

CALIFORNIA BUDGET PROJECT


A Fair Chance:

Why California Should Invest in Economic Opportunity for Women and Their Families

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THE CALIFORNIA BUDGET PROJECT
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Overview

- Almost four years since the end of the Great Recession, the impact of the deepest economic downturn in generations is still acutely felt among women – especially low-income women – and their families.
- Women have not shared equally in the emerging recovery, and recent years' budget cuts continue to cloud the economic outlook for women and threaten their economic security.
- Employment for K-12 teachers and others in the local government sector – long a jobs mainstay for women in California – has been slow to recover due to the lingering impact of prior years' budget cuts.

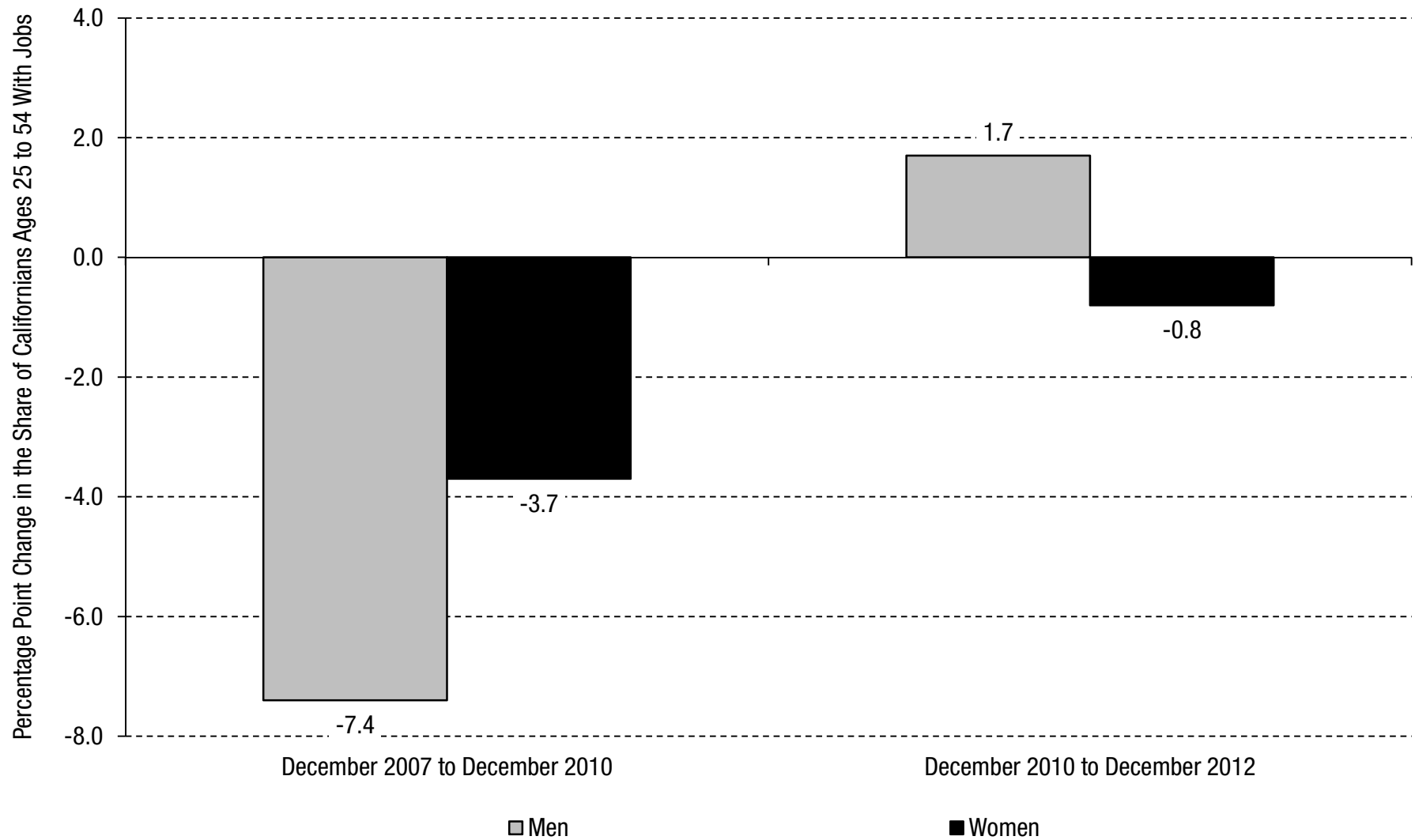
Overview (continued)

- Key public services and systems that help foster economic opportunity and security for women and their families were also hit hard by the Great Recession and its aftermath, due to deep cuts made in order to close budget gaps.
- Looking ahead, California should prioritize investments that help women – especially low-income women – advance in their careers, provide for their families, and enjoy a secure retirement.

Women Have Not Shared Equally in California's Emerging Economic Recovery

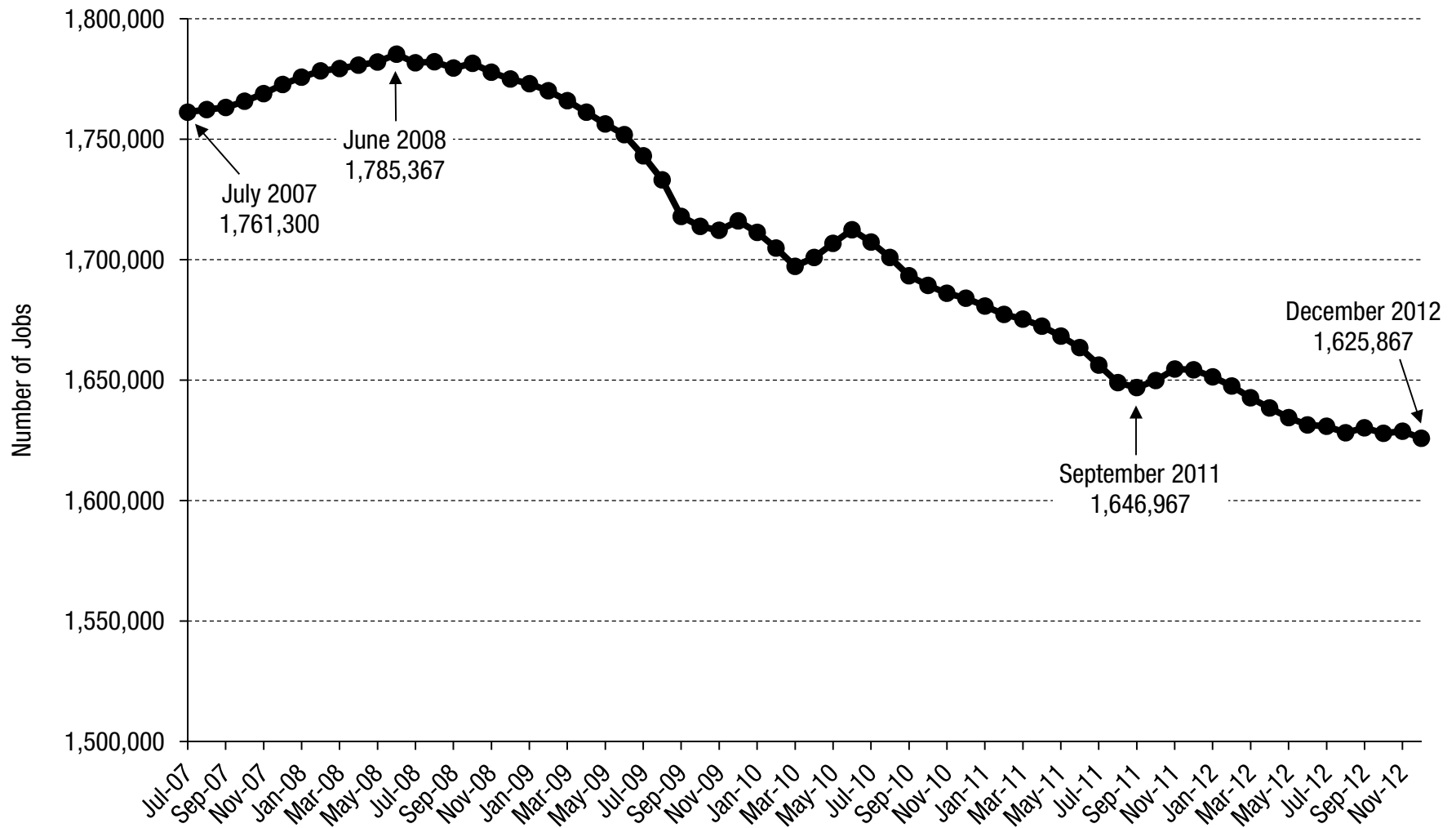
- During the past two years, men in California made stronger gains in employment than women did.
- State and federal budget cuts continue to hamper women's employment. Women's weaker gains partly reflect the continued decline in public-sector jobs, especially in public schools, where more than seven out of 10 employees are women.
- "Sequestration" will disproportionately hurt women as new federal budget cuts ripple through all levels of government and the economy, putting thousands of jobs at risk.

Employment Among California's Women Has Dropped Slightly During the Last Two Years, While Increasing Among Men

