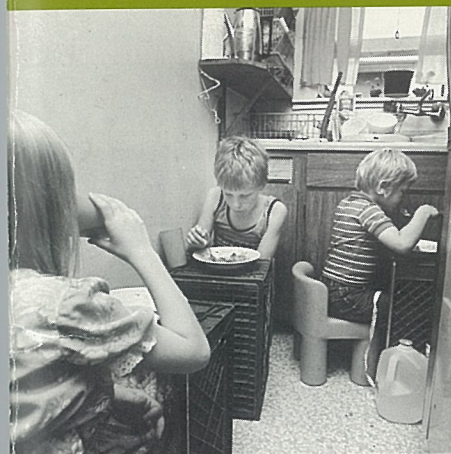




SOCIAL WELFARE AT A CROSSROADS

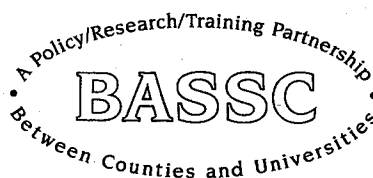
A National, Statewide and Local Look at Poverty and Public Assistance



The countdown has begun. California must now decide how national welfare reform should be implemented. What will this mean for the Bay Area? Who is being helped, why do they need help, how do existing programs serve them, and what should be changed? This sourcebook offers a clear picture of poverty, opportunity and public assistance—nationally, statewide, and locally—designed to help citizens and policymakers alike understand our choices.

SOCIAL WELFARE AT A CROSSROADS

A National, Statewide and Local Look at Poverty and Public Assistance



BAY AREA SOCIAL SERVICES CONSORTIUM

- 1997 -

The **Social Welfare at a Crossroads** sourcebook is a project of Public Media Center

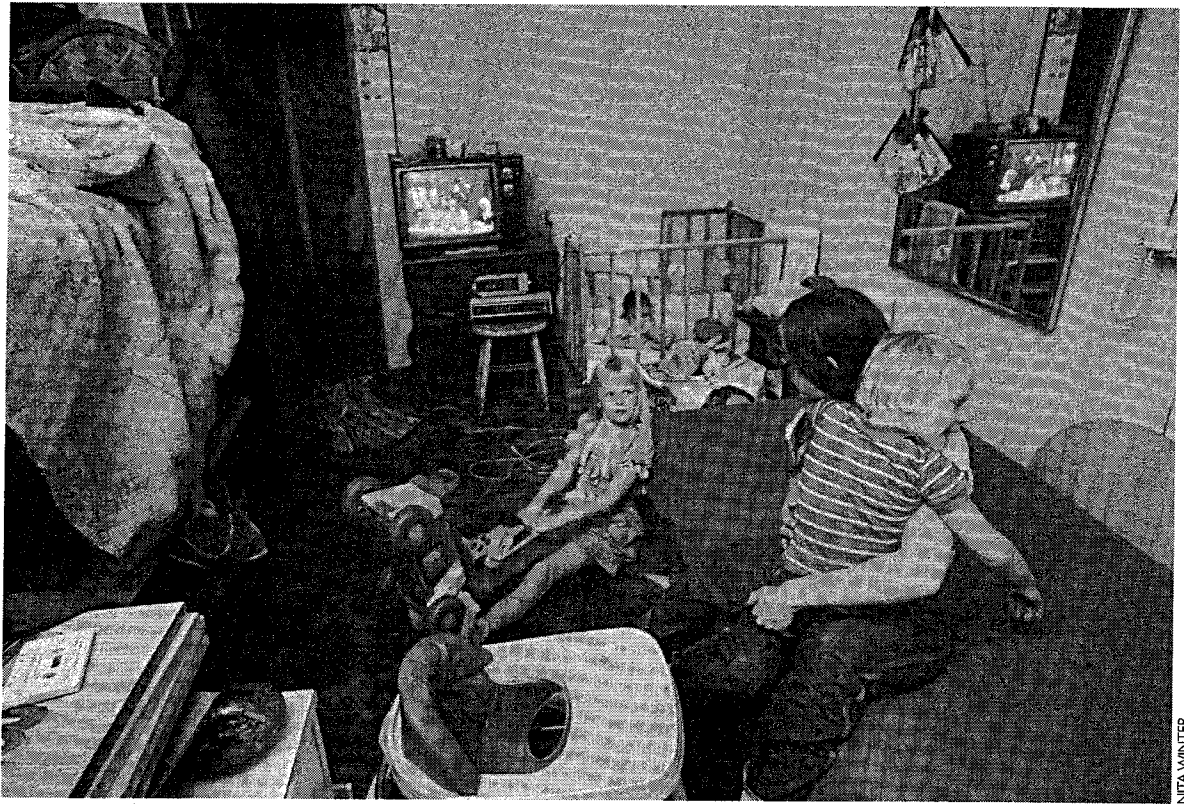


NITA WINTER

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NITA WINTER

PREFACE

This sourcebook was produced by the Bay Area Social Services Consortium (BASSC) with the assistance of the Public Media Center and the support of the Zellerbach Family Fund and the California Wellness Foundation. As California plans and implements welfare reform, the state's policy makers and residents must be well informed about what we are leaving behind and the critical choices we must make.

The sourcebook includes a comprehensive overview of public assistance programs in the United States, California and the greater San Francisco Bay Area counties before the August 1996 passage of federal welfare reform legislation, information that can become the baseline for designing and evaluating new programs and policies. Also, to put the evolution of our economic and social welfare programs in context, this sourcebook summarizes the demographic and social trends that affect how social services are provided, and portrays real families that have been assisted by social welfare programs. Our hope is that increased public understanding of these programs and their effect on California and the Bay Area will lead to greater public involvement in decision-making about social policies and programs.

BASSC was founded in 1987 as a research, training and policy development partnership between Bay Area county social services agencies and university graduate schools of social work. BASSC current members include: Alameda County Social Services Agency, City and County of San Francisco, Dept. of Human Services, Contra Costa County Social Services Department, Humboldt County Social Services Department, Marin County Health and Human Services Department, Monterey County Social Services Department, Napa

County Health and Human Services Agency, San Benito County Human Services Agency, San Mateo County Human Services Agency, Santa Clara County Social Services Agency, Santa Cruz County Human Resources Agency, Stanislaus County Department of Social Services, Solano County Health and Welfare Department, Sonoma County Human Services Agency, California State University, Sacramento, School of Social Work, San Francisco State University School of Social Work, San Jose State University College of Social Work, University of California, Berkeley, School of Social Welfare, Zellerbach Family Fund, and Van Loben Sels Foundation.

The staff at the University of California School of Social Welfare that compiled this sourcebook include: Maria Martin (*Project Coordinator*), Bronwyn de Figueiredo, Sarah Carnochan, Rachel Ratner, Ann Banchoff, and Niaz Murtaza, along with the assistance of Dr. Rikki Baum, Dr. Jill Duerr Berrick, and Professor Michael J. Austin, BASSC Consultant.

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NITA WINTER

I. ENDING WELFARE AS WE KNOW IT:

The Impact of "Welfare Reform" on the Bay Area.

In August 1996, the U.S. Congress and President Clinton instituted legislation that changes the way social welfare benefits will be provided to the poor in America. The passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 eliminates the guarantee of cash assistance to needy families with children that has been in existence for six decades, and replaces it with block grants to the states and stricter eligibility requirements on cash assistance and other social programs. At the same time, the new legislation gives states broader leeway in designing social programs. What this means for California and the San Francisco Bay Area is that no later than July 1, 1997, social services providers, families and individuals who need assistance, and the larger community will be operating in a new environment—one that offers the potential for exciting changes but also the risk of significant harm to vulnerable people, particularly our children, as well as to the quality of life for our communities overall.

In California, 2.7 million people who receive Aid to Families with Dependent Children (AFDC), 1.9 million of them children, will be directly affected by the replacement of AFDC with time-limited programs that contain stricter eligibility requirements. In the greater San Francisco Bay Area, the change affects more than 323,000 individuals, about 223,000 of them children.

Statewide, more than 400,000 legal immigrants will feel the effects of legislation limiting their ability to receive federal benefits including Food Stamps, Medicaid and Supplemental Security Income (SSI). Of those whose SSI benefits are in jeopardy, more than 61,000 reside in Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara, and Santa Cruz counties.

Communities also may feel the impact of reduced federal spending for social programs since states may choose to reduce spending to 80% of current levels. In 1994, about \$3.4 billion in federal AFDC funds flowed into California, and the nine counties of the greater San Francisco Bay Area received \$455 million in federal AFDC funds. In addition, changes in eligibility requirements for federal programs will have a direct impact on county budgets. Under current state law, county governments are expected to provide cash assistance to indigent individuals who do not qualify for federal government assistance. Counties' share of AFDC funding tends to be small today—typically less than 1% of a county's total budget, and SSI costs are borne by state and federal governments. Counties fear they soon will have to pick up the costs of

providing assistance to families that no longer qualify for AFDC and SSI. These fears have already prompted county supervisors to call for the modification of the state law mandating counties to provide such support through the General Assistance Program and for the state to step in to help provide such assistance. County hospitals and medical programs potentially could be even more severely affected as people who lose AFDC and SSI benefits may also lose MediCal coverage, unless the state chooses to continue that coverage.

The impact of welfare reform on individuals, families and our communities is potentially enormous. As we move forward with planning and implementing welfare reform in California, we must be well-informed about what we are leaving behind and the implications of the various directions we might take.

This sourcebook provides a comprehensive overview of public assistance programs in the United States, California and the greater San Francisco Bay Area counties before passage of the August 1996 legislation, useful baseline information for designing and evaluating new programs and policies. Also, to put the evolution of our social welfare programs in context, this sourcebook summarizes the demographic and social trends that affect how social services are provided, and portrays real families that have been assisted by social welfare programs.

Armed with a thorough understanding of where we have been, we must then consider where we will go. The debate on how to implement welfare reform in California will center on two issues: 1) how much uniformity should be mandated by the state versus counties or regions being allowed to plan their own programs to meet local needs; and 2) how to address the significant challenges of poverty and the needs of the poor in an era of shrinking resources.

State vs. Local Planning

State and local policymakers and administrators agree that there is room for improvement in how social welfare benefits and services have been provided. County social services administrators believe there are possibilities for real change inherent in the new federal

legislation, but they also fear that under welfare reform, rigid federal rules will be supplanted by equally rigid state regulations.

County administrators hope the new federal legislation will instead let them eliminate rigid rules so they can design innovative programs that meet local needs. Given the opportunity in the past to develop such programs, they instituted community-focused, outcome-oriented solutions such as the following:

- In Santa Clara County special "homerooms" have been established at the local community colleges and adult education centers to assist AFDC recipients in overcoming barriers to employment and in completing their education. Special services have been developed to meet the needs of the county's diverse population, targeting groups such as farm workers, refugees, and battered women. And county hiring procedures have been modified so that certain entry level jobs can be filled by AFDC recipients who are looking for work.
- In Santa Cruz County, the Human Resources Agency has been operating a pilot program, Self-Sufficiency, for new AFDC applicants, an approach that emphasizes immediate involvement in job preparation workshops. After the first six months, over 75% of participants had gone to work, and almost 50% were no longer on AFDC. Because of the success of this effort, the state recently awarded Santa Cruz County a grant to conduct a welfare to work project to be coordinated by the Santa Cruz Business Council. The county has also been operating Families in Transition, a highly successful program in which homeless families with children receive intensive services to secure housing, child care, job services, and employment.
- San Mateo County has involved over 300 community members, business leaders, and service providers in the design of the SUCCESS Project, a comprehensive new system for providing social services in the county. This new system focuses on promoting self-sufficiency by: 1) emphasizing work first; 2) developing a coordinated service delivery system that can be accessed through schools, community centers and other community-based organizations as well as county offices; and 3) involving client families and service providers in identifying mutual responsibilities

and following through on a plan of action. This ambitious pilot project design has been approved by the Board of Supervisors and is now in the implementation-planning phase.

Local social welfare administrators clearly want to institute more effective programs. It remains to be seen to what extent the new legislation will allow them to do so.

Expanding Challenges and Shrinking Resources

Despite the criticisms of pre-reform social welfare programs, many believe the former system succeeded at what it intended to do—provide a guaranteed safety net to support needy individuals, especially children, at a minimum level for survival. However, today's emphasis on decreasing those same populations' dependence on welfare and promoting their self-sufficiency will require a multi-dimensional approach that attempts to address the many challenges underlying poverty and "dependency." These challenges include:

- **Providing remedial education and job skills training** — Forty-four percent of adult AFDC recipients have not completed high school, greatly diminishing their chances of getting off of assistance quickly. About half the adult AFDC recipients with a high school diploma remain on AFDC for more than two years, compared to three-quarters of those with an eighth-grade education or less. Lack of work experience also limits opportunities for self-sufficiency. Forty percent of California women receiving AFDC have not held a job for more than four years. Another 12% have no work experience at all. Half the AFDC recipients with recent work experience remain on AFDC for more than two years, compared to two-thirds of those without recent work experience.

- **Addressing economic development and fluctuations in job market** — Almost a fifth of women receiving AFDC first began doing so because their wages were reduced or they lost their jobs. In 1995, the greater Bay Area had slightly more than three million jobs and about 250,000 more are expected to be created by the year 2000 (the majority in the service or retail sectors). Unemployment rates by county

HOW IS POVERTY DEFINED?

The Federal government's official poverty measure, the "poverty line," is based on household size and specifies the income necessary to meet minimally adequate levels of food consumption. In 1996, the poverty line ranged from:

- \$7,740 for a single person
- \$12,980 for a family of 3
- \$15,600 for a family of 4.

By contrast, the median household income in 1995 was \$32,264.

Poverty declined significantly in the 1970's, from 22.2% of the U.S. population in 1960 to 11.7% in 1979. Poverty rates began rising again in the 1980's, peaking at 15.2% in 1982, and remaining at 13%-14% since then.

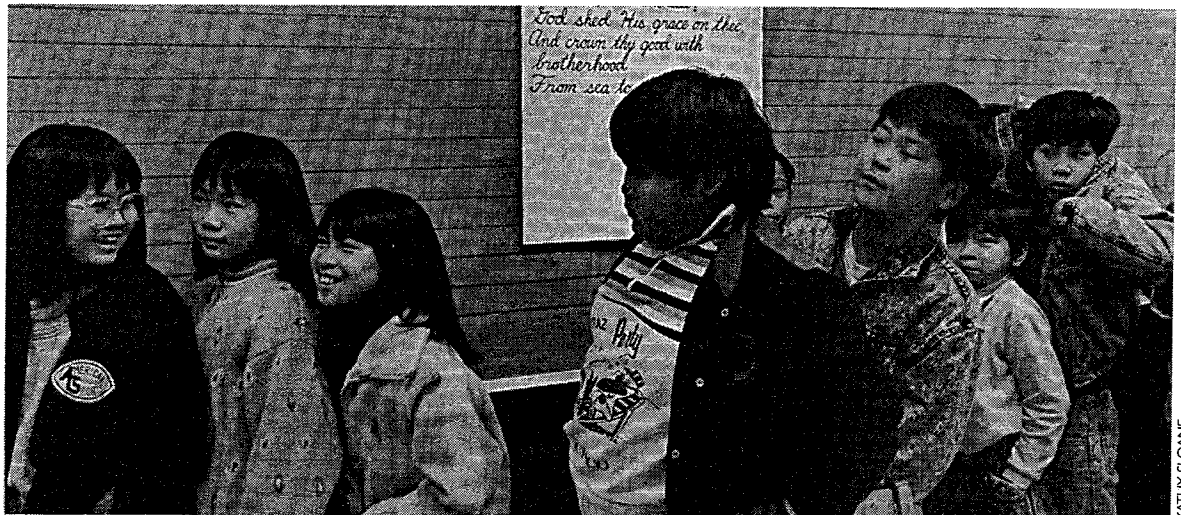
range from 3.4% to 6.4%, representing about 160,000 individuals who are currently looking for work. If all adult AFDC recipients were removed from the rolls and expected to find work, they would constitute another 100,000 Bay Area job-seekers.

- **Ensuring basic health care** — About 20% of AFDC households in California include children with chronic health problems. If all working women had health coverage, the welfare caseload would drop by an estimated 16%.

- **Providing affordable child care** — Forty-three percent of California children receiving AFDC are five years old or younger. The annual take-home pay from a minimum wage job is below \$9,000; nationally the average annual child care cost for one child is \$3,600 and in the Bay Area it is much higher (a median of \$8,840 in Alameda County, for example.) Over 200,000 poor California children are already on a waiting list for subsidized child care.

- **Protecting children in families where parents are unable or unwilling to meet work requirements** — Safeguards need to be in place to ensure the health, safety, and well-being of their children.

- **Enforcing child support payments** — Among mothers who have never married, only 11% receive child support from the fathers of their children.



KATHY SLOANE

● *Reducing teen pregnancies* — The United States has the highest teen pregnancy rate of any industrialized nation. Almost half the adult AFDC recipients had their first children as teenagers.

● *Providing services to address undiagnosed mental health and substance abuse issues that may pose barriers to employment.*

Addressing these challenges represents a departure from past social welfare programs—a movement away from policy making focused primarily on minimizing costs and toward policy making based on achieving outcomes. Implicit in such an approach is the need to develop flexible systems that allow services to be tailored to various populations, be they families who need specific supports such as child care to stay in the labor market, those who need their skills upgraded in order to earn a living wage, or those who are not able to be competitive in the job market due to the sorts of barriers discussed above.

These changes will require a significant short-term financial investment with the promise of reduced long-term societal costs. For example, a conservative analysis of the widely-publicized Wisconsin Works (W-2) program, the first comprehensive state plan to abolish AFDC, predicts it will cost at least \$100 million more annually than the AFDC program it replaces because of the expanded requirements for child care, job centers, and subsidized employment. There must also be job creation activities to insure such an investment will result in widespread employment

among AFDC recipients. Researchers at the University of Wisconsin predict that in their state, for example, approximately 70,000 AFDC recipients will be competing with 125,000 other potential workers for a statewide pool of only about 85,000 available jobs.

A comprehensive approach to providing social welfare programs means not just meeting the survival needs of the poor, but also addressing poverty itself. Californians, with their median income of \$48,755, which is 51% higher than the median income nationwide, are well-off compared to their fellow Americans. Still, four million Californians live in poverty. In the greater Bay Area counties, median incomes range from \$51,504 to \$86,800, yet half a million Bay Area residents are poor. Resolving how one of the richest regions in the world will choose to respond to its neediest residents presents a challenge to communities as well as to social services administrators. More than ever, government agencies and a wide range of community members will have to share the responsibility for creating effective economic and social welfare programs, be they safety nets for our most vulnerable populations or creating economic opportunities to help reduce the numbers of people in our communities who live in poverty.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996: In August 1996, the federal government enacted legislation that will fundamentally change social welfare programs that have been in existence for 60 years. These changes will directly affect most of the 13 million people who receive AFDC. Two-thirds of those affected are children. In California, welfare reform will affect about 2.7 million AFDC recipients, 1.9 million of them children. Stricter eligibility requirements for Food Stamps and Supplemental Security Income (SSI) will significantly reduce the number of people receiving those benefits. Currently, 25 million people (three million of them Californians) receive Food Stamps and six million (including one million Californians) receive SSI. Much of the impact of this legislation will be felt by legal immigrants who will no longer be eligible for most federal welfare benefits. Seventy-five percent of the \$55 billion in savings projected over the next six years is attributable to cuts in benefits to legal immigrants. About 40% of the legal immigrants who now receive federal welfare benefits live in California.

The following is a summary of the major components of the federal legislation:

Temporary Assistance for Needy Families (TANF) Block Grants

- Aid to Families with Dependent Children (AFDC), the federal guarantee of cash assistance to needy families with children, will be eliminated, as will the JOBS (in California called GAIN) employment and training programs. States, with new authority to design their own welfare and work programs, have until July 1, 1997, to submit plans for those programs.
- States will receive federal funding for assistance to families in the form of block grants. States may use up to 30% of their block grant funds for non-cash assistance such as child care and social services.
- The federal government will maintain a \$2 billion contingency fund for fiscal years 1997-2001 for states experiencing economic downturns—unemployment rates of 6.5% or higher or a 10% increase in Food Stamp program participation.

- The five states that document the greatest reduction in out-of-wedlock births without increased abortions each will receive an additional \$20 million annually.

- Adults in families receiving assistance will be expected to go to work within two years or lose that assistance; adult recipients must participate in community service after two months of assistance if they are not employed. States may choose to opt out of this requirement, but they must maintain minimum work participation rates for single-parent families, which increase from 25% in 1997 to 50% in 2002 and beyond. The work requirements for two-parent families are higher — 75% in 1997 and 90% by 1999.

