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FROM

FIRST ANNUAL REPORT

TOWARD THE PREVENTION OF DEPENDENCY

BY

EARL RAAB

(Report on Senate Resolutions Nos. 220 and 232)

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NOTE: This is taken in full from Chapter II of the Report. All tables and other citations may be found only in the Appendix of the Report, which is available from the office of the Board.

CHAPTER II - TOWARD THE PREVENTION OF DEPENDENCY  
REPORT ON SENATE RESOLUTIONS 220 and 232\*

The problem of reducing the welfare rolls is closely related to the problem of reducing unemployment. It is for this reason that the questions posed in 1963 by Senate Resolutions 220 and 232\*\* are so important. Senate Resolution 220 asks for an examination of why the AFDC-U\*\*\* breadwinners are unemployed, and Senate Resolution 232 raises a part of the same question by asking to what extent welfare financial aid contributes to that unemployment, by providing a competitive financial incentive.

There are some strong clues to the answers in the preliminary results of two studies which were conducted during the past year by the Department and the State Social Welfare Board, partly in response to these Senate Resolutions. The Department did a study of the characteristics of AFDC-U families as they came through Intake. In behalf of the Board, the Department contracted with the Institute for Social Science Research of San Francisco State College, under Dr. Robert C. Stone, to do a comparative study of 600 AFDC-U families in representative parts of the state, and of 600 low-income families whose circumstances were matching but who were not on welfare. In brief, the information provided by the studies point to these major findings:

1. Welfare grants are not competitive with any jobs on the market which would provide a subsistence income for the families receiving the grants. No matter how high a welfare grant gets, income from jobs on the labor market are either higher than the grant or lower than the sheer subsistence budget required by that family.
2. The critical question for dependency - and for the welfare rolls - is not whether the breadwinner is unemployed at any given time, but whether he works over a span of time for an income which can support his family.
3. There is no indication that AFDC-U recipients have lower levels of motivation or different attitudes about work than low-income people who are not on the welfare rolls.
4. There are few and insignificant differences, for the most part, between the AFDC-U group and the low-income non-welfare group. They are interchangeable parts of one high-risk, dependency-prone group.

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\* A report on Aid to Families with Dependent Children, when the parents are unemployed - by Earl Raab, Chief Consultant, State Social Welfare Board; Consultant, Survey Research Center, University of California, Berkeley.

\*\* The full texts of these Resolutions is given in Appendix 2.

\*\*\* Throughout this Chapter, AFDC-U refers to unemployed families or breadwinners who receive Aid to Families with Dependent Children.

5. The prevention of dependency and the reduction of the welfare rolls must be directed towards this total high-risk population, rather than to those who happen to be welfare recipients at any given time. Otherwise we must stop holding out promise of prevention at all, and settle down for the indefinite support of welfare rolls which may change in composition from month to month, but will not be substantially reduced in size.

#### COMPETITIVENESS OF WELFARE GRANTS

If a significant number of AFDC-U breadwinners receive more from welfare grants than they would if they were employed, then this might suggest one reason for unemployment. If this is not the case, then other reasons have to be found.

The first raw finding is that within all of the formal occupational categories except one, the overwhelming majority of AFDC-U breadwinners could make more money working within their accustomed trade than they receive from AFDC-U grants.

For example, the median earnings for all Californians, in skilled blue-collar work, according to the 1959 census was 581 dollars monthly. (Table 1)\* About 98 per cent of the AFDC-U families in this occupational category receive less in grants. (Table 2) Indeed, about 98 per cent of them receive less in total income, including grants. (Table 3)

Of course, the educational pattern of the AFDC-U breadwinners in all of the occupational categories (Table 4) is substantially lower than that of the general population (Table 5), and it would, therefore, make sense to look at some of the lower-income occupations within the larger classifications. For example, the census median earnings for auto mechanics, one of the lowest-paying blue-collar skilled jobs, is 517 dollars monthly. Even at that level, 98 per cent of the AFDC-U breadwinners in the skilled-worker category receives less in grants and in total income.

