

**A  
Closer  
Look at**

**"GAIN:TWO-YEAR  
IMPACTS OF  
SIX COUNTIES"**

**by Manpower  
Demonstration  
Research Corporation  
Report  
Dated April 1993**

***June 1993***

- **GAIN does not assist AFDC recipients to make enough income to escape POVERTY.**
- **The average GAIN participant receives 21¢ a day more than those not in the GAIN program at a cost of \$6.45 a day.**



***Published by***

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1901 Alhambra Blvd., Sacramento, CA 95816 • (916) 736-0616***

## ABOUT CCWRO

The Coalition of California Welfare Rights Organizations (CCWRO), located in Sacramento, is a nonpartisan, nonprofit legal services support center that provides legal representation, consultation and information to legal services programs and other persons referred to CCWRO by legal services field programs. CCWRO provides information on public policy issues that have an impact on low income persons and families. CCWRO's Board of Directors includes current and former recipients of public assistance as well as concerned professionals.

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### About the Author

Kevin Aslanian is the founder and director of the Coalition of California Welfare Rights Organizations. As a former AFDC recipient, he experienced the problems common to public assistance recipients. For the past two decades, Mr. Aslanian has written about the effects of public assistance and workfare legislation upon welfare recipients.

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**June 1993**

*Coalition of California Welfare Rights Organizations, Inc.  
1901 Alhambra Blvd. Sacramento, CA 95816  
Telephone. 916-736-0616*

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# Introduction

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*In this report, we will take a closer look at Manpower Demonstration Research Corporation's (MDRC) Report entitled, "GAIN: Two Year Impacts of Six Counties" released in April 1993. MDRC focussed on six California counties: Alameda, Butte, Los Angeles, Riverside, San Diego and Tulare. While MDRC attempted to portray the report as proof that GAIN is a success, a further analysis of their report shows that GAIN, for the most part, is a failure.*

*Table #1 of the 1993 MDRC Report found on page 12, shows that statewide, participants' net income increased \$155 over 24 months or 21¢ per day.*

*The graphs beginning on page 3 compare the net monetary increase (loss) for GAIN participants with those who did not participate in GAIN. The graphs also show the cost to the taxpayers, statewide, in each of the six counties. This was not shown in the MDRC report. MDRC plans to release the cost figures in the next MDRC multimillion dollar report scheduled in 1994.*

County	Daily Net Benefits Per GAIN Participant*	Daily GAIN Costs to Taxpayers Per Participant	Monthly Net Benefits Per GAIN Participant	Monthly GAIN Costs to Taxpayers Per Participant
ALAMEDA	45¢	\$14	\$13	\$434
BUTTE	19¢	5	6	162
LOS ANGELES	-86¢	15	-26	451
RIVERSIDE	98¢	8	29	251
SAN DIEGO	38¢	9	11	262
TULARE	-15¢	7	-5	211
STATEWIDE	21¢	5.50	6	166

\* This reflect the net benefits of GAIN participants compared to those not participating in the GAIN program.

## **COSTS DETERMINATIONS FOR THE GAIN PROGRAM**

This section describes the methodology used to estimate the cost of GAIN per participant in each of the six counties. The Department of Social Services (DSS), the agency administering GAIN, provided the actual expenditures for FY's 88-89 through 91-92 for the six counties. (See TABLE #1 on page 9.)

GAIN is financed by direct and indirect funding. Allocations made to GAIN in the State budget is direct funding. Approximately 50% of the total GAIN funding is direct. The remaining is derived from indirect funding. The State funds such programs as the Job Training and Partnership Act (JTPA) and ADA. In turn, JTPA and ADA allocates funding to provide services to GAIN participants. The proposed GAIN funding for FY's 88-89 through 91-92 was acquired from the Budget Reports issued by the Office of the Legislative Analyst. (See TABLE # 2.)

To determine the percentage of each county's expenditure, we divided the amount each county spent by the statewide amount spent. (See TABLE #3.)

The total amount of funds, direct and indirect, that each county used was computed by multiplying the actual statewide GAIN expenditure by each county's percentage of the total amount spent. (See TABLE #4.)

We reviewed DSS' GAIN 25 publication, to obtain the number of actual participants in GAIN who were "unduplicated participants." (See TABLE #5.)

Since funds are not all used for unduplicated participants (some are used for exemptions, etc.), we calculated the percentage of persons who participated in the GAIN program based upon the May 1992 MDRC report. (See TABLE #6.)

We divided the total amount of GAIN funding for each county on TABLE # 4 by the total number of unduplicated participants for the MDRC report period, as shown in TABLE # 7.

The result was the estimated cost per participant. To arrive at the final estimated amount of actual cost per participant, we used the percentage set forth in TABLE #6 of the total costs per participant, rather than using 100% of the cost per unduplicated participant. (See TABLE #8.)