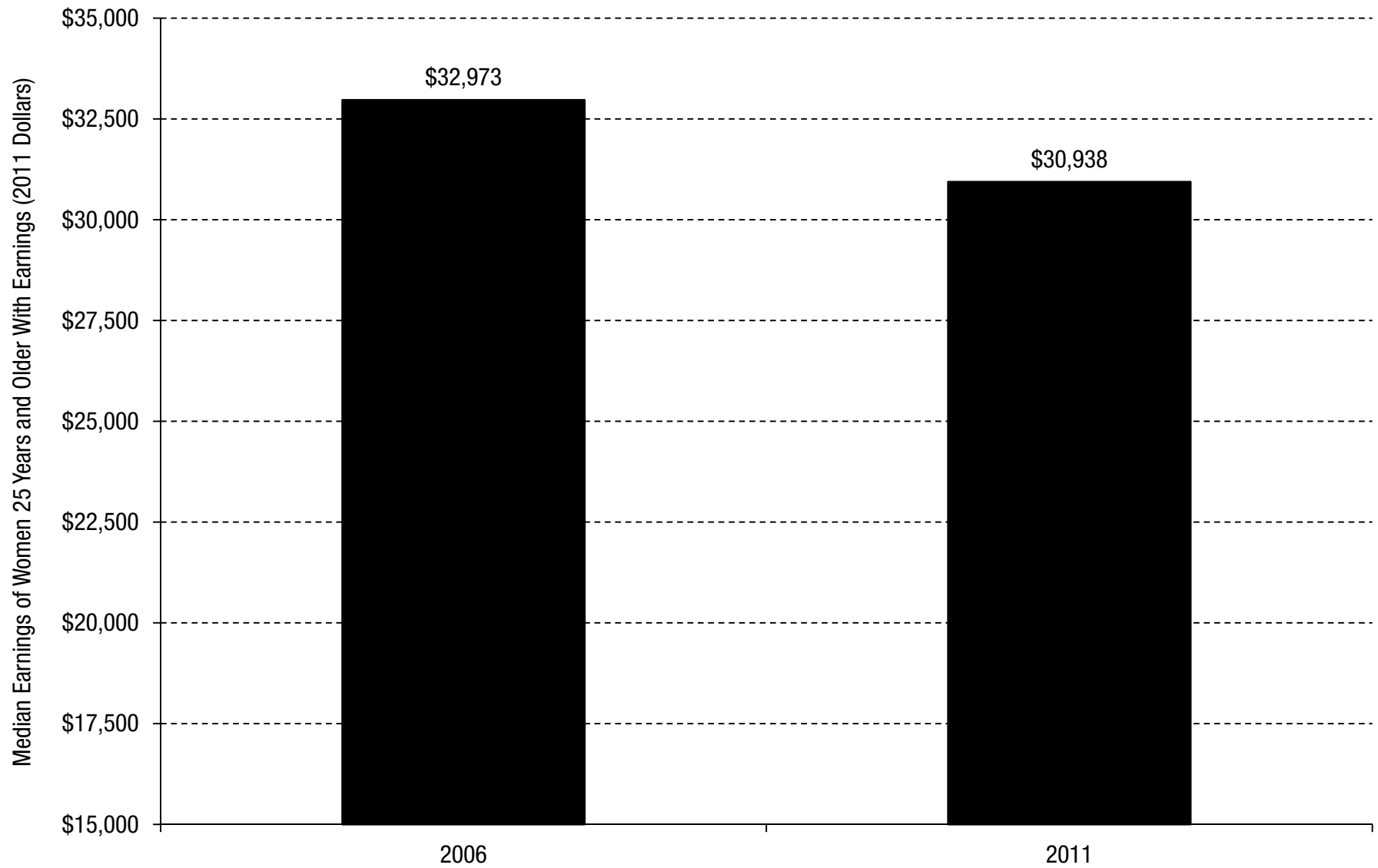


Local Government Employment Has Generally Declined Over the Last Four Years

Includes Jobs With K-12 Public Schools, Community Colleges, and Cities and Counties



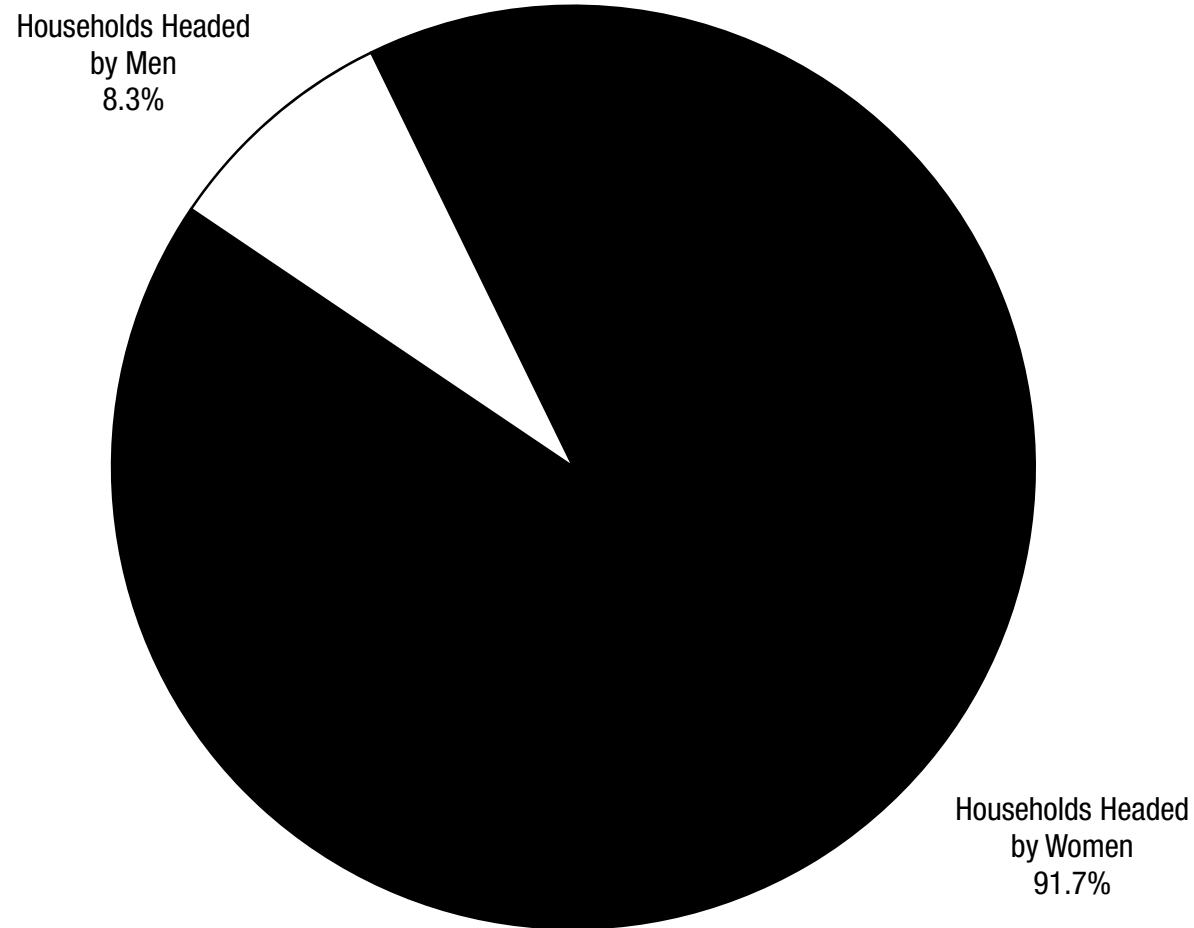
California Women's Median Annual Earnings Have Declined by More Than \$2,000 Since 2006



CalWORKs Is a Critical Resource for Low-Income Families

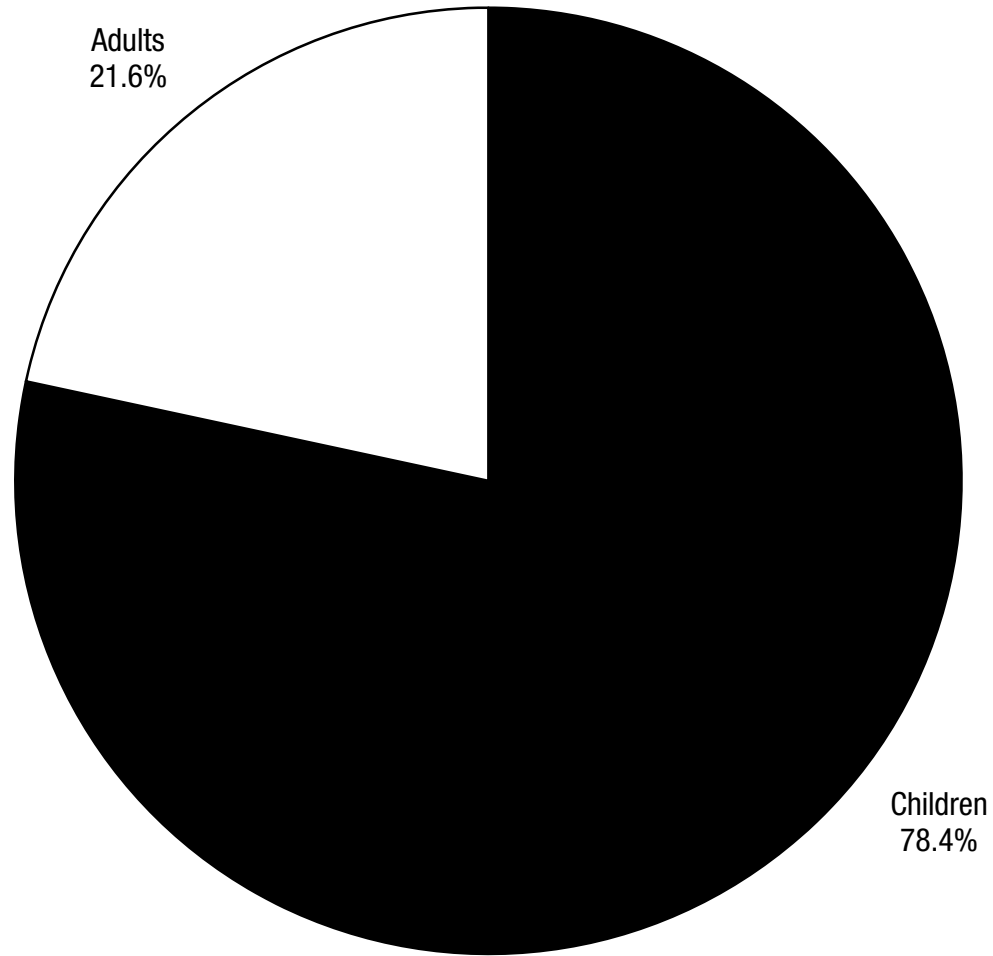
- The California Work Opportunity and Responsibility to Kids (CalWORKs) Program is a key part of California's safety net.
- CalWORKs provides modest cash assistance while helping parents overcome barriers to employment and find jobs.
- Cuts to CalWORKs disproportionately affect low-income women and children.