All of the AFDC-U semi-skilled operatives receive less in grants, and 99 per cent receive less in total income than they would if they worked at the census median earnings level. Even working as a taxicab driver, 93 per cent of them would receive more than their current grants, and 82 per cent would receive more than their current total income.

Almost all of AFDC-U service workers receive less in grants and total income than they would earn at the census median earnings level. About 60 per cent receive less in grants and about 80 per cent receive less in total income than they would as elevator operators or janitors.

Almost 90 per cent of AFDC-U unskilled (nonfarm) laborers receive less in grants and almost 80 per cent receive less in total income than they would earn at the census median earnings level. About 85 per cent receive less in grants and 75 per cent receive less in total income than they would earn at the state's lowest average income for material-handling laborers.

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\* See Appendix 9 for all statistical tables cited in this chapter.

The farm labor pattern is an exception. The farm labor wage structure is strikingly lower than that of other occupational categories. Using the census median earnings figure, or projecting prevailing farm labor earnings over the full year, it is found that only about 40 per cent of the AFDC-U farm laborers could earn more than their welfare grants, and only about 20 per cent could earn more than their current total income, including grants.

However, it must be noted that these occupational categories are based on past working experience and not on work skills. A substantial proportion of farm workers actually supplement their income during the year by some kind of non-farm unskilled labor when they can find it. If the AFDC-U breadwinners who are now listed as farm laborers worked at the lowest state earnings level for janitors, over 70 per cent of them could make more than their welfare grants, and 60 per cent could make more than their total income, including grants.

It should be further noted that the figures used so far have been based on single-person earnings. If a family-income median were used for farm laborers - especially realistic in this occupational category - then 65 per cent of these AFDC-U families could earn more working even in farm labor than from their total income, including grants. (Table 1)

Out of this welter of figures emerges some basis for roughly and mechanically measuring the competitiveness of welfare grants to lower-income jobs on the labor market. If the median family incomes of unskilled workers were used as an index, then 95 per cent of all of the families on AFDC-U could earn more working than they could on the welfare rolls.

Holding all families to the limits of a single-person earning a census median unskilled-labor wage, then about 80 per cent of all the families on AFDC-U could earn more working than they do on welfare rolls. This is probably the lowest figure that can realistically be applied.

At the most severe, holding all families to the limits of a single-person earning the lowest-scale janitor's job, then about 65 per cent of all of the families on AFDC-U could earn more working than they could on welfare rolls. This figure would correspond to what a farm-labor family could earn.

Just because of its severity, this figure can be used to test another factor that must be considered in evaluating the true competitive nature of welfare grants. There are 35 per cent who, at this hypothetical limit, could earn less on the labor market than they do on the welfare market. But this is obviously the case because they receive the highest welfare grants; and they receive the highest grants because of the size of their families. Of this group, 98 per cent have families of 6 or more members; 40 per cent have families of 9 or more members. (Table 6c)

According to figures established by the Bureau of Labor Statistics it would have taken about 600 dollars monthly in 1960 for a family of six to live 'modestly but adequately' in California cities (Table 6). The cost of living index has risen about 8 per cent since then in these cities, but there is about that differential between low cost budgets in rural and urban counties, so the figure can still stand as a state-wide floor. A poverty line has been established for California, on the basis of minimal nutritional

and other needs, at \$4000 annually for a family of (\$333.33 per month) (Table 6a) This would amount to about \$456 monthly for a family of 6.

In this light, consider again the hypothetical 35 percent of the AFDC-U population who would earn less at a lower-income unskilled-labor job or as a family farm-labor group than they do on the welfare rolls. If these families, 98 per cent of which have 6 or more members, enjoyed the income of a janitor in Stockton, (\$306 monthly), they would have an income at least 30 per cent below the California poverty standard. Most of the families have more than 6 dependent members and would be even more deeply imbedded below the poverty line.

