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## **THE IMPACT OF WELFARE REFORM ON CALIFORNIA LATINOS**

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Three years have passed since President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) into law, commonly referred to as "welfare reform." PRWORA replaced the AFDC (Aid to Families with Dependent Children) entitlement program with TANF (Temporary Assistance to Needy Families), a block-granted program to states. PRWORA limits the use of federal funds to a lifetime total of 60 months for each family. TANF recipients are required to engage in "work activities", a definition that includes employment or community service. Teen parents cannot be aided unless they are attending school and living with a parent (with limited exceptions). Additionally, a key aspect of "welfare reform" is to eliminate legal immigrants' eligibility for federally funded programs.

Now policymakers are beginning to ask: "What impact has this legislation had on those individuals and families directly affected by the policy changes?" A subgroup of particular interest in California is the Latino population. This focus arises because of the large Latino immigrant and Latino native-born population that comprises a large proportion of the working poor and those on welfare, most of whom live in poverty. California is the residence of the largest proportion (40%) of legal immigrants in the U.S. Additionally, 31% of its population of slightly over 33 million are of Latino origin, the largest Latino population in the nation.<sup>1</sup>

This paper will examine what we know about the effect that welfare reform (PRWORA) has had to date on Latino families, both legal immigrant and U.S. born; what lies ahead for those families still on aid, and what policy changes might be anticipated in the future. These California Latino families include both one-parent and two-parent families with an unemployed/under-employed head of household.

### **CALIFORNIA'S WELFARE PROGRAM**

The majority of cost savings as a result of PRWORA is attributed to the elimination of most forms of public aid to legal immigrants. Exceptions are made for veterans and dependents, refugees, asylees, and persons with at least 40 qualifying work quarters. Legal immigrants who entered the country after August 22, 1996 are barred from all federally funded benefits for the first five years of residence. Within these limits, states have unprecedented freedom to decide who will be aided, how much they will receive, and for how long.

More recent legislation, however, has restored some of the benefits to legal immigrants. The Balanced Budget Act of 1997 restored Supplemental Security Income (SSI) eligibility for legal immigrants residing in the U.S. on August 22, 1996 and also created an exemption for victims of

domestic violence. The budget agreement in 1998 restored food stamp eligibility to elderly, disabled, and child legal immigrants. Any additional support was to be provided by state funds.

In many ways, California is an enigma. It is the most generous state in the nation with respect to immigrants. At the same time it displays significant anti-immigrant as well as anti-Latino sentiment reflected in such initiatives as Proposition 187 and related initiatives eliminating affirmative action and bilingual education. In part, because of this contradiction, strain between the state's executive and legislative governmental forces slowed the process of enacting state welfare legislation. California, therefore, was one of the last states to enact a new welfare program. California legislators created (AB1542) the CalWORKs (California Work Opportunity and Responsibility for Kids) program replacing the state's AFDC and GAIN (California's JOBS program, Greater Avenues to Independence) programs, effective January 1998. The new program provided state funded TANF for immigrants who did not qualify for assistance under federal funding such as the post-August 22<sup>nd</sup> immigrants. Additionally, it provided state-funded food stamp programs (California Food Assistance Program, CFAP) that restored benefits to about 25% of those immigrants who lost federal food stamps under the new act as well as a state-funded health insurance program for immigrants faced with the five year bar. Overall California rates about 7<sup>th</sup> among the states in benefit levels (about \$565/month for a family of three), but it is the most generous with respect to those states with significant immigrant populations.<sup>2</sup>

### **Latino Families and Welfare Eligibility in California**

Table 1 shows the several combinations of Latino groups that are affected by the new legislation. The table shows that, in general, most California Latino families are potentially eligible for cash assistance and food stamps and other benefits through either federal or state programs. In 1998, federal changes reinstated some programs. Full benefits are available to families who are citizens or to those who are legal immigrants and arrived before August 22, 1996. Mixed families, those with undocumented parents or parents who arrived after August 22, 1996 with citizen children or legal immigrant children, are eligible for benefits for the child(ren) only. All immigrants, however, without regard to immigration status, date of entry into the United States, or eligibility for other public benefits, remain eligible for the following benefits:

- Emergency medical assistance under Title XIX of the Social Security Act;
- Short-term, noncash, in-kind emergency disaster relief;
- Public health assistance for immunizations and treatment of communicable diseases;
- Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter); and,
- Certain programs for housing assistance.

