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Publication Date

2025-10-10

GEOGRAPHIC AND RACIAL DISPARITIES IN EMPLOYMENT, EARNINGS, SANCTIONS, AND REENTRIES IN CALWORKS AMID THE COVID-19 PANDEMIC

October 10, 2025

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https://fssrn.shinyapps.io/CalWORKS-WTW-Racial-Equity-Dashboard/

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Funding Acknowledgement:

This work was supported by the Office of Planning, Research and Evaluation, Administration for Children and Families, US Department of Health and Human Services under the 2020–2025 Family Self-Sufficiency and Stability Research Scholar Network Grant to Yu-Ling. (Grant Number: 90PE0041).

Disclaimer:

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Suggested Citation:

Chang, Y.-L., Brown, C. T., & Keh, M. (2025). Geographic and Racial Disparities in Employment, Earnings, Sanctions, and Reentries in CalWORKs Amid the COVID-19 Pandemic. eScholarship, University of California. https://escholarship.org/uc/item/9z39r8kv

Geographic and Racial Disparities in Employment, Earnings, Sanctions, and Reentries in CalWORKs Amid the COVID-19 Pandemic

Executive Summary

The COVID-19 pandemic profoundly disrupted employment and economic security for families participating in the California Work Opportunity and Responsibility to Kids (CalWORKs) program, revealing and deepening existing racial and geographic inequities. While temporary policy flexibilities—such as suspended compliance requirements and expanded good cause provisions—helped cushion immediate impacts, recovery has been uneven across counties and racial and ethnic groups, with persistent disparities in employment, earnings, sanctions, and program reentries. This policy brief reports key findings from the analysis of the performance measures of CalWORKs Outcomes and Accountability Review (Cal-OAR) before, during, and after the COVID-19 pandemic and discusses policy recommendations.

Key Findings

Overall Pandemic Impacts

The pandemic caused significant declines in employment and earnings during and after participation in CalWORKs, with only partial recovery observed by mid-2024.

County-Level Disparities

Employment, earnings, sanctions, and reentry outcomes showed great variation across counties, suggesting differences in local welfare-to-work (WTW) service delivery systems and associated program performance.

Racial Disparities

Black and Hispanic participants generally achieve higher employment but lower post-program earnings and higher re-entry rates, White participants' employment rates consistently lag behind other groups, and Native American/Pacific Islander and Asian participants face distinctive welfare sanction challenges.

Welfare-to-Work Provisions and Average Wage Growth

Counties that increased efforts in WTW provisions for human capital development, such as training and education services, experienced notable average wage growth among WTW participants. This positive association was especially evident among Black and Hispanic participants. Counties that invested more in supportive services showed modest wage growth for Native American/Pacific Islander participants. However, higher sanction rates were associated with lower average wage growth for most race and ethnicity groups.

Policy Recommendations

1. **Realign WTW services toward wage progression, not just employment**
2. **Strengthen county capacity for post-exit employment supports**
3. **Enhance Cal-OAR implementation in county system improvement plans**
4. **Improve county sanction practices to support the implementation of SB 119**
5. **Invest in accessible and participant-centered re-engagement services**
6. **Prevent CalWORKs reentry through post-exit support**

Introduction to CalWORKs: Equity Challenges in a Flexibility Setting

CalWORKs (California Work Opportunity and Responsibility to Kids) is a program in California that helps low-income families with children. It is based on a federal program called Temporary Assistance for Needy Families (TANF). CalWORKs began operation in January 1998 and focuses on providing temporary assistance, encouraging individuals to find employment, and promoting personal responsibility (California Department of Social Services, 1997). The program provides services such as job support, childcare, and other resources to help parents become self-sufficient and ensure the well-being of their children. County welfare departments administer CalWORKs, with rules that come from both federal requirements and state decisions, allowing some flexibility in design and implementation across counties.

In recent years, California has introduced CalWORKs 2.0 and the Cal-OAR (CalWORKs Outcomes and Accountability Review) framework to modernize the program, focusing more on families and their outcomes beyond just work participation rates. CalWORKs 2.0, an initiative launched by the County Welfare Directors Association (CWDA) in 2016, shifted away from strict rules to a more personalized approach, focusing on the unique needs and strengths of families (Derr & Ezzo, 2022). The Cal-OAR framework, established under Senate Bill 89 (Chapter 24, Statutes of 2017), provides a mechanism for counties to continually improve and assess the effectiveness of the program (California Department of Social Services, n.d.).