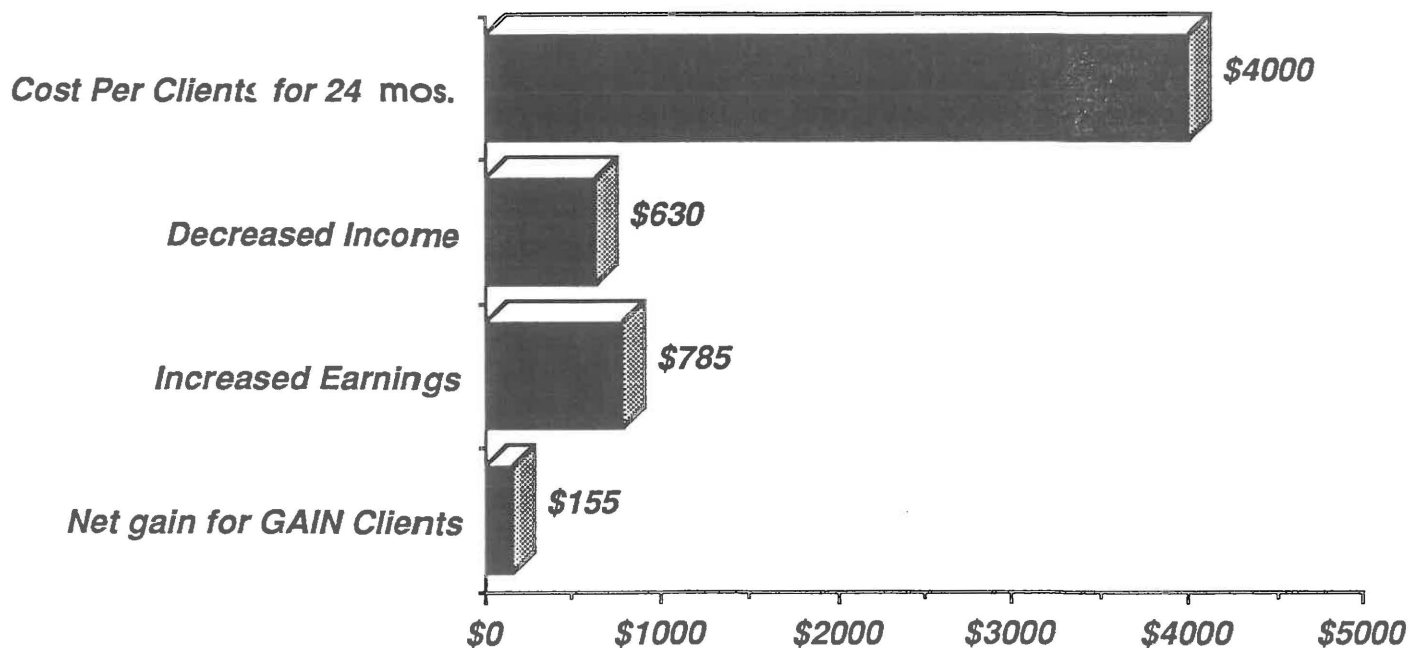
# A Closer Look at

## CALIFORNIA (Statewide)

### ANALYSIS

For the 24 month MDRC report period, the average GAIN participant in California had a net gain of \$155 (\$6.45 per month or 21¢ per day).

This 21¢ per day net gain for GAIN participants costs taxpayers over \$4,000 (\$166 per month, \$5.50 per day). If MDRC touts this as "success" what is "failure"?