**Table 1: Latino Families and Welfare Eligibility**

Child(ren)	PARENTS			
	Legal Immigrant (after 8/22/96)	Legal immigrant (before 8/22/96)	U.S. Born/Citizen	Undocumented
Legal Immigrant. (after 8/22/96)	Ineligible for federal progs. Eligible for state progs. like food stamps, medi-cal/Healthy Families.	CalWORKs/State Food Stamps/Medi-Cal	(citizenship follows parent) All Benefits (CalWORKs etc.)	Parents ineligible for all benefits, child eligible for state benefits (e.g. food stamps, medi-cal/Healthy Families.
Legal Immigrant (bef. 8/22/96)	(Usually not the case, but in principle, a child only case)	CalWORKs/State Food Stamps/ Medi-Cal	All Benefits	Child only case
U.S. Born/ Citizen	Child Only Case	CalWORKs/Food Stamps/Medi-Cal	All Benefits	Child only case
Undocumented	n.a.	n.a.	n.a.	INELIGIBLE

Child Only cases usually means full benefits for child only, however parent is payee. n.a. = not applicable.

Since California is estimated to have 40% of the nation's immigrants, welfare reform had potentially large effects in the state. In May 1997, California's immigrant caseload was 199,381 or 22.5% of the total caseload. In 1995, it was estimated that undocumented parents with a citizen child constituted 10% of the caseload. In 1998, the citizen child caseload rose to 19% of the total while the legal immigrant caseload rose an additional 8% of the total. Perhaps the most important effect of these changes in eligibility is the resulting apprehension that discourages immigrants from applying for health, nutrition, or other types of benefits, despite the fact that many remain eligible. Immigrants, as well as some providers, are confused about who is eligible for benefits and have fears relating to the application of the public charge doctrine<sup>3</sup>.

## IMMIGRANT AND NATIVE BORN LATINO WELFARE RECIPIENTS

### Who are Latino Welfare Recipients?

On the eve of the signing of welfare reform, California was completing data collection on welfare recipients from four counties (Alameda, San Joaquin, Los Angeles, San Bernardino) examining the impact of financial incentives (in the form of decreased cash assistance and increased proportion of maintaining earned income) on transitioning recipients from welfare to work. The project was a demonstration implemented in 1992 through the 1115 waiver<sup>4</sup> to test the

effect of financial incentives in moving welfare recipients into the work force. One aspect of the five-year research project was a two-wave panel survey of recipients from these counties.<sup>5</sup> These data provide an opportunity to examine the characteristics of Latino welfare recipients and Latino legal immigrants.

Table 2 shows that the mean age of Latino recipients is slightly younger than the other groups. However, immigrants are slightly older. Latinos as a group are significantly less well-educated than members of other groups. Latino immigrants are particularly poorly educated. (The data reflect primarily females of the families since the majority of the respondents were the women in the family in both single and two parent families). These Latino immigrants, like Asian refugees not included here, are more likely to be two parent families. On the other hand, Latinos are more likely than white non-Latinos, and less likely than African-Americans, never to

**Table 2: Characteristics of California Welfare Recipients on the “Eve of Welfare Reform”**

Characteristic	African-American (N=90,798)	White Non-Latino (N=62,722)	All Latino (N=153,600)	Latino Immigrant (N=85,066)	Total (N=307,120)
<b><u>Background</u></b>					
Mean Age	34.1	33.3	32.7	34.3	33.3
Mean Education.	11.9 yrs.	11.8 yrs.	8.7 yrs	7.0	10.3 yrs.
% Married	9.7%	18.7%	19.2%	23.1%	16.5%
% Never. Married	62.7%	32.8%	43.8%	42.7%	46.8%
Mean # of children	2.4	2.1	2.9	3.2	2.6
<b><u>Health</u></b>					
Fair/Poor	43.4%	33.5%	52.9%	63.6%	45.3%
Limiting Health-Respond.	32.1%	26.2%	18.4%	24.3%	24.2%
Limiting Health-Child	23.8%	18.3%	14.6%	13.4%	17.9%
<b><u>Aid Patterns</u></b>					
% on aid continuously	50.5%	43.8%	62.3%	65.6%	55.0%
Mean Age started aid	24.0 yrs.	25.3 yrs.	26.6 yrs.	29.1 yrs.	25.3 yrs.
<b><u>Work History</u></b>					
% Working	17.1%	22.8%	16.5%	14.2%	18.1%
% Never Worked	10.1%	4.6%	11.2%	12.6%	11.1%
<b><u>Nutrition</u></b>					
“often/sometimes” not enough food—Child	13.6%	9.5%	16.4%	19.6%	14.2%
-----Respondent	19.4%	17.7%	19.0%	20.4%	19.2%

have been married. Latinos have larger families than other groups; however, this is largely driven by the large families among Latino immigrants.

