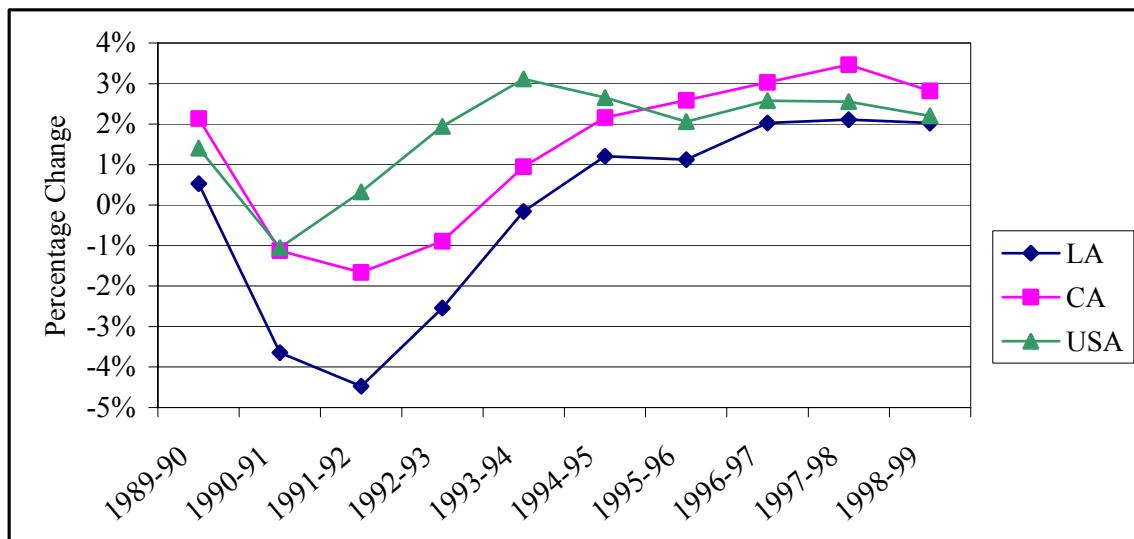
near future, job prospects for welfare recipients will decline. The labor market becomes much less competitive when the economy is booming, making it easier for welfare recipients to find and retain jobs. Conversely, during periods of slow growth and recession, welfare leavers are more likely to lose their jobs, and recipients will face stiffer competition for job openings. Further, the economic support provided by a recipient's partner would also tend to decline during periods of slow growth. Thus, recession will tend to drive up the welfare caseloads by making it difficult to leave the welfare system, and will cause unemployed parents to remain dependent on welfare.

The Los Angeles County economy has been steadily creating jobs—both skilled and unskilled—for several years. In the past year, local economic growth has finally caught up with the national trend for the first time in ten years. Although the national and local economies continue to expand, labor growth has slowed in the last several years. The State and national labor growth rates displayed in Figure 12 indicate that economic

growth has already slowed somewhat in the labor market. Similarly, national income (Gross Domestic Product) growth began to slow in 1997.<sup>52</sup>

Since the earliest economic monitoring efforts in 1854, new business cycles have started in the United States roughly every five years. If history is a guide, it would appear inevitable that a recession will occur sometime in the next few years. The current economic expansion is already the longest peacetime expansion in recorded American history. History also indicates that Los Angeles County has experienced each of nine post-war recessions along with the rest of the country. Recently, Los Angeles County spent longer in recession than did the rest of the country; it nonetheless went into recession at roughly the same time.

**Figure 12: Employment Growth, 1989–1999**



Source: United States Bureau of Labor Statistics

Note: Employment growth is the percentage change in annual average employment. The reader should be cautioned that declining *growth rates* do not imply than employment levels have fallen, only that they are growing more slowly.

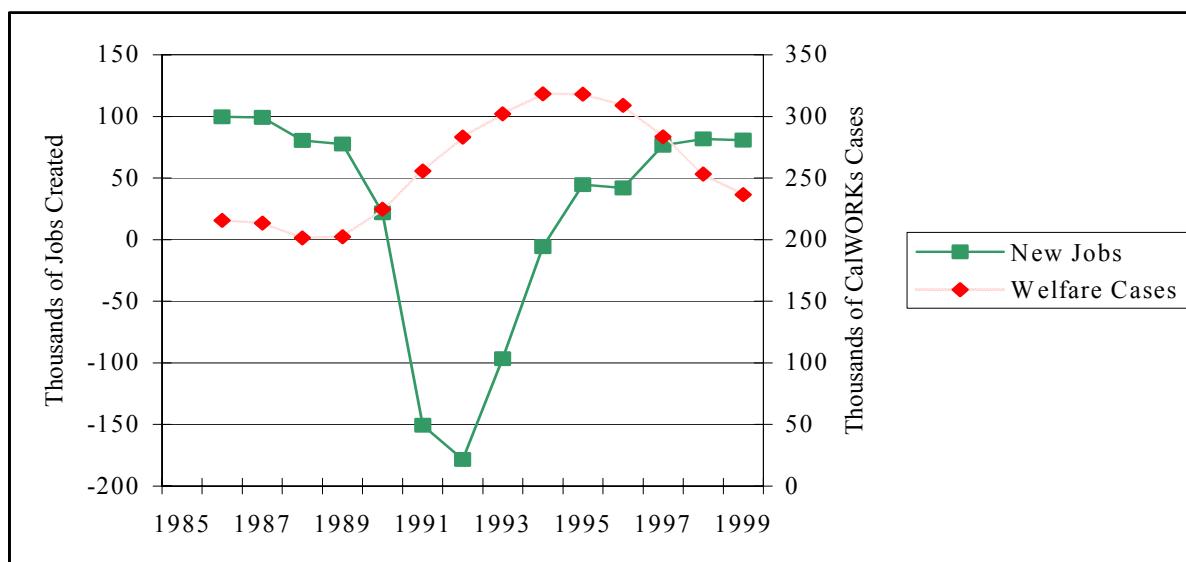
When a recession occurs, there is an expectation that job opportunities in industries particularly sensitive to the business cycle will diminish. Marginal workers will have greater difficulty finding and retaining jobs in an increasingly competitive labor market. A more competitive labor market will cause decline or stagnation in real wage growth, particularly for unskilled jobs.<sup>53</sup>

The extent to which a recession will reverse caseload declines will depend on the timing of the recession, access to unemployment benefits, and the competitiveness of single mothers in the recessionary job market. Although unemployment insurance will cover some of the mothers and their partners, if any, unemployment benefits do not completely replace lost earnings and provide no coverage for those former welfare recipients who had just begun to work in the 12-18 months prior to being laid off. Clearly, single mothers will apply for welfare when the cyclical jobs they often hold,

such as department store cashier and hotel maid positions, are eliminated. When the cyclical jobs that working class men tend to hold begin to disappear, this is also likely to affect single mothers. For many low-income mothers with nonmarital partners, especially live-in nonmarital partners, a downturn in men's employment may mean a loss of vital income. Thus, a recession is likely to have both direct and indirect effects on the propensity of poor single mothers to apply for aid.

Although recession will clearly create temporary setbacks in the success of welfare reform, it may not *necessarily* undermine reform over the long run. Prior to the recession of the early 1990s and during the last few years, Los Angeles County has on net created between 50,000 and 100,000 jobs annually (see Figure 13). The problem is that welfare recipients are not necessarily competitive with other applicants for these jobs.

**Figure 13. Welfare Caseload and Net Job Creation, Los Angeles County, 1985–1999**



Source: United States Bureau of Labor Statistics; California Department of Social Services.

Note: Net job creation is the net change in the number of jobs held by Los Angeles County residents. Welfare cases are AFDC/CalWORKs cases including both single-and two-parent families.

### Unskilled Job Creation

Even if Los Angeles County creates an adequate quantity of jobs, this does not mean that welfare recipients are qualified for these jobs. In order to assess how economic growth can help move welfare recipients into the workforce, it is important to focus on the types of jobs available to welfare recipients. Because of their low basic skills, welfare recipients cannot access the vast majority of jobs.<sup>54</sup> Los Angeles County welfare recipients have particularly low basic skills, partly because many have limited education while others have limited English-speaking skills.<sup>55</sup> Some researchers have concluded that Los Angeles County lacks a sufficient supply of low-skill jobs to absorb all welfare recipients into the workforce. Welfare recipients are much more likely than other Angelenos to get jobs in certain types of businesses, such as apparel manufacturing, department stores, beauty shops, temporary help agencies, nursing homes, child care facilities, and private households.<sup>56</sup> Studies indicate that welfare mothers are much more likely than the typical

worker to find jobs as maids, textile workers, cashiers, nursing aides, child care workers, and waitresses.<sup>57</sup>

Strong job growth in recent years has meant that even the uneducated and the unskilled have been able to access the local labor market.<sup>58</sup> Job growth in the industries employing disproportionately high numbers of welfare recipients has been relatively strong over the last several years (see Table 8). Growth in occupations caring for the elderly has been strong and will continue to be fueled by the aging of the population. The local apparel industry has grown quickly, despite lackluster performance in the rest of the country. With the exception of department stores, growth in the low-wage industries has been particularly strong in recent years in Los Angeles County.

A single parent *can* support three children at a level just above the poverty line if she works full-time and year-round at the current \$5.75 minimum wage, if she receives Food Stamps and free school meals, and if she takes advantage of the

Federal EITC. So, it can be expected that welfare *leavers* will have trouble making ends meet if they are unable to find full-time work or if they are unable to remain steadily employed throughout the year. This is why it is important to understand unskilled welfare recipients' prospects for full-time, year-round work. In fact, job opportunities for less qualified workers do not offer much promise for high earnings or steady advancement. The jobs carry with them a high risk of recurring unemployment and layoffs. Significant proportions of these types of jobs are on a part-time schedule.<sup>59</sup> Average yearly earnings in these industries are low compared with the Countywide average. However, earnings growth in these industries has kept pace with the Countywide

average during the 1990s. Setting aside the fast-growing temporary help and home health care industries, average annual pay among employers of welfare recipients has risen about 20 percent in unadjusted dollars since the recession. Increases in the minimum wage in 1996 and 1998 helped sustain wages in these industries.<sup>60</sup>

Clearly a low-wage job can lift a recipient out of poverty; however, such jobs do not likely provide upward mobility for most recipients. For the most part, welfare recipients might enjoy upward mobility if they invest in their skills and education or if growth in moderately skilled jobs increases opportunities for the less-skilled.

**Table 8. Employment and Real Earnings Growth, Selected Industries, Los Angeles County, 1991–1998**

	1991-1998		1998
	Employment Growth %	Real Earnings Growth %	Jobs (1,000s)
<i>All Industries</i>	-1	4	3,947
<i>Selected Industries</i>	16	3	849
Apparel Manufacturing	8	-9	110
Department Stores	-10	-1	62
Food Stores	4	7	92
Restaurants and Bars	11	3	241
Hotels	2	12	42
Private Households	37	3	42
Laundry Services	6	4	18
Beauty Shops	8	-3	11
Building Services	20	0	30
Temporary Help	71	-11	121
Nursing and Personal Care	19	10	41
Home Health Care	116	-10	11
Child Care	39	9	13
Residential Care	15	2	16

Source: CES calculations from Unemployment Insurance records provided to CES by EDD.

Note: Industries listed are those found by the Economic Roundtable to be most likely to employ welfare recipients in Los Angeles County.

### **Wages and Welfare Caseloads**

The success of welfare reform in promoting employment and self-sufficiency depends not only on the availability of jobs accessible to welfare recipients, but also on the earnings the available jobs offer. If the earning power of welfare parents is low, welfare programs will have difficulty moving recipients off of cash assistance and towards self-sufficiency. When their potential earning power is strong, parents are likely to be more motivated to

find and keep jobs. Parents who cannot find steady, full-time work paying wages much above the minimum, however, will have limited incentives to leave welfare and will probably not be able to support their family at a level above the poverty line if they do leave. Increases in the California minimum wage to \$6.25 in January 2001, and \$6.75 in January 2002, should help, but minimum wage workers will still have difficulties supporting a family at a level above the poverty line.

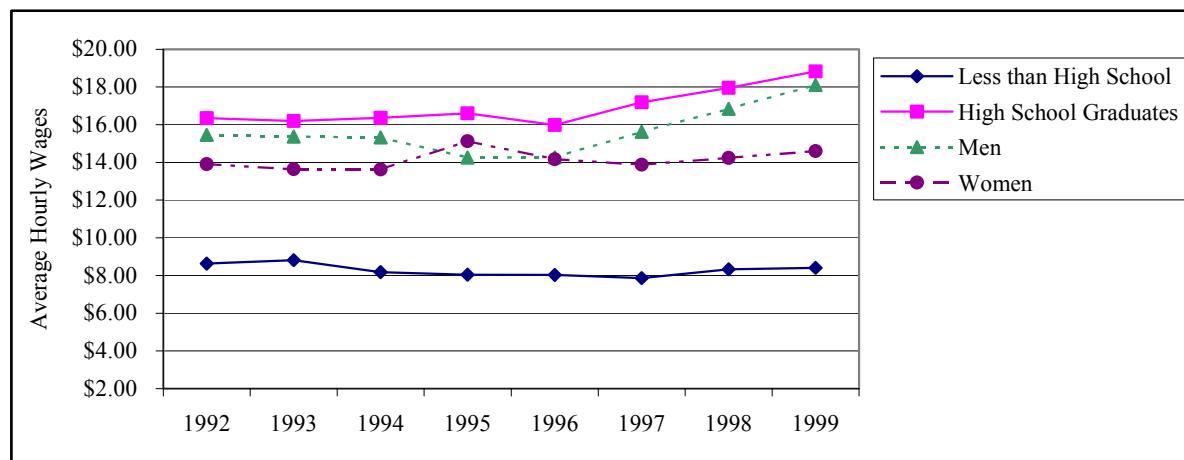
Real wages have grown more slowly in Los Angeles County than in the rest of the country over the past decade. Because unemployment in Los Angeles County has been consistently higher than in other parts of the country since the early 1990s, this is hardly surprising. Fortunately, wages in the local economy have begun to rise recently as labor demand has increased and unemployment has fallen (see Appendix B).

Real wages for high school graduates and for male Angelenos have risen in recent years, as Figure 14 indicates. Men's real wages have risen more dramatically because the recent economic expansion in Los Angeles County seems to have favored the types of jobs men are more likely to perform. Another reason men's wages have risen more quickly than women's wages is that women's labor force participation has been rising at a faster rate. When more women enter the labor force, there is greater competition for jobs typically performed by women, slowing the growth in real wages. As seen in Figure 15, the decline in

unemployment rates among men has been more rapid than the decline rates among women.

Real wages for high school graduates have risen in recent years, whereas wages for high school dropouts have remained fairly flat in Los Angeles County. Flat wage growth for high school dropouts has occurred even though there have been rapid declines in unemployment among high school dropouts. Recent migration patterns have reduced the supply of educated workers and increased the supply of uneducated workers. Population estimates indicate that the Los Angeles County labor force has become increasingly Latino and decreasingly White due to the emigration of young, White adults out of the County, as well as the rapid migration of middle-aged Latinos into the County. Given that the White youths migrating out of the Los Angeles County tend to be more educated than the immigrants attracted to the County, there is good reason to believe that the supply of educated workers in the local economy has declined in recent years.

**Figure 14. Average Hourly Wages, Los Angeles County, 1992–1999**



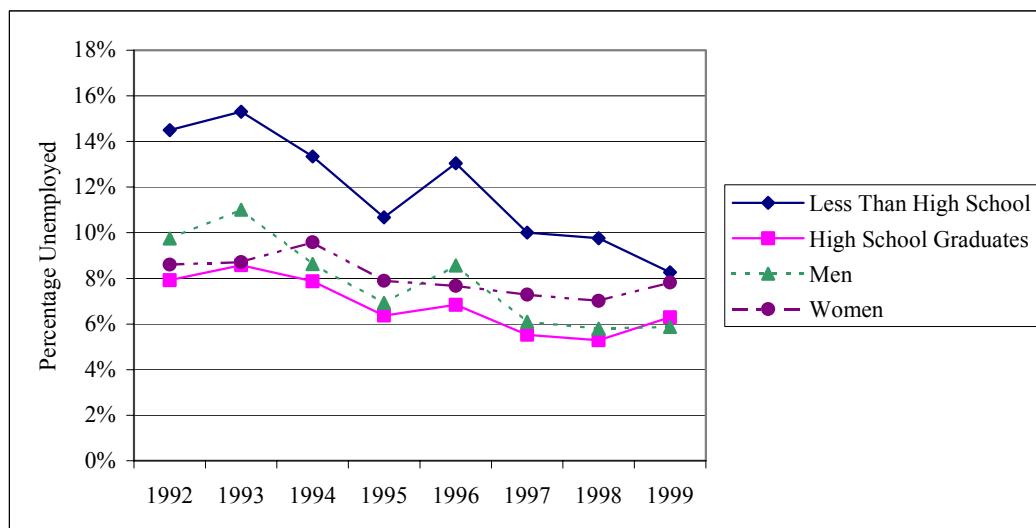
Source: CES estimates of average wages on an hourly basis. Current Population Survey Outgoing Rotations File; United States Bureau of Labor Statistics.

Note: Real wages in 1999 dollars.

The Los Angeles County trend in wages for unskilled workers follows the national trend over the past few decades of real wage growth among more educated workers and flat or even negative real growth for less educated workers. In particular, the economy has increasingly rewarded college-educated workers for several reasons.

First, they are more likely to have computer skills, which are in ever-increasing demand. Second, they tend to work in industries that do not compete against firms in low-wage foreign countries. Third, persons with less than high school education are often immigrants who lack English skills valuable to employers.

**Figure 15. Unemployment Rates by Education and Gender, Los Angeles County, 1992–1999**



Source: Current Population Survey Outgoing Rotations File.

Note: Annual average unemployment rates.

### Impacts on the Working Poor

By requiring most aided adults to seek employment, welfare reform causes an increase in the supply of labor, which, by conventional economic logic, should either increase unemployment, depress wages, or both. Economists do not expect the influx of welfare recipients into the workforce to have significant impacts on the labor market as a whole.<sup>61</sup> However, they do anticipate adverse impacts on the low-skilled workers competing with welfare recipients.<sup>62</sup>

To what extent will the labor supply increase result in the displacement of other non-CalWORKs

workers and to what extent will it reduce wages? Labor economists believe entry of welfare recipients into the labor market will initially lead to the displacement of other workers with similar labor market characteristics. They predict welfare recipients who succeed in finding jobs will usually displace other less-skilled working women in the early years after the labor supply increase. Over time, the displaced workers will find jobs and the overall effect will be felt in unskilled workers' wages.

There is some evidence that this may already be happening. Current Population Survey data indicate that unemployment among female heads of household has risen, and that the wages of

female heads of household have declined relative to those of other less-educated women. Although the increasing labor force participation among single mothers has increased their unemployment rate, it is less clear whether it has reduced wages for other less-educated women. If the single mothers who recently began working have fewer skills than their counterparts with lengthier work histories, this in itself would reduce average wages without necessarily affecting the wages of the women with longer work histories.

Further research comparing the skills and wages of former recipients to other single mothers could clarify this question. In the course of its research on the GAIN welfare-to-work program, CES hopes to learn in greater detail about recipients' and leavers' employment characteristics. Knowing more about the jobs current and former welfare recipients hold will help in identifying others with whom they may be competing for work. This information will help us come to firmer conclusions about the wage and displacement effects of welfare reform.

## **Work Participation and Earnings of CalWORKs Recipients**

The Federal Welfare Reform Act requires states to ensure that at least 40 percent of aided parents during 2000 are engaged in work or work-related activities for at least 30 hours per week. States that fail to meet this goal, and that have not accumulated sufficient credits for reducing their welfare caseloads, face financial penalties. More stringent are the Federal requirements regarding two-parent households; states now need to ensure that 90 percent of two-parent welfare families have at least one parent working or participating in welfare-to-work activities for a total of at least 35 hours per week. Meeting the high work participation requirements for two-parent families has been problematic; only 25 percent of California two-parent families worked the required number of hours in 1997, and, despite an increase, only 36 percent met requirements in

1998. The difficulty of meeting the two-parent requirement has caused several states, including California, to establish separate, State-funded two-parent programs that are not subject to the Federal participation requirements.<sup>63</sup>

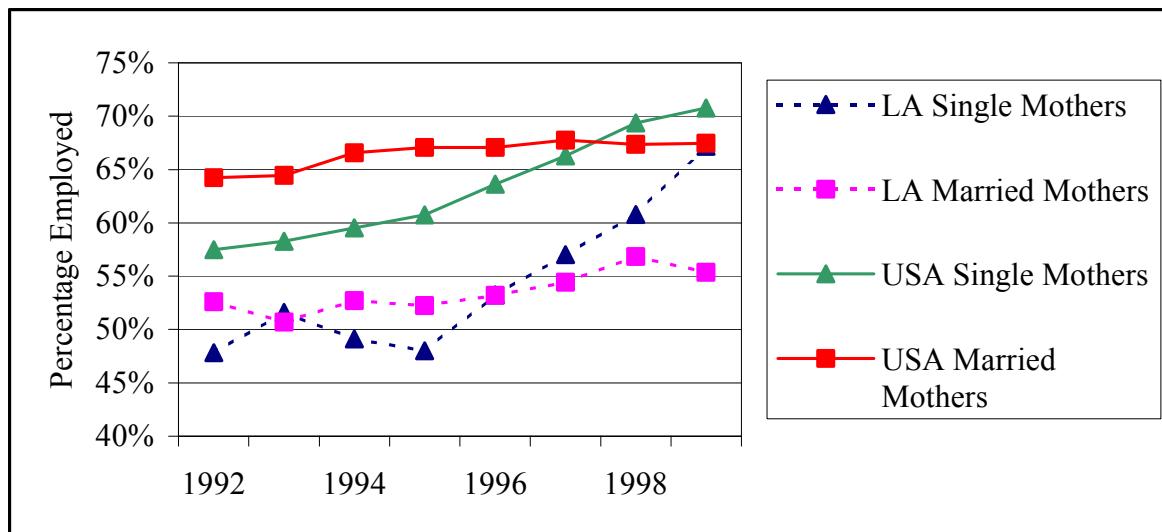
Welfare-to-work activities encompass much more than finding employment. Those welfare recipients who cannot find jobs must participate in the County's core employment program for participants with a work requirement. The GAIN program predates welfare reform by ten years, and continues to assist recipients with job training, job search, child care, and other services.

Welfare reform has dramatically increased the numbers of participants served by the GAIN program. Using a gradual phase-in process, GAIN has been able to enroll all those who are required by law to participate in welfare-to-work activities. The County has also enrolled recipients who voluntarily comply with welfare-to-work requirements, and has begun to sanction recipients who fail to meet their GAIN participation requirements.

### **Labor Force Participation Among Single Mothers**

Single mothers have rapidly joined the workforce over the last decade. At the beginning of the decade, married mothers were more likely to work than were single mothers. Single mothers have become increasingly likely to work, while married mothers' likelihood of working has not significantly changed (as seen in Figure 16). The trend began to accelerate in 1995, several years prior to the implementation of welfare reform. Single-mother employment has risen throughout the country. In Los Angeles County, the increase since 1995 has been even more dramatic, with the odds of a single mother working increasing from one-in-two to two-in-three. Single mothers are now more likely than their married counterparts to work.

**Figure 16. Employment Rates of Mothers, 1992–1999**



Source: CES calculations based on Outgoing Rotations Current Population Survey, 1992–1998 and March 1999.

Note: Adults aged 18–59 residing in single-mother or two-parent families with minor children. The employment rate is the percentage of the specific population that reports being employed.

Although real wages have continued to grow for married mothers, they have been flat for the last several years among single mothers. This indicates that the labor supply increase has outpaced the expansion in job opportunities accessible to single mothers. If single mothers behave as economists would expect, they are joining the labor force in response to incentives; however, in this case the single mothers are clearly not responding to wage growth. Thus, the labor supply increase among single mothers would appear to be a response to non-market incentives, such as the incentives created by social policy. The increased generosity of the EITC has helped make work more attractive to relatively unskilled workers (described above in the Policy Environment section). Welfare reform may also have played a significant role, even though the trend predates the passage of the Federal reform bill. Welfare-to-work programs like Los Angeles County's GAIN program had been in operation

since the late 1980s, albeit with a much smaller mandatory population. In addition, time-limited welfare began to be discussed seriously by Federal policymakers several years prior to official approval of the reform package. It is possible that the "announcement effect" of welfare reform proposals helped accelerate the tendency of single mothers to work.

### The Labor Force Participation of Welfare Recipients

The task of moving families from welfare to self-sufficiency becomes more difficult as the caseload declines, as it has for several years. As adults with stronger employment skills and more work history move into steady employment and off welfare, the remaining families are longer-term recipients with fewer employment skills and more barriers to employment. This may be one reason why employment rates among aided welfare recipients stayed relatively flat over the period

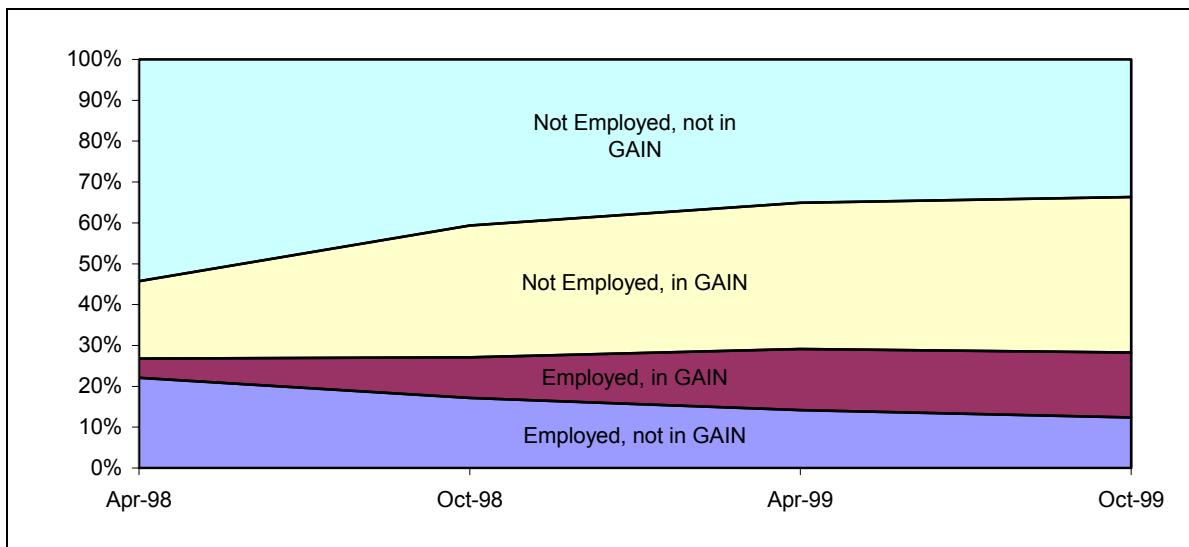
between April 1998 and October 1999. Employment did increase among aided adults overall during this period—but only from 30 percent to 32 percent, led by increases of just over 2 percent among both men and women in two-parent families. The most dramatic development over this period was the success of the Los Angeles County DPSS in boosting the proportion of aided adults enrolled in welfare-to-work activities. Counting both employment and welfare-to-work together, participation increased from 46 percent in April 1998, to 64 percent in October 1999. The most dramatic increases were among women in single-parent families, primarily single mothers.

For the first 18 to 24 months of their welfare-to-work participation (depending on when they began receiving aid, as discussed previously), welfare recipients can meet their work requirements without actually securing employment. According to their needs, they may become involved in job search activities, job training, short-term remedial education, or other programs designed to help

them find or prepare for employment. Most recipients without full-time jobs are initially channeled into the Job Club, a program that involves motivational exercises, job-seeking skills training, and job search activities. Those who do not find full-time work after three weeks of Job Club are evaluated for skill deficits or other barriers and may be channeled into job training programs.

Figure 17 illustrates these trends in employment and welfare-to-work participation. The two bottom stripes in the figure represent the proportions of aided women in CalWORKs/FG cases who are employed and not enrolled in GAIN, and who are employed and also enrolled in GAIN, respectively. Although the former shrank and the latter swelled between 1998 and 1999, the total employment among these women grew by less than 1.5 percent. Likewise, the proportion of nonworking aided women remained roughly the same, but more and more of them enrolled in GAIN over this period.

**Figure 17. Aided Female Adults in Single Parent Cases, Ages 20-59, Los Angeles County, 1998-1999**



Sources: CES calculations based on Los Angeles County administrative records on welfare recipients (IBPS/CDMS and GEARS).

Note: Does not include recipients enrolled at offices that have converted to the new LEADER database tracking system.

It was not just among women in CalWORKs/FG cases that GAIN enrollment climbed. Among all aided adults, the share of employed welfare recipients who were enrolled in the GAIN program increased rapidly over that time period. In April 1998, only one in five working recipients were enrolled in the GAIN program. Eighteen months later, one-half of working welfare parents were enrolled in GAIN. Working parents remain in GAIN because they are not working enough hours to meet work requirements, they are receiving supportive services, or they are receiving post-employment services.

Not only has GAIN participation increased among working welfare recipients, but earnings have also increased. These earning increases are not surprising because welfare recipients are now required to spend more weekly hours working. It can be seen that the already-employed adults on welfare caseloads are making efforts to meet work

requirements by increasing their work hours rather than through other activities, such as job training or job search.

The number of hours employed welfare recipients are actually working is not known—but an educated guess can be made. If an assumption is made that working welfare parents all earn the California minimum wage, it can be inferred that the average working CalWORKs mother spent 30 hours weekly at work during October 1999, and the average working father spent 33 hours weekly at work. It is more realistic to assume that working parents make wages in excess of the minimum wage and are probably working fewer hours on average than the first calculation. Regardless of the assumption about average wages earned by recipients, the implication is that work hours have been on the rise.

It is also worth noting that the share of aided *families* reporting some earnings rose during the

first year and one-half of welfare reform, from 28 percent in April 1998 to 30 percent in October 1999. Part of this increase came from new employment among aided adults, but employment among unaided adults whose incomes are counted in the determination of case-level benefits also appears to have risen. This may, for instance, indicate more employment among undocumented (and, therefore, ineligible) parents whose children receive welfare.<sup>64</sup>

### **Tracking the Employment Experiences of Recipients**

Serious data issues are a barrier to being more informative and more definitive about the impacts of CalWORKs on the employment of adult welfare recipients. Critical job characteristics, such as hours and hourly wages, are tracked by GAIN workers for GAIN participants, but hours and wages for other employed participants do not appear to be tracked.<sup>65</sup> With the administrative data available, it is possible only to guess at the proportion of the caseload meeting requirements by estimating hours worked based on reported earnings. Only half of working welfare recipients are enrolled in the GAIN program. This proportion increased rapidly over the first 18 months of

welfare reform. Because stable, longer-term workers are not well represented within GAIN, the data derived from GAIN provides a biased picture of the employment of welfare recipients. The lack of hours, wage, and job characteristic data for non-GAIN workers limits the ability to analyze the employment of *all* recipients.

The Pasadena and South Family District Offices handle about 8 percent of the total Los Angeles County CalWORKs caseload; and data on those families is currently unavailable. If the two offices handled only a random selection of families, this might not be especially problematic, but this is not the case. CalWORKs cases handled by these offices are different from cases for which data is available throughout the time period of this study. Adult recipients handled by the Pasadena and South Family offices are less likely to be employed than are recipients at other offices. Adults from these offices are significantly more likely to be enrolled in the GAIN program. Of all adults from the two offices, 28 percent were enrolled in GAIN in April 1998 but only 22.5 percent of all other adults were enrolled in GAIN.

# Income, Poverty, and Hardship

Welfare reform could affect the economic well-being of families in Los Angeles County in several ways. It might improve family well-being by boosting the earnings or child support income of custodial parents, or by increasing the proportion of families that are stable and headed by two-parents. On the other hand, families in which parents incur sanctions for noncompliance with program requirements, and teen parents who forgo cash assistance rather than comply with the requirement that they live with relatives are likely to be worse off than they had been in the past. This section asks how the pluses and minuses balance out.

## Poverty Impacts Among Recipients

For the purposes of this report, being poor or living in poverty means having a family income that falls at or below the Poverty Thresholds established by the United States Bureau of the Census.<sup>66</sup> For a family consisting of one parent and two related minor children, the 2000 Poverty Threshold was \$13,874.67 The Poverty Threshold does not take into account assets (such as houses or cars) or debts (like student loans or credit card balances) and so this section focuses strictly on family income.

It is important to be aware that most aided families continue to remain poor even after accounting for cash and other benefits. For example, in order to begin receiving cash aid in March 2000, a family of three could not have a monthly income exceeding \$793.00, which is only 69 percent of the year 2000 Federal Poverty Threshold for a family of that size. A slight improvement in this family's income, either through additional earnings or a change in family structure, brings them closer to the limits of their benefits eligibility. When such families leave welfare because they no longer qualify for cash benefits due to their higher income, the result is

that an increased proportion of the remaining aided families are in extreme poverty.

In order to understand welfare reform impacts on income and poverty, it would be ideal to take into account the full package of support provided to recipients. CalWORKs families receive a cash grant, Food Stamps benefits, subsidized school meals, free health insurance coverage, and income sources, such as unemployment benefits or child support. Working recipients also have earnings and are eligible for some income from the EITC. Some may also receive housing subsidies. (As was true before welfare reform, California does not reduce welfare families' cash grants by a full dollar for every dollar earned. As was noted previously, parents who are working at low wages and less than full-time have their grants reduced slightly more under CalWORKs than had been the case under AFDC.) This combination of aid and income sources helps recipients support their families. The 1996-1998 California minimum wage hikes and the more generous Federal EITC have made it possible for a single parent with as many as three children to be considered non-poor if he or she works full-time and year-round at the minimum wage.<sup>68</sup>

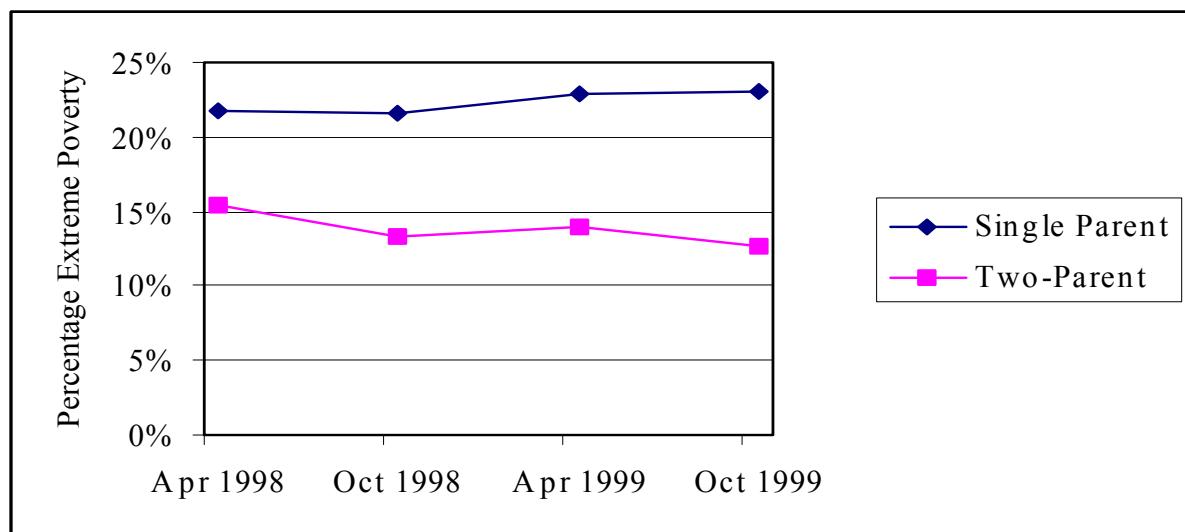
In addition to earnings, cash assistance, Food Stamps and tax credits, poor families may rely on other government programs such as subsidized services. The reform provides families with services they might not have received in the pre-reform world. Existing recipients now have improved access to child care, transportation, and training services. The availability of these services effectively increases the incomes of welfare families because recipients can use them and not have to pay out-of-pocket for them.

There are also negative direct impacts caused by immigrant restrictions, new policies sanctioning parents, and family caps. Although the CFAP is helping many immigrant families that initially lost

or became ineligible for benefits under PRWORA, restrictions on Food Stamps benefits have still made it more difficult for some immigrant parents to support a family. Rising numbers of recipients receive smaller checks when they are sanctioned for failure to follow new rules. The rather small portion of recipients who give birth while on welfare do not receive any additional cash benefits to cover the expense of another mouth to feed as a result of the recently-enacted family cap policy—Food Stamps and Medi-Cal are, however, available for these children. The 60-month lifetime limit on CalWORKs receipt by adults also threatens some families, but none will reach that limit before 2003.

The income and poverty status of welfare families were tracked over the first 18 months of reform. It was observed that, over the April 1998 to October 1999 time period,<sup>69</sup> the share of welfare families suffering from extreme poverty (with family income below 50 percent of the Federal Poverty Threshold) held relatively steady (see Figure 18). Only a slightly higher proportion of aided families were living in extreme poverty in October 1999 than in April 1998. Extreme poverty increased primarily among families without full-time working adults. Aided single-parent families are more likely to be headed by non-working parents. The proportion of single-parent welfare families living in extreme poverty rose slightly, from 22 percent to 23 percent over the initial 18 months of reform.

**Figure 18. CalWORKs Families in Extreme Poverty, Los Angeles County, 1998-1999**



Source: Los Angeles County administrative welfare records.

Note: Extreme poverty rate is the proportion of families with less than 50 percent of the resources defined to be sufficient for a family of this particular size. The cash grant, Food Stamps, earnings and other unearned income are counted toward the family's income. The necessary resources are defined as the Federal poverty line for a particular year. Calculations exclude families registered in the Pasadena and South Family offices that converted to a new database system over this time period.