More Than 90 Percent of Single-Parent Households Receiving CalWORKs Cash Assistance Are Headed by Women



Heads of Household in Single-Parent Families Receiving CalWORKs Cash Assistance in Federal Fiscal Year 2011 = 205,269

Nearly Four Out of Five Californians Who Receive CalWORKs Cash Assistance Are Children

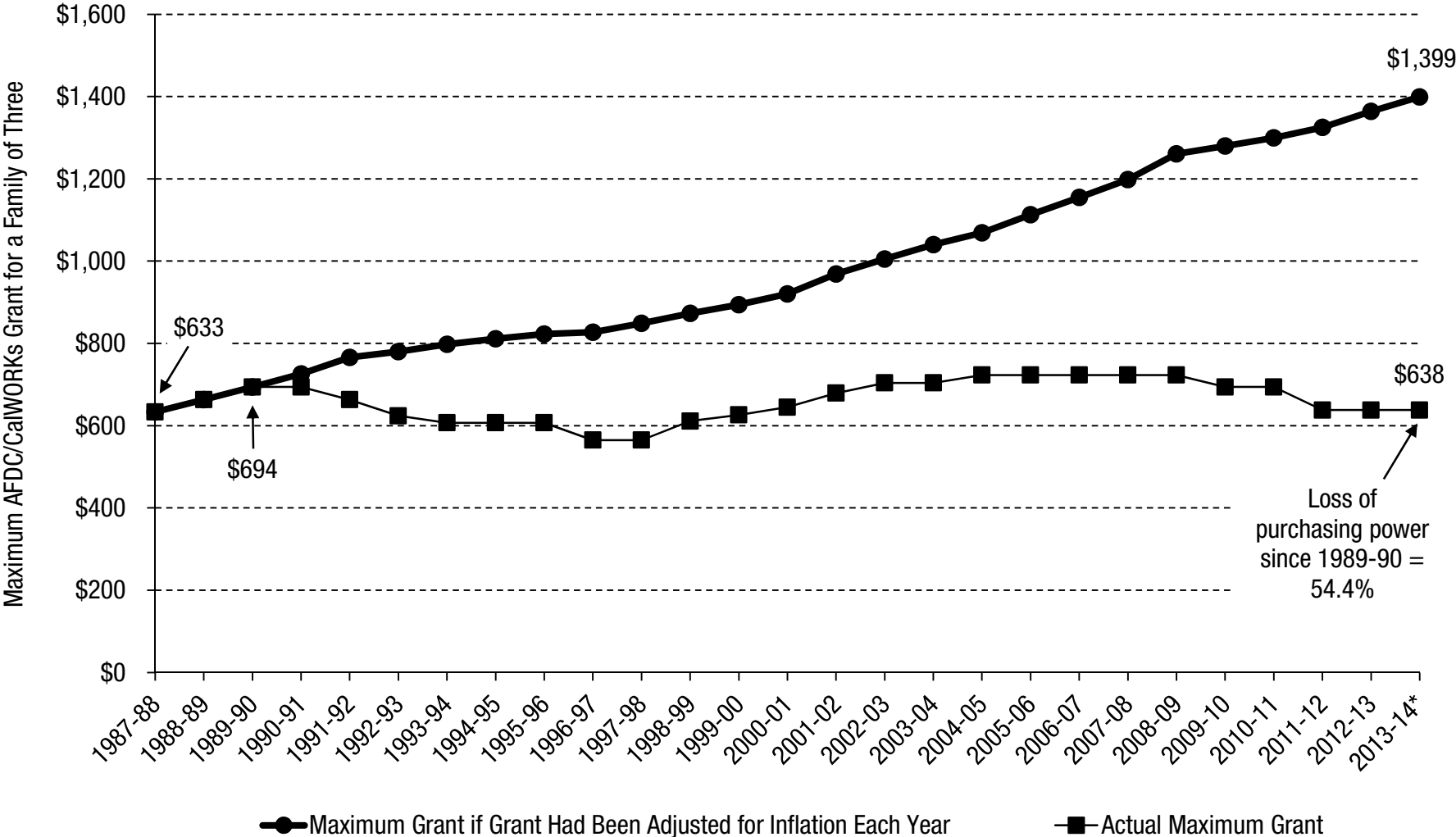


Number of Individuals Receiving CalWORKs Cash Assistance in August 2012 = 1,362,339

CalWORKs Has Been Cut Deeply in Recent Years

- State policymakers have repeatedly made deep cuts to CalWORKs in order to help close budget gaps.
- Since 2008, the maximum CalWORKs grant has been reduced by 12 percent, or \$85 per month for a family of three.
- The Legislature permanently eliminated the statutory cost-of-living adjustment (COLA) for CalWORKs grants effective July 2010.

Purchasing Power of CalWORKs Grants Has Dropped by More Than Half Since 1989-90



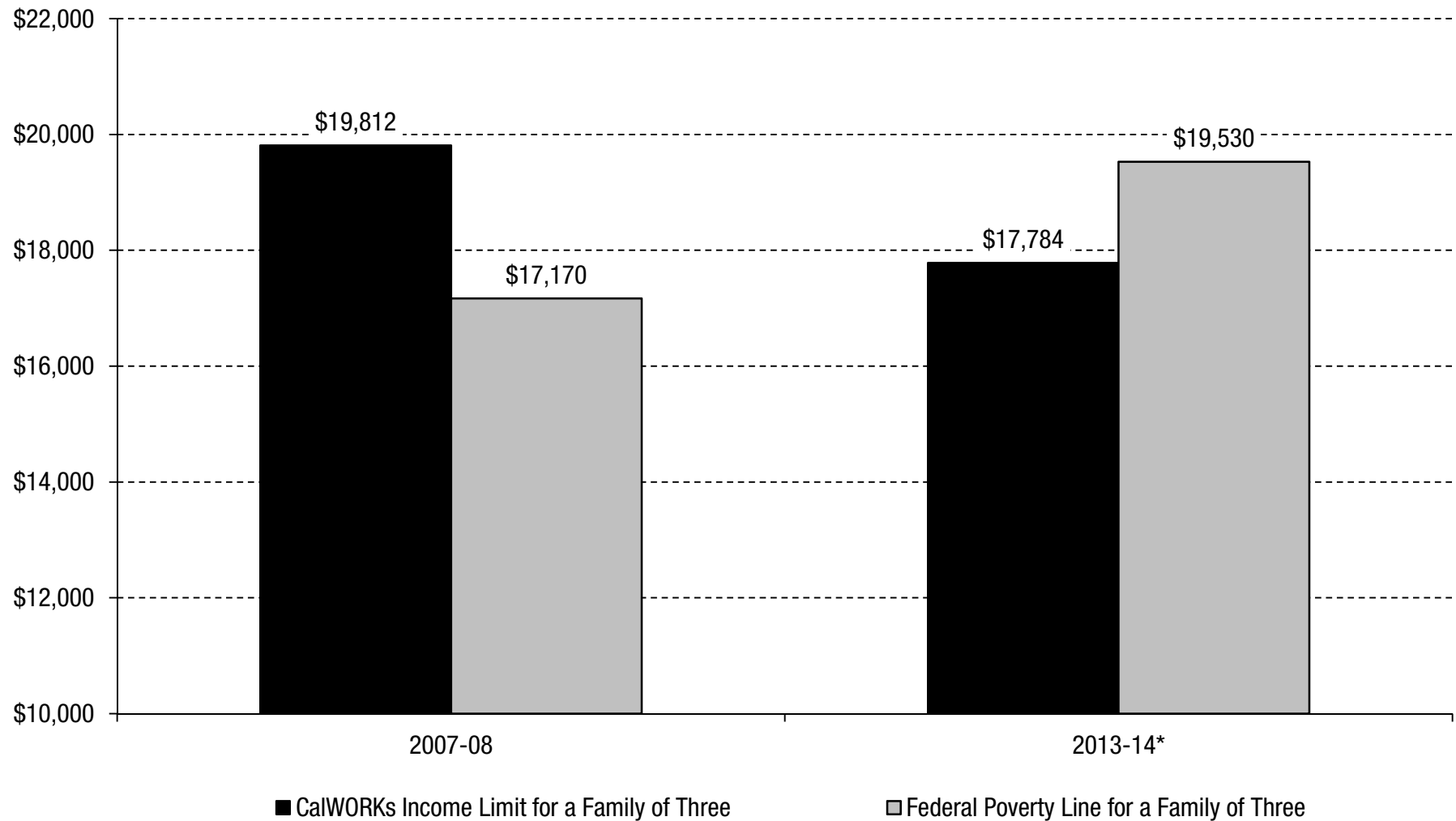
* Maximum grant as of the Governor's proposed budget.
 Note: Maximum grants are for high-cost counties beginning in 1996-97.
 Previously, maximum grant levels did not vary by county.
 Source: CBP analysis of Department of Finance and Department of Social Services data

Even the Maximum CalWORKs Grant Leaves Families Considerably Below the Federal Poverty Line

- Due to recent years' reductions to the CalWORKs grant, families now lose cash assistance well before their incomes reach the federal poverty line.
 - Combining CalWORKs with CalFresh food assistance still leaves families considerably below the poverty line.
- The CalWORKs monthly grant is smaller than TANF grants in 27 states as a share of housing costs.
 - The maximum monthly grant for a family of three covered less than half the average California fair market rent for a two-bedroom unit in 2012.

Families Lose CalWORKs Cash Assistance Well Before Their Incomes Reach the Poverty Line

Under the Governor's Proposal, the CalWORKs Income Limit Would Remain Below the Poverty Line for the Third Year in a Row



* Income limit based on the maximum CalWORKs grant in the Governor's proposed budget.
 Note: CalWORKs income limits are for high-cost counties.
 Source: Department of Social Services and US Department of Health and Human Services

CalWORKs Caseloads Have Declined During the Last Two Years, Even as Unemployment Remains High

- For a safety-net program like CalWORKs, which provides assistance for families struggling under difficult economic conditions, rising caseloads during recessions and periods of high unemployment show that the program is playing the appropriate “countercyclical” role – helping to reduce the impact of job losses and declining incomes.
- The CalWORKs caseload did increase after the Great Recession began in 2007.
 - However, due to a set of program cuts implemented in July 2011, caseloads began a sharp decline while unemployment remained near historic highs.
 - The CalWORKs caseload remains well below the 2011 peak, despite the fact that unemployment remains near double digits.

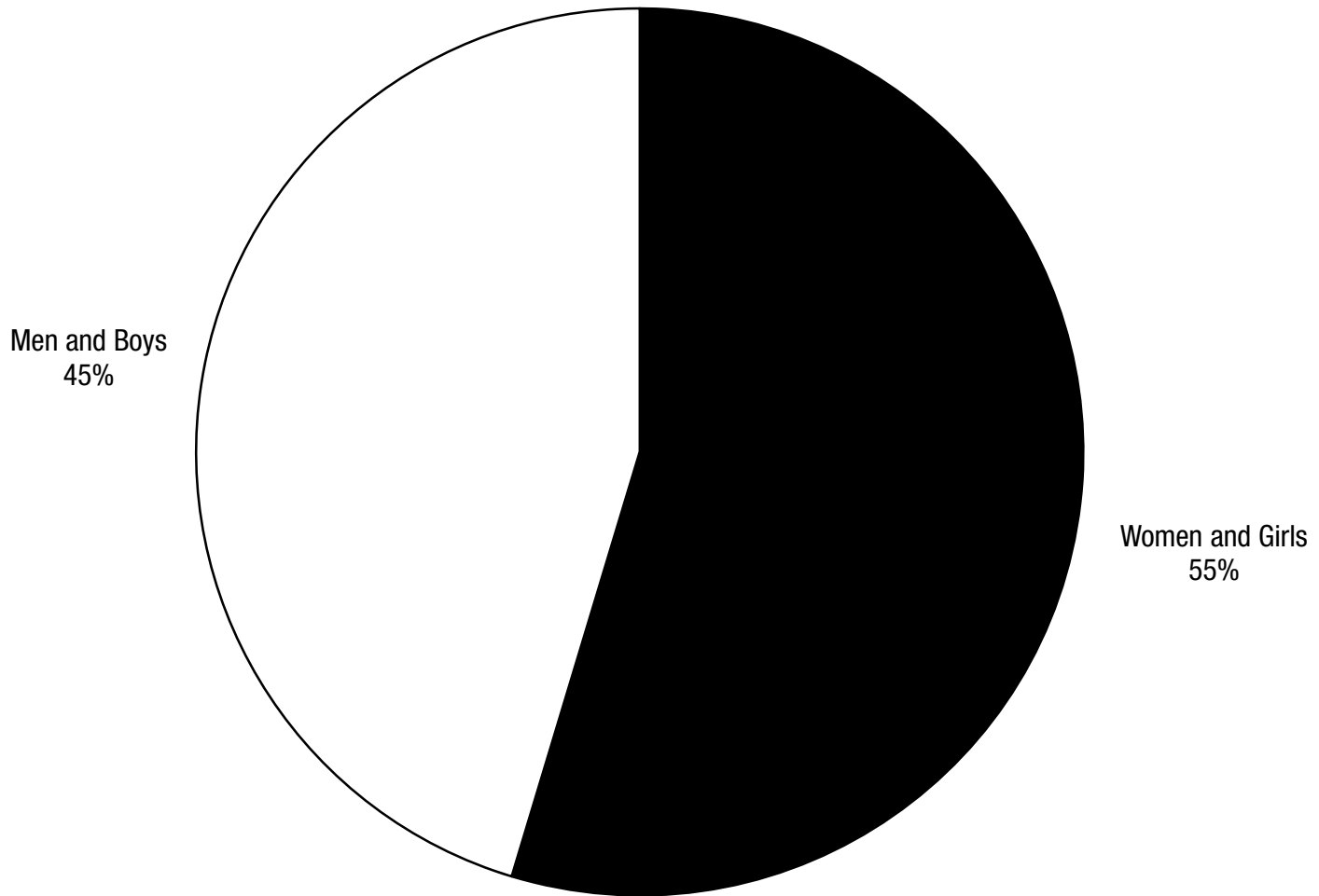
A Major CalWORKs Program Change Made Last Year Has Only Recently Taken Effect