**A**

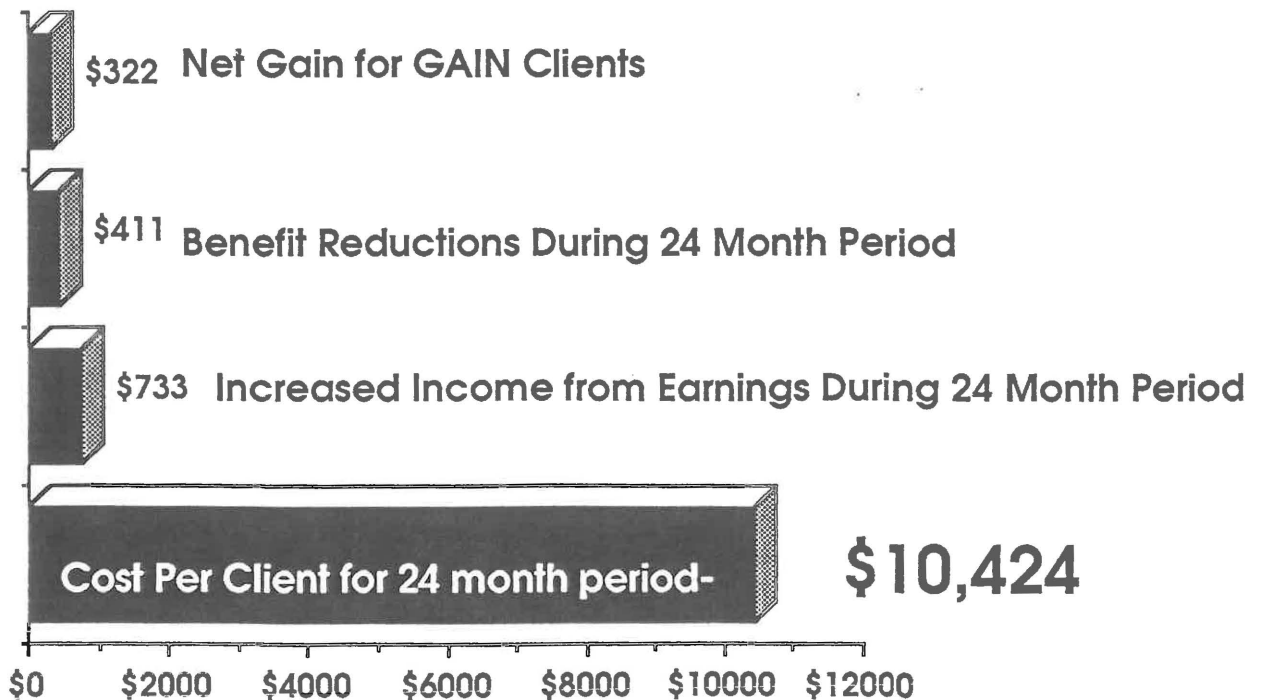
**Closer  
Look at**

**ALAMEDA County**

**ANALYSIS**

For the 24 month MDRC report period, the average GAIN participant in ALAMEDA County had a net gain of \$322 (\$13.40 per month or 45¢ per day).

This 45¢ per day net gain for GAIN participants costs taxpayers \$14 per day (\$434 per month, \$10,424 over 24 months). If MDRC touts this as "success" what is "failure"?



# A Closer Look at

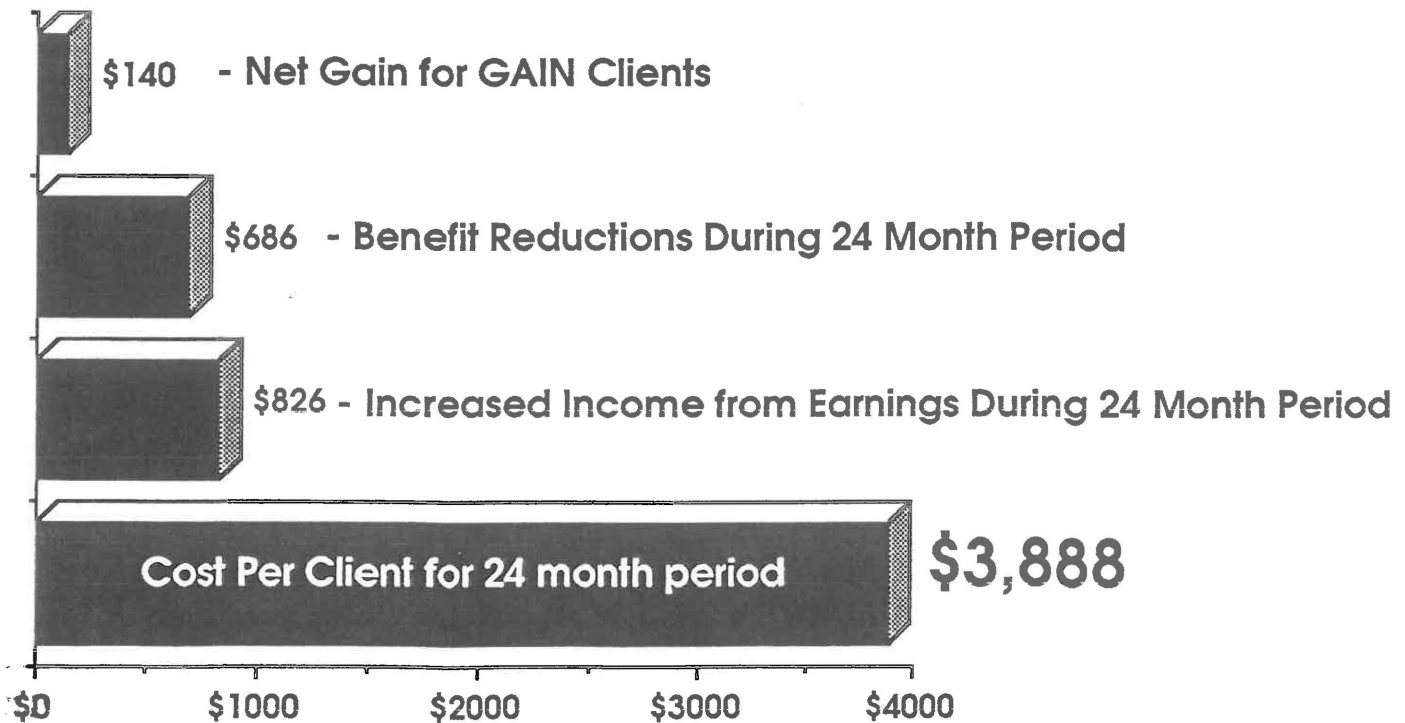
-5-

## BUTTE County

### ANALYSIS

For the 24 month MDRC Report period, the average GAIN participant in BUTTE County had a net gain of \$140 (\$5.83 per month or 19¢ per day).

This 19¢ per day net gain for GAIN participants costs taxpayers \$5 per day (\$162 per month, \$3,888 over 24 months). If MDRC touts this as "success" what is "failure"?