Latinos are the most likely to report having fair or poor health, yet they are among the least likely to see their health problems as limiting their ability to work. Latino immigrants have a very high proportion who report fair or poor health. Latinos as a group are also more likely to report insufficient food for the child and themselves during the year. Once Latinos go on aid, they are more likely than either Whites or African Americans to remain on aid continuously. They have similar work histories as other groups except for White non-Latinos who tend to have few recipients who have never worked. These data suggest that low education, having more children, and poor health and insufficient nutrition may contribute to higher proportions of Latinos remaining on aid.

Data analysis suggested that there were some factors that could be linked with a lower chance of welfare receipt and a higher chance of employment in California. Variables were selected from prior research that might be associated with welfare and employment experience. These covariates included education,<sup>6</sup> presence of a partner or spouse,<sup>7</sup> nativity and English language proficiency,<sup>8</sup> number and age of children,<sup>9</sup> health and disability,<sup>10</sup> continuous receipt of welfare,<sup>11</sup> presence and employment of mother and/or spouse,<sup>12</sup> age of mother, and access to transportation.<sup>13</sup>

However, logistic regression analysis suggested that neither English language ability nor U.S. nativity contributes to lower welfare dependency nor to reduced unemployment.<sup>14</sup> The findings suggested that English language proficiency is probably helpful in the labor market but may not be critical to obtaining employment. They also suggested that immigrant status alone is not a factor in determining welfare usage nor is it a factor in joblessness. Among Latinos, low education is a factor in contributing both to welfare dependency and to unemployment. It may be, as noted in Table 2, that Latino educational levels are so low that employability may be hampered and jobs more difficult to obtain than for other groups which may force them to remain on welfare. Clearly, having a low educational level is a factor for all groups in obtaining employment.

Having pre-school children present in the home largely contributes to remaining on welfare and Latino families tend to have more children and a greater likelihood that they have pre-school children. The more children in the family, the larger are the economic demands on the family. As a result, having more children may create a greater need to receive aid and could act as a major deterrent to entering the work force. Thus, the chance of exiting welfare declines with an increase in the number of children.

Limiting health conditions play a role in unemployment because severe health conditions can prevent the individual from working. The continuous receipt of aid and not having a spouse or partner who works contributes to remaining on aid. This finding supports the "welfare trap" argument that implies that the longer a woman receives aid, the more difficult it is for her to exit and enter the work force.<sup>15</sup> It is that argument that leads the public to support time-limited welfare and a work-first approach<sup>16</sup> or to support the notion that a "low paying job is better than no job". Age is a factor in keeping Latinos and African Americans on welfare but not a factor

among Whites. Older Latinos are more likely not to work. The lack of a car is a factor for all groups but operates differently for each one. With respect to unemployment, it is a significant barrier for all groups but least for Latinos, regardless of nativity, and most for African Americans. Why this may be the case is unclear. Whether Latinos may have a greater tradition of sharing rides or taking public transportation is not explicated in the data.

In short, among Latinos, nativity and English language competence are not significant factors in either remaining on welfare nor contributing factors to unemployability. Factors that do contribute to the probability of unemployment of Latinos seem to be single motherhood, low educational level, a disabling health condition, being on welfare continuously, and no access to a car.

Usually, there is no single factor that is a barrier to employability, but rather a number of factors that in combination changes the probability of entering the work force. Many researchers focus on the role of education and basic skills as the key to employment, while others believe that regardless of education or other skills, English language skills are necessary to securing stable employment at a wage rate sufficient to support a family. Others suggest that one's health status is a major contributor to one's employability. Much has been written about the role of ethnicity and race in accessing the job market.

Table 3 demonstrates how factors combine to change the probability of unemployment. Several things are notable in this table. First, that among Latinos, nativity and primary language skills play less of a role in unemployment than other factors. There are slight differences in the probability of unemployment between the English proficient and Spanish Only groups and between Immigrant and Native Born groups. However, these differences are very small. While years of schooling is very important in understanding unemployment, it does seem to play a larger role for some groups than for others.

Education plays a significant role among Blacks and two-parent families. However, regardless of educational level, having no disability and having access to a car is in some cases as important as having a high school education. Additionally, holding all other covariates constant, the presence or nonpresence of a debilitating disability is also a very powerful barrier to work. In examining whether or not one had access to a car, holding all other factors constant, there were dramatic differences in the probability of unemployment. This fact certainly suggests that besides personal characteristics structural factors such as availability of personal transportation contributes to the probability of employment. Ong's study shows that having access to an automobile offers an opportunity to engage in broader job search, accept job opportunities further away from home, improve work attendance, and lessen the burden of commuting time.<sup>17</sup>

The data in Table 3 show that in all cases, Latinos who have English-speaking ability, a high school education or better, no disability, and access to a car, still have a higher probability of being unemployed than any other group. However, faced with personal characteristics that could pose barriers and even structural barriers (e.g. extreme case is immigrant status, Spanish-speaking only, less than a high school education, presence of disability, and no access to a car), Latinos, whether single parent (FG) or two-parent families (U), are less likely than other groups to be deterred from participating in the work force. They tend to overcome such barriers.