Even measured by the national poverty line of \$250 per month for a family of 4 (about \$342 per month for a family of 6 and \$411 per month for a family of 9), these AFDC-U families, on a Stockton janitor's income, would be at least 10 per cent below the poverty line. Indeed, almost half of the families would be at least 25 per cent below the nation's lowest poverty line.

There are several points that emerge from this analysis:

1. The law of the Constant Welfare-Grant Gap. No matter how high a welfare grant gets, income from jobs on the labor market are either a) higher than the grant, or b) lower than a subsistence budget for that family.

This can be described as a constant "law," because the size of the welfare grant and the size of a subsistence budget are both automatically related to the size of the family affected.

There are, of course, two constants involved in this law: a) the size of the welfare grants in California, and b) the acceptance of some "poverty line." In this case, the "law" will operate within the limits of even the lowest poverty line. It should be noted that these poverty lines are not arbitrary at their lowest levels. They can be measured, by certain objective standards, as well as by experience and common sense. The figures in Table 6b reflect what must be considered the barest subsistence budget for various cities of California, for a family of 4. The food allowances are, by scientific standards, the lowest that will provide basic nutrition. The housing allowances are notoriously less than most welfare recipients actually have to pay. The various personal costs would, on their face, fall below what most consider minimal standards of personal dignity, and yet, (adding as little as \$20 to this budget for additional transportation and assessments in order to make it a "working" budget) it is this budget, translated for a family of 6, which a janitor's wage would fall 10 per cent short of meeting; translated for a family of 9, it would fall 25 per cent short.

By the same token, California's welfare grants could be raised across the board by 10 to 25 per cent without interfering with the "law of the constant welfare-grant gap," even if the lowest possible poverty line were used. If the California poverty line were used, California's welfare grants could be raised by 30 to 50 per cent without interfering with the "law of the constant welfare grant gap."

The size of the incomes on the labor market are not important for the operation of this law. If they are lower than a given welfare grant, they are also lower than a family of that size could manage to live on.

2. The Law of the Non-Competitive Welfare Grant: Welfare grants are not competitive with any jobs on the market which would provide a subsistence budget for the family receiving the welfare grant. If society's sole interest in welfare grants is that they be non-competitive with job-incomes this interest is immaterial. The fact is they are not competitive.
3. The critical concepts of 'marginal employment': The critical question for dependency - and for the welfare rolls - is not whether a breadwinner is working at any given time, but whether he is working over a span of time for an income which can support his family.

There are three factors that define 'marginal employment': a) Steadiness of employment; b) level of wages; c) size of family. Breadwinners who work part-time at minimal wages, or full-time at sub-minimal wages are in the same boat; and whether their long-span wages are minimal depends on the size of the family they have to support.

The concept of marginal employment emphasizes the non-competitiveness of welfare grants. Since incomes which do not provide a subsistence level for a given family cannot be considered an "alternative," jobs which provide such sub-marginal incomes for a given family cannot by any logic be considered "competitive" with welfare grants for that family.

#### WILLINGNESS TO WORK

Even given the fact that welfare grants are not competitive with the job market, there are still these questions left:

1. Are there not families willing to work at an income level below the welfare-grant level at which they would qualify, just in order to avoid dependency?
2. Conversely, are there wage earners who would prefer a lower welfare grant to a higher working wage just in order to avoid work?

The first finding of the San Francisco State College survey was that there is not a consequential number of breadwinners throughout California who are indeed working at a wage lower than the welfare grant for which they would qualify, given family size. When exhaustive attempts were made to find intact families, with employable fathers, and with incomes to match AFDC-U incomes, it became clear that there just were no such families to be found in any number. To find matching family circumstances, it became necessary to raise the income range within which matching families were to be found. As a result, the median income of the AFDC-U families is 19 per cent lower than the median income of these nondependency families in the survey. This is, of course, an empirical corroboration of the "Constant welfare-grant gap."

There is, furthermore, no indication so far that AFDC-U recipients have lower aspirations, or different attitudes about work than do the non-dependency people in the survey.