During the COVID-19 pandemic, CalWORKs paused many compliance requirements and adopted policies like blanket good cause and sanction curing to create a more flexible and supportive environment (Chang, Keh, & Salazar, 2025). However, counties differed in how they implemented these flexibilities, resulting in significant variations in sanction and employment outcomes, raising concerns about equitable access to supports and consistency in program effectiveness. This policy brief reports key findings from the analysis of the performance measures of CalWORKs Outcomes and Accountability Review (Cal-OAR) before, during, and after the COVID-19 pandemic and discusses policy recommendations. Figures created using the public version of Cal-OAR data are accessible at the interactive CalWORKs Welfare-to-Work Racial Equity Dashboard (https://fssrn.shinyapps.io/CalWORKS-WTW-Racial-Equity-Dashboard/).

Employment Rates through the Program Stage

Employment is a key indicator of family stability and self-sufficiency in the CalWORKs program. Both in-program[1] and post-program[2] employment rates reflect how effectively counties are supporting participants in securing and sustaining employment during and after their time in CalWORKs. While statewide trends provide an overall view, detailed data broken down by county and race/ethnicity expose significant disparities that complicate the program's commitment to achieving equitable outcomes.

Statewide, the in-program employment rate for CalWORKs participants declined steadily over the past several years. During the COVID-19 emergency, the state was under a stay-at-home order from March 19, 2020, to June 16, 2021, when the economy fully reopened. The observed trend shows a notable drop in the rate, from 38% in the fourth quarter of 2018 to 27% in the first quarter of 2021 (Figure 1). This decline likely reflected the economic and social disruptions caused by the pandemic. Following the reopening, a modest recovery occurred, with the rate rising to 31% by Q2 2024, indicating a gradual economic rebound post-pandemic.

However, the statewide average conceals significant variation[3] at the county level, as shown in Figure 1. Our analysis of the non-deidentified Cal-OAR data indicates that the average county-level in-program employment rate in Q1 2023 was 31%. There was considerable variation across counties, with rates ranging from 0% to 58% and a standard deviation of 7%, highlighting notable geographic disparities in employment outcomes. Particularly, smaller and rural counties were more likely to report below-average rates, raising concerns about access to employment support services across the state.

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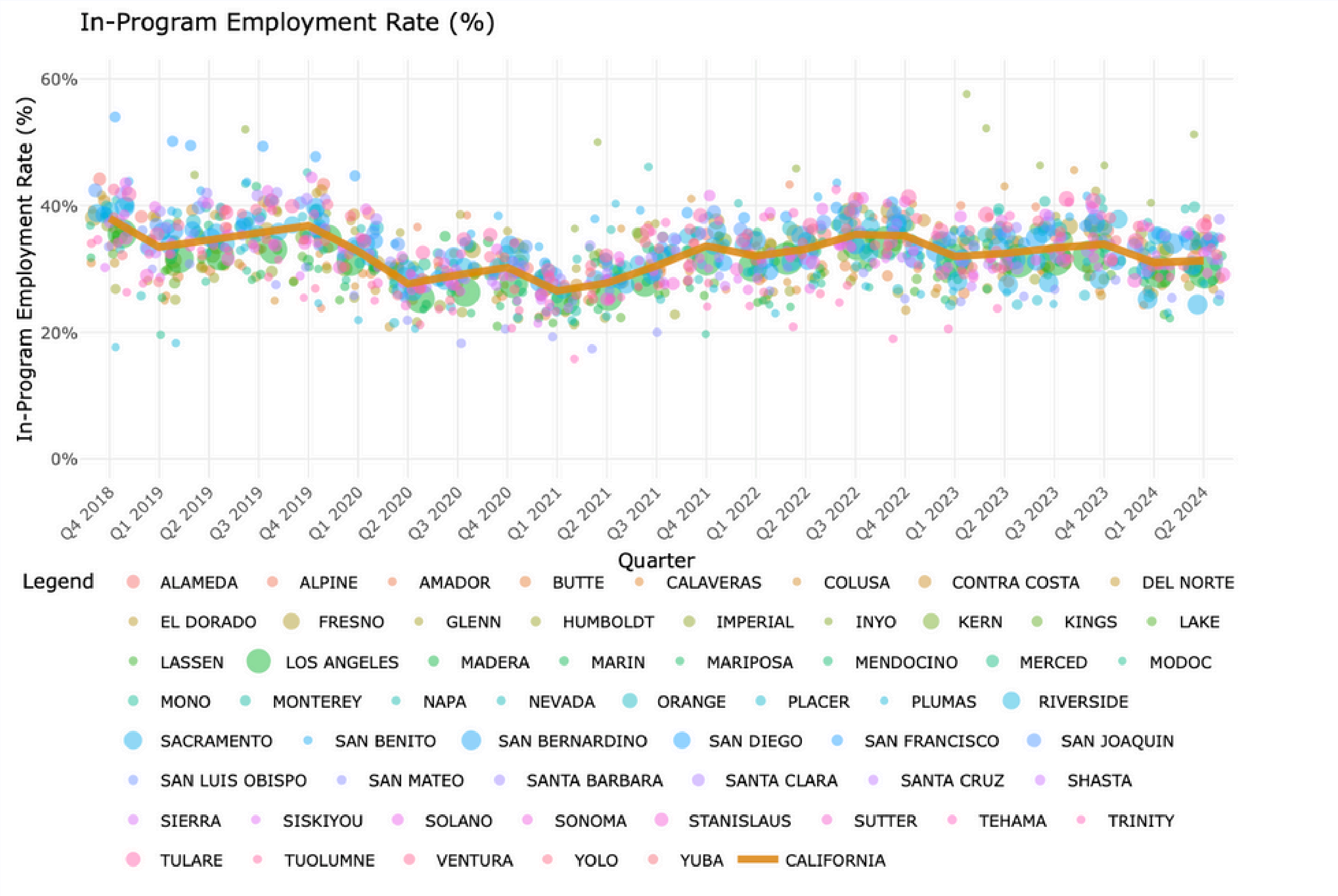
1 In-program employment rate measures quarterly employment rates of current CalWORKs program participants. Employment is defined by having a wage record in Employment Development Department (EDD) data.

