



Press Release

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FPWA REPORT REVEALS WEAKENED SOCIAL SAFETY NET, BARRIERS TO ACCESS TO SERVICES FOR UNEMPLOYED AND IMPOVERISHED

Analysis of government data finds significant increase in denials of applications for public assistance despite a surge in the overall numbers of applicants and unemployed

NEW YORK (April 29, 2009) – A new report released today by the Federation of Protestant Welfare Agencies (FPWA) reveals a weakened safety net system that is not sufficiently capturing many of the people in need. The report, "**The State of New York's Social Safety Net for Today's Hard Times**," is one of the first reports in New York State that examines the implementation and impact of welfare restructuring over the past decade and what it portends for the hundreds of thousands of unemployed New Yorkers.

“Despite an increase in the need for public assistance a year into a deep recession, the welfare rolls actually decreased in 2008 by over twenty thousand recipients,” stated Fatima Goldman, Executive Director & CEO of the Federation of Protestant Welfare Agencies. “One correlation we found is the significant increase in the rate of denials of applications for public assistance in the past decade, jumping from a 26% denial rate in 1999 to 42% in 2007.”

Public Advocate Betsy Gotbaum said, "It's disheartening, and truly unacceptable, that so many of New York's most vulnerable residents are denied the help they clearly and desperately need. A compassionate society -- and a caring government -- sees to it that those entitled to public benefits receive them without struggle or delay and get the training and education they need to become self-sufficient. The FPWA's findings confirm what my office reported in November—that New Yorkers at HRA Job Centers face unnecessary barriers to public benefits. I commend the FPWA for further calling attention to this issue."

FPWA examined data over a 10-year period from the Office of Temporary and Disability Assistance's (OTDA) Statistical Report on the Operations of New York State Temporary Assistance Programs to assess the changes in number of applications, denial rates, withdrawal rates and case “churning” – welfare recipients cycled on and off welfare with repeated openings and closings of their cases. The report has found that welfare restructuring over the past decade has created a multitude of roadblocks that limit access to basic assistance. In specific:

- Despite a 35% increase in the number of applications comparing the years 1999 and 2007, the number of people receiving welfare decreased by 45% during that time period.

- The number of New York City applications increased from 221,895 applications in 1999 to 341,635 in 2007, a 54% increase. The rest of the State saw a 13% increase.
- Two factors contributing to the decline in caseloads since welfare reform are the increased rates of **application denials** and **withdrawals** statewide, despite an increase in overall welfare applications.
 - The public assistance **denial rate** jumped from 26% in 1999 to 42% in 2007.
 - The public assistance case **withdrawal rate** in NYC increased 17% between 1999 and 2003.

The FPWA report also examines the impact of welfare reform on the unemployed and low-income workers. Although welfare reform's stated goal was to promote self-sufficiency, results of its implementation in New York have largely been the contrary – leading to financial hardship, low-wage employment and a return to welfare.

The report gathered local and national data to assess how the changes in the public assistance program have impacted children and families. The research results include:

- The new sanctioning system under welfare reform impacted many families and led to increased hunger and homelessness as people's benefits were cut and cases were closed. New York City currently has a quarter of its engageable caseload sanctioned or going through the sanctioning process.
- Welfare reform also strictly limited access to education and training despite the fact that education and training has proven to be the best route out of poverty. City University of New York (CUNY) lost 22,000 out of 30,000 of its students on welfare after enactment of the Welfare Reform Act.
- Even those who were successfully placed into jobs were earning very low wages. In New York City, the average wage of welfare recipients was \$8.30/hour in 2007. The statewide average wage was \$8.50/hour.
- Many have had to return to welfare. During the period from 2003 to 2008, between 21% and 30% of New York's closed public assistance cases were individuals who had left public assistance for greater than one month, and then returned to full public assistance status.

“The report's findings are consistent with similar state and national reports finding that most people who left welfare struggled to find or keep jobs and to make ends meet,” said Bich Ha Pham, FPWA Director of Policy, Advocacy and Research and co-author of the report. “Vocational training and education must therefore play a key role in developing our state's workforce and placing low-income people on the path out of poverty.”

"As a single mother who works but does not make enough to support my family I have recently had to apply for public benefits. The process has been very difficult and long and I have been discouraged along the way. First public assistance said I was ineligible because I owed \$3,000 in rent. After reapplying several months ago they have still not approved my application. One of the reasons was because my son had \$1,000 in the bank for his college tuition. I have had to wait half a day each time I visit the office. No one has ever asked me if I need Chinese translation even though I only speak Chinese," stated Ms. Guan, a New York City resident who recently applied for public assistance.

Despite the return on investment vocational training and education provides, New York has struggled to improve its outcomes. Though the federal law allows up to 30% of the participating welfare caseload to be in vocational education, NYS has only 9% of the Temporary Assistance for Needy Families (TANF) population in this activity, and only 14% of the population is engaged in any type of education and training activity. And limiting access to education and training subsequently limits earning potential. The average wage for someone without a high school/GED degree is \$22,256, whereas with a high school/GED degree it is \$31,408, with an associate's degree it is \$38,480, and with a B.A./B.S. it is \$51,324.

"My story with welfare started as a domestic violence survivor who had no family or support in this new country. I was in crisis, and I knew that there was no other way for me and my daughter to survive. As an immigrant with little English, I faced the reality of being homeless with no money, job or any skills. I needed assistance to

stabilize my family. I also wanted to learn English, get an education and a career so that I could take care of myself and my daughter," stated Jamila Alhada, a single mother who currently received public assistance.

"I thank FPWA for putting together this report which proves that the safety net is frayed and not adequately addressing the needs of poor New Yorkers," said State Senator Liz Krueger. "To help people get out of poverty New York State must improve access to vocational training and education for public assistance recipients."

For more information, contact Bich Ha Pham, Director of Policy, Advocacy and Research at 212-801-1311, cell 347-524-5802, bhpham@fpwa.org. The report can be downloaded at www.fpwa.org.

The **Federation of Protestant Welfare Agencies** is a membership organization with almost 300 community-based social service agencies and church-based human service programs in its network. FPWA strengthens its members through management and technical assistance; training and workshops; policy and advocacy services; and through a variety of grant programs, including a holiday toy drive, and individual grants for emergency needs through its participation in the New York Times Neediest Cases fund. www.fpwa.org

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