Table 3: Predicted Probabilities of Unemployment by Nativity, Language, Education, Unisadinity, Car and Auto type

Nativity	Primary Lang	Educ Level	Disabil	Access to Car	AFDC-U		AFDC-FG			
					Latino	Black	White	Latino	Black	White
Immigrant	English	12+	NO	YES	33%	27%	32%	38%	18%	36%
Immigrant	English	12+	NO	NO	39%	43%	42%	45%	32%	47%
Immigrant	English	12+	YES	YES	42%	51%	41%	48%	39%	46%
Immigrant	English	12+	YES	NO	49%	69%	52%	55%	58%	57%
Immigrant	English	<12	NO	YES	39%	35%	38%	45%	25%	43%
Immigrant	English	<12	NO	NO	46%	53%	49%	52%	41%	54%
Immigrant	English	<12	YES	YES	49%	61%	48%	55%	49%	53%
Immigrant	English	<12	YES	NO	56%	77%	60%	62%	67%	64%
Immigrant	Spanish	12+	NO	YES	32%	27%	32%	37%	18%	36%
Immigrant	Spanish	12+	NO	NO	38%	43%	42%	44%	32%	47%
Immigrant	Spanish	12+	YES	YES	41%	51%	41%	47%	39%	46%
Immigrant	Spanish	12+	YES	NO	48%	69%	52%	54%	58%	57%
Immigrant	Spanish	<12	NO	YES	38%	35%	38%	44%	25%	43%
Immigrant	Spanish	<12	NO	NO	45%	53%	49%	51%	41%	54%
Immigrant	Spanish	<12	YES	YES	47%	61%	48%	54%	49%	53%
Immigrant	Spanish	<12	YES	NO	55%	77%	60%	61%	67%	64%
NatBorn	English	12+	NO	YES	34%	27%	32%	40%	18%	36%
NatBorn	English	12+	NO	NO	41%	43%	42%	47%	32%	47%
NatBorn	English	12+	YES	YES	43%	51%	41%	49%	39%	46%
NatBorn	English	12+	YES	NO	50%	69%	52%	56%	58%	57%
NatBorn	English	<12	NO	YES	40%	35%	38%	46%	25%	43%
NatBorn	English	<12	NO	NO	47%	53%	49%	54%	41%	54%
NatBorn	English	<12	YES	YES	50%	61%	48%	56%	49%	53%
NatBorn	English	<12	YES	NO	57%	77%	60%	63%	67%	64%
NatBorn	Spanish	12+	NO	YES	33%	27%	32%	39%	18%	36%
NatBorn	Spanish	12+	NO	NO	39%	43%	42%	46%	32%	47%
NatBorn	Spanish	12+	YES	YES	42%	51%	41%	48%	39%	46%
NatBorn	Spanish	12+	YES	NO	49%	69%	52%	55%	58%	57%
NatBorn	Spanish	<12	NO	YES	39%	35%	38%	45%	25%	43%
NatBorn	Spanish	<12	NO	NO	46%	53%	49%	52%	41%	54%
NatBorn	Spanish	<12	YES	YES	49%	61%	48%	55%	49%	53%
NatBorn	Spanish	<12	YES	NO	56%	77%	60%	62%	67%	64%

The columns on nativity and language only relate to Latinos.

## **HOW WELFARE REFORM HAS AFFECTED CALIFORNIA'S LATINO POPULATION**

The data have shown that Latinos receiving welfare prior to welfare reform (PRWORA) were faced with significant challenges that made entering the work force potentially difficult. Since welfare reform eligibility criteria for benefits in the form of food stamps, health care, and cash assistance have changed and become more stringent, it is appropriate to ask how these new policies have affected California's Latinos.

### **The Effect of the Loss of Food Stamp Benefits on Latino Immigrants**

As of August 22, 1997, most legal immigrants lost federal food stamp benefits.<sup>18</sup> Because of California's large immigrant population this aspect of PRWORA had major implications for the state. On the implementation of welfare reform there were 460,000 legal immigrants in California receiving food stamps. While the California legislature included a state-funded food stamp program in the welfare reform package (California Food Assistance Program, CFAP), it was narrowly targeted primarily towards children, restoring benefits to about 25% of those who lost federal food stamps.