- Benefits will be limited to five years, although states can set stricter requirements. States may exempt up to 20% of recipients from this requirement due to hardship. States also may provide vouchers rather than cash assistance after five years. It is unclear how time limits will be enforced, since there are no systems in place to track length of receipt of benefits, particularly across state borders.

- Unmarried teen parents must attend school and live in an approved, adult-supervised setting in order to receive benefits. States may choose to deny all benefits to unmarried teen parents and their children.
- States may reduce a family's assistance by 25% or terminate the assistance entirely if a parent does not cooperate in establishing a child's paternity.
- Benefits will be denied to any individual convicted of felony drug possession, use or distribution. States may opt out of this provision by passing their own legislation.
- States have the option of denying assistance to additional children born or conceived while the parent is receiving assistance.
- States may require school attendance by all parents who have not completed high school.
- States that have already received waivers for welfare reform experiments or demonstration projects may continue those programs, even if they conflict with the new legislation. As of mid-August 1996, the Clinton administration had granted more than 40 waivers for such projects.

Supplemental Security Income

- Stricter eligibility standards will be enacted for disabled children and youth, and current beneficiaries found ineligible will lose their benefits after July 1, 1997. An estimated 300,000 children and youth are expected to be affected.
- Legal immigrants no longer are eligible for SSI, with some exceptions such as refugees in the U.S. less than five years, and immigrants who have served in the U.S. military.

Medicaid

- People eligible for Medicaid as of July 16, 1996, will continue to be eligible, but states have the option of denying Medicaid to adults who have been denied cash assistance because they refused to work.
- States will have the option of denying coverage to legal immigrants. New immigrants will be automatically barred for five years after entry into the county, but states may choose to provide coverage afterward. States also may choose to provide coverage to legal

immigrants who lose Medicaid benefits as a result of losing SSI benefits.

- States must continue to provide emergency medical services to both legal and illegal immigrants.

Food Stamps

- Legal immigrants no longer are eligible for Food Stamps, with some exceptions such as refugees who have been in the U.S. less than five years, and immigrants who have served in the U.S. military.
- Unemployed, non-disabled adults without dependents are eligible for Food Stamps for only three months in any 36-month period, unless participating in a qualified work program.

Social Services Block Grant (SSBG)

- This block grant will be reduced by 15% from the fiscal year 1995 level.
- States can use these funds for vouchers to families denied cash assistance due to a family cap or the five-year time limit on benefits.

II. SOCIAL WELFARE PROGRAMS IN THE U.S.

A Brief History of Welfare Programs — Most of our current welfare programs were developed in the 1930s or are descendants of programs created during that time. Many followed President Franklin D. Roosevelt's call for "some safeguards against misfortunes which cannot be wholly eliminated in this man-made world." The following timeline traces the evolution of the modern social welfare system.

1935 — Social Security Act established to provide:

- Old Age Insurance (known today as Social Security)
- Unemployment insurance
- Old Age Assistance (today called SSI, for the elderly poor)
- Aid to Dependent Children (today called AFDC, Aid to Families with Dependent Children)

1939 — Food Stamp Program began as experiment but was discontinued in 1943 when World War II resulted in scarcity of food.

1950 — Social Security Act amended to:

- Expand AFDC to include the parents or guardians of dependent children
- Add a new category of public assistance, Aid to the Permanently and Totally Disabled.

1961 — AFDC expanded to include needy two-parent families whose heads of household were unemployed and had exhausted their unemployment benefits.

1964 — Food Stamp Act provided coupons to low-income persons to be redeemed for food in grocery stores.

1965 — Social Security Act amended to include:

- Medicare which extended health care coverage to most Americans over 65

- Medicaid which provides medical and hospital services to low-income individuals, supplemental insurance for Medicare recipients, and long-term care for elderly and disabled.

1972 — Social Security Act amended to include Supplemental Security Income (SSI) combining services provided under Old Age Assistance, Aid to Blind, and Aid to Permanently and Totally Disabled into one federal public assistance program serving low-income elderly, disabled, and blind individuals.

1988 — Family Support Act included creation of JOBS (Job Opportunities and Basic Skills Program) which was intended to help AFDC recipients avoid long-term welfare dependence by providing job training and education to improve employability. However, participation in JOBS has been limited, due to limited federal funding.

1992-1996 — Welfare Reform Experiments — Federal waivers have permitted many states to experiment with welfare reform by cutting or capping benefits, limiting the time households or individuals may receive benefits, limiting benefits for teen parents, and increasing the amount of earned income families can keep.

1996 — Personal Responsibility and Work Opportunity Reconciliation Act signed into law in August 1996, fundamentally changes several welfare programs:

- Eliminates the federal guarantee of cash benefits to poor families with dependents
- Gives states broader leeway in designing their own welfare and work programs

- Eliminates most federal welfare benefits to legal immigrants
- Reduces food stamp benefits to single, unemployed people
- Institutes stricter SSI eligibility requirements for disabled children

The Economics of Federal Social Welfare Programs

Prior to the federal welfare reform of 1996, four major federal “means-tested” programs existed to help low-income families with children: AFDC, Food Stamps, Medicaid and SSI. The two major programs assisting the elderly are Social Security and Medicare (about 25% of SSI recipients and 12% of Medicaid recipients also are elderly.)

In 1995, more than 35 million Americans received assistance from at least one of the four means-tested programs at an annual federal cost of about \$168 billion. Medicaid, providing health care for more than 35 million families, elderly, and disabled, cost the most and accounted for \$96.2 billion of this spending. AFDC, providing cash benefits, job training, and child care to 14 million low-income families with children, cost the least at \$17.3 billion. The Food Stamp program (\$27 billion, serving 25 million people annually) and SSI program (\$27.5 billion, serving six million people annually) accounted for the remainder of the spending. Overall, spending in these four programs accounted for 12% of the federal budget.

The federal welfare reform legislation enacted in 1996 attempts to reduce these expenditures by \$55 billion over the next six years, primarily by eliminating benefits to legal immigrants and reducing food stamp benefits. However, since spending for means-tested programs accounts for such a small portion of the federal budget, the overall impact on the budget will be minimal.

Historically, children have comprised the largest group of recipients of AFDC, Food

Stamps and Medicaid. However, the elderly and disabled account for the majority of total spending for social welfare programs.

Frequently Asked Questions About Social Welfare

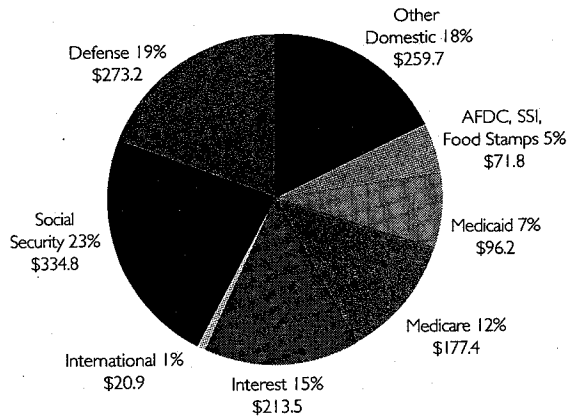
What percentage of the federal budget are these programs costing?

Often we hear that welfare programs comprise over \$600 billion per year, or more than 40% of the federal budget. However, the largest part of this, accounting for 35% of the total budget and 75% of total social welfare spending, goes to Social Security and Medicare, which most workers pay into so they may receive benefits at retirement. The programs traditionally thought of as “welfare” cost much less. Medicaid, which provides health care to low-income individuals, is 7% of the federal budget. The combined cost of AFDC, Food Stamps, and SSI, represents 5% of the federal budget and only 11% of total social welfare spending. AFDC, the program most frequently cited as a financial drain on society, is only 1% of the federal budget and only 3% of total social welfare spending.

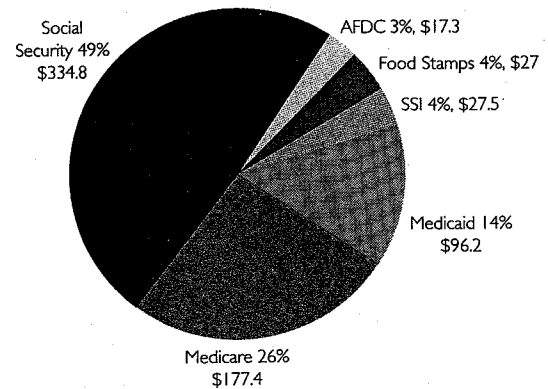
How long are people staying on these welfare programs?

Most people receive public assistance for a relatively short period of time. For individuals who began receiving benefits between 1990 and 1992, the median length of time they received AFDC was 10 months, with 53% receiving benefits for less than two years.

Total Federal Expenditures, 1995
(in billions of dollars)



Federal Social Welfare Spending, 1995
(in billions of dollars)



The median length of time for receiving food stamps was 9 months, and for Medicaid was 11 months. SSI recipients tend to receive benefits for longer periods of time because benefits are awarded due to disabilities which are expected to last a long time or to low-income elderly who are not likely to have an increase in income. About 45% of recipients with disabilities are on SSI for more than five years.

Are there many people receiving public assistance who don't really qualify for it?

In order to receive benefits, applicants generally must have an income which places them at or below the poverty threshold (\$15,600 for a family of four in 1996), and have less than \$2,000 in assets (\$1,000 for AFDC applicants). All of these programs require significant documentation regarding assets and income in order to meet the financial eligibility requirements. AFDC recipients for example, must provide up to 21 supporting documents such as social security numbers, birth certificates, rent receipts, and checking account statements to show that they are eligible. In order to receive SSI, a disabled person must go through a rigorous disability determination process in addition to meeting financial requirements. Households are reviewed at least once per year to ensure that they continue to meet these standards.

Are many of these benefits going to illegal immigrants?

Undocumented immigrants are not eligible for SSI, Food Stamps, or AFDC. Generally, they may receive only emergency medical services under Medicaid, although some states also provide other medical services such as prenatal care. Children born in the United States to undocumented immigrants may receive benefits, but only for themselves, not for undocumented family members. Legal immigrants and refugees are eligible for some programs. Currently, less than 14% of all cash, health, food and housing benefits provided are given to immigrants and refugees.

Couldn't these programs be eliminated if people would just get jobs?

For many participants, these programs are a temporary support while they are between jobs. Others are working, but qualify for benefits because their income remains low. Most are actively trying to improve their situation so they do not have to rely on these programs. The elderly and disabled account for the majority of total spending for social welfare programs. Children comprise the largest group of recipients of AFDC, food stamps, and Medicaid. Public assistance programs were designed to provide a safety net for these vulnerable groups, so that they could have a minimum level of income, nutrition, and health care.

**How much do people receive
in these benefits each month?**

Most programs allow individuals or households to receive only enough benefits to keep them at or slightly above the poverty threshold. Although benefits vary from state to state, the average monthly AFDC benefit in 1993 was \$377. The maximum food stamp benefit for a family of four is \$386, and the maximum federal SSI benefit is \$470 per month, with states adding an average supplement of \$55 per month.

III. MEDICAID

Health Care Program for the Medically Needy

Medicaid, a federal and state-financed health insurance program, was authorized in 1965 under Title XIX of the Social Security Act to pay for health care primarily for welfare recipients. It has evolved to cover more people and more services, and now is a key funder of health insurance for low-income families with children, supplementary insurance for Medicare beneficiaries, and long-term care for elderly and disabled people. Medicaid finances 13% of all health care spending in the United States and provides care for 14% of Americans, including one in four American children. Medicaid pays for more than half of all nursing home care in America. Since its inception, Medicaid has consistently been shown to improve recipients' health. Preventive services are particularly effective. Every \$1 invested in prenatal care saves \$3 in a child's first year of life by preventing low birth weight and expensive hospitalization. And every \$1 spent on immunizations saves \$10 to \$14 in future medical costs.

Who is covered by Medicaid?

Medicaid originally was available only to people who were eligible for cash assistance through Aid to Families With Dependent Children (AFDC) or Supplementary Security Income (SSI). Over time, however, coverage has expanded to other medically needy people who are not eligible for cash assistance. Medicaid now serves more than 36 million people in three broad categories:

- Low-income families: 73% of Medicaid recipients, but only 28% of annual Medicaid spending
- Low-income elderly: 12% of Medicaid recipients; 28% of annual Medicaid spending.
- Non-elderly blind and disabled: 15% of Medicaid recipients; 31% of annual Medicaid spending.

Payments to hospitals that serve disproportionate numbers of the poor account for the remaining 12% of Medicaid spending.

Because of their high use of costly acute and long-term care services, the elderly and the disabled together account for the majority (59%) of Medicaid spending.

Although Medicaid eligibility was expanded in the 1980s, it covers only 58% of poor Americans. Many low-income individuals and families are ineligible for Medicaid and have no form of health insurance.

45% percent of Medicaid recipients are Caucasian, 25% are African American and 17% are Latino. Recipients are both U.S. citizens and legal immigrants. Under the Personal Responsibility and Work Opportunities Reconciliation Act of 1996, however, states have the option of denying coverage to

legal immigrants. States must continue to provide emergency medical services to both legal and illegal immigrants.

What services does Medicaid provide?

Medicaid reimburses physicians, hospitals and nursing homes for authorized care; it does not pay individuals or families directly. The federal government mandates certain services such as inpatient and outpatient hospital care, nursing home and home health care, family planning, early periodic screening, diagnosis and treatment (EPSDT) for children. States can choose to provide other services such as prescription drugs, hearing aids, clinic services and intermediate care facilities for the mentally retarded.

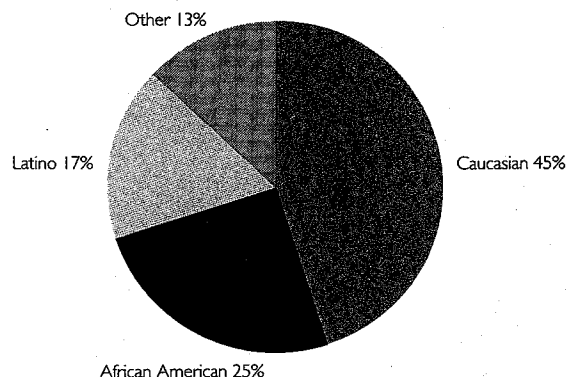
"I really needed to take (my daughter) to the doctor and my dad's health plan had ended. I was 19 and my mother told me to go get on welfare. I knew there was such a thing as welfare, but I didn't know where you went or who was supposed to get it. It wasn't something I wanted to do, but I really didn't have any choice. I tried to govern how many hours I worked and how much money I was making so I could stay on the Medicaid. For a good two years I was balancing, well, if I'm making \$6 an hour I can work 20 hours a week. And so if it was only \$50 I got from AFDC then it was only \$50. That didn't bother me. I was on it for the Medicaid."

— Sandy, Medicaid recipient

What does Medicaid cost and how is it funded?

Medicaid is jointly funded by the federal government and the states. Because states have the option of providing additional services and covering additional people, above and beyond the federal minimum standard guidelines, Medicaid costs vary widely among states. States receive federal funding to cover payments to health care providers based on their per capita income and spending on services, so their federal funding also varies, ranging from 50% to 83% of total payments to providers. In

Medicaid Recipients



addition, the federal government funds 50% of each state's administrative costs.

In 1994, total Medicaid spending was \$143.8 billion, \$82 billion (or 57%) of which was paid by the federal government and \$61.8 billion (or 43%) by the states.

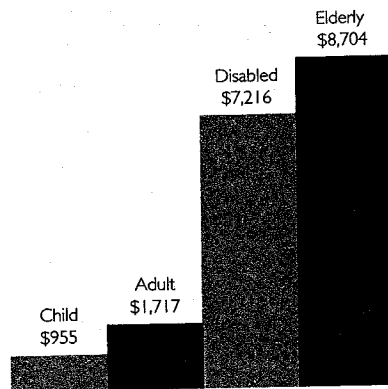
In 1993, Medicaid spent an average of \$955 annually for each low-income child covered, \$1,717 for each low-income adult under 65, \$7,216 for each disabled person, and \$8,704 for each elderly beneficiary. The largest Medicaid payments to vendors go to hospitals and nursing homes. In 1993, of all vendor payments, nursing homes received 34% and hospitals 27%. The remaining payments went to private physicians, clinics, labs, pharmacies, and so on.

What are important trends in Medicaid?

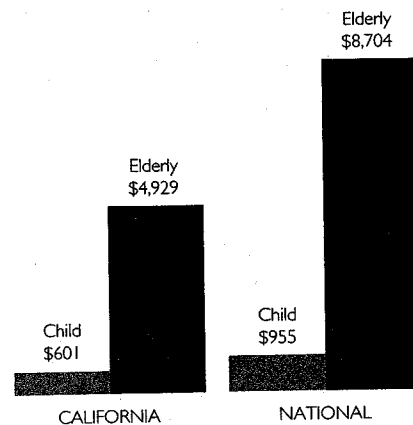
Medicaid enrollment has increased dramatically in recent years, a result of increasing numbers of the elderly and federally mandated expansion of coverage to low-income children and pregnant women. Total recipients increased from 10 million in 1967 to 36.2 million in 1995. The number of dependent children covered increased from 9.8 million in 1985 to 17.6 million in 1995.

Medicaid expenditures also have escalated. Spending tripled in less than a decade, growing from \$35 billion in 1984 to \$144 billion in

**Federal Medicaid Spending
Per Individual in 1993**



**Medicaid Spending
California vs. National**



1994. A recent analysis showed that 38% of the growth in that period was due to increased numbers of beneficiaries; general medical price inflation accounted for 24%; and payments to hospitals that serve a high proportion of low-income people accounted for 22%.

To reduce costs and coordinate service delivery, states increasingly are moving away from physician and hospital fee-for-service arrangements and instituting managed care through health maintenance organizations. In 1993, less than 1% of the Medicaid population was enrolled in managed care programs. By 1994, almost 8% were enrolled, and this figure is expected to keep rising.

How does Medicaid in California compare to the rest of the United States?

California's Medicaid program is known as Medi-Cal. Total Medi-Cal spending in 1994 was \$17.5 billion, about 12% of all Medicaid spending nationwide. Of this total, half was funded by the federal government and half by the state.

- California has a higher percentage of uninsured residents (19%) than the U.S. average (16%).
- 17% of California's population receive Medi-Cal; 13% of the U.S. population receive Medicaid.
- The growth of California's average annual

Medi-Cal spending parallels nationwide Medicaid spending, but the number of beneficiaries has grown more slowly (5.6% in California vs. 8.1% overall between 1988 and 1993).

- California spends less money per Medi-Cal enrollee—across all eligibility groups—than the United States average (\$601 per child in California vs. \$955 nationwide; \$4,929 per elderly person in California vs. \$8,704 nationwide).
- California spends a larger percentage of its Medi-Cal dollars on acute care and health maintenance organizations (HMOs) (62% vs. 50% nationwide) and a smaller percentage on long-term care (17% versus 35% nationwide).

IV. SSI

Supplemental Security Income for the Elderly, Blind and Disabled

The federal Supplementary Security Income Program (SSI), established in 1972 through an amendment to the Social Security Act, replaced more than 1,300 state and local programs that were serving aged, blind or disabled people. Administered by the Social Security Administration, SSI is intended to provide these individuals with a nationally uniform, guaranteed, minimum income. Forty-two states also provide supplementary payments, administered by either the state or the Social Security Administration.

Who receives SSI?

In 1994, more than six million people, 2.5% of the U.S. population, received SSI. Fourteen percent of the recipients were children, and 23% were elderly.

Guidelines for SSI eligibility are set by the Social Security Administration (SSA). In order to receive SSI, individuals must be poor and either:

- Blind
- Disabled (unable to engage in substantial, gainful activity due to physical or mental impairment expected to result in death, or that has lasted or can be expected to last for at least 12 continuous months), or
- 65 or older

Recipients' assets cannot exceed \$2,000 (\$3,000 for a couple), not including their house, car, and a small life insurance or burial fund. The amount of income individuals may have and still qualify for SSI varies from state to state, but is usually close to the poverty threshold. Most individuals who reside in a public institution are not eligible.

"Supporting families in their effort to care for their child at home is more efficient, cost-effective and humane than maintaining children in out-of-home settings"

— Report from the National Academy of Social Insurance as reported in *The New York Times*, "Aid for Disabled Saves Money, Study Says," May 9, 1995

As of January 1, 1997, only U.S. citizens will be able to receive SSI. About 400,000 California SSI recipients — more than 60,000 of them in the Bay Area — are expected to lose their benefits as a result of this change in legislation.

For applicants applying due to a disability, State Disability Determination Services agencies, under contract with the SSA, assess individuals' functioning to see if they meet the federal disability standards. The individual's current work activity, education, age and work experience also are reviewed to evaluate the potential for rehabilitation. Disabled SSI recipients may be referred to vocational rehabilitation agencies for services to help them return to work. A 1992 study found that 22% of SSI recipients engaged in some work after they begin receiving benefits, although average earnings are less than half the pre-SSI level.