- Effective January 1 of this year, the state placed a 24-month limit on the amount of time CalWORKs parents can participate in the full array of welfare-to-work activities available under state law.
- After 24 months, parents will be required to meet less flexible federal work participation requirements in order to continue receiving CalWORKs cash assistance.
- As a result of this change, participants face a still-challenging job market with even less time to access resources for securing long-term employment.

SSI/SSP Helps Nearly 1.3 Million Low-Income Seniors and People With Disabilities Afford Food and Basic Necessities

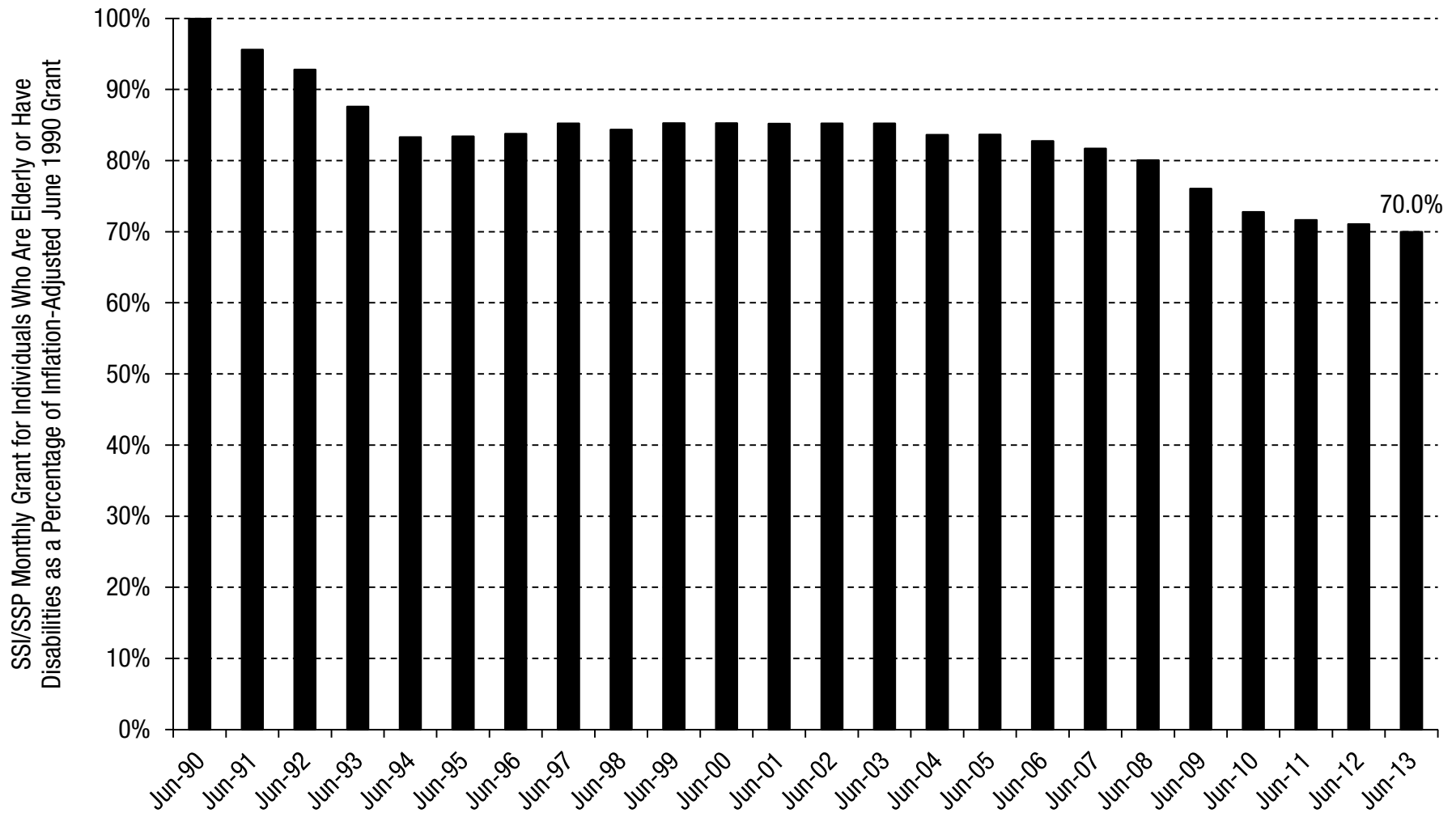
- In recent years, state policymakers repeatedly made deep cuts to the SSI/SSP Program. These cuts disproportionately affect women.
- Compared to men, women earn less and spend more time outside the paid workforce, leading to lower lifetime earnings, less retirement income, and higher rates of poverty in old age.
- Women typically live longer than men.
- The maximum monthly SSI/SSP grants for couples and for individuals were reduced to federal minimums in 2009 and 2011, respectively.
- The maximum SSI/SSP grant for individuals dropped below the federal poverty line in 2009 – and remains 10 percent below poverty.

More Than Half of SSI/SSP Recipients Are Women and Girls



Average Monthly Number of SSI/SSP Recipients in 2012 = 1.3 Million

SSI/SSP Grants for Low-Income Seniors and People With Disabilities Have Lost Nearly One-Third of Their Purchasing Power Since 1990 Due to State Budget Cuts



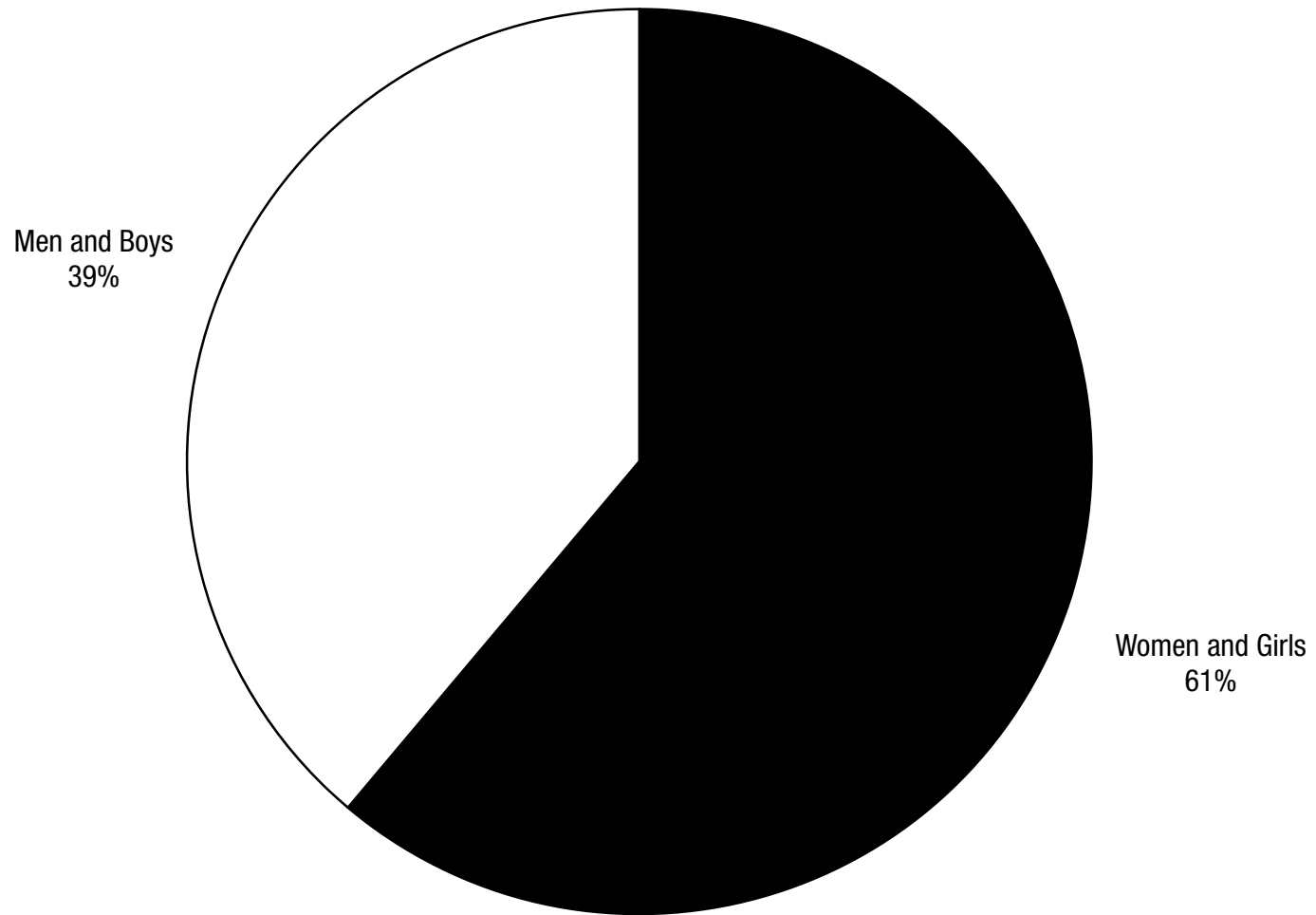
The In-Home Supportive Services (IHSS) Program Helps Individuals Avoid Costly Out-of-Home Care

- California's IHSS Program helps more than 400,000 low-income seniors and people with disabilities live safely in their own homes, preventing the need for more expensive out-of-home care.
- The majority of IHSS recipients are female. Women are more likely than men to live longer, live alone, and live in poverty as they age.
- Although most family caregivers are women, women themselves are more likely to lack care when they are elderly.