In September 1997, the California Food Policy Advocates (CFPA) launched a survey in Los Angeles and San Francisco to study the impact of food stamp reductions on legal immigrants.<sup>19</sup> In Los Angeles 70% were Latinos (49% born in Mexico, 21% were born in Central or South America, the rest were East and Southeast Asian countries). The data from Los Angeles showed "that legal immigrant families whose food stamp benefits were reduced are experiencing significantly more food insecurity and hunger than those households who did not lose benefits."<sup>20</sup> Los Angeles data also showed that this situation has worsened in the past half year since the reductions were implemented." The study indicated that even though all children (citizen and immigrant) retain their eligibility for food stamps, either through the state or federal programs, an estimated 138,000 children in Los Angeles County live in households where at least one member has lost food stamps eligibility.

As a result of this loss, these households are potentially at risk for increased food insecurity and hunger. Because there were two surveys within six months of each other, one could determine how much the situation had worsened over time. In Los Angeles County the data showed that "children living in immigrant households where food stamps have been cut are suffering from worsening rates of severe hunger." By the researchers definition of severe hunger, it means that children were experiencing the physical sensation of hunger and parents were providing smaller portions or cutting the food variety to the children, or even sending children to bed hungry. Over the span of the six months between the two waves of the survey, there was an increase of almost 15% of the number of children who were experiencing moderate to severe hunger.

In a 1999 study in Santa Clara County of legal immigrant women who were receiving AFDC and now had experience with CalWORKs, Equal Rights Advocates (ERA) surveyed 150 women and found that 48.5% of the Mexican legal immigrant women surveyed indicated that

they “often” or “sometimes” suffered from insufficient food and 45.3% indicated that they “often” or “sometimes” did not have sufficient food for their child.<sup>21</sup>

Because most California legal immigrants are eligible for either federal or state food stamps, the increase in food insecurity and hunger suggests that immigrants may not be aware of their eligibility for these benefits. They may fear reprisals such as its effect on the naturalization process or possible deportation if they are viewed as a public charge, or just fear denial of their benefits. In either case, the evidence is that more immigrant children and citizen children of immigrant parents are unnecessarily not getting enough to eat or going hungry as a consequence of welfare reform.

### **Work, Wages and Poverty**

In California three out of four poor families receive no welfare benefits. About half receiving welfare also worked part of the year. California’s working poor consist of 2.3 million adults. Latino families are disproportionately represented among the working poor. Latinos make up 64% of all of the working poor and 37% of the welfare population.<sup>22</sup> (Working poor are defined as those earning less than 1.5 times the federal poverty level which is \$16,400 for a family of four or an annual income of less than \$24,600).

The working poor are largely employed in retail (23%) or manufacturing (16%) industries. Within the retail sector about 50% are employed in restaurants and bars. About 50% of all Latinos employed in restaurants and bars earn incomes defining them as working poor. Thus, low wages in this sector continue to leave families living on the edge and in poverty. Welfare recipients are also seeking employment, the mandatory work requirement of CalWORKs, in the same industries that currently employ the working poor. Thus, many Latinos on welfare seeking these low-wage jobs, could displace other Latinos who then may be forced on to welfare.<sup>23</sup>

A study conducted by the Economic Roundtable examined 99,469 GAIN records from Los Angeles County (Greater Avenues to Independence, the California JOBS work program).<sup>24</sup> The data set is made up only of individuals who participated in GAIN and found jobs from 1990 through 1997. Almost half of the participants (48%) were Latino. The groups were divided into 1) recent immigrants and non-English speaking citizens and 2) U.S. citizens and the English-speaking proficient. Other groups were African-American, European-American and Asian-American; the same definition of immigrant as applied to Latinos was applied to these groups when appropriate.

Among these different groups, Latinos who were U.S. born and English-speakers were most likely to have worked in 1997 with an employment rate of 74%. Recent immigrants had the lowest employment rate (67%) and the lowest annual earnings (\$8,653 compared to \$9,187 for U.S. born Latinos). The differences in employment and earnings outcomes for U.S. born and immigrant Latinos appear to be attributed to English-speaking ability and level of education. For example, among U.S. born Latinos, 73% had completed high school or better while only 25% of immigrants had high school or equivalent education. Additionally, 48% of the immigrants had no schooling equivalent to high school schooling. Controlling for English-speaking ability, Latinos

as a group still had the lowest educational attainment (42% completed high school or better compared to African-Americans (71%) and European-Americans (64%)). The data show that the higher the educational level, the greater the employment rate for a group. The authors conclude:<sup>25</sup>

