

# Introduction – Why?

Jill Bauman, President & CEO, Imagine LA

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- Imagine LA – ending cycle of family homelessness and poverty
- Demystifying the Black Box of Social Benefits
- Partnership between Imagine LA and USC Price Center for Social Innovation.



USC Price

Sol Price School of Public Policy  
*Sol Price Center for Social Innovation*

- Huge effort – thank you!

# Examining the Complex Social Safety Net for Low-Income Working Families: How Benefits and Resources Respond to Increases in Wages

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## Context

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- Social Benefits are cash and in-kind benefits available to help low-income families and individuals.
- The social safety net in the US is intended to support families while encouraging work.
- Goal: to understand how well the social safety net is achieving its objective.



*Photo Courtesy of Imagine LA*

## What we found

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- The safety net is there, but it is complicated
- As incomes rise, families' total resources don't rise as fast because benefits decrease.
- Families' incomes must fall extremely low to be caught by the net.
- The safety net is particularly supportive of families with young children



*Photo Courtesy of Imagine LA*

## Definitions

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- *Total Resources*: The sum of earned income and benefits (cash and in-kind) families have available at a given point in time.
- *Benefits Cliff*: When wages increase and trigger a greater loss of benefits, leaving families with fewer overall resources despite an increase in wages.
- *Resource Plateau*: When wages increase and trigger an equivalent loss in benefits, leaving families no better off than before in terms of total resources despite an increase in wages.

## What we did

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- Identified all benefit programs and tax credits available to families in Los Angeles → 30 programs at the Federal, State (CA), and local (LA County) levels.
- Limited to programs with 1) eligibility determined by an income limit, 2) sustained benefits, at least 1 year → 14 programs (most are Federal and State programs).
- We coded eligibility rules and benefit determination rules for each program and tax credit to estimate the total resources available to a family at different income levels.
- We consulted with experts to make sure we were including all the relevant programs and making the appropriate assumptions and calculations.
- We focused on single-parent families with children and estimated the total income needed to cover basic needs in Los Angeles County.

## Programs

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### Income assistance

- CalWORKs (TANF)
- EITC
- CalEITC

### Housing assistance

- Housing Choice Voucher (Section 8)

### Utilities

- CARE (electricity and gas)
- FERA (electricity)

### Healthcare assistance

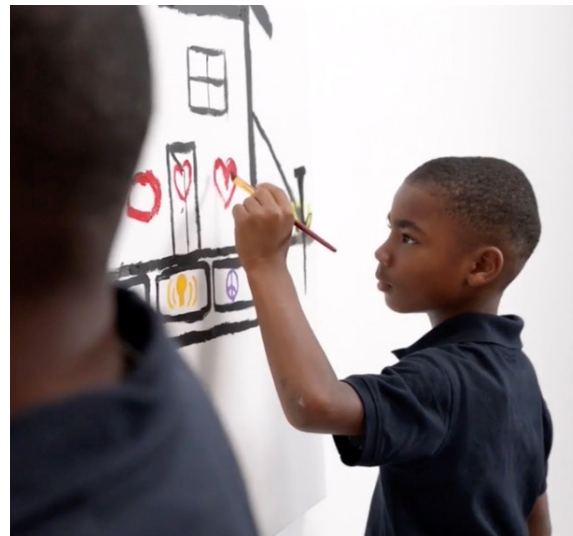
- Medi-Cal
- SCHIP
- My Health LA
- Covered California (ACA)