As of January 1997, people whose disability is based on alcoholism or drug addiction no longer will be eligible for SSI. Previously, they could

receive benefits if they were in a treatment program, and a guardian or payee received their check and managed their finances.

As of January 1995, 75% of SSI recipients were disabled, 23% were aged and 1% were blind. Among disabled SSI recipients, the primary causes of the disability are psychiatric illness (29%), mental retardation (29%) and diseases of the nervous system (11%). About a fourth of disabled SSI recipients remain on SSI for more than 10 years. About half of SSI recipients are Caucasian, 29% are African American, and the remainder are other races and ethnicities.

What does SSI provide?

SSI provides monthly cash benefits. Payment levels are adjusted annually to reflect changes in the cost of living. In 1996, the maximum federal payment to an individual with no other income was \$470 per month. States may supplement the federal payment. In 1994, the average supplement in states that provide such payments was \$55 per month.

Most SSI recipients also qualify for Medicaid and food stamps. In 31 states, including California, SSI recipients do not have to apply separately for Medicaid, but are considered eligible based on their qualifying for SSI. People currently are unable to receive both SSI and AFDC (Aid to Families with Dependent Children), nor will they be able to receive Transitional Assistance for Needy Families (TANF), which replaces AFDC in 1997. However, individuals within the same family may receive these benefits. For example, a mother may receive SSI while her child receives benefits under TANF. People who receive Social Security payments also may receive SSI if they meet the income and asset guidelines for SSI recipients.

What is the cost of the SSI program and how is it funded?

SSI costs in 1994 totaled \$30 billion. eighty-five percent of costs were federally funded, while 15% came from state funds, most of them administered by the SSA. Although SSA administers SSI, the payments come from general revenue funds, not from Social Security taxes or the Social Security trust fund.

"Our family has fought to make sure that Sarai [16-year-old with severe asthma and cerebral palsy] has the same opportunities that other children have...SSI has made this fight a success...Throughout her life she has needed special braces for her shoes and special braces for her legs, and specially designed shoes. The shoes and braces are very expensive and she's needed new shoes constantly and braces throughout the years as she grows...SSI helped us pay for Sarai's braces and shoes...When Sarai was growing up, she had difficulty swallowing and had to have special foods so she wouldn't choke. SSI helped pay for the special food she needs."

— Evelyn Sostra, Sarai's mother, in testimony before the National Commission on Childhood Disability

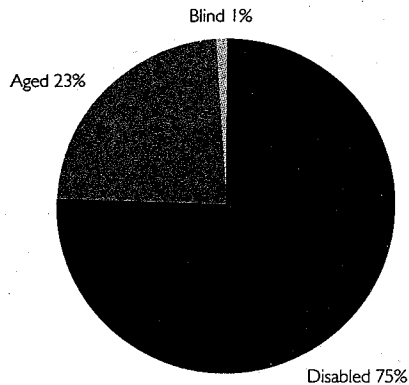
What are important trends in SSI?

SSI costs more than doubled between 1985 and 1994, and the number of recipients increased by 52%. Disabled children accounted for much of this growth, the result of 1990 changes in how disability is determined. Beginning that year, low-income children whose impairments substantially reduce their ability to grow, develop or mature physically, mentally or emotionally, thus limiting their activities, became eligible for SSI. Also, a 1990 Supreme Court ruling mandated outreach activities to these children. As a result, the number of children receiving SSI due to disability increased more than 243% between 1985 and 1994.

The Personal Responsibility and Work Opportunities Reconciliation Act of 1996 establishes a new, stricter definition of child disability, limiting benefits to children who meet set medical diagnoses. Assessments of a child's functioning are no longer considered for eligibility purposes. It is estimated that more than 300,000 children will be found ineligible and will lose their benefits after July 1, 1997.

The number of psychiatrically disabled adults receiving SSI also rose sharply between 1987 and 1993, accounting for 42% of the increase in adult disability cases. This is thought to be the result of expanded medical standards for determining mental impairments as mandated by the 1984 Disability Benefits Reform Act,

Recipients of SSI



outreach activities by the Social Security Administration, and the development of community-based mental health services that permit people with psychiatric disabilities to remain in the community rather than be institutionalized.

The number of elderly receiving SSI has declined, both in real numbers and as a percentage of the elderly population. In 1992, 53% of the poor elderly received SSI, down from 76% in 1975. Less than 7% of all U.S. elderly received SSI in 1994. In the past few years, more and more of the elderly receiving SSI have been legal immigrants. The 1996 reform legislation makes them ineligible for aid.

How does California's participation in SSI compare with the rest of the United States?

In 1994, California had more than a million SSI recipients receiving more than \$5 billion in annual payments. These accounted for 16% of all SSI recipients nationwide and were about 3% of the total California population. By comparison, Mississippi has the highest rate of participation, at 5.2% of its population, and New Hampshire has the lowest, at 0.8%.

The number of people receiving SSI in California has increased much more slowly than the rest of the nation. Between February 1988 and February 1994, the SSI caseload in California increased 31%, compared to a national increase of 40% in the same time

frame. In 1995, 2% of California SSI recipients qualified for aid due to disabilities based on alcohol or drug dependence. As of January 1997, these individuals will be ineligible for SSI.

SSI recipients in California receive a federal payment and a supplemental state payment. Combining both payments, an aged or disabled person living independently may receive a maximum of \$626. Blind individuals may receive \$681. Children living with their parents receive about 85% of the rate provided to adults living independently. California has the highest monthly supplement of any state, and provides additional cash assistance in lieu of food stamps. Total SSI and food stamp assistance provided to SSI recipients nationwide in 1993 averaged \$537. The California average was \$603.

V. FOOD STAMPS

Program to Alleviate Hunger and Malnutrition for Low Income Families and Individuals

Every month, the Food Stamp Program provides more than 25 million Americans with coupons that can be redeemed for food purchases at grocery stores. Established by the federal government in 1964 under the Food Stamp Act, the program's goal is to alleviate hunger and malnutrition, and ensure that low-income families and individuals receive basic nutrition. Since 1971, food stamps have been available in all 50 states. The U.S. Department of Agriculture's Food and Nutrition Service (FNS) has overall responsibility for the Food Stamp Program. The FNS sets regulations for eligibility, benefits and program administration, prints the food stamps and delivers them to state agencies. State agencies handle the day-to-day administration of the program following federal regulations.

Who receives food stamps?

Eligibility for food stamps is based on financial need. Households must meet all of these requirements:

- Less than \$2,000 in disposable assets (less than \$3,000 if a family member is older than 60)
- Gross income of less than 130% of the federal poverty guidelines
- Net income of less than 100% of the federal poverty guidelines (\$15,600 for a family of four in 1996) In addition, if the head of household has quit a job without good cause, the household must wait 90 days before it is eligible

Certain individuals are not eligible for food stamps, even if they meet the requirements for financial need:

- College students with no dependents under 12 years old
- Striking workers
- Undocumented immigrants and temporary residents (though they may receive food

stamps for their children if the children are American citizens)

As of July 1, 1997, the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 will deny food stamp benefits to legal immigrants. It also will limit non-disabled people 18 to 50 without dependents to only three months of food stamps in a three-year period unless they are working or participating in a workfare program at least 20 hours a week. Households without income or food due to a natural disaster may receive food stamps for up to one month. At least once a year, households are reviewed to ensure that they are still eligible to receive food stamps.

The average size of households receiving food stamps is 2.6 people. Seventeen percent of those receiving food stamps are over 60, and 61% are children. In 1994, about four in 10 also received Aid to Families with Dependent Children (AFDC), and about two in 10 received Supplemental Security Income (SSI). In 1992, 61% of food stamp recipients were

Caucasian, 34% were African American and 20% were Latinos.

What does the Food Stamp Program provide?

The Food Stamp Program issues coupons in booklets that recipients can redeem at any of the 215,000 participating grocery stores throughout the country. Food stamps cannot be used for tobacco, alcohol, non-food items such as paper goods or cleaning supplies, or hot food intended for immediate consumption. Elderly and disabled recipients, however, may use their food stamps for meals prepared at approved communal dining facilities or for meal delivery programs for the homebound.

The cash value of the stamps received depends on a household's income and size. Today, a family of four with no income receives a maximum of \$386 per month in food stamps, or \$3.16 a day per person. Families with income, including government aid such as SSI, receive fewer food stamps. The amounts allocated for food stamps are based on the assumption that families should contribute 30% of their income to food in addition to the food stamps. Nationwide, the average monthly benefit per person is \$74 or about \$2.40 a day. This will decrease to \$2 per day by 2002.

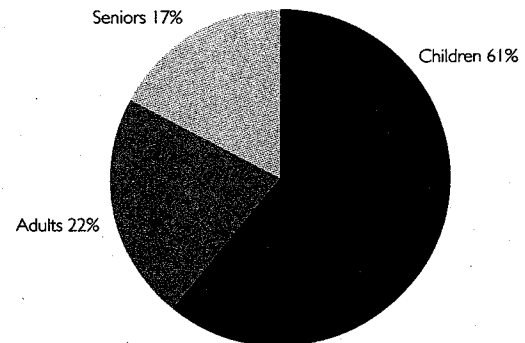
The Food Stamp Program has contributed significantly to ensuring better nutrition among low-income households. Several studies have found that the nutrients in an average participating household's diet are 15% to 20% higher than they would be without food stamps.

What does the Food Stamp Program cost and how is it funded?

The Food Stamp Program is jointly funded by the federal government and the states, at a current annual cost of about \$26 billion, or \$84 a month for each food stamp recipient. The federal government covers all of the costs of the food stamps themselves and at least 50% of administrative costs. State governments pay the remainder of administrative costs. In most states, the agency that administers AFDC also administers the Food Stamp Program.

The Personal Responsibility and Work Opportunities Act of 1996 will reduce food

Recipients of Food Stamps



"Pam Compton, 36, was married for 14 years to a trucker who made as much as \$50,000 a year. They lived in a middle-class neighborhood, in a three-bedroom house with their two children. But their marriage broke up last May, and Mrs. Compton said she and the children, now 13 and 12, had moved 14 times to elude her husband, who else to go, they moved into a shelter. Now, she says, she receives food stamps and cash welfare. 'I do feel a little shame about this,' Mrs. Compton said, holding back tears. 'I'm not taking care of them, the state is.'"

— From The New York Times, "Kool-Aid, Not Soda, Living on Food Stamps," April 5, 1995, Michael Janofsky

stamp benefits to almost all recipient households. The program's funding will be cut 17% between 1997 and 2002. Families with children will absorb about two-thirds of these reductions. Benefits to the elderly are expected to be cut 20% and to adults without children 40%.

What are important trends in the Food Stamp Program?

Food stamp participation increased from about 8% of the total U.S. population in 1974 to almost 12% in 1994. Since late 1994, however, the number has been declining, a result of the economic recovery after the 1991

recession finally trickling down to people at the bottom of the economic ladder. Between January 1995 and January 1996, the number of participants in the food stamp program nationally declined by about 4.5%.

The increase in the 1980s and early 1990s reflected economic conditions as well as changes that made the program more accessible. During times of higher unemployment or economic downturns, the number of people receiving food stamps increases. For example, during the recession of the early 1980s, the increase in the number of food stamp recipients paralleled the number of unemployed workers. As the economy began to improve, the number of people receiving food stamps declined. Although the Food Stamp Program benefits more people than any other food assistance program, only an estimated 60% of those eligible for food stamps actually apply for and receive them.

Recent changes in the Food Stamp Program reflect concerns about potential fraud such as the practice of stores purchasing food stamps from recipients for a fraction of their face value and then redeeming the stamps for their full value. States have increased monitoring of stores and imposed higher penalties for trafficking in food stamps. Several states also are experimenting with using a card similar to an ATM card that food stamp recipients would use for food purchases. The card's advantages include easier tracking of where benefits are being spent and elimination of the need to return change to people redeeming food stamps. In California, only 0.1% of food stamp recipients were convicted of food stamp fraud in 1994.

How does California's Food Stamp Program compare to the rest of the United States?

In 1996, 9.7% of California households participated in the Food Stamp Program — close to the national average, and about mid-way between the state with the highest participation, Mississippi, at 20%, and the one with the lowest participation, New Hampshire, at 6%.

Seventy percent of the state's food stamp recipients also receive some other type of public assistance. California is lower than the national

"You're always thinking about your expenses. There's not cream on the top. This evening we went to the grocery store and (my daughter) was showing me this cereal, and I looked at it and I'd say, 'Yeah, that looks like a really neat cereal, but that's not on our budget, we can't afford it.'"

— Sandy, Food Stamp recipient

average because it has opted to adjust payments to people receiving SSI instead of providing them with food stamps.

In 1995, \$2.4 billion in food stamps were distributed to California residents. Thirty-two percent of these recipients were Caucasian, 24% were African American, 30% were Latino and 10% were Asian. The average California food stamp household today receives \$182 a month in benefits, about \$68 per individual recipient. Provisions of the Personal Responsibility and Work Opportunities Act of 1996 are projected to drop benefits to \$44 by 1998.

VI. JOBS: *The Job Opportunities and Basic Skills Program*

The Job Opportunities and Basic Skills (JOBS) program was enacted by the federal government through the 1988 Family Support Act. Designed to help AFDC recipients avoid long-term welfare dependence and increase their employability, it required states to enroll eligible AFDC recipients in job training or educational programs. States have had limited success, however, because they have not been able to provide the matching funds needed to qualify for full federal funding. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 eliminates the JOBS program. It increases work requirements for recipients of cash benefits, but does not require states to increase their training, education or placement programs. Instead, states and counties can create the programs they believe will be most effective in moving recipients into the workforce.

Who will participate in work activities?

Only about 16% of AFDC households nationwide currently participate in the JOBS program, though many more are on the waiting list for services. Lack of funding at all levels has limited the number of participants.

The new legislation requires recipients to participate in work activities within two years of receiving aid. People who receive benefits for more than two months and remain unemployed must become involved in community service. Though states may choose to opt out of this requirement, they will not receive full TANF funding unless they maintain minimum work participation rates—25% of TANF cases working at least 20 hours per week. Work rate requirements will increase annually: By 2002, 50% of aid recipients will be expected to work at least 30 hours a week.

What services do work program participants receive?

Under the JOBS program, states had to provide the following services, though not statewide:

- Educational activities, including high school or equivalent education and basic literacy
- Job-skills training and job-readiness activities, such as training in how to prepare a resume or interview for a job
- Job development and job placement services
- Other supportive services such as child care

In addition, JOBS programs provided at least two of the following:

- Group and individual job search activities
- On-the-job training
- Subsidies to employers that hire AFDC recipients

- **Unpaid community work experience** The reform legislation of 1996 does not specify the services that the states must provide, but it does emphasize getting participants to work rather than providing training or education. Twelve months of vocational education can count toward a person's work requirement. States have the option of deciding which education, training and support services they want to provide, or of passing that decision on to the counties, which can tailor them to meet local needs.

What do work programs cost and how are they funded?

The JOBS program was jointly funded by the federal government and the states. To be eligible for federal funds, states had to document that at least 20% of their eligible AFDC population was participating in the JOBS program. States received matching funds for their investment in JOBS, but only up to a total of \$1 billion annually nationwide. In 1993, only 70% of the federal funds available were utilized, and only 16 states claimed their full allocation.

Under the new legislation, funding for work programs will come out of the TANF block grant, which will be \$16.4 billion annually and not subject to increases. States and counties will supplement their block grant with at least 75% of their current spending for AFDC, JOBS, Emergency Assistance and AFDC-related child care. States then will decide how to divide the funds between benefits to families, employment and training services, and support services.

How effective are work programs?

The Congressional Budget Office estimates that between 1989 and 1993, only 50,000 families (about 1% of all AFDC families nationwide) left AFDC as a result of the JOBS program. The low numbers are attributed to poorly defined goals, the unemployment situation in many areas, and minimal efforts to inform all eligible families about the program. In addition, a significant barrier for aid recipients may be the fear of losing Medicaid benefits, since the jobs they obtain after training typically are low-paying and lack health benefits.

Even when aid recipients find jobs, recent studies suggest the employment is likely to be short-lived: As many as 40% return to public assistance within one year. The reasons for leaving work and returning to public assistance typically fall into three categories: job-related problems such as low pay, layoffs and inadequate skills; work-family conflicts such as problems with child care, medical problems and housing instability; and interpersonal problems such as differences with supervisors and noncompliance with work place rules.

How do California's work programs compare to others in the country?

California's JOBS program—known as Greater Avenues to Independence (GAIN)—received \$147 million in federal funding in 1995. About 21% of those who were eligible participated in the program.

Given the 1996 AFDC caseload, 244,000 Californians will need to be engaged in work activities 20 hours or more a week by 1997 in order for the state to meet new TANF requirements. At least 195,000 of these people will have to be employed, rather than in education or training programs. Currently about 117,000 AFDC recipients report earnings from either part or full-time employment, and an additional 68,000 are in training programs.

VII. AFDC: Aid to Families with Dependent Children

AFDC, originally called ADC or Aid to Dependent Children, was established by the federal government in 1935 under Title IV of the Social Security Act. The program was designed to provide financial support to families with children in which a parent was absent, incapacitated or unemployed. In 1994: 14.3 million Americans received AFDC...seven out of 10 AFDC recipients were children, almost half under six...one in seven children in America received AFDC.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 eliminates AFDC, replacing it with the Temporary Assistance for Needy Families (TANF) block grant program. Rather than continuing to guarantee cash assistance to needy families, the federal government will provide capped funds to states. States then will use those funds to design their own assistance programs under broad federal guidelines.

Who receives AFDC?

AFDC eligibility is based on financial need and the presence of an eligible child in the household. To be eligible for AFDC, a family must have a dependent child living in the home who is:

- Under 18
- Deprived of financial support due to a parent's death, continued absence, incapacity or unemployment
- A resident of the state where the family resides
- A U.S. citizen or a legal alien permanently residing in the United States

Recipients of SSI, striking workers, and undocumented immigrants or temporary residents are not eligible for assistance.

Under the new TANF program, states will be able to set some of their own eligibility standards. However a number of federal rules are required. The new federal law mandates that recipients of assistance be working within two years of receiving benefits, and that they participate in community service after receiving aid for two months (unless they are employed). Families are limited to a maximum of five years of benefits in a lifetime. States, however, may adopt more stringent time limits and establish additional eligibility requirements for recipients. People who refuse to work or who are convicted of drug felonies will lose benefits. Mothers who refuse to cooperate in establishing the paternity of their children also will have their benefits reduced.

Nationally, the average AFDC household consists of a 30-year-old mother and two children. In 1993, the average size of an AFDC family was 2.9. Single parents headed 84% of AFDC households. The ethnicity of AFDC recipients has varied over the years, but in 1994, 38% were Caucasian, 37% were African American, 19% were Latino, and 6% were from other ethnic groups. Although the TANF program emphasizes getting recipients into the workforce, few AFDC recipients have recent work experience. In 1993, only 3% of adult AFDC

recipients worked full time; 4% of female recipients and 7% of male recipients worked part time.

What are AFDC benefits?

AFDC benefits are provided monthly in cash. Recipients also are eligible for Food Stamps, Medicaid and, in some cases, housing assistance. Nationally, about 25% receive housing assistance, although in California that figure is only 10%.

In 1993, the average family of three received \$377 per month in cash assistance, but benefits vary considerably by state—from a monthly low of \$120 in Mississippi to a monthly high of \$923 in Alaska. Historically, over half of AFDC recipients have received benefits for two years or less, with the average length of time for families to receive assistance being three years.

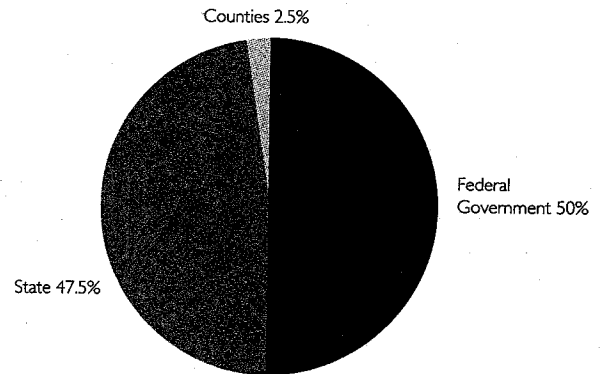
Under TANF, states will have to maintain spending equal to at least 75% of 1994's aid, though they will have considerable flexibility in providing it. They can use 30% of TANF funds for non-cash assistance such as child care and social services. States unable to demonstrate that their recipients are meeting work requirements will face fiscal penalties, but they have no specific requirements for how they provide training, education, child care or other support services.

How much does AFDC cost?