Two-parent families have boosted their earnings over the first 18 months of reform. This increase in earnings represents an increase in working

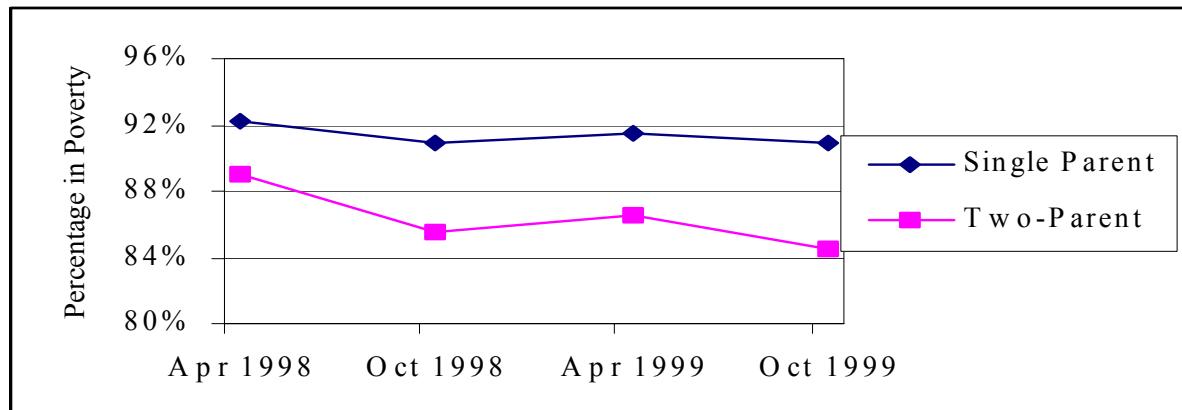
hours rather than an increase in the likelihood of a welfare parent to be working. In particular, two-parent families have been more successful at

earning more than \$1,000 monthly. Their poverty rates have declined over the early months of reform as a result of this greater work effort and higher earnings.

Although poverty has decreased among recipients over the initial 18 months of reform (see Figure 19), there is not much known about poverty

trends among welfare mothers prior to the implementation of welfare reform in Los Angeles County. The impact of welfare reform on recipients' families can be better understood by examining administrative records on family incomes from the period prior to the implementation of welfare reform.

**Figure 19. CalWORKs Families in Poverty, Los Angeles County, 1998-1999**



Source: DPSS administrative records.

Note: The Federal government annually determines the level of income necessary to sustain a family of a given size. Families with total incomes below this level are considered to be living in poverty; the poverty rate is the percentage of families living in poverty. In the calculations made for this report, a family's cash welfare grant, Food Stamps, earnings, and other unearned income are counted toward the family's total income. Calculations exclude families served by DPSS offices that converted to the new LEADER case management system during this time period.

## Economic Hardship Among Recipients

Poverty rates have been falling among current CalWORKs recipients; however, it does not follow that all current and former recipients are better off under reform. The average CalWORKs family is poor, and one in five are extremely poor with incomes at 50 percent of the poverty level. Although CalWORKs attempts to help families cope with the hardships they are experiencing and become self-sufficient, many participants have

difficulty making ends meet, feeding their families, and paying for rent and utilities.

It was noted earlier that program changes, particularly sanctions and time limits, might cause some CalWORKs families to be worse off in the post-reform world. Here data is examined to determine whether hardship might have become more pronounced among recipients.

An attempt was made to see if CalWORKs participants were able to pay utility bills, and if they had to rely on others for help when they had no money. Survey research conducted by CES

shows that although most families were able to pay their electricity bills—did not have a disconnection during the previous year—16 percent did have their electricity disconnected (see Appendix A for details on the survey). This clearly affected their quality of life and their ability to work, cook, store food, or heat their homes. Respondents also experienced hardships paying for other bills. Moreover, two-thirds of the sample had to ask relatives or friends for help.

In order to address economic hardships experienced by CalWORKs families, the ability to meet basic needs, such as being able to buy food was examined. Data from a 1997 survey indicate that 20 percent of Americans living in families had effectively run out of food recently. About half of those in the low-income families who participated in this survey reported having had times when they were either short of food or worried that they would soon be. As those who conducted the survey observed, “Limited buying power produces uncertainty about—and interruptions in—the availability of food. These situations heighten stress and can cause hunger or even poor nutrition.”<sup>70</sup>

CES has laid the groundwork for monitoring hardship among Los Angeles County recipients by surveying CalWORKs participants about whether they went hungry on some occasion during the previous year because they were not able to buy food. The 1999 baseline survey results indicate that one-third of welfare families surveyed had gone hungry in the past year (1998). As the effort to monitor hunger among CalWORKs recipients continues, it will be possible to assess the impacts of reform on hardship over the early years of welfare reform.

## Housing Instability

Has welfare reform enabled people to improve their housing conditions or has it increased housing instability for low-income families? Has there been an increase in the number of people

who are homeless or living in shelters, who are evicted, who have to move to lower quality housing, who have to double-up, who ask for housing assistance and apply for public housing?

The economic well-being of CalWORKs families partly depends on their ability to find subsidized, shared, or otherwise affordable housing. It is possible that welfare reform might affect existing recipients' housing quality and stability if reform changes their cash resources directly affecting their housing budget or indirectly affecting their housing benefits. Alternatively, changes in housing quality might shed light on the types of recipients remaining on the welfare rolls. For example, if subsidized housing reduces work incentives for recipients, an increase in the portion of the caseload in subsidized housing might be observed. Or, if family support systems are important in easing a mother's passage into the workforce, a decrease in the number of families living in extended-family households might be observed.

Housing is the most significant component of the family budget for many low-income families.<sup>71</sup> The United States Department of Housing and Urban Development “Fair Market Rent” of \$782 for a two-bedroom apartment in Los Angeles County exceeds the cash welfare payment for a non-working single parent with two children.<sup>72</sup>

The housing expenses for welfare families vary substantially depending on whether families pay market rent, live in public housing projects, receive Federal housing assistance, or share housing with others.<sup>73</sup> One in seven Los Angeles County welfare families are fortunate to receive housing assistance in the form of a public housing unit or Federal Housing and Urban Development “Section 8” subsidized housing. Housing benefits are rationed, and Los Angeles County area applicants must spend an estimated 36 months on a waiting list prior to admission to public housing, and 84 months waiting for Section 8 vouchers.<sup>74</sup> Although public housing projects are often located

in blighted neighborhoods, these benefits free-up income to be spent in other ways.

A study of welfare recipients in several United States cities found that families living in public housing projects come closest to meeting their expenses.<sup>75</sup> By contrast, welfare families living in private, unshared housing, faced the largest gap between income and expenditures. Most families without housing assistance adapted by living in below-average housing, or by sharing housing with relatives, friends, or domestic partners. Due to their limited resources, welfare families tended to live in cheaper housing in neighborhoods with a high concentration of poverty.

The housing stability of Los Angeles County welfare recipients was measured in two different ways. First, in the 1999 survey CES conducted in CalWORKs offices, it was found that 41 percent of the respondents had moved within the last year. This suggests a very high rate of housing instability, especially when compared to American families in general, roughly one-sixth of who are likely to move in any given year.<sup>76</sup>

Second, housing stability was measured by monitoring address changes among welfare families. It was found that 14 percent of recipients who were on aid in April 1998 and remained on aid in October 1998 had changed addresses (an annualized rate of 26 percent). For those on aid between October 1998 and April 1999, the annualized moving rate was 23 percent, and for those on aid between April 1999 and October 1999, the annualized moving rate was 24 percent. In each period, no more than 1.5 percent moved more than once.

The first method probably overstated the CalWORKs population's housing instability, because it relied on the responses of recipients encountered in CalWORKs offices. Since new applicants and recipients needing special attention are more likely to be found in the CalWORKs offices than they are represented in the general

CalWORKs population, the moving rate that was measured may have been biased upwards. The second method, on the other hand, may have understated the number of moves by this population, because addresses in the caseload system that the data were drawn from are not updated automatically when a family moves. What the two sets of estimates suggest, however, are that the CalWORKs families move more frequently than the average American family, and that the implementation of CalWORKs does not appear to have increased their propensity to move.

A study conducted in 1998 found that in Los Angeles County, four of every thousand current TANF recipients were in emergency or temporary housing.<sup>77</sup> Researchers in several states have found increases in homeless persons seeking shelter following welfare reform.

CalWORKs offers a Homeless Assistance Program to CalWORKs participants who are homeless and have less than \$100 in cash or other liquid resources. The assistance may be money for temporary shelter or money to help with move-in costs to a permanent housing unit. Families can get this aid only once in a lifetime, with some exceptions (such as homelessness caused by domestic violence by a spouse or the house becoming inhabitable because of an unusual and sudden circumstance, such as fire or natural disaster).

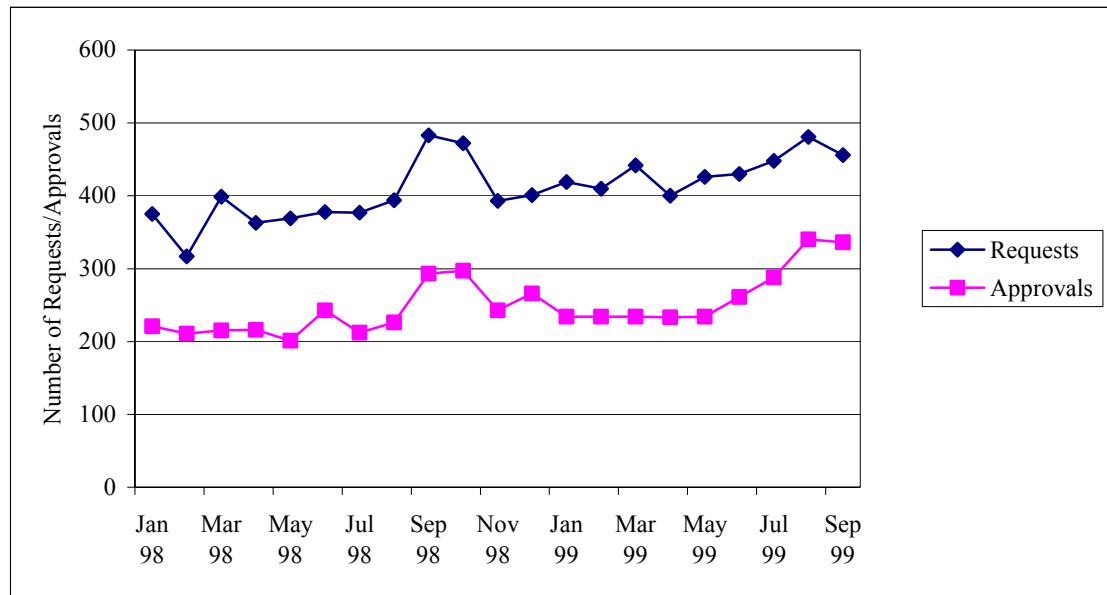
The total number of CalWORKs participants requesting aid from the CalWORKs Homeless Assistance Program increased from 375 requests in January 1998 to 456 requests in September 1999. The peak months for requesting assistance were September and October 1998 and August 1999. Figure 20 shows that the number of approvals for assistance is much lower than the number of requests, but the percentage of approvals has increased from 59 percent at the beginning of 1998, to 74 percent at the end of

1999, reducing the gap between those asking for assistance and those receiving it.

Additionally, findings using DPSS data show that those in need of assistance due to homelessness

have increased since the beginning of 1998, despite the decrease in the CalWORKs caseload. In addition, the fraction of applications that were approved increased from 59 percent in January 1998 to 74 percent in September 1999.

**Figure 20. Number of Requests and Approvals to the CalWORKs Homeless Assistance Program, 1998-1999**



Source: CalWORKs Homeless Assistance Program Monthly Statistical Report.

As stated previously, the number of families requesting homeless assistance is not very large. There are reasons these numbers are small which do not necessarily mean that CalWORKs participants are not facing housing problems. The number of families applying for assistance may be limited because of the program's requirements. The program offers help only once, so some families who are having housing problems do not apply because they are no longer eligible (they received aid once), and other families in need do not apply until they feel it is their last chance. Additionally, the program helps those who are already homeless—that is, with no regular, permanent place to live—but not those who have

difficulties meeting their rent or are in the process of becoming homeless.

The number of families seeking housing assistance has increased even while the total number of CalWORKs cases has declined. Housing is an area that should be carefully monitored because it is such a basic need. However, neither the current data nor studies comparing homelessness among current and former recipients show a significant effect of welfare reform on homelessness.<sup>78</sup>

At present, extremely little is known about trends in the Los Angeles County homeless population. Measurement of the homeless population is difficult and most estimates are very imprecise. A

report that includes data collected by the Mayor's Office of the City of Los Angeles noted a 13 percent increase in 2000 compared to 1999 of requests by families for emergency housing assistance. The report stated that some families were being turned away, and predicted that, "With the upcoming welfare cuts and housing costs rising, the increased population seeking these services will rise dramatically."<sup>79</sup>

Although the size of the local homeless population is not known, information regarding the characteristics of the homeless population nationwide is available. A 1992 study by the Urban Institute<sup>80</sup> found that about two-thirds of the homeless are single men, but that the majority of homeless families are headed by women.<sup>81</sup> Many of those who are homeless are chronically mentally ill, have substance abuse problems, are veterans, or have been in abusive relationships.<sup>82</sup> Domestic violence increases the threat of homelessness for welfare recipients and is a common cause of homelessness among women; 22 percent of homeless parents in a 1998 study reported leaving their last place of residence because of domestic violence. "In absence of TANF benefits, women who experience domestic violence may be at an increased risk of homelessness or compelled to live with a former or current abuser to avert homelessness."<sup>83</sup>

Although recent data indicate that homelessness continues to be relatively rare among families—in a 1996 survey, 15 percent of clients served by homeless agencies were families with children<sup>84</sup>—most families who become homeless are single-mother headed families and often current or former welfare recipients. In fact, one study found that in 1996, 52 percent of families who were being assisted by homeless agencies had received cash welfare payments in the past 30 days.<sup>85</sup> Although researchers in other states have found increases in homeless persons seeking shelter following welfare reform, studies that compare homelessness among current and former recipients show little effect of benefit loss on

homelessness.<sup>86</sup> It would appear from available research that welfare reform is not expected to have a measurable impact on homelessness in Los Angeles County.

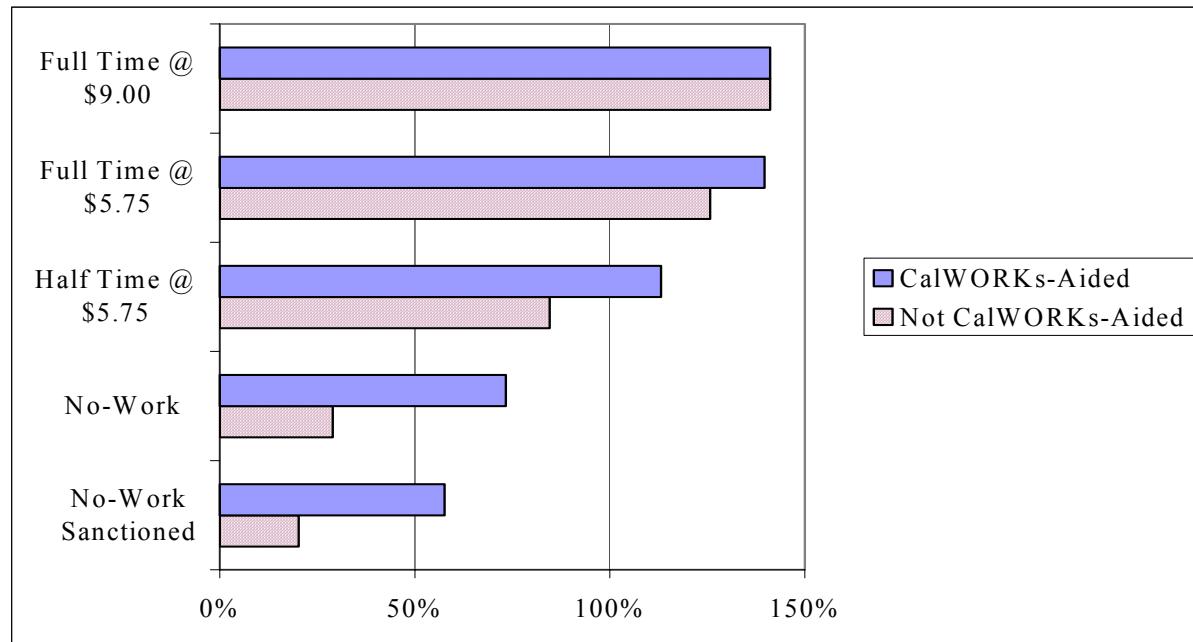
## Poverty Impacts in the Low-Income Population

Although existing recipients do not appear to have suffered negative impacts in their economic well-being, welfare reform does potentially affect those who are eligible, but not receiving benefits. The evaluation effort must focus on welfare-eligible families, not just current recipients. If current recipients were the sole focus, then the effects reform is having on eligible parents who are not applying for welfare due to the new restrictions would not be seen.

The model single parent who does not receive welfare can still bring her family income above the Federal Poverty Threshold by working. This parent has fewer economic resources than her counterpart who receives welfare, unless she is working full-time at a wage of nearly \$9.00 hourly (see Figure 21).

The new policies might deter poor families from applying for welfare benefits or encourage them to leave the welfare rolls without having secured adequate employment or some other means of support. The new work requirements and time-limited benefits may discourage eligible parents from receiving welfare. The reforms were intended, in part, to make welfare-eligible parents go public support and rely on the labor market for their livelihood. The well-being of welfare-eligible parents would improve if the parents, encouraged by the reforms, find steady work, upgrade their skills, and obtain employment at a level consistent with self-sufficiency. Those welfare-reliant parents who do not or cannot adapt in these ways, and who are not exempted by the welfare agency because of age, disability, or another consideration, will be more impoverished than under pre-reform policies.

**Figure 21. Single-Mother Headed Family of Three Income With and Without CalWORKs, as Percentage of Federal Poverty Threshold, March 2000**



Source: CES calculations based on CalWORKs, Food Stamps and Federal tax policy.

Note: The “Not CalWORKs-Aided” category represents families who receive no cash welfare. Families in the “No Work” categories receive Food Stamps and (for the “CalWORKs-Aided”) cash assistance. Calculations represent a model single-parent family with two children. Income includes CalWORKs, Food Stamps, and the EITC, less income and payroll taxes, in Fiscal Year 1999-2000. Food Stamps calculations assume that families have \$150 in excess monthly housing costs (relative to Food Stamps standards) and that full-time workers have \$150 in monthly child care expenses (\$75 for half-time workers).

Another form of impact—economic repercussions—is the least direct and operates through labor and consumer markets. To the extent that welfare-eligible parents are participating more in the labor market, they increase the supply of labor and, in particular, relatively unskilled labor. By increasing the labor supply, the policies tend to increase unemployment among those competing for unskilled jobs and put downward pressure on wages for unskilled jobs paying more than the minimum wage. Economic repercussions also take place through consumer markets. If on an average, welfare reform reduces family incomes, then parents will have less to spend at local

businesses. When shop owners suffer decreased demand for their goods and services, this reverberates through the local economy generating lower incomes for shop owners and their employees.

### Poverty Trends

The rate of poverty has been falling nationwide throughout the decade,<sup>87</sup> with the bulk of the decline in poverty predating the implementation of welfare reform. The clearest indications from available data suggest that the decline in Los Angeles County poverty started later than the national trend.<sup>88</sup> This is not surprising because the local economy rebounded from recession several

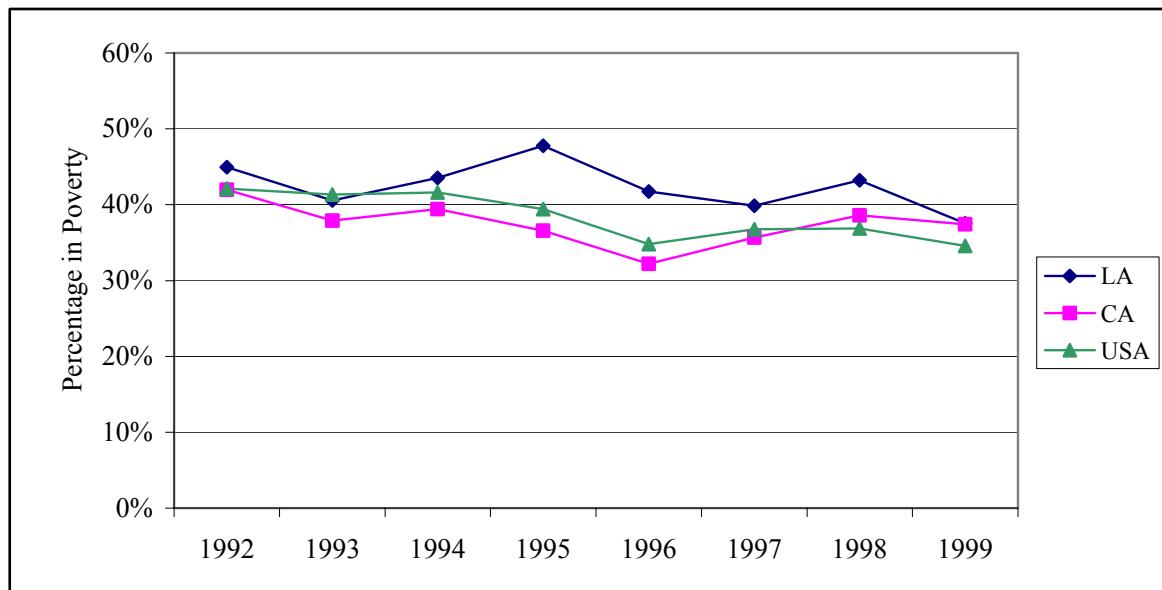
years after the national economy began improving. Local poverty began to decline shortly after the economy began to create jobs in 1995. Poverty among families headed by single mothers declined from 48 percent in 1995 to 38 percent in 1999 (see Figure 22).

The Children's Defense Fund (CDF) reports that the number of families living in extreme poverty increased significantly between 1996 and 1997, as did the number of children living in extreme poverty.<sup>89</sup> After accounting for TANF and Food Stamp programs, and despite the strong economy, CDF reported an increase of almost 26 percent among children in extreme poverty in 1997. CDF attributes this jump to welfare reform and, particularly, with the decline in Food Stamps participation that has accompanied welfare reform. Nationally, the rate of Food Stamps participation (that is, the percentage of eligible persons who are receiving the benefit) dropped from 71 percent in 1994 to 59 percent in 1998, with almost all of the drop coming in 1996 and later years.<sup>90</sup> Food Stamps participation has declined nationally in part because of changes to the program mandated by PRWORA in 1996, particularly the provisions

limiting the eligibility of immigrants and of able-bodied adults without dependents. Most Food Stamps recipients are in families that receive welfare; in California in 1998, 71 percent of those receiving Food Stamps also received CalWORKs assistance.<sup>91</sup> Despite the apparent correlation with welfare reform, the relationship between caseload decline and Food Stamps nonparticipation has been shown to be weak.<sup>92</sup>

Recent national research on the income impacts of welfare reform indicates that welfare-eligible parents are relying more on the labor market and, among those who are not on welfare, are more likely to live with nonmarital domestic partners.<sup>93</sup> Single-mother headed family incomes have risen slightly overall, but incomes among the poorest single-mother headed families have fallen slightly. Most single mothers nationally are slightly better off because they are working more and because the Federal EITC has been made more generous. However, about one in five of those leaving welfare have neither a job nor a working spouse.<sup>94</sup> It is these families that are most at risk of continuing to live in poverty.

**Figure 22. Poverty Among Single-Mother Headed Families, 1992–1999**



Source: Current Population Survey.

Note: Poverty calculations are based on total family income, including earnings, Food Stamps, housing benefits, the Earned Income Tax Credit and capital gains and losses.

At present, poverty seems to be falling. An economic recession, lagged welfare policy effects, or other policy changes could cause this trend to reverse. If it was known that poverty in Los Angeles County was increasing, that would not necessarily mean that the cause is welfare policy. Welfare time limits make single parents more dependent on the labor market. Welfare reform was enacted at a time of unprecedented economic growth, which seems to have encouraged single parents to rely on the labor market. If and when this growth slows or reverses, an increase in the number of single parents using welfare and a decrease in the number of welfare recipients leaving welfare could be expected. If Los Angeles County were to fall into recession, it would be difficult to distinguish between the effect of the economy on poverty and the effect of policies, such as welfare time limits, on poverty.

In addition to earnings, family size affects poverty rates in the post-reform world. Larger families tend to have more difficulty meeting basic needs than do smaller families. The more children in a family, the greater the family's expenses for food and for shelter. The proportion of families with five or more members has risen from 20 percent to 26 percent of the welfare caseload during the initial 18 months of reform. It seems more plausible that these changes represent changes in the types of families who are using welfare or who are having more difficulty leaving the welfare system, rather than new births.

It makes sense that larger families have difficulty leaving the welfare system because they face higher work-related costs, particularly for child care. In addition, the parents must work longer hours at higher wages to support their large families.

## Food Stamp Receipt

The Food Stamps program, designed to help low-income families (below 130 percent of Federal poverty level) buy food, offers coupons/electronic cards exchangeable for food. Food Stamps caseloads have declined almost as fast as the declines in cash assistance caseloads. Researchers from the Urban Institute report that the declines in Food Stamps program participation may reflect both declines in program entries and increase in program exits. Welfare reform may have affected program entry, if reforms designed to divert families from entering cash assistance have also diverted them from Food Stamps participation.<sup>95</sup> Decline due to program exit may be in part due to the strong economy, or due to the Federal reform's explicit design to cut back the Food Stamps program; but other factors must also be contributing to this drop.<sup>96</sup>

Declining Food Stamps caseloads, together with the reduction of welfare caseloads, is a concern because former welfare recipients typically move into jobs that pay too little to bring their families above 130 percent of the Federal poverty level (FPL). Families are either having trouble accessing Food Stamps benefits or do not want to use them.

According to the 1997 National Survey of America's Families (NSAF, a nationally representative sample that over-represents low-income families), two-thirds of families leaving the Food Stamps program were still eligible. The key question is why they are not using available help.

The Urban Institute studied a group of families receiving Food Stamps at some point between 1995 and 1997. Of the 6.2 million families with children, a little over one-third left the Food Stamps program by the time they were interviewed. "As expected, families that ceased using Food Stamps averaged higher earnings and incomes than those who were still receiving Food Stamps. They were also more likely to be White,

have married adults, and have at least one full-time earner."<sup>97</sup> Of those leaving Food Stamps use, 62 percent were never on welfare compared to 41 percent of current Food Stamps recipients. One-third of Food Stamps leavers had also left welfare, compared to 11 percent of current Food Stamps recipients.

A striking finding is that former welfare recipients left the Food Stamps program at higher rates than families that had not been on welfare, and the greatest differences were at the low end of the income distribution. Overall, 62 percent of former welfare recipients left the Food Stamps program versus 46 percent of non-welfare families. For those with incomes below 50 percent of the poverty level, 45 percent of former welfare families stopped using Food Stamps, versus 23 percent of non-welfare families. Regardless of whether families had been on welfare or not, about two-thirds of those leaving Food Stamps were still eligible on the basis of their incomes. Only 42 percent of former welfare recipient families who were still eligible for Food Stamps were using them.

Why do families leave the Food Stamps program? The study conducted by the Urban Institute<sup>98</sup> reports that most families say that it is because of increased earnings or a new job (62 percent for non-welfare families and 72 percent for former welfare families). It is possible that some welfare leavers assume they no longer qualify for Food Stamps, while others choose not to use the program. Another reason for leaving Food Stamps is the hassle and administrative problems associated with Food Stamps. Among the poorest of families (those below 50 percent of the FPL), between 27 percent and 32 percent left Food Stamps because of the administrative procedure. Only between 7 percent and 8 percent say they left Food Stamps because they do not want or need them, and 15-17 percent report other reasons.<sup>99</sup>

Despite the fact that many families were leaving the Food Stamps program, a considerable number of them felt insecure about their ability to pay for food: two-thirds of leavers reported some difficulty affording food; one-third reported severe difficulties.<sup>100</sup>

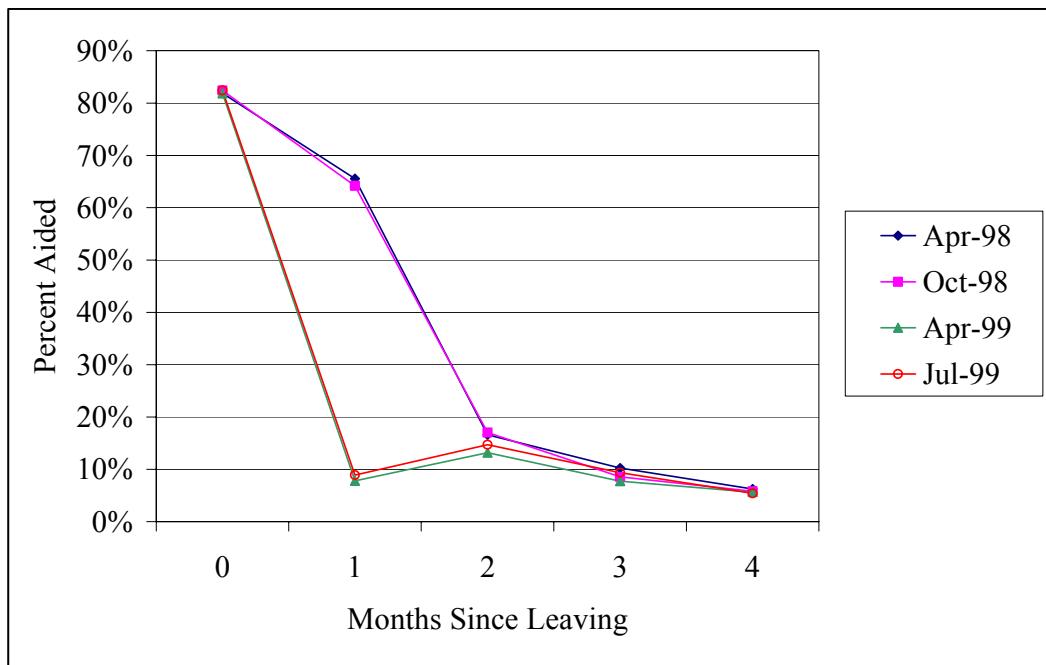
Why former welfare recipients left the Food Stamps program at a higher rate than non-welfare families is still an open question. It is not likely that if they have received aid in the past they would feel a greater stigma. The transition process may cause this decline: while on welfare, the caseworker ensured that they received Food Stamps; now they must take care of that procedure on their own, reporting monthly income changes to the County by mail. Regardless of the reasons for leaving, these former welfare families are joining the group of working poor, which has historically had low levels of participation in the Food Stamps program.

Food Stamps receipt in each month following departure from aid was examined for all families that left CalWORKs and stayed off for at least one month after a specific initial month. Despite the odd look of Figure 23, what was found was very consistent. In the month they left CalWORKs, over 80 percent of leavers were covered by the Food Stamps program. Just two months later, the rate of Food Stamps receipt plummeted to roughly 15 percent. During 1998, many of the leavers still

received Food Stamps in their first month off aid. Changes in the way Food Stamps were handled meant that for the months in 1999, receipt plunged to under 10 percent for the month after leaving, but rose again to roughly 15 percent in the following month. Still, after four months, only about 8 percent of leavers were still receiving Food Stamps. This is the pattern for CalWORKs/FG cases; the pattern for CalWORKs/U cases is almost identical.

Among citizens who received CalWORKs, it is likely that most will remain eligible for at least some amount of Food Stamps after leaving CalWORKs, even if they leave having exceeded CalWORKs income ceilings. Because Food Stamps eligibility ends at 130 percent of the Federal Poverty Threshold while CalWORKs eligibility ends at roughly 120 percent of the Poverty Threshold, it is possible that many leavers will not be eligible for more than a few dollars worth of Food Stamps. However, most leavers do not exceed income ceilings before leaving. Leavers do seem to be cutting ties with the welfare office. At the same time, the continued high eligibility for Medi-Cal indicates some willingness to cooperate with the welfare office for continued medical coverage. Maintaining Food Stamps eligibility requires more work, however, and welfare recipients repeatedly point to the use of Food Stamps at the grocery store as one of the most stigmatizing aspects of being on welfare.

**Figure 23. Food Stamp Receipt After Leaving CalWORKs/FG, 1998-1999**



Source: CES tabulations from DPSS administrative data.

Note: Not adjusted for Pasadena and South Family District Offices.

# Families and Children

## Health Insurance

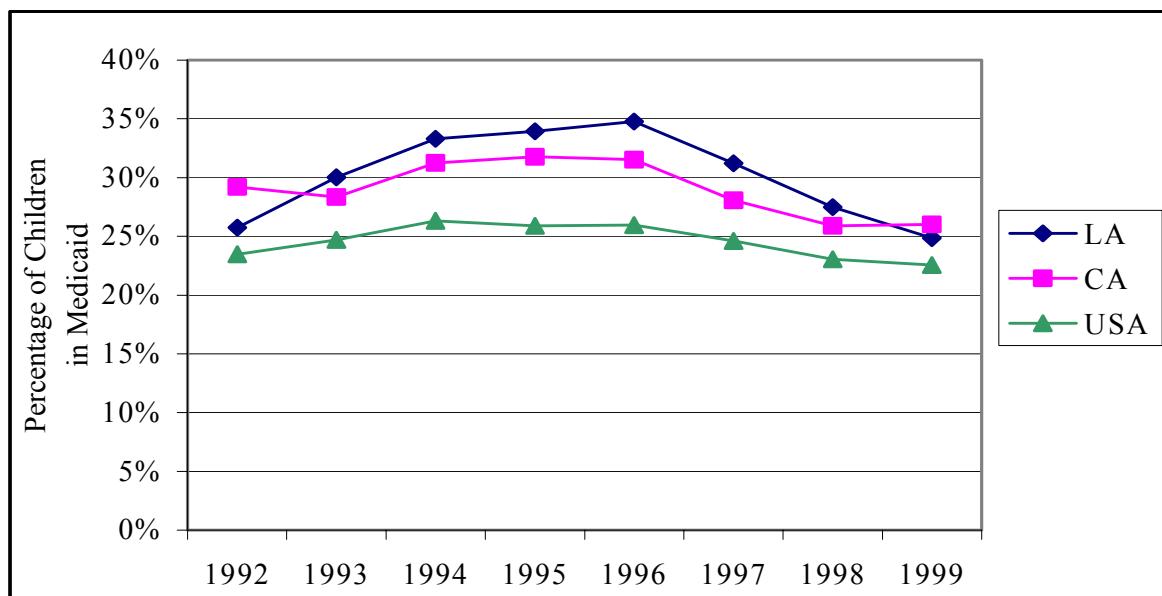
In the years since the passage of welfare reform, the ranks of those without private or government-supported health coverage have been growing. If welfare reform has had a role in declining health care coverage, it is not entirely clear what that role has been. In the past, welfare recipients were automatically eligible for Medicaid, the government health care program for low income people.<sup>101</sup> Though the passage of PRWORA means that some families who would have received cash aid in the past are no longer eligible, Congress took steps to ensure that Medicaid coverage would continue to be at least as widely available as it had been in the past.<sup>102</sup> PRWORA not only attempts to preserve Medicaid access, it also allows states to expand coverage. The California Legislature did expand coverage. California's Medicaid program—Medi-Cal—is more generous than the national average.<sup>103</sup> It covers, for example, pregnant women and infants in families with incomes up to twice as high as the Federal poverty line, regardless of assets.<sup>104</sup> The Children's Health Insurance Program is a recent effort to supplement Medicaid with child-only coverage for families with incomes below 200 percent of the Federal poverty line, or 50 percent above each state's Medicaid limits, whichever is higher. The Healthy Families program is California's version, covering children in families with incomes no higher than 250 percent of the poverty line.<sup>105</sup> Welfare reform has broadened eligibility for government health care benefits, and so it might be reasonably expected that more families would be taking advantage of them, but the evidence on this is mixed.

The growth in the numbers of the uninsured since the last recession appears unrelated to employer generosity, since employer-provided coverage rates have risen over this period. Individuals have become less likely to purchase private policies on their own or to receive military-related coverage. More importantly, over the same period, Medicaid has been covering a smaller portion of the population. Since 1994, Medicaid coverage has been falling nationwide for men, women, and children regardless of race. For women, the decline in Medicaid coverage began earlier, as early as 1991 among African American women.<sup>106</sup>

The data collected for this report indicate that Medicaid coverage of local children was somewhat higher than the national average during the entire 1992–1999 period (see Figure 24). In 1992, coverage was similar to the national average, but below the California average, and the same was true in 1999. During the first half of the decade, there was an increase in the number of families and children receiving Medicaid. This followed policy changes in Medicaid coverage, specifically expansion in the coverage of poor pregnant women and children.<sup>107</sup> In the mid-1990s the percentage of families and children covered by Medicaid began to decrease, returning to the levels of the early 1990s.

