

# CCWRO Welfare News

Coalition of California Welfare Rights Organizations, Inc. 1901 Alhambra Blvd. Sacramento, CA 95816  
 • Telephone (916) 736-0616 • Cell (916) 712-0071 Fax (916) 736-2645

April 7, 2009  
 Issue 09-08

## How is TANF/CalWORKs Spent in California?

**(1) \$2.4 Billion (B)- Payments to Families**

**(2) \$2.6 B - Program Operation Costs (3) \$1.5 B - Contribution to the General Fund**

### LAO's ATTEMPT TO RATIONALIZE LOW CALWORKS GRANTS

On March 18, 2009, at an Assembly Budget Committee Sub #1 hearing, the Legislative analyst, who has been promoting the reduction of CalWORKs benefits which are now at 1989 levels, handed out a document containing misleading information describing how the further reduction of CalWORKs benefits are not as devastating as they appear.

The analyst reached this misleading conclusion by assuming that all CalWORKs families receive more food stamp benefits than they actually do. The analyst's error exceeded 10% of every estimate.

The analyst alleged that a family of three would receive \$423 in food stamps every month. According to the USDA, FNS the average amount of food stamps is actually \$271 a month. See [http://www.fns.usda.gov/pd/19SNAPavg\\$HH.htm](http://www.fns.usda.gov/pd/19SNAPavg$HH.htm).

Figure #1 reveals how the impact of grant reduction is real and brings poor families on fixed incomes under 70% of the poverty level.

### CALIFORNIA CUTS GRANTS

While the Obama Administration has poured billions into the California state coffers, the Governor and the Legislature continued their four year attack on poor families. This year poor families were, again, denied a COLA, although 80% of it would have been funded with federal money. The COLA would have cost \$80 million. Worse yet, the poor have another 4% cut in benefits effective May 1, 2009. That is another \$147million, totaling

\$227 million. California declined \$182 million dollars from the federal government while poor families and children suffer in poverty. The \$227 million would have stimulated the economy and produced economic activity of totaling \$613 million in California.

While food stamp benefits have been increased, benefits decline assuring that the poor continue to live in misery.

Figure #1	2009			
	1-09 3-09	4-09 6-09	7-09 12-09	
<b>High Cost Counties</b>				
CalWORKs Grant	\$723	\$723	\$694	
Actual Food Stamps (FS) Amounts	\$271	\$308	\$318	
LAO's Incorrect FS Amounts	\$423	\$486	\$495	
2009 poverty level for a family of 3	\$1,526	\$1,526	\$1,526	
<b>Actual Percent of Poverty</b>	<b>65%</b>	<b>68%</b>	<b>66%</b>	
<b>LAO's Incorrect Poverty Levels</b>	<b>75%</b>	<b>79%</b>	<b>78%</b>	
<b>Degree of LAO's Error</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>	
<b>Other Counties</b>				
CalWROKs Grant	\$689	\$689	\$661	
Actual FS Amounts	\$271	\$308	\$318	
<b>LAO's Incorrect FS Amounts</b>		<b>\$423</b>	<b>\$486</b>	<b>\$495</b>
2009 poverty level for a family of 3	\$1,528	\$1,526	\$1,526	
<b>Actual Percent of Poverty</b>	<b>63%</b>	<b>65%</b>	<b>64%</b>	
<b>LAO's Incorrect Poverty Levels</b>	<b>74%</b>	<b>78%</b>	<b>76%</b>	
<b>Degree of LAO's Error</b>	<b>11%</b>	<b>13%</b>	<b>12%</b>	