For example, there was an examination of how various job characteristics would affect the breadwinners' attitudes towards jobs. (Table 8) There was a sharp differentiation in responses to different job characteristics. While about 90 per cent of all of the respondents indicated that they would not care if a job required them to learn a new routine, less than 25 per cent indicated that they would not care if a job might endanger their health. There was considerable resistance to jobs which would require the respondents to move around the country a lot, or to leave their family. But there was relatively little resistance to jobs which would require the respondents to work harder than most, or to give up leisure time or to leave their friends. Most significantly, however, there was no substantial difference in the attitudes on these various questions between the AFDC-U recipients and the working breadwinners.

Also, there was no significant difference between the two groups (AFDC-U and working) in naming "pique" reasons for difficulties in finding jobs. (Table 7) About the same proportion of each group complained about "travel distance being too far," or having "to stand in line too long," or having to take a "swing or graveyard shift."

When the respondents were asked how they felt about the rule that people on welfare are required to work on jobs provided by the Welfare Department, both the AFDC-U recipients and the working people were in the same "strong agreement" that this was a proper rule. (Table 13)

Another pertinent measure of prevailing attitudes had to do with the aspirations these breadwinners had for their families. (Tables 9, 10, 11, & 12) In both the AFDC-U group and in the working group, 86 per cent of the parents indicated that they would prefer their children to go on to college, rather than to cut their education short in order to get a job. In both groups, about 40 per cent of the parents indicated that they would like their sons to end up in the professional or technical occupations. The overall pattern of occupational aspirations for their sons by parents was essentially the same for the AFDC-U group as for the working group.

In short, there is no indication that the aspirations about or the attitudes towards work are less favorable among the AFDC-U recipients than among the working people in otherwise matched circumstances. The indication that there is no internal incentive to non-work among AFDC-U people, added to the demonstrated fact that there is no external incentive to non-work among AFDC-U people, leads to the next question: Why, then are they unemployed?

## CAUSES OF UNEMPLOYMENT

A previous study\* has indicated that the major risk factors for unemployment at any given time and for sub-marginal employment over the long span, are directly related to occupational patterns and educational patterns. These risk factors are heavily present among the AFDC-U recipients as compared with the general population. (Table 14) For example, 27 per cent of California's family heads (with intact families and children) are in the professional or managerial class, as against less than 3 per cent of the AFDC-U family heads. Indeed about 60 percent of these general-population family heads are in skilled or white collar jobs as against only 12 per cent of the AFDC-U breadwinners. Conversely, 52 per cent of the AFDC-U breadwinners are in unskilled occupations as against 15 per cent of the breadwinners in the general population.

The unemployment rates of the various occupational groups in the various sections of the state, dramatize the results of this disparity. (Tables 15 through 18) Unemployment rates for professional and managerial workers run from 2 to 4 per cent in different parts of the state. Unemployment rates for unskilled laborers (farm and non-farm) run from 9 to 19 per cent.

It is further clear that these occupational differentials are not the result of broad differentials in will, aspiration or attitude. Occupational classification is directly related to educational achievement. (Table 5) Among AFDC-U breadwinners, less than 20 per cent have completed high school, as against some 60 per cent of the breadwinners in the general population (Table 19)

There is, as has been demonstrated above, a third factor to be considered in relation to under-employment: family size. About 15 per cent of California's intact families with children under 18 have 6 or more members in the family. (Table 20) But about 60 per cent of the AFDC-U families have 6 or more members.

There is no need further to belabor reasons why there is the differential in unemployment or sub-marginal employment between AFDC-U recipients and the general population. The sharply disparate patterns of occupational skills, education and family size provide the basic answers.

But there is a further question that has to be asked. In the statistical segment of our population that is relatively under-skilled, under-educated and over-sized, there is bound to be a sharply higher rate of unemployment in the short run and sub-marginal employment in the long run. But what about the differential within that segment of the population? Why are some unemployed and others not? This is really the burden-question of the San Francisco State College survey, which that study has not yet been able to fully explore. But there are some initial points to be made from the data that have been collected.