A Recent Legal Settlement May Further Reduce Authorized Hours for IHSS Participants

- State policymakers cut the number of hours of care each IHSS consumer is authorized to receive by 3.6 percent beginning in February 2011.
- If courts and the Legislature approve a March 19, 2013, legal settlement among beneficiaries, labor organizations, and the State, IHSS consumers' authorized hours of care will be cut by another 4.4 percent, for a total reduction of 8 percent, effective July 1, 2013.
- The 8 percent cut would be in effect for all of 2013-14. In 2014-15, the reduction would scale back to 7 percent.
- Under the terms of the settlement, full restoration of hours could occur in 2015.

More Than Three Out of Five IHSS Recipients Are Women and Girls



Number of In-Home Supportive Services (IHSS) Recipients in July 2012 = 436,931

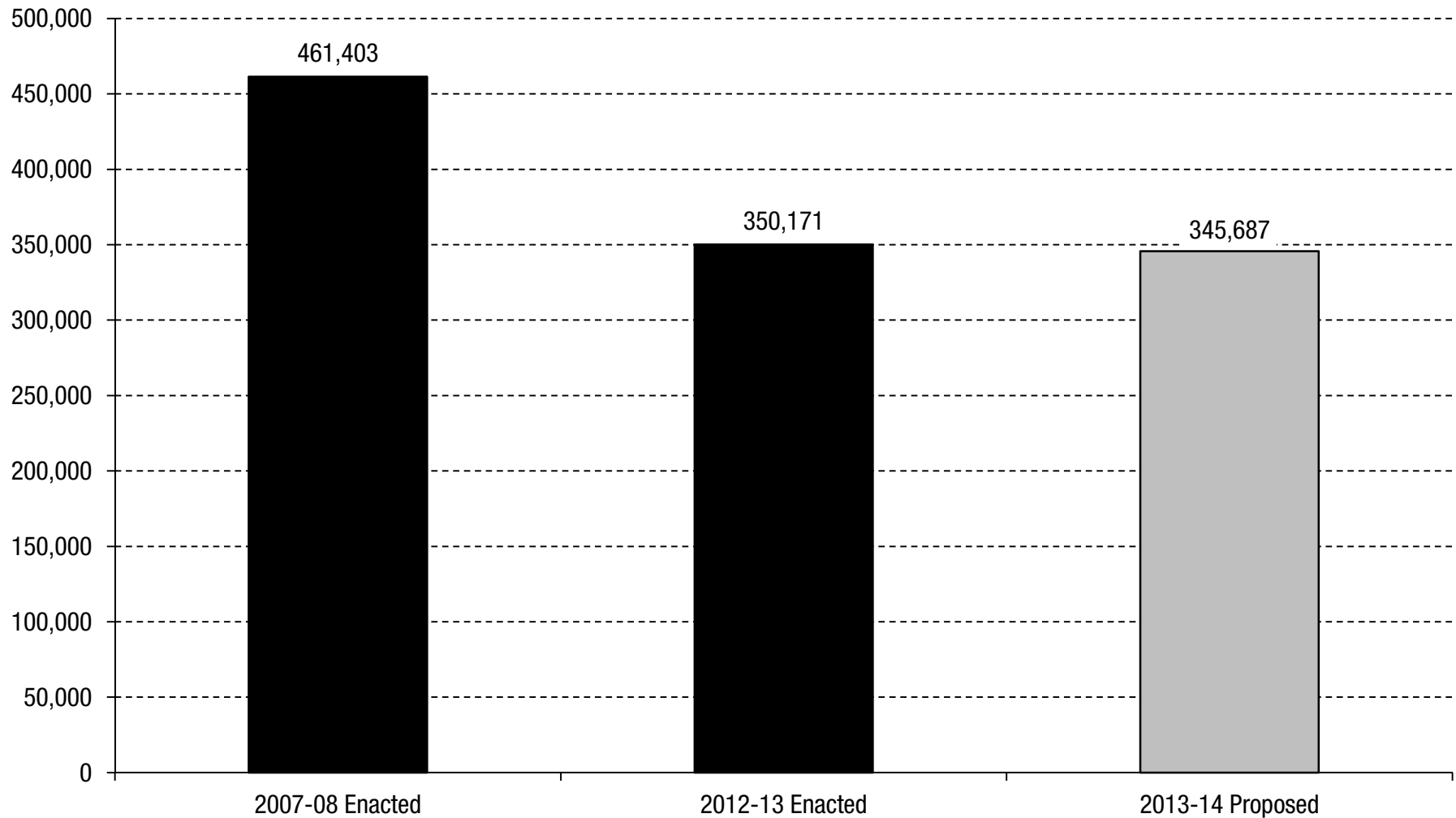
Child Care Is Essential to Achieving Economic Security

- Subsidized child care and preschool programs help prepare children for school and provide affordable supervision so that low-income parents can find jobs and stay employed.
- Low-income women who have access to child care assistance have a greater chance of securing employment, increasing earning potential, and becoming financially independent.
- In California, child care is one of the most expensive items in a household budget. In 2011 in Los Angeles County, full-time care for an infant in a child care center was \$11,499 annually.

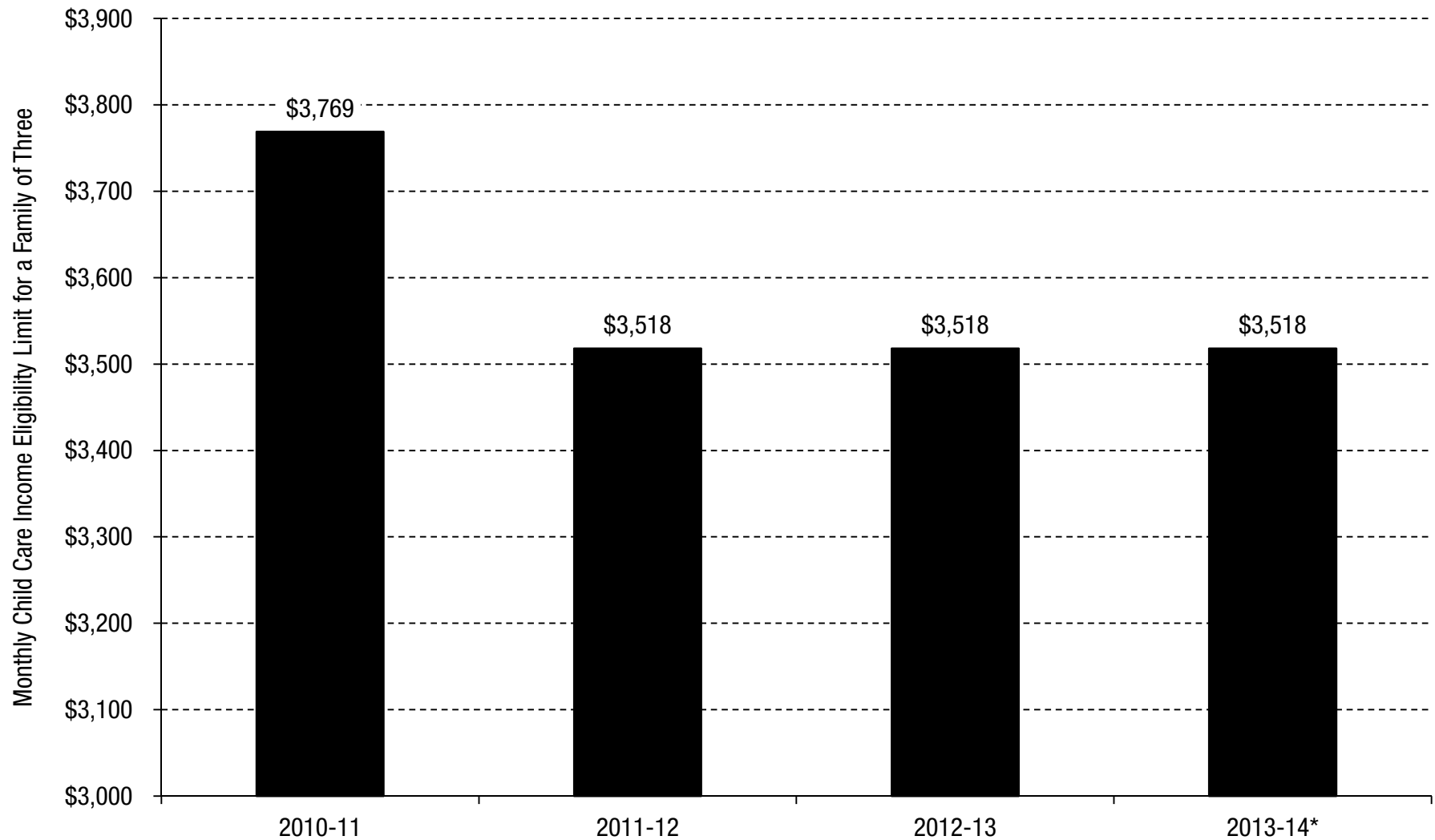
Policymakers Made Deep Cuts to Child Care in Recent Years

- State policymakers have cut annual funding for subsidized child care and preschool programs by more than \$900 million since 2007-08, resulting in the elimination of more than 110,000 child care and preschool slots. Policymakers also have significantly lowered the income eligibility limit for child care.
- The state also cut payments to “license-exempt” child care providers, typically friends or relatives who provide care during nontraditional hours. Many low-income women have irregular work schedules and/or must work nights and weekends.
- These cuts hinder the ability of low-income parents, including single mothers, to keep jobs or get back into the workforce.