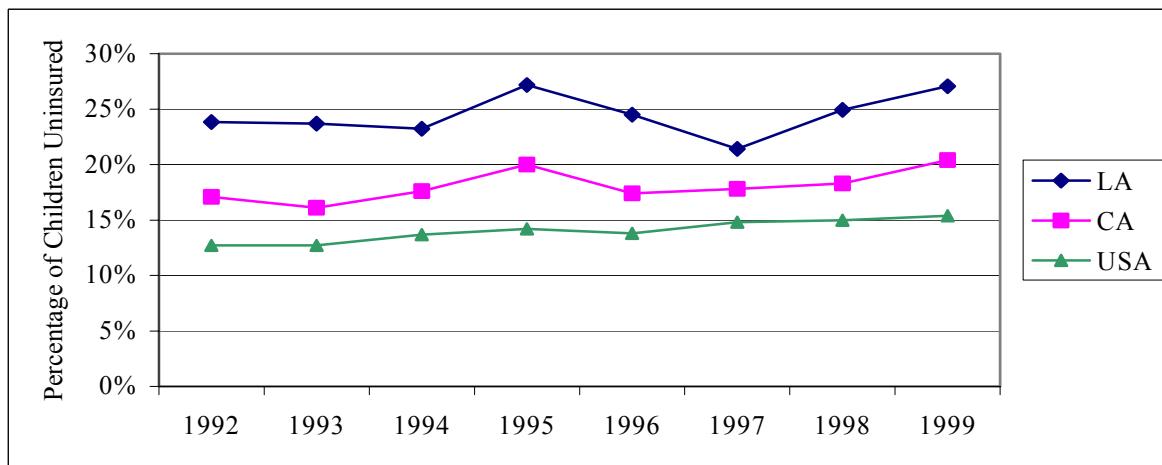
There appears to have been a substantial post-1998 upswing in the number of *non-CalWORKs* children covered by Medi-Cal in Los Angeles County. A comparison of April 1998 and April 1999 caseload data shows an 8 percent increase in Medi-Cal coverage of children (from 809,594 to 893,912), but a 42 percent increase in coverage among children from families not currently aided under CalWORKs (from 301,258 to 428,986).<sup>108</sup>

**Figure 24. Children Covered by Medicaid, 1992–1999**



Source: Current Population Survey Outgoing Rotations File 1992–1998; March Current Population Survey 1999.

**Figure 25. Uninsured Children, 1992–1999**



Source: Current Population Survey Outgoing Rotations File 1992–1998, March Current Population Survey 1999.

In 1999, Medicaid covered about one-quarter of Angelino children, and another one-half were covered by private and employer-provided health coverage. The other one-quarter of Angelino children lacked health insurance coverage of any kind. During the 1990s, a gradual increase in the proportion of children uninsured occurred at the

State and national levels. In Los Angeles County, the same trend was clearest after 1997, at the same time Medi-Cal coverage was declining (see Figure 25).

There are a number of reasons why health care coverage, in general, and Medicaid, in particular,

have been falling in recent years. Welfare and Medicaid caseloads were already falling when the Federal welfare law was enacted. As welfare caseloads began to fall in 1995, so too did Medicaid enrollment. These changes in the level of coverage took place against a backdrop of economic growth and low unemployment. Low enrollment of individuals in Medi-Cal and Medicaid can be due to a variety of reasons, such as lack of knowledge about program eligibility among the working poor, when they are no longer receiving aid, and fear of consequences of enrolling their legal immigrant children among immigrant parents due to changes in the welfare reform.

Changes in Medicaid eligibility and the delinking of cash welfare and Medicaid should have encouraged continued Medicaid coverage among families and children. Instead, it is observed that Medicaid coverage has not increased, at least through 1998, nor has private health insurance coverage. The extent to which California families are being informed about their eligibility for Medi-Cal and Healthy Families is clearly a topic for further inquiry.

#### **Medi-Cal Receipt for Post-CalWORKs Families**

PRWORA modified Section 1931(b) of Title XIX of the Social Security Act, the law establishing Medicaid, severing the automatic link to Medicaid for welfare families and potentially expanding eligibility. With the new law, anyone who would have met the requirements in effect in 1996 for AFDC is now eligible for Medicaid. In some states, eligibility was extended to low-income families with higher incomes than were allowed under AFDC standards. Section 1931(b) also provides up to two years of transitional Medi-Cal coverage when earnings increase above income limits.<sup>109</sup>

In California, there was a delay in implementing Section 1931(b), even though it became effective January 1, 1998. The California Department of Health Services (CDHS) delayed issuing guidance to the counties in determining eligibility for Section

1931(b), and instead instructed them not to terminate Medi-Cal coverage for families leaving welfare, pending the development of specific criteria. The result was that over 250,000 CalWORKs leavers accumulated in the so-called "Edwards Hold" Medi-Cal category.

In September 1998, CDHS issued a letter providing procedures for Section 1931(b) eligibility determination. CDHS instructed counties to send redetermination forms to all Edwards Hold Medi-Cal eligibles, terminate eligibility to those who did not respond, and review eligibility for those who did respond before the end of April 1999, moving the lingering cases out of the Edwards Hold by May 1999.

Based on prior experience, the State Legislative Analyst's Office predicted that only a small proportion of Edwards Hold eligibles would remain on Medi-Cal after the redetermination process. This is consistent with research from other states. Recent research conducted in California and four other states found that many families who left welfare did not maintain their Medicaid health coverage.<sup>110</sup> Most families in the Edwards Hold caseload would likely still be eligible for Medi-Cal benefits, but only 15 percent of post-AFDC families had previously made use of transitional Medi-Cal prior to the Edwards Hold was that counties did not have Edwards Hold beneficiaries' current addresses or phone numbers.<sup>111</sup>

Figure 26 shows what is happening with Medi-Cal coverage over time for those who leave CalWORKs. Data are presented for those who left CalWORKs in April and October 1998, and for those who left in April 1999. For those leaving CalWORKs in April 1998, approximately 85 percent continued to receive Medicaid coverage after the first month of leaving, and almost 80 percent still had coverage after ten months. A sudden drop occurred 11 months later, in February 1999, after which only about 72 percent continued to be enrolled. In early 1999, the County implemented the State's 1931(b)

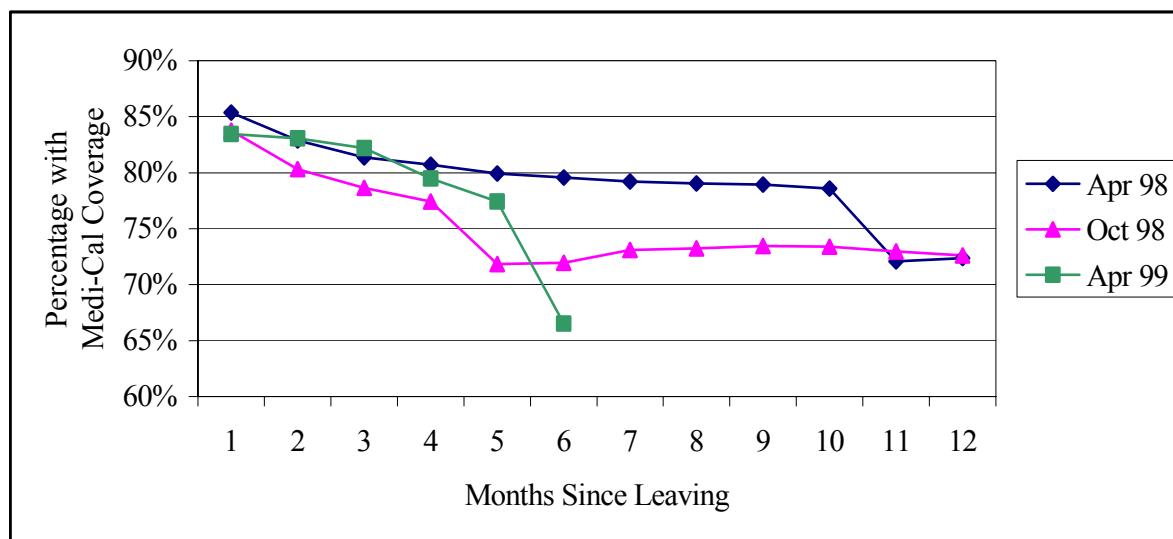
guidelines, and those who had been covered by the Edwards Hold and did not respond to letters regarding reestablishment of eligibility stopped receiving coverage. Those who left CalWORKs in October 1998 also had a sharp decline in February 1999 and then stabilized at about 73 percent.

Those leaving in April 1999 evidenced a steep drop in coverage after five months since leaving CalWORKs. The fall-off for April 1999 leavers was much higher than among the earlier cohorts of leavers. Of those leaving in April 1998, 73 percent remained covered a year later, but only 66 percent of the April 1999 leavers were still covered after only 6 months. Later months were examined in 1999 (not shown) and similar patterns were found. What is seen is that those experiencing the long-

term Edwards Hold realized that they were eligible to maintain Medi-Cal on an ongoing basis, and eventually acted to do so. Those leaving after the implementation of 1931(b) did not have a long hold period, and many, perhaps out of ignorance, did not choose to continue their coverage.

For the first few months after leaving, the percentage of leaver families covered is still quite high, reflecting the Edwards Hold grace period. When the time comes for parents to reestablish eligibility to keep their coverage, the percentage of those who continue in Medi-Cal drops. It is likely that some have found coverage from other sources, like domestic or marital partners, or employers. Most of those who lose coverage, however, are probably left uninsured.

**Figure 26. Percentage of CalWORKs Leavers Who Retain Medi-Cal Coverage Over Time 1998–1999**



Source: CES tabulation of DPSS administrative data.

This report has suggested that a lack of information or understanding about Medi-Cal policies may be behind the decline in use over time. In this regard, it is useful to compare leavers' drop-off in Medi-Cal receipt to the decline

in their receipt of Food Stamps. As seen in Figure 26, six months after leaving CalWORKs no fewer than 65 percent of leavers were still covered under Medi-Cal. In just three months, fewer than 10 percent of leavers still receive Food Stamps.

Setting aside relatively minor differences in eligibility (as regards poor or near-poor families with children), either CalWORKs leavers are much more conscious about Medi-Cal than about Food Stamps, the effort required to maintain and use Food Stamps is much higher, or the relative rewards to maintaining Food Stamps versus Medi-Cal are much lower.

It is not possible today for CES to demonstrate that any of these alternatives are *the* answer. None of the studies CES has examined to date have yielded definitive answers regarding the national decline in the use of Medicaid and Food Stamps benefits. New, focused studies among welfare leavers and other Medicaid and Food Stamps eligible families should help to develop answers. For now, what is clear is that not all Medi-Cal eligible CalWORKs-leaver families are receiving coverage, and, with the end of the Edwards Hold, more of them are losing coverage more quickly.

## **Family Structure and Reproduction**

Welfare reform attempts to encourage marriage formation and maintenance to reduce out-of-wedlock births and strengthen family self-sufficiency. A component of Federal welfare reform offers states monetary bonuses if they succeed in reducing out-of-wedlock births. The new family cap policy in California means that welfare mothers, with certain provisions, no longer receive additional cash benefits to care for children born while the family is on welfare (although Medi-Cal, Food Stamps, and other benefits may be available). In addition, pregnant teenagers are required to remain in school and in the home of their parent or guardian if they are to receive welfare benefits.

There are a number of factors affecting the likelihood of marriage formation. People tend to marry when their joint incomes are both sufficient and stable. Typically, marriages occur after at

least one partner has held an income-generating job for some time. Thus, marriage rates tend to decrease somewhat during periods of recession. Research indicates that people tend to choose marital partners from their own social stratum—someone of similar age, race, class, cultural, and religious background. When there are roughly even numbers of marriageable men and women within a particular stratum, marriage rates and marital longevity tend to be higher than when there is an imbalance. There are relatively low marriage rates among African American women and women aged 50 or older, for instance, because male mortality and incarceration have reduced the pool of eligible bachelors.

Welfare reform may not have uniform effects on marriage formation and maintenance. Time-limited welfare reduces the safety net available to single mothers, making divorce a riskier proposition than it had been in the past. Some women who might otherwise have divorced will continue their marriages.

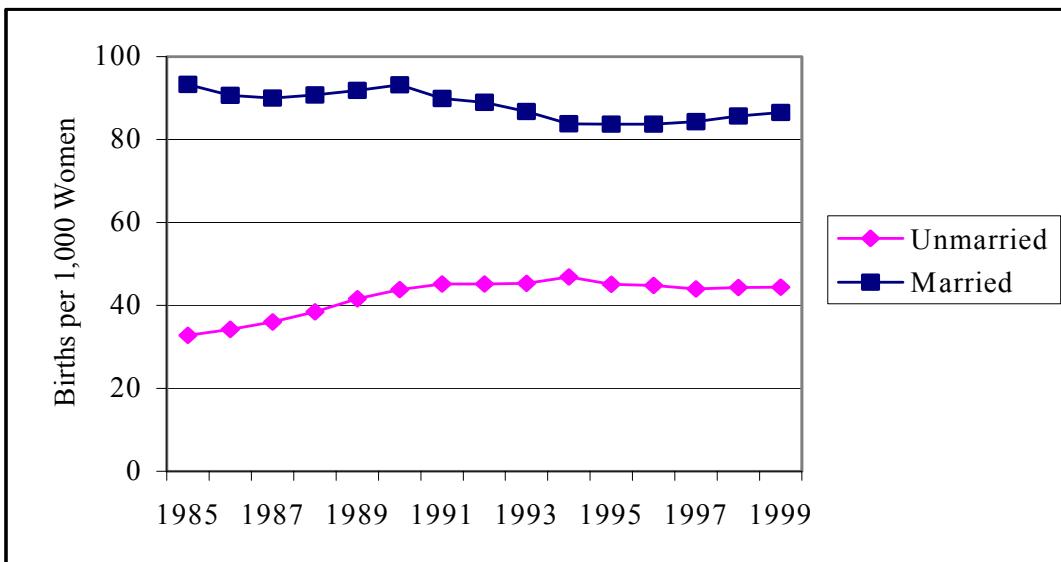
Both nationally and in California, data suggest that the long-term decline in the proportion of children living with both parents stopped in 1996. The proportion of children living only with their mother has been decreasing in the last few years, apparently because more children are living with their single fathers. In future years, the proportion of children living with both parents may, in fact, begin to increase again. Birth rates among unmarried women nationwide stopped increasing in 1994, several years before welfare reform was enacted (see Figure 27). Over the previous 25 years, out-of-wedlock birth rates had been continually increasing. Although there is limited evidence to suggest that the trend is reversing itself, it has at least stopped increasing among all age groups, particularly teenagers. The timing indicates that this change is probably unrelated to welfare reform.

In Los Angeles County, most children live with both parents, but in 1999, 27 percent of children

lived in single-parent families. Figure 28 shows a small decline in the number of two-parent families at the national level, from about 71 percent in 1992 to 68 percent of all families in 1999. California shows a similar trend. Although Figure 28 shows a large drop in two-parent families in Los Angeles County between 1992 and 1995, and then a big increase after 1995 to nearly the 1992 level, these large swings are very likely the result of a small survey sample size and sampling methods that cause poor families to be

undercounted. The primary data source for County-level social and economic characteristics is the Current Population Surveys (CPS). It appears that the CPS sample is too small to see an accurate trend in poor family headship. Given the observable trend in the Statewide and nationwide data, it would be reasonable to expect that two-parent families have declined in Los Angeles County, and single parenthood increased by a similar, small amount over this period.

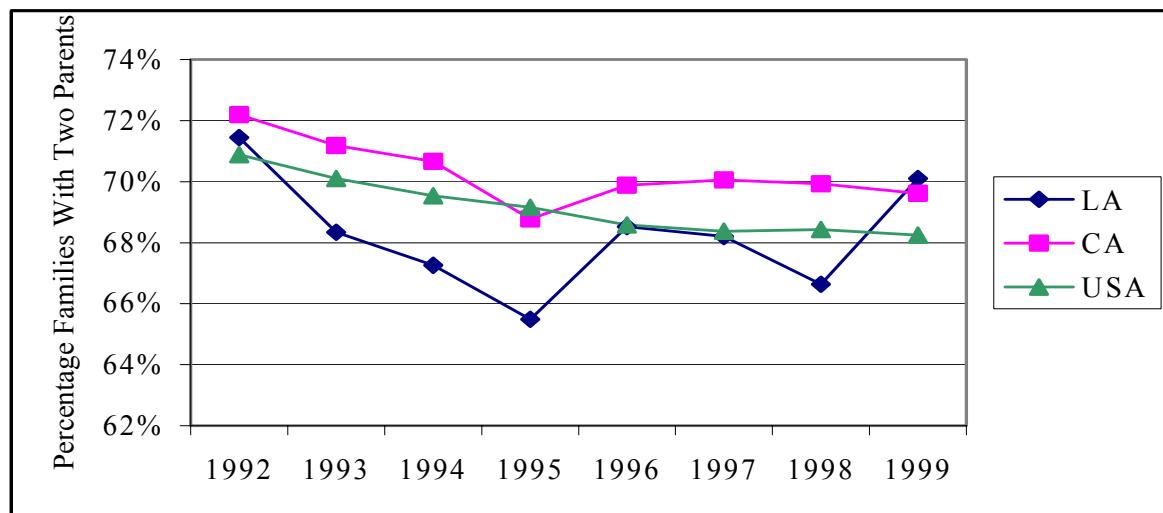
**Figure 27. Birth Rates by Marital Status, United States, 1985–1999**



Source: United States Department of Health and Human Services, National Center for Health Statistics.

Note: Births to unmarried women per 1,000 unmarried women aged 15–44 years; births to married women per 1,000 married women aged 15–44 years.

**Figure 28. Families With Children, Proportion With Two Parents, 1992–1999**



Source: Current Population Survey Outgoing Rotations File, 1992–1998; March Current Population Survey 1999.

Although single-parent families do not appear to be on the decline at the moment, some of the local caseload change might be the result of higher marriage rates among heads of CalWORKs-aided or otherwise CalWORKs-eligible families. Unfortunately, little information is now being collected on why families leave CalWORKs in Los Angeles County, and the local CPS sample is just too small to support an analysis of the behavior of CalWORKs-eligible single-parent families. Because the authors of CalWORKs put some emphasis on family formation as an alternative to welfare dependence, CES will be looking into additional data sources and methods of data analysis that will help shed more light on this issue.

#### Teen Births

The reduction of teen pregnancy was a stated goal of the legislation that created CalWORKs. The dramatic rise in the United States teen birth rate over the past four decades, from 15.3 per thousand in 1960 to 44.6 per thousand in 1992, has been a major concern to Americans.

Childbearing among teenagers is now on the decline nationally since 1991, with an 8 percent decline in 1996 among older teenagers (to 87 per thousand) and 12 percent decline among younger teenagers (to 34 per thousand). The proportion of teen mothers who are unmarried has continued to grow, quadrupling from 16 percent in 1960 to 76 percent in 1996.<sup>112</sup> Becoming a teen mother has a number of negative correlates, including long-term welfare dependency, compromised health, low self-esteem, limited developmental potential and overall fewer chances of leading independent and productive lives.

Researchers argue that young girls growing up in poor neighborhoods are at risk of teenage pregnancy because of their exposure to poverty, parental substance abuse, sexual or physical abuse, and childhood neglect. (Some 68 percent of teen mothers are reported to have been sexually abused as children.<sup>113</sup>) Other types of family dysfunction, such as substance abuse among parents or young girls forced to assume adult responsibilities in their homes, are also risk factors.

Some social science research has suggested that poor teenage girls may see having their own child as a route to independence, and they have seen the welfare support available to poor single mothers as a means to making their goals realizable. CalWORKs attempts both to reduce incentives for teen pregnancy and to increase the potential for self-sufficiency among teen parents. To make teen parenthood less appealing, CalWORKs will not aid teen mothers unless they live with adult relatives or establish good cause for not doing so. To help teen mothers acquire skills that may help them in the labor market, those who stay in school are rewarded through the CalLEARN program.

Previous research on intervention programs designed to prevent teen pregnancy have shown little success.<sup>114</sup> Intervention after teens have become sexually active appears to be too late for positive impacts, regardless of the type of intervention. If the anti-teen pregnancy thrust of the CalWORKs program has been effective, a reduction in teen births could be expected, though changes might not be observed until after the program became effective and until the new CalWORKs restrictions were well-known among at-risk teens. Assuming that few teens knew about the policy change before it took hold, it would not affect births for at least nine months after the new program went into effect. Any reduction in teen births during 1998 is unlikely to

be the result of changes in the welfare law. It could be the result of other efforts, however; links have been found, for instance, between reductions in teen pregnancy in recent years and HIV intervention programs, a result of promotion of "safe sex."<sup>115</sup>

Have births been on the rise in recent years among Los Angeles County area teens? We begin by looking at trends in birth rates among teenage girls ages 10–17, from 1993–1998.<sup>116</sup> (It was not possible to obtain birth data for 1992, and data for 1999 was not available as this report was being prepared.) The birth rate among young females declined in Los Angeles County from 18.3 per thousand teenage girls to 13.98 per thousand teenage girls in 1998 (Table 9). Within our target communities, Compton and Mission Hills, Panorama City had the highest teenage birth rates in 1998: 24.8 per thousand and 23.4 per thousand female teens, respectively. Neither of these communities had shown much decline in the preceding six years.

While the rates have not increased in any community, only a few of the communities showed sharp drops. Boyle Heights, Glendale, Rosemead, and Westmont all reported declines of roughly 40 percent during the 1993–1998 period. In Westmont, for example, the teen birth rate declined by 40 percent, from 30.79 per thousand in 1993 to 18.42 per thousand in 1998.

**Table 9. Births Per 1,000 Females Ages 10–17, 1993–1998**

	1993	1994	1995	1996	1997	1998
Los Angeles County	18.3	17.6	18.2	16.9	15.2	14.0
Boyle Heights	26.3	29.4	24.6	22.7	21.3	16.6
Central Long Beach	*	*	*	*	*	*
Compton	30.9	31.1	31.3	24.0	25.6	24.8
Glendale	7.0	7.6	5.3	7.1	5.5	3.9
Hollywood	16.9	14.1	14.9	14.0	13.8	14.9
Lancaster	15.4	18.0	17.5	17.2	16.7	14.7
Mission Hills-Panorama City	23.7	23.8	24.2	23.6	23.4	23.4
Rosemead	14.6	12.3	14.8	10.3	6.9	8.3
Westmont CDP	30.8	30.9	26.0	21.6	22.5	18.4
Wilmington-Harbor City	19.4	18.3	20.1	16.8	18.8	14.9

Source: Los Angeles County Department of Health Services Birth Records for 1993–1998.

Note: Only live births are included. Because the cities of Long Beach and Pasadena do not report births to the County Department of Health Services, births in Pasadena and Long Beach hospitals are not counted here. Births to mothers who lived in the cities of Pasadena and Long Beach but gave birth outside those cities (but inside the County) are included here.

\*Not Available.

Explaining the variation in teen birth rates across communities is beyond the scope of this report. It is worth noting, however, that two of the communities with the highest teen birth rates in 1993 showed the steepest declines over the next several years. Boyle Heights and Westmont, our two poorest communities, had teen birth rates that by 1998 were not far above the County average. The smallest decreases in teen births came in two communities that had among the lowest poverty rates: Lancaster and Mission Hills-Panorama City. It has been well documented that fertility rates vary by ethnic group. Community differences in birth rates are, in part, a result of the ethnic composition of the communities, and changes in birth rates may also be a result of compositional changes at the community level.

#### Teen Births in CalWORKs families

It would be useful to know whether new CalWORKs provisions discourage at-risk teens from becoming pregnant, and whether, when they do become mothers, the new provisions keep

them from becoming aided. The answers to these questions are not readily available.

What is presented in this particular section is the birth rate among female teens that were aided for at least three months during the latter three-quarters of 1998. These teens come from at least two separate populations: teens who entered the welfare rolls as teen mothers, and teens who have been CalWORKs-aided as part of their parent's or parents' family. Although the research upon which this report is based did not distinguish between these two in computing the teen birth rate, it appears likely that most of the births were to teens in the second category. There has been a small decrease in the proportion of current CalWORKs cases headed by teens. By requiring teens with children to live with an adult in order to qualify for aid, the aim of the legislation was to reduce the incentive for non-parent teens to have children. The percentage of teens that were aided was small to begin with and there was no significant decline in these numbers between April 1998 and October 1999. It may be too early to see the impact of the change in legislation on family-

related issues. If the teens were using AFDC or CalWORKs to receive aid and, as a result established independent households, then a greater decline over time due to sanctions imposed on teen parents who do not live at home might have been seen. So far this does not seem to be the case.

Research shows that one of the dangers of teen parenting is that these parents are bad role models for children. Children of teens have their own children at a younger age. Only when children of current teenagers on aid, now living with an adult, grow up with fewer risk factors (such as parent's stable employment and adequate adult supervision) will this situation promote substantially lower risks of having children in the early teens.

CES matched data on births (using both mothers and children) with DPSS caseload data in an effort to detect births among teenage CalWORKs recipients. It was found that the birth rate among teenagers (ages 10–17) as of April 1998, among those who were aided for three or more months, was 11.7 per thousand. This number is somewhat lower than the 1998 teenage birth rate for Los Angeles County, 13.98 per thousand.

About 54.8 per thousand CalWORKs births were to teens, which is slightly higher than the overall Los Angeles County figures for 1998. This is not surprising given that a substantial proportion of young teen parents apply for welfare benefits to support their independent household unit. Again, future tracking of CalWORKs cases in the selected communities will help understand how these numbers are being impacted by the change in legislation.

### **Low Birth Weight**

Low birth weight is another indicator of inadequate health care and is generally associated with poverty. Whether the incidence of low birth weight

has been affected by the welfare reform process is not a question that can be answered at the moment. Observing trends in this indicator over time will help establish impacts on community well-being and will help identify areas of potential improvement.

The implementation of CalWORKs could have a number of effects on the well-being of mothers and their infant children. One result of the new work requirements among CalWORKs recipients can be increased stress among mothers, and therefore, unhealthy babies. If CalWORKs results in families becoming poorer, mothers may become less likely to receive prenatal care due to transportation and other costs. Some immigrant families may also not apply to welfare at all due to fears about how it will affect their status, and hence, may have no medical coverage for prenatal visits. On the other hand, CalWORKs can improve the economic well-being of participant mothers and, therefore, a decrease in low-weight births may be seen.

The data presented in Table 10 comes from vital records provided by the Los Angeles County Department of Health Services.<sup>117</sup> Alarmingly, the number of births that are low-weight per thousand has increased in both Los Angeles County as well as in the studied communities. In the County, the rate has climbed from 62.0 per thousand in 1993 to 65.7 per thousand in 1998. In 1998 Westmont had the highest rate, with 107.3 per thousand, followed by Compton (78.8 per thousand). Glendale, which had the lowest rates of teenage births among all births as well as among young teenagers, ages 10–17, did not have the smallest low birth weight rate. In this case, the smallest low birth weight rate was found in Wilmington–Harbor City. Rosemead experienced the greatest increase, 42 percent, in the low birth weight rate, from 42.9 per thousand in 1993 to 61.0 per thousand in 1998.

**Table 10. Low Birth Weight Infants Per 1,000 Births, 1993–1998**

	1993	1994	1995	1996	1997	1998
Los Angeles County	62.0	62.6	64.4	63.9	64.6	65.7
Boyle Heights	54.6	54.4	58.0	60.0	51.3	58.4
Central Long Beach	*	*	*	*	*	*
Compton	71.6	70.4	70.1	89.2	79.7	78.8
Glendale	62.1	52.8	50.0	60.1	58.6	64.9
Hollywood	56.2	60.8	69.3	68.6	65.0	63.3
Lancaster	65.0	77.0	74.4	63.2	87.3	73.7
Mission Hills-Panorama City	56.1	61.9	63.8	56.0	59.7	66.0
Rosemead	42.9	63.4	51.4	66.2	64.8	61.0
Westmont CDP	101.8	89.1	96.0	106.4	89.1	107.3
Wilmington-Harbor City	53.0	58.7	57.5	64.0	50.8	56.7

Source: Los Angeles County Department of Health Services Birth Records for 1993–1998.

Note: Only live births are included. Because the cities of Long Beach and Pasadena do not report births to the County Department of Health Services, births in Pasadena and Long Beach hospitals are not counted here. Births to mothers who lived in the cities of Pasadena and Long Beach but gave birth outside those cities (but inside the County) are included here.

\*Not Available.

The low birth weight rate among children born into families who had received CalWORKs benefits for at least three months as of April 1, 1998 was 76.0 per thousand. This number is slightly higher than the rate reported for Los Angeles County (65.7 per thousand). Given that families receiving aid have incomes near or below the poverty line, aid recipients typically face the same risk factors as other poor families, so it is not surprising that the CalWORKs families report a higher percentage of low birth weight babies.

The rate of low birth weight babies was higher for teenage mothers (99.0 per thousand). Among low birth weight babies, the median birth weight was 2,126 grams for mothers of all ages and 2,155 grams for teenage mothers.

These numbers are quite similar to those reported at the national level for all infants. About 73.9 per thousand babies nationwide were reported to be low birth weight in 1996.<sup>118</sup> The numbers have changed little since 1970.

### Infant Mortality

Infant mortality is a universal indicator of health status. In spite of the decline in the infant mortality rate (IMR) in the past few decades to a record low of 7.2 per 1,000 live births in 1996, the United States ranks 24<sup>th</sup> in infant mortality when compared with other industrialized nations. At the national level, IMR among African Americans, Hispanics, American Indians, and Alaska Natives were above the national average in 1995–1996. The greatest disparity is between African American rates (14.2 per 1,000) and Whites (6.00 per 1,000). Conditions thought to lead to infant mortality include poor nutrition, psychosocial problems (such as stress and domestic violence), and lack of prenatal care, medical problems, and chronic illness. If CalWORKs has improved the well-being of families and has allowed for expectant mothers to better monitor their health, a decrease in infant deaths may be seen. There is also the possibility that stress due to work requirements and/or deteriorating family, social, and economic health due to CalWORKs can

weaken the health of expectant mothers and lead to an increase in the number of infant deaths.

The IMR among infants shows a decline in the County and in all of the selected communities except for Lancaster, Westmont, and Boyle Heights (Table 11). In Los Angeles County overall, the IMR declined by 26 percent, from 6.2 per thousand in 1994 to 4.6 in 1998. In Compton the IMR declined by a dramatic 65 percent, from 10.9 per thousand in 1993 to 3.8 in 1998. In Lancaster, however, the IMR increased by 55 percent from 5.8 per thousand in 1994 to 9.1 in 1998, while in Westmont the IMR increased by 45 percent from 7.9 per thousand in 1994 to 11.4 in 1998. While the IMR in Los

Angeles County as a whole is below the national average, communities such as Lancaster and Westmont which report rates that are rising and above the national average are cause for concern.

The varying IMR within communities may reflect their differing ethnic composition. Among the leading causes of death in infants, the racial/ethnic disparity is greatest in the category "pre-term birth, unspecified low birth weight, and respiratory distress syndrome." A much higher incidence of pre-term births occur to African American mothers (18 percent) than among White mothers (10 percent). Ethnic differences in pre-term births are argued to reflect variations in the prevalence of risk factors.

**Table 11. Infant Deaths per 1,000 Births, 1994–1998**

	1994	1995	1996	1997	1998
Los Angeles County	6.2	5.8	5.0	5.6	4.6
Boyle Heights	4.6	8.4	4.1	3.4	5.7
Central Long Beach	*	*	*	*	*
Compton	10.9	7.2	7.0	6.8	3.8
Glendale	6.2	3.6	2.8	2.9	3.7
Hollywood	7.3	5.2	4.2	7.6	3.5
Lancaster	5.8	7.6	5.4	6.4	9.1
Mission Hills-Panorama City	6.4	5.9	5.6	5.5	2.7
Rosemead	4.5	4.0	5.7	2.1	1.2
Westmont CDP	7.9	13.7	5.7	15.6	11.4
Wilmington-Harbor City	5.3	4.2	3.6	6.3	4.7

Source: Los Angeles County Department of Health Services Birth and Death Records for 1994–1998.

Note: Only live births are included. Because the cities of Long Beach and Pasadena do not report births to the County Department of Health Services, births in Pasadena and Long Beach hospitals are not counted here. Births to mothers who lived in the cities of Pasadena and Long Beach but gave birth outside those cities (but inside the County) are included here.

\* Not Available.

Changes in the prevalence of low birth weight and infant mortality could be indirectly related to welfare reform. Increasing household and economic stability is expected to improve the overall health and well-being of families and, thereby, increase the number of healthy babies born. It will be a few years before the impact of

the reform on families and its effect on children can be measured. For now it is important to highlight that the number of low birth weight babies is increasing rather than decreasing in the County as well as in CalWORKs communities. Infant mortality has declined in the County and for

most of the CalWORKs communities, but some communities still show an increasing trend.

The infant mortality rate was 4.3 per thousand among CalWORKs births to families that were aided for at least three months during 1998.<sup>119</sup> This rate is again similar to the overall rate for Los Angeles County in 1998 (4.6 per thousand). In the County the rate declined 26 percent between 1994 and 1998. This change may be related to improvements in the local economy, creating more jobs and, possibly, more access to health care due to employment insurance. If this is so, a decline in infant mortality rate is likely to be seen only after the CalWORKs families are also able to sustain long-term employment creating opportunities for improved health. In 1998 the IMR for CalWORKs cases and for the County are similar, suggesting that other factors are related to infant mortality and impact all families, regardless of CalWORKs status. In future reports CES will explore this relationship in more detail to untangle the effects of economy, health insurance rates, and access to health care to understand the impacts of receiving CalWORKs benefits.

## **Family Dysfunction**

### **Domestic Violence**

Although domestic violence occurs among families at all socioeconomic levels and from all cultural backgrounds, it is thought to be most common in families under stress. Poor families are the most likely to be under severe stress. Surveys conducted by the Department of Justice report that women in the age range 20–34, divorced or separated women, and women with family incomes under \$9,999 are more likely than other women to be victims of domestic violence when compared to women in general.<sup>120</sup> Most welfare families have incomes under \$9,999 and are headed by unmarried women in the 20–34 age range, suggesting a fairly high level of risk.

Studies conducted prior to the implementation of welfare reform found that a large proportion of

aided women were either current or past victims of domestic violence. One set of studies suggested that 15-34 percent of welfare recipients had, at some point in their lives, been victims of domestic violence.<sup>121</sup> A 1996 Massachusetts study found that of a representative sample of AFDC recipients, almost 20 percent had experienced domestic violence in the prior 12 months and about 65 percent had been victims of domestic violence at some time in their lives.<sup>122</sup> In a study of women in Chicago, 55 percent of the women receiving AFDC reported having experienced some level of physical aggression.<sup>123</sup> A national study of domestic violence showed evidence that victims of domestic violence cycle on and off welfare more frequently than other welfare recipients, often as a result of the dynamics of their abusive relationships.<sup>124</sup>

Is being a victim of domestic violence a barrier to work? It has been documented that abusers frequently attempt to sabotage women's efforts to find and maintain employment, e.g., by failing to provide promised transportation or child care or by disabling cars or alarm clocks.<sup>125</sup> Research has shown that women in abusive relationships often have irregular employment histories. Research in Wisconsin, for example, showed that domestic violence has a negative impact on the ability of women to maintain jobs and continue with education and/or job training efforts.<sup>126</sup> In a similar study of a Chicago employment center in 1997, it was found that while victims of domestic violence are no less likely than non-victims to be employed at one time, they are significantly more likely to have been unemployed at some point, to have held more jobs, to have suffered from a range of mental and physical health problems that can affect work, and to have lower personal incomes.<sup>127</sup> This relationship between domestic violence and employment instability has important implications for welfare reform.

Another concern regarding victims of domestic violence in the era of welfare reform has to do with regulations that require women to cooperate in the

collection of child support payments from absent fathers. Advocates are concerned that these requirements may bring dangerous absent fathers back into contact with mothers and children, threatening their safety and well-being. Furthermore, former partners may retaliate against mothers who, in complying with the law, identify them as fathers who must pay child support.<sup>128</sup>

Both Federal and State laws take into account the possibility that employment requirements and child support regulations might endanger welfare recipients. The Family Violence Option that was adopted as part of TANF allows states to exempt domestic violence victims from work requirements, time limits, and other requirements. California's AB 1542 explicitly instructs county welfare departments to "Waive, on a case-by-case basis, for so long as necessary, pursuant to a determination of good cause ... any program requirements that would make it more difficult for these individuals or their children to escape abuse, and that would be detrimental or unfairly penalize past or present victims of abuse."

Advocates worry that these protections are insufficient, since women are reluctant to discuss these issues with case workers, past abuse is difficult to document, and the reliance on case worker discretion almost guarantees uneven application of the law.<sup>129</sup> The limited research

conducted so far, however, indicates that most self-identified victims of abuse do not believe that they need waivers of requirements. For example, in a study conducted in Massachusetts, 36 percent of the women surveyed indicated that they had recently experienced domestic violence, but only 8 percent were interested in a waiver.<sup>130</sup>

Available statistics on domestic violence come from law enforcement agencies. Section 13700 of the California Penal Code defines domestic violence as a particular kind of abuse. Abuse is "intentionally or recklessly causing or attempting to cause bodily injury, or placing another person in reasonable apprehension of imminent serious bodily injury to himself or herself, or another." Domestic violence is "abuse committed against an adult or a fully emancipated minor who is a spouse, former spouse, cohabitant, former cohabitant, or person with whom the suspect has had a child or is having or has had a dating or engagement relationship."<sup>131</sup>

During the 1992–1995 period, law enforcement agencies in Los Angeles County reported a steady increase in the number of domestic violence incidents, rising from 5.7 incidents per 1,000 persons to 7.5 incidents per 1,000 (see Table 12). Reported domestic violence dropped off substantially after the 1995 peak, however, returning to 5.8 per 1,000 by 1998.

**Table 12. Incidents of Domestic Violence Reported per 1,000 Persons, 1992–1998**

	1992	1993	1994	1995	1996	1997	1998
Los Angeles County	5.7	6.8	7.2	7.5	7.3	6.9	5.8
Boyle Heights	7.7	7.1	7.4	7.4	7.5	7.7	6.9
Central Long Beach	8.2	8.2	8.1	9.5	9.8	9.4	6.5
Hollywood	8.8	8.4	8.7	8.3	7.7	8.4	7.6
Lancaster	*	4.3	4.6	5.1	5.6	5.9	3.6
Mission Hills-Panorama City	10.8	10.8	12.6	12.2	12.0	7.7	6.1
Rosemead	*	2.6	2.8	2.3	2.6	2.3	1.5
Westmont CDP	*	5.2	6.1	5.9	3.9	5.2	4.4
Wilmington-Harbor City	9.8	9.7	11.2	11.6	10.6	11.8	8.1

Sources: Los Angeles County Sheriff, Los Angeles Police Department, and Long Beach Police Department.