# A Closer Look at

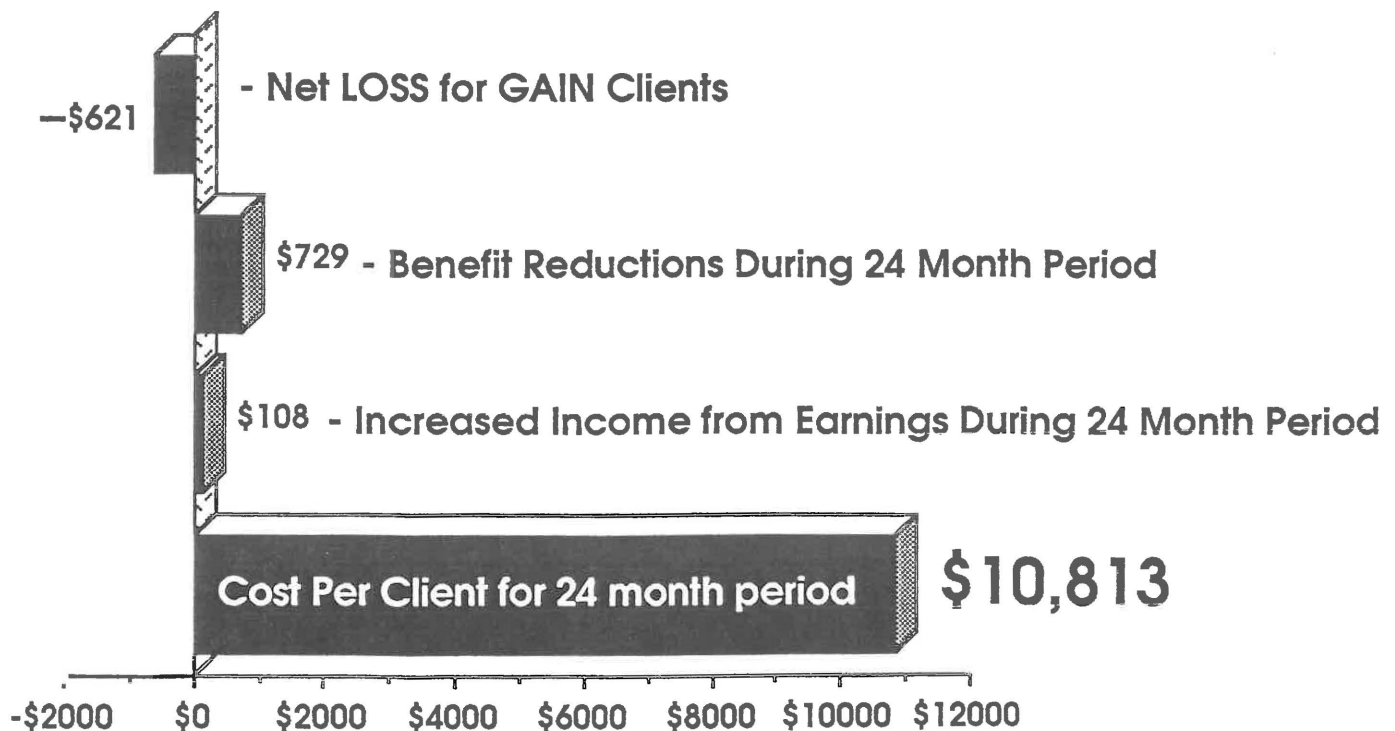
-6-

## LOS ANGELES County

### ANALYSIS

For the 24 month MDRC report period, the average GAIN participant in LOS ANGELES County had a net LOSS of -\$621 (-\$25.87 per month or -86¢ per day).

This -86¢ a day net LOSS for GAIN participants costs taxpayers \$15 per day ( \$451 per month, \$10,813 over 24 months). If MDRC touts this as "success" what is "failure"?