*Workers with limited English ability fared much more poorly in the labor market than did those without English-language limitations. Despite the uniformly low level of earnings of GAIN workers in Los Angeles County, these findings lend considerable support to the argument that education and good English-language ability are essential criteria for improving the ability of workers to gain a secure foothold in the world of work. (Underlining added.)*

These data supported by the statistics on the characteristics of welfare recipients show that education continues to be a key barrier for Latinos to permanently enter the work force. While English language skills may not be a major barrier to finding a job, it is an important criterion for establishing job security and mobility. Because Latinos have, on average, a low number of completed years of schooling, time-limits may work against them in trying to obtain the necessary education and language skills to move successfully off welfare or to rise above the poverty level.

### **The Use of Health Care**

Latinos, compared to all other groups, continue to have the highest rates of uninsured persons. In 1997, the Latino rate was 38% compared to 19% African American and 15% Non-Latino White. Latinos' Medi-Cal coverage has decreased from 22% in 1995 (pre-CalWORKs) to 18% in 1997 (post-CalWORKs). Among U.S. born Latinos Medi-Cal participation dropped from 28% in 1996 to 24% in 1997.<sup>26</sup> This drop does not seem to be attributed to gaining employer based insurance. Nearly one-half (49%) of all non-citizens in California have no health insurance coverage. In 1997, the uninsured rate differed across California's counties, from a high of 39% in the City of Los Angeles (31% for Los Angeles County) and 36% in Tulare to a low of 13% in Alameda, Contra Costa, Marin, Napa, Solano and Sonoma counties.<sup>27</sup> These counties with high uninsured rates are also counties that have large Latino populations.

With respect to children, 29% of Latino children are uninsured compared to 16% African American children and 11% of non-Latino white children. Compared to children with citizen parents, children whose parents are noncitizens are twice as likely to rely on Medi-Cal (36% vs. 16% respectively). Yet they are almost three times more likely to be uninsured (31% vs. 10%). Children in families below the poverty level (\$16,400 for a family of four) have decreased their use of Medi-Cal, leaving more children uninsured. Such children include those in working poor families, those who have non-citizen parents, and those in non-working families. This usage decrease has occurred at a time when Medi-Cal is expanding and the Healthy Families Program for low income children has been launched.<sup>28</sup> Over 90% of all uninsured children eligible for Medi-Cal or the Healthy Families Program are U.S. citizens. About 40% of the Medi-Cal eligible children have at least one non-citizen parent and over 50% of children eligible for Healthy Families have at least one non-citizen parent.<sup>29</sup>

In California, there has been a large reduction in the number of immigrant approvals for benefits. The new forms and regulations imposed by the new welfare law may have made some immigrants reluctant to apply for health benefits even though they were still eligible for AFDC/TANF (CalWORKs). Many legal immigrants mistakenly believe that they and their families are no longer eligible for benefits. Some immigrants also fear that if they use health benefits they will be considered a "public charge" and this may affect their ability to naturalize or even make them liable to deportation. In an Urban Institute study of applications for Medi-Cal and other welfare benefits by immigrants in Los Angeles County, the data showed:<sup>30</sup>

- Non-citizen approved applications fell dramatically following welfare reform.
- The number of legal immigrant-headed cases has dropped faster than undocumented cases. (The drop in approved applications was greater for cases headed by a legal immigrant than for cases headed by an undocumented immigrant (-71 percent vs. -34 percent) where an ineligible undocumented parent typically applies for her citizen child).
- The number of citizens applying for AFDC/TANF and Medi-Cal declined. The number of newly approved citizen children of non-citizen parents for AFDC/TANF and Medi-Cal dropped by 48% between January 1996 and 1998 compared to almost no change (6% increase) for citizen children of citizen parents.
- Fewer non-English speakers have applied and been approved for benefits.
- The number of non-citizens applying for "Medi-Cal-only" benefits decreased by 24% while citizen approvals fell by only 7%.