AFDC is jointly funded by the federal government, the states and in some states by counties. In 1994, AFDC costs nationwide, including cash benefits and administrative and child care costs, were \$26 billion—about \$153 per month for each AFDC recipient. Administrative costs accounted for about 12% of total costs, or \$3.2 billion. Of the \$26 billion, the federal government provided 50%, and state and county governments 50%.

In 1995, AFDC, the primary social program for poor children, accounted for 1% of total federal spending, compared to 35% for Social Security and Medicare, the primary social programs for the elderly. Defense spending that year was 19% of the total federal budget.

Source of AFDC Funds in California, 1995
(\$6.7 billion: \$207 per recipient, per month)



"I don't know what I would have done if welfare hadn't been there. I was desperate and I realized somebody had to help me. (My boss) was not helping me, so I went over to welfare and I asked them for assistance. I said this is what's happening, I am owed money, but nobody wants to pay me. All I have is \$37."

— Ana, AFDC recipient for six weeks

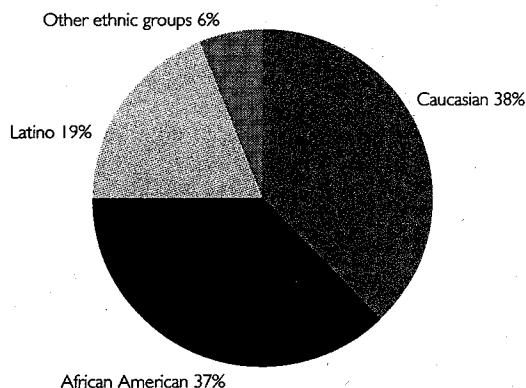
What AFDC program trends influenced the new legislation?

AFDC's scope and cost have changed greatly since the program's inception in the 1930s. Its original intent was to assist women who were heads of household, primarily due to widowhood, so they could remain at home with their children and not have to work outside. In 1939, 61% of families receiving AFDC were headed by widows, compared to about 2% in 1993.

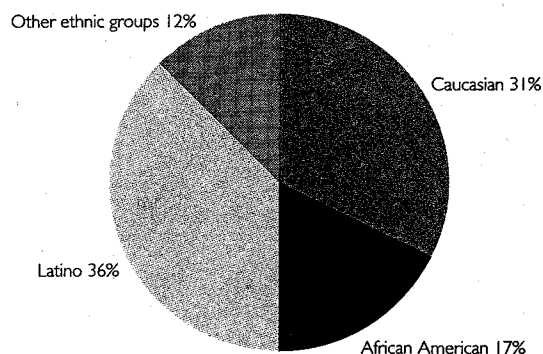
Today, slightly more than half of AFDC single-parent families are headed by a parent who has never been married. Because of changing American social trends, economics and values, these families are expected to be able to achieve self-sufficiency through work.

AFDC expenditures increased more than five times in the last two decades, from \$4 billion in 1970 to \$26 billion in 1994, and the number of recipients doubled from 7 million to 14 mil-

Ethnicity of AFDC Recipients in U.S., 1994



Ethnicity of AFDC Recipients in California, 1994



lion. Despite the overall increase in costs in 23 years, the real value of cash benefits received by families declined 40%.

The phenomenon of teen parenting has multiplied since the 1970s, becoming a critical factor in AFDC use. Although teen parents account for only about 8% of AFDC recipients, almost half of adult AFDC recipients had their first children as teenagers. Women who become parents as teens tend to have limited education and, therefore, limited job opportunities. Among mothers receiving AFDC, 44% never completed high school, compared to 14% of non-AFDC mothers in the same age group. Only 19% of AFDC mothers have attended college, compared to 45% of mothers not receiving AFDC.

Increasing attention has been focused on reforming the AFDC program in recent years. While many states have sought to cap benefits, restrict eligibility and require more work participation, it is the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 that will effect the most sweeping changes.

How does AFDC in California compare to other states?

Historically, California has had the highest costs and highest number of AFDC recipients of any state, with twice as many recipient families as the next highest state, New York. In 1995, California's 2.7 million AFDC recipients

constituted almost a fifth of all AFDC recipients nationwide and accounted for about 8% of the state's population. The total cost of AFDC in California that year was \$6.7 billion, or about \$207 per recipient per month. Of the \$6.7 billion, 50% was funded by the federal government, 47.5% by the state and 2.5% by the counties.

Reflecting the overall ethnic distribution of the state's population, California AFDC recipients are more likely than recipients nationwide to be Latino, and less likely to be Caucasian or African American.

A family of three in California qualified for AFDC if its annual income was \$15,876 or less in 1993. The maximum cash benefit for a family of three in the state was \$607 per month, effective January 1996, compared to an average of \$367 for the nation. However, at this level, a family is only at 63% of the poverty threshold. Between 1990 and 1994, only four states raised their maximum AFDC benefits enough to keep up with inflation. California cut benefits between 1991 and 1993.

VIII. FACES OF POVERTY

Personal stories of women and children on public assistance

Although the elderly and the disabled account for the majority of spending on social welfare programs, most Americans think of “welfare” as assistance to single women with children. And indeed, eight out of ten households receiving AFDC (Aid to Families with Dependent Children) are headed by single women. Still, these families often differ dramatically from the stereotypes promoted by critics of welfare. Their backgrounds and experiences are so diverse that to generalize about them as a single population is impossible. Jill Duerr Berrick, Director of the Center for Social Services Research at the University of California, Berkeley, recently studied 400 families receiving AFDC.* She conducted in-depth interviews with women representing the range of individuals who walk through the doors of social services offices asking for help on any given day—well-educated, employed women temporarily down on their luck, young parents struggling to provide a better future for their families, long-term aid recipients hindered by chronic poverty, poor education, illness and disabilities. The following are five of their stories, told in part in their own words. These stories show clearly that there is no single “type” needing help, and that breaking the cycle of poverty and dependence on public aid is intricately entwined with other social issues such as the need to improve health care, child care and education for all Americans.



NITA WINTER

*Berrick, J.D. *Faces of poverty: Portraits of women and children on welfare*. New York: Oxford Press (1995).

PROFILE: ANA

- Late 30s, Latino, lives in a well-kept, working-class neighborhood
- Divorced mother of three, receives no child support
- High school diploma; employed 15+ years for the Department of Motor Vehicles
- Received Aid to Families with Dependent Children for six weeks

CAUGHT IN CIRCUMSTANCES BEYOND HER CONTROL

The market economy in the United States does not always support workers. Financial well being is fragile, and families who were once comfortable can easily lose their financial security. Once they do, it can be a real struggle to get back to solid ground.

"I got married and my husband said, 'You don't have to work if you don't want.' But that wasn't true. It turned out I was the one working and he wasn't doing anything. So I ended up paying all the bills and doing everything until 1982 and I just said, 'This is it.'"

ANA'S PATH TO PUBLIC ASSISTANCE.

After her divorce, Ana worked hard and, over the years, managed to accumulate substantial savings. Unfortunately, she invested her savings in a business that failed. Still, she was able to continue to support her family comfortably with her salary from her job. Then, she had a serious work injury that forced her to stop working for several months, and there were delays in getting her disability pay approved. Without savings, she had no way to support her family, so she applied for government assistance.

"I was desperate and I realized somebody had to help me. (My boss) was not helping me, so I went over to welfare and asked them for assistance. I said this is what's happening. I am owed money, but nobody wants to pay me. All I have is \$37."

ANA'S EXPERIENCE ON PUBLIC ASSISTANCE

Ana was a short-term beneficiary of public assistance. She received aid for six weeks, was on workers' compensation for four months,

and then returned to work. Although the aid helped her deal with a desperate financial situation, it also made her feel ashamed and separate from the rest of society. The experience had a mixed effect on her children—one child became more responsible, but the other became depressed and did poorly in school. Ana's experience with public assistance was more positive than that of many others because when she was out of work she received significant emotional and practical support, such as help with child care, from her extended family. She also learned new ways to economize, which she continued to use even after she returned to work.

"You have to economize; you have to in today's society. I'm making ends meet. It's a good lesson. I've learned to use a lot of different strategies. I've learned to manage my money better."

CONCLUSION

Federal welfare programs have provided a critical safety net for working families.

- Almost a fifth of women who begin to collect AFDC do so because of reduced wages or unemployment.
- Historically, half of AFDC recipients have left the program within two years.

"I don't know what I would have done if welfare hadn't been there."

PROFILE: SANDY

- 24, Caucasian
- Single mother of a 5-year-old daughter
- Middle class background, but now lives in a poor, run-down neighborhood
- Received Aid to Families with Dependent Children for two years, and now works full-time as a bookkeeper

WORKING BUT POOR

Many American families are working hard but just barely getting by. Young single parents in particular find it extremely difficult to provide adequate housing, child care and medical care for their children on what they earn from full-time, entry-level jobs. Once an unmarried teenage girl has a child, it is almost inevitable that she and her children will live in poverty.

"I've got brown hair, hazel eyes; I like modern rock, dancing, movies, going out to dinner and beaches. And then I'm a single mother of a five-year old. That's a big one."

SANDY'S PATH TO PUBLIC ASSISTANCE

Sandy got pregnant at 18. The baby's father promised his support, but he simply walked away from his responsibilities when the baby was born. Sandy continued working after the baby came, but she couldn't find a job with health benefits. No longer a dependent, she was dropped from her parents' health coverage. When the baby got an ear infection, Sandy couldn't pay the doctor so she went on welfare to get medical coverage. She kept working but cut her hours so she wouldn't be disqualified for Medicaid. Her employer was pressuring her to work more hours, but she couldn't, so she quit her job.

"I really needed to take (my daughter) to the doctor and my dad's health plan had ended. I was 19 and my mother told me to go get on welfare. I knew there was such a thing as welfare, but I didn't know where you went or who was supposed to get it. It wasn't something I wanted to do, but I really didn't have any choice."

"I tried to govern how many hours I worked and how much money I was making so I could stay on the Medicaid. For a good two years I was balanc-

-ing; well, if I'm making \$6 an hour I can work 20 hours a week. And so if it was only \$50 I got from AFDC then it was only \$50. That didn't bother me. I was on it for the Medicaid."

SANDY'S EXPERIENCE ON PUBLIC ASSISTANCE

Combining work with welfare seemed impossible to Sandy. Not only could she not work as much as her boss wanted, her fluctuating paycheck and welfare check made budgeting a nightmare. Through a family friend, Sandy eventually found a job with health benefits and got off aid. She received a year of subsidized child care benefits after she began working, but once those benefits ran out, she had to ask her parents to help pay for child care.

"If you're taking a job that's only paying \$5.50 an hour, one year of day care will be fine, but what are you supposed to do when the year's over? I can't afford \$100 a week! I remember saying to (the welfare worker), 'Don't make it so tough for me to work. Don't make it that hard.'"

Sandy now makes about \$17,000 a year. And, through her persistent efforts in working with the District Attorney's office, she finally got a court judgment requiring the child's father to pay some child support. Sandy has learned to economize and now puts about \$100 a month into savings.

"You're always thinking about your expenses. There's not cream on the top. This evening we went to the grocery store and (my daughter) was showing me this cereal, and I looked at it and I'd say, 'Yeah that looks like a really neat cereal, but that's not on our budget, we can't afford it.' You've really got to think about when the money's coming and when the bills are coming."

CONCLUSION

More attention must be paid to preventing teenage pregnancies.

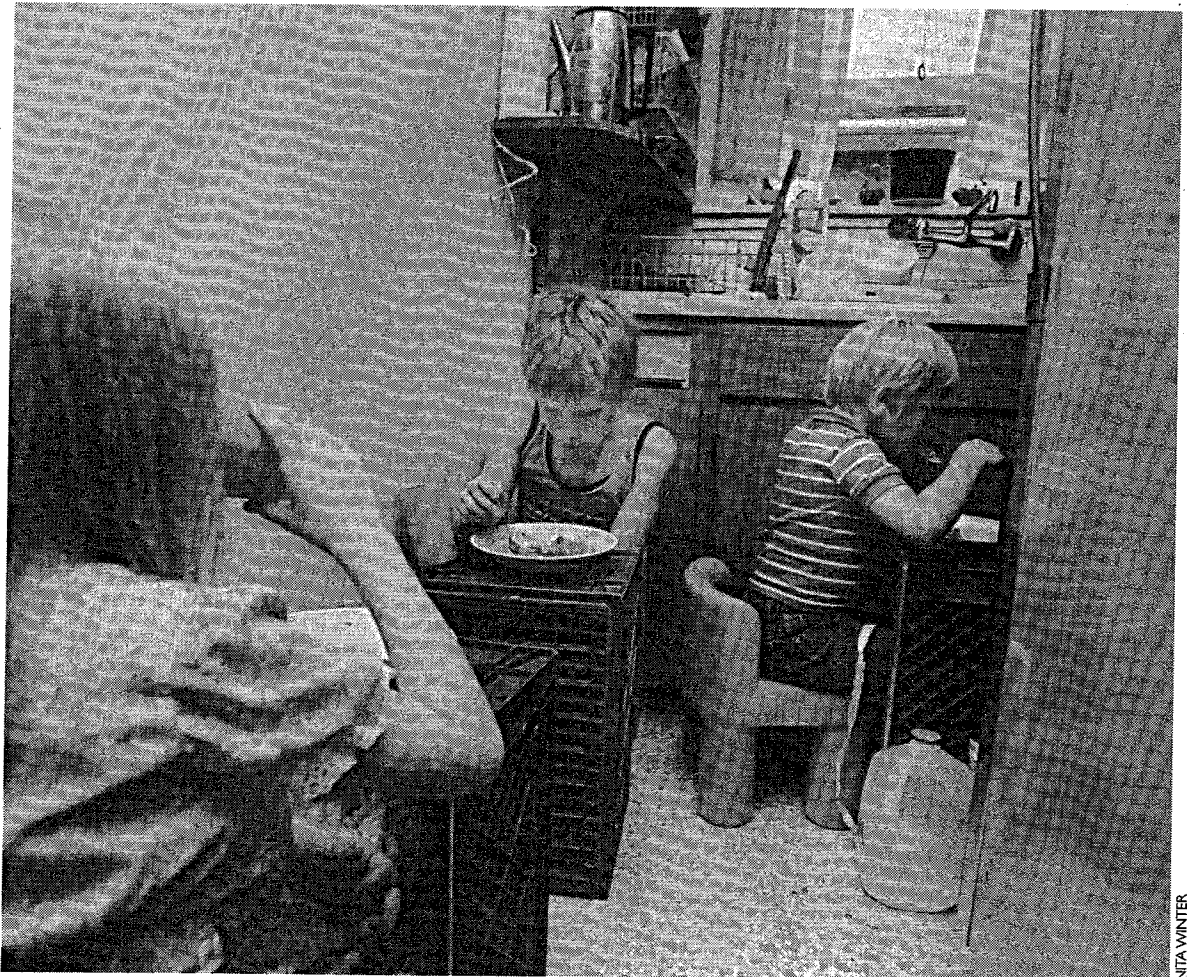
- The United States has the highest teen pregnancy rate of any industrialized country. One in 17 American teenage girls gives birth each year.
- Education seems to play a role in unwanted pregnancies. While a college-educated woman has about an 8% chance of becoming unintentionally pregnant, a woman with a high school diploma stands a 33% chance.
- Parental child support, adequate health care and child care can help families stay off welfare
- Only 11% of never-married mothers receive child support from their child's father.
- The annual take-home pay for a full-time minimum wage job is less than \$10,000.
- Child care for one child averages \$3,600 a year nationally and is much higher in the Bay Area.

- The welfare caseload would drop an estimated 16% if all working women had health coverage.

- Programs must provide more flexibility regarding earned income to families trying to get off public assistance.

- 20% of families receiving cash assistance for dependent children report some earnings.

"I don't like the idea of being on welfare. It's not fun to report to the state every month. I made a mistake and got pregnant. I didn't plan it. If you're going to give me a year (of aid) then I'm going to be grateful for a year. I know it's not the taxpayer's fault, but should my daughter have to suffer?"



NITA WINTER

PROFILE: REBECCA

- 24, Caucasian, college student
- Single mother of a 6-year-old daughter
- Middle class background
- Abused drugs and alcohol as a high school student
- Recipient of Aid to Families with Dependent Children for five years

MOTIVATION AND A FIGHTING SPIRIT

Most people believe that having a child as an unwed teenager will bring nothing but trouble and that in general, teenage parenthood should be avoided. For some teens, however, becoming a parent is a wake-up call that results in more responsible behavior. For these parents, public assistance can provide a critical support while they get their lives in order and try to become productive members of their communities.

"He was 23 and I was 16, and I had Tanya a month before I was 17. I wasn't trying to get pregnant but he was like, 'I can't have babies. Nobody's pregnant yet.' And I really didn't care. I don't know what I was thinking about then. I didn't plan anything then. When my daughter was born, it was just kind of a regrowing—just starting over in a way. If I didn't have her, I think I'd be on crack right now. I have very little doubt that I would."

REBECCA'S PATH TO PUBLIC ASSISTANCE

Rebecca was a troubled teenager who abused drugs and alcohol and eventually dropped out of high school. She became pregnant by a man seven years older who eventually went to jail on drug charges. Getting pregnant seems to have given meaning to Rebecca's life, however. She has been free of drugs and alcohol since becoming pregnant, and she returned to school to complete her high school diploma. She is enrolled in college, working on a bachelor's degree in education and planning to become a teacher. She has no intention of remaining on public assistance long-term, but combines part-time work with public assistance while she completes her education.

"The first semester that I went back, I studied so much. When I first started, every chapter we had to read—I read it three times. Because I was just going back to school and I didn't know. But I got all A's. I didn't think I could do it. I had no idea. Now I just want to hurry up. I'll be twenty-five next year and I want to have my B.A."

REBECCA'S EXPERIENCE ON PUBLIC ASSISTANCE

Rebecca recognizes that she needs a college education to get off public assistance and that she must work to adequately support herself and her daughter. She received a deferral, allowing her to pursue her education rather than participate in a mandatory job-search program. In the meantime, she supplements her public assistance with part-time jobs, work study, scholarships, school loans, credit cards, and assistance from her mother, most of which she does not report. She receives benefits of \$504 a month, plus \$10 in food stamps, and if she were to try to survive on public aid alone, she'd have only \$4 left for food, utilities, transportation and incidentals after she paid the rent on her modest apartment. Rebecca does not like the idea of not reporting her earnings, but she sees no other alternative.

"I really didn't have any problems with welfare until I started working and that's when I started having a million problems. The first two months I worked, they didn't take anything out of my grant...(but) when I called to say the job was ending, she said, 'We can't give you the full amount until two months later.' So then I was stuck with a check for \$111 for two months! Before, I had told them about school, about financial aid and every month I would tell them how much I got."

But now I just put 'no.' You know, that's what I think is really stupid about welfare, because one of the reasons there are so many stereotypes about people on welfare is because they won't let you work. Most people, well, a lot of people that are on welfare work. It's just that we can't tell you that we work!"