2 Post-program employment rate measures the post-program employment of former program participants at four quarters after program exit.

3 Due to California's data de-identification policies, the publicly available data used in the figures do not capture the full range of county-level variation and may underrepresent smaller counties. However, we report the full range and standard deviations in the text, using non-deidentified data under a data sharing agreement between the California Policy Lab and the Calfornia Department of Social Services.

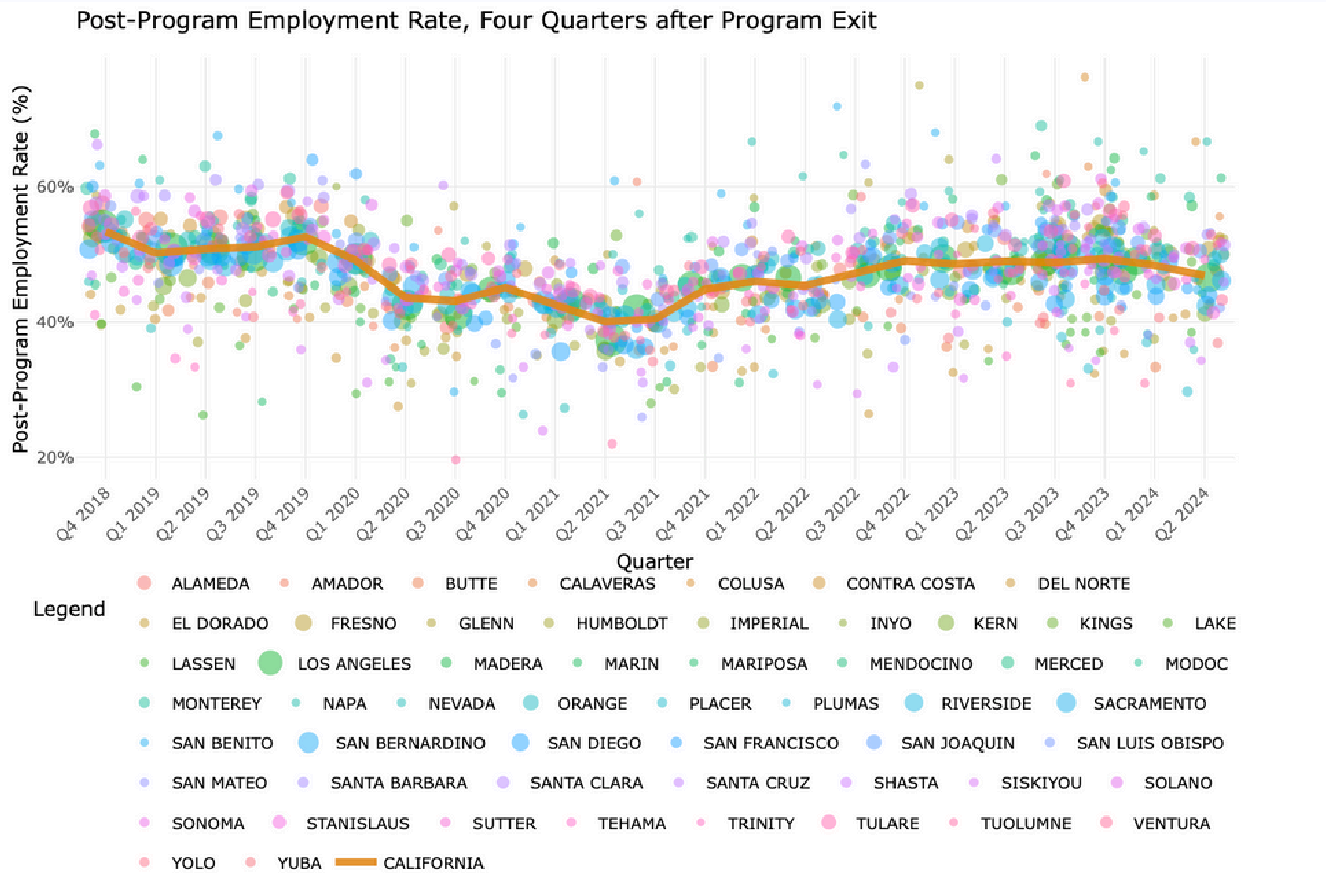
Figure 1. In-Program Employment Rate: Variations Across Counties.