### Childcare assistance

- CalWORKs Childcare subsidies
- Child and Dependent Care Tax Credit

### Food assistance

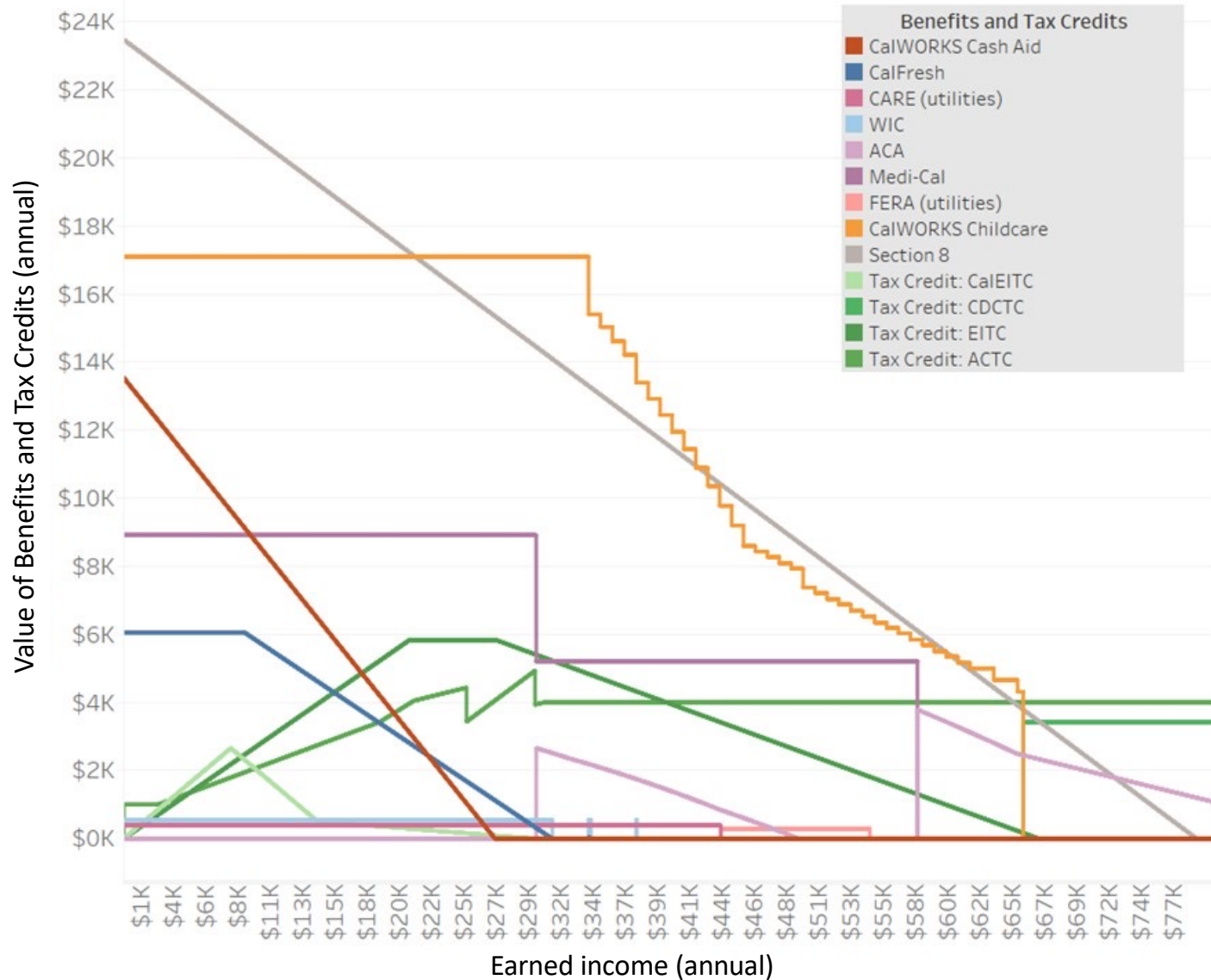