CONCLUSION

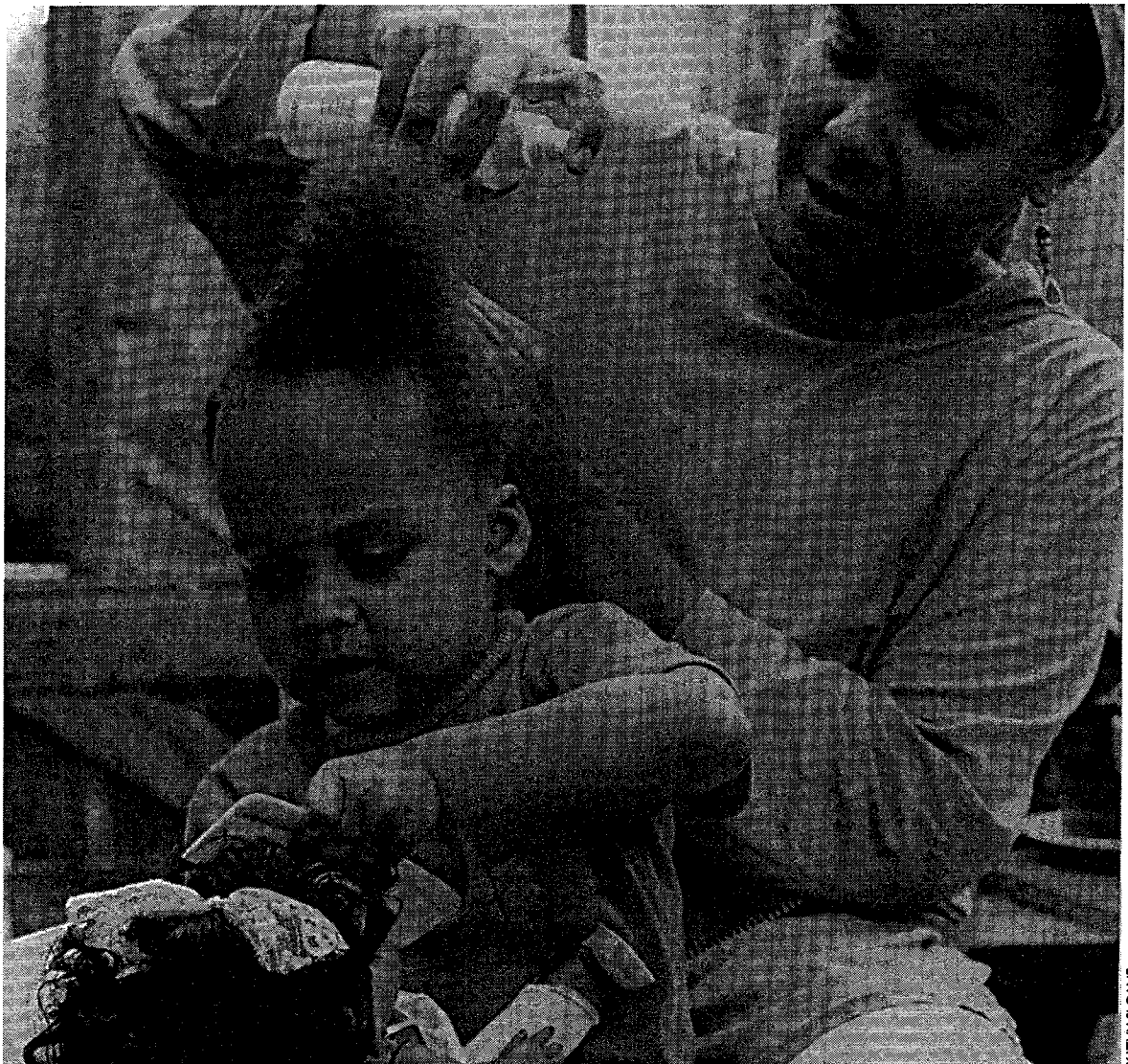
For some recipients, public assistance provides a short-term means to achieve long-term financial stability. In California, participants in the state's job training program (GAIN) who find employment make an average of only \$5.90 per hour, or about \$12,272 a year. To meet her current, minimal expenses (\$500 rent, \$300 food, \$80 utilities, \$100 child care, \$100 transportation, \$40 laundry and cleaning

supplies), someone like Rebecca would have to take home \$13,440. A more typical level of child care expense would raise this minimum to around \$17,000.

Policies that make work more financially secure will help women remain free of welfare. These include:

- Increasing the minimum wage.
- Developing a state-sponsored earned-income tax credit.
- Ensuring that all people eligible for the federal earned-income tax credit receive it.

"I know that I'll get a job when I finish school. There's no way that I can do all this and then not get a job."



PROFILE: DARLENE

- 38, African-American, raised in poverty
- Single mother of an 8-year-old son
- Family history of alcoholism, drug addiction, mental illness; sexually abused as a child
- Suffers from chronic depression
- Previously worked as a home health aide
- Recipient of Aid to Families with Dependent Children for more than six years

COMPLEX PERSON, COMPLEX PROBLEMS

Some women receiving public assistance are stuck—somehow they got into this situation, and they don't know how to get out. It's not that they don't have dreams and desires for a better future, but they're caught in a web of poverty and dysfunction. Victims of circumstances, they also cannot summon up the internal resources to lift themselves out of those circumstances. While the welfare system is designed so that it is difficult to get aid, once women are on it, the amount of effort needed to get off can seem insurmountable.

"My parents were one step from being sharecroppers. They owed so much they couldn't leave the property they lived on. My father's family? I think there was sexual abuse in his family as far back as you can remember. My father drank, too. When my father sexually abused me, he was always drunk. My mother always wanted to keep the family together, which is a good goal—it's just that they didn't have any fabric to hold together. You know, my mother, at one point, wanted me to go to college. But she had no idea how to work it. And I had no idea how to work it. Middle-class people know. They know you've got to take SAT exams; you're going to have to take these kinds of courses. You didn't get that kind of support in our family."

DARLENE'S PATH TO PUBLIC ASSISTANCE

Darlene became involved with a man who, like her father, was an alcoholic and a drug addict. Still, like most Americans, she had traditional beliefs about marriage and family. She thought her baby's father would stand by her, so when he deserted her after she became

pregnant, she sunk into a deep depression. Although she had a job after the baby was born, she was mentally unable to cope with both work and being a single parent, so she quit her job and went on public assistance.

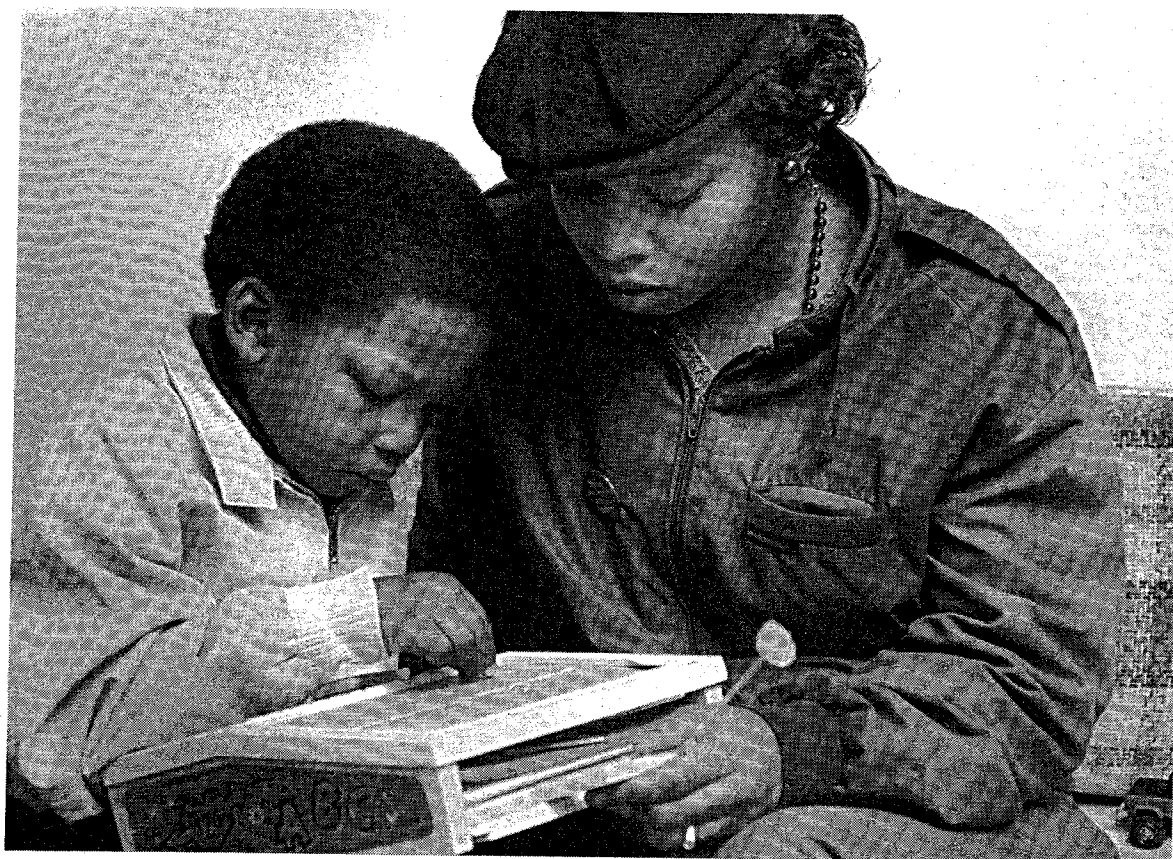
"I was about five months pregnant and he said, 'Well, call me when the baby comes.' I left a message and he never called me back. And it was just totally different to have a baby and not be married. There were people who didn't acknowledge (my baby). So you know that was hard."

DARLENE'S EXPERIENCE ON PUBLIC ASSISTANCE

When the District Attorney began to try to collect child support, the father of Darlene's child reappeared and tried to get her to renounce paternity. She didn't, but somehow he managed to duck the system, and Darlene has never received any support.

"He came to me and asked me to lie about who the father of my child was! And at that time I think I was spending about \$400 a month for child care, and that's all I asked for, was half the child care. And he said, 'Well, this would seriously cut into my drug money.' That hurt. It really hurt. Now I have no idea where James' father is. I don't know if he's living or dead."

Darlene stayed on aid for about two months, but then family members and friends, worried about her mental health, pushed her back into the world of work. For a while, she juggled parenthood, work and even part-time school, but eventually a serious depression set in and it was more than she could handle. She quit her job and now focuses on trying to be a good parent while combating chronic depression. She's ambivalent about receiving aid.



She feels stuck and embarrassed, but she also values the time she can spend with her son.

"I basically just resigned. I went on aid and I started going to school. I feel like I rationalize a lot about being on aid because I don't feel like I'm not a productive person. I do feel that because of this I have been a better parent. When I was not on aid, I know clearly that all I was doing was working, sleeping, and I was not giving James any attention at all. Now I've had a chance to learn about parenting."

"I don't think it's unreasonable for people to look at people who are collecting aid and for them to ask, 'What's the focus of your life?' But I have to work very hard not to feel that I am a slovenly person, that I'm just not contributing to society. I think it would be nice if people recognized that everybody here is contributing."

CONCLUSION

For some welfare recipients, the disincentives to staying on public assistance are outweighed by the desire to devote time and energy to parenting their children.

- 43% of California children receiving AFDC are age five or younger.

Because of physical and mental disabilities, some women may not be able to participate in full-time work and will need to continue government assistance.

PROFILE: CORA

- 41, African American
- Single mother of six children
- Raised in the rural South, one of nine children
- Completed high school, but lacks even basic reading and math skills
- Lives in public housing in one of the worst urban areas in California
- Recipient of Aid to Families with Dependent Children for 24 years

A PORTRAIT OF DEPENDENCY

A small proportion of women who begin receiving welfare remain on public assistance for many years. In many respects, they epitomize the classic welfare stereotype—poorly educated, with many children, immersed in poverty, crime and drug abuse. Although they may want to work and be self-supporting, they have little chance of staying employed in the private sector, and the cost of creating public service jobs for such recipients is far higher than the cost of providing minimal cash benefits.

"They worked our butts off when we was comin' up. We had to chop cotton. We'd go to the fields and make like \$3 a day. I used to get whooped 'cause I didn't want to go. I hated it. I hated it. And on weekends, my mama worked at this hotel and we had to go there and help her do the beds and stuff like that. I never did mind workin' or cleanin' up, but I just never did like the fields."

CORA'S PATH TO PUBLIC ASSISTANCE

Cora married at 18 and moved with her husband to an urban California ghetto. They had several children in quick succession. Her husband applied for welfare since he had no steady income, but Cora was not expected to work, since she had children to raise. Over time, her husband began drinking more and more and became increasingly violent. Eventually they divorced, and he later died of cirrhosis of the liver. By this time, finding a job did not seem to be an option to Cora.

"When I got out of school in 1968 I wanted to pursue my career because I always wanted to be a cook or a nurse I wanted to do things and I loved goin' to school, and if I had a man to motivate me and not drive me down like he did I'd probably a went to school. Because bein' with him for so long

and not goin' nowhere and I didn't know where to go or how to start nothin'. And livin' was so hard, and once you get out of school, gettin' back in with all that paperwork to get back in school, I didn't think it was worth it because I had this baby and couldn't find anybody to take care of him because it wasn't safe at home. So I just gave up on school. Sometime I think about that, too. I wish I'd met a man who was smarter or a workin' man who was really motivated and he would have motivated me a lot, too. Because for a long time, I never really thought about doin' anything with my life. It's all dead. It's been killed."

CORA'S EXPERIENCE ON PUBLIC ASSISTANCE

Cora definitely sees public aid as a way of life. Although she volunteered for a job training program four years ago, she is still in the program, trying to improve her reading and math skills. Even if she can upgrade her basic skills, the idea of her being self-supporting seems nearly impossible, given the many other barriers she would have to overcome: She has never done anything but cook, clean and raise children, so what kind of job could she find? How would she pay for child care for her three youngest children? Cora and her family are plagued by health problems, and much of her time is spent going to medical appointments. She has high blood pressure, two of her sons are hemophiliacs, two other sons have a genetic problem that causes them to develop tumors throughout their bodies, and her daughter has seizures. How can someone with this profile find and keep a steady job in today's competitive market economy?

"I signed up for (the JOBS program) because I wanted to change my life around. I got tired of being bored. The only problem I have is I don't know my time tables that well. I don't know

what it is, I'll cry 'cause I can't do certain things. Sometimes I just go to sleep with those numbers in my head, I put them under my pillow and I just keep studying until I go to sleep. If I don't pass the test, I don't know what's going to happen. I don't have the skills. Don't nobody want to hire no 50 some-year-old woman, and I can't draw Social Security because I don't think I ever worked long enough. I had various jobs, but I don't think I worked on one of them a year, so I know I can't draw that."

CONCLUSION

Some recipients do not have realistic alternatives outside of public aid.

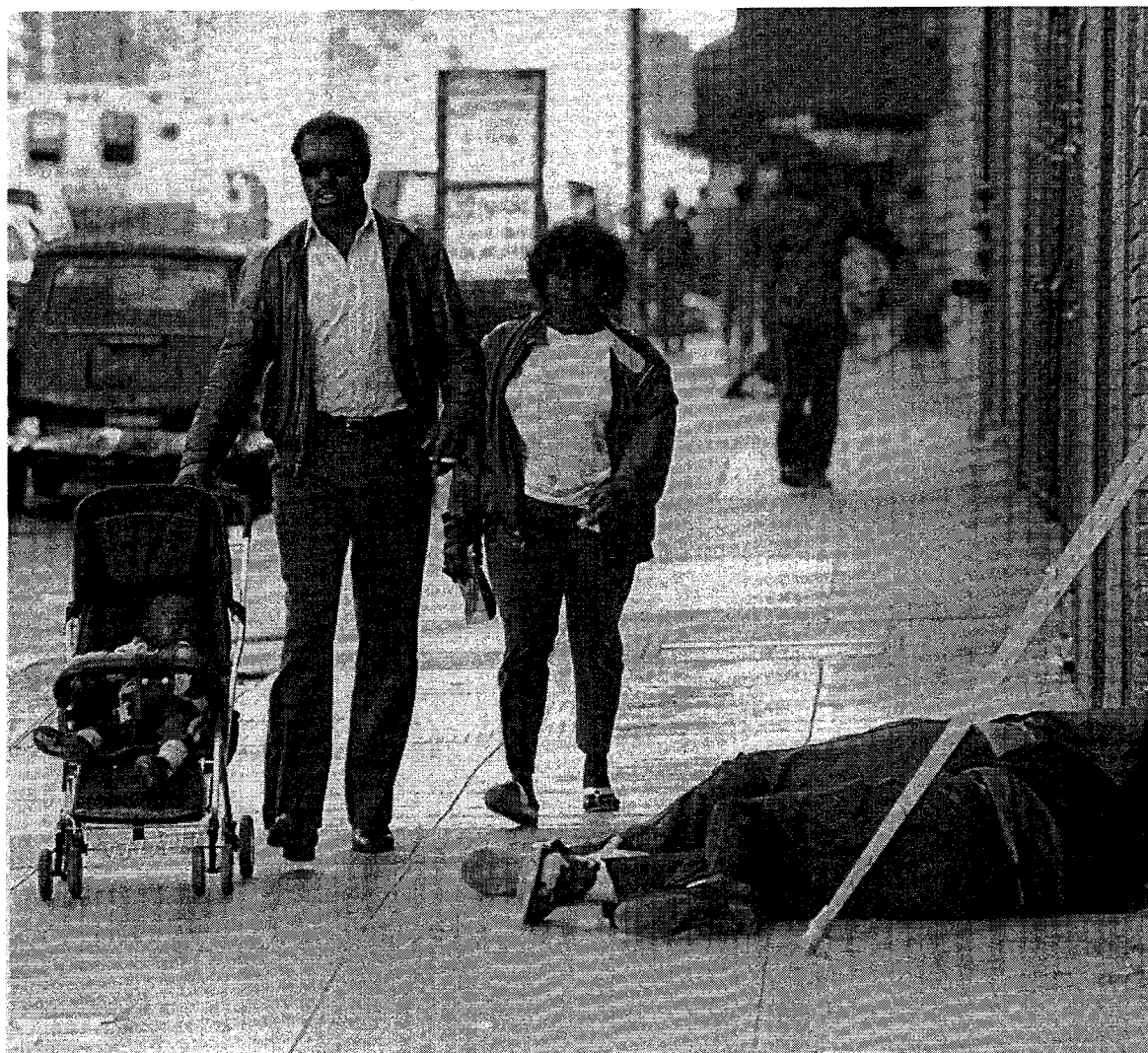
- About a fifth of current AFDC recipients have been on AFDC for 10 or more years.
- 44% of adult AFDC recipients have not graduated from high school.

- 41% of California adult women AFDC recipients have not worked in more than four years, and another 12% have no work experience at all.

- An estimated 16% of adult AFDC recipients are thought to be significantly impaired by their abuse of drugs or alcohol.

- About 20% of AFDC households in California include children with chronic health conditions or disabilities.

"I already feel like I'm old. You know, I think by me bein' at home all this time sort of like got me on the lazy side—sort of ruined me. I can't get in the spirit like I used to. There goes 15, 20 years of my life doin' nothing."



NITA WINTER

IX. OUR CHANGING SOCIETY

American trends and the social welfare system

America's population and its families have experienced profound changes since the 1960s. Trends such as the aging of the population, growing ethnic and racial diversity, urbanization, increases in single-parent families, and the movement of women into the workforce in record numbers have important implications for current policy debates such as balancing the federal budget and implementing welfare reform. Many trends are especially pronounced in California and the San Francisco Bay Area, and they will continue to affect our state and local policy making as well. A better understanding of the causes and consequences of these changes can help us reach more thoughtful, informed opinions.

The Aging of America

Improvements in medical technology, nutrition and incomes in the last 30 years have resulted in greater longevity.

- In 1970, one in 10 Americans were over 65. Today, one in eight are, and by the year 2050, one in five Americans are expected to be over age 65.
- California has 3.4 million elderly residents. This number is expected to increase to 4.6 million by 2010 (11.2% of the California population).
- More elderly means a smaller percentage of people earning a salary and paying taxes. Only about 17% of people over 65 are employed, half of them part time.

The Social Security Program has helped keep a large number of the elderly out of poverty.

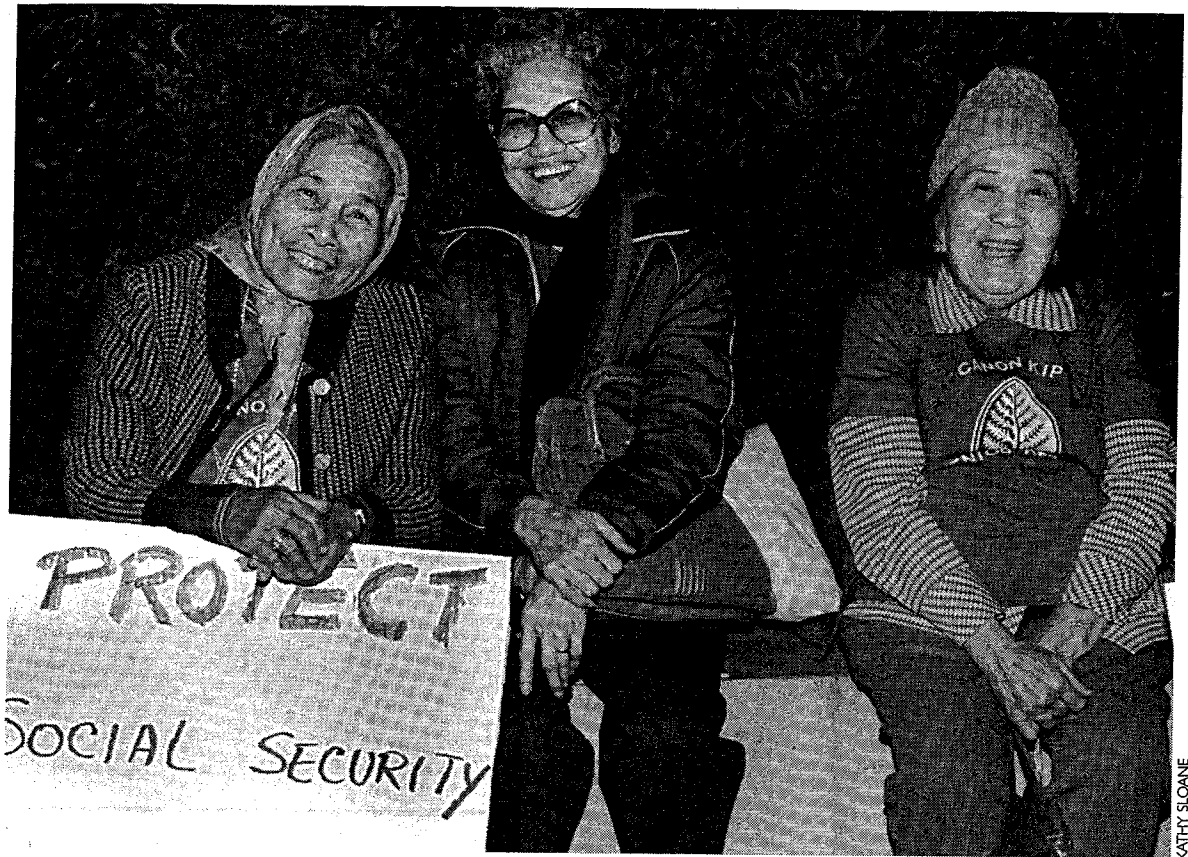
- The Social Security program is the largest single source of income for the elderly, representing 40% of their total income.
- Today, less than one in 10 of the elderly have

incomes below the poverty line, compared to one in three in 1960.