Note: Point size reflects the relative county caseload size for a given outcome. Point size relative to other time points and counties in figure. For longitudinally sampled variables (Exit with Earnings, Post-Program Employment Rate, and Median Income), sampling is lagged by one year.

Post-program employment rates, measured four quarters after program exit, followed a similar pattern of overall decline followed by partial recovery. In Q4 2018, California's post-program employment rate stood at 53%, but it dropped to 40% by the second quarter of 2021. As of Q2 2024, the rate had increased to 47%, still below pre-pandemic levels. County-level variation was even more pronounced than in-program employment, with rates ranging from 0% to 68%, an average rate of 47%, and a higher standard deviation of 12% in Q1 2023. In some counties, such as Lassen, Del Norte, and Siskiyou, post-program employment rates mostly lagged behind the state average over time (Figure 2), suggesting gaps in workforce development, job placement, or follow-up support after exit.

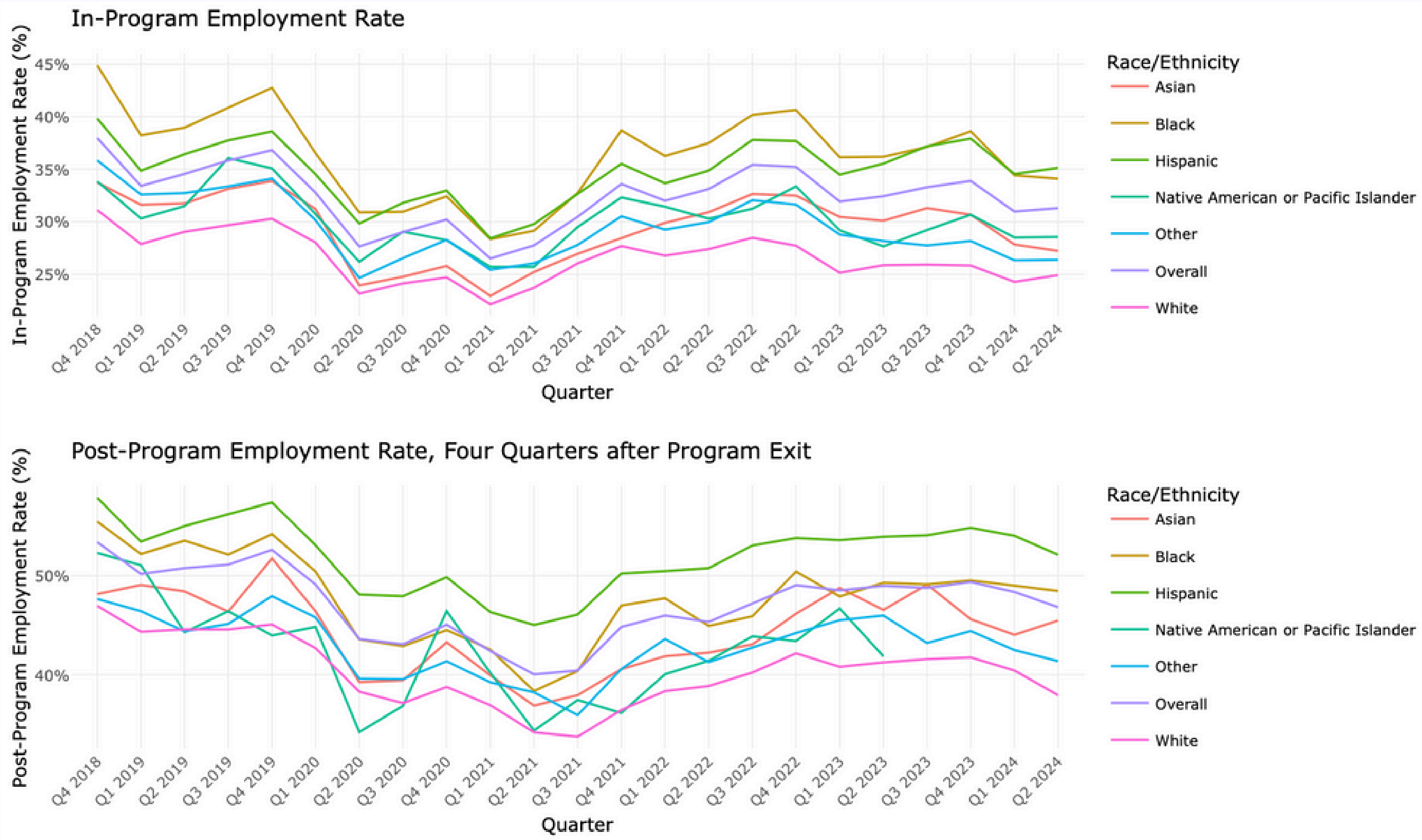
Figure 2. Post-Program Employment Rate: Variations Across Counties.