- CalFresh (SNAP)
- WIC



*Photo Courtesy of Imagine LA*



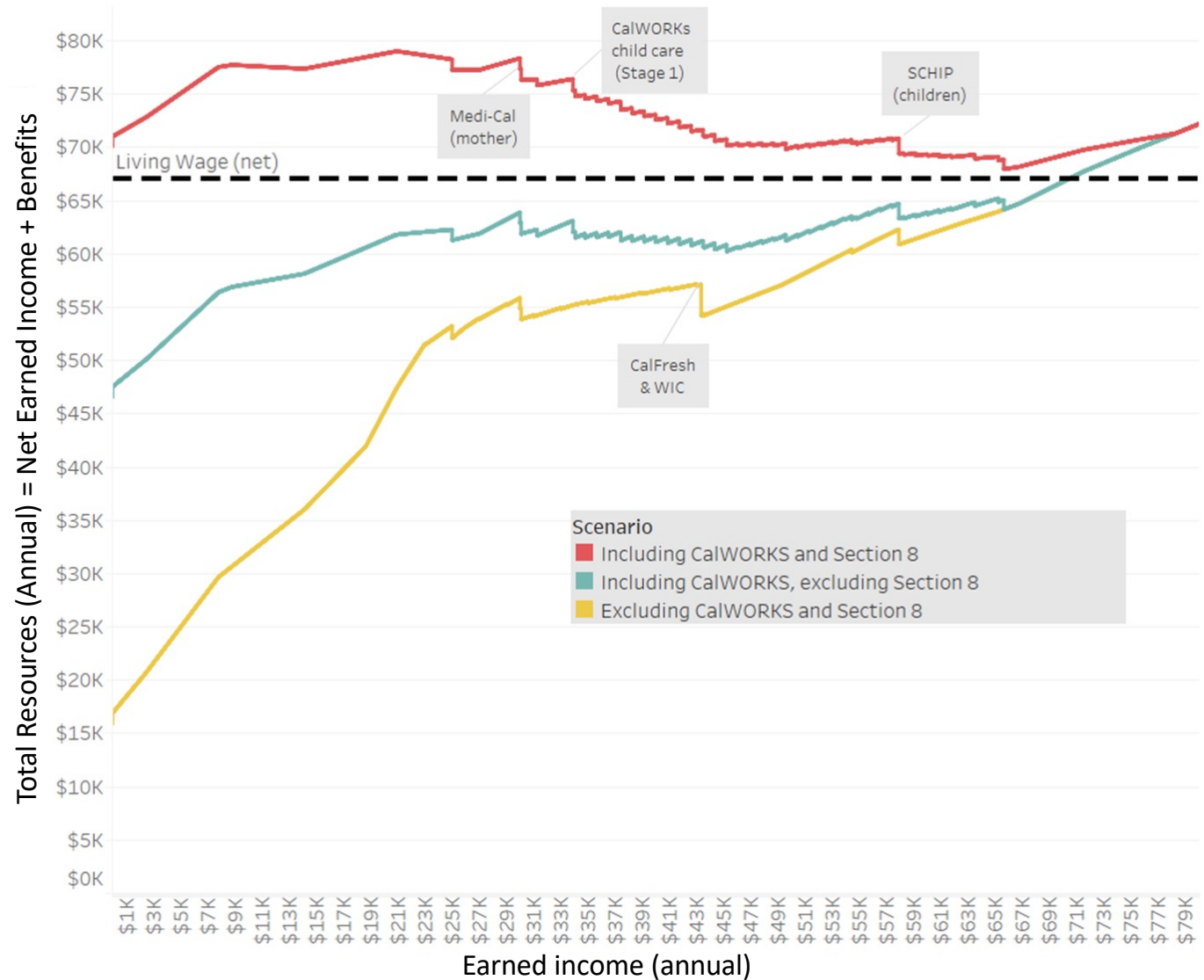
## The Complicated Web of the Social Safety Net