Note: Reports of domestic violence as compiled by law enforcement agencies; data not available for all communities. Covers only areas policed by the County Sheriff, LAPD, and LBPD, leaving out Compton and Glendale. Only partial year data are available for 1998.

\* Not Available.

Since 1992, most of the target communities have seen only small changes in rates of domestic violence (also see Table 12). Over the past six years, each of these communities has generally followed the pattern of the County: They have experienced an increase in reported domestic violence incidents in 1994 and 1995, and then a slight drop in subsequent years. This is true of Central Long Beach, Hollywood, Mission Hills–Panorama City and Rosemead. In contrast, the communities of Boyle Heights, Lancaster, and Wilmington–Harbor City show a steady increase in reports of domestic violence since 1992 with decreases only in 1998.

It must be noted that by focusing on the use or threat of physical violence, the law uses a narrower definition of domestic violence than do many social service agencies, including DPSS.<sup>132</sup> Estimates of the prevalence of domestic violence derived from police records are often lower than estimates based on broader definitions of the phenomenon. It has been demonstrated that domestic violence often goes unreported, another reason why police estimates might be low. However, assuming no major change in policing behavior or the likelihood that domestic violence

will be reported, the data presented here should be an accurate representation of trends during the subject period.

None of the target communities had a higher level of reported domestic violence in 1998 than they had in 1992. This was also true of the County as a whole. The communities that had shown the largest growth in the intervening years bear watching, but there is no evidence at this point that CalWORKs has led to an increase in domestic violence.

### Child Abuse and Neglect

Trends in the incidence of child abuse and neglect are indicators of other, harder to measure threats to child well-being. In the early 1990s, reports of child abuse began to rise nationally. Rates peaked in 1993 and declined steadily through 1997.<sup>133</sup> In 1997, just less than 1 million boys and girls were alleged to have been victims of abuse or neglect.<sup>134</sup> Neglect was the most common form of maltreatment, and, although this problem affects children of all ages, over half of the incidents in 1997 involved children no more than seven years old.<sup>135</sup> Consistent with trends for the country as a whole during the early 1990s, the number of child

abuse/neglect reports per 1,000 children in California increased 76 percent between 1985 and 1994.<sup>136</sup> In 1994, there were 664,000 reports of child abuse and neglect in California, and about 90,000 children were placed in foster care. At that time, California had the highest rate of reported abuse/neglect among the 10 largest states: 76 per 1,000 children. There was considerable variation among counties, however, and Los Angeles County had rates of abuse/neglect below those for California as a whole.

Child abuse studies often report contradictory results. "Several studies suggest that even more children suffer from abuse or neglect than are seen through official statistics from Child Protection Services agencies."<sup>137</sup> Estimates based on SCPS reports show 13.9 children per 1,000 children were victims of abuse or neglect; but the Third National Incidence Study of Child Abuse and Neglect estimates 42 children per 1,000 in 1993, and the Gallup Poll of 1995 estimated 49 per 1,000 suffered physical abuse and 19 per 1,000 sexual abuse. The substantial differences between reports indicate that the incidence of child abuse/neglect is difficult to measure. This difficulty is a result of several factors: The definitions for determining child abuse/neglect are not precise; some people may be reluctant to report abuse or neglect so as not to get involved; and government agencies must treat reports cautiously and face difficulties substantiating (verifying) reports even when abuse or neglect have occurred.<sup>138</sup> Additionally, some studies report only substantiated cases of abuse/neglect while others include both the new referrals and substantiated cases that receive emergency responses.

The following discussion utilizes data from the Los Angeles County Department of Children and Family Services (DCFS) to examine the extent of child abuse and neglect. For this analysis, only cases that were found to be substantiated reports of abuse and neglect and entered into the DCFS system were included.<sup>139</sup>

The rate of new (occurring within the preceding year) cases of child abuse and neglect throughout the County of Los Angeles has dropped substantially from the peak of 7.5 per thousand in 1997 to 4.8 in 1999 (Table 13). When examining newly-substantiated cases of child abuse and neglect, community patterns remain consistent. The fewest new cases of child abuse were recorded in Glendale, Rosemead, and Hollywood, Wilmington-Harbor City, and the Mission Hills-Panorama City areas. The largest increases in the rates of child abuse were found in Central Long Beach with 13.9 reports, followed by the communities of Lancaster and Westmont, each with rates of 10.5 new cases per 1,000 children.

Has the implementation of CalWORKs led to more incidences of child abuse and neglect among participant families? A plausible hypothesis is that if families are subject to more stress and/or more poverty because of welfare reform, the probability of child abuse and neglect will be greater, and, conversely, if families experience more economic and emotional well-being, smaller numbers of abuse and neglect cases can be expected. Parents may feel relieved to find a job and provide for their families; but they may also feel burdened, leaving their children to go to work and handling the multiple tasks of working and caring for a home and family. When parents spend long hours at work, they may have little time to give *parental* supervision and support to their children—something that other caretaker adults, even when available, cannot provide. Although parents may be able to better provide for their children economically, if they are unavailable physically or emotionally, the children suffer a more subtle form of neglect.

Table 14 shows new (under one year since opening) cases of substantiated child abuse or neglect that were detected among children in CalWORKs families. The table shows results separately for FG and U cases, that is, for one- or two-parent families.

**Table 13. New Substantiated Cases of Neglect and Abuse Per 1,000 Children, 1992–1999**

	Oct 92	Oct 93	Oct 94	Oct 95	Oct 96	Oct 97	Oct 99
County of Los Angeles	6.5	7.4	6.0	6.8	7.0	7.5	4.9
Boyle Heights	7.7	9.7	7.9	8.9	10.5	11.0	5.8
Central Long Beach	12.4	13.8	11.7	14.9	15.0	*	13.9
Compton	12.6	12.0	8.6	11.5	9.0	*	5.5
Glendale	1.3	1.6	1.5	2.3	3.1	3.7	2.5
Hollywood	4.3	4.9	3.2	4.0	4.6	5.7	3.1
Lancaster	7.9	12.4	8.9	11.2	11.5	10.0	10.5
Mission Hills-Panorama City	6.9	7.7	5.1	7.5	7.2	9.0	4.8
Rosemead	3.8	4.8	3.5	4.0	7.6	5.9	4.6
Westmont CDP	15.0	18.7	15.4	14.8	13.7	14.7	10.5
Wilmington-Harbor City	6.9	6.5	4.6	5.5	5.1	*	2.8

Source: DCFS.

Note: Due to a computer system transition, DCFS was unable to provide complete data for 1997 and 1998. The rate for the County in 1997 was computed using weights to compensate for the absence of the Lakewood office. (See Appendix A for additional details.)

\* Not Available.

**Table 14. Child Abuse and Neglect Among CalWORKs-Aided Families, New Substantiated Cases in the Year Preceding Target Month, 1998–1999**

	CalWORKs/FG			CalWORKs/U		
	Dec 98	Apr 99	Oct 99	Dec 98	Apr 99	Oct 99
Children from CalWORKs-aided families served by DCFS	3,957	4,089	3,648	400	545	374
All CalWORKs-aided Children	398,952	389,168	338,825	98,358	97,447	86,035
Rate of Abuse/Neglect per 1,000 Children	9.9	10.5	10.8	4.1	5.6	4.3
<i>DCFS Program</i>						
Family Maintenance	58%	57%	56%	81%	79%	84%
Family Reunification	39%	40%	41%	19%	20%	15%
Permanent Placement	4%	3%	3%	1%	1%	0%
Total	100%	100%	100%	100%	100%	100%
<i>Reason for Referral to DCFS</i>						
Caretaker Absent/Incapacitated	14%	15%	15%	5%	6%	4%
Abuse - Emotional, Physical, Sexual	29%	26%	27%	33%	33%	40%
Neglect - General or Severe	40%	40%	39%	32%	28%	27%
At risk, no abuse	17%	19%	19%	30%	32%	30%
Total	100%	100%	100%	100%	100%	100%

Source: CES tabulation from match of DPSS and DCFS data.

The data shows that the *number* of children from CalWORKs served by DCFS has decreased, but as the overall CalWORKs caseload has also decreased, it is important to look at the *rates* of abuse or neglect. Children from single-parent households are represented in far greater numbers than two-parent ones in the child welfare system, and the rates of child abuse and neglect are higher within FG cases than within U cases. In fact, the rates in FG cases are more than double the rates in U cases at the end of 1999.

There has been a slight increase in the rate of abuse/neglect among FG cases, from 9.9 per 1,000 in December 1998 to 10.8 per 1,000 in October 1999. The rates among U cases have fluctuated, with a peak rate of 5.6 in April 1999 and no clear increase between December 1998 and October 1999 (4.1 and 4.3 per 1,000, respectively).

The rate of child abuse and neglect among CalWORKs/FG cases is clearly higher than among the County population as a whole. In October 1999, the County had a rate of 4.9 new cases per 1,000 children; among FG cases, the rate was double. The rate of child abuse and neglect among these single-parent families was most similar to the rate for communities such as Lancaster or Westmont (both with rates of 10.5 in 1999). For CalWORKs/U cases, however, the rate is slightly lower than for the County as a whole.

Table 14 also presents the percentage of children in each of three DCFS programs. Family Maintenance is a program where DCFS monitors the child in the context of the family of origin. It may include some kind of service for the family, such as counseling or parent training. FamilyReunification cases are cases in which the child is placed out of the home, but DCFS attempts a return when possible. Some of the older Family Reunification cases are effectively permanent placements. Finally, there are the Permanent Placement cases, where children are

placed in foster care and return to the family of origin has been deemed either unlikely or impossible for the foreseeable future. Very few new cases begin as or quickly become Permanent Placements. Because Permanent Placements may last for many years, however, they tend to dominate the overall stock of DCFS cases.

The distribution of children from single-parent CalWORKs-aided families among the DCFS programs has not changed significantly since December 1998. Most of the new DCFS cases associated with single-parent CalWORKs families are concentrated in the Family Maintenance program (56 percent in October 1999), although a sizable number were assigned to the Family Reunification program (41 percent). Children from two-parent CalWORKs families were much more concentrated in the Family Maintenance program, and this has increased over time from 81 percent in December 1998 to 84 percent in October 1999. The percentage of cases in the Family Reunification program dropped from 19 percent to 15 percent. This trend is a positive one, with fewer children being placed out of their homes and away from their families of origin.

Referring again to Table 14, the DCFS cases associated with single-parent CalWORKs families were considerably more likely to have been opened because of general or severe neglect cases than were those associated with two-parent families (in October 1999, 39 percent versus 27 percent). Single-parent CalWORKs families were also more strongly associated with DCFS cases opened because the caretaker was absent or incapacitated than were two-parent families (15 percent versus 4 percent). The difference is likely due to the fact that when two parents are present, the chances of having both absent or incapacitated are much lower than when there is only one parent/caretaker present. When two parents or caretakers are present, one is probably more likely to compensate when the other neglects to care for the child. In two-parent households, the largest share of cases were

opened due to verified instances of emotional, physical or sexual abuse (40 percent for U cases versus 27 percent in FG cases in October 1999). This does not mean that children in two-parent families are more likely to be abused than those in single-parent families; in fact, the *rate* of abuse in single-parent families is a good deal higher. The

high *share* of abuse cases among the DCFS-monitored children associated with two-parent families is primarily a reflection of the fact that neglect and parental absence and incapacity (as defined by law) are much less of a problem among two-parent families.

**Table 15. Child Abuse and Neglect Among CalWORKs-Aided Families, Open Substantiated Cases in the Target Month, 1998–1999**

	CalWORKs/FG			CalWORKs/U		
	Dec-98	Apr-99	Oct-99	Dec-98	Apr-99	Oct-99
<i>DCFS Program</i>						
Family Maintenance	32%	32%	31%	60%	61%	59%
Family Reunification	22%	22%	22%	18%	18%	16%
Permanent Placement	46%	47%	47%	22%	22%	26%
Total	100%	100%	100%	100%	100%	100%
<i>Reason for Referral to DCFS</i>						
Caretaker Absent/Incapacitated	16%	16%	16%	7%	8%	8%
Abuse – Emotional, Physical, Sexual	31%	30%	30%	38%	36%	37%
Neglect – General or Severe	45%	44%	42%	40%	36%	35%
At risk, no abuse	8%	10%	12%	16%	21%	21%
Total	100%	100%	100%	100%	100%	100%

Source: CES tabulations from match of DPSS and DCFS data.

The preceding discussion focused on the rate of new cases of abuse and neglect among CalWORKs families. Many children of CalWORKs-aided families have been under DCFS supervision for more than a year. These older cases tend to be more stable. As shown in Table 15, the distribution of cases by program did not change significantly between December 1998 and October 1999. There are important differences between FG and U cases, with more FG cases placed permanently and more U cases in Family Maintenance. A comparison of the new cases to the overall caseload also shows variations. Most new cases, as shown in Table 14, are referred to Family Maintenance, followed by Family Reunification, with very few new cases being placed in foster homes permanently. When

all cases are examined (Table 15), however, a large proportion of cases are in Permanent Placement (in October 1999, 47 percent of FG cases and 26 percent of U cases). This difference between new cases and all cases is related to administrative decisions and policies that now favor keeping children with their families of origin as much as possible and discourage permanent placement of children in foster homes.

## School Attendance and Performance

The drafters of the California Welfare-to-Work Act of 1997 clearly stated their concerns about the health and welfare of children in several ways. Not only was the elimination of child poverty the first goal of the law, but penalties were instated for

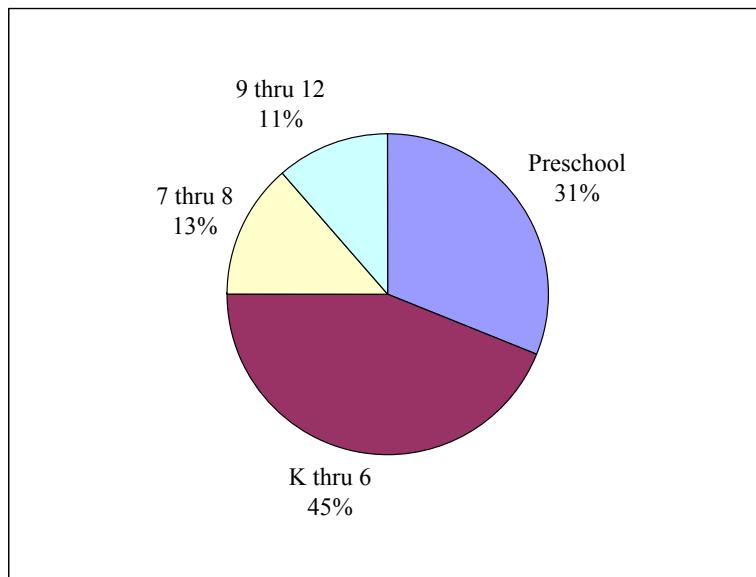
aided parents who failed to ensure that their children were properly immunized and enrolled in school.

CalWORKs-aided parents tend to be relatively young, and their children are relatively young as well. In April 1999, 45 percent of CalWORKs-aided children were of elementary school age (Figure 29), while another 31 percent had not yet reached school age. It is reasonable to assume that, if the implementation of CalWORKs were to have effects on the attendance and performance of young students, the effects would be clearest for grades K–6.

Predictors of school achievement cover a wide range of domains—individual and household members' aspirations, family status,

neighborhood, school resources, and teachers' perceptions of the student. Substantial research on children's achievement in schools has found that poverty, low parental involvement, low parental expectations, excessive geographic mobility, and low household and economic stability are key predictors of children performing poorly in school.<sup>140</sup> Household stability supported by economic stability is considered to be one of the main factors in student learning, overriding linguistic and cultural barriers.<sup>141</sup> Low parental educational achievement, low self-esteem, and educational aspirations, have been identified as major barriers to achieving adult mastery of educational materials during adolescence, although in some cases these barriers can be compensated for or overcome in adulthood through individual achievement.<sup>142</sup>

**Figure 29. Grade Level of CalWORKs-Aided Children, Los Angeles County, 1999**



Source: DPSS Caseload Characteristics report for April 1999.

Note: Children assigned to grade level by age: Preschool = ages 0–4, K–8 = ages 5–13, 9–12 = ages 14–17. Possible errors in grade assignment include children aged 4 who had already started school; children ages 14–17 who have been held back in K–8 or who have skipped ahead to 9–12; 16 and 17 year olds who have dropped out; and 18 and 19 year olds still in high school.

In this, CES's first baseline impacts report, school-level data was examined to see trends in local schools over a period of several years. Changes in the demographic composition of schools are tracked, as well as the percentage of enrolled children from CalWORKs-aided families, and the percentage of enrolled children taking advantage of the National School Lunch Program (NSLP). Students who receive free or subsidized lunches under the NSLP must be from families with incomes no more than 185 percent of the Federal poverty line, and most eligible students use the program. Thus the number of NSLP enrollment is a good indicator of a schools' low-income population.<sup>143</sup> Dropout rates for grades 9 through 12 are also tracked, as well as school-level scores on the math and reading portions of the Stanford Achievement Test Series, Ninth Edition (SAT/9), a widely-used standardized test.<sup>144</sup>

In this report an attempt is made to answer the following questions: What are the historical trends in the chosen indicators for schools in Los Angeles County and selected communities? Have there been any notable changes in the performance indicators—dropout rates and test scores—since the 1998 inauguration of CalWORKs?

Los Angeles County has 81 public K–12 school districts, including 29 elementary only, 6 high school only, and 46 unified (both elementary and high schools) school districts. These school districts served 1.8 million students during the 1998–1999 school year. The Los Angeles Unified School District (LAUSD) is the second largest school district in the nation with 680,000 students. Students in the various schools speak approximately 90 different primary languages.

Enrollments and the ethnic composition of schools in both Los Angeles County and the State of California have undergone vast changes in the last decade. In California, as a whole, the enrollment of Whites has gone down as Hispanic students have increased in number. By 1996, there were

more Hispanic students than White students enrolled in California schools. In Los Angeles County, Hispanics have been the largest ethnic group in local schools since 1989. According to the Los Angeles County Office of Education (LACOE), in 1996 Hispanic students comprised 56 percent of the County's public school population, rising rapidly from just 20 percent in 1970. The enrollment of Whites declined from 63 percent in 1970 to 21 percent in 1996. Hispanics are expected to represent 61 percent of all County public school students this year, while Whites and African Americans are expected to decline to 18 percent and 11 percent of all students, respectively. During the 1998–1999 school year, 8.1 percent of County students were of Asian descent.

The significant changes in student enrollment in the recent years in Los Angeles County schools are also accompanied by a dramatic rise in students who are considered Limited in English Proficiency (LEP). The fact that a substantial proportion of children in Los Angeles County schools do not report English as their primary language may have a direct impact on their test scores, especially reading scores. In 1996 about 36 percent of public school students and 50 percent of public school kindergartners were classified as LEP. The proportion of students classified as LEP decreases in higher grades, as immigrant students become bilingual and are reclassified as fluent in English. Lack of proficiency in the English language has been documented as a severe barrier to grade level achievement, especially in reading skills.

A note on presentation: Data was collected for each community, but some communities are served by their own school district, while others belong to larger school districts. For example, Compton is served by the Compton Unified school district, which serves no schools outside of Compton. Hollywood, on the other hand, is one of many communities served by LAUSD. In addition, some communities are served by one district for

elementary schools and another for high schools. In Lancaster, for example, the elementary schools belong to the Lancaster Unified School District, and high schools belong to the Antelope Valley Union High School District—the latter including schools in other communities. Most of the smaller communities selected for this report are served by schools that are part of LAUSD.

As the CalWORKs caseload has declined, so has the number of CalWORKs-aided children in local schools. During the 1995–1996 school year, just under one in four students in Los Angeles County came from CalWORKs-aided families, but by the 1998–1999 school year, the number was under one in five (Table 16). Note that within communities, the proportion of children who are from CalWORKs-aided families exceeds the proportion of community residents who are CalWORKs-aided. This is because CalWORKs-aided families are, by definition, families with children, and many residents of each community are adults without minor children.

While the total CalWORKs caseload declined by 26 percent between April 1995 and April 1999, the proportion of CalWORKs-aided children enrolled in

Los Angeles County schools dropped by only 18 percent over roughly the same period. Schools in most of our target communities showed smaller declines; Central Long Beach showed a small increase. Interestingly, Lancaster showed much lower declines at the elementary school level (6 percent) than at the high school level (25 percent). It is possible that other communities would have shown similar results if presented by school level.

Although the percentage of school children from CalWORKs-aided families has declined over the past few years, there has been a gradual increase in the number of children receiving free or subsidized school lunches, suggesting an increase in child poverty—or near-poverty—not detected in other data sources. Children from CalWORKs-aided families are automatically eligible for free school lunches under NSLP. Poverty is a major predictor of achievement in school, and the percentage of children enrolled in this program provides an indication of the number of at-risk children in a school system.

**Table 16. Children Enrolled in K–12 from AFDC/CalWORKs Families, 1995–1999**

District/Community	1995–1996	1996–1997	1997–1998	1998–1999	Percentage Change 95–96 to 98–99
	%	%	%	%	
Los Angeles County	23.9	23.1	21.8	19.5	-18%
Los Angeles Unified	29.3	28.4	27.2	24.5	-16%
Boyle Heights (LAUSD)	42.9	44.1	42.8	38.6	-10%
Central Long Beach (Long Beach Unified)	58.3	58.0	57.3	59.3	2%
Compton (Compton Unified)	45.4	44.1	41.7	40.0	-12%
Glendale (Glendale Unified)	27.3	26.2	24.5	18.9	-31%
Wilmington-Harbor City (LAUSD)	21.7	24.4	23.2	21.5	-1%
Hollywood (LAUSD)	45.1	42.7	40.6	36.8	-18%
Lancaster					
Lancaster Elementary	28.6	28.9	29.5	26.9	-6%
Antelope Valley Union High	17.1	14.7	14.7	12.9	-25%
Mission Hills-Panorama City (LAUSD)	28.5	25.5	24.3	19.5	-32%
Rosemead (LAUSD)	37.4	35.2	33.5	30.8	-18%
Westmont(LAUSD)	48.6	47.0	44.2	43.6	-10%

Source: Educational Demographics Office, California Department of Education.

Note: Boyle Heights, Wilmington-Harbor City, Hollywood, Mission Hills-Panorama City, Rosemead and Westmont are served by LAUSD; Central Long Beach is served by the Long Beach Unified School District; Lancaster is served by the Lancaster Elementary School District and by the Antelope Valley Union High School District; Compton and Glendale are served by their own unified school districts.

Table 17 shows that 57.6 percent of Los Angeles school children were enrolled in NSLP in 1995–1996. Over the years there has been a modest increase in these numbers. While LAUSD, as a whole showed a small decrease, most of the LAUSD-served communities covered in this report showed increases similar to the County average. Children in Central Long Beach were no more likely to use NLSP in 1998–1999 than they had

been earlier, but with almost all children already enrolled (94.5 percent in 1995–1996), there was little room for change. In contrast to the large drop in CalWORKs-aided children in the Antelope Valley Union High School District seen above, the District posted the largest percentage increase in NSLP takers: 48 percent. The basis for these divergent results is unclear.

**Table 17. Children Enrolled in K–12 Registered for the National School Lunch Program, 1995–1999**

District/Community	1995–1996	1996–1997	1997–1998	1998–1999	Percentage Change 95–96 to 98–99
	%	%	%	%	
Los Angeles County	57.6	57.9	58.1	59.1	3%
Los Angeles Unified	72.4	70.9	69.9	71.8	-1%
Boyle Heights (LAUSD)	90.6	82.9	88.7	94.4	4%
Central Long Beach (Long Beach Unified)	94.5	96.5	97.2	94.5	0%
Compton (Compton Unified)	78.0	82.9	93.2	96.0	23%
Glendale (Glendale Unified)	48.9	48.4	48.6	42.3	-13%
Wilmington-Harbor City (LAUSD)	53.5	56.2	60.7	59.0	10%
Hollywood (LAUSD)	84.8	88.8	81.6	80.8	-5%
Lancaster					
Lancaster Elementary	50.4	53.5	58.5	56.8	13%
Antelope Valley Union High	21.9	23.8	28.4	32.5	48%
Mission Hills-Panorama City (LAUSD)	82.9	89.5	90.3	90.1	9%
Rosemead (LAUSD)	77.2	80.5	79.0	81.7	6%
Westmont(LAUSD)	79.4	80.4	79.5	86.2	9%

Source: Educational Demographics Office, California Department of Education,  
<http://www.cde.ca.gov/demographics/>.

Note: Boyle Heights, Wilmington-Harbor City, Hollywood, Mission Hills-Panorama City, Rosemead and Westmont are served by the Los Angeles Unified School District (LAUSD); Central Long Beach is served by the Long Beach Unified School District; Lancaster is served by the Lancaster Elementary School District and by the Antelope Valley Union High School District; Compton and Glendale are served by their own unified school districts.

Studies on the effects of household poverty and concentration of children in schools coming from poor families have found peer family social status to have a significant independent negative effect on individual academic achievement.<sup>145</sup> The effect of a student's own family social status was slightly more than the effect of peer family social status. Both were significant predictors of academic achievement. Most schools in the communities targeted for CalWORKs evaluation have a very high concentration of children enrolled in NSLP; there are many families living in poverty within those communities. The fact that these numbers are increasing despite the decline in school children from CalWORKs families is of great concern. It implies that issues of academic achievement related to poverty issues persist.

This variable will have to be tracked very carefully in the next few years to see how it impacts students' achievement.

### Dropout and Test Score Outcomes

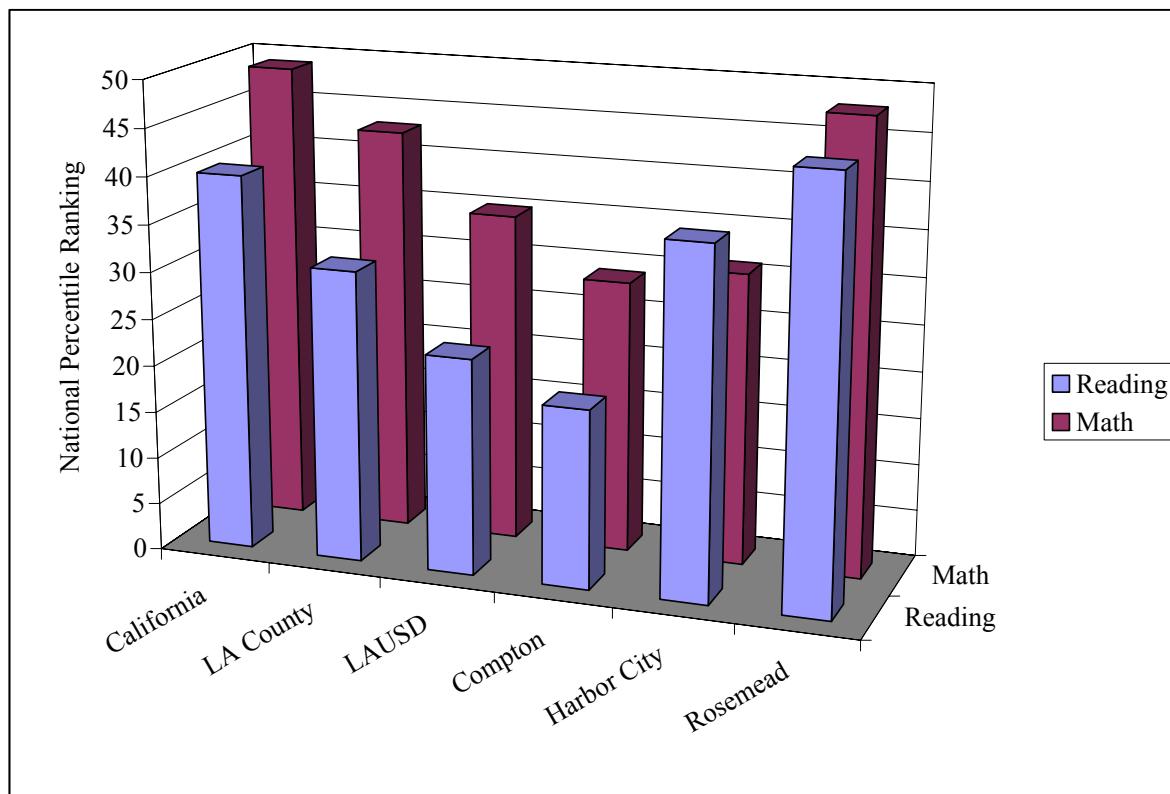
According to LACOE, dropout rates have declined over the years, both in the County and in the State. Data for the selected communities show notable variation.<sup>146</sup> In most of the CalWORKs communities, dropout rates have declined. In 1997–1998, the poorest performance was in Westmont, with an annual rate of 6.8 dropouts per 100 students. This was higher than the overall dropout rate for LAUSD, which was 5.0 per 100 students. Westmont showed a substantial decline (56 percent) in the dropout rate between 1995–1996 and 1997–1998. Another community

with a high dropout rate was Compton Unified (4.82 in 1997–1998). The decline in the rate in this District (44 percent) was less than the decline in the dropout rate in Westmont. The dropout rate in Boyle Heights was 3.98 in 1997–1998 with a 50 percent reduction from 1995–1996. Antelope Valley Union High School District had a relatively lower rate than most of the communities in all the years, while Glendale Unified had the lowest dropout rate among all the CalWORKs communities (0.62 in 1997–1998). These two districts had an overall increase in dropout rates from 1995–1998, with a peak rate in the 1996–1997 school year.

The second major outcome measure is school-level scores on the Stanford 9 series of tests. The

SAT/9 is a comprehensive benchmark of school achievement that is administered to K–12 students nationwide. Because it is so widely used, it is easy to compare the performance of students in the County with those in the rest of the State or nation. SAT/9 scores for each school are converted into a National Percentile Ranking (NPR), a unit indicating how well a group of students is performing relative to all other students in the nation at the same grade level. For example, if the average NPR for reading in Los Angeles County is 34, it means that on average local students scored better than 34 percent of the students nationwide, but worse than 66 percent of the students nationwide.

**Figure 30. SAT/9 National Percentile Rankings, All Third Grade Students, Selected Areas, 1998–1999 School Year**



Source: LACOE.

Notes: “Harbor City” is “Wilmington-Harbor City” and is served by LAUSD. Rosemead is also served by LAUSD. Compton is served by the Compton Unified School District.

Because most school age CalWORKs-aided children are in grades K–6, and because studies have shown that academic achievement during the early years predicts future performance, the focus in this report is on scores in math and reading for students in third grade. In addition scores for ninth grade are also reported, because performance in ninth grade has a direct relationship to high school graduation rates.<sup>147</sup> In both California and the County, local third and ninth grade students scored below the national median. Math scores were slightly higher than reading scores for both grade levels. The scores were especially low for LEP students, particularly in reading. For example, in LAUSD in 1998–1999, the average NPR score for ninth graders for reading was 22 for all students, but 9 for LEP

students. Though there were no substantial changes—none could be expected in such a short time—the scores showed a slight increase between 1997–1998 and 1998–1999.

The LAUSD reading scores among third graders are very low (23 in 1999). Rosemead and Glendale have the highest scores for third graders (45 and 44, respectively, in 1999), while Mission Hills–Panorama City and Central Long Beach have the lowest scores (13 in 1999). The reading scores among ninth graders are similarly low. Again, LAUSD reports a very low score (22), and the other districts and communities show similar levels. The highest score for ninth graders in 1999 was in Glendale (38), while the lowest was in Compton (13). The math scores overall are

consistently higher than reading, but still very low. For third graders, LAUSD had a score of 35 in 1998–1999, and a score of 38 for ninth graders. Glendale Unified had the highest scores in 1998–1999: 57 for third graders and 62 for ninth graders.

Among LEP students, reading scores were lower for ninth graders than third graders, reaching scores as low as 5 (Compton) for ninth graders, and 11 (Boyle Heights) for third graders in 1999. Thus, the students in these two communities perform worse in the SAT/9 than about 90 percent of the students nationwide.

Most studies looking at welfare reform and its impact on families and children's educational achievement have emphasized the role of parental involvement and achievement. The new reforms, when successful, should help parents provide their children with a more stable home environment and more resources—and both factors in improving educational achievement levels. When single mothers—80 percent of the heads of CalWORKs families—do find employment and are able to provide more resources to the family, another question arises: How much time will they be able to spend with their children?

That question cannot be answered at present. What can be stated, however, is that test scores are lower and dropout rates higher in school districts/ communities with a higher proportion of children from CalWORKs-aided families. Children from CalWORKs-aided families are not distributed evenly across grade levels. Elementary schools in the County have a higher proportion of children from CalWORKs families (25.2 percent) than do middle schools (18.6 percent) and high schools

(14.1 percent). Therefore, the most pronounced impacts, if any, should be seen at the elementary grade level. This reflects a life cycle stage: These families are young, in most cases do not have adequate schooling or job skills and have small children. In most cases, these parents are dealing with several complex issues related to their careers and their young children. Improvements in one area may benefit other areas of their home life. For example, job training or employment may affect their mental health status (if that was a cause of concern) and have an impact on their parenting skills.

High school students from CalWORKs-aided families may have a set of problems rather different from those faced by younger children. Their parents have typically been on welfare for a longer period of time than the average CalWORKs parent.<sup>148</sup> If the family has been aided for many years, then its members have been experiencing the disadvantages of chronic poverty. Because the parents in long-term cases have been shown to suffer disproportionately from these problems, it can also be inferred that aided teens are more likely than younger children to be living with a parent or parents who have mental health, substance abuse or domestic violence problems.

Efforts are underway to secure data that will allow CES to examine directly the school performance of CalWORKs-aided students. School records will be matched with CalWORKs case records. This data will supplement, not replace, the tracking of school level data over the next few years. Both will help in the understanding of changes in children's school achievement as CalWORKs parents go through changes in long-term economic stability.

## In Their Own Words: Recipients Reflect on Welfare Reform

As part of its ongoing research on welfare reform, CES has conducted a large number of focus groups with adult welfare recipients who were participating in or had earlier participated in CalWORKs welfare-to-work activities. Focus groups are structured discussions that involve a small number of people, concentrate on a preset topical agenda, and are led by a researcher. Focus groups are one of the most practical methods for learning in detail about the experiences and views of a target population. While reviewing focus group data, it is important to keep in mind that such data are useful for understanding individual experiences, but less useful in understanding the proportion of individuals who share the same experiences<sup>149</sup>.

Because CalWORKs employment requirements have resulted in major changes for many welfare recipients, the focus group discussions have all centered on welfare-to-work issues. In one set of these discussions, participants were asked to talk about the impact of the welfare-to-work program on themselves and their families. The focus group members reported on had all been through at least an initial orientation to the GAIN welfare-to-work program. Some of the focus group members were chosen specifically because they were, at the time, employed and meeting the State-mandated 32 hours per week work requirement. Most other focus group members were either employed for fewer hours or were looking for work.

This section deals with the experiences of participants on their overall well-being when they found a job and its impact on their family members. It also deals with the challenges they have to face while trying to balance the delicate task of family well-being such as finding quality child care and spending enough time with their family while working at the same time. For those still looking for work, the interviews highlight the

feelings of despair that the participants have to deal with, both with themselves and among their family members. It should be noted here that all the participants who participated in the focus groups were in their initial stages of work activity. Participants who were working or had found a job were still in their early years of work experience and as such still struggling to balance the demands of working and fulfilling other family responsibilities.

### Work, Income, and Social/Self-Esteem

With the institution of a stringent work requirement, the number of employed adult cash aid recipients has climbed steadily. The revised "income disregards" program that is part of CalWORKs ensures that welfare participants are rewarded for the work they do. This is such that the more recipients work, the more money they have. Recipients who had not recently been employed reported several positive benefits emanating from their new employment. In particular, additional income helped them to provide better for their families, the time structure required for work helped them organize their lives, and the fact that they were helping to support themselves through work enhanced the way that they saw themselves and the way they thought others saw them. All of these factors taken together also helped to improve family relationships.

Having additional income from work has enabled some families to improve the condition of their family lives. Here are just two examples of the comments that were received:

Participant: "We're moving from a small, one bedroom in a trailer court with the surroundings, the environment is not that well, to a house by itself, two bedrooms and large yard. ...It's a lot nicer, and I'm

really happy for that too. That has a lot to do with the income."

Participant: "I got my first paycheck last, last week... and I took them [my children] to the movies to see "Star Wars" and everything and they know because I say—I've never said to them, "Wait 'til I get my paycheck." ... And then when we went to the movie, they were asking for *everything* [laughter] because they knew I had money that I can actually spend on them. So they, yeah, they know! And it's—I can see it makes them happier. 'Cuz I wasn't able to do, you know, stuff like that."

The effect of work on the lives of participants and their families, went well beyond the ability to afford better housing or pay for family entertainment. Some of those who had not been working previously reported that work added greater stability, organization, and routine to their lives. One participant, for example, spoke positively about the routine she established in order to accommodate her new job and how she felt this affected her children.

"Well, in my case, with my three kids, I have a regular schedule now, which is much better. I leave the house at the same time my children leave, are going to school. And I'm coming back after one hour, and they've been out of school already for one hour, and then I go home. So, it's basically not much time that I'm leaving the kids alone or with my mom, that she's providing care for them. Um, I think the impact is very positive impact. Because they're learning that life is not easy, and things are not coming from the sky, and they will really need to work hard. And it makes our family get, get together instead of being apart. And I'd rather be like this than, you know, have a husband and a very unhappy relationship with the husband and, and with the children. And, um, in reference to the, to the money and the way that I provide for them, I think it's great, so I just don't, I don't think that I'm leaving my children by themselves, and they're neglected or anything like that. I think I'm just doing what I have to do, and

they know I'm dad and mom, and it's tough. It's difficult. But they're, they're understanding. So, it's very positive impact that I'm receiving now."