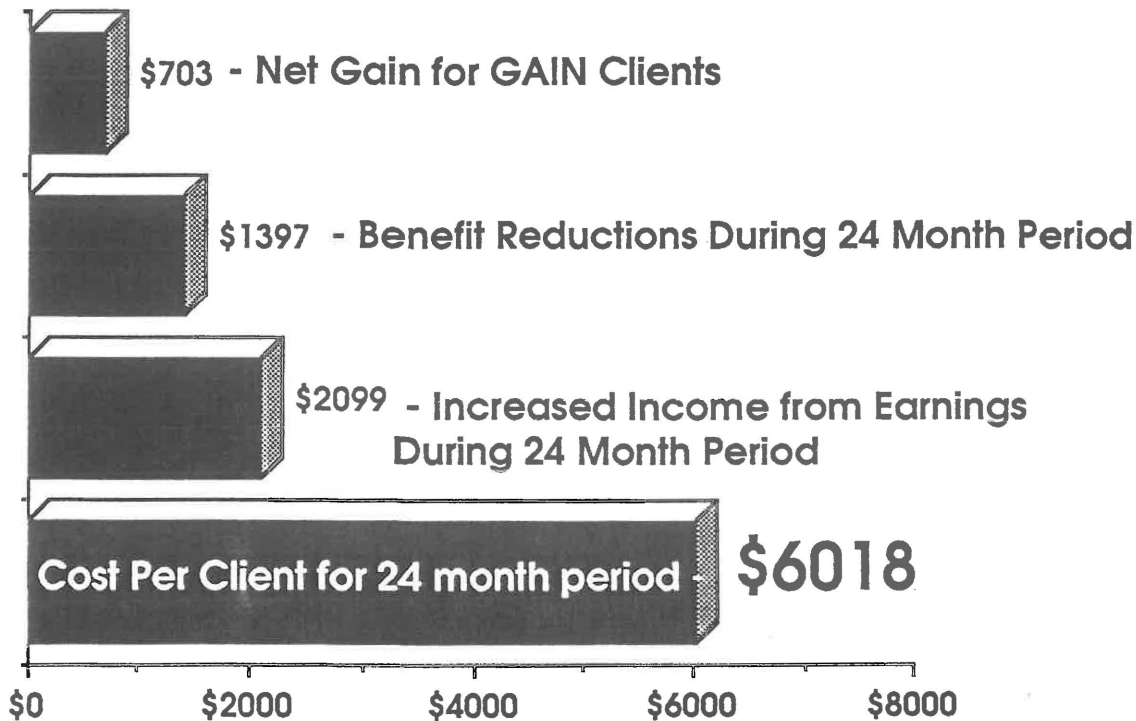
# A Closer Look at

## RIVERSIDE County

### ANALYSIS

For the 24 month MDRC report period, the average GAIN participant in RIVERSIDE County had a net gain of \$703 (\$29.29 per month or 98¢ per day).

This 98¢ per day net gain for GAIN participants costs taxpayers \$8 per day, ( \$250 per month, \$6,018 over 24 months). If MDRC touts this as "success" what is "failure"?



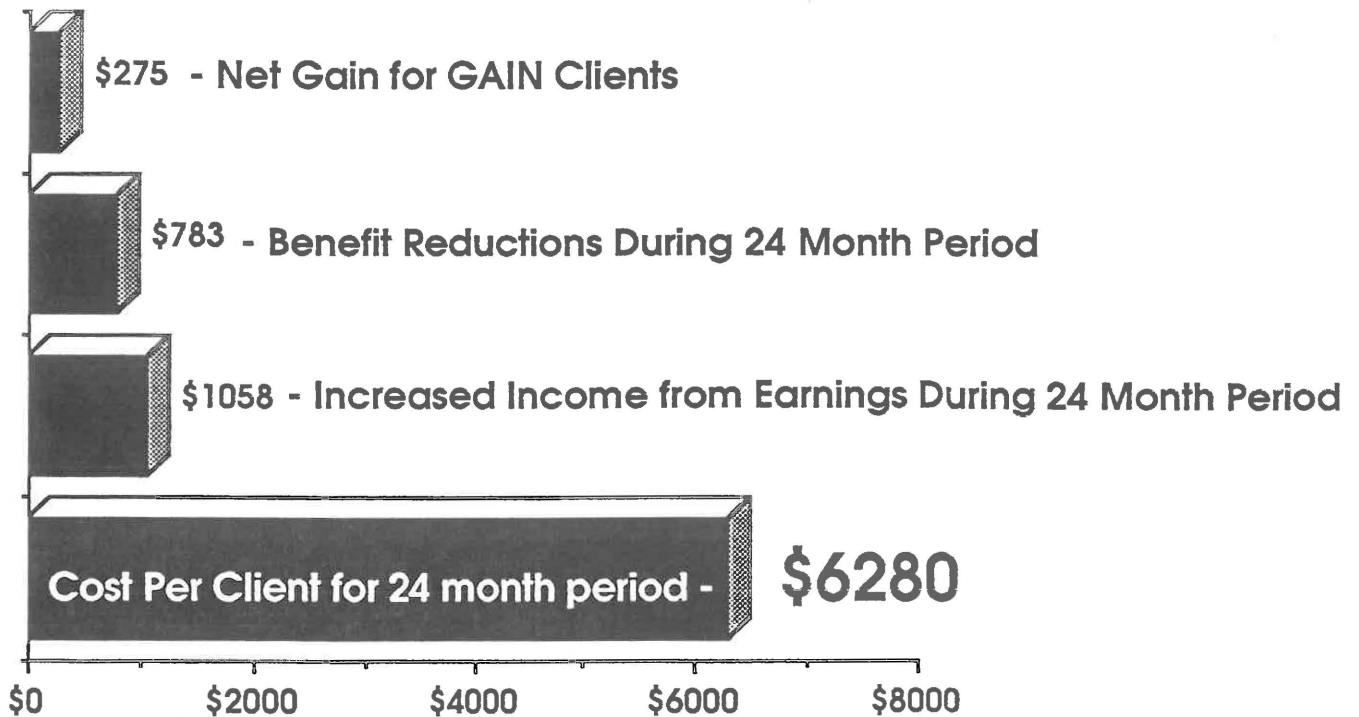
**A  
Closer  
Look at**

**SAN DIEGO County**

**ANALYSIS**

For the 24 month MDRC report period, the average GAIN participant in SAN DIEGO County had a net gain of \$275 (\$11.45 per month or 38¢ per day).

This 38¢ per day net gain for GAIN participants costs taxpayers \$9 per day ( \$262 per month, \$6,280 over 24 months). If MDRC touts this as "success" what is "failure"?