\* Patterns of Dependent Poverty in California, Welfare Study Commission, Consultant Reports, Earl Raab and Hugh Folk, 1963.

There is indeed no substantial difference in the extent of risk-factors for sub-marginal employment between the AFDC-U group and the matching low-income group which is working.\*

The occupational pattern of the AFDC-U breadwinners and of the working group is substantially the same. About 49 per cent of the AFDC-U workers are in unskilled (farm and non-farm) categories, while 45 per cent of the working breadwinners are in this category. (Table 21) About 74 per cent of the AFDC-U breadwinners have less than a high school education as against about 71 per cent of the working breadwinners. (Table 22) About 61 per cent of the AFDC-U breadwinners have families of 6 or more, while 66 per cent of the working breadwinners have families of 6 or more. (Table 37) The age patterns of male parents in these two groups are comparable (Table 23) which would suggest no great disparity in the age-patterns of the children in these two groups.

There are further indications that the economic life circumstances of the AFDC-U group and the working low-income group are substantially the same. For example, they report a similar union experience, (Table 24) and about the same percentage of each indicate that they have been covered by social security. (Table 25).

Indeed the differences in unemployment history between the two groups is not as striking as might have been expected, given the fact that one group (AFDC-U) is partly defined by the fact that it is unemployed. About 15 per cent of the AFDC-U group and about 14 per cent of the working group indicate that they have been unemployed 3 or more times. (Table 29) About 78 per cent of the AFDC-U group and about 90 per cent of the working group say that their longest single period of unemployment was less than one year. (Table 27) (Table 28) There are some significant differences between the two groups, but these differences seem to be at the poles. About 9 per cent of the AFDC-U recipients, as against about 5 per cent of the working breadwinners, report periods of unemployment of over two years or more. About 15 per cent of AFDC-U recipients, as against about 7 per cent of the working breadwinners, report a total accumulation of unemployment of more than 2 years. These polar differences must be tempered by the fact that the AFDC-U people are currently in a period of unemployment; they do suggest some residue of chronic problems in the AFDC-U group that does not exist in the working group, but they also suggest that it is not a very sizeable residue.

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\* The point should be made that the San Francisco State College sample of the AFDC-U population is comparable to the general AFDC-U population, as determined by the Department's Intake study, with respect to these risk factors. The educational patterns jibe (Tables 4 and 22), the family-size patterns jibe (there is a 10 per cent differential between the families in the survey and in the Department figures because the latter include only those family members who are included in the family budget, (Tables 20 and 37); and the occupational patterns jibe (Tables 14 and 21). The only exception is a skewed-upwards figure in the professional and managerial class in the survey, which, pending further examination of the detailed data, is not explained, but in any case, because of the smallness of numbers at this level, does not significantly change the overall pattern.

The differences in welfare experience suggest a similar pattern. The differences, again, are not as striking as might be assumed from the fact that the AFDC-U is primarily defined as a group currently on welfare, and the working group is primarily defined as a group that is not currently on welfare.

Actually, 37 per cent of the working group report that they have already been on welfare in the past. Over 40 per cent of the working breadwinners who say that they have been on welfare are less than a year removed from welfare status. (Table 26)

In the total pattern of characteristics, there is the suggestion that the major difference between the welfare group and the non-welfare low-income group-with perhaps the exception of relatively small groups at the poles - is that the AFDC-U group happens to be currently unemployed and currently on welfare, while the other group is not---but is likely to be at any given time in the future.