Furthermore, household tensions can be eased by the additional income. One woman who reported that she had been abused by her partner felt that having a job had helped ameliorate the situation:

"You know, it was mainly because neither one of us were working. We didn't have any money. There was just too much time — we were always around each other. And we were struggling. We really struggled, you know, to make ends meet. ... So, you know, it was hard. It was really hard. It affects your household, it affects your relationship. But since I started working, things have been a whole lot better. We get along a lot better, and he has motivated me as well. ..."

Thus, recipients felt that money was only one of the benefits that accompanied their transition into paid labor. Improved relationships and better home arrangements were also important. One of the most frequently cited benefits, however, was a boost in self-esteem.

### **Social/Self-Esteem**

Those who had not previously been working, but had found employment due to CalWORKs requirements, reported a positive impact on their self-esteem. The participants who spoke about their self-esteem generally cited one or both of two influences: how strangers looked at them (e.g., in a store checkout line as they bought food with Food Stamps) and how their children looked at them. It was clear that for many of the recipients, employment represented a way for them to increase their social esteem and to earn the respect of their children.

Self-esteem is lowered by poverty and by dependency on the County; participants feel stigmatized, looked down on by others, and embarrassed by their situation. Most rely on

welfare as the last resort and try to distance themselves from the stereotype of welfare recipient as lazy, living off of the State. Work can have a positive impact, increasing participants' self-esteem by offering them opportunities for independence, self-sufficiency, and a sense of control over their lives. Participants report that GAIN's orientation program transmits the message that "You can make it," thus motivating participants and fostering expectations for a better future. Participants not only enjoy the extra income, but also the socializing that work entails: going into the world, being responsible for themselves, and becoming a role model for their children. One participant tells about how the program raised his self-esteem:

"I find that the program worked very well for me in giving me a little bit more in the situation to get myself back on my feet and being able to get back out to look for work. ... [When] I started the program, my self-esteem was down in the gutters. And it built me up to sit there and—going, "Hey, I'm better than, better than this." And I'm, I, I can't keep going at the rate that I am here. I need to take it and get out there and show my family that I am able to take it—to make a living, and that I'm not...a burden on anybody else."

Those who no longer have to depend on the County feel pride in leaving welfare:

"I want my kids to be able to go to school and brag about what their mom does for a living. Not, "My mom sits on the couch and [laughs] we collect welfare and all that." Because that's the way I felt, about myself, you know? I didn't want to go to the store near where I lived because I didn't want people to see me paying with Food Stamps. And my biggest concern was my kids. I didn't want anybody making fun of my kids..."

Another participant reported that her children respected her more when she became gainfully employed, and they also felt better about themselves.

"Oh, yeah, my children love the fact that I'm working and not totally on welfare. [...] And my kids will say, "Well my mom's not on welfare, she gets paid every two weeks."

### Job Search

For people who have little labor market experience and/or little faith in their skills or desirability as a worker, the job search can be very stressful. The longer the search lasts, the greater the stress, even for people who are much more "salable" than the typical adult receiving cash aid. Participants reported that, during the job search phase, they need extra money for child care, transportation and clothes. Often they rely on family members and friends to help with these needs. In some cases, the family rallies to support the job-seeker, increasing family closeness and cohesion. One woman described the support she received from her 10-year-old son:

"He's really helpful. He'll get the newspaper, we go over it and, like today, okay, I dropped him off and he's going, 'Okay, I hope you get a job.' I say, 'Yeah, I hope I do, too.' 'And if you do, we'll celebrate.' I said, 'Okay.'"

While other participants appreciated the support they received from family members, they also felt guilty when helping meet their needs impinged on the family member's ability to meet his or her own needs. A woman with a young son and two adult sons, one currently in college, reported feeling bad about asking her older sons for help with her job search and caring for their younger brother.

"When I went to Job Club, you know, [the oldest son] babysat for me or takes me different places when I can't, when the bus is going to hinder me from getting there within these hours. And I, but it's still taking away from their life. Like if they want to go out and seek something or look for a job. Sometimes I even have to keep my 19 year-old out of school. He's in college. And if I can't get to the oldest one, then I have to, 'Well, can you watch

him,' and that means that he can't go to school."

Recipients noted that the daily juggling of CalWORKs requirements, child care, keeping house, and other obligations all added up to a set of stressful burdens.

"So it does get stressful, and like I said, especially like when they have you goin' in and out of the programs because you not only have to take care of the household, take care of the kids, take care of your personal business, and then you gotta make sure that you get to the program on time, that everything goes the way it's supposed to go with the program. So it is, it's extra stress..."

Furthermore, as job searches continue, each day's failure wears on family members.

"You know, um, it's um, I don't know, it's with my family, it's hard because my oldest son was watching my three-year-old and he would know that I have left the Job Club. And then he's wondering, okay, 'Are you coming home?' Where I'm like, 'No, 'cause I got to go and get applications.' And then he's frustrated, 'Well, I have to go to this and here.' And I'm like, 'Well, okay, I have to do this because if I don't do this, then they're going to sanction me. Then I'm going to be really messed up because, you know, then they're going to cut my check.' So, I'm taking away from their life in order to accommodate my life. And that's not really right."

Over time, the daily struggles of finding a job could lead to despair among family members.

"When I come home, they like, 'Momma, you gotta a job yet?' And I'm like, 'No.' And my husband, he say, 'Well, what the hell are you going for?' [laughter] And I say, 'Well, if I don't go, they're going to cut my check. We won't have nothing.'"

Overall, while finding a job could raise a participants' self-esteem, the struggles of looking

for a job added a burden on their emotional well being in addition to their struggle for economic well being.

### Child Care

Whether or not welfare-to-work program recipients actually find employment, they face similar child care needs. Recipients reported that the problems of securing quality, affordable child care was one of the most significant barriers to getting and keeping a job. Recipients were thus pleased that CalWORKs provided child care assistance. When asked about how CalWORKs helped her most in her job search, a recipient replied:

"I think the biggest thing for me was having the child care for my son. Because I felt like, wow, how am I gonna keep the job? I can't afford my rent and child care. So that as my biggest concern. And, and I think the biggest support for me is that my child care is paid for and taken care of. That's - I think the biggest thing in order to keep a job is to have that support."

Like most parents, participants worried about finding child care that would be safe, nurturing and affordable. For many participants, the program's provision to pay a relative or friend for child care was perceived as a positive impact because they felt reluctant to leave children with strangers.

"My baby is little, one year two months old. He is cared for by his grandmother. I think that nobody can care for a child better than family."

"Child care is what I liked. They paid for child care so that my family could watch my children."

For others, leaving children with family made participants feel that they were interfering with their relative's own lives and needs. In some cases, grandparents who were called upon to provide care needed care themselves, which only added stress to the participants' complicated lives.

Those participants who found good child care with registered providers reported that the enriching environment benefited children:

"Oh, she's very good. Oh, yeah. She's done a lot 'cuz he's accomplished a lot of things I couldn't do. Because she has the experience, you know. And, I mean, I—he's learning so much now, he's learning so much [sound of fingers snapping]. I was able to keep up with nursery rhymes and stuff like that. Now he comes home with stuff I've never heard of. He's learned a lot."

Yet high-quality, affordable child care arrangements were not easy to find, and leaving children in child care was a source of stress for most families.

"As she said, people don't want to leave their children just anywhere. I also don't want to leave my children just anywhere because I have several small ones. I have a six, a seven year-old daughter, a three year-old son, and a nine month-old daughter. It's hard, I have many children."

Some participants reported bad experiences with child care, which had negative impacts on their children:

"And you know how, sometimes you get that feeling to go back and check. I went back, and the people were screaming at the kids and everything. I mean, \$70 a week and they were hollerin' and screamin'."

And when I got my son home, he didn't want to talk. And when I found out what had happened later, they had been shouting at all of the kids telling them to shut up all day. So I pulled him out of there that day. That was his second day, his last day.

Thus, not only finding child care, but also finding quality child care continues to remain a challenging task for working parent(s).

### Balancing Child Care with Work

Many parents felt their children were too young for child care and felt guilty leaving them. Others worried about the lack of child care for teenagers who were left unsupervised.

"Yeah, because a lotta times, you don't, your teenagers may wanna cook or something. You have constantly to remind them: 'Make sure you turn the stove off.' 'Make sure you turn the heater off.' And you know, you're leavin' your kid alone, you're like, Did they double check? Is the door locked? No friends in the house. That you came home, that you made it home on time, that nothin' happened to them on the way home. So, it's a constant, constant thing. But I always call when I'm out lookin' for jobs and everything and I'm runnin' late comin' I, I always call to check the heater and stove are off, everything. That you're doin' homework, you know, if what's not home – 'Where's Kara, where's Robert? Are they on their way? Did you see 'em at school?'"

For most families, the work requirement has meant less time to spend with children. One woman, who is pregnant and trying to finish a vocational training course, worries about her inability to see her son who had been placed in foster care:

"Another part that messed me up, too, is that I don't have that much time to spend with my other son. I used to catch the bus to Paramount and bring him to my house. And now, since I was going to school and working, I wasn't able, you know, I be tired when I get home. And it's, I don't know, just bad for me to see. I know how he be feeling right now. I know he be like, 'Well, Mommy don't love me 'cause she didn't come and get me this time.'"

Participants also perceive that children are affected by spending so much time away from their parents:

"I have three children: a 4-year-old, a 13-year-old, and a 17-year-old. When my daughter was born, since my first-born, I had always taken them to child care. It affects them in that we spend very little time together. I work from 9:00 to 6:30, I get home around 6:30 or 7:00. It affects them because when they get home from school, they're home alone, alone. They're growing up by themselves. In that respect, yes, my middle child's personality has changed recently. I believe that this is due, in part, to that they have to spend so much time alone, without me knowing how they are. In reality, one doesn't know what to do. Up to now, he hasn't done anything wrong, but his personality is changing, I think for the same reason."

Some parents perceive that their children are experiencing school and behavioral problems and attribute these to the fact that they are spending long hours alone or in child care.

"The time that I, you know, being away from him, I think is maybe a little more of a negative impact on him because he's in school - preschool nine hours a day. The teacher has told me that, you know, sometimes he'll lay in the ground outside on the playground and say that he wants his mommy. So I think that he misses me a lot. And, um, he's having a hard time."

Although several focus group members worried about how their absence, due to work or job search, affected their children, this was not the only concern raised. Even when physically present, a worn-out parent can be unavailable emotionally and otherwise.

"And then when I be—sometime when I be stressed out, I be like, 'You know, my baby wants attention.' He's only two and a half, so of course he gonna want attention. So I just feel like, 'Oh my Go—' Sometimes I feel like killin' myself. 'Cuz it be so bad. And I just can't give him what he wants 'cuz he wants it. And it's like, 'Just leave mommy alone. Just leave mommy alone.' He's still, 'Mommy, but I want—Mommy!' I be like, 'Oh, God.'

## Impacts on Families and Children

The picture that emerges from welfare-to-work participants in the focus groups about the impact of CalWORKs on themselves and their families is in most part very positive. When parents who had not previously been working find jobs, especially when the jobs are ones to which they have aspired, they describe a number of positive impacts. These impacts include not only increased household resources, but also better family relationships and greater self-confidence. It must be noted, however, that some of the focus group members were unhappy because they worked in jobs that did not advance their career objectives, and did not necessarily lead to long-term economic self-sufficiency. In addition, those recipients who failed to find jobs quickly reported increasing levels of stress on themselves and their families. For both workers and job-seekers, the fact that CalWORKs subsidizes child care was a major benefit. At the same time many parents worried about the quality of care their children were receiving, while some working parents wondered about the consequences of lack of time that they had for their children. Finally, especially for single parents bearing the "double burden" of employment and housework, drained them physically and emotionally.

The focus groups were primarily drawn from among adult CalWORKs recipients who had recently finished the GAIN welfare-to-work orientation, so CalWORKs recipients who were "no shows" were not heard from for this report. In addition, little was heard about aspects of CalWORKs not directly related to employment. For example, mothers were not asked whether the "family cap" provision of CalWORKs had affected their decision about intended family size and the impact of residence requirement for teens on their parenting skills and path to economic self-sufficiency.

# Conclusions

In conclusion, between January 1998 and October of 1999, welfare parents increasingly moved off welfare rolls, and single mothers moved to join the workforce. Parents who left welfare for work became less likely to return to aid. However, many families who left welfare, did not receive the health coverage and Food Stamps for which they might have been eligible. Legal immigrants, who were unsure about their eligibility for aid or about the repercussions of accepting aid, shied away from the welfare system.<sup>150</sup>

The observed indicators in the target communities related to family, child and community well being improved or deteriorated in the same manner as in the County as a whole. This suggests that CalWORKs neither facilitated nor impeded progress for welfare families, in its initial years of implementation.

Single-parent families that had been on aid for 8 or more years increased by 18 percent in the first two years of the reform period. This relative increase in long-term cases reflects multiple barriers to independence faced by parents in long-term cases.

This study also found evidence that the wages of single mothers remained flat while married mothers' wages had a propensity to increase. While employment rates did not increase substantially, program participation in the welfare-to-work program components increased significantly in the first two years of welfare reform. In addition, adults who worked and continued to receive cash aid were likely to work more hours.

Poverty rates declined among two-parent families and increased only slightly (about 1 percent) among single-parent families. There is also evidence that welfare leavers may be becoming self-sufficient. The proportion of participants that returned to aid within six months declined by about

10 percent in the second year of the CalWORKs program.

This initial round of observing and analyzing trends has contributed significantly to knowledge about the impact of welfare reform in Los Angeles County, but there is much more to learn. For instance, why did the proportion of cases under two-years-old and over five-years-old increase, while cases in the middle—two-to five-years—decline as a proportion of all cases between January 1998 and October 1999? If so, has this trend continued or changed in recent years? The growing fraction of "young" cases is indicative of a higher level of turnover. As predicted by many scholars, as families with mild or moderate problems are helped to leave welfare, the "hard core" or "hard to serve" are an increasing fraction of those who remain.

The evidence regarding those who left welfare remains inconclusive. Studies indicate most leavers felt themselves, at least in the first several months, better off, and a small, but significant, minority felt worse off. In late 1999, the State of California conducted a Statewide phone survey of former recipients who had left aid in 1998 and 1999.<sup>151</sup> They found that 51 percent of respondents felt that they were doing better overall, and 43 percent were better off financially than they had been while on cash aid. On the other hand, 16 percent felt that they were worse off overall and 26 percent—a full one-quarter—felt that they were worse off financially than they had been while on aid. Most of the remainder said that they were doing no differently than they had while on aid. Many leavers reported suffering hardships after ending their welfare receipt, such as having to go hungry occasionally or being unable to pay bills. In the California study mentioned above, one-quarter of the respondents reported having "a great deal of difficulty" or "quite a bit of difficulty" paying their bills, and another quarter reported "some difficulty." A national study indicated that

some leavers (18 percent) often go hungry, but on this and most other measures of hardship, *excluding* ability to pay bills, welfare recipients were worse off than leavers.<sup>152</sup> Another California study conducted in 2000, and based on administrative data, found that, on average, welfare leavers in the State earned \$3,665 per quarter, which is 106 percent of the Federal Poverty Threshold for a family of one adult and two children.<sup>153</sup> If the average was barely above the poverty level, many leavers, if not most, had incomes below the poverty level—especially since the 48 percent of leavers who had less than \$100 in quarterly income were not computed into the average. This makes the difficulties of welfare leavers more understandable. It also helps explain why the majority of the leavers (57 percent) in the California phone survey still received some form of Medi-Cal assistance, and 19 percent were receiving Food Stamps assistance.<sup>154</sup>

The California findings are consistent with a study of single-parent welfare leavers in Washington State, where 60 percent of survey respondents said that they were now better off than they had been on welfare; 22 percent said their situation was about the same; and 18 percent reported being worse off.<sup>155</sup> Of those who were worse off, 58 percent said they would likely return to aid within six months. The California study did not include a comparable tabulation, but did find that only 10 percent of all leavers expected to return to aid within a year, and of those not working at the time of the survey, only 20 percent felt that they would return to aid. The finding that about 20 percent of leavers return after six months suggests that, all else being equal, leavers may be overoptimistic about their prospects. What needs to be explored more fully is why the worse-off minority (and, to some extent, the larger group of families that are not better off) were doing poorly, why they left aid, and whether they could be helped within the constraints of Federal time limits.

This report ends with the voices of welfare recipients because the recipients provide a reminder of how many aspects of an aided family's life can be affected by welfare reform. Drawing from the stories recipients told, a composite portrait could be painted of a single-parent family participating in the CalWORKs welfare-to-work program. The mother sought work and needed transportation. Her college student son helped her, but at the cost of neglecting his education. Her preschool daughter wondered where her mother had gone. Once the mother found work, her grade school son was proud and the family's finances improved, but she had no time to spend helping her son with homework or supervising him after school. Unsupervised in a bad neighborhood—the only neighborhood the mother could afford—she feared that her young son would get into trouble. While the accent here may be on the negative, this excerpt highlights that the mobility of CalWORKs families out of poverty has many challenges and not without pain.

### **Self-sufficiency**

As DPSS has increasingly turned its attention to helping families not just leave welfare, but also prepare for the road to long-term self-sufficiency, the complexity of their mission has increased. Preliminary studies on the impact of welfare reform show that while the new reform has been successful in making welfare recipients work, most of their earnings have been in low-wage jobs and not sufficient to raise their family out of poverty, suggesting that a lot more needs to be done to move welfare recipients beyond low-wage, dead-end jobs and into jobs with a living wage and long-term growth opportunities.<sup>156</sup> This must be done while not displacing other workers and causing other families to become welfare-reliant.

Indications are that the majority of families that left welfare did so when they were still eligible for assistance. Only 22 percent of the cases discontinued in Los Angeles County in September 1999, for example, were terminated because the family was clearly no longer eligible for aid—

another 6 percent were ineligible because of earnings.<sup>157</sup> The process of self-sufficiency may be undermined if parents who find jobs leave welfare immediately because they are afraid of losing time-limited benefits. Inability to take advantage of career-boosting resources designed to sustain self-sufficiency could ultimately lead to more barriers and extend the overall usage of the welfare reform system through repeated cycles of aid.

### **Next Steps**

This report is the first in a series of annual reports on the impacts of welfare reform in Los Angeles County. Several research questions have been identified that were not addressed in depth in this report, but which CES believes should be analyzed in greater depth in the future. These questions include:

- ◆ Why did parents choose to leave welfare early or before they were ineligible?

- ◆ Why did welfare leavers not use benefits for which they were qualified?
- ◆ Why did eligible immigrants fail to take advantage of cash aid and Medi-Cal?
- ◆ Did the rapid entry of welfare recipients into the workforce displace other working people from jobs?
- ◆ If welfare parents and welfare leavers were displacing other working people from their jobs, which types of jobs and jobholders were most affected?

While not all of these questions may be answerable just yet, future reports that use survey data along with administrative records may help shed further light on the issues underlying these problems.

## **Appendix A. Notes on Data and Methods**

To spare the casual reader from lengthy discussions of technical details in the body of the report, these discussions have been placed in this appendix. The primary data sources for this report were United States Bureau of the Census surveys, administrative records from a variety of public agencies in Los Angeles County and the State of California, and surveys and focus groups conducted by CES. General information on these data sources and on the calculation of specific statistics are provided here.

### **United States Bureau of the Census Surveys Population Estimates**

For purposes of comparing trends over time, a consistent, reliable series of annual population estimates for Los Angeles County were necessary. CES estimated its own series from a variety of data sources, because it was determined that the official population estimates were not consistent and reliable.

Official Census Bureau estimates of the population of Los Angeles County caused difficulties for several reasons. First, intercensal estimates do not adjust for the undercount of the Los Angeles County population. The Census Bureau estimates that it failed to count about 300,000 Angelenos in the 1990 Census. Undercount rates were particularly high among children and African Americans. An estimated 14 percent of African American children were not counted in the 1990 Census. Undercount adjustments are estimated from birth, death, and interstate migration, and do not adequately control for international migration which is disproportionately high in Los Angeles County. Second, the Census Bureau's intercensal population estimates underestimate growth in the Los Angeles County population because they rely heavily on measures that do not accurately capture the population of an immigration center. The Census Bureau relies on the number of tax returns and Medicare administrative numbers to

estimate growth in the population. These measures underestimate growth in the Los Angeles County population because they do not control for the fact that Los Angeles County poverty means that higher proportions of Angelenos are not required to file tax returns. Further, these estimates fail to adjust for the fact that elderly immigrants are often not served by programs such as Medicare. Third, the undercount adjustment factors are likely understated because they do not adequately measure the likely population of immigrants in the Los Angeles County area.

Urban Research produces annual demographic estimates for Los Angeles County that do control for these problems. However, these estimates were not consistent across time and thus were not useful for this project. Although Urban Research estimates are considered reliable estimates of the population in a given year, the new information about population is not used to adjust historical estimates of population. For example, if new evidence of growth among the Hispanic elderly were found, this would impact the current-year population estimates but would not be used to adjust past estimates. Urban Research is now in the process of researching how to adjust past estimates accurately.

Population estimates made by the California Department of Finance were examined, but rejected because they appeared to be inconsistent in a manner similar to the Urban Research estimates. The Department of Finance population estimate for Los Angeles County was essentially the official Census estimate back in the early 1990s, but has since grown to exceed the undercount-adjusted population estimates. Nonetheless, the Department of Finance characterizes their estimates as *not* adjusting for the undercount. They likely underestimate the population of children and African Americans and seem to overstate the population as a whole. CES has informed the California Department of Finance

about these apparent problems with their estimates, and expect to see the State produce revised estimates for Los Angeles County in the future.

The Current Population Survey was not a useful source as its population counts were manipulated to be consistent with the Census Bureau's undercount-adjusted estimates of the State population.

Finally, CES received the United States Bureau of Labor's (BLS) estimates of the civilian, non-institutional population of Los Angeles County over the time period. These estimates were found to be consistent and reasonably precise. The BLS controls for the undercount in the Los Angeles County population, and develops its estimates through a rigorous modeling process. The BLS estimates are produced by a signal-noise filtration model that reduces random noise in the estimates and is specifically tailored to model the Los Angeles County population.

CES used the BLS estimates of the civilian, non-institutional population aged 16 and older as the basis for its estimates. However, additional adjustments were required to estimate the entire civilian, non-institutional population, specifically for children under age 16. In order to estimate this population, the institutionalized component of the Los Angeles County child population was estimated using the percentage of children institutionalized in the 1990 Census of Population. Then, undercount adjustment was applied for the child population to calculate the numbers of children presumed to be uncounted.

In order to estimate the resident population, CES made adjustments to its estimates detailed in the preceding paragraph to include members of the armed forces and institutionalized persons. The armed forces estimates were made from Census data on the armed forces population nationwide and were adjusted to Los Angeles County using 1990 information on the location of the armed forces. This technique likely overstates the armed

forces population in Los Angeles County, because cutbacks in military personnel are considered to be higher in Los Angeles County than the national average. The institutionalized population was estimated from a combination of data sources, including Census Bureau estimates of the national institutionalized population and the proportion of the Los Angeles County population institutionalized according to 1990 Census data. The resulting estimates of the resident population were closer to the undercount-adjusted population estimates produced by the United States Census Bureau than to any of the other sources of population estimates.

As stated above, for the purposes of comparing trends over time, CES required consistency in the population estimates. Although the estimates that were used suffer from some limitations in the undercount adjustment factors used, CES considered these to be the most reliable, consistent population estimates available at the time the analyses were conducted.

#### *Census of Population and Housing*

The 1990 Census of Population and Housing was used for estimating population and poverty at the Census tract level in the County. For population estimates, the 100 percent count data from the Summary Tape Files (STF) was used for tract-level data about the County. For poverty estimates at the tract level, the Census sample of 7 percent of the population who are given the long survey form to complete was used. These data were drawn from the STF files.

For purposes of calculating gender ratios by race and age group, the non-institutional portion of the population was calculated from a 5 percent sample of records called the Public Use Microdata Samples (PUMS).

#### *Current Population Survey (CPS)*

The CPSs were used for a number of additional measures and were also used for making local

area poverty estimates. CPS is a monthly survey conducted by the Bureau of the Census. It is a national household survey, reaching approximately 135,000 people in about 35,000 families each month. It is labor market focused.

The Census Bureau administers a labor market questionnaire as part of the Current Population Survey in each month on behalf of the United States Bureau of Labor Statistics. This questionnaire forms the basis of local and national official unemployment estimates. Researchers are provided access to one-quarter of the sample used for purposes of official estimates. These data are known as the Outgoing Rotation Groups. The Outgoing Rotations data covers 370,000 people in roughly 100,000 households in a given year. The Los Angeles County portion of the sample covers 13,000 people in 3,000 households. Because the sample size for these data is roughly three times larger than the sample size in a given month, the data are considered more accurate particularly for sub-state and metropolitan area estimates.

The Outgoing Rotations data were used to estimate wage rates and unemployment by education status, gender, and family headship status. They were also used to estimate demographic characteristics of the population such as family headship numbers for the Los Angeles metropolitan area. Whenever possible, we used the unemployment estimates made by the Bureau of Labor Statistics because they are more reliable. These estimates are based on larger sample size and are filtered through a signal-noise model.

The March component of the Current Population Survey was used to estimate health insurance coverage, incomes, and poverty status for the Los Angeles metropolitan area. The health insurance questionnaire is administered in the March survey as are detailed questions on income amounts and sources. The health insurance questionnaire underwent significant redesign in

1994 during the time period under analysis. Although an attempt has been made to control for design changes in making our estimates, the estimates for 1992-1994 are not entirely comparable to the estimates for the 1995-1999 period.

The weights used in the CPS provide researchers with information on the number of people in the population represented by each survey respondent. On average, each Los Angeles County resident surveyed represents 750 other residents in the Outgoing Rotations data and represents 1,700 other residents in the March survey data.

These weights are not entirely reliable for the Los Angeles County area and were adjusted by Urban Research to account for Census Bureau errors and underestimates of the Los Angeles County population. Although the weights do attempt to control for the undercount of Californians, they are not designed by the Census Bureau to control for inaccurate population estimates at the sub-State level. Urban Research developed more accurate Los Angeles County population estimates and used these to adjust the Current Population Survey weights. The accurate population estimates are essentially the undercount-adjusted Los Angeles County population of civilians who are not institutionalized.

### **Administrative Records**

Administrative records are data on cases or incidents that are collected by government agencies strictly or primarily for their own internal use in day-to-day operations. Although administrative records may be paper-based, this report refers only to data collected and processed through administrative computing systems. For this report, administrative records that were provided by a variety of sources were used.

Typically, administrative records have full or near-full coverage of the population of interest—a big contrast to the sample surveys described above.

On the other hand, administrative records present their own problems. As members of a research team that has worked extensively with data from California State and County agencies have noted,

"Administrative data systems often have tremendous gaps in the reporting of some items—especially those that are unrelated to the business purpose of the data system, and individuals or cases sometimes get lost because of faulty matching. In addition, administrative data systems often suffer from severe problems of non-comparable data, poor documentation, and unreliable data."<sup>158</sup>

The result is that administrative records are often difficult to properly utilize for research purposes. Proper use of administrative records requires system-specific knowledge that typically resides only inside the agency providing the data. That means that successful research depends on the willingness of the data-supplying agency to go well beyond merely transferring the data to researchers.

#### *Employment: Employment Development Department*

Employment and job growth estimates in the first part of this document are based on administrative records provided by the California Employment Development Department under a confidential data contract with SIB. The data are used for purposes of tracking employment and earnings for local and national statistics. The data are considered the most accurate available data for purposes of identifying employment levels at individual businesses, and for purposes of estimating employment in sub-national and sub-State areas. The data cover the vast majority of employers and cover 85–90 percent of the local workforce.

Urban Research matched the administrative records on individual business establishments in Los Angeles County to a geographic database in

order to determine the geographic location of the individual businesses.

The data are incomplete in that they do not include the self-employed and certain businesses exempt from Unemployment Insurance reporting requirements. The self-employed constitute roughly 10 percent of the local workforce. Exempt business establishments are primarily farming and religious institutions and constitute an insignificant share of the local labor force. The employment counts reported to the California Employment Development Department include full-time and part-time workers; however, they do not include student workers, interns, and unpaid volunteers.

The underlying data are somewhat flawed for the purposes of geographic coding. Smaller businesses with multiple branches do not necessarily report the precise location of each branch and may sum all their employment and allocate it to their main location. Some businesses report a mailing address outside the County and do not provide the actual site address, and these businesses are allocated geographically on the basis of the geographic distribution of employment at businesses with useful addresses located inside County boundaries.

The employment estimates are made by Urban Research and account for employment that is not reported to the State, for imperfections in the business establishments' addresses as well as imprecision in the geographic matching process. The reader should be advised that employment estimates are more precise for larger geographic areas and lose precision as they are estimated at smaller geographic levels such as Census tracts.

#### *Public Assistance: DPSS*

DPSS provided CES with monthly electronic copies of case records of CalWORKs recipients starting with April 1998. These records allow the determination of how many people were aided during each month, which people were registered with the GAIN welfare-to-work program and similar

questions. Personal identifiers are present in these data, allowing the possibility of tracking individuals and cases over time. Included in these data are information on items such as the type of aid being provided, the amount of aid provided, the date the aid became effective, the gross earnings of household members, the address of aided cases, the birthplace (by state or country) of aided persons, and the primary language spoken by GAIN participants. DPSS keeps records on CalWORKs recipients in a number of different data systems. IBPS and CDMS are case management systems that have information about aid eligibility and payments. The GAIN Employment and Activity Reporting System (GEARS) is the GAIN welfare-to-work system, and it tracks individuals rather than cases. GEARS has become increasingly multipurpose, now handling information about child care and other services that can be received by non-welfare-to-work aid recipients. The Welfare Case Management Information System (WCMIS) is a data system that has basic case and aid information, updated only when participants move or aid types are added, changed, or terminated.

As of May 1, 1999, the DPSS Pasadena Assistance Payments office transitioned onto LEADER, and the DPSS South Family Aids office joined them on October 1, 1999. Together, the Pasadena and South Family offices handle about 8 percent of the total Los Angeles County CalWORKs caseload. Data obtained before the offices moved to LEADER shows that adult recipients handled by the Pasadena and South Family offices were less likely to be employed and significantly more likely to be enrolled in the GAIN program than recipients at other offices. Twenty-eight percent of adults from the two offices were enrolled in GAIN in April 1998, but only 22.5 percent of all other adults were enrolled in GAIN. Since the cases handled by these offices are systematically different than the County caseload as a whole, omitting them from calculations would introduce "selection bias."

An alternative to omitting these offices from calculations was to create estimates for the offices based on past trends. This method has its virtues—we would be presenting counts of recipients, for instance, that would be closer to the actual number for the County—but it could also introduce "trend bias"—an error resulting from the extrapolation of past trends. CES decided against making a blanket decision for all tabulations, but instead decided to choose between one of three alternatives for each calculation that would either: a) omit the two offices from the entire calculation, b) omit the two offices only when there was no data for them, or c) use straight-line extrapolations for the data points that were missing. The tables and figures in this report are marked accordingly.

Data on CalWORKs cases and aided persons are kept primarily in the IBPS data system. CES receives a monthly extract of IBPS data; this extract (which also includes data from CDMS) is commonly referred to as FOCUS. The extracts that CES did receive are subsets of the full database in two ways. First, they do not include all cases. The full database includes many cases that are no longer active. The extract includes inactive cases only if they have become inactive during the extract month.

Second, there are many data elements in the original FOCUS data that are not part of the extract file. For a variety of purposes DPSS administrative data needs to be matched with data from other agencies, and this matching requires possession of participant names. (Please note that all of these matched data are kept strictly confidential and are not released to any agencies, including DPSS.) Because the FOCUS extract does not include the names of persons receiving aid, CES has had to retrieve WCMIS data, which does include names, and merge the two data sources before performing the match.

One aspect of the FOCUS extract that has caused CES some difficulty is the way in which household and family members are handled. Each type of

assistance that DPSS provides has a different set of rules regarding which household members are or are not to be included in the “assistance unit” (AU). IBPS handles this by creating multiple “separate families,” each of which corresponds to the AU for a specific type of aid. A specific household member may appear in all or none of the AUs. The identifiers assigned to each person in the case are not consistent across AUs, and the family relationship codes used in IBPS are of low quality, so it is difficult to determine precisely how large the household is, who is in the household and the family, what aid they are receiving, and how they are related. Furthermore, there is no reliable way to determine whether or not any unaided persons in the household that are listed as AU members still live in the household.

These difficulties were most serious as an attempt was made to determine how CalWORKs family incomes compared to the Poverty Threshold for a family of a given size. In many instances, it was not clear how many people were living in the household, and it was often also not clear how any of the persons in the household were related to each other. Using a variety of techniques, it was possible to develop the approximations that were used in the poverty tables. Since LEADER does not divide cases into separate families and since its family relationship tracking is much more developed compared to IBPS, it is expected that LEADER, will yield more accurate poverty (and other) calculations.

#### *Child Welfare: DCFS*

DCFS investigates allegations of child abuse and neglect and administers programs to protect children who are verified victims. These programs include “Family Maintenance,” in which DCFS workers monitor the family to ensure that children are being properly cared for; Family Reunification,” in actions are taken to prepare the family for reintegration of children that have been temporarily removed from the household; and “Permanent Placement,” in which children are permanently removed from their parents’ care.

New referrals received by DCFS are initially classified under the category “Emergency Response” while the agency attempts to verify that a problem exists. When that determination is made, a case either becomes “substantiated” or is dropped. Substantiated cases can remain as Emergency Response (ER) for some time while a decision is made on the disposition of the case. In any given month, most new cases will be classified as ER.

DCFS prepared special data extracts for CES with case ID, name, parental address, social security number, program type, and other information. For each year from 1992 through 1997, DCFS provided files with a snapshot of their caseload at the end of the month of October. DCFS also provided snapshots of their caseload in December 1998, and in every month from February 1999 through the present. The earlier files (October 1992 through October 1997) included large numbers of referrals mixed in with the verified (substantiated) cases, but the later files (after October 1997) did not. The referrals were classified as ER, and were not distinguishable from the small numbers of ER cases that had been substantiated and had not yet been transferred to another program. In order to ensure comparability across the years, all records classified as ER were dropped.

Dropping ER cases has the unfortunate result of enforcing biases already inherent in the methods. The major source of bias is the fact calculations are based on data for a single month during the year. For reasons of practicality, DCFS was only able to supply CES with one data extract per year for the years 1992-97. After conferring with DCFS, October was chosen as the target month for each of these years. There are some seasonal ups and downs in DCFS caseloads, and, according to DCFS, October tends to be an average month.

Each October file gives us a snapshot of cases that were open at the end of that month. These

include cases that were initiated many years before and have not yet been resolved. Cases are not included cases that were initiated earlier in the year, but that were resolved and closed before the end of October. This means that there is a bias in our data towards longer-term cases. The proportion of DCFS cases that last less than a year is not presently known and so the extent to which these cases are underrepresented in CES's tabulations cannot be stated. Based on conversations with DCFS, however, it would appear that many of the ER cases that are to be dropped will become short-term cases, and therefore dropping these ER cases exacerbates the methodological bias. While this bias is undesirable, it is presently unavoidable, and, in any event, the longer-term cases that are being captured tend to be the more serious ones.

Rates of incidence within a specific geographical unit are normally calculated by counting the number of incidents within that unit and dividing this by the population subject to this specific kind of incident. In this particular instance, the number of substantiated cases of child abuse and neglect occurring during a year is counted and then divided by the number of children (persons under age 18). For this report, CES calculated rates for individual Census tracts, for local communities, and for the whole County. Community-level estimates were based on the counts of incidents and children in their constituent Census tracts. County-level estimates were also based on aggregation from the Census tract level. Cases were assigned to specific Census tracts based on the "family of origin" address, not the placement address. That is, for children placed in foster care or other care outside their parents' homes, the address of their family of origin was used as the locus of the case. This is justified because the victimization would normally have taken place at the home of the family of origin. The family's address was geocoded by CES.

A computer system transition at DCFS during 1997 and 1998 affected us in three ways. First, it

was the computer system transition that caused DCFS to send data on only substantiated cases after 1997, when they had sent data on some unsubstantiated referrals for earlier years. Second, because of the transition, the 1997 data was incomplete, missing the cases managed by an office in the South Bay, and DCFS was unable to supply a file for October 1998 (CES used the December file they supplied in its place). The DCFS Lakewood office switched computer systems in early 1997, resulting in a substantial undercount in the October 1997 file for nearby areas, especially Central Long Beach, Compton, and Wilmington-Harbor City. Because the Lakewood office handled roughly 12 percent of the DCFS annual caseload, totals for that year have been weighted accordingly.

Third, with the old computer system, DCFS was able to supply valid addresses for almost all cases. The December 1998 file did not include addresses at all, and later files had a lower proportion of valid addresses than had been the case with the 1992-97 files. Because of the missing addresses, we did not use December 1998 data in Table 13. (December 1998 data were used in Table 14, where addresses were not relevant.) CES experimented with weighting post-1997 data to compensate for the lower proportion of valid addresses, but it was determined that this was unnecessary and might have resulted in distorted findings.

To obtain the results shown in Table 14, children in the DCFS files were matched against families and children in DPSS case files. Each DCFS file was matched against the DPSS case records for the same "target" month. CES searched for matches on case and person number, name and Social Security number. These were matched with DPSS case and person number, Social Security number, and applicant name. This was a "probabilistic" match conducted using the Automatch software package, and it allowed a pair of records to be considered "a match" even when they did not agree 100 percent. Care was taken to

ensure that only very high probability matches were selected. Matches were identified at the family (or DPSS case) level because many of the children monitored by DCFS would be in temporary or permanent out of home placement and might not be included in DPSS case records. All children monitored by DCFS who matched a DPSS case were counted separately.