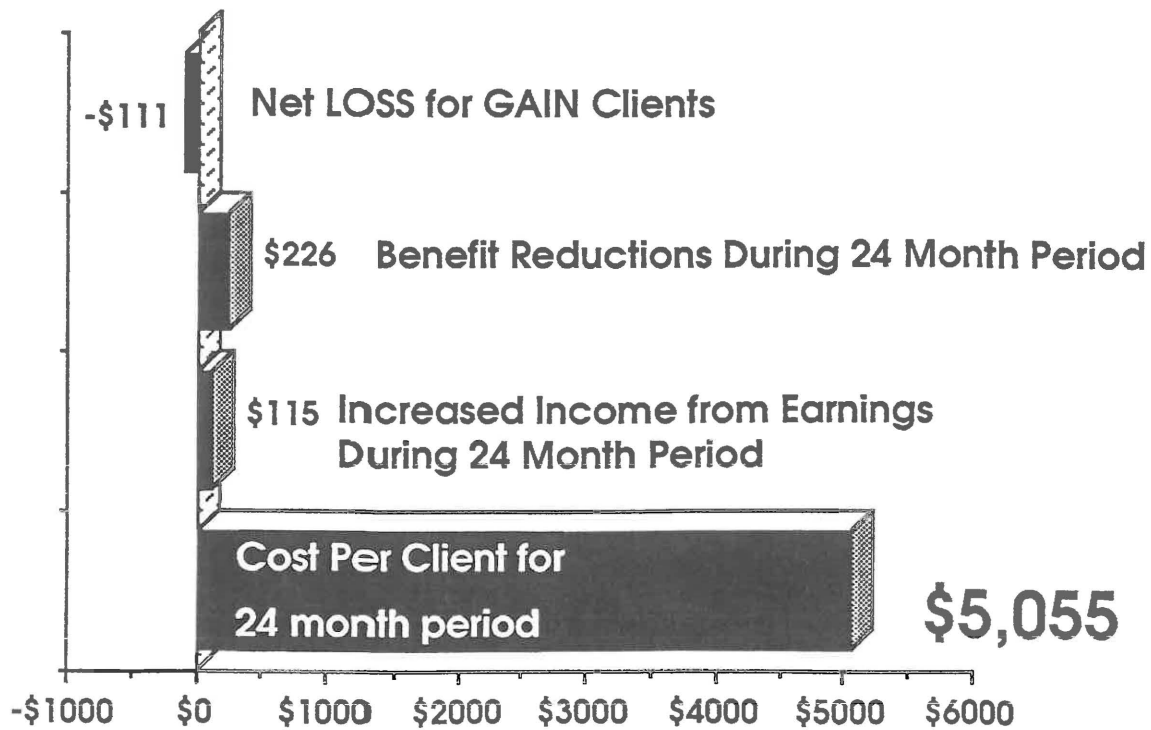
**A  
Closer  
Look at**

**TULARE County**

**ANALYSIS**

For the 24 month MDRC report period, the average GAIN participant in TULARE County had a net gain of **-\$111 (-\$4.63 per month or -15¢ per day)**.

This **-15¢ per day net LOSS** for GAIN participants costs taxpayers **\$7 per day (\$211 per month, \$5,055 over 24 months)**. If MDRC touts this as "success" what is "failure"?



**TOTAL AMOUNT OF ACTUAL EXPENDITURES**

	FY 88/89	FY 89/90	FY 90/91	FY 91/92	
T A B L E # 1	Alameda	\$ 2,752,849	\$ 5,242,723	\$ 4,760,823	\$ 5,336,857
	Butte	\$ 2,396,220	\$ 2,603,575	\$ 2,682,589	\$ 2,633,223
	Los Angeles	\$ 11,004,614	\$ 25,114,390	\$ 40,459,703	\$ 38,250,092
	Riverside	\$ 5,613,967	\$ 8,665,291	\$ 9,256,329	\$ 7,829,881
	San Diego	\$ 18,514,923	\$ 22,791,668	\$ 20,056,980	\$ 14,997,560
	Tulare	\$ 1,744,805	\$ 4,260,064	\$ 4,044,326	\$ 3,753,665
	Statewide	\$129,550,604	\$178,892,404	\$197,315,023	\$174,848,320

**GAINS FUNDS PROPOSED PER YEAR**

(in millions)

	FY 88/89	FY 89/90	FY 90/91	FY 91/92	
T A B L E # 2	GAIN Funds	\$ 364,040	353,063	364,350	329,000

**PERCENTAGE OF THE STATEWIDE ACTUAL EXPENDITURES PER COUNTY**

	FY 88/89	FY 89/90	FY 90/91	FY 91/92	
T A B L E # 3	Alameda	2.12 %	2.93 %	2.41 %	3.05 %
	Butte	1.85 %	1.46 %	1.36 %	1.51 %
	Los Angeles	8.49 %	14.04 %	20.51 %	21.88 %
	Riverside	4.33 %	4.84 %	4.69 %	4.48 %
	San Diego	14.29 %	12.74 %	10.16 %	8.58 %
	Tulare	1.35 %	2.38 %	2.05 %	2.15 %