State Budget Cuts Have Reduced the Number of Child Care and State Preschool Slots by One-Quarter Since 2007-08



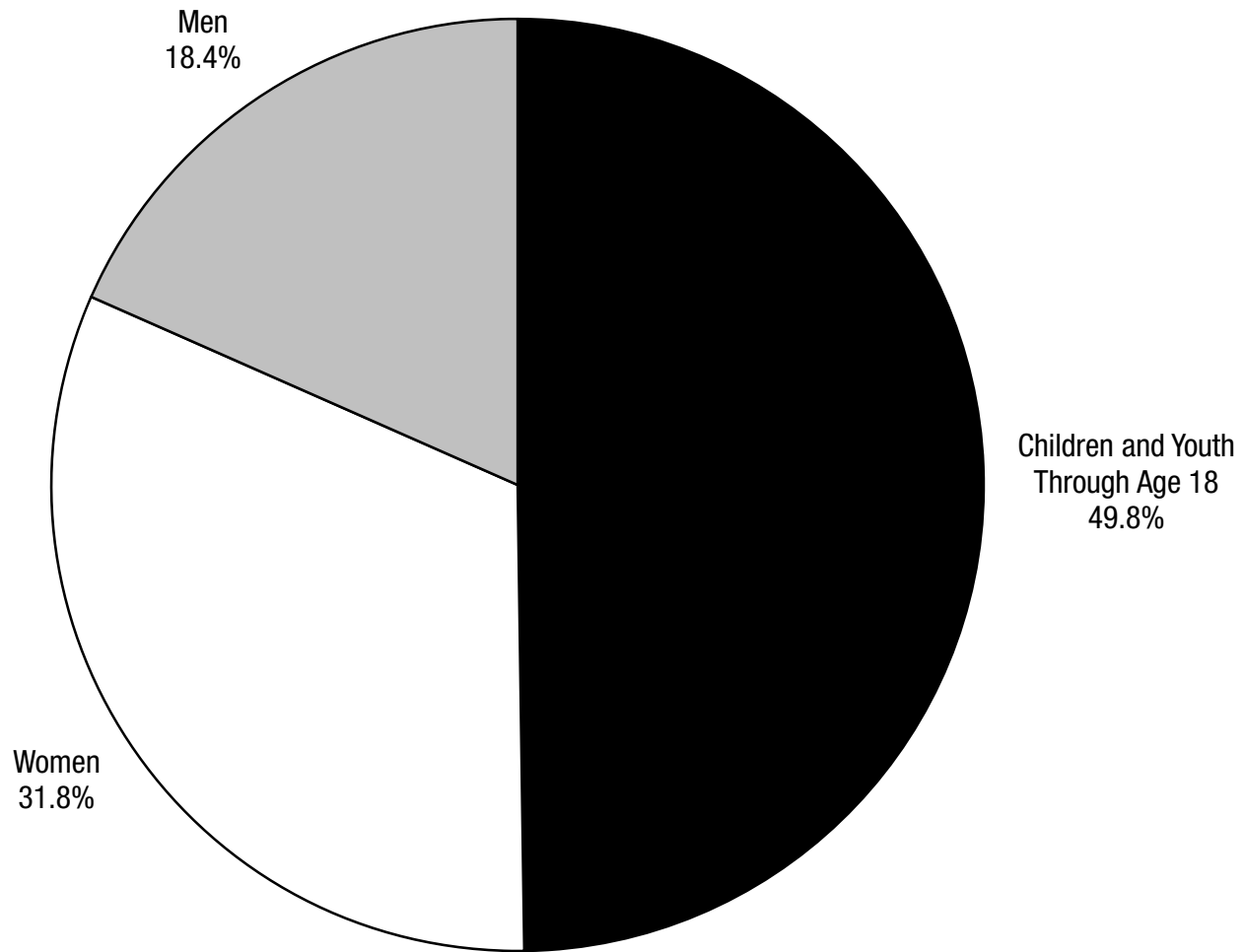
State Policymakers Reduced the Income Eligibility Limit for Child Care in 2011-12 The Governor Proposes to Permanently Freeze the Income Limit at the Current Level Beginning in 2013-14



Women Have Been Disproportionately Affected by Cuts to the Medi-Cal Program in Recent Years

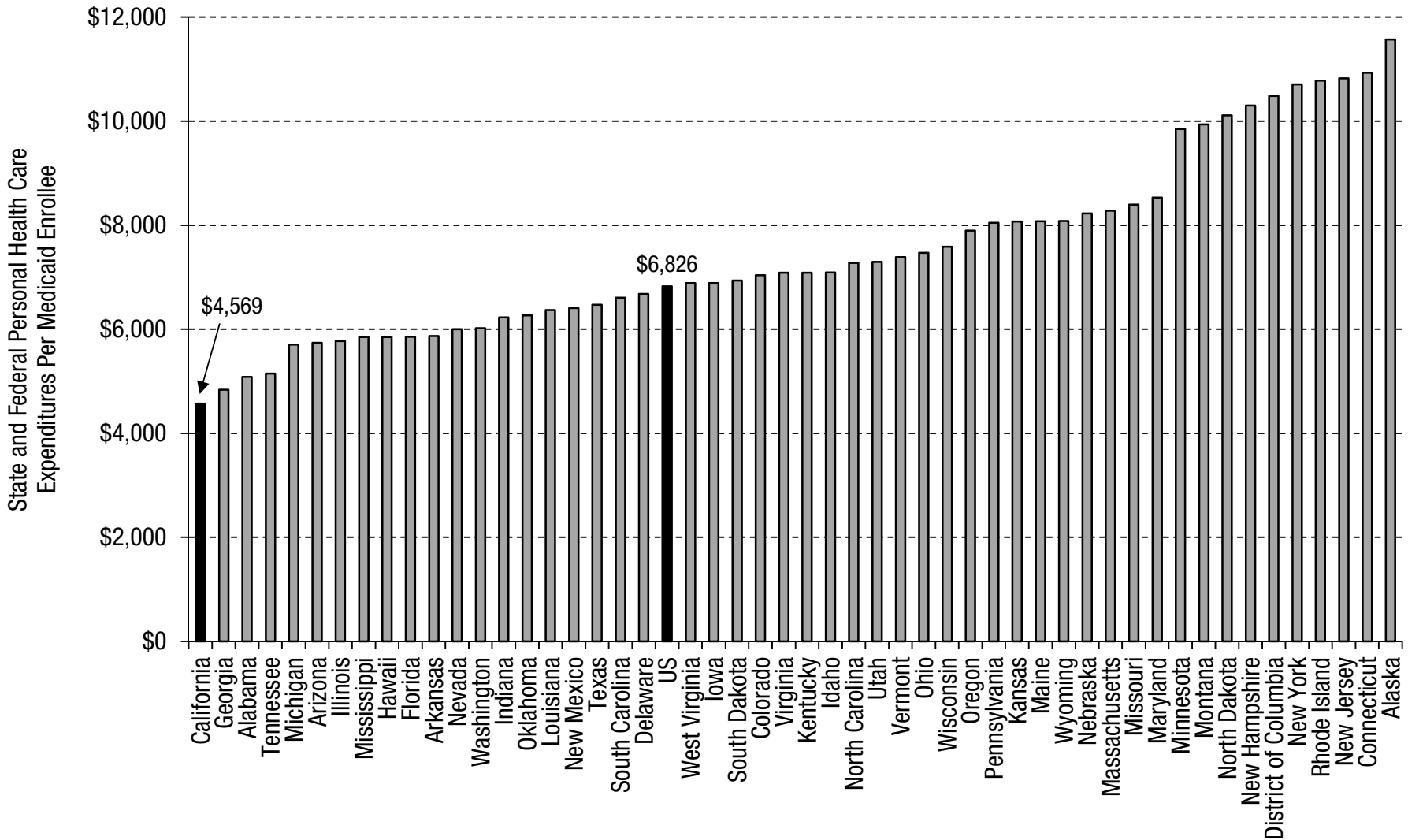
- Medi-Cal is an important source of affordable health care coverage for women and children.
- Compared to adults with other types of coverage, Medi-Cal enrollees are twice as likely to report difficulty finding a primary care doctor who accepts their coverage. Women seek out care more than men do and are hit hard when access is limited.
- In 2009, policymakers eliminated nine Medi-Cal services for adults, including dental care. Medi-Cal enrollees who need these services must go without care, pay for them out of pocket, and/or rely on low-cost care provided by clinics.

Children, Youth, and Women Comprise More Than 80 Percent of Californians Enrolled in Medi-Cal



Number of Californians Enrolled in the Medi-Cal Program in July 2011 = 7.6 Million

California's Spending Per Medicaid Enrollee Was the Lowest in the Nation in 2009

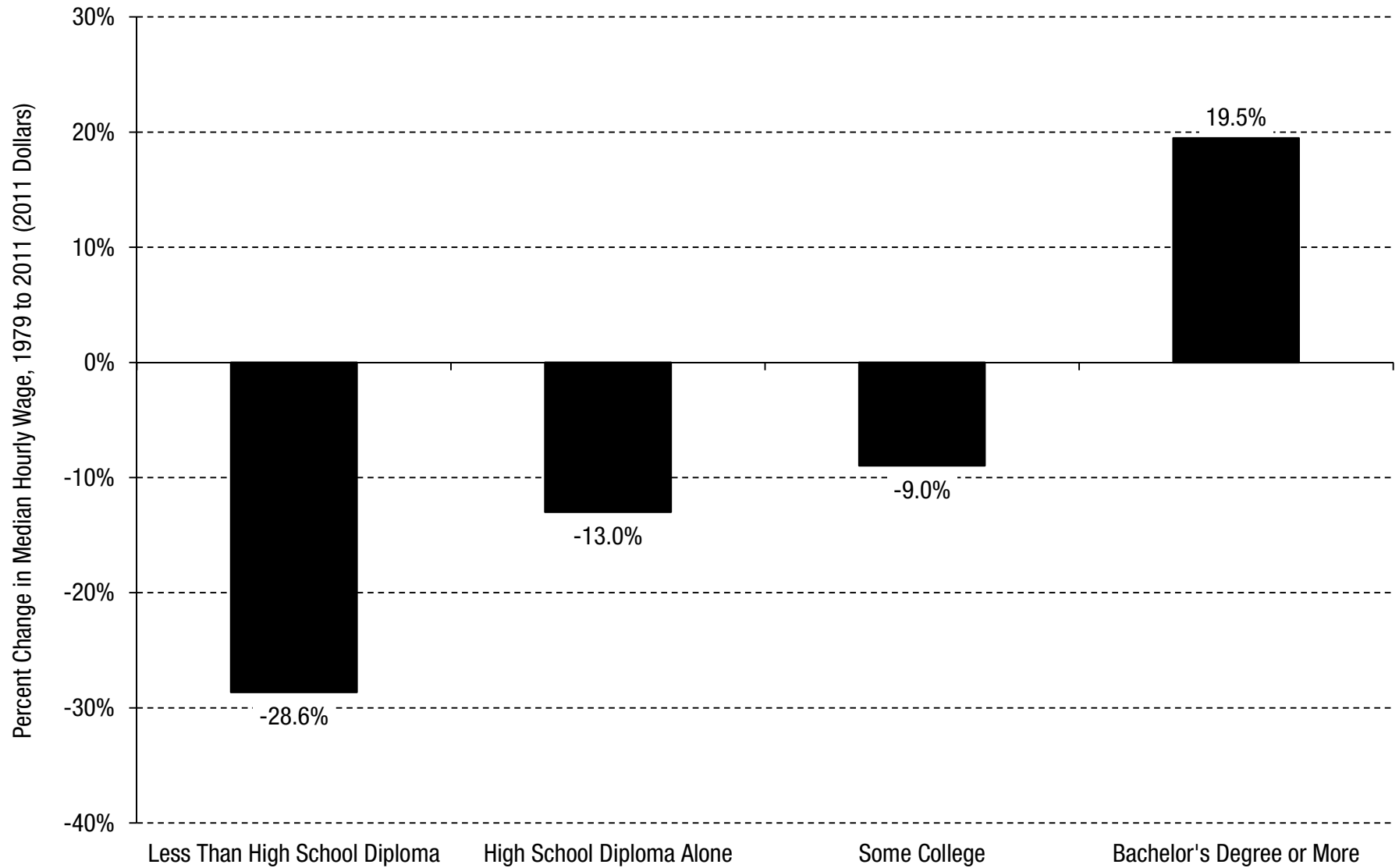


Note: Personal health care spending reflects the total amount spent to treat individuals with specific medical conditions.
Source: US Centers for Medicare & Medicaid Services

