

More money for poverty won't solve California's problem

By Margaret A. Bengs Special to The Bee

Anti-poverty activists are out again, calling for social service programs to get a portion of the extra \$2.2 billion or more expected in state revenue over the next several months.

But if spending money were the answer to poverty, California, which provides among the most generous welfare benefits in the nation, would be nearly poverty-free.

Instead, California has the nation's highest poverty rate, according to a Census Bureau measurement that adjusts for cost of living. Nearly 8.9 million people in our state – a quarter of the population – are considered poor.

Some blame the weak job market, but welfare caseloads have often not declined even in economic boom times. The fact is that California is subsidizing poverty, not solving it.

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With 12 percent of the population, California has 33 percent of the nation's welfare recipients. More than 1.3 million people are receiving welfare grants in California. Nearly 12 million residents, or one-third of the population, are on Medi-Cal. More than 4.1 million Californians are receiving food stamps. Low-income individuals can also be eligible for housing subsidies, free school lunches, job training services, transportation and other programs. Many pay no income taxes, and, if they work, are eligible for a federal tax credit.

But all too often, this safety net has become a poverty trap. It entangles the poor in a web of programs that is available only if they stay poor, while discouraging the two greatest escapes from poverty – marriage and a job.

Welfare grants are primarily provided to single mothers, unloading the father's parental responsibility on taxpayers. In California, [40 percent of babies born in 2012 – 202,026 children – were to unmarried mothers](#), according to a Kids Count analysis.

But government has turned out to be a poor husband and father. While some children from single-parent homes do well, many end up with more emotional, educational and criminal problems than children from two-parent homes, according to multiple studies, and are often consigned to a childhood of poverty.

A recent report by scholars [W. Bradford Wilcox and Robert I. Lerman](#), published by the [American Enterprise Institute and Institute for Family Studies](#), found that the “retreat from marriage,” concentrated primarily among lower-income Americans, plays “a key role in the changing economic fortunes of American family life” – resulting in higher poverty and income inequality.

These findings underscore those from a seminal report, [“Work and Marriage: The Way to End Poverty and Welfare,”](#)



by the [Brookings Institution](#). “There’s no question in my mind that the growth of single-parent families has played a role in increasing poverty and inequality,” said Isabel Sawhill, a senior fellow at Brookings.

Yet not only do our welfare policies provide incentives for poverty-prone households, they also often make work less financially attractive than welfare.

The monthly cash grant for a CalWORKs (California’s welfare program) parent with two children is \$670, rising to \$704 in April. This family is also eligible for as much as \$511 in food stamps each month, along with Medi-Cal and other government aid.

When a CalWORKs participant finds a job, the cash grant is lowered, but the other benefits are still available for two years – and longer for the many exempt from work requirements. After two years, if a parent who is required to work refuses, the adult’s cash grant will be cut, but grants for children in the household will still be available until they reach 18, according to the California Department of Social Services. This is a strong incentive for continued dependency, one not available in most other states.

A young woman from Richmond who worked as a pharmacy technician recently told The Sacramento Bee that when she was offered a raise to take a new position, she turned it down because she would have lost her child care subsidy. She described the dilemma of staying on the “hamster wheel of relying on government help,” or taking the “leap of faith” to “be without any government assistance.”

Stories like this abound. Government assistance may help in the short term, but it inhibits the opportunity for higher income over the long run by enhancing job skills.

The solution to the poverty trap is not more money. We need more incentives that free people from dependency. Make work more attractive than welfare to enable families to escape the poverty trap.

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