**ESTIMATED TOTAL GAIN COST PER COUNTY**

	FY 88/89	FY 89/90	FY 90/91	FY 91/92	
T A B L E # 4	Alameda	\$ 7,810,165	\$ 8,437,560	\$ 8,780,835	\$ 10,034,500
	Butte	6,815,474	5,154,326	4,955,160	4,967,900
	Los Angeles	31,277,500	49,566,254	74,728,185	71,985,200
	Riverside	15,951,893	17,086,942	17,088,015	14,739,200
	San Diego	52,644,932	44,976,786	37,017,960	28,228,200
	Tulare	4,973,454	8,402,257	7,469,175	7,073,500

**NUMBER OF UNDUPLICATED PARTICIPANTS**

<b>T A B L E  # 5</b>		<b>FY 88/89</b>	<b>FY 89/90</b>	<b>FY 90/91</b>	<b>FY 91/92</b>
	Alameda	1046	942	1345	1947
	Butte	1097	1498	1483	937
	Los Angeles	2539	5124	13375	1782
	Riverside	1453	4492	6558	5584
	San Diego	9275	8972	4553	7104
	Tulare	2050	5069	2383	1352

**PERCENTAGE OF GAIN PARTICIPANTS WHO ACTUALLY PARTICIPATED IN THE GAIN PROGRAM PER MDRC 1991 REPORT**

<b>T A B L E  # 6</b>	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
	62.1%	42.5%	51.3%	60.1%	55.1%	60.9%

**PERIOD OF MDRC REVIEW PER COUNTY**

<b>T A B L E  # 7</b>	Alameda	Butte	Los Angeles	Riverside	San Diego	Tulare
	89-92	88-92	89-92	88-92	88-92	89-92
	36 mos.	48 mos.	36 mos.	48 mos.	48 mos.	36 mos.

**GAIN COST PER UNDUPLICATED PARTICIPANT**

	<b>County</b>	<b>24 Months</b>	<b>Monthly</b>	<b>Daily</b>
<b>T A B L E  # 8</b>	Alameda	\$10,424	\$434	\$14
	Butte	3,888	162	5
	Los Angeles	10,813	451	15
	Riverside	6,018	251	8
	San Diego	6,280	262	9
	Tulare	5,055	211	7

**Reprinted from the MDRC April, 1993 "GAIN Two-Year Impacts in Six Counties" Report**

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**TABLE 1**  
**SUMMARY OF GAIN'S FIRST- AND SECOND-YEAR IMPACTS ON EARNINGS AND AFDC PAYMENTS FOR AFDC-FG (SINGLE PARENTS)**

County	Average Total Earnings				Average Total AFDC Payments			
	Experimentals (\$)	Controls (\$)	Difference (\$)	Percentage Change	Experimentals (\$)	Controls (\$)	Difference (\$)	Percentage Change
<b>Alameda</b>								
Year 1	1421	1212	209	17%	6916	7066	-150	-2%
Year 2	2132	1609	524 *	33%	5816	6076	-260	-4%
Total	3553	2821	733 *	26%	12732	13142	-411	-3%
<b>Butte</b>								
Year 1	2001	1729	272	16%	5132	5486	-353 *	-6%
Year 2	2996	2442	554	23%	3715	4048	-333	-8%
Total	4997	4171	826	20%	8848	9534	-686 *	-7%
<b>Los Angeles</b>								
Year 1	1304	1308	-4	-0%	6875	7203	-328 ***	-5%
Year 2	1694	1582	112	7%	5711	6112	-401 ***	-7%
Total	2998	2890	108	4%	12586	13315	-729 ***	-5%
<b>Riverside</b>								
Year 1	2470	1550	920 ***	59%	4968	5663	-695 ***	-12%
Year 2	3414	2234	1179 ***	53%	3461	4162	-701 ***	-17%
Total	5883	3784	2099 ***	55%	8429	9825	-1397 ***	-14%
<b>San Diego</b>								
Year 1	2462	2113	349 **	17%	5529	5832	-302 ***	-5%
Year 2	3503	2794	709 ***	25%	4199	4679	-480 ***	-10%
Total	5965	4906	1058 ***	22%	9728	10511	-783 ***	-7%
<b>Tulare</b>								
Year 1	1792	1941	-149	-8%	6363	6231	132	2%
Year 2	2532	2498	34	1%	5120	5027	94	2%
Total	4324	4439	-115	-3%	11484	11258	226	2%
<b>All counties (a)</b>								
Year 1	1908	1642	266 ***	16%	5964	6247	-283 ***	-5%
Year 2	2712	2193	519 ***	24%	4670	5017	-347 ***	-7%
Total	4620	3835	785 ***	21%	10634	11264	-630 ***	-6%

NOTES: Dollar averages for each year include zero values for sample members who were not employed or did not receive welfare during that year.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as \*\*\* = 1 percent (the highest level); \*\* = 5 percent; \* = 10 percent.

(a) This estimate is the average of the impacts for each county, which were equally weighted.

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# Workfare's only part 5

Participation rates uneven in 8 counties, consultants say

By Daniel C. Corwin

SACRAMENTO — A study job participation rates in eight counties, consultants say, shows that only one of the counties, Yuba, has a participation rate of 50 percent or more.

The study, which was conducted by the California Welfare Rights Organizations, found that participation rates in the other seven counties ranged from 10 percent to 40 percent.