This initial finding is further supported by evidence indicating that both of these groups are travelling on about the same thin ice economically. Given the fact that the AFDC-U group is currently unemployed and on welfare, there is a striking comparability of their savings patterns. (Table 30) About 95 per cent of the AFDC-U families and about 86 per cent of the non-welfare families do not have any savings. This compares with the fact that about 50 per cent of all of those who suffered unemployment in the nation during a recent year, had savings which they used to tide them over. (Table 31)

The pattern of personal possessions owned by these two groups (welfare and non-welfare) is substantially the same. (Table 34) But about 58 per cent of the non-welfare group reports that they bought most of these possessions on credit, as against only 40 per cent of the welfare group. (Table 36) Also, about 3 times as many non-welfare people report themselves to be "home-owners," (Table 32) which is reflected in their higher debt structure at that level. (Table 33) What is suggested is that, for the total low-income group (welfare and non-welfare), possessions are acquired during the less lean periods. Emphasized again is the necessity to evaluate any given month's income against the background of a longer span. The relatively high indebtedness of the low-income high-risk non-welfare group points up the thin ice on which they are travelling - and probably suggests the thin ice through which most of the welfare group has recently crashed.

In short, what seems to be revealed most dramatically is the fact that the welfare group and the low-income non-welfare group are, for the most part one group after all: a high-risk, dependency-prone group.

There are undoubtedly indicated some deviations on both poles of these groups. These will hopefully be revealed by more intensive study of the results of the survey. For example, 22 per cent of the AFDC-U recipients indicate that their ability to earn a living is limited because of some illness, as against 11 per cent of the non-welfare group. Perhaps the deviant residue of chronics among the AFDC-U group, if they exist, is partly the result of illness which does not qualify as full disability; or perhaps it is an index of some personality factor existent in this residue group. But it will be

necessary to isolate this deviant group, if it exists, by a finer screen than a comparison of welfare and nonwelfare people. There will be an examination of the total number of respondents broken down into different groupings, according to their total welfare experience and total unemployment history. For any deviant group that emerges, there should be some helpful suggestions for special services that are needed.

But, if this group exists, it is a relatively small deviant group - and does not alter the fact that, in the main, we are apparently dealing with a population which, currently on welfare or not, is essentially in the same boat, educationally, occupationally, socially and attitudinally.

#### WHAT ARE THE IMPLICATIONS?

1. The main factor involved in the unemployment of the welfare group is not deviant attitude, or deviant personality, but the high-risk circumstance of being relatively under-skilled and under-educated.
2. The basic welfare-roll problem is not one of unemployment at any give time, but of sub-marginal employment: a pattern of part-time or unsteady employment at marginal wages; or a pattern of full-time employment at sub-marginal wages--the marginality of the wages being measured in each case by the size of the family that needs to be supported.

The risk factors of low occupational and educational levels are the same for both of the basic factors in sub-marginal employment: unsteady employment and low wages.

3. These high-risk circumstances are shared by a substantial segment of the population which is not currently on welfare, but who may not be far from welfare status in one time direction or another.
4. Any attempt to prevent dependency and reduce the welfare rolls can sensibly only be addressed to the total high-risk population, rather than just to those who happen to be on welfare status at any given time.
5. These cold facts call for a new approach to the prevention of dependency and the reduction of the welfare rolls.

In fact, society has not been engaged in efforts to prevent dependency or to reduce the welfare rolls. It has been mainly engaged in a program for symptomatic relief. The California society would not think it either sensible, practical, humane or economical to treat the problem of typhoid by merely attempting to treat each typhoid victim as he came to society's attention. But, this has been society's approach to the problems of dependency. Now that we know that the phenomenon of dependency has a distinct pattern, as has typhoid, it is possible to apply some preventive programs.

These preventive programs might be said to fall into two categories:

- a) Primary prevention: Programs which would apply across the board to the total population, such as the raising of minimum-wage levels, the provision of more jobs in the economy, etc.

b) Secondary prevention: Programs which would apply to the entire high-risk population: those who are under-skilled and under-educated. The essence of such a preventive program is that it is directed towards the high-risk sub-community as such. These sub-communities, in fact, exist, as can be seen by the five area studies prepared by Miss Gene Bernardi for the State Social Welfare Board.\* They exist in city neighborhoods and areas in California where are concentrated those people who have been closed out of society in the past. The most dramatic examples are the non-white and Mexican-American populations who are under-skilled and under-educated today because society has denied them equal job opportunities and educational opportunity in the past.