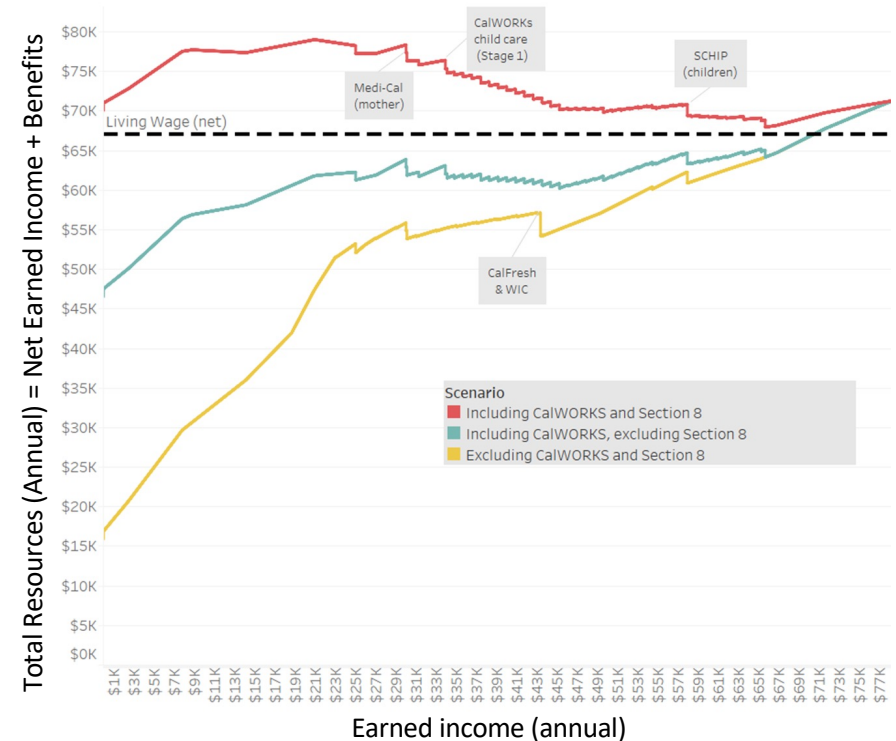
## Total Annual Resources

Single parent with  
2 young children  
(3 and 6 years old)  
  
3 scenarios



## Different Scenarios

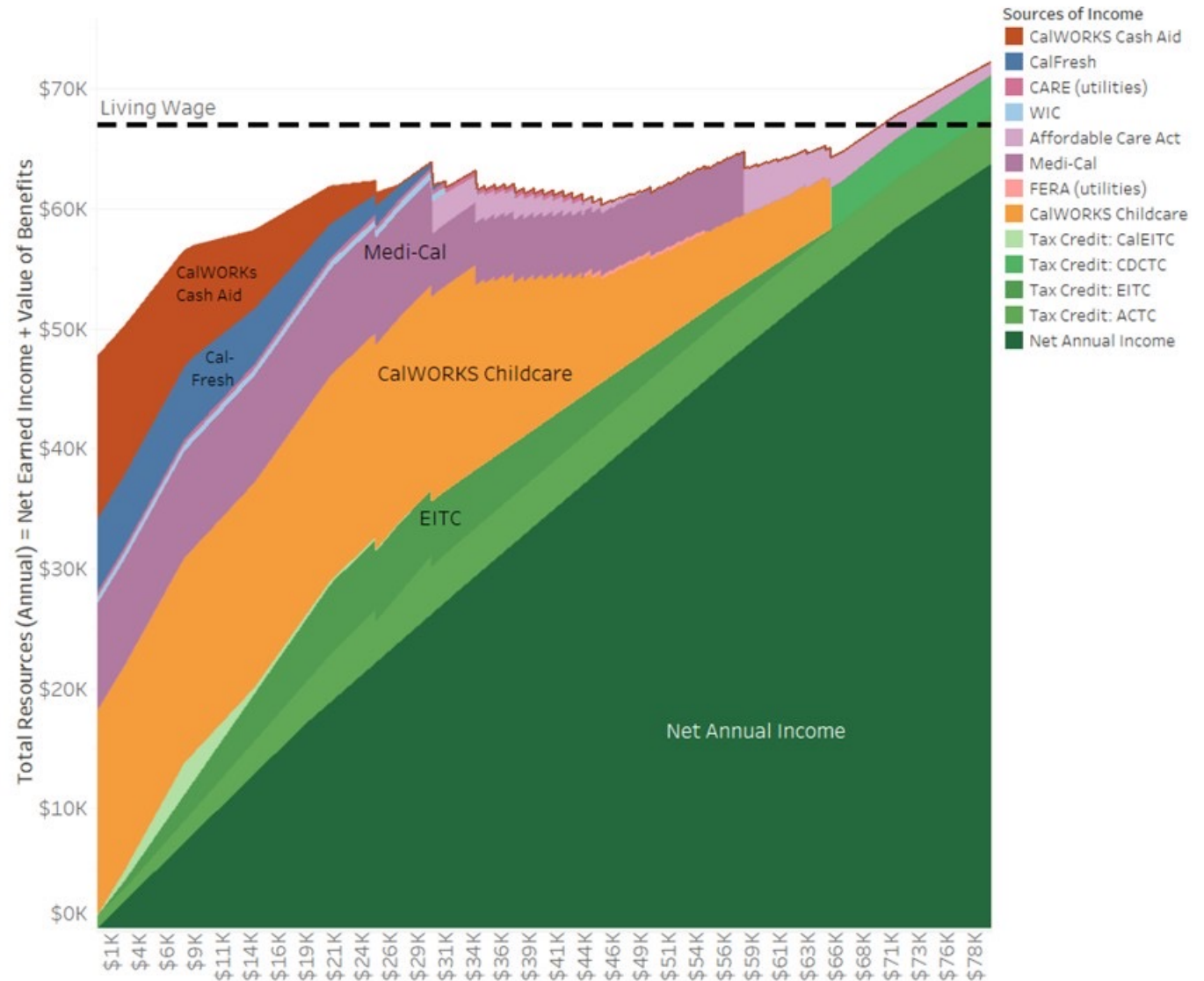
Scenario	Finding
Scenario 1 All benefits, <i>including</i> Section 8 and CalWORKs.	At every level of income, this family can afford basic living expenses. However, resources plateau after 10 hours per week of income.
Scenario 2 All benefits, <i>except</i> Section 8.	This family cannot afford basic living expenses at any income level. When working 40 hours at \$15 per hour, after paying rent, this family would have \$317 with which to pay for transportation and miscellaneous expenses.
Scenario 3 All benefits, <i>except</i> Section 8 and CalWORKs.	This family cannot afford basic living expenses at any income level and has lost access to affordable childcare. When working 40 hours at \$15 per hour, after paying rent, this family would have around \$1000 to pay for childcare, transportation, and miscellaneous expenses.