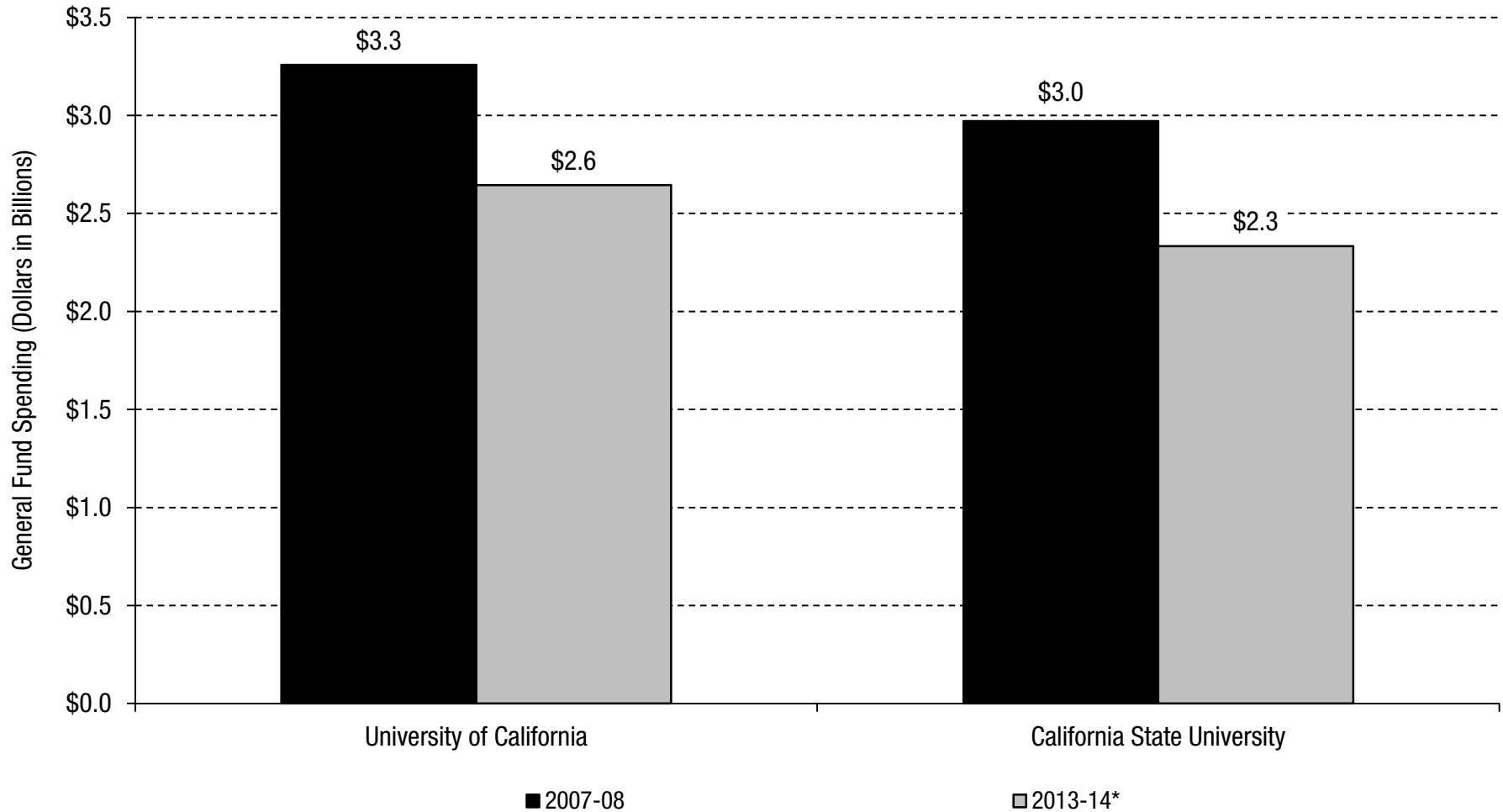
Recent Cuts to Higher Education Threaten Economic Opportunity for Women

- Recent budget cuts have made it harder for women to obtain a degree or enroll in courses needed to keep or find work.
- California's community colleges provide access to education and training that leads to employment or a four-year degree. Yet, women's community college enrollment has decreased dramatically since 2007.
- California will face a shortfall of skilled workers in coming years. Low-income women who have access to higher education will have greater economic opportunities.

Only Californians With Bachelor's Degrees Made Strong Wage Gains Over the Past Generation

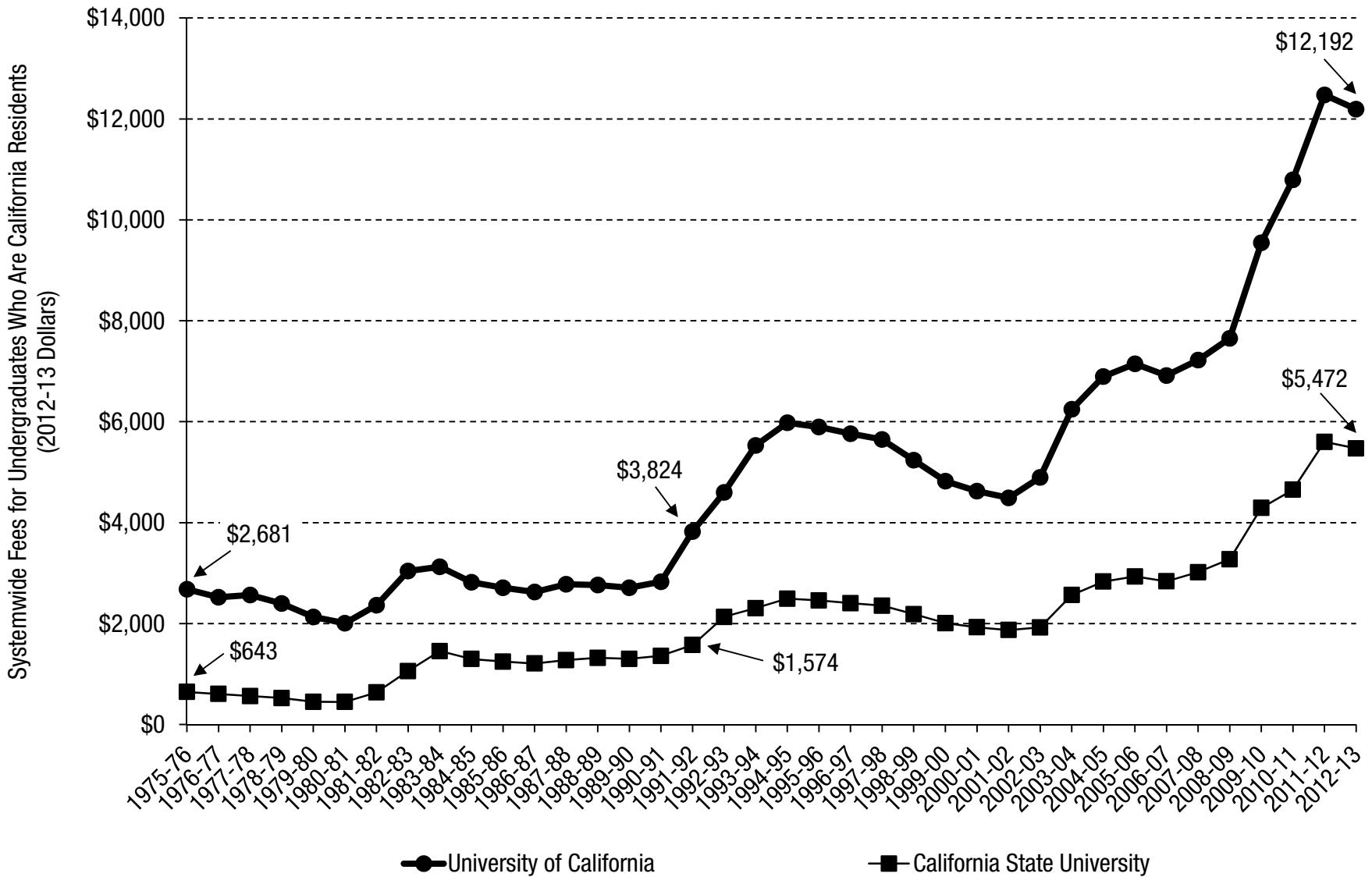


General Fund Support for the University of California and California State University, Which Would Increase Under the Governor's Proposed 2013-14 Budget, Would Remain Significantly Below 2007-08

