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## **FOR IMMEDIATE RELEASE**

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### **Investment in Human Services Directly Stimulates Local Economies**

#### **Report Finds Food Stamps and CalWORKs Catalysts for Economy, Calls on Policymakers to Preserve Funding for Safety Net Services**

**SACRAMENTO** – Human services such as Food Stamps, CalWORKs and General Assistance provide a boost to the state's economy, with an estimated \$1.32 in economic activity generated for every dollar spent, according to a new study released by Beacon Economics.

The results of this study, along with new statewide data showing the dramatic increase in the demand for human services, are highlighted in a report released today by the California State Association of Counties and the County Welfare Directors Association of California.

Investment in human services programs is critical to state and local economies, the associations found. However, state disinvestment in these programs has affected the outcomes for children and families and hampered counties' ability to deliver services to eligible families – all while demand has skyrocketed.

The report notes several key findings, including:

- Demand for services is up. Not surprisingly, the state's poor economy and high unemployment has led to an increase in demand for public assistance, not only for newly eligible applicants but also for current participants whose exit from programs has been delayed. Between September 2007 and September 2008, caseloads increased by 15.47% for Food Stamps, 14.94% for General Assistance, 5.89% for CalWORKs and 5.24% for Medi-Cal. The increase in applications and caseload has been both rapid and dramatic, and shows no signs of slowing.
- Counties are grappling with a long-term state disinvestment in human services, now totaling nearly \$2 billion annually. As county revenues are also in decline, they cannot backfill this growing gap.
- These deep cuts have resulted in reduced staffing levels, diminished access to and availability of services, and delayed benefits to eligible families who are struggling in the current economic downturn.
- Failure to fund these programs results in poor outcomes for children and families, creating an even greater long-term cost to the state.

The Beacon Economics report also found that matching federal dollars increase the economic activity generated for every dollar spent, reaching as high as \$7.35 for some programs.

“This reaffirms what counties have been saying for quite some time – the benefits that result from human services program expenditures are greater than the expenditures alone suggest,” said Roger Dickinson, Sacramento County Supervisor and Board Member of the California State Association of Counties. “If the state economy, along with local economies, is to recover, policymakers must fund human services at appropriate levels and look to such programs as a continuous stimulus investment.”

County welfare directors across the state are sharing the report’s findings with their Board of Supervisors during their April 21 and April 28 meetings. The report encourages policymakers to consider the extent that any reductions in state spending and program eligibility come at a significant cost to individual families and children, as well as to the state and local economies; to consider the potential positive effects of drawing upon federal funding available through the American Recovery and Reinvestment Act; and to recognize that while federal funding is temporary, the benefits of human services programs are long-lasting.

“We hope policymakers recognize that counties are dealing with unprecedented demand brought on by the economic downturn and that demand will likely be sustained for several more months, if not the next few years,” said Joe Valentine, Contra Costa County Employment and Human Services Director. “Continued funding of safety net services provides not only a benefit for our clients but also is a boost for local businesses since most assistance is immediately spent on rent, food purchases and household goods – things that generate more economic activity and that ultimately create much-needed jobs in the community.”

A copy of both reports can be found at [www.csac.counties.org](http://www.csac.counties.org) under the CSAC Newsroom section or at [www.cwda.org](http://www.cwda.org).

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The California State Association of Counties, headquartered in Sacramento, is the voice of California’s 58 counties at the state and federal level and educates the public about the value and need for county programs and services.

County Welfare Directors Association of California, based in Sacramento, is a nonprofit association representing the human service directors from each of California’s 58 counties. The Association’s mission is to promote a human services system that encourages self-sufficiency of families and communities, and protects vulnerable children and adults from abuse and neglect.