Note: Point size reflects the relative county caseload size for a given outcome. Point size relative to other time points and counties in figure. For longitudinally sampled variables (Exit with Earnings, Post-Program Employment Rate, and Median Income), sampling is lagged by one year.

Disaggregated by race and ethnicity, both in-program and post-program employment rates reveal persistent disparities. For in-program employment, Black and Hispanic participants consistently had the highest rates, although both groups experienced a decline during the pandemic. Black participants saw their rate fall from 45% in Q4 2018 to 28% by Q1 2021, before rebounding to 41% in Q4 2022 and settling at 34% in Q2 2024. Hispanic participants followed a similar pattern, decreasing from 40% to 28%, climbing back to 38%, and ultimately reaching 35% by Q2 2024. Native American or Pacific Islander (NA/PI) participants maintained one of the lowest rates throughout the period—starting at 34%, dipping to 26% in Q2 2021, and rising only modestly to 29% by Q2 2024. Asian participants also experienced significant fluctuation, with their in-program employment rate declining from 34% in Q4 2018 to 23% in Q1 2021, then rising to 33% in Q3 2022 before dropping again to 27% by Q2 2024. White participants had the lowest in-program employment rates across all time points, falling from 31% in Q4 2018 to 22% in Q1 2021 and recovering only slightly to 25% in Q2 2024. By the end of the period, the relative ranking of employment rates placed Hispanic and Black participants at the top, followed by NA/PI, Asian, Other, and White participants (Figure 3).

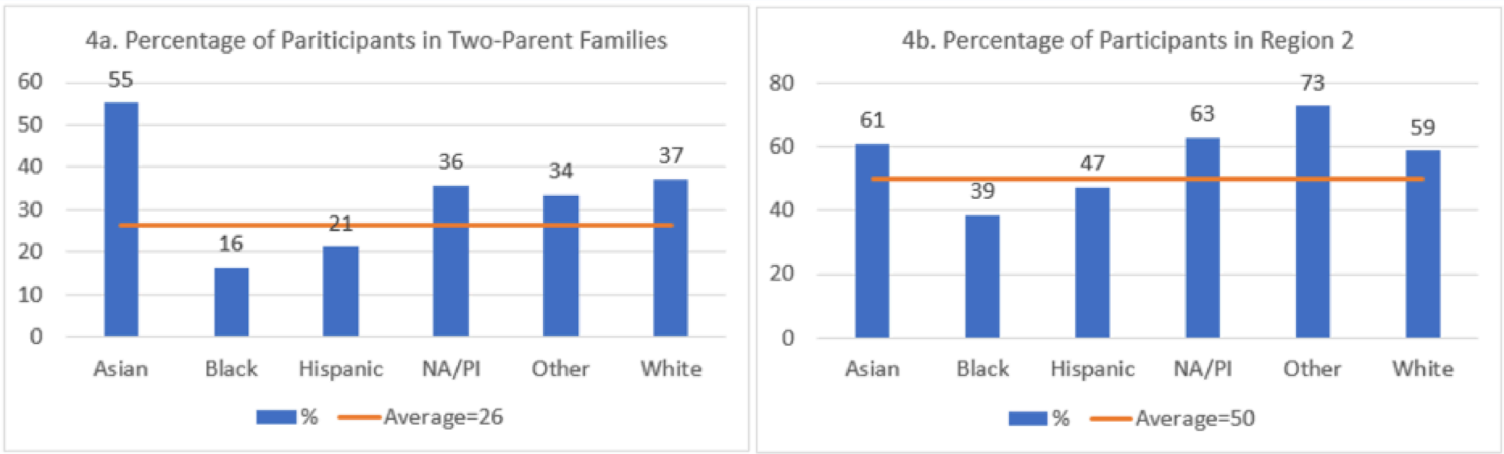
Figure 3. In-Program and Post-Program Employment Rates by Race and Ethnicity.