The study also found that participation rates were higher in counties with higher unemployment rates.

The study was conducted by the California Welfare Rights Organizations, a coalition of welfare rights groups in California.

# Welfare plan drawing mixed reaction

Greater avenues for independent source, the state's revolutionary new welfare program, debated in Yolo County today amid uncertainty that it will work.

Known as GAIN, the system combines job training, counseling and placement with remedial education and child care in a program designed to get people off the welfare rolls.

According to county GAIN Coordinator Jim Thomas, 40 Aid to Families with Dependent Children recipients will undergo an orientation and basic math and English classes.

Everyday here is just really about getting started on the GAIN program and seeing how it fits with the welfare system.

Thomas expects 1,700 Yoloans to participate in GAIN during the first eight months of its operation. Whether the program will actually help these people find jobs that will get them off welfare is still being debated.

Woodward lawyer Casey McKeever, the directing attorney in the Sacramento office of the Western Center on Law and Poverty, says there are simply not enough good jobs available.

"GAIN deals with the supply of labor and not the demand," he says. "GAIN attempts to deal with part of the equation and doesn't help with the other."

The job market has to be added.

"It is right, we're only dealing with half the equation," Thomas said when informed of McKeever's comments. The coordinator, though, insists GAIN's job-training component offers a means to close the gap between employers' abilities and the skills of those going to try

# BUDGET ANALYSIS OF THE STATE OF CALIFORNIA

• GAIN PROGRAM

• CHILDREN

• AFDC

Workfare bill to be unveiled

Lawmakers give plan good chance

Workfare bill into strong opposition

Workfare Proposal Would Cost Millions Before Paying Off

Welfare-rights groups

Governor signs workfare bill

Program will train, put to work able-bodied welfare recipients

GRACE A. GALLIGHER  
COALITION OF CALIFORNIA WELFARE RIGHTS ORGANIZATIONS  
1901 Alhambra Blvd., 2nd Floor  
Sacramento, CA 95816  
(916) 736-0616

FRANK EPSTEIN  
1930 Sonoma Blvd  
Vallejo, CA 94530  
(415) 643-5696

Attorney for Plaintiffs/Petitioners Theresa Mohapp, James Brown, Edicta Giardina, Ava Allen, Stanislaus County Welfare Rights and CCWRO

Attorney for Plaintiffs/Petitioners Theresa Mohapp, James Brown, Edicta Giardina, Ava Allen, Stanislaus County Welfare Rights and CCWRO

Attorneys for Plaintiff/Petitioner Randy Walker

COALITION OF CALIFORNIA WELFARE RIGHTS ORGANIZATIONS, AVA ALLEN, ESA MOHAPP, RANDY WALKER, JAMES BROWN, EDICTA GIARDINA, AND STANISLAUS COUNTY WELFARE RIGHTS ORGANIZATION, Plaintiffs/Petitioners,

McMAHON, Director, Department of Social Services and the STATE OF CALIFORNIA, Respondents.

ENDORSED:  
FEB 6 - 1990  
JOYCE RUSSELL SMITH, CLERK  
By B. FRATES Deputy

COALITION OF CALIFORNIA WELFARE RIGHTS ORGANIZATIONS, Inc.

1901 Alhambra Blvd.  
Sacramento, CA 95816  
Tel. (916) 736-0616

CCWRO

# The Sacramento Reporter

## Workfare facing growing pains

Matthews

The state's welfare program has spawned in Yuba County a growing number of welfare recipients who are also generating income.

The administration officials say the program can be expanded to other counties. They are also looking for ways to get more people into the program.

Yuba County officials say the program is working well. They say the program is helping people get off welfare and into the workforce.

# California Workfare Reporter

## FAMILY ASSISTANCE ACT OF 1988 PASSES CONGRESS

During the last days of the 100th Congress, American poor families took a beating as Congress passed the dehumanizing Welfare Reform legislation, which states to require welfare recipients to work for their benefits.

The bill would have never happened had major labor, church and welfare groups not joined forces to oppose it.

## THE TOP 10 COUNTIES BEGINNING THE MONEY MANAGEMENT PROCESS

(Continued on page 2)

County	Value
SAN DIEGO	100
SAN CLAY	80
STANISLAUS	70
YUBA	60
YUBA	50
YUBA	40
YUBA	30
YUBA	20
YUBA	10
YUBA	5

## THE TOP 10 CALIFORNIA COUNTIES IMPOSING FINANCIAL SANCTIONS

(Continued on page 2)

County	Value
SAN DIEGO	100
SAN CLAY	80
STANISLAUS	70
YUBA	60
YUBA	50
YUBA	40
YUBA	30
YUBA	20
YUBA	10
YUBA	5

Koenig, GAIN manager of San Diego, said that when you look at San Diego's case load, the number of GAIN recipients is not as high as it used to be. He said that one of the reasons for this is that the program is not as strict as it used to be.

CCWRO participants who should be sanctioned. He said that when you look at San Diego's case load, the number of GAIN recipients is not as high as it used to be. He said that one of the reasons for this is that the program is not as strict as it used to be.

HOW TO START A WELFARE RIGHTS ORGANIZATION IN CALIFORNIA

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