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BTC Brief

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A TATTERED NET: Work First Provides Little Help to Low-Income Families, Local Economies

*Timely,
accessible,
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analysis of
state and local
budget and tax
issues*

Designed at a time when jobs were plentiful, the Work First program is proving unable to alleviate the severe family hardships caused by a recession marked by widespread job loss. Since December 2007, the number of persons in families receiving cash assistance **actually has declined by 5.4%**. Similarly, the cash grants have generated a modest **statewide economic impact of \$159.4 million**.

Growing Hardships, Declining Caseloads: 48,000 Persons and Falling

A federal block grant, Work First helps extremely low-income families with children temporarily meet their basic needs, gain work experience and find work. To qualify, a family must have an income below the poverty level and meet other criteria. Benefits vary with income and family size. For example, a three-person family would qualify with a monthly income of less than \$681 and could receive no more than \$272. Beneficiaries are subject to work requirements and time limits.

For the Work First program to function as designed, adequate numbers of jobs must exist. Yet the current recession has been marked by a sharp contraction in available jobs. So while the number of persons struggling economically has risen, the number of persons receiving cash assistance actually has fallen by 5.4%. In April, 48,246 North Carolinians – just 0.5% of the total population – were connected to the Work First cash assistance program. Children accounted for 82.5% of these persons, and African Americans accounted for 54.6%.

Local Impacts: Small Caseloads Generate a Modest Economic Impact

While relatively few people receive Work First cash payments, those who do tend to spend the money quickly and locally, thereby generating additional economic activity. Since the recession's start, North Carolinians have received \$99.6 million in Work First cash assistance payments, which have generated \$159.4 million in statewide economic activity.

Given the relatively small caseloads, the local economic impacts of Work First have been modest (**table, over**). In Mecklenburg County, the program's impact totals just \$19.4 million. Even in relative terms, the impact is slight. In only two counties (Martin and Washington) does the economic impact exceed 0.6% of the local wage base; in 66 counties the impact is less than 0.2% of total local wages.

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Table: Work First Cash Assistance Program - Selected Indicators, December 2007 - April 2009, by County