Post-program employment data similarly illustrated racial and ethnic gaps in economic outcomes. Hispanic participants consistently had the highest post-program employment rates, with 58% employed in Q4 2018, 45% in mid-2021, and a partial rebound to 52% by mid-2024. Black participants followed closely, with rates ranging from 55% to 38% and then back up to 48% by Q2 2024. Asian participants experienced more fluctuation but mostly remained below the average, ending at 45% in Q2 2024. In contrast, NA/PI, Other, and White participants consistently reported the lowest post-program employment rates. NA/PI participants dropped from 52% in Q4 2018 to 33% in Q4 2020 and only reached 47% by Q1 2023. White participants faced the worst overall, declining from 47% in 2018 to 34% in 2021 and ending at 38% in 2024 (Figure 3).

We used client-level data from the Research and Development Enterprise Project (RADEP)[4] to examine racial differences in key demographics among participants that might explain the observed racial disparities in employment rates at the aggregate level. We found that White, Asian, NA/PI, and Other participants are overrepresented in two-parent families, whose WTW participation requirements can be satisfied if only one parent works, and in CalWORKs Region 2 counties, likely rural areas with limited job opportunities. In contrast, Black and Hispanic participants are overrepresented in single-parent families, where employment is usually required unless they have an exemption or good cause status, and in CalWORKs Region 1 counties, likely urban areas with more job opportunities (Figures 4a and 4b).

Figures 4a and 4b.



These findings suggest that geography and race both play a role in access to employment opportunities among CalWORKs participants. While overall trends suggest a gradual recovery, notable disparities across counties and racial groups persist, indicating systemic barriers that affect participants both during and after program participation.

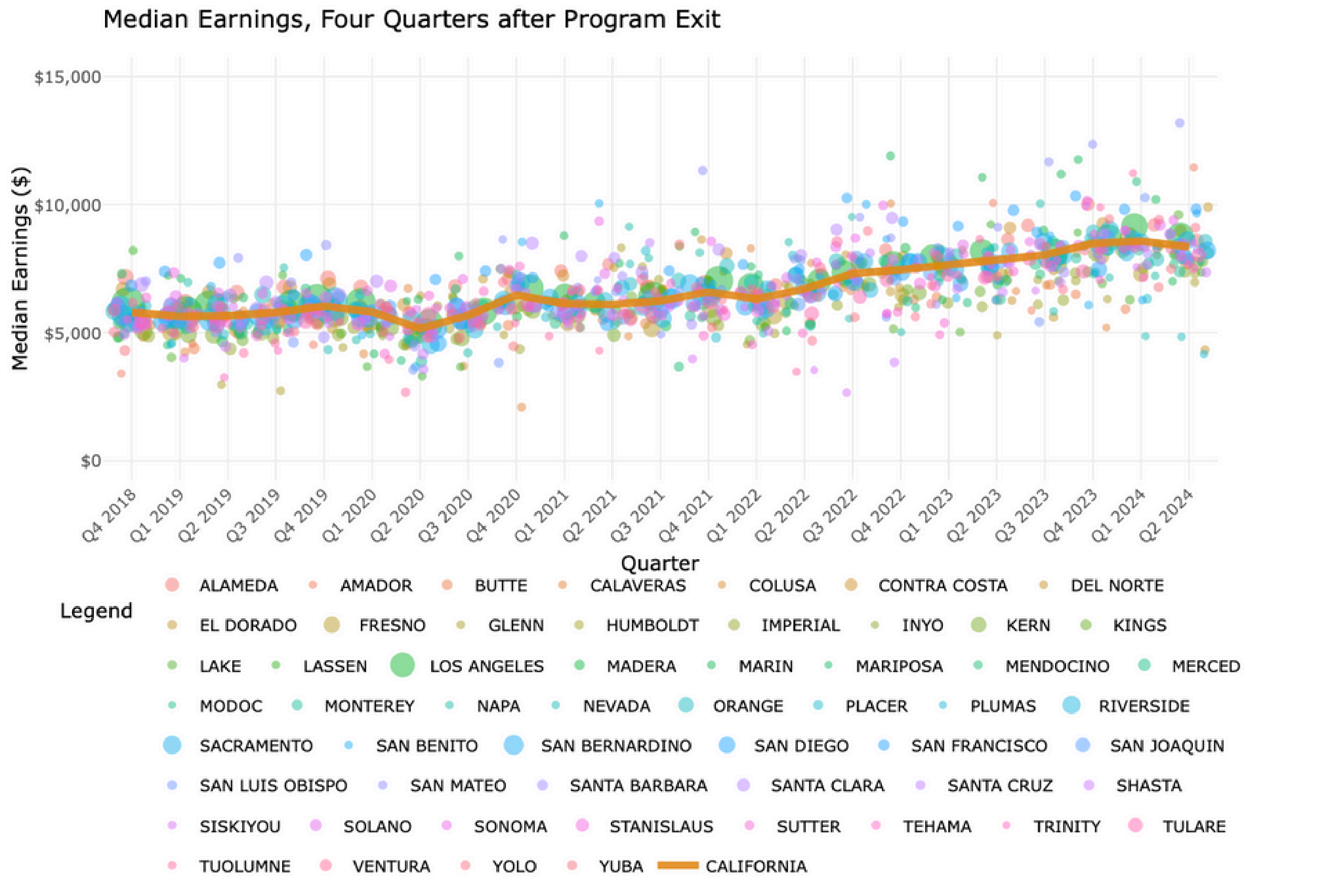
[4] RADEP is an annual representative sample of about 3,500 CalWORKs cases, drawn from the Medi-Cal Eligibility Data System. Since federal fiscal year (FY) 2007, RADEP has provided consistent, individual- and case-level information to support program evaluation, policy analysis, and research on CalWORKs families. We calcuated weighted percentages by race/ethnic groups using FY2017-2023 RADEP data.