After completing the match, CES selected only the children who whose DCFS cases opened in the prior year (inclusive of the month from which the DCFS file was drawn—the “target month”). CES estimated rates of neglect and abuse by dividing the number of children selected by the number of children aided under CalWORKs in the target month. Please note that the number of CalWORKs-aided children in the target month is only an approximation of the “true” source population size. The children who were in out of home placement during the target month were probably not included in the month’s count of CalWORKs-aided children. Furthermore, most of the DCFS cases originated before the target month, and the number of children would probably have been larger in the month in which the case opened, given the continuing downward trend in CalWORKs caseloads. Another point to note is that some of the linkages between children and CalWORKs cases identified through the matching process may be of children placed *into* rather than *out of* CalWORKs families. Families that take in related foster children may become eligible for CalWORKs assistance as a result. These cases were not counted separately, but their numbers appear to be small enough as to have no significant impact on the incidence rates that were calculated.

#### *Vital Statistics: Department of Health Services*

The Los Angeles County Department of Health Services collects birth and death statistics from all area hospitals *except* those in Long Beach and Pasadena. The residences of mothers and deceased persons were geocoded in order to report on this data at the tract level. The main

measures used were Teen Births, Low Birth Weight, and Infant Mortality. Rates for teen births were calculated using births among teens divided by the number of teens age 10–17 in the County (taken from population estimates) multiplied by 1,000. Rates for low birth weight were calculated by using data on births less than 2,500 grams as the numerator and all births for that year as the denominator. Infant mortality was calculated as the number of infant deaths divided by all births for that year (multiplied by 1,000).

The California Department of Health Services also collects vital records data. The cities of Long Beach and Pasadena collect birth and death data from their local hospitals. These data are sent to the State. Annual birth and death data for the entire County, with zip codes but not addresses, can be retrieved from the California Department of Health Services. CES does not have this data for all target years, and did not use this data.

#### **Education**

##### *Los Angeles County Office of Education*

Each February all Los Angeles County schools submit to the LACOE a count of CalWORKs-aided students who were attending school in the district during the preceding October. For the County and for each community, we calculated the proportion of students who were from CalWORKs families, dividing the count of CalWORKs-aided students by the total number of students enrolled in public and private schools. We present annual school dropout rates for grades 9-12. These are calculated by dividing the total number of children leaving grades 9-12 during the school year, including transfers, but not graduates, by the total number of students enrolled at any time during the school year.

##### *California Department of Education*

The State of California Department of Education collects statistical data from school districts on school-level (K-12) demographics and achievement. Some of these data are made

available to the public through the web. Among the statistics released are, for each school in the County, the proportion of children receiving free or subsidized school lunches, the number of children enrolled, the proportion of children who are classified as LEP, the national percentile scores for each grade on the SAT/9 standardized test, and the proportion who are from CalWORKs-aided families.

#### *Communities, School Districts, and School Reporting*

Los Angeles County is home to many school districts. Some of the school districts serving our target communities are local “unified” school districts, meaning they cover elementary, middle/intermediate and high schools. Some districts handle only elementary or only high school students. The districts sometimes serve a single municipality and sometimes they combine multiple cities and unincorporated areas of the

County. LAUSD is enormous, but only serves a fraction of the total school age population. Areas within the City of Los Angeles are served by LAUSD (and many private schools), but areas outside of the city are more likely served by another district.

Reporting community-level school statistics is thus somewhat problematic. Where the community is served by a unified school district, the SAT/9 scores we report are composite scores for the entire district. For communities that are served by school districts that also serve other communities, SAT/9 scores are presented for one randomly selected elementary school (for 3<sup>rd</sup> grade scores) and one randomly selected high school (for 9<sup>th</sup> grade scores) within the community. Table 1A lists the randomly selected schools.

**Table 1A. Schools Selected to Represent Communities**

Community	Schools
Boyle Heights (LAUSD)	Evergreen Elementary
Central Long Beach (Long Beach Unified)	Theodore Roosevelt Senior High Edison Elementary (No high school within community)
Wilmington-Harbor City (LAUSD)	Harbor City Elementary
Hollywood (LAUSD)	Narbonne (Nathaniel) Senior High Grant Elementary
Mission Hills-Panorama City (LAUSD)	Hollywood Senior High Ranchito Avenue Elementary (No high school within community)
Rosemead (LAUSD)	Portrero Heights Elementary Rosemead High

#### *CalWORKs Evaluation Services Surveys*

Between May 25 and June 10, 1999, CES fielded survey research teams that visited ten CalWORKs district offices. These teams conducted survey

interviews with 131 aid recipients and 68 staff members (20 intake eligibility workers, 20 approved eligibility workers, 20 eligibility supervisors, and eight district office deputy directors). This survey partly overlapped with the

survey fielded by CES at 13 CalWORKs district offices in December 1998 and reported on in our second CalWORKs evaluation report. The recipient survey included questions on services received by recipients at the CalWORKs offices, questions on whether staff explained various parts of the CalWORKs program to the recipients, and on how well recipients' families were doing under CalWORKs. (Answers to the "impact" questions are included in this report.) Staff members were asked questions about CalWORKs implementation and about changes in their work roles. (Staff interviews are not included in this report.)

#### *CalWORKs Evaluation Services Focus Groups*

CES conducted several waves of focus groups starting in December 1998. The initial wave included focus groups with both staff and welfare recipients. The welfare recipients were chosen from among those at one of two GAIN Regional Offices who had in December 1998 recently completed GAIN orientation. The nine groups reported on here took place February–June 1999. Two of the groups included nine participants from the initial December 1998 groups. Of the other seven, two groups were conducted in Spanish and 50 GAIN participants were included. The groups were conducted in three GAIN offices and one CalWORKs district office. The database included a total of 59 individuals.

In addition to general questions about the GAIN welfare-to-work program, focus group members were asked impact questions. They were asked about how participation in welfare-to-work activities, including job search and employment, affected their families' economic, social and psychological well-being. The findings reported here come from observations, transcriptions and analysis.

CES's research comes from participants at different stages in their transition from welfare to work and with different relations to the GAIN Program. Five focus groups consisted primarily of participants whose progress had been followed

since they were recruited during their Orientation to GAIN in December 1998. They were interviewed at that time and then again in the winter and spring of 1999. Some of the participants who attended focus groups in December had dropped out, were exempt, or otherwise unavailable, several substitutes were recruited who, like the majority of the participants, were either searching for a job or were working. All participants in these groups came from two regional GAIN offices selected to represent the majority welfare Hispanic (immigrant and native-born) and African American populations. They volunteered to participate we personally contacted them during an activity at these regional offices.

To understand the impact of GAIN, it was important to include the employed in our study. Three focus groups were recruited from participants who were employed at least 32 hours. This group was deliberately added to the sample because few members of the original group had full-time employment. These participants were randomly selected from lists provided by one district and one regional GAIN office. These offices were located in parts of the County that enabled inclusion of more Whites and Asian Americans in our sample (see Appendix B for a fuller picture of the age, education, employment status, immigrant status, and race/ethnicity of our participants).

During the focus groups participants were told about the purpose of CES's research, the importance of adding their voices to the County's evaluation, and the themes that would be explored in the focus groups. Each participant was given a brief questionnaire about themselves and their welfare-to-work status. Rules of conduct were presented to encourage participation and avoid dominance by a few individuals. To start the sessions, participants were asked to tell a little about themselves—their status in the transition from welfare-to-work and how the program had served or not served their needs. Most of the discussion time was devoted to the impact of

GAIN on themselves and their families. The questions were general and open-ended; the aim was to capture what was important to them and in their own words. If major issues were not covered in participants' initial responses, an attempt was made to elicit more specific responses. The

questionnaire (see Appendix C) functioned as a guide for the facilitators; it was not followed rigidly. The order and priority of questioning was at the group leader's discretion and depended on the dynamic of the group.

Table 2A. Demographic Profile of Focus Group Members

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Female	38	76
Male	12	24
<i>Total</i>	50	100

<b>Age</b>	<b>Frequency</b>	<b>Percentage</b>
Under 20	1	2
20 – 29	10	20
30 – 39	7	14
40 – 49	24	48
50 – 59	3	6
No answer	5	10
<i>Total</i>	50	100

<b>Education</b>	<b>Frequency</b>	<b>Percentage</b>
Less than high school	17	34
Some high school	6	12
High school graduate	8	16
Some college	14	28
College graduate	4	8
No answer	1	2
<i>Total</i>	50	100

<b>Immigrant Status</b>	<b>Frequency</b>	<b>Percentage</b>
Born in United States	25	50
Born elsewhere	22	44
No answer	3	6
<i>Total</i>	50	100

<b>Race/Ethnicity</b>	<b>Frequency</b>	<b>Percentage</b>
African-American	10	20
Euro-American	10	20
Latina/o	26	52
Asian	1	2
Mixed	2	4
No answer	1	2
<i>Total</i>	50	100

**Table 3A. Frequency of Immigrant Status by Race/Ethnicity**

Race/Ethnicity	Immigrant?		
	Yes	No	Total
African-American	0	10	10
Euro-American	3	7	10
Latina/o	19	4	23
Asian	0	1	1
Mixed	0	2	2
No answer	0	0	4
<i>Total</i>	22	24	50

**Table 4A. Employment Status of Focus Group Members in Detail**

Employment Status	Frequency	Percentage
Unemployed	16	32
Employed	34	68
<i>Total</i>	50	100

Employment Status in Detail	Frequency	Percentage
Not working – Looking	12	24
Not working – Exempt	3	6
In SIP	1	2
Working less than 32 hrs	8	16
Working 32+ hrs/on aid	19	38
Working 32+ hrs/no aid	0	0
No answer	7	14
<i>Total</i>	50	100

How They Got the Job	Frequency	Percentage
Through GAIN	10	29
NOT through GAIN	22	65
No answer	2	6
<i>Total</i>	34	100

### **A Note on Research Design**

Teasing out *impacts* from *trends* is not straightforward. Experimental designs are usually the tool of choice for distinguishing between outcomes we observe (“gross outcomes”) and outcomes we can attribute to the program in which we are interested (“net effects”). On the other hand, experimental methods are most effective when programs have been fully implemented and all implementation-related problems have been addressed. This is not yet the case with a program as vast and new as CalWORKs.

Although experimental designs create the conditions for evaluators to perform various statistical tests with confidence, they do not effectively take into account the social context effects and scale effects that play a role in determining impacts on the subject population. Experimental methods are largely adapted from the laboratory environment, where researchers have full control over research subjects; random assignment and other aspects of the experimental method decontextualize social action and distort program effects.

## Appendix B. Additional Tables

### CalWORKs Caseloads

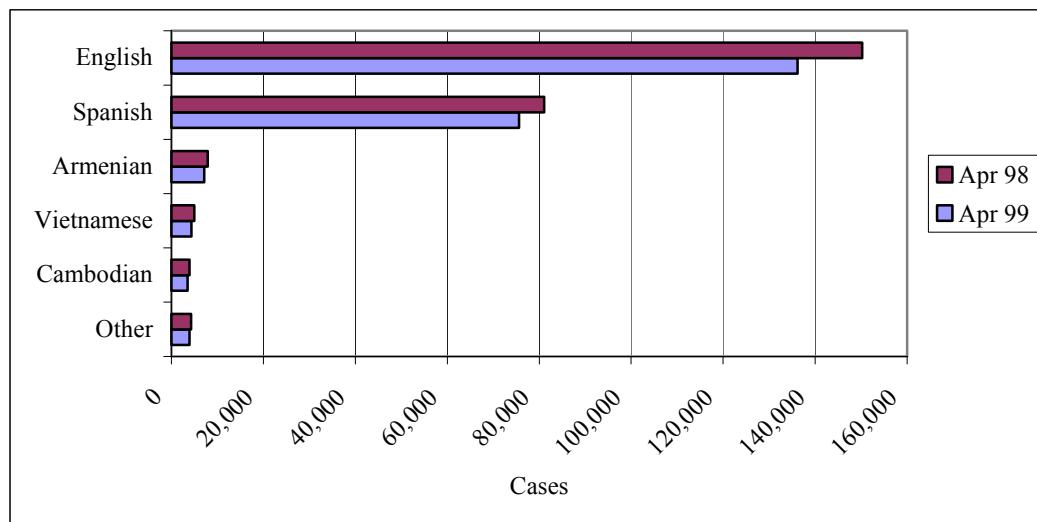
**Table 1B. Reasons for Discontinuation of CalWORKs Cases, September 1999**

	CalWORKs/FG	CalWORKs/U
No Eligible Child	744	15%
Increased Earnings	227	5%
Increased resources or other income	42	1%
Inter-county Transfer/Moved/Cannot Locate	389	8%
CA 7 noncompliance	1,921	40%
Other Client Initiative	1,520	31%
Total	4,843	100%
	984	100%

Source: State of California form ABCD 253 (2/94), CalWORKs-Family Groups and Unemployed Report on reasons for discontinuance of cash grant, completed for Los Angeles County by DPSS.

Note: Does not include transfers among CalWORKs aid types. CA 7 noncompliance for U and FG estimated from combined report. Includes estimated caseload for the Pasadena and South Family District Offices.

**Figure 1B. Primary Language of CalWORKs Cases, April 1998 – April 1999**



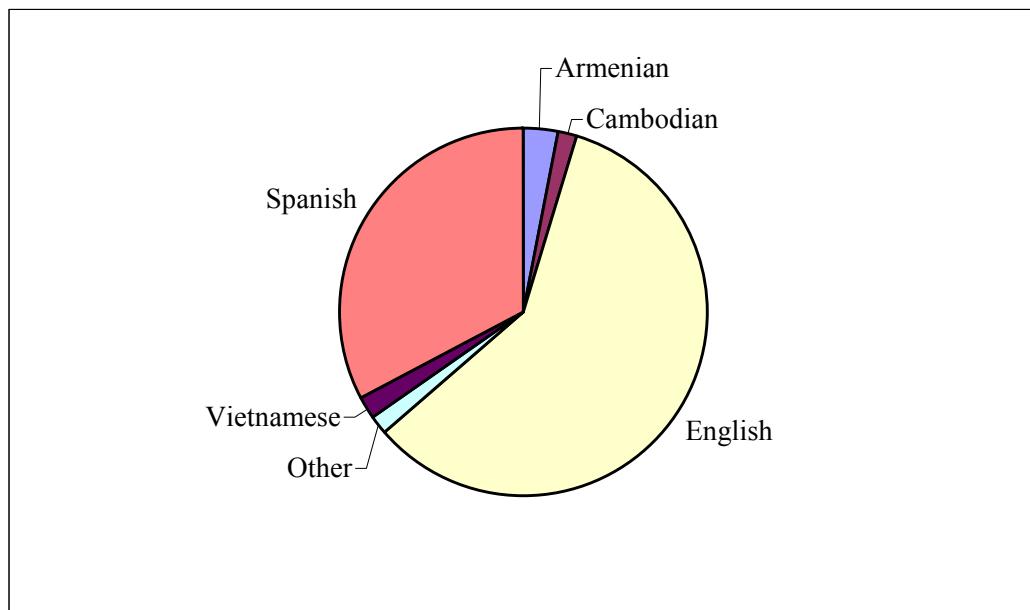
Source: DPSS Caseload Characteristics Report, April 1998 and April 1999.

**Table 2B. Distribution of Primary Language of CalWORKs Participants, April 1998 and April 1999**

Primary Language	April 1998	April 1999
	%	%
English	60	59
Spanish	32	33
Armenian	3	3
Vietnamese	2	2
Cambodian	2	2
Other	2	2
Total aided	100	100

Source: Data for April 1998 and April 1999 from CES tabulations of DPSS administrative data.

**Figure 2B. Distribution of Primary Language of CalWORKs cases in April of 1999.**



Source: DPSS Caseload Characteristics Report, April 1999.

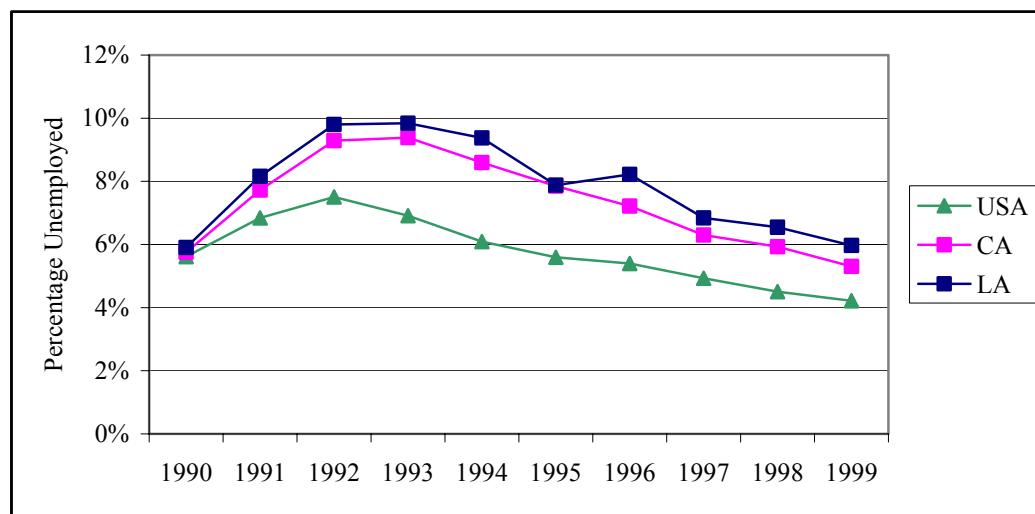
**Table 3B. Citizenship Status, Heads of New AFDC/CalWORKs Cases, 1996–1999**

	New Cases	AFDC/CalWORKs Citizens	Legal Immigrants	Undocumented Immigrants
April 1996	7,754	60%	20%	20%
October 1996	7,767	65%	17%	17%
April 1997	5,846	73%	8%	18%
October 1997	6,543	73%	7%	18%
April 1998	3,717	69%	15%	16%
October 1998	3,617	67%	15%	18%
April 1999	3,942	66%	13%	20%
October 1999	3,061	63%	15%	22%

Source: Data for April 1996 through October 1997 taken from Table 1, Wendy Zimmerman and Michael Fix, 1998, "Declining immigrant applications for Medi-Cal and welfare benefits in Los Angeles County." Urban Institute, Washington, D.C. Data for April 1998 through October 1999 from SIB tabulations of DPSS administrative data.

Note: Headship determined by "first adult" for Urban Institute, "Applicant" status for SIB. Percentages do not sum to 100 due to the omission of cases with missing data for the citizenship of the head. Total monthly approvals do not equal official DPSS figures because they were compiled using different methodologies. Not adjusted for loss of Pasadena and South Family.

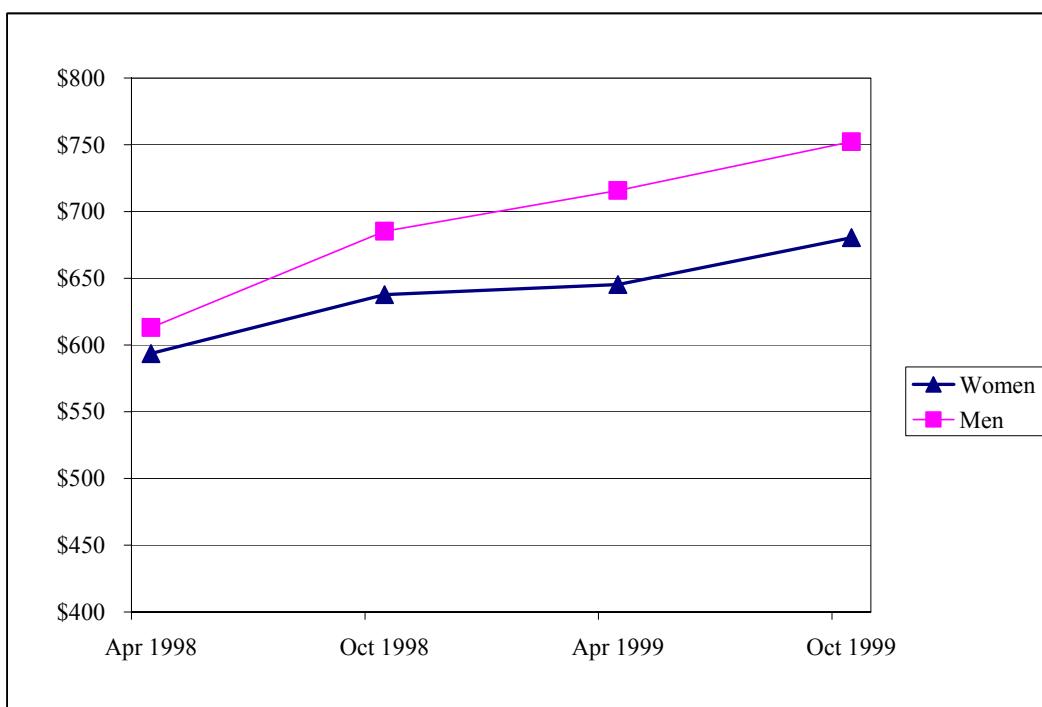
## Labor Market, Income and Poverty

**Figure 3B. Unemployment Rates, 1990–1999**

Source: United States Bureau of Labor Statistics.

Note: Annual average unemployment rates.

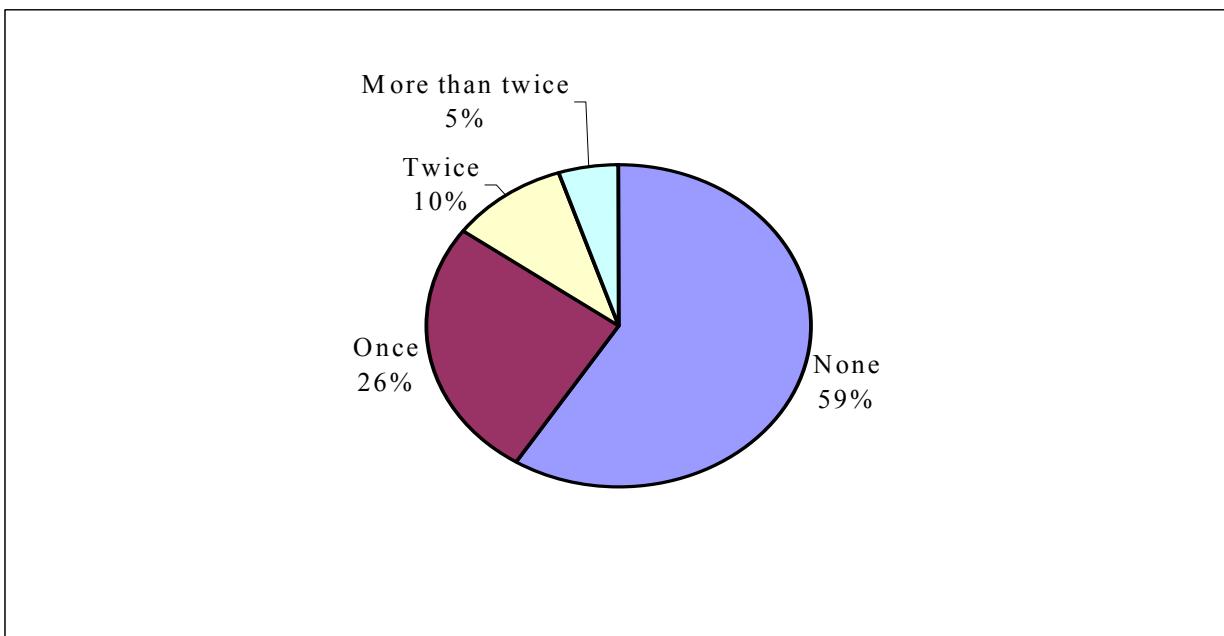
**Figure 4B. Average Monthly Earnings of Adult Welfare Recipients with Earnings**



Source: CES tabulation from DPSS administrative data

Note: Average earnings are computed from gross earnings reported by recipients in their monthly income statements and include both GAIN enrollees and working parents not enrolled in GAIN. Calculations exclude recipients enrolled at Pasadena and South Family offices.

**Figure 5B. Number of Times Families Have Moved in the Past Year, Los Angeles County, 1999**



Source: CES Surveys, current recipients who have been on CalWORKs for at least one year.

Notes: The figure shows answers to the survey question "How many times altogether (have you moved/did you move) in the past year, that is, since May 1998?"

**Table 4B. Number of Address Changes of CalWORKs Families per Six-Month Period, 1998-1999**

Number of Moves	April 1998		October 1998		April 1999	
None	169,274	86.1%	167,584	87.4%	162,062	87.1%
One	24,188	12.3%	21,599	11.3%	21,257	11.4%
Two	2,816	1.4%	2,336	1.2%	2,464	1.3%
Three	280	0.1%	225	0.1%	272	0.1%
Four	20	0.0%	17	0.0%	21	0.0%
Five	2	0.0%	0	0.0%	0	0.0%
Total	196,580	100%	191,761	100%	186,076	100%
 % Moved	13.9%		12.6%		12.9%	
Annualized	25.5%		23.1%		23.7%	
Average Moves	0.16		0.14		0.15	
Movers	27,306		24,177		24,014	

Source: CES tabulation from DPSS administrative records.

Note: Address changes were counted if fewer than five of nine address components matched between months. For the purposes of counting, the address given in each month was compared with the next. The April 1999 counts were not adjusted for missing data from the Pasadena and South Family offices.

The percentages of moves presented in Table 4B are lower than those obtained through our survey, where approximately 40 percent of respondents had moved in the past year. This has at least two possible explanations: 1) the survey population was different than the overall population of aid recipients - people with extra problems were over represented in the survey, and/or 2) we underestimated the number of moves for CalWORKs cases by requiring too many differences in address components. For this analysis, we compared each of nine address components, including street number, street, city, zip, etc., and concluded a move had occurred if five or fewer components attached.

**Table 5B. Cases Receiving Official Child Support Payments, 1998-1999**

	CalWORKs/FG				CalWORKs/U			
	Apr 98	Oct 98	Apr 99	Oct 99	Apr 98	Oct 98	Apr 99	Oct 99
Cases with Child Support	13,192	13,134	13,137	12,513	584	555	568	547
Total Cases	201,465	190,760	186,033	162,918	42,842	40,129	39,765	35,353
% With Child Support	6.5%	6.9%	7.1%	7.7%	1.4%	1.4%	1.4%	1.5%

Source: CES tabulations from DPSS administrative data.

Note: No adjustment has been made for the lack of available data for the Pasadena and South Family District Offices in October 1999. We counted all cases that had at least one child support-related budget factor. These include absent parent contributions (code 1AP), court-ordered child support payments (code 1CO) and child support received by Food Stamps recipients (code 2CD).

**Table 6B. Percentage of Participants Who Have Gone Hungry During the Last Year Because of Not Being Able to Afford to Buy Food**

	Number of Cases	Percent
Never	43	70%
Occasionally	17	27%
Often	2	3%
Total	62	100%

Source: CES Surveys, current recipients who have been on CalWORKs for at least one year.

Note: "Has there ever been a time in the last 12 months when you went hungry because you could not afford to buy food?"

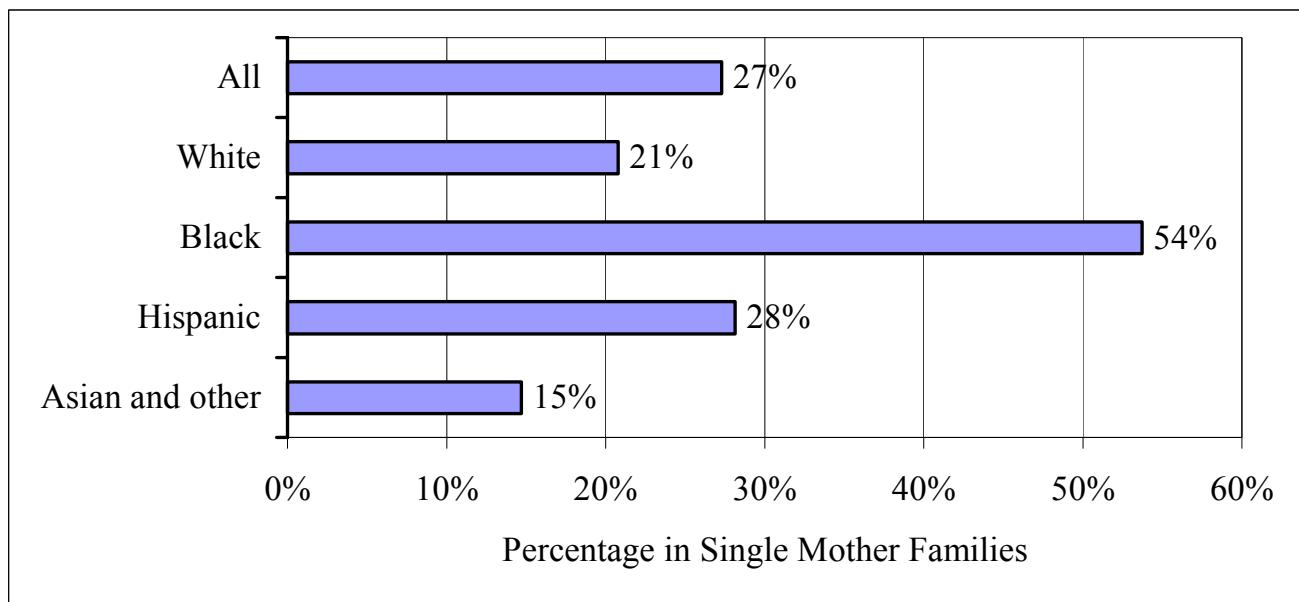
**Table 7B. Percentage of Families Who Have Had Electricity Disconnected, Phone Disconnected, or Have Had to Ask Others for Help When Money Was Tight, During the Last Year**

	Electricity Disconnected		Phone Disconnected		Asked family or friend for help	
	N	Percent	N	Percent	N	Percent
No	54	84%	36	58%	21	33%
Once	8	13%	15	24%	8	13%
More than Once	2	3%	11	18%	34	54%
Total	64	100%	62	100%	63	100%

Source: CES Surveys, current recipients who have been on CalWORKs for at least one year.

Note: Survey questions: "Has there ever been a time in the last 12 months when: Your electricity or heat was turned off because you could not afford to pay the bill; your phone was disconnected, or went without a phone, in the past year because you could afford to pay; in the last year have you had to ask family or friends for help when money was tight?"

**Figure 6B. Percentage of Children in Single-Mother Families, Los Angeles County, 1992–1999**



Source: Current Population Survey, March Supplement, 1992-1999. Note: The base population is all children in Los Angeles County. Percentages represent children in families headed by single females—not those headed by single males—as a proportion of all children.

**Table 8B. High School Dropout Rates, 1995–1998**

District/Community	1995-1996	1996-1997	1997-1998
Los Angeles Unified	9.24	7.36	4.95
Boyle Heights (LAUSD)	7.93	5.12	3.98
Central Long Beach (Long Beach Unified)	**	**	**
Compton (Compton Unified)	8.66	8.35	4.82
Glendale (Glendale Unified)	0.44	1.30	0.62
Wilmington-Harbor City (LAUSD)	5.35	7.51	4.27
Hollywood (LAUSD)	13.26	5.19	3.23
Lancaster			
Lancaster Elementary	**	**	**
Antelope Valley Union High	1.07	2.13	1.78
Mission Hills - Panorama City (LAUSD)	**	**	**
Rosemead (LAUSD)	*	*	*
Westmont (LAUSD)	15.50	9.30	6.80

Source: Educational Demographics Office, California Department of Education, <http://www.cde.ca.gov/demographics/>.

Note: Boyle Heights, Wilmington-Harbor City, Hollywood, Mission Hills-Panorama City, Rosemead and Westmont are served by the LAUSD; Central Long Beach is served by the Long Beach Unified School District; Lancaster is served by the Lancaster Elementary School District and by the Antelope Valley Union High School District; Compton and Glendale are served by their own Unified School Districts.

\* Data not available

\*\* Communities with only elementary schools.

**Table 9B. SAT/9 National Percentile Rankings in Reading and Math, 1997-1999**

District/Community	Reading				Math			
	All students		LEP students		All students		LEP students	
	3rd	9th	3rd	9th	3rd	9th	3 <sup>rd</sup>	9th
Boyle Heights High School (LAUSD)								
1997-98	14	17	11	10	24	33	24	26
1998-99	14	17	11	10	27	33	27	25
Central Long Beach (Long Beach Unified)								
1997-1998	10	**	9	**	25	**	28	**
1998-1999	13	**	12	**	28	**	27	**
Compton (Compton Unified)								
1997-1998	15	12	10	6	24	22	23	19
1998-1999	19	13	14	5	29	27	30	24
Glendale (Glendale Unified)								
1997-1998	38	35	24	12	47	57	12	34
1998-1999	44	38	30	14	57	62	47	38
Wilmington – Harbor City (LAUSD)								
1997-1998	17	28	12	6	26	46	24	20
1998-1999	37	27	36	7	31	46	27	24
Hollywood (LAUSD)								
1997-1998	12	19	11	10	23	32	23	25
1998-1999	17	19	16	11	37	29	35	23
Lancaster								
Lancaster Elementary								
1997-1998	32	**	13	**	32	**	19	**
1998-1999	33	**	18	**	36	**	26	**
Antelope Valley Union High								
1997-1998	**	34	**	6	**	44	**	23
1998-1999	**	35	**	8	**	45	**	20
Mission Hills – Panorama City (LAUSD)								
1997-1998	14	**	12	**	22	**	21	**
1998-1999	13	**	13	**	21	**	23	**

*Continued next page*

**Table 9B. SAT/9 National Percentile Rankings in Reading and Math, 1997-1999 (Continued)**

District/Community	Reading				Math			
	All students		LEP students		All students		LEP students	
	3rd	9th	3rd	9th	3rd	9th	3 <sup>rd</sup>	9th
<b>Rosemead (LAUSD)</b>								
1997-1998	39	27	*	9	37	45	24	31
1998-1999	45	30	33	10	48	48	44	30
<b>Westmont (LAUSD)</b>								
1997-1998	18	17	*	7	21	27	*	23
1998-1999	20	15	20	8	36	26	47	22
<b>Los Angeles Unified</b>								
1997-1998	21	22	13	9	30	37	24	24
1998-1999	23	22	15	9	35	38	29	25
<b>Los Angeles County</b>								
1997-1998	28	28	14	10	37	44	26	27
1998-1999	31	28	17	10	43	45	32	28
<b>California</b>								
1997-1998	36	34	14	10	42	50	25	28
1998-1999	40	34	18	11	49	51	32	30

Source: California Department of Education's Standardized Testing and Reporting Data Server, <http://star.cde.ca.gov>

Note: Scores reported are National Percentile Ranks (NPR). See Appendix A for a list of schools within communities.

\*Data not available

\*\* Scores are not applicable for that grade level.

**Table 10B. Births to Teenagers per 1,000 Births, 1993–1998**

	1993	1994	1995	1996	1997	1998
Los Angeles County	48.5	51.5	50.9	48.6	47.3	44.8
Boyle Heights	70.3	79.8	72.1	68.7	64.4	54.8
Central Long Beach	*	*	*	*	*	*
Compton	78.9	84.4	83.6	69.5	78.1	78.8
Glendale	20.2	23.3	16.4	22.9	19.1	13.0
Hollywood	37.3	35.4	38.1	38.4	32.7	37.9
Lancaster	46.3	54.1	62.0	59.4	66.9	61.0
Mission Hills-Panorama City	46.6	51.1	54.5	54.2	54.9	56.1
Rosemead	44.8	44.2	51.4	31.2	29.7	37.6
Westmont CDP	77.9	83.9	72.7	73.8	75.0	65.0
Wilmington-Harbor City	53.6	54.1	57.5	50.7	59.8	46.7

Source: Los Angeles County Department of Health Services Birth Records for 1993-1998.

Note: Only live births are included. Because the cities of Long Beach and Pasadena do not report births to the County Department of Health Services, births in Pasadena and Long Beach hospitals are not counted here. Births to mothers who lived in the cities of Pasadena and Long Beach but gave birth outside those cities (but inside the County) are included here.

\* Not Available.

**Table 11B. Total Number of Substantiated Cases of Neglect and Abuse per 1,000 Children, 1992-1999**

	Oct 1992	Oct 1993	Oct 1994	Oct 1995	Oct 1996	Oct 1997	Oct 1999
Los Angeles County	18.1	20.2	19.7	21.6	23.3	26.9	22.7
Boyle Heights	14.3	18.3	18.4	22.0	23.7	27.7	21.0
Central Long Beach	35.1	38.5	36.4	41.5	45.8	*	56.8
Compton	47.8	48.1	44.9	49.6	49.1	*	43.1
Glendale	3.9	3.6	3.8	5.1	6.4	8.3	6.9
Hollywood	12.1	13.0	11.4	12.8	13.6	19.6	14.7
Lancaster	15.1	22.3	21.2	25.6	33.5	32.9	34.8
Mission Hills-Panorama City	15.8	16.5	15.3	19.0	21.0	25.4	19.1
Rosemead	7.9	10.1	9.7	10.7	15.1	14.3	13.5
Westmont CDP	56.7	64.7	63.0	66.6	62.1	73.3	62.3
Wilmington-Harbor City	17.5	16.8	16.1	19.1	19.3	*	18.9

Source: Department of Child and Family Services (DCFS).

Note: Due to a computer system transition, DCFS was unable to provide complete data for 1997 and 1998. The rate for the County in 1997 was computed using weights to compensate for the absence of the Lakewood office. (See Appendix A for additional details.)

\* Not Available.