County	# Individuals in Cases (Apr. 09)	% Change Individuals Dec. 07 - Apr.09	Est. Economic Impact Dec. 07- Apr. 09	County	# Individuals in Cases (Apr. 09)	% Change Individuals Dec. 07 - Apr.09	Est. Economic Impact Dec. 07- Apr. 09
Alamance	720	-11.9%	\$2,312,483	Johnston	550	-4.7%	\$1,931,192
Alexander	113	-10.3%	\$433,520	Jones	38	-19.1%	\$152,769
Alleghany	46	27.8%	\$138,971	Lee	162	1.9%	\$567,533
Anson	329	-5.7%	\$957,009	Lenoir	168	-44.9%	\$969,893
Ashe	77	22.2%	\$249,661	Lincoln	241	1.3%	\$846,645
Avery	24	8.3%	\$144,590	Macon	6	20.0%	\$26,902
Beaufort	183	-12.4%	\$672,783	Madison	51	-32.0%	\$215,050
Bertie	173	-30.8%	\$674,545	Martin	202	-29.4%	\$723,793
Bladen	322	-29.2%	\$1,195,058	McDowell	184	24.3%	\$546,387
Brunswick	515	11.0%	\$1,585,418	Mecklenburg	7,647	25.6%	\$19,428,921
Buncombe	690	-19.2%	\$2,659,133	Mitchell	13	-43.5%	\$65,573
Burke	555	18.3%	\$1,602,383	Montgomery	188	8.7%	\$554,927
Cabarrus	461	-16.6%	\$1,679,838	Moore	200	-23.7%	\$798,711
Caldwell	105	-12.5%	\$399,106	Nash	454	20.1%	\$1,390,261
Camden	60	42.9%	\$165,286	New Hanover	571	-33.1%	\$2,855,299
Carteret	223	13.8%	\$653,878	Northampton	225	-6.3%	\$781,651
Caswell	165	-12.7%	\$553,484	Onslow	666	-11.2%	\$2,162,274
Catawba	448	-14.3%	\$1,540,449	Orange	481	3.7%	\$1,437,041
Chatham	126	-19.2%	\$497,494	Pamlico	74	-21.3%	\$270,294
Cherokee	19	-24.0%	\$89,437	Pasquotank	350	-3.0%	\$1,171,718
Chowan	78	-37.6%	\$375,603	Pender	261	11.5%	\$803,727
Clay	34	47.8%	\$94,563	Perquimans	79	6.8%	\$258,448
Cleveland	993	9.7%	\$2,634,649	Person	131	-39.9%	\$734,711
Columbus	854	-8.4%	\$2,628,209	Pitt	838	-6.6%	\$2,859,032
Craven	596	-1.8%	\$1,901,433	Polk	66	22.2%	\$222,710
Cumberland	1,949	-27.9%	\$8,572,887	Randolph	1,091	27.6%	\$2,919,899
Currity	48	-18.6%	\$202,982	Richmond	529	-6.7%	\$1,729,405
Dare	96	5.5%	\$277,025	Robeson	1,205	-40.8%	\$6,081,449
Davidson	540	14.6%	\$1,647,003	Rockingham	812	10.3%	\$2,460,809
Davie	119	52.6%	\$299,827	Rowan	622	5.8%	\$2,040,540
Duplin	440	21.2%	\$1,136,601	Rutherford	468	20.9%	\$1,374,421
Durham	1,120	-6.6%	\$3,944,742	Sampson	369	59.7%	\$835,497
Edgecombe	1,000	134.7%	\$2,135,125	Scotland	685	-17.8%	\$2,252,226
Forsyth	2,243	12.1%	\$6,542,853	Stanly	267	17.6%	\$802,471
Franklin	203	-6.5%	\$717,802	Stokes	188	-14.5%	\$597,291
Gaston	1,091	0.0%	\$3,614,669	Surry	302	-5.0%	\$1,052,898
Gates	60	-10.4%	\$200,834	Swain	47	14.6%	\$142,321
Graham	12	-25.0%	\$55,811	Transylvania	118	-18.6%	\$402,702
Granville	250	5.9%	\$875,450	Tyrrell	9	-35.7%	\$52,537
Greene	200	22.7%	\$611,337	Union	567	-8.0%	\$1,805,511
Guilford	2,024	-49.5%	\$10,408,566	Vance	312	-18.5%	\$1,233,085
Halifax	438	-12.9%	\$1,706,376	Wake	2,638	-8.1%	\$8,424,774
Harnett	408	-28.5%	\$1,454,898	Warren	191	-17.7%	\$574,303
Haywood	386	26.6%	\$1,122,322	Washington	186	-7.9%	\$564,718
Henderson	537	14.3%	\$1,549,241	Watauga	47	2.2%	\$172,708
Hertford	189	-0.5%	\$665,167	Wayne	644	-27.4%	\$2,508,190
Hoke	256	4.5%	\$820,961	Wilkes	706	37.1%	\$1,826,902
Hyde	43	-15.7%	\$154,774	Wilson	357	-13.8%	\$1,374,847
Iredell	340	-18.7%	\$1,336,032	Yadkin	54	-20.6%	\$193,305
Jackson	52	-41.6%	\$232,195	Yancey	33	3.1%	\$109,907
				STATE	48,246	-5.4%	\$159,379,862

Notes: "# Individuals in Cases" is the number of individuals in Work First non-diversion (cash) assistance cases. "% Change in Individuals" is the percent increase or decrease in persons in Work First non-diversion (cash) assistance cases between Dec. 2007 and Apr. 2009 (current recession). "Est. Economic Impact" is calculated by applying an economic multiplier of \$1.60 to the total amount of benefits (in 2008\$) paid in each geography between Dec. 2007 and Apr. 2009. The multiplier is derived from research conducted by the state human service agencies in Texas and Oregon. Shaded counties are "urban" ones as defined by the NC Rural Center. Sources: UNC-CH Jordan Institute for Families