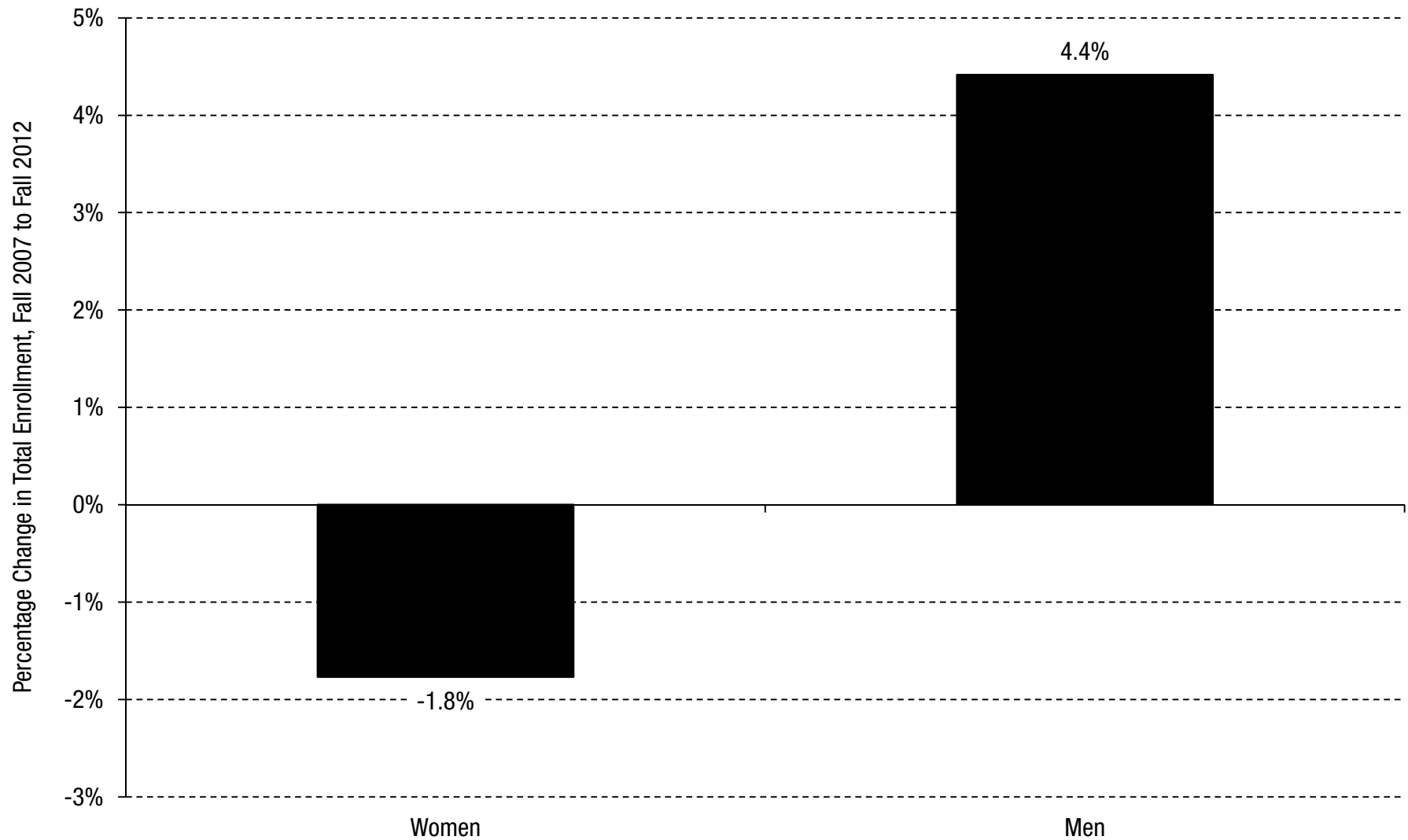


*Proposed
 Note: Excludes 2013-14 general obligation bond debt service payments included in the Governor's proposed budget.
 Source: Department of Finance

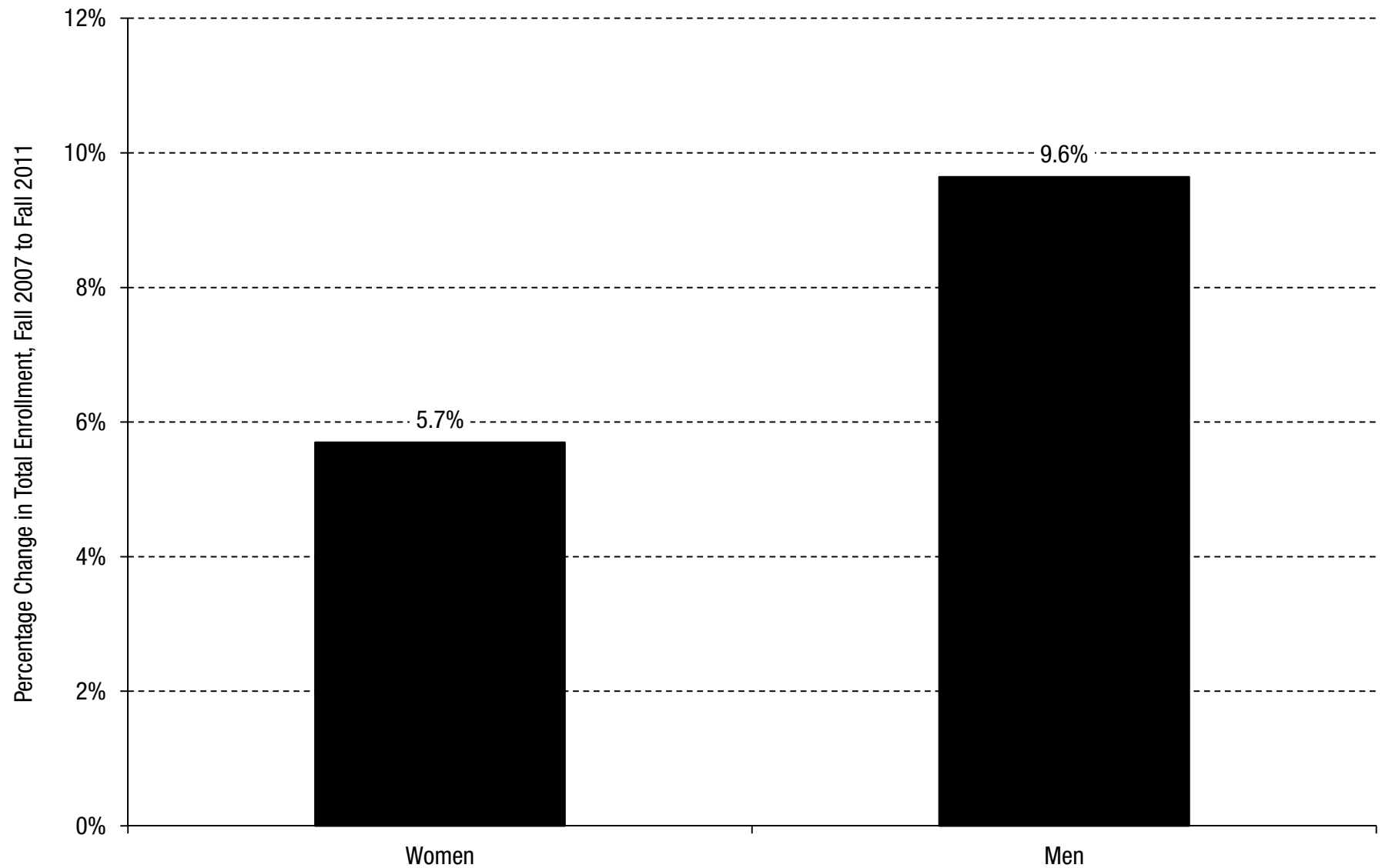
UC and CSU Fees Have More Than Tripled Since 1991-1992, After Adjusting for Inflation



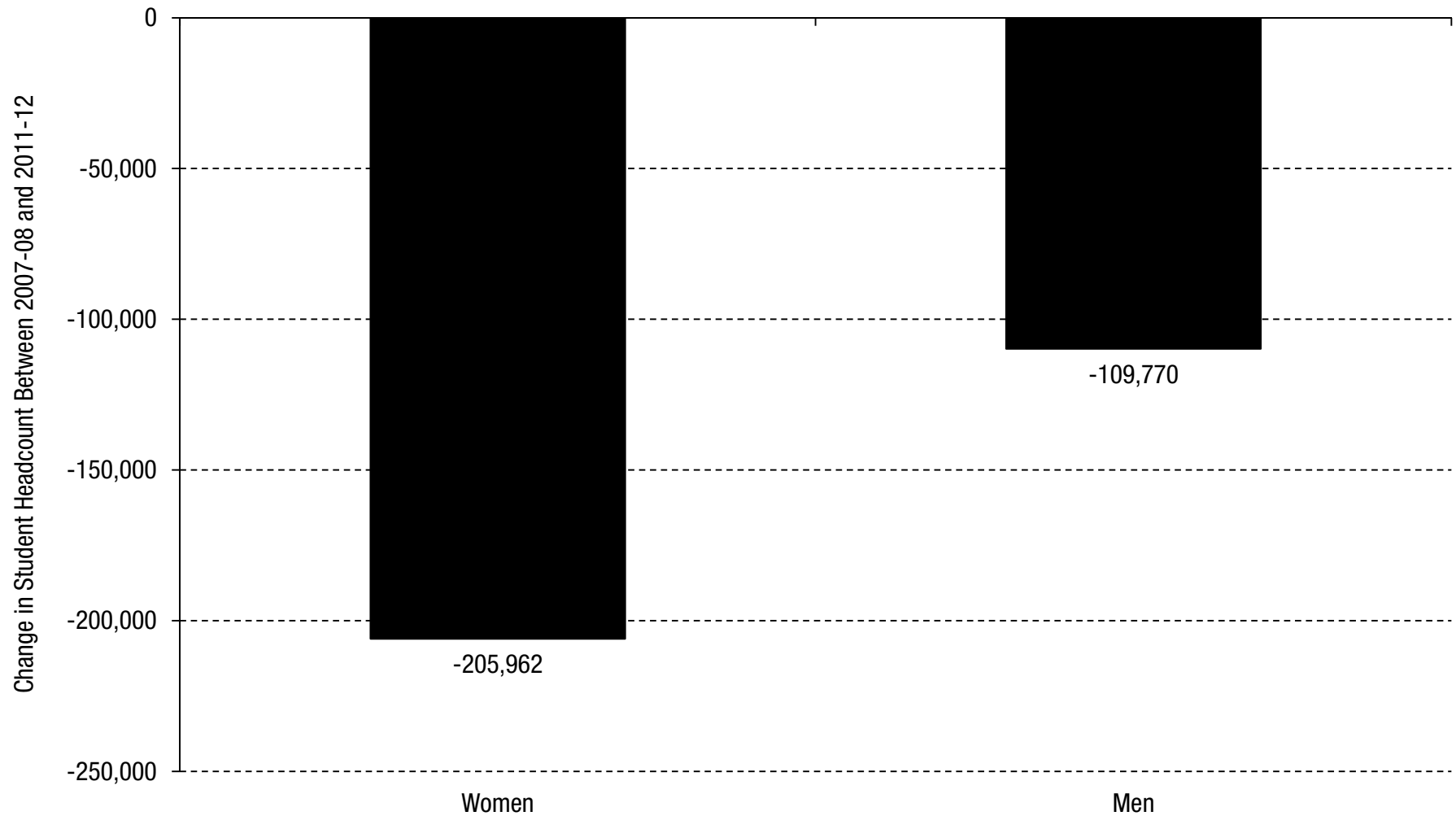
Women's Enrollment Has Dropped at the California State University Since 2007, While Men's Enrollment Has Increased



University of California Enrollment Has Increased More Slowly for Women Than for Men Since 2007



Women Account for Nearly Two-Thirds of the More Than 300,000 Student Drop in Community College Enrollment Since 2007-08



Note: Excludes students for whom gender was not specified, a group that accounts for less than 0.08 percent of the enrollment drop.
Source: California Community Colleges Chancellor's Office

Ensuring That California's Women Have a Fair Chance at Economic Opportunity

- Strategic investments in key public services could support women's economic advancement and security, strengthen California's recovery, and promote well-being for women and their families.
- Some examples might include:
 - Increasing support for UC, CSU, and community colleges;
 - Boosting funding for and access to child care and state preschool;
 - Structuring CalWORKs grants to more effectively promote economic security for low-income families; and
 - Strengthening Medi-Cal, such as by restoring adult dental services.
- Policy choices made today will determine whether we work toward widely shared prosperity and healthy families over the long-term.