Post-Program Median Earnings

Earnings and wage progression are critical indicators of long-term economic security for participants exiting CalWORKs. These measures capture the quality and sustainability of employment over time. Across the state, recent trends in median earnings four quarters after program exit show gradual improvements following significant pandemic-era disruptions, though persistent disparities remain by county and racial group.

Figure 5 shows post-program median earnings for successive exit cohorts over time. Statewide trends in median earnings among former participants with earnings four quarters after exit indicate modest increases over time from $7,500 for the 2017 Q4 exit cohort (measured Q4 2018) to $8,600 for Q2 2023 exit cohort (measured Q2 2024). All dollars are adjusted for the

Figure 5. Post-Program Median Earnings: Variations Across Counties.

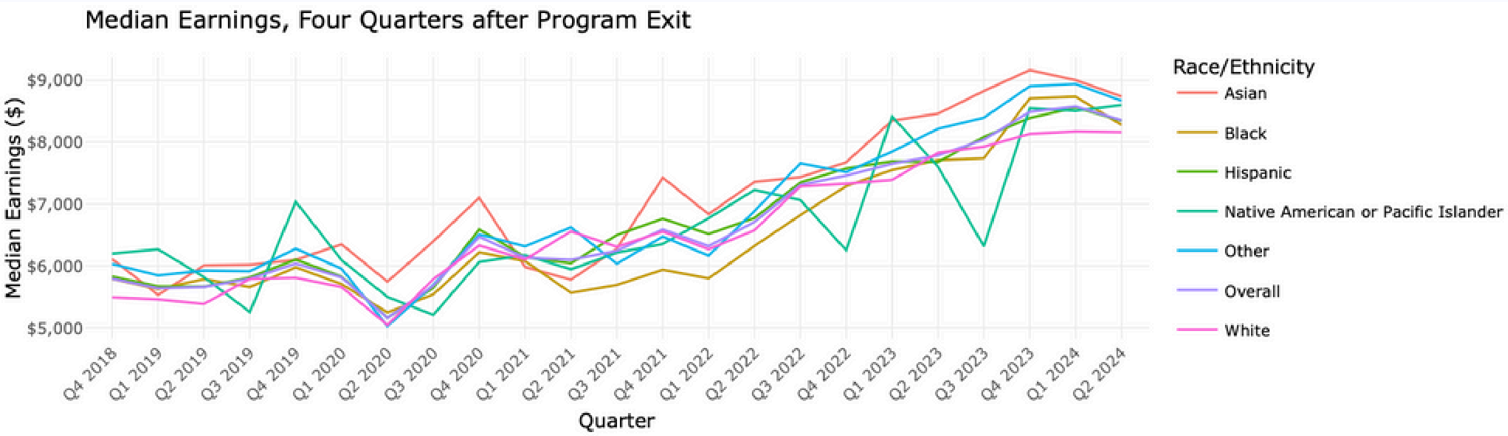


Note: Point size reflects the relative county caseload size for a given outcome. Point size relative to other time points and counties in figure. For longitudinally sampled variables (Exit with Earnings, Post-Program Employment Rate, and Median Earnings), sampling is lagged by one year.

2024 Consumer Price Index, (CPI).[5] Still, there was wide variation across counties, ranging from approximately $4,300 in Plumas county to $13,600 in San Mateo in Q2 2024 (Figure 5).