**Table 12B. Teen CalWORKs Case-Heads, 1998-1999**

	CalWORKs/FG				CalWORKs/U			
	Apr 98	Oct 98	Apr 99	Oct 99	Apr 98	Oct 98	Apr 99	Oct 99
Teen Case-Heads	446	396	382	346	95	89	85	79
Percent of All	0.23%	0.21%	0.21%	0.20%	0.25%	0.23%	0.23%	0.22%
All Case-Heads	193,337	185,681	179,961	172,646	38,040	38,117	37,449	35,867

Source: CES match of DPSS administrative records and birth records provided by the Los Angeles County Department of Health Services.

# **Appendix C. Focus Group Protocol**

This appendix presents the protocol used for some of the focus groups that CES conducted to provide first-hand information on the kinds of issues that welfare mothers and fathers were confronting during welfare reform. While this particular protocol was used in focus groups that incorporated members of earlier focus groups, the newer groups the newer groups that were conducted used a similar protocol. Details about the groups and the group participants can be found in Appendix A.

## **Introduction**

- ◆ Welcome. Our purpose in conducting this focus group is to help evaluate the effectiveness of (CalWORKs) and GAIN practices—to understand the ones that are working well and the ones that are in need of improvement. In doing this, we want to focus on your experiences with the program since we saw you last—not how the program is supposed to work, BUT what you personally find helpful and unhelpful about the way it actually works for you and your family. Today, we will be asking you to talk about such things as: What are your greatest needs with regard to your participation in this stage of the program? How do you think the program has worked so far in attempting to meet them? What do you think that the impact of your participation will be on your children and your family? And finally, we are interested in your ideas about how things could be improved.
- ◆ Pass out a sheet with names, address, and phone contact. Also ask for Social Security and case number so that participants who are in some component of GAIN can apply for child care and transportation support.
- ◆ Consent Forms for any new participants.

- ◆ The rules of the group: everyone gets to speak, nobody can dominate the conversation, and one person speaks at a time, great to disagree, but be courteous, maintain confidentiality of group responses.
- ◆ What we will do with the information. We will summarize the results of the focus groups and submit a report to the County as part of its evaluation of CalWORKs. Names of participants and tapes will be confidential and not given to the County. What you say here will have no effect on your evaluation or participation in DPSS, but it could be very helpful in making your opinions known and in improving GAIN.

## **Evaluation Of Gain Practices**

The last time we met, in December, most of you had just attended the orientation meeting. Now we'd like to catch up with what has happened since then in terms of your relationship and experiences with GAIN.

### **Job Club/Job Search**

Let's start with the people who attended Job Club. Be sure to give your name each time you speak.

When you attended Job Club:

What was it like there?

What did they do at Job Club that was helpful to you? (Here probe for good practices, information, and evaluation of the instructor.)

What did they do at Job Club that was not helpful to you?

What happened when you looked for work?

Did GAIN help you get good leads?

What were your main obstacles or problems in getting a job?

For many people, the need for childcare, transportation, and clothes present obstacles to working. Did GAIN help you to deal effectively with these problems?

Did you get a job? If so, tell us a little about it? Please include in your answer whether it is full-time or part-time and whether it is temporary or permanent.

Is the pay adequate? If not, what is GAIN saying that you need to do? Are you going to do this?

Now let's hear from those who did not attend Job Club:

Tell us how things are going for you now?

How are you supporting yourself and your family?

Do you intend to make use of the Job Club and other GAIN services in the future?

### **Sanctions**

Have you been sanctioned at any time?

What happened? What were you sanctioned for?

What impact have the sanctions had on you and your families?

### **Impact of GAIN on Families: Children**

Some people we talked to said they wanted to participate in GAIN because it would help their families.

How many kids do you have and what ages?

What has your family life been like since you have been in the GAIN program?

What are some of the good and bad ways that your participation in GAIN has affected your family life?

Has your participation in GAIN affected your ability to be a good parent? (Here, try to get at what they mean by "good parent," e.g., could be providing adequate supervision to kids, feeling like kids feel proud that they are now working, etc.)

Have changes in your schedule affected your relationship with your kids and your ability to be a good parent?

Do you notice any difference in how your kids are doing in school? (For example, sanctions may force you to move to another school district and this could create problems for the kids. Less time to help them with homework.)

What childcare arrangements have you made for your kids?

How well are they adapting to them?

What concerns do you have availability of childcare?

How do you feel about the quality of childcare?

Do your families feel closer or are there increases in tensions? (Could include more or less patience with kids, more or fewer tensions with husbands/wives.)

Impact of the program on your ability to provide for your families.

If you have gotten a job, has it improved your household income?

Are you making enough money to cover your expenses? (Maybe probe for ways that it might have changed their ability to work on the side.)

Do you think that GAIN provides you with more services to help your family deal with problems when they come up (e.g., greater access to

medical care, school lunch, after school and recreational programs, help for dealing with drug and alcohol problems, delinquency, etc.)?

**General Evaluation of Practices,  
Recommendations**

In December, you expressed mixed feelings about the GAIN program and whether it could help you and your family. Some were optimistic. Others

were pessimistic about the program. Overall, today are you optimistic or pessimistic about the program helping you and your family?

Would you like to recommend anything that could improve GAIN, make it work better for yourself and people like yourself?

## **Appendix D. Data Needs for the Ongoing Evaluation of Welfare Reform Impacts**

To understand the impacts of welfare reform, three types of data are needed. First and simplest, is the existing DPSS data from LEADER that has detailed information on each aided case. A second type is existing data produced by other agencies that are governed by strict confidentiality rules or require supplementation of sample size to be useful. Third are variables not currently tracked with the administrative records. These can be collected through surveys.

Welfare case management systems are complex both because the welfare system is complicated and because the systems have evolved to accommodate a frequently-reformed welfare system.

The following recommendations are made about data needs and their use.

*Complete case management coverage.* At the time of writing this report, knowledge about the benefit receipt of current and former CalWORKs families came primarily from the DPSS IBPS and CDMS case management systems. As DPSS was in the process of converting to the new LEADER data-reporting system, it was not possible in this report, to report on trends of welfare recipients served by two offices that had been converted to the new system. As the older systems were phased out in favor of LEADER, CES was being supplied information on a dwindling proportion of the DPSS caseload. Future reports will be able to report and analyze data in more detail using data from the LEADER system.

*Hours worked.* The number of hours worked weekly by employed welfare recipients is one of the key variables required for labor market analysis. DPSS tracks the number of hours usually worked each week by welfare recipients who are registered in the GAIN program. These data were supplied to CES through an extract from

GEARS. Over the first 18 months of reform, the proportion of working recipients registered in GAIN rose from 20 percent to over 50 percent. Tracking the work hours of employed adult welfare recipients, in future reports, will help better understand various aspects of their job stability.

*Individual-level K-12 Education Data.* These data would allow researchers to monitor how welfare reform might be affecting the school performance and achievement of children of welfare recipients and low-income parents in target school districts. Local school districts track detailed information on grades, classes, attendance and achievement scores for children. These data are highly confidential, but have been released to researchers under strict confidentiality agreements. If policymakers would like to see more research on the impacts of welfare reform on children, they should state this goal to assist researchers in gaining access to such data sources.

### **Recommendations to Augment Existing Surveys**

#### ***Welfare Leavers***

With record numbers of welfare recipients leaving the welfare rolls, the importance of tracking what happens to the newly independent welfare leavers has increased. The CES team has received more inquiries about the status of welfare leavers than other segments of the welfare population. However, CES possesses very little local data on welfare leavers. This makes it difficult to answer interesting questions about how leavers are faring economically. In addition, it means researchers have greater difficulty anticipating when, whether, or to what extent welfare leavers might return to

the welfare rolls in the event of economic downturn.

The leavers surveys currently available do not include adequate numbers of Angelenos for drawing inferences about outcomes of concern to CES. The Urban Institute has already conducted two waves (1997 and 1999) of an in-depth family survey in 13 states including California. Their National Survey of America's Families is the leading countrywide source of data on welfare leavers at present, but this data source is not adequate for analysis at the level of Los Angeles County. The United States Department of Health and Human Services has funded a survey of welfare leavers in Los Angeles and Cleveland that is being conducted by the Manpower Demonstration Research Corporation (MDRC). Though small, the Los Angeles sample from the MDRC project should be adequate to support some statistical analysis once it becomes available.

#### *Welfare Eligibles*

Some of the most striking consequences of welfare reform are thought to affect welfare-eligible parents who are saving their time-limited welfare for rainier days as well as the welfare leavers mentioned above. Researchers need more data on this at-risk population. Such data would allow researchers to answer questions about how at-risk parents are adjusting to the new reforms, and whether there are potential policy innovations that might help the eligible population remain independent of the welfare system. Both the Urban Institute survey and the Current Population Survey administered by the Census Bureau are established surveys asking important questions of this population. Sample sizes for these surveys do not adequately cover the at-risk population in Los Angeles County to support meaningful analysis.

#### **Recommendations to Develop and Monitor New Indicators**

*Job skill indicators.* Job skill indicators would allow researchers to better estimate the job prospects of recipients to anticipate future caseload changes caused by industry and cyclical economic growth fluctuations. The research effort would benefit from literacy, education, skill measures, and work experience information for recipient adults who work or might feasibly work. These data are collected by DPSS only for some of the recipients who are enrolled in the GAIN program. Although CES is constructing work experience indicators for individuals from administrative Unemployment Insurance records, other skill measures must be identified using survey approaches.

*Job characteristics.* Labor market research should be based on data on the job characteristics (e.g., hourly wage, hours, industry) of welfare recipients who are working but are not enrolled in the GAIN program in addition to GAIN enrollees. At the time of writing this report, researchers had access only to job characteristics of working recipients enrolled in the GAIN program. Over the first 18 months of reform, the proportion of working recipients enrolled in GAIN has risen from 20 percent to over 50 percent. Job and skill characteristics of former GAIN participants should be tracked through other administrative records to measure levels of self-sufficiency.

*Homelessness.* Homelessness is an extreme form of social and economic dislocation. Increases in homelessness from any cause are grounds for concern, while decreases ought to be noted as the possible result of policy successes. Since increased homelessness is a possible side-effect of welfare reform, the welfare evaluation effort might benefit from a regular survey of homeless shelters about the families with minor children that they serve. At present, the characteristics and size of the Los Angeles County homeless population are not well known. National

data indicate that homeless families tend to be headed by women who are frequently former or current welfare recipients.<sup>159</sup> The County should investigate approaches to monitoring the homeless population, possibly in partnership with

social service providers and researchers. Ongoing efforts to assess the numbers of families assisted by other private sector service providers such as food banks could also be helpful.

## Appendix E. Glossary

Term	Actual Title (if any)	Explanation
AB 1542	The Thompson-Maddy-Ducheny-Ashburn Welfare-to-Work Act of 1997	The bill, signed by Governor Pete Wilson on August 11, 1997, that created CalWORKs.
AFDC	Aid to Families with Dependent Children	Program started in the 1930s as Aid to Dependent Children, replaced under PRWORA with TANF.
APP	Alternative Payment Program	An agency that handles payments for child care services. DPSS has contracts with ten APPs, all of which are also R&Rs (see R&R below).
CalWORKs	California Work Opportunity and Responsibility to Kids program	California's implementation of TANF cash assistance. Features work requirements, time limits, etc.
CAO	Chief Administrative Office	The Chief Administrative Office of the County of Los Angeles provides fiscal and policy recommendations to the Board of Supervisors and gives the Board administrative assistance in implementing policy decisions.
CAPI	California Assistance Program for Immigrants	CAPI provides cash support to most immigrants who became ineligible for SSI due to the immigrant exclusions in PRWORA but who are otherwise eligible for SSI.
CDF	Children's Defense Fund	A Washington, D.C.-based, private, nonprofit organization dedicated to protecting and representing the interests of underprivileged children.
CDHS	California Department of Health Services	California State agency
CDMS	Caseload Data Management System	DPSS case management system for GR and Medi-Cal; rendered obsolete by LEADER.
CDSS	California Department of Social Services	California State agency responsible for Statewide implementation of welfare reform.
CES	CalWORKs Evaluation Services	Formerly part of Urban Research, CES is now a unit within the CAO Service Integration Branch. CES is responsible for the evaluation of CalWORKs in Los Angeles County of which this report is a part.
CFAP	California Food Assistance Program	CAPI provides assistance to most immigrants who became ineligible for Food Stamps due to the immigrant exclusions in PRWORA but who are otherwise eligible for Food Stamps.
CPS	Current Population Survey	A monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The CPS is the primary source of information on the labor force characteristics of the U.S. population such as employment, unemployment, earnings, hours of work, and other indicators.
DCFS	Department of Children and Family Services	Los Angeles County agency responsible for handling cases of child abuse and neglect.

<b>Term</b>	<b>Actual Title (if any)</b>	<b>Explanation</b>
DCSS	Los Angeles County Department of Community and Senior Services	Handles services to seniors and refugees; contracting with DPSS to provide welfare-to-work services to certain foreign language participants.
DHS	Department of Health Services	Los Angeles County agency.
DMH	Department of Mental Health	Los Angeles County agency.
DPSS	Department of Public Social Services	Los Angeles County agency delivering administering social services, including CalWORKs, Food Stamps, and Medi-Cal.
EDD	Employment Development Department	Manages California's Unemployment Insurance (UI) program. Monitors employment at most establishments in the State.
EITC	Earned Income Tax Credit	Federal subsidy to low income wage earners.
FG	Family Group	A term DPSS uses to denote that particular benefits are being received in a single parent household, e.g. AFDC/FG
FPL	Federal Poverty Level	The administrative version of the poverty measure issued by the Department of Health and Human Services. It is a simplification of the Poverty Thresholds and is used in determining financial eligibility for certain Federal programs.
GAIN	Greater Avenues for Independence	Los Angeles County Welfare-to-Work program.
GEARS	GAIN Employment and Activity Reporting System	Computer system used for tracking GAIN participants.
GR	General Relief	Cash assistance to indigent adults. Same as General Assistance.
IBPS	Integrated Benefit Payment System	DPSS case management system for CalWORKs and Food Stamps; rendered obsolete by LEADER.
JTPA	Job Training Partnership Act	Major Federal job training program. Cooperates at the State level with the EDD.
LAUSD	Los Angeles Unified School District	The public school district for the City of Los Angeles, LAUSD serves an area of 704 square miles, including several other cities—Cudahy, Gardena, Huntington Park, Lomita, Maywood, San Fernando, Vernon, West Hollywood, and portions of 20 other cities and additional Los Angeles County areas. The total k-12 enrollment exceeds 720,000.
LACOE	Los Angeles County Office of Education	State-funded organization providing educational services within the County.
LEADER	Los Angeles Eligibility, Automated Determination, Evaluation and Reporting	New system replacing CDMS, IBPS, and WCMIS; began operational testing on May 3, 1999 in one office.
LEP	Limited English Proficiency	Classification given to students in Los Angeles County Schools if English is not their primary language and they possess only a limited capacity to speak and write in English.

<b>Term</b>	<b>Actual Title (if any)</b>	<b>Explanation</b>
MAP	Maximum Aid Payment	Maximum cash grant size for a given family. The family receives a percentage of the MAP depending on other resources, income, and special circumstances.
MBSAC	Minimum Basic Standard of Adequate Care	Standard established by the CDSS as an absolute minimum required income for a family of a given size. Used as a maximum income level for establishing cash aid eligibility. Roughly 70 percent of the equivalent United States Bureau of the Census-established Poverty Threshold.
MDRC	Manpower Development Research Corporation	Private non-profit organization that specializes in the evaluation of work-related social programs, especially those that include training.
Medi-Cal		California's Federally-funded Medicare program. Provides health insurance to poor families and individuals. All CalWORKs families are eligible for Medi-Cal assistance.
MEDS	Medi-Cal Eligibility Determination System	Computer system monitoring public assistance Statewide.
NSLP	National School Lunch Program	Established in 1946 under the National School Lunch Act signed by President Truman, the National School Lunch Program is a Federally assisted meal program that operates in approximately 96,000 public and nonprofit private schools and residential childcare centers, providing low-cost or free lunches to roughly 27 million children each school day.
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996	Federal Welfare reform act (PL 104-193).
PUMS	Public Use Microdata Samples	These files generated by the Census Bureau contain records for a sample of housing units with information on the characteristics of each unit and each person in it for areas with population groups of 100,000 or more.
R&R	Resource and Referral Agency	Organization providing referrals for child care services. (See APP)
SIB	Service Integration Branch	Branch of the Los Angeles County Chief Administrative Office created in 2000 to facilitate collaboration between County departments and between County departments and the private sector in the provision of services to the public.
SIP	Self-Initiated Program	Educational program pursued by GAIN participants on personal initiative.
SSI	Supplemental Security Income	Federal cash aid program, mainly benefits aged or permanently disabled adults, although children may be eligible as well.
SSP	Supplementary State Program	State-funded supplement to SSI intended to ensure an adequate standard of living for SSI recipients.

<b>Term</b>	<b>Actual Title (if any)</b>	<b>Explanation</b>
STF	Summary Tape Files	These files generated by the Census Bureau contain information on population and household characteristics compiled from the short-form questionnaires of the Decennial Census.
TANF	Temporary Aid to Needy Families	Federal cash aid program with time limits and work requirements. It replaced AFDC in 1996.
U	Unemployed Parent	A term DPSS uses to denote that particular benefits are being received in a two parent household, e.g., AFDC/U.
UI	Unemployment Insurance	Cash assistance for unemployed workers. Benefits depend on past wages and employment; not all former workers are eligible.
UR	Urban Research	A unit within the CAO SIB. UR provides research and planning services to various County agencies.
WCMIS	Welfare Case Management Information System	DPSS case management system; shared with DCFS; rendered obsolete by LEADER.

## Appendix F. Welfare Reform Timeline

Date	Event
<b>August 22, 1996</b>	<b>Federal Welfare Reform Legislation Signed into Law (Federal)</b> Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) signed into law.
<b>August 22, 1996</b>	<b>SSI/SSP for Legal Immigrants (Federal)</b> New applications for SSI/SSP benefits from non-exempt legal immigrants are denied based on citizenship status.
<b>September 22, 1996</b>	<b>Food Stamps for Legal Immigrants (Federal)</b> New applications for Food Stamps from non-exempt legal immigrants are denied based on citizenship status.
<b>October 17, 1996</b>	<b>Citizenship Outreach Program (County)</b> Los Angeles County initiates a special mailer to 140,000 legal immigrant SSI recipients, informing them of the impact of Welfare Reform on their eligibility for benefits and encouraging them to pursue naturalization.
<b>November 26, 1996</b>	<b>Approval of California State Plan (State)</b> The Federal government approves the California preliminary TANF block grant plan.
<b>December 16, 1996</b>	<b>Citizenship Outreach Program (County)</b> Los Angeles County begins to screen all applicants for assistance to identify legal immigrants in order to inform them of the possible effects of Welfare Reform and to provide them with information on how to apply for citizenship.
<b>December 31, 1996</b>	<b>Federal Five-Year Clock Begins (Federal)</b> The Federal government begins counting time on aid against the five-year lifetime limit.
<b>December 31, 1996</b>	<b>Disability Related to Drug/Alcohol Abuse (Federal)</b> Benefits terminated for those Social Security Disability Insurance and SSI/SSP beneficiaries whose disability was related to drug addiction or alcoholism.
<b>December 31, 1996</b>	<b>Maximum Family Grant (State)</b> Families will not receive cash assistance for children born after implementation of this provision if they have been continuously on aid for 10 months prior to the birth. However, the child will be eligible for Medi-Cal and Food Stamps. Exemptions may be granted for children conceived as a result of rape, incest, or certain failed contraceptive methods.
<b>January 1, 1997</b>	<b>AFDC Grant Reduction (State)</b> AFDC grants reduced by 4.9 percent across the board in California.
<b>February 1, 1997</b>	<b>SSA Notification Letter to Legal Immigrant Recipients of SSI (Federal)</b> SSA begins to notify legal immigrant recipients of the possible termination of SSI benefits.

Date	Event
March 1, 1997	<b>Welfare Reform Hot Line (County)</b> The toll-free Welfare Reform Hot line number (1-888-3WELFAR) is up and working in Los Angeles County. This hot line provides updated information on program implementation, legislative issues and community advocacy meetings.
May 1, 1997	<b>Teen Pregnancy Disincentive (Federal)</b> With limited exceptions, never-married pregnant or parenting minors under 18 years of age must live with a parent, legal guardian or other adult relative, or in an adult supervised supportive living arrangement as a condition of AFDC eligibility.
August 5, 1997	<b>Restoration of SSI Benefits for Most Legal Aliens (Federal)</b> The Balanced Budget Act of 1997 signed into law on August 5, 1997, restored SSI benefits for most legal aliens that were impacted by the Personal Responsibility and Work Opportunity Act of 1996.
August 11, 1997	<b>State Legislation Enacted (State)</b> Governor signs legislation (AB 1542), replacing AFDC with CalWORKs.
August 18, 1997	<b>State Legislation on Substance Abuse Enacted (State)</b> Governor signs AB 1260, legislation that makes any person convicted after December 31, 1997 of a drug-related felony permanently ineligible for aid.
September 1, 1997	<b>Food Stamps for Legal Immigrants (State)</b> Non-exempt legal immigrants currently receiving Food Stamps benefits lose these benefits. Governor signed AB 1576, creating a special State Food Assistance Program (FAP) effective this date for non-disabled adults 65 years or older and for minors under 18 years old.
September 1, 1997	<b>Food Stamps Work Requirement (Federal)</b> New Food Stamps work requirement (which limits Food Stamps benefits for able-bodied adults between 18 and 50 without dependent children, to three months in three years, except for persons in work, training or Workfare) will be implemented. People subject to this requirement who also receive General Relief will be able to maintain their Food Stamps by continuing to participate in the County's General Relief Workfare program. Los Angeles County will offer Workfare to other Food Stamps recipients subject to this work requirement to enable them to retain their Food Stamps.
September 10, 1997	<b>State's Planning Allocation Letter (State)</b> Issuance by State of a planning allocation and county plan instructions 30 days after enactment of AB 1542.
September 30, 1997 (Federal Fiscal Year End)	<b>TANF Work Participation Rates (State)</b> California must ensure that 25 percent of all families and 75 percent of two-parent families meet welfare-to-work participation requirements or face penalties. Having earned a caseload reduction credit, California was given a reduced target to meet.

Date	Event
January 1, 1998	<b>CalWORKs Grant Computation (State)</b> CalWORKs changes the method for computing earned income. Net earned income is determined by deducting the first \$225 of the gross plus 50 percent of the remainder. The net income is deducted from the Maximum Aid Payment. A separate child care provider payment is required instead of adjusting the monthly gross income with a standard disregard amount for child care expenses incurred.
January 1, 1998	<b>Five Year Clock Starts (State)</b> California begins counting time on aid against the <i>State</i> five-year lifetime limit. State funds will be used to pay for aided persons who reach the Federal limit before they reach the State limit. With few exceptions, there will only be discrepancies between the State and Federal time limits for those on aid before January 1, 1998.
January 10, 1998	<b>Submission of County Plan (State)</b> County to submit plan for implementation of CalWORKs within four months of the issuance of the planning allocation letter.
February 9, 1998	<b>State Certification of County Plan (State)</b> CDSS has 30 days to either certify the plan or notify the County that the plan is not complete or consistent with statutory requirements.
February 22, 1998	<b>SSI/SSP for Children (Federal)</b> Deadline for SSI reassessment for disabled children. Disability criteria changed. Behavior impairments such as Attention Deficit Disorder will not be considered a disabling condition. This deadline was extended from August 22, 1997 to February 22, 1998.
April 1, 1998	<b>CalWORKs Welfare-to-Work Launched in Los Angeles County (County)</b> County began enrolling all new non-exempt applicants for aid into the welfare-to-work program. Welfare-to-work plans signed on or after April 1 start the 18/24 month time limit.
September 1, 1998	<b>California Food Assistance Program Begins (State)</b> The California Food Assistance Program (CFAP) provides State-funded food assistance benefits to certain otherwise-eligible immigrants who became ineligible for Federal Food Stamps under PRWORA. This mainly benefits immigrants between 18 and 65 years old who were in the country on August 22, 1996.
October 1, 1998	<b>Cash Assistance Program for Immigrants Begins (State)</b> The Cash Assistance Program for Immigrants (CAPI) provides State-funded cash assistance to certain otherwise-eligible disabled or elderly immigrants who became ineligible for SSI/SSP (Supplemental Security Income/State Supplementary Payment) under PRWORA. This mainly benefits certain immigrants who were in the country on August 22, 1996.
September 30, 1998 (Federal Fiscal Year End)	<b>TANF Work Participation Rates (State)</b> California must ensure that 30 percent of all families and 75 percent of two-parent families meet welfare-to-work participation requirements or face penalties. California failed to meet the requirement for two-parent families. Having earned a caseload reduction credit, California was given a reduced target to meet.

Date	Event
November 1, 1998	<b>CalWORKs Grant Increase (State)</b> The State restored the 4.9 percent previously cut, and added a 2.84 percent Cost-of- Living Adjustment (COLA) increase.
January 1, 1999	<b>Enrollment of Recipients into Welfare-to-Work Program (State)</b> County must enroll all non-exempt CalWORKs recipients in welfare-to-work services by the end of 1998.
July 1, 1999	<b>CalWORKs COLA Increase (State)</b> CalWORKs grants scheduled for 2.36 percent COLA increase.
September 30, 1999 (End of Federal Fiscal Year)	<b>TANF Work Participation Rates (State)</b> California must ensure that 35 percent of all families and 90 percent of two-parent families meet welfare-to-work participation requirements or face penalties. Required work participation rate is reduced by caseload reduction credit.
October 1, 1999	<b>Creation of Separate State Program for Two-Parent Families (State)</b> Effective this date, two-parent families are aided using State, rather than Federal funds, ensuring that California will not be penalized for its two-parent employment rate.
October 1, 1999	<b>Time-limited CFAP and CAPI Begins (State)</b> AB 1111 created time-limited food (CFAP) and cash (CAPI) assistance programs for many otherwise-eligible immigrants who arrived in the United States after August 22, 1996. These are in effect from October 1, 1999 to September 30, 2000-.
October 1, 1999	<b>First Recipients Exceed 18/24 Month Limit</b> Some non-exempt adults who have been on aid continuously since January 1, 1998, and who do not meet employment requirements will be required to participate in community service employment in order to continue receiving the adult portion of their family's grant. Recipients in community service employment still count toward the State's TANF MOE requirement.
September 30, 2000 (End of Federal Fiscal Year)	<b>TANF Work Participation Rates (State)</b> California must ensure that 40 percent of all families and 90 percent of two-parent families meet welfare-to-work participation requirements or face penalties.
October 1, 2000	<b>Time-limited CFAP and CAPI Extended (State)</b> AB 2876 extended the time-limited food (CFAP) and cash (CAPI) assistance programs for otherwise-eligible immigrants who arrived in the United States after August 22, 1996. These are now in effect from October 1, 2000 to September 30, 2001.
September 30, 2001 (End of Federal Fiscal Year)	<b>TANF Work Participation Rates (State)</b> California must ensure that 45 percent of all families and 90 percent of two-parent families meet welfare-to-work participation requirements or face penalties.
September 30, 2002 (Federal Fiscal Year End) and all subsequent years	<b>TANF Work Participation Rates (State)</b> California must ensure that 50 percent of all families and 90 percent of two-parent families meet welfare-to-work participation requirements or face penalties.

Date	Event
January 1, 2003	<p><b>Recipients First Begin to Exceed Five Year Limit</b></p> <p>Non-exempt aided adults who have been on aid continuously since April 1, 1998, are no longer eligible for aid. No more than 20 percent of the current <i>Federally-funded</i> caseload can be exempted from this time limit. (California may elect to support as many additional time-expired participants as it chooses with State funds.)</p>

## Endnotes

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<sup>1</sup> Population estimate is an Urban Research estimate for 1999. The number of persons aided under CalWORKs in April 1999 was 649,000 according to the Department of Public Social Services April 1999 Statistical Report.

<sup>2</sup> To phrase this differently, all else being equal, poor families in general and welfare families in particular will tend to congregate in areas with low housing costs, and, because they often lack access to reliable cars, adequate public transportation access. One factor that may not be "equal" is race; racial discrimination in housing can severely constrain residential choices for African Americans and is a lesser but still important constraint for Latinos. See, e.g., Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass*, Harvard University Press, Cambridge, MA, 1994.

<sup>3</sup> Gwendolyn Mink, *Welfare's End*, Cornell University Press, Ithaca, NY, 1998, 1.

<sup>4</sup> Ibid.

<sup>5</sup> Joel F. Handler and Yeheskel Hasenfeld, *We the Poor People*, Yale University Press, New Haven, 1998.

<sup>6</sup> The figure of \$793 is the Minimum Basic Standard of Adequate Care (MBSAC) for a family living in Region 1 of California (which includes Los Angeles County), effective July 1, 1999. (An increase to \$816 became effective on October 1, 2000. Because this report covers trends only through 1999, we have chosen to use the benefit calculations and eligibility criteria that were in effect on December 31, 1999.) There are a number of special rules regarding resource limits. For example, if the family car is worth \$4,650 or more, the excess above \$4,650 is counted against the resource limit, unless the car is used to transport a disabled person, in which case it is not counted. The resource limit is \$2,000 unless someone in the family is over age 60, in which case the limit becomes \$3,000. The value of a house that the family lives in is not counted against the resource limit.

<sup>7</sup> James Riccio, Daniel Friedlander, and Stephen Freedman, *GAIN: Benefits, Costs, and Three-Year Impacts of a Welfare-to-Work Program*, Manpower Demonstration Research Corporation, New York, 1994.

<sup>8</sup> Evan Weissman, *Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients*, Manpower Demonstration Research Corporation, New York, 1997.

<sup>9</sup> The MFG program was adopted under one of California's four Federally approved "waivers" of then-extant AFDC rules. Newborns who are excluded from cash aid under MFG are still able to receive Medi-Cal and Food Stamps unless they are ineligible for some other reason.

<sup>10</sup> In more technical terms, parents who are not exempt from welfare-to-work requirements and who do not demonstrate good cause for failing to comply with GAIN work requirements are sanctioned.

<sup>11</sup> This is a family in which all three persons are aided and which has no cash income outside of CalWORKs assistance. It is also a "non-exempt" family; families are considered "exempt" and are eligible for higher aid payments when each of the adult caretaker relatives (whether parents or others) is either in the "Assistance Unit" (the children and their primary caretakers) and receiving State Disability Insurance (SDI), In-Home Supportive Services (IHSS), Supplemental Security Income (SSI), State Security Payment (SSP), Temporary Workers' Compensation (TWC), or Temporary Disability Indemnity (TDI), or is a non-needy non-parent caretaker relative not included in the Assistance Unit.

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<sup>12</sup> The current Community Service program in Los Angeles County is unwaged, but there are plans to implement a wage-based system once the State has issued new regulations to facilitate the creation of such a program. Communication from DPSS, dated February 7, 2001.

<sup>13</sup> Of the \$500 the parent earned, \$225 plus half of the remainder—\$137.50—do not count against the family grant. Thus, the \$626 family grant (assuming there is no other reason that this would be reduced from the maximum) is reduced by \$137.50, yielding a grant of \$488.50. The \$500 earnings plus the grant add up to \$988.50. Note that the greater income of welfare recipients who work is not a pure incentive; wage labor normally entails increased expenses for transportation, child care, appropriate clothing, meals taken outside the home, etc. DPSS provides additional funds to help with transportation and child care expenses, while increased income helps offset remaining expenses.

<sup>14</sup> United Way of Greater Los Angeles, "Executive Summary of the State of the County Report," *A Tale of Two Cities. Promise & Peril in Los Angeles*, United Way of Greater Los Angeles, Los Angeles, CA, 1999, 5.

<sup>15</sup> United Way of Greater Los Angeles, "Executive Summary of the State of the County Report," *A Tale of Two Cities. Promise & Peril in Los Angeles*, United Way of Greater Los Angeles, Los Angeles, CA, 1999.

<sup>16</sup> Another criterion was that our communities should, to the greatest extent practical, overlap with areas being studied by other research organizations. The Manpower Demonstration Research Corporation, for instance, is conducting ethnographic research in Boyle Heights, Athens/Willowbrook (which overlaps the area we call Westmont), and Central Long Beach, all of which are included in our community areas.

<sup>17</sup> Most community-level statistics are 1998 estimates based on the 1990 Census and more recent Current Population Surveys. The proportion of local residents who receive CalWORKs aid is based on August 1998 CalWORKs data and 1998 population estimates.

<sup>18</sup> Administrative Memorandum 99-42, 11/22/99.

<sup>19</sup> Among the eligibility restrictions new in CalWORKs are the requirement that single teen parents live with their own parents, and the ineligibility for aid of drug felons and fleeing felons.

<sup>20</sup> Questions remain about the non-approvals that were also not denials. DPSS has indicated that the non-denial non-approvals were all (or almost all) voluntary withdrawals. That so many applicants should withdraw their applications each month requires some explanation. DPSS has also indicated that the new LEADER computer system should allow DPSS staff to make an official eligibility determination while the applicant is still in the office, possibly reducing the number of application withdrawals.

<sup>21</sup> The entry and exit trends can also be seen as lagged versions of each other. That is, the rise and fall in exit rates that began in the late 1980s strongly resembled the rise and fall of entry rates that began in the early 1990s.

<sup>22</sup> Mary Jo Bane and David Elwood, *Welfare Realities: From Rhetoric to Reform*, Harvard University Press, Cambridge, Massachusetts, 1997.

<sup>23</sup> Mary Jo Bane and David Elwood, *Welfare Realities: From Rhetoric to Reform*, Harvard University Press, Cambridge, Massachusetts, 1997, 41.

<sup>24</sup> Mary Jo Bane and David Elwood, *Welfare Realities: From Rhetoric to Reform*, Harvard University Press, Cambridge, Massachusetts, 1997.

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<sup>25</sup> Pamela Loprest, *Families Who Leave Welfare: Who Are They And How Are They Doing?* Assessing The New Federalism Series, no. 99-02, The Urban Institute, Washington, D.C., 1999.

<sup>26</sup> This cuts both ways, however; though less successful families may face housing instability, more successful families may be able to move to better neighborhoods.

<sup>27</sup> State of California form ABCD 253 (2/94), CalWORKs-Family Groups and Unemployed Report on reasons for discontinuance of cash grant, completed for Los Angeles County by DPSS.

<sup>28</sup> DPSS has also suggested that a significant number of terminations may be families with parents who are already working, but not reporting their income. When required to participate in GAIN, DPSS suggests, these families terminate their cases instead. (Communication from Henry E. Felder, Chief, Research, Statistics, and Evaluation Division of DPSS to Wayne Bannister, Assistant Division Chief, Urban Research Division, dated August 16, 2000.) It is more likely that a parent working 'under the table' would take a sanction for noncompliance, losing only a portion of their family grant, rather than terminate and lose the whole grant. This is speculation on both sides; no analysis presently available supports these positions. While studies of AFDC recipients do suggest that many regularly fail to report income from odd jobs and short-term employment (see Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*, Russell Sage Foundation, New York, 1997), it is not known how the existence of mandatory work requirements and sanctions for noncompliance under TANF affect this aspect of the behavior of welfare recipients. Where monthly unreported income is less than or not much greater than the portion of the grant that would be lost with a sanction, the incentives to the recipients would be for them to participate in the welfare-to-work program, giving up (or reporting) their off-the-books activities.

<sup>29</sup> See Rebecca Blank, "Analyzing the Length of Welfare Spells," *Journal of Public Economics*, 39, 1989, 245-3; John Fitzgerald, "Welfare Durations and the Marriage Market: Evidence from the Survey of Income and Program Participation," *Journal of Human Resources*, 26, 1991, 545-61; LaDonna A. Pavetti, "The Dynamics of Welfare and Work: Exploring the Process by which Young Women Work their Way Off Welfare," Ph.D. diss., John F. Kennedy School of Government, Harvard University, Cambridge, MA, 1993.

<sup>30</sup> Mary Jo Bane and David Elwood, *Welfare Realities: From Rhetoric to Reform*, Harvard University Press, Cambridge, Massachusetts, 1997.

<sup>31</sup> See Mary Jo Bane and David Elwood, *Welfare Realities: From Rhetoric to Reform*, Harvard University Press, Cambridge, Massachusetts, 1997, and LaDonna A. Pavetti, "Who is Affected by Time Limits?" in *Welfare Reform: An Analysis of the Issues*, Ed. Isabel V. Sawhill, The Urban Institute, Washington, D.C., 1995.

<sup>32</sup> Greg J. Duncan, Kathleen Mullan, and Johanne Boisjoly, *Time Limits and Welfare Reform: How Many Families Will be Affected?* Institute for Policy Research, Evanston, Illinois, March 1998.

<sup>33</sup> LaDonna A. Pavetti, "Who is Affected by Time Limits?" Chapter 7 in *Welfare Reform: An Analysis of the Issues*, Ed. Isabel V. Sawhill, The Urban Institute, Washington, D.C., 1995.

<sup>34</sup> Greg J. Duncan, Kathleen Mullan, and Johanne Boisjoly, *Time Limits and Welfare Reform: How Many Families Will be Affected?* Institute for Policy Research, Evanston, Illinois, March 1998.

<sup>35</sup> The Urban Institute Fast Facts, "Welfare Reform and Children of Immigrants," <http://www.urban.org/immig/fixfacts.html> (Accessed February 2, 2000).

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<sup>36</sup> Wendy Zimmermann and Karen Tumlin, Patchwork Policies: State Assistance for Immigrants under Welfare Reform, The Urban Institute, Washington, D.C., March, 1999, <http://newFederalism.urban.org/html/occa24.html> (Accessed February 2, 2000).

<sup>37</sup> The Urban Institute Checkpoints, "New Medicaid and Welfare Cases in Los Angeles County Drop Because Fewer Immigrants Apply," <http://www.urban.org/news/press/cplAim.html> (Accessed February 15, 2000).