- The number of Social Security beneficiaries increased 55% between 1970 and 1991, from 26.2 million to 40.5 million. Total Social Security costs increased 743% during the same time, from \$31.8 billion to \$268.1 billion. Social Security now represents almost one-fourth of the federal budget.

The Medicare and Medicaid programs have contributed significantly to the health and quality of life of elderly Americans.

- Medicare program costs increased more than 18 times (from \$7.5 billion to \$144.7 billion) between 1970 and 1994. Medicare now represents 10% of the federal budget.
- 3.5 million California elderly have Medicare coverage, at a cost of \$16.4 billion in 1993.
- Because of the increased mobility of young people, fewer of the elderly today can count on family members for assistance with day-to-day activities. In 1993, more than 1 million elderly received help with routine activities



KATHY SLOANE

such as bathing, which was paid for by Medicare or Medicaid.

- Medicaid currently funds more than half of all nursing home care. Because they often use costly acute and long-term care services, the elderly and disabled account for 59% of all Medicaid spending.

Our Growing Ethnic Diversity

The proportion of African American, Latino and Asian residents in the United States has increased significantly in the last 30 years, a trend that is expected to continue.

- Ethnic minority groups accounted for 21% of the U.S. population in 1980. This figure rose to 28% in 1995 and is expected to approach 50% by the year 2050.

- In 1995, 43% of Californians were ethnic minorities, compared to 33% in 1980.

- In the Bay Area, representation of minority groups in the total population ranges from a high of 51% in Alameda County to a low of 17% in Sonoma County.

Because African Americans and Latinos typically have lower incomes than Caucasians, increased ethnic diversity may mean that an increasing proportion of the American population will be poor.

- In 1992, the per capita income of Latinos (\$8,874) and African Americans (\$9,296) was 55% to 58% of that for Caucasians (\$15,981).

- About a third of African Americans and Latinos live in poverty, compared to a tenth of Caucasians.

- 46% of African American children and 39% of Latino children live in poverty, compared to 16% of Caucasian children.

The drop in lower-skilled but well-paying manufacturing jobs since the 1970s has disproportionately hurt African Americans and Latinos.

- In 1994, the unemployment rate for African Americans was 11.5%, compared to 5.3% for Caucasians.

- Only 72% of African Americans and 53% of Latinos have completed high school, compared to 82% of Caucasians.

- Only 13% of African Americans and 9% of Latinos have completed four years of college, compared to 23% of Caucasians.

The Changing Status of Women and the Family

The increasing number of women in the workforce has important implications for providing support to families.

- More than 60% of working-age women are employed outside the home today, compared to 30% in 1950.
- Because more women are working outside the home, they are less available to perform traditional support roles such as parenting and care for elderly or ill relatives.

Although marriage is still highly valued by most Americans, more and more children are being born and raised outside of marriage.

- A national survey of high school seniors found that 90% of males and 95% of females still consider marriage and family life to be important. However, the proportion of births outside of marriage increased from 5% in 1960 to 29% in 1990.
- The increase in out-of-wedlock births reflects increases in the number of unmarried women in the United States. Between 1960 and 1990, the proportion of single women of childbearing age increased from 29% to 46%.
- The number of families headed by a single woman doubled between 1970 and 1988. In 1994, 13.4 million households, or 18% of all families, were headed by a single (never married, divorced or separated) woman.

Single-parent families are not a phenomenon unique to the poor.

- More than 65% of the increase in single-parent families between 1970 and 1990 was comprised of households that were not poor.

Still, children raised in single-parent families are more likely to be poor.

- In 1993, female-headed households had median incomes of \$18,545, compared to \$43,129 for married couples. Among families with children under six, 59% of those headed by single women live in poverty, compared to 13% of those headed by a married couple.

The increased number of single women with children reflects women's greater economic independence as well as men's reduced ability to support families.

- In 1976, fewer than a third of the women who had a child during the preceding year were in the labor force. By 1992, more than half were.
- Between 1970 and 1992, the annual median income for working women increased 48% from \$9,274 to \$13,677, while income for men decreased 9%, from \$24,296 to \$22,173.

Although some argue that the welfare system has contributed to the increase in births outside of marriage, most scientific evidence is to the contrary.

- Welfare benefits have been decreasing during the period of time that out-of-wedlock births have been increasing. Between 1970 and 1990, the average monthly AFDC benefit per family nationwide fell from \$676 to \$434. During this same 20-year period, the out-of-wedlock birth rate increased by nearly two-thirds, from 26 to 44 per 1,000 births.
- Recent studies by the Urban Institute, the University of Wisconsin and the University of California found that AFDC payments have no significant effect on single women's decisions to have children, and that the potential for increased welfare benefits does not affect AFDC mothers' decisions to have additional children.

- A 1996 Rutgers University study of a New Jersey welfare reform experiment found that eliminating AFDC benefit increases for additional children had no significant effect on births to AFDC mothers.

- Other Western industrialized nations that provide more generous welfare benefits than the United States have fewer out-of-wedlock births and fewer single-parent families than the United States.

Economic and Labor Force Trends in America and California

The gap between the rich and the poor is growing. Between 1972 and 1992:

- Incomes for the wealthiest 1% of households increased 91%.

- Incomes for the wealthiest 20% of households increased 28%.
- Incomes for the middle 20% of households increased only 1%.
- Incomes for the poorest 20% of households decreased 17%.

The wealthiest fifth of American households have as much after-tax income as all other Americans combined. This gap between the rich and the poor is higher in the United States than in any other industrialized nation.

- In a comparison of incomes (in U.S. dollars) for the poorest 10% of families and the wealthiest 10% of families in the United States, Europe, Scandinavia, Australia, Canada and Israel, the United States ranked 16th out of 18 in average income for poor families (\$10,923 vs. a low of \$6,692 for Ireland and a high of \$18,829 for Switzerland). The United States had the highest average income for wealthy families (\$65,536 vs. \$59,502 for Switzerland and \$27,165 for Ireland).
- The United States is the only nation in the comparison study cited above that does not have some form of nationally guaranteed child or family allowance.

The number of households living in poverty has remained high, despite economic growth.

- In 1964, 19% of Americans lived in poverty. This dropped to 11% in 1973, but since then, has risen more during each economic recession than it has fallen during each economic recovery. As a result, poverty rates have become detached from economic growth.
- By 1992, 15% of Americans lived in poverty; in California, 12.5% are poor. Though median incomes in Bay Area counties range from \$51,504 in Santa Cruz to \$86,800 in Marin County, more than 500,000 Bay Area residents are poor.

Wages for lower- and middle-income workers have declined or remained stagnant when adjusted for inflation, while earnings for those at the top of the income distribution have risen.

- Real wages, adjusted for inflation, have been declining over the past two decades. Average hourly wages in private, non-agricultural industries fell from \$8.55 in 1973 to \$7.39 in 1993, a 14% decline.

- Between 1979 and 1995, the median wage earner saw his or her annual salary decrease 5% (in constant dollars), from \$25,896 to \$24,700. During the same time period, a worker in the top third of the income distribution saw his or her annual income increase 8%, from \$46,280 to \$49,920.

- In recent years, Californians have been particularly hard-hit. Between 1989 and 1993, the median family income dropped from \$38,466 to \$34,073.

Working families are increasingly likely to be living in poverty.

- In 1979, 12% of full-time, year-round workers earned too little to lift a family of four out of poverty. By 1993, 16% of workers had earnings this low.
- More than half of all poor Americans, 22 million people, live in households in which someone works full or part time. Studies tracking working families have found that a wife's income was considered discretionary in the 1970s; today, this second income is considered a necessity.

Labor force trends during the last 30 years have increased competition for jobs and decreased economic opportunities for the poorest Americans.

- While employment in the manufacturing industries remained constant, jobs in the services more than doubled between 1970 and 1994. The largest growth in employment was in retail trade, historically a low-wage area.
- Tremendous growth in the number of workers in the labor force has resulted in competition for available jobs and reduction in wages. Demographic factors such as the entrance of the baby-boomers into the workforce led to a 54% increase in the size of the labor force from 1960 to 1980.
- In California, 7.3% of the workforce is unemployed and actively looking for work. In the Bay Area counties, the unemployment rate ranges from a high of 6.4% in Santa Cruz County to a low of 3.4% in Marin County. These rates do not include the 100,000 adult AFDC recipients who will be expected to find work in the next three years.



KATHY SLOANE

- Opportunities for workers with only a high school education have decreased significantly. In 1979, young men who were college graduates earned 23% more than those who were high school graduates. By 1989, they earned 43% more. However, three-quarters of American men do not have a college degree.

- The proportion of the work force that is unionized has been falling since the 1950s, but the pace of this fall increased dramatically after 1975. In the 1950s, about a third of the total labor force was unionized. About 29% of the work force belonged to unions in 1975, compared to 8% in 1991.

- Fewer jobs today provide health insurance. About 15% of Americans had no health insurance in 1993. The number of those without insurance has increased steadily since 1987. Between 1988 and 1993 alone, the proportion of Americans covered by health insurance through their employment fell from 62% to 57%.

- Cutbacks in the unemployment insurance program at both the federal and state levels during the 1980s resulted in a drop in the pro-

portion of unemployed workers covered by unemployment insurance, from 52% in the 1970s to 37% in 1990.

The real value of the minimum wage when adjusted for inflation has declined and no longer lifts a family out of poverty.

- Occasional adjustments to the minimum wage in the 1960s and 1970s tended to keep pace with inflation. This pattern was reversed, however, after 1978. Full-time minimum wage workers have experienced a 13% decline in disposable income in the last 20 years.

- The current minimum wage amounts to less than \$10,000 annually for full-time work, leaving a family of three well below the poverty line.

As incomes fail to keep up with costs, families are spending an increasing proportion of their earnings on basic necessities.

- The average American household spends 46% of its income on housing, utilities and health care, compared to 33% a generation ago.

- The average price of housing across the



NITA WINTER

nation increased nearly 333% between 1975 and 1995. In Bay Area counties, the median monthly cost for housing ranges from a high of \$1,022 in San Francisco and San Mateo counties to a low of \$738 in Sonoma County. A parent earning the minimum wage takes home less than \$750 per month, with the costs of health care and child care reducing this amount even further.

Federal tax policies, particularly the Earned Income Tax Credit, have provided essential tax relief for poor families, but state and local taxes are still a significant burden.

- Between 1986 and 1994, the federal income tax for a family of four at the poverty level dropped from 10% of income to -2% (a refund).
- In California, households with incomes of \$10,000 to \$20,000 pay about 6% of their income in sales taxes, while those with incomes above \$100,000 pay about 3%.

Investment in Social Programs

Government assistance has reduced poverty among the elderly, but poverty has increased among children.

- Children, 27% of the American population, constitute 40% of the poor. The elderly are 10% of the population and about 12% of the poor.

- The proportion of American children living in poverty increased from 15% in 1969 to 20% in 1991, while the proportion of the elderly who were poor decreased from 27% to 9%.

- The proportion of poor children has increased among all ethnicities: Caucasians from 10% to 12%, African Americans from 41% to 42% and Latinos from 31% to 36%.

- SSI, the government cash assistance program for the elderly and disabled poor, automatically increases with inflation. AFDC, which provides assistance to families with children, does not. In most states, an elderly couple receives substantially more in benefits than a mother with two children. In the median state, the couple would receive \$7,596 from SSI, compared to the mother and her children's \$5,000 from AFDC.

Government social spending for low-income families represents a very small portion of federal, state and county budgets.

● In 1995, spending on all social programs, including Social Security, totaled about 47% of the federal budget. However, spending for AFDC and food stamps, the primary supports for low-income families, accounted for only 3% of federal spending.

● In 1994, the combined federal and state cost for AFDC was \$26 billion. By comparison, federal expenditures for the savings and loan rescue in 1991 alone were \$130 billion.

● In 1994, California spent \$3.1 billion, or 4%, of the state budget on AFDC. Spending decreased by \$192 million between 1994 and 1996. In the Bay Area, county spending on AFDC ranged from a high of 2% of Contra Costa County's budget to a low of .02% in San Mateo County.

Since the 1970s, government spending for the major programs to assist poor families with children has decreased significantly, whereas the government continues to subsidize wealthy Americans to promote asset development.

● From 1970 to 1992, the average real monthly AFDC benefits per family fell from \$644 to \$388 (in 1992 dollars), a decrease of 40%.

● From 1972 to 1992, the average real monthly benefits for AFDC and food stamps for a family of three decreased 26%.

● The richest 5% of taxpayers received \$40 billion in tax subsidies in 1993 through home mortgage and real estate tax deductions, capital gains deferrals, and tax-deferred retirement accounts and pensions.

● Total federal tax subsidies for middle-income and wealthy families amount to more than \$140 billion a year, more than six times the amount spent on AFDC.

Government social welfare spending in the United States is very low compared to international standards.

● The Netherlands, Sweden, France, Ireland, Austria, the United Kingdom and Canada all surpass the United States in welfare spending as a percent of Gross Domestic Product.

California taxes and per capita spending on social welfare services are not high by national standards.

● California ranks 23rd in the nation in state and local tax revenues per \$1,000 in personal income.

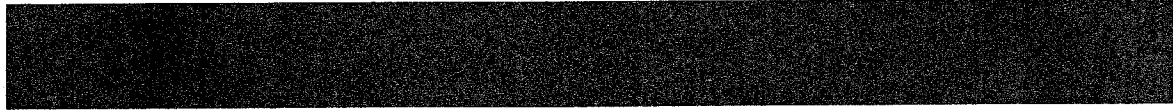
● California ranks 29th in the nation in property tax revenues per \$1,000 in personal income.

NITA WINTER

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APPENDIX A - SOCIAL WELFARE BY THE NUMBERS

National, State & County



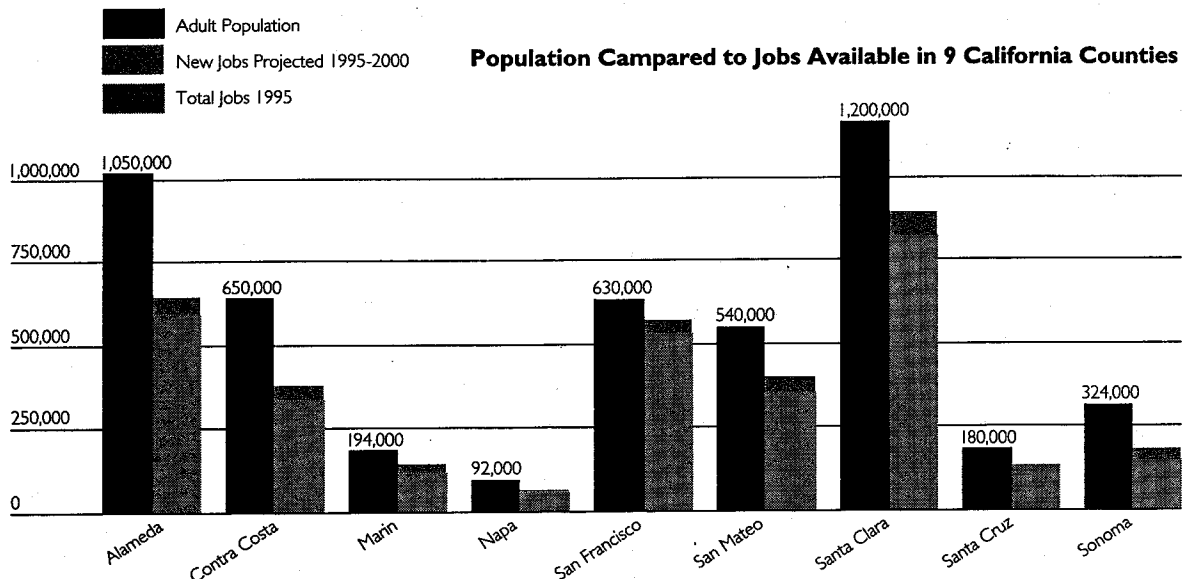
These tables provide a quick reference for reader's interested in the basic facts about social welfare programs in the U.S., California, and the counties of the greater San Francisco Bay Area, as well as data on the demographic, labor market, and social factors that are relevant to the provision of social welfare programs. The tables highlight both the commonalities among our Bay Area counties as well as our tremendous diversity. Some of the highlights include the following:

Population Demographics

- Close to one-fifth of Californians live in the greater Bay Area. Of these, 5%–13% live in poverty.
- Alameda and San Francisco county are the most ethnically diverse, with almost half of county residents people of color. Marin, Sonoma, and Napa counties are predominantly Caucasian (eight out of ten residents).

Labor Market and Social Factors

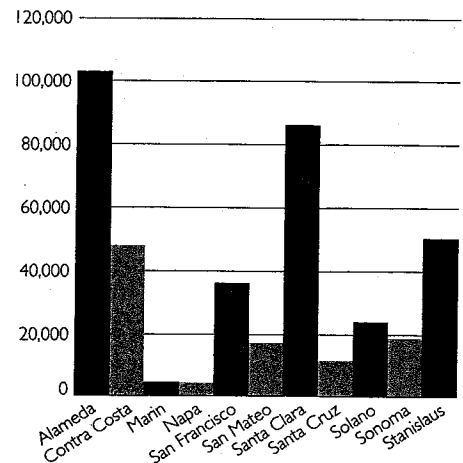
- Unemployment rates in the Bay Area are slightly lower than statewide -- ranging from a high of 6.4% in Santa Cruz County to a low of 3.4% in Marin County.
- The median cost of housing ranges from \$722 per month in Napa county to \$1,022 in San Francisco and San Mateo Counties. This compares to \$497 nationwide.
- Except for Alameda County, high school dropout rates are significantly lower in the Bay Area than in California and the nation.



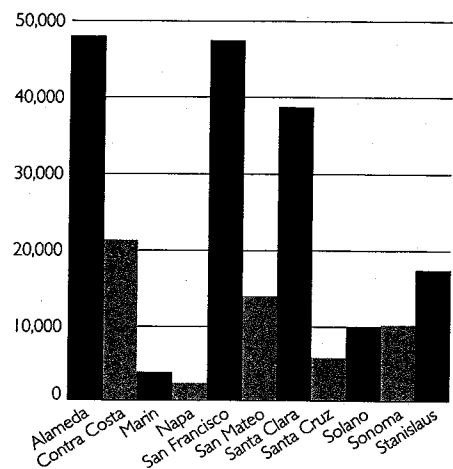
Welfare Programs in the Bay Area

- Most Bay Area counties spend less than 1% of their budget on public assistance programs.
- More people receive public assistance in Alameda County than in any other county in the Bay Area, with 8% of the population receiving AFDC, 9% receiving food stamps, and 15% receiving their medical care through Medicaid.
- Reflecting the Bay Area's ethnic diversity, a smaller percentage of public assistance recipients are Caucasian, and a larger percentage are Latinos, African-Americans, and Asians than in the rest of the nation.
- California and the Bay Area have much higher percentages of legal immigrants receiving benefits than the rest of the nation. For example, three out of ten California SSI recipients are legal immigrants.
- San Francisco county has the highest percentage of SSI recipients, with 6% of the population receiving benefits. One-third of these are legal immigrants.
- Consistent with the higher incidence of SSI recipients, two-thirds of Medicaid recipients in San Francisco are adults, while nationally, and in California, a greater proportion of Medicaid recipients are children (52% nationally and 56% statewide). Nearly three-fourths of Medicaid recipients in Contra Costa county are children.
- While only 8% of AFDC recipients nationwide, and 12% in California report earnings from employment, Bay Area counties report up to 25% of AFDC recipients are working at least part-time.