## Total Annual Resources

Single parent with  
2 young children  
(3 and 6 years old)

**Scenario 2:** All  
benefits except  
Section 8



## Findings

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- The safety net is particularly supportive for families with young children, but only families receiving all benefits (including housing and childcare) can cover basic living expenses.
- For most families, as earned income increases, there are long resource plateaus. Benefit cliffs are not as stark as expected.
- Navigating the safety net is complicated.
- Only families whose incomes fall extremely low and receive both childcare and housing assistance are caught by the safety net and can cover necessary living expenses.

## Recommendations

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- Take actions at the federal, state and local policy levels:
  - Create transparency of how social benefits work together
    - Simplify navigating through benefits (tax credits).
    - Promote increased participation in benefit programs.
  - Catch families earlier by not requiring income to fall so low to qualify for some benefits.
- Increase access to housing benefits.



*Photo Courtesy of Imagine LA*

# Discussion

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## Commentary

- **Antonia Jiménez**, Director, Department of Public Social Services (DPSS) County of Los Angeles

## Panelists

- **Jacqueline Chun**, Chief Program & Operations Officer, Carl & Roberta Deutsch Foundation
- **Wendy Garen**, President & Chief Executive Officer, Ralph M. Parsons Foundation
- **Brit Moore Gilmore**, Social Impact Consultant, USC MSSE, co-founder Social Benefit Calculator
- **Abigail Marquez**, General Manager, Community Investment for Families Department, City of Los Angeles
- **Lisa Salazar**, Executive Director, Youth Development Department, City of Los Angeles
- **Jon Vein**, Entrepreneur and civic activist
- **Leilani Reed**, Lived Experience
- **Kelvin Driscoll**, Senior Deputy, Human Services & Child Welfare, Office of Supervisor Holly Mitchell