<sup>38</sup> Because DPSS was unable to provide caseload data predating April 1998, it was not possible to verify that the calculations made for this report were entirely comparable to those made by the Urban Institute. Although CES is generally confident about the time series shown in Figure 10, CES is also cognizant that new AFDC/CalWORKs cases might have been identified differently by the Urban Institute and by CES, and feel that this could explain part of the large drop in the number of children in new cases between October 1997 and April 1998, as shown in Table 4. It is the proportional composition of new cases rather than the absolute number in each category that are of interest in Figure 10 and Table 4.

<sup>39</sup> The study also found declines in approved applications by legal immigrants and non-English speakers for standalone Medi-Cal and for General Relief.

<sup>40</sup> Wendy Zimmermann and Michael Fix, "Declining Immigrant Applications for Medi-Cal and Welfare Benefits in Los Angles County," The Urban Institute, July 1998, <http://www.urban.org/immig/lacounty.html> (Accessed February 2, 2000).

<sup>41</sup> Michael Fix and Jeffrey Passel, J., "Trends in Noncitizen's and Citizen's Use of Public Benefits Following Welfare Reform: 1994-97," The Urban Institute, March 1999, <http://www.urban.org/immig/trends.html> (Accessed February 2, 2000).

<sup>42</sup> Wendy Zimmermann and Michael Fix, "Declining Immigrant Applications for Medi-Cal and Welfare Benefits in Los Angles County," The Urban Institute, July 1998, <http://www.urban.org/immig/lacounty.html> (Accessed February 2, 2000].

<sup>43</sup> Michael Fix and Karen Tumlin, *Welfare Reform and the Devolution of Immigrant Policy*, New Federalism Series, no. A-15, The Urban Institute, Washington, D.C., October 1997.

<sup>44</sup> In the cases where there are two parents, both may be sanctioned under some circumstances. Please see Los Angeles Coalition to End Hunger and Homelessness, *The People's Guide to Welfare, Health and Other Services in Los Angeles County: How to get Food and Money*, 26<sup>th</sup> ed., L.A. Coalition to End Hunger and Homelessness, Publisher, Los Angeles, CA, Summer 1999, <http://www.peoplesguide.org> (Accessed February 2000).

<sup>45</sup> CalWORKs eligibility and GAIN workers were interviewed in December 1998 and June 1999. In these first interviews, workers spoke of their initial misunderstanding of program requirements and sanctions as well as their hope that through increased training sanctioning would be much easier to apply to non-compliant participants. In the second round, workers spoke of an increased understanding of regulations and appropriate use of penalties and sanctions due to formal and more importantly, on the job training.

<sup>46</sup> United States Department of Health and Human Services, "Frequently Asked Questions About Child-only Cases," Office of the Assistant Secretary for Planning and Evaluation Human Services Policy Brief, September 1999.

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<sup>47</sup> United States Department of Health and Human Services, "Frequently Asked Questions About Child-only Cases," Office of the Assistant Secretary for Planning and Evaluation Human Services Policy Brief, September 1999, 3.

<sup>48</sup> Note that, as mentioned earlier, only the parents' portion of the grant is subject to time limits. In addition, at the State's discretion, up to 20 percent of parents aided with Federal funds can be exempted from the time limits, and states can choose to extend time limits even further—although completely at their own expense.

<sup>49</sup> Robert Rector and Sarah Youssef, "The Determinants of Welfare Caseload Decline," Heritage Foundation working paper, 1999.

<sup>50</sup> Council of Economic Advisers, *Technical Report: Explaining the Decline in Welfare Receipt, 1993–1996*, Council of Economic Advisers, Washington, D.C., 1997.

<sup>51</sup> Geoffrey Wallace and Rebecca Blank, "What Goes Up Must Come Down? Explaining Recent Changes in Public Assistance Caseloads." Paper presented at the Welfare Reform and the Macroeconomy Conference sponsored by the Joint Center for Poverty Research, February 1999.

<sup>52</sup> As of January 28, 2000, the United States Bureau of Economic Analysis estimates that real GDP grew 4.5 per cent from 1996–97, 4.3 per cent from 1997–98, and 4.0 per cent from 1998–99.

<sup>53</sup> "Real" wages are wages adjusted for changes in the cost of living. Adjustments are typically made through use of the Consumer Price Index for All Urban Consumers (CPI-U), which is computed monthly by the United States Bureau of Labor Statistics. The CPI indicates that, overall, consumer prices in 1980 were just 46 percent of what they were in 2000. Thus, although the California minimum wage was \$3.10 in "nominal" terms (that is, before adjustment for inflation) in January 1980, in "real" terms, that \$3.10 wage had the purchasing power of a present-day (March 2000) wage of \$6.72.

<sup>54</sup> The Levenson study found that 35 percent of welfare mothers are classified as literacy level 1 (of 5), and another 41 percent are classified at literacy level 2. Literacy level 1 means they can do only very simple tasks like locate the expiration date on a drivers license, total a bank deposit or sign their names. These level-1 individuals cannot do level-2 tasks like locate an intersection on a street map, understand an appliance warranty, or fill out a government benefits application. Higher-order tasks include using a bus schedule, writing a letter to explain a credit card bill error, and using a calculator to determine a 10 per cent discount. Alec Levenson, Elaine Reardon and Stefanie R. Schmidt, *Welfare, Jobs and Basic Skills: The Employment Prospects of Welfare Recipients in the Most Populous U.S. Counties*, NCSALL Reports, no.10B, National Center for the Study of Adult Learning and Literacy, Cambridge, MA, April 1999.

<sup>55</sup> Alec Levenson, Elaine Reardon and Stefanie R. Schmidt, *Welfare, Jobs and Basic Skills: The Employment Prospects of Welfare Recipients in the Most Populous U.S. Counties*, NCSALL Reports, no.10B, National Center for the Study of Adult Learning and Literacy, Cambridge, MA, April 1999.

<sup>56</sup> Daniel Flaming, Mark Drayse and Peter Force, *On the Edge: A Progress Report On Welfare to Work in Los Angeles*, Economic Roundtable, Los Angeles, CA, 1999.

<sup>57</sup> Robert Spalter-Roth, Beverly Burr, Heidi Hartmann, and Lois Shaw, *Welfare That Works: The Working Lives of AFDC Recipients*, Institute for Women's Policy Research, Washington, D.C., 1995.

<sup>58</sup> Daniel P. McMurrer, Isabel V. Sawhill and Robert I. Lerman, *Welfare Reform and Opportunity in the Low-Wage Labor Market*, Opportunity in America Series, no. 5, Urban Institute, Washington D.C., 1999.

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<sup>59</sup> Gary Burtless, "Can the Labor Market Absorb Three Million Welfare Recipients?" *Focus*, 19, no. 3, 1998.

<sup>60</sup> Although economic theory suggests that minimum wages reduce labor demand and job opportunities, there is mixed evidence that this has actually occurred when minimum wages have been increased in the past.

<sup>61</sup> Daniel P. McMurrer, Isabel V. Sawhill and Robert I. Lerman, *Welfare Reform and Opportunity in the Low-Wage Labor Market*, Opportunity in America Series, no. 5, Urban Institute, Washington D.C., 1999.

<sup>62</sup> See Timothy Bartik, "Displacement and Wage Effects of Welfare Reform," Upjohn Institute for Employment Research, working paper, Kalamazoo, W.E., 1999. In addition to his own original research on the topic, Bartik presents a good summary of the literature on these adverse impacts.

<sup>63</sup> California was not penalized, however, because a "caseload reduction credit"—calculated based on the number of families leaving welfare since the enactment of welfare reform—allowed California to meet a reduced requirement. In addition, California has shifted its two-parent cases into a separate state-funded program, as mentioned previously. This allows California to escape the Federal two-parent work requirements.

<sup>64</sup> Earlier in the report, it was reported that the proportion of Los Angeles cases which are child-only has increased significantly over the same time period. Seven out of ten child-only cases are headed by immigrant parents. Overall, child-only cases have risen from 27 percent to 32 percent of the caseload.

<sup>65</sup> Learning the total amount of earnings for each participant is a key part of the monthly grant determination process, and these earnings are tracked. It is the details of hours and hourly wages that may not be tracked.

<sup>66</sup> See Gordon M. Fisher, "The Development and History of the United States Poverty Thresholds—A Brief Overview," GSS/SSS Newsletter (Newsletter of the Government Statistics Section and the Social Statistics Section of the American Statistical Association), Winter, 1997, 6-7, available as <http://aspe.hhs.gov/poverty/papers/hptgssiv.htm>.

<sup>67</sup> United States Bureau of the Census, *Poverty Thresholds in 1999, by Size of Family and Number of Related Children Under 18 Years* [HTML], United States Bureau of the Census, September 26, 2000, cited January 3 2001, available from <http://www.census.gov/hhes/poverty/threshld/thresh99.html>.

<sup>68</sup> This estimate assumes a parent works full-time at the minimum wage, receives Food Stamps and school meals, as well as the Earned Income Tax Credit. This report compares the parents' resources to the Federal poverty line to determine how many children they can support. This assumes the Federal poverty line is a reasonable measure of the resources needed by Angelenos to support a family at a minimal level of comfort.

<sup>69</sup> Technically, CalWORKs/welfare reform went into effect in California on January 1, 1998, and the 60-month lifetime CalWORKs "clock" starts on that date. The CalWORKs Welfare-to-Work program was not officially in place in Los Angeles County until April 1, 1998, however. April 1998 is the first month for which CES has administrative records, and it is a reasonable point at which to begin tracking CalWORKs families.

<sup>70</sup> Daniel McKenzie and Stephen H. Bell, *Food Concerns and Affordability, Income and Hardships, Snapshots of America's Families* in "1997 National Survey of America's Families," [http://newFederalism.urban.org/nsaf/income\\_a5.html](http://newFederalism.urban.org/nsaf/income_a5.html) (Accessed February 2, 2000).

<sup>71</sup> Housing costs can easily dominate all other expenses for low-income families. For example, a 1999 Department of Housing and Urban Development report found that nationwide "a record 5.3 million very

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low-income renters paid more than 50 percent of their income for rent between 1993 and 1995." Leta Herman, "Section 8 Rental Assistance: Housing You Can Afford," *Los Angeles Times* 1998.

<sup>72</sup> The Fair Market Rent (FMR) is the 40<sup>th</sup> percentile rent for a housing unit of a given size. The projected FMR for Los Angeles County for 2001 is \$782 (final FMRs have not differed from projected FMRs during the past several years). This means that 60 percent of local 2-bedrooms cost more than \$782 and 40 percent cost \$782 or less. United States Department of Housing and Urban Development, *FMR [Free Market Rent] History 1983–Present: Data [DBF (Self-Extracting)]*, United States Department of Housing and Urban Development, 2001, cited January 19 2001, available from <http://www.huduser.org/datasets/fmr/fmrhist.exe>.

<sup>73</sup> Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive On Welfare And Low-Wage Work*, Russel Sage Foundation, New York, 1997.

<sup>74</sup> It is not clear from the source report whether these estimates apply solely to the City of Los Angeles or are applicable to the County as a whole. Eugene T. Lowe et al., *A Status Report on Hunger and Homelessness in America's Cities, 2000: A 25-City Survey* (PDF), United States Conference of Mayors, December 2000, cited January 19, 2001, available from <http://www.usmayors.org/uscm/hungersurvey/hunger2000.pdf>.

<sup>75</sup> Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive On Welfare And Low-Wage Work*, Russel Sage Foundation, New York, 1997.

<sup>76</sup> According to an article in the industry journal *Realty Times*, the Mayflower Transit Company's 1999 annual report, "America on the Move," reported that about one-sixth of Americans were expected to move during 1999. "20 Million Americans Will Move In Next Three Months."

[http://realtytimes.com/rtnews/rtpages/19990525\\_move.htm](http://realtytimes.com/rtnews/rtpages/19990525_move.htm) (Accessed February 29, 2000).

<sup>77</sup> Laura Nichols and Barbara Gault, "The Effects of Welfare Reform on Housing Stability and Homelessness: Current Research Findings, Legislation and Programs," *Welfare Reform Network News: A Newsletter of the Institute for Women's Policy Research*, 2, no. 2, March 1999.

<sup>78</sup> Laura Nichols and Barbara Gault, "The Effects of Welfare Reform on Housing Stability and Homelessness: Current Research Findings, Legislation and Programs," *Welfare Reform Network News: A Newsletter of the Institute for Women's Policy Research*, 2, no. 2, March 1999.

<sup>79</sup> Eugene T. Lowe et al., *A Status Report on Hunger and Homelessness in America's Cities, 2000: A 25-City Survey* (PDF), United States Conference of Mayors, December 2000, cited January 19 2001, available from <http://www.usmayors.org/uscm/hungersurvey/hunger2000.pdf>.

<sup>80</sup> "Profile of Homelessness: Results from a National Survey of Homeless Assistance Providers and Homeless Persons," <http://aspe.os.dhhs.gov/progssys/homeless/profile.htm> (Accessed February 17, 2000).

<sup>81</sup> "Profile of Homelessness: Results from a National Survey of Homeless Assistance Providers and Homeless Persons," <http://aspe.os.dhhs.gov/progssys/homeless/profile.htm> (Accessed February 17, 2000).

<sup>82</sup> "Homeless Fact Sheet 2000," <http://www.peoplesguide.org/lacehh/factsheet.html> (Accessed February 2, 2000).

<sup>83</sup> Laura Nichols and Barbara Gault, "The Effects of Welfare Reform on Housing Stability and Homelessness: Current Research Findings, Legislation and Programs," *Welfare Reform Network News: A Newsletter of the Institute for Women's Policy Research*, 2, no. 2, March 1999, 11.

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<sup>84</sup> Martha R. Burt et al., "Homelessness: Programs and the People They Serve—Findings of the National Survey of Homeless Assistance Providers and Clients," Urban Institute, Washington, D.C., 1999.

<sup>85</sup> Martha R. Burt et al., 1999.

<sup>86</sup> Laura Nichols and Barbara Gault, "The Effects of Welfare Reform on Housing Stability and Homelessness: Current Research Findings, Legislation and Programs," *Welfare Reform Network News: A Newsletter of the Institute for Women's Policy Research*, 2, no. 2, March 1999.

<sup>87</sup> Poverty statistics discussed in this section are estimates made by the Urban Research Division using Current Population Survey data. Estimates include non-cash resources like Food Stamps, housing benefits and the Earned Income Tax Credit in family income.

<sup>88</sup> Los Angeles single-mother poverty estimates are inaccurate because they are based on a small sample of approximately 250 families.

<sup>89</sup> Arloc Sherman, *Extreme Child Poverty Rises Sharply in 1997*, Children's Defense Fund, Washington, D.C., August 22, 1999.

<sup>90</sup> Allen L. Schirm, "Reaching Those in Need: State Food Stamp Participation Rates in 1998," Mathematica Policy Research, Inc., Washington, D.C., 2001.

<sup>91</sup> CalWORKs and Food Stamps Data Systems Design Task Force, "Food Stamp Household Characteristics Survey: Social and Economic Characteristics of Families Receiving Food Stamps, Federal Fiscal Year 1998, October 1997 through September 1998," California Department of Social Services, Sacramento, 1999.

<sup>92</sup> Relative to the rest of the nation, California's caseload declines between 1994 and 1997 (16 percent) and its Food Stamps declines (2 percent) were both small. Wisconsin is California's opposite in these respects—it had high declines in both programs (59 percent and 15 percent, respectively). South Carolina, by contrast, had a higher Food Stamps participation rate than California (64 percent in 1998), but had a much deeper decline in welfare caseloads between 1994 and 1997 (44 percent). Allen L. Schirm, "Reaching Those in Need: Food Stamp Participation Rates in the States," Mathematica Policy Research, Inc., Washington, D.C., 2000.

<sup>93</sup> Christopher Jencks and Joseph Swingle, "Without a Net: Whom the New Welfare Law Helps and Hurts," *The American Prospect*, no. 3, January 2000, 37–41.

<sup>94</sup> Pamela Loprest, *How Families That Left Welfare Are Doing: A National Picture*, New Federalism: National Survey of America's Families Series, no. B-1, The Urban Institute, Washington, D.C., August 1999.

<sup>95</sup> Sheila Zedlewski and Sarah Brauner, *Declines in Food Stamps and Welfare Participation: Is There a Connection?* Assessing the New Federalism Series, no. 99-13, The Urban Institute, Washington, D.C., October 1999.

<sup>96</sup> Sheila Zedlewski and Sarah Brauner, *Are the Steep Declines in Food Stamps Participation Linked to Falling Welfare Caseloads?* New Federalism: National Survey of America's Families Series, no. B-3, The Urban Institute, Washington, D.C., 1999.

<sup>97</sup> Sheila Zedlewski and Sarah Brauner, *Are the Steep Declines in Food Stamps Participation Linked to Falling Welfare Caseloads?* New Federalism: National Survey of America's Families Series, no. B-3, The Urban Institute, Washington, D.C., 1999, 2.

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<sup>98</sup> Sheila Zedlewski and Sarah Brauner, *Declines in Food Stamps and Welfare Participation: Is There a Connection?* Assessing the New Federalism Series, no. 99-13, The Urban Institute, October 1999.

<sup>99</sup> Sheila Zedlewski and Sarah Brauner, *Declines in Food Stamps and Welfare Participation: Is There a Connection?* Assessing the New Federalism Series, no. 99-13, The Urban Institute, October 1999.

<sup>100</sup> Sheila Zedlewski and Sarah Brauner, *Are the Steep Declines in Food Stamps Participation Linked to Falling Welfare Caseloads?* New Federalism: National Survey of America's Families Series, no. B-3, The Urban Institute, Washington, D.C., 1999.

<sup>101</sup> People who are eligible for Medi-Cal, California's Medicaid program, are usually aged, blind or disabled, or are in families with children. Other people are also eligible, such as pregnant women, refugees, and those infected with tuberculosis. There are income limits for eligibility, but all CalWORKs participants are automatically eligible for Medi-Cal. According to the Legislative Analyst's Office, as of July 1999 fewer than half of all California families with children assisted by Medi-Cal were CalWORKs-aided. Legislative Analyst's Office, *CALFACTS: California's Budget and Economy in Perspective* [LAO Report], Legislative Analyst's Office, December 2000, cited December 26, 2000, available from [http://www.lao.ca.gov/2000\\_reports/calfacts/2000\\_calfacts\\_all.pdf](http://www.lao.ca.gov/2000_reports/calfacts/2000_calfacts_all.pdf).

<sup>102</sup> Leighton Ku and Brian Bruen, *The Continuing Decline of Medicaid Coverage*, New Federalism: Issues and Options for State Series, no. A-37, The Urban Institute, Washington, D.C., September 1999.

<sup>103</sup> Most noncitizen legal immigrants are eligible for Medi-Cal. Undocumented immigrants are also eligible, but only for prenatal care, long-term care, and emergency services.

<sup>104</sup> Stephen Zuckerman et al., *Health Policy for Low-Income People in California*, New Federalism: Highlights from State Reports, The Urban Institute, Washington, D.C., January 1998.

<sup>105</sup> United States Department of Health and Human Services, "The Children's Health Insurance Program (CHIP)," *HHS Fact Sheet*, November 1, 1999,  
<http://waisgate.hhs.gov/cgi-bin/waisgate?WAISdocID=3126121734+1+0+0&WAISaction=retrieve>  
(Accessed March 7, 2000).

<sup>106</sup> The reader should be advised that health insurance data prior to 1994 is not entirely comparable to data collected in 1994 and thereafter. The Current Population Survey, which measures health insurance coverage, implemented a new health insurance questionnaire design in 1994.

<sup>107</sup> Leighton Ku and Brian Bruen, *The Continuing Decline of Medicaid Coverage*, New Federalism: Issues and Options for State Series, no. A-37, The Urban Institute, Washington, D.C., September 1999.

<sup>108</sup> Department of Public Social Services, *DPSS Caseload Characteristics Report*, April 1998 and April 1999. The total Medi-Cal child caseload was calculated by adding CalWORKs-aided children, ages 0 to 17, with children aided under Medi-Cal only. The non-CalWORKs total included only the latter. A very small number of children covered by Medi-Cal but classified under other aid categories were not counted.

<sup>109</sup> California Legislative Analyst's Office, "Analysis of the 1999-00 Budget Bill: Health and Social Services," [http://www.lao.ca.gov/analysis\\_1999/health\\_ss/health\\_ss\\_toc\\_anl1999.html](http://www.lao.ca.gov/analysis_1999/health_ss/health_ss_toc_anl1999.html) (Accessed March 7, 2000).

<sup>110</sup> Marilyn Ellwood, *The Medicaid Eligibility Maze: Coverage Expands, but Enrollment Problems Persist. Findings from a Five State Study*, Mathematica Policy Research Inc., Cambridge, MA, September, 1999.

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<sup>111</sup> California Legislative Analyst's Office, "Analysis of the 1999-00 Budget Bill: Health and Social Services," [http://www.lao.ca.gov/analysis\\_1999/health\\_ss/health\\_ss\\_toc\\_anl1999.html](http://www.lao.ca.gov/analysis_1999/health_ss/health_ss_toc_anl1999.html) (Accessed March 7, 2000).

<sup>112</sup> Richard Wertheimer, and Kristin Moore, *Childbearing by Teens: Links to Welfare Reform*, New Federalism: Issues and Options for States Series, no. A-24, The Urban Institute and Child Trends, Inc., Washington, D.C., <http://newFederalism.urban.org/html/anf24.html> (Accessed February 25, 2000).

<sup>113</sup> Debra Boyer and David Fine, "Sexual Abuse as a Factor in Adolescent Pregnancy and Child Maltreatment," *Family Planning Perspectives*, 24, no. 1, 1992.

<sup>114</sup> United States General Accounting Office, *Welfare Dependency: Coordinated Community Efforts Can Better Serve Young At-Risk Teen Girls*. Report to the Ranking Minority Member, Committee on Finance, United States Senate. Health, Education, and Human Services Division, Washington D.C., May 1995.

<sup>115</sup> Center for Disease Control, "AIDS Falls From Top Fifteen Causes of Death; Teen Births, Homicides Decline, but no Change in Infant Mortality," *Births and Deaths, Preliminary Data for 1998 (PHS)*, 47, no. 25, 1998, 99-1120.

<sup>116</sup> The rate of births to teens per 1,000 births was also calculated. See Appendix A.

<sup>117</sup> The numbers presented here are for all infants that were under 2,500 grams at the time of birth.

<sup>118</sup> National Center for Health Statistics, *Health, United States, 1995*; Public Health Service, Hyattsville, Maryland, 1996, 99.

<sup>119</sup> Due to data limitations, this report only looks at infants who died or were born after March 31, 1998. The sample was restricted to families that were aided for at least three months during this period in order to be able to plausibly link outcomes to CalWORKs.

<sup>120</sup> United States Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, *Violence by Intimates: Analysis of Data on Crimes by Current or Former Spouses, Boyfriends, and Girlfriends*, United States Department of Justice, Washington, D.C., 1995.

<sup>121</sup> Amy Johnson and Alicia Meckstroth, *Ancillary Services to Support Welfare to Work*, Mathematica Policy Research Inc., Princeton, NJ, 1998.

<sup>122</sup> Mary Ann Allard, Randy Albelda, Mary Ellen Colten, and Carol Cosenza, *In Harm's Way? Domestic Violence, AFDC Receipt, and Welfare Reform in Massachusetts*, University of Massachusetts at Boston, Boston, 1997, 5, 17.

<sup>123</sup> See Susan Lloyd, "The Effects of Violence on Women's Employment," *Law and Policy*, 19, no. 2, April 1997b, 139-67.

<sup>124</sup> See R. Brandwein, "The Use of Public Welfare by Family Violence Victims: Implications of New Federal Welfare 'Reform'." Paper presented at the Fifth International Family Violence Research Conference, Durham, NH, May 1997.

<sup>125</sup> Richard M. Tolman and Jody Raphael, "A Review of Research on Welfare and Domestic Violence," *Journal of Social Issues*, Forthcoming, cited November 28, 2000, available from [http://www.ssw.umich.edu/trapped/jsi\\_tolman\\_final.pdf](http://www.ssw.umich.edu/trapped/jsi_tolman_final.pdf)

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<sup>126</sup> Thomas Moore and Vicky Selkow, *Domestic Violence Victims in Transition from Welfare to Work: Barriers to Self-Sufficiency and the W-2 Response*, The Institute for Wisconsin's Future, Milwaukee, Wisconsin, September 1999.

<sup>127</sup> See Susan Lloyd, "The Effects of Violence on Women's Employment," *Law and Policy*, 19, no. 2, April 1997, 139–67.

<sup>128</sup> Gwendolyn Mink, *Welfare's End*, Cornell University Press, Ithaca, NY, 1998.

<sup>129</sup> Gwendolyn Mink, *Welfare's End*, Cornell University Press, Ithaca, NY, 1998.

<sup>130</sup> Richard M. Tolman and Jody Raphael, "A Review of Research on Welfare and Domestic Violence," *Journal of Social Issues*, Forthcoming.

<sup>131</sup> Similar language can be found in "The Domestic Violence Prevention Act," Section 6200 of the California Family Code.

<sup>132</sup> The definition used by DPSS differs from the law enforcement definition by considering abuse that is not physical (e.g., "mental," and "economic") and that involves children. Under the rubric of "domestic violence," DPSS includes the following forms of abuse: "Battering or extreme cruelty caused by: 1) physical acts that resulted in or threatened to result in physical injury; 2) sexual abuse; 3) sexual activity involving a child in the home; 4) forced participation in sexual acts or activities; 5) threats or attempts at physical or sexual abuse; 6) mental abuse; 7) neglect or deprivation of medical care; 8) stalking; 9) economic abuse; or 10) tactics of power and control." County of Los Angeles Department of Public Social Services, *Los Angeles County CalWORKs Plan* [HTML], January 6, 1998, cited November 27, 2000, available from [http://dpss.co.la.ca.us/calworks.c/fnlstate\\_plan\\_body.htm](http://dpss.co.la.ca.us/calworks.c/fnlstate_plan_body.htm).

<sup>133</sup> United States Department of Health and Human Services, Administration on Children, Youth and Families, *Child Maltreatment 1997: Reports from the States to the National Child Abuse and Neglect Data System*, United States, Government Printing Office, Washington, D.C., 1999.

<sup>134</sup> The reported numbers of cases for the United States and California include both substantiated—  
independently verified—and unsubstantiated cases of abuse and neglect. Since a high fraction of reports are never substantiated, these counts could be seen as inflated.

<sup>135</sup> United States Department of Health and Human Services, "The Scope and Problem of Child Maltreatment," February 2000, <http://www.acf.dhhs.gov/programs/cb/ncanprob.htm> (Accessed February 2, 2000).

<sup>136</sup> California Legislative Analyst's Office, "Child Abuse and Neglect in California," January 1996, <http://www.lao.ca.gov/cw11096toc.html> (Accessed February 2, 2000).

<sup>137</sup> United States Department of Health and Human Services, "The Scope and Problem of Child Maltreatment," February 2000, <http://www.acf.dhhs.gov/programs/cb/ncanprob.htm> (Accessed February 2, 2000), p. 2.

<sup>138</sup> California Legislative Analyst's Office, "Child Abuse and Neglect in California," January 1996, <http://www.lao.ca.gov/cw11096toc.html> (Accessed February 2, 2000).

<sup>139</sup> When DCFS receives a report of child abuse, it creates an Emergency Response case. The alleged abuse or neglect is, in most cases, never substantiated, and the case is dropped. When the case does become substantiated, it is normally reclassified within about a month after case opening. Since CES was

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unable to distinguish between Emergency Response substantiated cases and unsubstantiated referrals, the data reported here excludes Emergency Response cases. "New Cases of Substantiated Neglect" refer to those cases that were new to DCFS for that particular year. "Total Substantiated Cases of Neglect" refer to the total number of cases that were 'open' in the DCFS database (this includes new cases for that year and older cases that are still in the system). For the total number of substantiated cases of neglect, please see Appendix B.

<sup>140</sup> W. Steven Barnett, "Long Term Cognitive and Academic Effects of Early Childhood Education of Children in Poverty," *Preventive Medicine: An International Journal Devoted to Practice & Theory* 27, no. 2, March–April 1998, 204–207; C. Andre Mizell, "African American Men's Personal Sense of Mastery: The Consequences of the Adolescent Environment, Self-Concept and Adult Achievement," *Journal of Black Psychology*, 25, no. 2, May, 1999, 210–230; Virginia R. L. Plunkett, "Parents and Schools: Partnerships that Count," *Journal of Education for Students Placed at Risk*, 2, no. 4, 1997, 325–327; Renee Smith–Maddox, "The Social Networks and Resources of African American Eighth Graders: Evidence from the National Educational Longitudinal Study of 1988," *Adolescence* 34, no. 13, Spring 1999, 169–83.

<sup>141</sup> Javier Tapia, "The Schooling of Puerto Ricans: Philadelphia's Most Impoverished Community," *Anthropology & Education Quarterly*, 29, no. 3, September 1998, 297–323.

<sup>142</sup> Andre Mizell, "African American Men's Personal Sense of Mastery: The Consequences of the Adolescent Environment, Self-Concept and Adult Achievement," *Journal of Black Psychology*, 25, no. 2, May 1999, 210–230.

<sup>143</sup> Food and Nutrition Service, United States Department of Agriculture, *Characteristics of the National School Lunch and School Breakfast Program Participants*, (United States Department of Agriculture Alexandria, VA, January 1987). "This paper provides selected data on the National School Lunch Program (NSLP) and the School Breakfast Program (SBP). The study was compiled using data from the 1983-84 follow-up to the National Evaluation of School Nutrition Programs, also known as the NESNP-II. The NESNP-II data represent the only extensive review of both programs since the passage of the Omnibus Budget Reconciliation Act of 1981, which enacted a significant number of program reforms. ...The report finds that, for the NSLP, 38.8 million children were eligible to participate, with 80 per cent of those students using the service at least once a week. With regard to SBP, about 25 per cent of eligible students took part, and almost 43% of participants belonged to a household that received Food Stamps."

<sup>144</sup> The Stanford Achievement Test, a widely-used product of the Psychological Corporation, should not be confused with the Educational Testing Service's (ETS) better-known Scholastic Aptitude Test (SAT). ETS's SAT is typically used in college admissions and is administered to individual students. The Stanford Achievement Test is used for ranking both schools and individual students, and is administered to all primary and secondary school grades. "The Stanford Achievement Test Series, Ninth Edition, (Stanford 9)," The Psychological Corporation, San Antonio, TX, <http://www.hbem.com/trophy/achvtest/sat9view.htm>.

<sup>145</sup> Stephen J. Caldas and Carl III Bankston, "Effect of School Population Socioeconomic Status on Individual Academic Achievement," *Journal of Educational Research*, 90, no. 5, May–June 1997, 269–77.

<sup>146</sup> See Appendix B for annual dropout rates for grades 9–12.

<sup>147</sup> See appendix B for table presenting SAT/9 scores.

<sup>148</sup> This conclusion is based on a comparison of time on aid for families with teens, as calculated by DPSS in its "CalWORKs Families with Teens in Los Angeles County, Caseload Characteristics, July 2000,

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Los Angeles County Totals" report against our calculations for all CalWORKs families for April 1998 through October 1999 shown in Table 3. For example, fully 59 percent of single-parent families with a teenager had been on aid for five years or more as of July 2000, whereas just under 41 percent of all single-parent families had been on aid that long as of October 1999. It is unlikely that changes in the overall caseload between October 1999 and July 2000 account for much of this 18 percentage point difference.

<sup>149</sup> See Appendix A for additional details on these focus groups and Appendix C for a focus group protocol.

<sup>150</sup> DPSS has taken steps to address legal immigrant concerns. In District Offices, it promotes the new citizenship process through the Immigration and Naturalization Service. CalWORKs District Offices display posters regarding aid, and make handout materials available to potential participants. Program applications are printed in several languages. In addition, DPSS has staff fluent in a variety of languages.

<sup>151</sup> This was a small survey, with 142 respondents, 26 of them from Los Angeles County. The fact that it was a phone survey means that it is likely that the least-well-off leavers were underrepresented, since they would be harder to find (because of housing instability, including residence in homeless shelters), and might not be able to afford regular phone service. Data Systems and Survey Design Bureau, "CalWORKs Leavers Survey: A Statewide Telephone Survey of Former CalWORKs Recipients," California Department of Social Services, Program Planning and Performance Division, Data Operations Branch, Sacramento, 2000.

<sup>152</sup> This Urban Institute Study, based on their pre-CalWORKs 1997 National Study of American Families, found that 39 percent of former recipients had "Experienced time in last year when not able to pay mortgage, rent, or utility bills," compared to 35 percent of current welfare recipients. Although 18 percent of leavers reported that it was "often true" that they "Worried that food would run out before got money to buy more," 23 percent of current recipients gave this response. The fact that welfare benefits in California are more generous than the national average, however, raises questions about the likelihood that local recipients face more hardships than leavers. Pamela J. Loprest and Sheila R. Zedlewski, "Current and Former Welfare Recipients: How Do They Differ?" Urban Institute, Washington, D.C., 1999.

<sup>153</sup> The study was based on the linking of records from the California Department of Social Services on welfare receipt and records on employment and earnings from the California Employment Development Department (EDD). Earnings were measured in the third quarter of 1999 for adults who had been aided for at least one month during 1998 or 1999, but were not aided in this particular quarter. This report shows a lower proportion of "employed" persons (52 percent) than does the previously-cited California leavers phone survey (61 percent). EDD tend to slightly underestimate both employment and earnings because they do not include the self-employed, a small number of additional categories of workers, and they do not, for obvious reasons, count informal or "under the table" employment. Research and Development Division, "Characteristics and Employment of Current and Former CalWORKs Recipients: What We Know from State Administrative Data," California Department of Social Services, Sacramento, 2000.

<sup>154</sup> The Washington study cited directly below found similar levels of Medicaid receipt—57 percent among children and 36 percent for adults—but much higher levels of Food Stamps receipt: 42 percent. This may represent a higher rate of success by Washington agencies in ensuring that eligible families receive Food Stamps, but it may also represent differences in Food Stamps eligibility between the states.

<sup>155</sup> This report was based on a telephone survey of 560 heads of single-parent families who left welfare between December 1997 and March 1998. Washington's "WorkFirst" program, its implementation of Federal TANF, was inaugurated in November 1997, two months before CalWORKs began. That the survey was conducted so soon after initial program implementation is a basis for exercising caution regarding the survey's

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findings. The findings, however, appear consistent with comparable surveys in other states. Management Reports and Data Analysis Division, "Washington's TANF Single Parent Families Shortly after Welfare: Survey of Families Which Exited TANF between December 1997 and March 1998," Program Research and Evaluation, DSHS Economic Services Administration, Olympia, Washington, 1998.

<sup>156</sup> In summarizing research on welfare leavers through mid-1999, staff of the National Conference of State Legislatures (NCSL) observe that "Most recipients who leave welfare are finding jobs. ...[B]etween 50-70% are currently employed or have work earnings." They note, however, that "Most of the jobs pay between \$5.50 and \$7.00 per hour, higher than the minimum wage, but not enough to raise a family out of poverty." In a more recent article, NCSL reports that "Some state surveys found that the median income of newly working families is close to the poverty level, so that about half of the families earn less and about half earn more." This calculation leaves out non-workers, and "about half of this group do not have regular cash income." A recent GAO report bringing together several leavers' studies noted that 57 percent of Oklahoma families surveyed fell below the poverty line, and Indiana families appeared to be faring similarly. A Wisconsin study looked at poverty by family size, finding that "While 35 percent of the families with one child and 24 percent of the families with two children had earnings above the poverty level, only 11 percent of the families with three or more children did" (p. 20). These states all have lower benefits levels than California, and California's relatively generous earned income disregards may mean that California welfare families leave CalWORKs at a higher income level than do families from other states. This remains to be demonstrated. GAO, "Welfare Reform: Information on Former Recipients' Status," Government Accounting Office, Washington, D.C., 1999; Jack Tweedie, Dana Reichert, and Matthew O'Connor, "Tracking Recipients after They Leave Welfare," National Conference of State Legislatures, Washington, D.C., 1999; Jack Tweedie, "From D.C. to Des Moines--The Progress of Welfare Reform," *State Legislatures*, April 2001.

<sup>157</sup> Technically, the 39 percent whose cases were discontinued because they did not submit their CW-7 form and the 7 percent that DPSS was unable to locate have made themselves temporarily ineligible, but our meaning is that these families were not *otherwise* ineligible; the families had not exceeded income or resource limits or no longer included eligible children.

<sup>158</sup> Henry E. Brady and Barbara West Snow, *Data Systems and Statistical Requirements for the Personal Responsibility and Work Opportunity Act of 1996* (Web Version) (HTML), University of California Data Archive and Technical Assistance [UC DATA]], December 10, 1996, cited December 24, 1998, available from [http://ucdata.berkeley.edu/new\\_web/pubs/NAS1196.html](http://ucdata.berkeley.edu/new_web/pubs/NAS1196.html). Also, as Besharaov, Germanis, and Rossi note, administrative records "may be inaccurate, particularly those that are unnecessary for determining program eligibility or benefit amounts. In addition, they may not be available for some outcomes or may cover only part of the population being studied." Douglas J. Besharov, Peter Germanis, and Peter H. Rossi, *Evaluating Welfare Reform: A Guide for Scholars and Practitioners* (PDF), University of Maryland, 1997, cited September 8, 1999, available from <http://www.welfareacademy.org/pubs/ewr/ewr.pdf>.

<sup>159</sup> Martha R. Burt, et al., *Homelessness Programs and the People They Serve: Findings of the National Survey of Homeless Assistance Providers and Clients*, Urban Institute, Washington, D.C., 1999, <http://www.urban.org/housing/homeless/homeless.html> (Accessed February 25, 2000).