Zimmerman and Fix (1998) conclude that *"The cumulative impact of this decline in approved applications may be significant: nearly 25,000 more children would have applied and been approved for AFDC/TANF and Medi-Cal between December 1996 and January 1998 if the number of citizen children of immigrant parents had remained at about the same level as it had been in January to November 1996."*

These data have implications about the rising uninsurance rates. Health uninsurance rates for noncitizens (46%) remain higher than for citizens (16%). A recent U.S. General Accounting Office report<sup>31</sup> found that most uninsured children in California are children of immigrants. In 1996, 73% of uninsured Medicaid-eligible children in California were either foreign-born or had a foreign-born parent. Therefore, one unintended consequence of welfare reform is the discouraging of immigrants from using programs such as Medi-Cal and Healthy Families. This discouragement may have a detrimental effect on a vulnerable population who need health care services.<sup>32</sup>

## DISCUSSION

Over the past year there have been numerous studies undertaken by Washington think-tanks that have examined the impact of the 1996 welfare reform legislation on the immigrant population. Most, if not all the studies, have aggregated the immigrant data and have not examined differences

between groups of legal immigrants. The same has been basically true for TANF recipients, although there will be data available on California's racial and ethnic groups when the first RAND impact report on CalWORKs is released in 2000. Thus, data with respect to Latinos, native born and immigrant, were not readily available. However, the data available do suggest some very potentially damaging effects on Latinos as the result of the welfare changes of 1996.

Among the most critical of these consequences has been the decrease in food stamp benefit use by eligible Latinos, both natives and immigrants. The lack of nutritional benefits for many children is likely to produce adverse health effects. This consequence is compounded by the increase in the numbers of uninsured Latinos, particularly among the working poor and immigrant poor. Because of the lack of schooling and job skills to prepare Latinos to enter the work force at wages sufficient to provide for the needs of their families, Latino children will continue to live in poverty. They will lack health care and be unable to meet nutritional needs.

What needs to be done? There are two avenues of approach. The first is improved implementation of policies that already exist:

- **Greater emphasis on basic education and job training.**  
In order to insure job security, wage and career mobility, more needs to be done to upgrade the level of education and job skills.
- **Greater emphasis on providing English-language skills.**  
While English-language skills may not be critical to getting a job, the type of job available and the security and mobility aspects of the job, require some English language skill training.
- **Launch an awareness campaign on the rights and eligibility rules for both state and federal programs.**  
Fear, particularly among immigrants, discourages application for benefits despite eligibility. Information should be provided concerning eligibility criteria for food stamps and medical care.
- **Greater efforts to enroll low-income children into Healthy Families or Medi-Cal (for Medi-Cal eligible children).**  
Families must be made aware of these special programs for children to protect their health needs.

A second arena of change will have to come from both Federal and State governments. As recipients move closer to the first leg of their benefits, i.e., the 24-month limit, policies will have to be modified. California will again have to grapple with implementing a wider safety net and/or modifying some existing criteria for benefit eligibility. Some policies to be considered include the following:

- **Extension of time-limits or a transition to a state run program.**
- **Share costs of General Assistance with the counties in an effort to support more poor families as they time out of CalWORKs, or develop a state General Assistance program.**

While change will be slow, there is very little choice but to begin now. California must address the needs of Latino children because they are the future of the state.

## Endnotes

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- <sup>1</sup> New Mexico is the state with the largest proportion of Latinos (32%). California is number two. However, in absolute numbers there are more Latinos in California than any other state. (U.S. Census, 1999).
- <sup>2</sup> Wendy Zimmerman and Karen C. Tumlin. Patchwork Policies: State Assistance for Immigrants under Welfare Reform, The Urban Institute, The New Federalism, 1999.
- <sup>3</sup> The "public charge doctrine" states that immigrants who migrate to the U.S. and must be supported by public funds are open to denial of naturalization or may be deported.
- <sup>4</sup> Section 1115 of the Social Security Act was passed in 1962. It provides the states an opportunity to implement innovative demonstration programs under AFDC to test various programmatic effects within certain guidelines. They began to be used in the Bush administration and became more widely used under the Clinton administration because of the softening of some criteria.
- <sup>5</sup> The 45-minute computer-assisted telephone interviews (CATI) were completed with 2,214 respondents whose primary language was either English or Spanish and who did not identify themselves as Southeast Asian or Armenian refugees or a member of another non-English speaking group or refugee group. There were two data collection phases between 1993 and 1995, approximately a year apart. The data reported here are weighted. See: Rosina M. Becerra, Alisa Lewin, Michael Mitchell and Hiromi Ono. The California Work Pays Demonstration Project: The First Thirty Months, UCLA School of Public Policy and Social Research, 1995.
- <sup>6</sup> See for example, Francine Blau. "The Use of Transfer Payments by Immigrants," Industrial Labor Relations Review, 37, 1984, pgs. 222-239; David Featherman and Robert Hauser. Opportunity and Change. New York: Academic Press, 1978.
- <sup>7</sup> Tyrone Chi-Wai Cheng. "The Chances of Recipients Leaving AFDC: A Longitudinal Study," Social Work Research, 19, pgs. 67-76, 1995.
- <sup>8</sup> Marta Tienda and Leif Jensen. "Immigration and Public Assistance Participation: Dispelling the Myth of Dependency." Social Service Research 15, pgs. 372-400. See also: Leif Jensen "Patterns of Immigration and Public Assistance Utilization," International Migration Review, 22(1), pgs. 51-83, 1988.
- <sup>9</sup> Jean C. Darian, "Factors Influencing the Rising Labor Force Participation Rates of Married Women with Pre-School Children" Social Science Quarterly, 56, pgs. 33-46, 1995.
- <sup>10</sup> Robert Plotnick. "Turnover in the AFDC Population: An Event History Analysis," Journal of Human Resources, 18, pgs. 65-83, 1983.
- <sup>11</sup> Peter J. Leahy, Terry F. Buss, and James M. Quane. "Time on Welfare: Why do People Enter and Leave the System?" American Journal of Economics & Sociology, 54, pgs. 33-46, 1995.