6. To this overall picture must be added the results of another study made by the State Social Welfare Board this year, which suggests that the factor of social motivation must be considered in any preventive program addressed to these high-risk sub-communities.

This factor of social motivation will not be adequately dealt with, and the cycle of poverty not seriously broken, until those caught in the cycle of poverty are given a change to genuinely participate in the society, and in the fight against poverty itself. This critical participant factor is called the "X Factor" in the Social Welfare Board study.\*\* The gap between personal motivation and social motivation (between what these people aspire to and what they think they can achieve) is illustrated by the initial data in the San Francisco State College survey on the sharp difference between what these parents want for their children, and what they expect for their children. (Tables 11 and 12). This corroborates the observations in the "X Factor" paper that these people are personally motivated, but feel that they are being kept on the outside looking in--and as long as that situation exists, programmatic attempts to upgrade skills and education will be critically hampered.

7. Alternative remedial roads\*\*\* for reducing marginal employment and the welfare rolls by way of secondary prevention would seem to be these:

a) Raising occupational-skills and educational levels in the high-risk sub-communities. The profile of this total high-risk group (welfare and non-welfare) indicates that it is for the most part made up of the "generationally poor." These are not people who are just technologically displaced. They are people who are caught in the

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\* Socio-Economic Profiles for San Francisco (See Appendix 4), Los Angeles, Stanislaus, Merced, and Santa Clara Counties, 1964. All are available from the Board's office.

\*\* See Appendix 8 for the paper reporting this study.

\*\*\* See Recommendation 1, Chapter 1 for Board position and recommendation based on these points.

Trap Ghetto, in the generational cycle of poverty. The need to upgrade social motivation therefore becomes a critical factor along with the need to upgrade skills and education.

- b) Raising levels of participation by members of the high-risk sub-communities, so that programs for upgrading skills and education will be effective.
- c) Subsidizing low income. The evidence supporting the existence of a "Constant Welfare-Grant Gap" indicates that there are jobs on the market that pay less than a welfare grant for families of a certain size, but the income provided by these jobs is also less than the reasonable, minimum subsistence budget for families of equal size.

There should certainly be an incentive for a breadwinner in such a situation to seek and retain any employment opportunity. But the only incentive which appears possible is a subsidy which would raise his working income to at least the welfare grant level, and preferably above, to the subsistence level or higher.

There is, of course, another consideration. It is highly questionable whether the minimal budgets indicated in this report are sufficient to permit families to make use of opportunities which might enable them to break the repetitive cycle of generational poverty. An examination of these budgets, including actual welfare-grant budgets, indicates that no leeway is afforded for expenses which might produce improved skills or occupational capacities, or which might eliminate or modify family and home situational factors which limit economic achievement. It is not apparent to recipients or low income breadwinners in looking at these budgets, how they give him any opportunity to become a more capable or contributing member of the community--or that society is at all interested in having him do so.

This appraisal relates directly to the motivational inhibitors described above. At the very least there should be some financial incentive and flexibility for the pursuit of remedies to lack of education and job skills. These should apply to the entire risk population and not just to those who happen to be on welfare at a given time. To the extent welfare benefits are necessary, such benefits and other income sources should complement each other, not impose unrealistic choices between unproductive alternatives.

At the very least, there should be some financial incentive for pursuing educational and skills remedies. And these incentives must be applied not just to those who happen to be on welfare at any given time, but to the entire high-risk population.

#### IN SUM:

If the welfare department is to be charged with the responsibility of trying to reduce the welfare rolls, then it must be able to address itself--services and grants--to the total high-risk segment of the population. If we are to

seriously address ourselves to the problem of reducing the welfare rolls, then it is necessary to move more boldly into programs of secondary prevention.

Otherwise, let us stop holding out the promise of prevention at all, and settle down for the indefinite support of welfare rolls which may change in composition from month to month, but will not be substantially reduced in size.