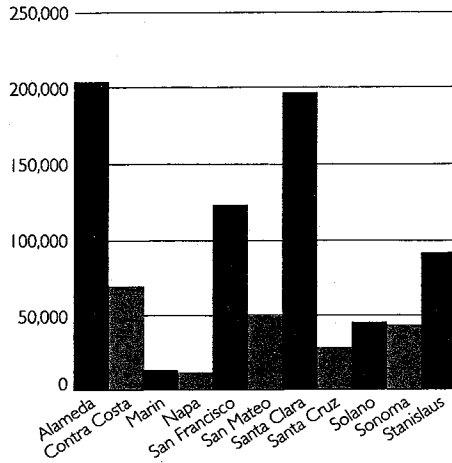
Individuals Receiving AFDC
(by county)



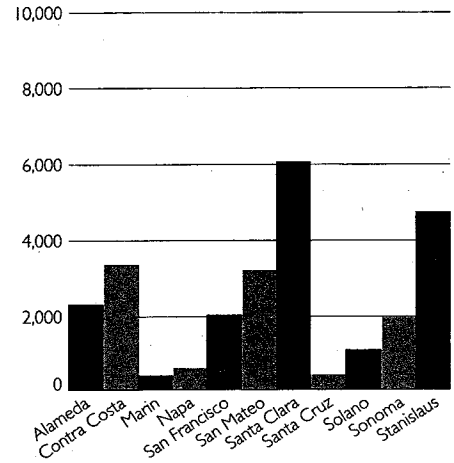
Individuals Receiving SSI
(by county)



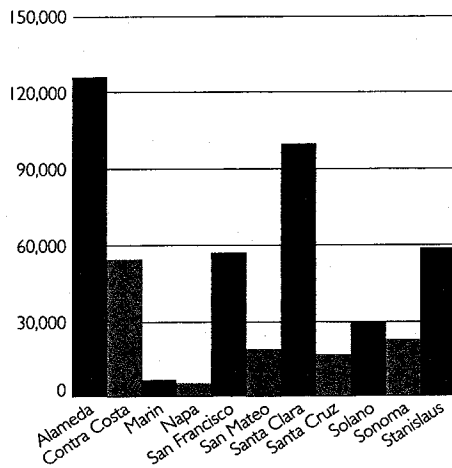
Individuals Receiving Medicaid
(by county)



Individuals Participating in JOBS
(by county)



Individuals Receiving Food Stamps
(by county)



NATIONAL, STATE & COUNTY

	U.S.	California	Alameda	Contra Costa	Marin	Napa	San Francisco
Population (1995)	265 million	32 million	1.4 million	883,000	246,000	121,000	760,000
Ethnicity (1990)							
Caucasian	83%	69%	60%	76%	85%	79%	54%
African-American	13%	7%	18%	9%	4%	1%	11%
Latino*	10%	25%	14%	11%	7%	16%	13%
Asian	4%	10%	15%	10%	4%	NA	30%
Other	1%	1%	1%	1%	1%	4%	1%
% Adults	74%	74%	75%	74%	79%	76%	83%
% Children	26%	26%	25%	26%	21%	24%	17%
Median Income (1995)	\$32,264	\$48,755	\$58,800	\$70,400	\$86,800	\$58,400	\$59,600
% Below Poverty (1990)	14.5%	12.5%	10.6%	7.3%	5.2%	6.8%	12.7%
Employment	(1994)	(1994)	(1995)	(1995)	(1995)	(1995)	(1995)
Total Jobs	127 million	16 million	608,770	298,420	116,790	50,000	534,610
Manufacturing	14%	12%	13%	10%	5%	12%	7%
Retail Trade	16%	16%	16%	18%	29%	18%	14%
Services	24%	32%	36%	36%	38%	43%	41%
Government	15%	15%	11%	8%	6%	4%	11%
Other+	31%	25%	24%	28%	22%	23%	27%
New Jobs Projected, 1995-2000	NA	NA	43,000	37,000	12,000	7,000	33,000
Unemployment (1996)	5.6%	7.3%	4.8%	5.1%	3.4%	6.2%	4.8%
Violent Crime Rate (per 100,000 population)	(1992) 746	(1994) 992	(1994) 1,204	(1994) 731	(1994) 344	(1994) 495	(1994) 1,452
Teen Pregnancy (1992)	5%	12%	10%	8%	4%	8%	8%
Low-Birthweight (1992)	7%	6%	7%	7%	5%	4%	6%
Late Prenatal care (1992)	22%	25%	15%	17%	10%	23%	21%
Infant Mortality (per 1,000 births) (1992)	8.9	7.5	7.9	6.2	4.5	4.2	7.3
HS Drop-out rate (1995)	4.4%	4.4%	4.3%	2.5%	1.6%	1.0%	2.9%
Median Housing Cost (1995)	\$497	\$435-1,022	\$830	\$830	\$958	\$722	\$1,022

*Latinos may be of any race, therefore percentages do not always add to 100%

+Includes mining, agriculture, construction, transportation, utilities, wholesale trade, finance and real estate. Individual categories within "other" range from <1% to 13% of total jobs.

CRIME RATE: Violent crimes include homicide, forcible rape, robbery, and aggravated assault.

TEEN PREGNANCY: Percent of females up to age 19 (nationally) or up to age 20 (state and county) who gave birth in 1992.

LOW BIRTH WEIGHT: Defined as an infant weighing less than 2.5 kilograms (5.5 lbs.) at birth.

LATE PRENATAL CARE: Defined by care which begins after the fourth month of pregnancy.

HIGH SCHOOL DROP OUT RATE: The percent of students that drop out in a given year.

Not all percentages add to 100% due to rounding.

See Appendix B for list of sources.

San Mateo	Santa Clara	Santa Cruz	Sonoma
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696,000	1.6 million	243,000	432,000
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72%	69%	74%	83%
5%	4%	1%	2%
17%	21%	22%	12%
16%	18%		3%
1%	1%	1%	1%

78%	75%	75%	75%
22%	25%	25%	25%

\$77,800	\$73,800	\$51,504	\$58,100
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6.3%	7.5%	10.7%	7.6%
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(1995) 318,350	(1995) 827,350	(1995) 135,600	(1995) 164,030
11%	28%	11%	13%
17%	15%	18%	20%
33%	34%	23%	34%
5%	6%	16%	7%
34%	17%	32%	26%
37,000	60,000	NA	24,000

3.6%	3.5%	6.4%	4.7%
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(1994) 489	(1994) 568	(1994) 696	(1994) 474
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7%	9%	10%	8%
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6%	6%	4%	5%
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17%	19%	22%	15%
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5.8	6.1	5.5	5.9
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2.5%	3.2%	NA	2.8%
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\$1,022	\$939	\$960	\$738
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UNITED STATES

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1994) 5.1 million	(1996) 10 million	(1995) NA	(1994) NA	(1994) NA
Number of individuals receiving benefits	14.3 million	26 million	36.2 million	592,470	6.3 million
Adults	32%	39%	51%	100%	86%
Children	68%	61%	49%	0	14%
Percent of U.S. residents with benefits	5%	10%	14%	<1%	2%
Ethnicity of Recipients	(1994)	(1992)	(1994)	(1994)	(1995)
Caucasian	38%	61%	45%	46%	53%
African-American	37%	34%	25%	34%	29%
Latino*	19%	20%	17%	14%	NA
Asian	3%	NA	2%	3%	NA
Other/Unknown	3%	NA	11%	3%	18%
Household Type	(1993)	(1992)	NA	NA	NA
Single parent family	84%	54%			
Two-parent family	13%	36%			
Individual	3%	9%			
Average Number in Household	(1994) 2.9	(1996) 2.6	NA	NA	(1995) 3.6
Educational Status	(1993)	NA	NA	(1994)	NA
Never graduated high school	44%			45%	
High school/GED graduate	38%			44%	
College/post-secondary	19%			10%	
Employment Status	(1994)	(1992)	NA	NA	(1992)
Currently employed	8%	22%			22%
In training program	12%	NA			NA
Not employed	80%	78%			78%
Immigration status of recipients	(1993-94)	(1990-91)	(1990-91)	NA	(1994)
US Citizen	93%	11.5% of benefit dollars went to immigrants	14.1% of benefit dollars went to immigrants		77%
Legal Immigrant	6%				23%
Undocumented immigrant	<1%				0
Average length of time receiving assistance	(1994) 3 years	(1994) 9 months	(1994) 11 months	(1994) 15 months	NA
Annual Expenditures	(1994)	(1993)	(1994)	(1994)	(1994)
Total Dollars	\$26 billion	\$26.3 billion	\$143.8 billion	\$2 billion (estimate)	\$30.3 billion
Federal Funds	50%	94%	57%	NA	85%
State Funds	47.5%	6%	43%	NA	15%
County Funds	2.5%	0	0	NA	0
BENEFITS TO RECIPIENTS -	\$22.8 billion	\$23 billion	\$137.6 billion	NA	\$28.6 billion
ADMINISTRATIVE COSTS -	\$ 3.2 billion	\$ 3.3 billion	\$ 6.2 billion	NA	\$ 1.7 billion
Federal cost as % of total federal budget	1%	2%	6%	<1%	2%
Average monthly cost per individual - Total	\$153	\$84	\$341	\$281 (estimate)	\$448
- Benefits to recipients	\$134	\$74	\$326	NA	\$425
- Administrative costs	\$ 19	\$10	\$ 15	NA	\$ 23

Not all percentages add to 100% due to rounding.

* Latinos may be of any race, therefore percentages do not always add to 100%

See Appendix B for list of sources.

CALIFORNIA

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1/96) 977,217	(1/96) 1,169,322	(1994) NA	(FY95-96) NA	(1994) NA
Number of individuals receiving benefits	2,719,106	3,129,907	5,442,419	133,650	1,014,147
Adults	30%	38%	44%	100%	93%
Children	70%	62%	56%	0	7%
Percent of state residents with benefits	8%	10%	17%	<1%	3%
Ethnicity of Recipients	(1993)	(1993-94)	(1994)	(95-96)	NA
Caucasian	31%	32%	31%	37%	
African-American	17%	24%	14%	13%	
Latino*	36%	30%	38%	38%	
Asian	10%	10%	8%	10%	
Other/unknown	1%	2%	9%	2%	
Household Type	NA	(1994) 50% not married 23% married 27% unknown	NA	NA	NA
Average Number in Household	(1994) 29	(1996) 27	NA	NA	NA
Educational Status	(1993)	NA	NA	(1995-96)	NA
Never graduated high school	12%			60%	
High school/GED graduate	8%			32%	
College/post-secondary	<1% (74% unknown)			8%	
Employment Status	(1993-94)	(1994)	NA	(1995-96)	NA
Currently employed	7%	20%		10%	
In training program	12%	NA		NA	
Not employed	81%	80%		90%	
Immigration status of recipients	(1994)	(1993)	NA	NA	(1996)
US Citizen	85%	86% citizens			69%
Legal Immigrant	15%	14%			31%
Undocumented immigrant	0	0			0
Average length of time receiving assistance	(1994) 3.3 years	(1994) 26 months	NA	(1995) 18 months	NA
Annual Expenditures	(1994)	(1994-95)	(1994-95)	(1995)	(1994)
Total Dollars	\$6.7 billion	\$2.7 billion	\$17.5 billion	\$266.6 million	\$5.5 billion
Federal Funds	50%	94%	50%	55%	67%
State Funds	47.5%	6%	50%	37%	33%
County Funds	2.5%	0	0	8%	0
BENEFITS TO RECIPIENTS -	\$6.1 billion	\$2.4 billion	\$15.8 billion	NA	\$5.2 billion
ADMINISTRATIVE COSTS -	\$570.1 million	\$299 million	\$ 1.7 billion	NA	\$307 million
State cost as % of total state budget	4%	<1%	12%	<1%	3%
Average monthly cost per individual - Total	\$207	\$72	\$268	\$166	\$459
- Benefits to recipients	\$189	\$68	\$242	NA	\$436
- Administrative costs	\$ 18	\$ 9	\$ 26	NA	\$ 23

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

ALAMEDA COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(12/95) 36,280	(12/95) 55,003	(1994) NA	(12/95) NA	(1994) NA
Number of individuals receiving benefits	102,190	125,033	202,569	2,278	47,657
Adults	33%	43%	48%	NA	94%
Children	67%	57%	52%	NA	6%
Percent of county residents with benefits	8%	9%	15%	<1%	4%
Ethnicity of Recipients	(1995)	(1995)	(1994)	(1995)	NA
Caucasian	16%	18%	21%	14%	
African-American	52%	55%	41%	67%	
Latino*	15%	13%	15%	9%	
Asian	13%	10%	13%	6%	
Other and Not Reported	5%	5%	11%	3%	
Household Type	NA	NA	NA	NA	NA
Single parent family					
Two-parent family					
Individual					
Average Number in Household	(1995) 2.8	(1995) 2.3	NA	NA	NA
Educational Status	NA	NA	NA	(1996) Over 50% have not graduated from high school	NA
Employment Status	NA	NA	NA	NA	NA
Immigration status of recipients	(1996)	(1996)	(1994)	NA	(1996)
US Citizen	88%	99%	NA		72%
Legal Immigrant	12%	1%	3%		28%
Undocumented immigrant	0	0	NA		0
Average length of time receiving assistance	(1995) 4.3 years	(1995) 11 months	(1995) 1.8 years	NA	NA
Annual Expenditures	\$235.2 million	\$110.3 million	\$443.2 million	\$9 million	\$284.3 million
Total Dollars	(FY 1996-1997)	(FY 1996-1997)	(1994)	(FY 1996-1997)	(1994)
Federal Funds	50%	95%	50%	50%	67%
State Funds	46%	4%	50%	42%	33%
County Funds	4%	1%	0	8%	0
BENEFITS TO RECIPIENTS -	208.7 million	98.6 million	424.5 million	NA	\$270 million
ADMINISTRATIVE COSTS -	26.4 million	11.7 million	18.7 million	NA	\$ 14 million
County cost as % of total county budget	0.8%	0.1%	0	0.6%	0
Average monthly cost per individual - Total	\$192	\$74	\$183	\$329	\$497
- Benefits to recipients	\$170	\$66	\$175	NA	\$472
- Administrative costs	\$ 22	\$ 8	\$ 8	NA	\$ 25

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages do not always add to 100%.

See Appendix B for list of sources.

CONTRA COSTA COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1996) 17,000	(1996) 21,675	(1996) 35,000	(1996) NA	(1994) NA
Number of individuals receiving benefits	47,400	53,600	71,000	3,300	21,000
Adults	32%	25%	27%	NA	93%
Children	68%	75%	73%	NA	7%
Percent of county residents with benefits	5%	6%	8%	< 1%	2%
Ethnicity of Recipients	(1995-96)	(1995-96)	(1994)	(1995-96)	NA
Caucasian	39%	43%	38%	36%	
African-American	39%	30%	29%	35%	
Latino*	15%	22%	17%	11%	
Asian	7%	5%	8%	18%	
Other and Not Reported			9%		
Household Type	(1995-96)	(1995-96)		(1995-96)	NA
Single parent family	78%	72%	NA	81%	
Two-parent family	12%	15%		19%	
Individual	10%	13%			
Average Number in Household	(1995-96) 2.8	(1995-96) 2.5	(1995-96) 2.0	NA	NA
Educational Status	NA	NA	NA	(1995-96)	NA
Never graduated high school				48%	
High school/GED graduate				48%	
College graduate				2%	
Employment Status	(1995-96)	(1995-96)	(1995-96)	(1995-96)	NA
Report income from employment	16%	16%	13%	5%	
Immigration status of recipients	(1995-96)		(1995-96)		(1995-96)
US Citizen	85%	NA	84%	NA	78%
Legal Immigrant	15%	NA	15%	NA	22%
Undocumented immigrant	0	0	<1%	0	0
Average length of time receiving assistance	NA	NA	NA	NA	NA
Annual Expenditures	(FY 1995-1996)	(FY 1995-1996)	(FY 1995-1996)	(FY 1995-1996)	(1994)
Total Dollars	\$135.2 million	\$51.4 million	\$206.5 million	\$6.3 million	\$122.5 million
Federal Funds	48%	93%	50%	55%	67%
State Funds	44%	5%	50%	35%	33%
County Funds	8%	2%	0	10%	0
BENEFITS TO RECIPIENTS -	117.3 million	43.8 million	198 million	NA	\$116.4 million
ADMINISTRATIVE COSTS -	17.9 million	7.6 million	8.5 million	NA	\$ 6.1 million
County cost as % of total county budget	2%	0.2%	0	0.1%	0
Average monthly cost per individual - Total	\$238	\$80	\$242	\$158	\$487
- Benefits to recipients	\$206	\$68	\$232	NA	\$463
- Administrative costs	\$ 32	\$12	\$ 10	NA	\$ 24

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages do not always add to 100%.

See Appendix B for list of sources.

MARIN COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1994) 1,842	(1994) 3,084	(1994) NA	(1994) NA	(1994) NA
Number of individuals receiving benefits	4,223	6,103	12,926	378	3,682
Adults	34%	NA	56%	NA	95%
Children	66%	NA	44%	NA	5%
Percent of county residents with benefits	2%	2%	5%	<1%	1.5%
Ethnicity of Recipients	(1995)	(1995)	(1994)	(1996)	NA
Caucasian	49%	59%	51%	55%	
African-American	19%	16%	11%	15%	
Latino*	18%	13%	23%	20%	
Asian	11%	8%	7%	10%	
Other/Unknown	3%	4%	8%	-	
Household Type	NA	NA	NA	NA	NA
Average Number in Household	(1994) 2.3	(1994) 2.0	NA	NA	NA
Educational Status	NA	NA	NA	(1996)	NA
Never graduated high school				35%	
High school/GED graduate				20%	
College/Post-Secondary				45%	
Employment Status	NA	NA	NA	(1996)	NA
Not employed				40%	
Currently employed				60%	
Immigration status of recipients	NA	NA	NA	NA	NA
US Citizen					
Legal Immigrant					
Undocumented immigrant					
Average length of time receiving assistance	NA	NA	NA	(1995) 21 months	NA
Annual Expenditures	(FY1994-95)	(FY 1994-95)	(1994)	(FY1994-95)	(1994)
Total Dollars	\$16.9 million	\$7.1 million	\$39.3 million	\$520,000	\$20.2 million
Federal Funds	50%	90%	50%	NA	67%
State Funds	45%	7%	50%	NA	33%
County Funds	5%	3%	0	NA	0
BENEFITS TO RECIPIENTS-	\$14.6 million	\$5.6 million	\$37.1 million	NA	\$19.2 million
ADMINISTRATIVE COSTS -	\$ 2.3 million	\$1.5 million	\$ 2.2 million	NA	\$960 thousand
County cost as % of total county budget	NA	NA	0	NA	0
Average monthly cost per individual - Total	\$333	\$97	\$253	\$115	\$456
- Benefits to clients	\$288	\$77	\$239	NA	\$435
- Administrative costs	\$ 45	\$20	\$ 14	NA	\$ 21

Not all percentages add to 100% due to rounding.

* Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

NAPA COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1996) 1,684	(1996) 2,077	(1994) NA	(1996) NA	(1994) NA
Number of individuals receiving benefits	4,145	5,011	11,520	575	2,325
Adults	33%	NA	50%	NA	90%
Children	67%	NA	50%	NA	10%
Percent of county residents with benefits	3%	4%	10%	<1%	2%
Ethnicity of Recipients+	(4/96)	(4/96)	(1994)	(7/96)	NA
Caucasian	70%	66%	60%	72%	
African-American	3%	2%	2%	2%	
Latino*	24%	29%	29%	20%	
Asian	2%	2%	1%	2%	
Other/unknown	1%	1%	7%	4%	
Household Type	NA	NA	NA	NA	NA
Average Number in Household	(1996) 2.5	(1996) 2.4	NA	NA	NA
Educational Status	NA	NA	NA	NA	NA
Employment Status	NA	NA	NA	NA	NA
Immigration status of recipients	NA	NA	NA	NA	NA
Average length of time receiving assistance	NA	NA	NA	NA	NA
Annual Expenditures	(1996 estimated)	(1996 estimated)	(1994 estimated)	(1995-96)	(1994 estimate)
Total Dollars	\$11.2 million	\$4.9 million	\$38.4 million	\$975,000	\$11.6 million
Federal Funds	50%	100%	50%	48%	67%
State Funds	47.5%	0	50%	39%	33%
County Funds	2.5%	0	0	13%	0
BENEFITS TO RECIPIENTS -	\$10.2 million	\$4.5 million	\$34.6 million	NA	\$11 million
ADMINISTRATIVE COSTS -	\$ 1 million NA	\$350 thousand	\$ 3.8 million	NA	\$649 thousand
County cost as % of total county budget	NA	NA	0	0	0
Average monthly cost per individual- Total	\$224	\$85	\$278	\$141	\$416
- Benefits to recipients	\$204	\$75	\$250	NA	\$395
- Administrative costs	\$ 20	\$10	\$ 28	NA	\$ 21

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages may not add to 100%

+For AFDC, Food Stamps, and JOBS, ethnicity is reported for the head of household.

See Appendix B for list of sources.