<sup>12</sup> See Robert Plotnick above.

<sup>13</sup> Paul M. Ong. "Work and Automobile Ownership Among Welfare Recipients," Social Work Research, December, pgs. 255-262, 1996.

<sup>14</sup> Details of this analysis are available from the author.

<sup>15</sup> See the Leahy, Buss and Quane study above.

<sup>16</sup> Work-First Approach means that the recipient agrees to seek work first before receiving other employment services as a condition of receiving cash assistance or other benefits.

<sup>17</sup> See the Ong study above.

<sup>18</sup> In the past year the Congress has restored food stamp benefits to "pre 8/22" legal immigrant children, seniors, and disabled persons, and extends benefit receipt time to Southeast Asian refugees. This includes about one third of those immigrants covered pre-PRWORA.

<sup>19</sup> The survey instrument was the Core Food Security Module (created by the U.S. Department of Agriculture) and the Food Security Module (a subset used by the CPS), both used by other agencies as well. A Food Security Measure was developed: 0=food secure, 1=food insecure without hunger, 2=food insecure with moderate hunger evident, 3=food insecure with severe hunger evident. Because some households retained benefits while others didn't due to eligibility rules, a case-control study was designed. A random sample was drawn from a total population of food stamp households having at least one non-citizen member. The sampled population was divided into impacted cases (i.e. those with at least one member who had lost food stamp benefits due to the legal immigrant provision) and controls (i.e. those where no household member lost food stamps.) Two waves of data were collected (November 1997 and March 1998).

<sup>20</sup> Only Los Angeles data are presented because San Francisco data represents primarily Asian immigrants. The San Francisco findings, however, are similar to those in Los Angeles.

<sup>21</sup> Equal Rights Advocates, Immigrant Women and Welfare, San Francisco, CA., March, 1999.

<sup>22</sup> Virginia Ellis and Ken Ellingswood, "Welfare to Work: Are There Enough Jobs?," Los Angeles Times, February 8, 1998, page A1.

<sup>23</sup> Ellis and Ellingswood, above.

<sup>24</sup> Daniel Flaming, Mark Drayse and Peter Force. On the Edge: A Progress Report on Welfare to Work in Los Angeles, Economic Roundtable: Los Angeles, CA., April 1999.

<sup>25</sup> Flaming, Drayse and Force, above, pgs. 68-73.

<sup>26</sup> Medi-Cal is California's name for Medicaid.

<sup>27</sup> Helen Halpin Schauffler and E. Richard Brown. The State of Health Insurance in California, 1998, Health Insurance Policy Program, Center for Health and Public Policy Studies: UC Berkeley & UCLA Center for Health Policy Research, 1998.

<sup>28</sup> In 1997 Congress enacted the State Children's Health Insurance Program (CHIP) to provide federal funding for health insurance for children of low income families. California expanded children's income eligibility for Medi-Cal: up to 200% of the poverty level for infants up to 1 year of age, 133% of poverty for children ages 1-5, and 100% of poverty for children 6-18. The Healthy Families Program (enrollment started 7/98) provides low-cost insurance—\$4 to 49 a month per child up to a family maximum of \$27 a month—to uninsured low-income children whose families earn more than the Medi-Cal eligibility limits but below 201% of poverty. (Schauffler & Brown, pg. 19).

<sup>29</sup> Schauffler and Brown, above, pg. 21.

<sup>30</sup> Wendy Zimmerman and Michael Fix, "Declining Immigrant Applications for Medi-Cal and Welfare Benefits in Los Angeles County," The Urban Institute, July 1998.

<sup>31</sup> U.S. General Accounting Office (GAO), "Medicaid: Demographics of Nonenrolled Children Suggest State Outreach Strategies," GAO/HEHS-98-83, March 1998.

<sup>32</sup> See Zimmerman and Fix, above.