SAN FRANCISCO COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1994-95) 14,220	(1994-95) NA	(1994) NA	(1994-95) NA	(1994) NA
Number of individuals receiving benefits	35,550	56,000	121,428	1,974	47,086
Adults	36%	NA	63%	NA	97%
Children	64%	NA	37%	NA	3%
Percent of county residents with benefits	5%	7%	16%	<1%	6%
Ethnicity of Recipients	(1994-95)	(1994-95)	(1994)	(1994-95)	NA
Caucasian	15%	21%	22%	6%	
African-American	40%	40%	23%	45%	
Latino*	18%	16%	13%	25%	
Asian	26%	22%	19%	24%	
Other/unknown	-	-	23%	-	
Household Type	(1996)				
Single parent family	64%	NA	NA	NA	NA
Two-parent family	21%				
Individual	15%				
Average Number in Household	(1994-95) 2.5	NA	NA	NA	NA
Educational Status	NA	NA	NA	NA	NA
Employment Status	(1996) 15% report earnings from employment	NA	NA	NA	NA
Immigration status of recipients	(1996)	(1996)	(1996)	NA	(1996)
US Citizen	94%	97%			67%
Legal Immigrant	6%	3%	21% legal immigrants		33%
Undocumented immigrant	0	0			0
Average length of time receiving assistance	NA	NA	NA	NA	NA
Annual Expenditures (FY1996-97 unless otherwise indicated)	(FY1996-1997) \$143.2 million	(FY1996-1997) \$55.1 million	(1994) \$342.8 million	(FY1996-1997) \$7.0 million	(FY1996-1997) \$296.8 million
Federal Funds	50%	92%	50%	50%	67%
State Funds	44%	6%	50%	33%	33%
County Funds	6%	2%	0	17%	0
BENEFITS TO RECIPIENTS -	134.5 million	46.2 million	333.8 million	NA	272.4 million
ADMINISTRATIVE COSTS -	8.8 million	8.9 million	9.0 million	NA	14.4 million
County cost as % of total city and county budget	0.3%	0.04%	0	0.04%	0
Average monthly cost per individual - Total	\$336	\$81	\$235	\$296	\$507
- Benefits to recipients	\$315	\$69	\$229	NA	482
- Administrative costs	\$ 21	\$13	\$ 6	NA	25

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

SAN MATEO COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1996) 6,686	(1996) 7,328	(1996) NA	(1996) NA	(1994) NA
Number of individuals receiving benefits	16,752	18,274	48,755*	3,145	13,724
Adults	30%	30%	51%	100%	96%
Children	70%	70%	49%	0	4%
Percent of county residents with benefits	2%	3%	7%	<1%	2%
Ethnicity of Recipients	(1996)	(1996)	(1994)	1996	NA
Caucasian	25%	26%	26%	24%	
African-American	25%	31%	36%	28%	
Latino+	39%	32%	14%	41%	
Asian	10%	11%	9%	5%	
Other and Not Reported	<1%	<1%	15%	1%	
Household Type	(1996)	NA	NA	NA	NA
Single parent family	77%				
Two-parent family	20%				
Foster Care	3%				
Average Number in Household	(1996) 2.4	(1996) 2.5	NA	(1996) 3.0	NA
Educational Status	NA	NA	NA	NA	NA
Employment Status	(1996) 20% report earnings from employment	NA	NA	NA	NA
Immigration status of recipients	(1996)	(1996)	(1996)		(1996)
US Citizen	93%	87%	68%	NA	56%
Legal Immigrant	7%	13%	24%		44%
Undocumented immigrant	0	0	8%		0
Average length of time receiving assistance	(1996) 32 months	NA	NA	NA	NA
Annual Expenditures (FY 95-96)					
Total Dollars	\$44 million	\$17.2 million	\$169 million	\$4 million (estimate)	\$73.5 million
Federal Funds	50%	92%	50%	NA	67%
State Funds	46%	6%	50%	NA	33%
County Funds	4%	2%	0	NA	0
BENEFITS TO RECIPIENTS -	\$39 million	\$14.3 million	\$156 million	NA	\$70 million
ADMINISTRATIVE COSTS -	\$ 5 million	\$ 3.0 million	\$ 13 million	NA	\$ 3.5 million
County cost as % of total county budget	0.02%	0.004%	0	NA	0
Average monthly cost per individual - Total	\$217	\$79	\$411	\$106	\$443
- Benefits to recipients	\$192	\$66	\$380	NA	\$422
- Administrative costs	\$ 25	\$13	\$ 31	NA	\$ 21

Not all percentages add to 100% due to rounding.

*14,489 of these individuals are also receiving SSI. Their Medicaid is administered through SSI and is not included in the expenditure information.

+Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

SANTA CLARA COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1996) 30,911	(1996) 37,126	(1994) NA	(1996) NA	(1994) NA
Number of individuals receiving benefits	85,507	98,794	195,345	6,000	38,389
Adults	32%	NA	48%	100%	96%
Children	68%	NA	52%	0	4%
Percent of county residents with benefits	5%	8%	12%	<1%	2%
Ethnicity of Recipients	(1996)	(1996)	(1996)	(1996)	NA
Caucasian	18%	22%	16%	22%	
African-American	7%	6%	3%	9%	
Latino*	44%	47%	71%	50%	
Asian	31%	25%	10%	19%	
Other/unknown	-	-	-	-	
Household Type	(1996)			(1996)	
Single parent family	81%	NA	NA	60%	NA
Two-parent family	19%			40%	
Average Number in Household	(1996) 2.9	(1996) 2.6	(1996) 1.4	(1996) 2.5	NA
Educational Status	NA	NA	NA	NA	NA
Employment Status	NA	NA	NA	NA	NA
Immigration status of recipients	(1996)	(1996)	(1996)	NA	(1996)
US Citizen	77%	76%	52%		68%
Legal Immigrant and Refugees	23%	24%	22%		32%
Undocumented immigrant	0	0	26%		0
Average length of time receiving assistance	(1996) 1-2 years: 22% 3-5 years: 33% >5 years: 45%	NA	NA	(1996) 2.5 years	NA
Annual Expenditures	(FY1995-1996)	(FY 1995-1996)	(FY 1995-1996)	(FY1995-1996)	(1994)
Total Dollars	\$261.4 million	\$98 million	\$483.6 million	\$11.3 million	\$220.1 million
Federal Funds	48%	91%	50%	NA	67%
State Funds	43%	6%	50%	NA	33%
County Funds	9%	3%	0	NA	0
BENEFITS TO RECIPIENTS -	\$221.2 million	\$79.9 million	\$459.7 million	NA	\$209.6million
ADMINISTRATIVE COSTS -	\$ 40.2 nullion	\$18.1 million	\$ 24.2million	NA	\$ 10.5 million
County cost as % of total county budget	NA	NA	0	NA	0
Average monthly cost per individual- Total	\$255	\$83	\$206	\$157	\$477
- Benefits to recipients	\$216	\$68	\$196	NA	\$455
- Administrative costs	\$ 39	\$15	\$ 10	NA	\$ 22

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

SANTA CRUZ COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1/96) 4,241	(1/96) 6,816	(1994) NA	(1995-96) NA	(1994) NA
Number of individuals receiving benefits	11,232	16,196	27,870	400	5,691
Adults	34%	NA	48%	NA	94%
Children	66%	NA	52%	NA	6%
Percent of county residents with benefits	5%	7%	11%	<1%	2%
Ethnicity of Recipients	(1995-96)		(1994)		
Caucasian	42%	NA	45%	NA	NA
African-American	3%		2%		
Latino*	53%		42%		
Asian	1%		1%		
Other/unknown	1%		10%		
Household Type	(1995-96)				
Single parent family	74%	NA	NA	NA	NA
Two-parent family	17%				
Individual	9%				
Average Number in Household	(1996) 2.6	(1996) 2.4	NA	NA	NA
Educational Status	(1995-96)	NA	NA	NA	NA
Never graduated high school	45%				
High school/ GED/college	55%				
Employment Status	(1995-96)	NA	NA	NA	NA
Not employed	75%				
Currently employed	25%				
Immigration status of recipients	(1995-96)	NA	NA	NA	(1995-96)
US Citizen	78%				72%
Legal Immigrant	22%				28%
Undocumented immigrant	0				
Average length of time receiving assistance	(1995-96) < 1 year - 39% 1-5 years- 47% 5+ years - 14%	NA	NA	NA	NA
Annual Expenditures	(FY1996-1997)	(FY1996-1997)	(FY1996-1997)		(1994)
Total Dollars	\$29 million	\$15 million	\$67.4 million	NA	\$28.4 million
Federal Funds	50%	91%	50%	NA	67%
State Funds	47.5%	6%	50%	NA	33%
County Funds	2.5%	3%	0	NA	0
BENEFITS TO RECIPIENTS -	\$26.5 million	\$13.1 million	\$60.8 million	NA	\$27 million
ADMINISTRATIVE COSTS -	\$ 2.5 million	\$ 1.9 million	\$ 6.6 million	NA	\$1.4 million
County cost as % of total county budget	0.002%	0.0016%	0	NA	0
Average monthly cost per individual- Total	\$215	\$77	\$200	NA	\$416
- Benefits to recipients	\$197	\$67	\$181	NA	\$395
- Administrative costs	\$ 18	\$10	\$ 19	NA	\$ 21

Not all percentages add to 100% due to rounding.
*Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

SOLANO COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1995-96) 9,047	(1995-96) 11,536	(1994) NA	(1995-96) NA	(1995-96) NA
Number of individuals receiving benefits	24,378	28,433	44,116	1,053	9,631
Adults	34%	NA	46%	NA	NA
Children	66%	NA	54%	NA	NA
Percent of county residents with benefits	6%	7%	11%	<1%	3%
Ethnicity of Recipients	(1995-96)	NA	(1995-96)	NA	(1995-96)
Caucasian	39%		37%		59%
African-American	40%		18%		13%
Latino*	13%		25%		14%
Asian	7%		18%		14%
Other/unknown	2%		2%		1%
Household Type	NA	NA	NA	(1995-96)	NA
Single parent family				84%	
Two-parent family				16%	
Average Number in Household	(1995-96) 2.7	(1995-96) 1.6	NA	NA	NA
Educational Status	NA	NA	NA	NA	NA
Employment Status (Adults)	(1995-96)	NA	NA	(1995-96)	NA
Report income from earnings	22%			27%	
Immigration status of recipients	NA	NA	NA	NA	(1995-96)
US Citizen					74%
Legal Immigrant					26%
Undocumented immigrant					0%
Average length of time receiving assistance	NA	NA	NA	NA	NA
Annual Expenditures	(FY 1995-1996)	(FY 1995-1996)	(1994)	(FY 1995-1996)	(FY 1995-1996)
Total Dollars	\$62.05 million	\$26.4 million	\$46.8 million	\$1.96 million	\$54.9 million
Federal Funds	50%	92%	50%	48%	67%
State Funds	46.5%	4%	50%	41%	33%
County Funds	3.5%	4%	0	1%	0
BENEFITS TO RECIPIENTS	\$54 million	\$23.13 million	\$43.4 million	NA	\$49.9 million
ADMINISTRATIVE COSTS	\$ 8 million	\$ 3.24 million	\$ 3.4 million	NA	\$ 5 million
County cost as % of total county budget	NA	NA	0	NA	0
Average monthly cost per individual - Total	\$212	\$199	NA	\$155	\$475
- Benefits to clients	\$185	\$175	NA	NA	\$432
- Administrative costs	\$ 27	\$ 24	NA	NA	\$ 43

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

SONOMA COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1996) 6,984	(1996) 8,975	(1994) NA	(1996) NA	(1994) NA
Number of individuals receiving benefits	18,237	22,088	42,515	1,918	9,972
Adults	34%	NA	51%	100%	95%
Children	66%	NA	49%	0	5%
Percent of county residents with benefits	4%	5%	10%	<1%	2%
Ethnicity of Recipients	(1996)	(1996)	(1996)	(1996)	NA
Caucasian	75%	66%	62%	67%	
African-American	7%	6%	5%	9%	
Latino*	21%	19%	19%	12%	
Asian	5%	5%	4%	8%	
Other and Not Reported	4%	4%	10%	4%	
Household Type		NA	NA	NA	NA
Single parent family	82%				
Two-parent family	12%				
Individual (child only)	5%				
Average Number in Household	(1996) 2.6	(1996) 2.5	NA	NA	NA
Educational Status	NA	NA	NA	NA	NA
Employment Status	NA	NA	NA	NA	NA
Immigration status of recipients	NA	NA	NA	NA	NA
Average length of time receiving assistance	NA	NA	NA	NA	NA
Annual Expenditures	(1995-96)	(1995-96)	(1995-96)	(1995-96)	(1994 estimate)
Total Dollars	\$39 million	\$19.5 million	\$194 million	\$3.5 million	\$52.6 million
Federal Funds	50%	91%	50%	NA	67%
State Funds	47%	6%	50%	NA	33%
County Funds	3%	3%	0	NA	0
BENEFITS TO RECIPIENTS -	\$34.4 million	\$16.2 million	\$186 million	NA	\$50 million
ADMINISTRATIVE COSTS -	\$ 4.6 million	\$ 3.3million	8 million	NA	\$ 2.6 million
County cost as % of total county budget	0.4%	0.08%	0	0.15%	0
Average monthly cost per individual - Total	\$178	\$74	\$380	\$152	\$440
- Benefits to recipients	\$157	\$61	\$365	NA	\$417
- Administrative costs	\$ 21	\$13	\$ 15	NA	\$ 23

Not all percentages add to 100% due to rounding.

* Latinos may be of any race, therefore, percentages may not add to 100%.

See Appendix B for list of sources.

STANISLAUS COUNTY

	AFDC	Food Stamps	Medicaid	JOBS	SSI
Number of households receiving benefits	(1996) 16,777	(1996) 18,864	(May 1996) NA	(June 1996) NA	(1996) NA
Number of individuals receiving benefits	49,807	57,657	90,093	4,718	17,103
Adults	32%	NA	45%	100%	92%
Children	68%	NA	55%	0	8%
Percent of county residents with benefits	12%	14%	22%	2%	4%
Ethnicity of Recipients	(1995)	(1996)	(1994)	(1996)	NA
Caucasian	56%	57%	51%	53%	
African-American	5%	4%	3%	4%	
Latino*	29%	31%	29%	30%	
Asian	9%	7%	9%	10%	
Other/unknown	1%	1%	8%	3%	
Household Type	(1995)	NA	NA	(1996)	NA
Single parent family	75%			60%	
Two-parent family	18%			40%	
Individual	7%			0	
Average Number in Household	(1996) 3.0	(1996) 3.0	(1996) 2.7	NA	NA
Employment Status	30% report earnings from employment	NA	NA	12% report earnings from employment	NA
Immigration status of recipients	(1996)	NA	(1996)	(1996)	(1996)
US Citizen	85%		NA	93%	71%
Legal immigrant	15%		17%	7%	29%
Undocumented immigrant	0		NA	0	0
Average length of time receiving assistance	3.4 years	1.4 years	1.8 years	NA	NA
Annual Expenditures	(FY 1995-1996)	(FY 1995-1996)	(FY 1995-1996)	(FY 1995-96)	(FY 1995-96)
Total Dollars	\$113.6 million	\$45.2 million	\$178.4 million	\$4.9 million	\$91.3 million
Federal Funds					
State Funds	48%	97%	50%	50%	67%
County Funds	45%	2%	50%	41%	33%
	7%	1%	0	9%	0
BENEFITS TO CLIENTS					
ADMINISTRATIVE COSTS	\$103.9 million	\$42.4 million	\$170 million	NA	NA
	\$ 9.7 million	\$ 2.8 million	\$ 8.5 million	NA	NA
County cost as % of total county budget	1.36%	0.07%	0	0.08%	0
Average monthly cost per individual - Total	\$194	\$69	\$165	\$47	\$430
- Benefits to clients	\$177	\$65	\$157	NA	NA
- Administrative costs	\$ 17	\$ 4	\$ 8	NA	NA

Not all percentages add to 100% due to rounding.

*Latinos may be of any race, therefore percentages may not add to 100%.

See Appendix B for list of sources.

APPENDIX B - SOURCES

Medicaid

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State cost as percent of state budget calculated using 1994-95 California Budget.

Average monthly cost per individual calculated by dividing expenditures by number of recipients.

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Ethnicity of Head of Food Stamp Household.

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Average number in household calculated by dividing number of recipients by number of households receiving benefits.

County cost as percent of county budget calculated from total county budget of \$1,176,000,000 in 1996-97.

Average monthly cost per individual calculated by dividing expenditures by number of recipients.

Contra Costa County

Contra Costa County Social Services Department.

California Medical Assistance Program, Medical Care Statistics Section (March 1995) Annual Statistical Report - 1994, Table 29 Medi-Cal Eligible Persons Certified by County and Race/Ethnicity.

Social Security Administration. "Number of SSI Recipients in California and Amount of Payments - December 1994." [Http://www.ssa.gov/stat](http://www.ssa.gov/stat), Table 3 (December 1994 payment was multiplied by 12 to get an estimated annual benefits expenditure. The percent of federal and state funds was assumed to be equal to the percent statewide. Administrative costs were estimated, using the ratio of benefits to administrative costs at the federal level. Average monthly costs were computed by dividing expenditures by number of recipients.

County cost as percent of county budget calculated using FY 1995-96

Contra Costa County budget (total expenditures were \$540.8 million.)

Average monthly cost per individual calculated by dividing expenditures by number of recipients.

Marin County

Marin County Department of Health and Human Services. (March 1995) Welfare in Marin: A Snapshot of Ten Public Assistance Programs in Marin County (Average monthly cost per recipient computed by dividing annual expenditures by number of recipients).

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Average number in household calculated from Public Welfare in California figures on households and individuals receiving benefits.

Napa County

Napa County Health and Human Services Agency.

Statistical Services Bureau, State of California Department of Social Services. (January 1996) Public Welfare in California, Table 7: AFDC Total Caseload and Aid Payments, January 1996 and Table 11: Food Stamp Program: Households Participating by Assistance Status and Value of Food Stamps Issued.

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Average monthly cost per individual calculated by dividing expenditures by number of recipients.

San Francisco County

1. Department of Social Services, City and County of San Francisco. Annual Report: 1994-95, p.9,14,16 (Non-assistance Food Stamps demographics were added to AFDC demographics to get percentage of each ethnicity), p.29

Mayor's Office of Management and Budget, City and County of San Francisco. (June 1,1996) Human Services Program Budget - FY 1996-97, p.3-4

California Medical Assistance Program, Medical Care Statistics Section (March 1995) Annual Statistical Report - 1994, Table 20, 21,23,29. Table 23 provides amount expended on benefits. Average monthly costs were calculated by dividing expenditures by number of recipients.

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County cost calculated as percentage of overall city-county budget.

Average monthly cost per individual calculated by dividing expenditures by recipients.

San Mateo County

San Mateo County Human Services Agency.

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Average monthly cost per individual calculated by dividing total expenditures by number of recipients. In calculating Medicaid, recipients receiving SSI also were omitted from this calculation because the county does not track their expenditures for this group since their Medicaid is administered by the Social Security Administration.

Santa Clara County

Santa Clara County Social Services Agency.

Statistical Services Bureau, State of California Department of Social Services. (January 1996) Public Welfare in California, Table 7: AFDC Total Caseload and Aid

Payments, January 1996 and Table 11: Food Stamp Program: Households Participating by Assistance Status and Value of Food Stamps Issued.

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California Medical Assistance Program, Medical Care Statistics Section (March 1995) Annual Statistical Report - 1994, Table 20.

Average monthly cost per individual calculated by dividing recipients by expenditures.

Santa Cruz County

Santa Cruz Human Resources Agency.

Statistical Services Bureau, State of California Department of Social Services. (January 1996) Public Welfare in California, Table 7: AFDC Total Caseload and Aid Payments, January 1996 and Table 11: Food Stamp Program: Households Participating by Assistance Status and Value of Food Stamps Issued.

California Medical Assistance Program, Medical Care Statistics Section (March 1995) Annual Statistical Report - 1994, Tables 20,21,23,29. Table 23 provides amount expended on benefits. Average monthly costs were calculated by dividing expenditures by number of recipients.

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Average number in household calculated by dividing number of recipients by number of households.

Benefits calculated by annualizing January 1996 figures from Public Welfare in California.

Administrative costs estimated as a percentage of benefits, based on the federal ratio.

Average monthly cost per individual calculated by dividing expenditures by number of recipients.

Solano County

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the ratio of benefits to administrative costs at the federal level. Average monthly costs were computed by dividing expenditures by number of recipients

Average monthly cost per individual calculated by dividing expenditures by number of recipients.

Stanislaus County

All information provided by Stanislaus County Department of Social Services.

APPENDIX C - CONTACTS

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