Racial disparities in post-program median quarterly wages also persisted over time at the state level. Asian participants generally had the highest post-program median quarterly wages, rising from $8,000 in Q4 2018 to $9,000 in Q2 2024. Participants classified as Other followed closely in the latest quarters and reported $8,900 by Q2 2024. Observed large variability in median earnings over time for NA/PI Participants, reported $8,900 in Q2 2024, likely reflects a small but diverse composition of this group, which may affect the stability of estimates. Hispanic and Black participants reached around $8,600 and $8,500, respectively. White participants had the lowest post-program median quarterly wages in some quarters, increasing from $7,100 in Q4 2018 to $8,400 by Q2 2024. While post-program earnings generally increased for all groups across exit cohorts over time, the pandemic impacted Black participants particularly hard, slowing their earnings recovery relative to other groups (Figure 6).

Figure 6. Post-Program Median Earnings by Race and Ethnicity.



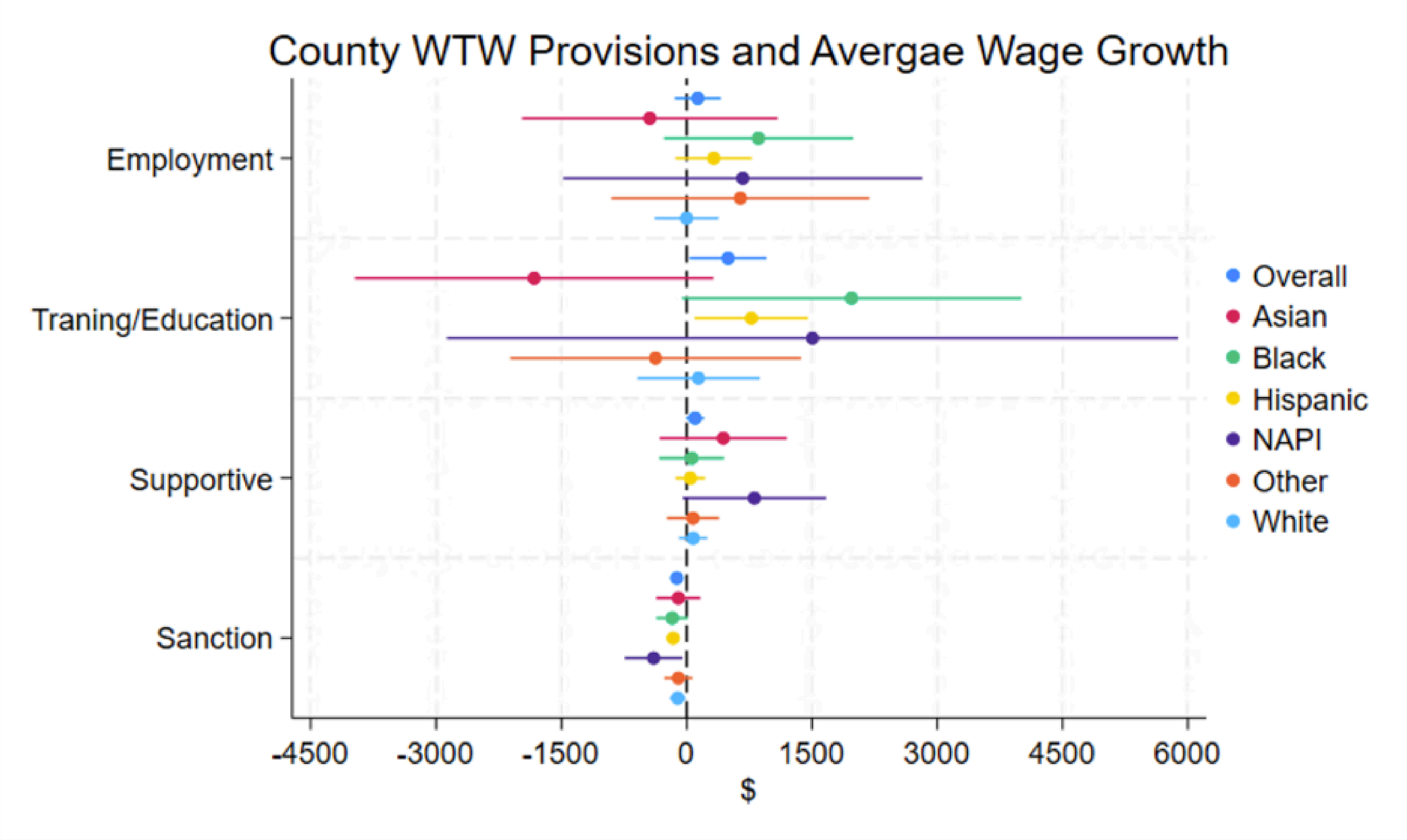
Together, while some progress has been made in post-program earnings over time, racial disparities persist. These patterns highlight the need for further examination of the connections between county WTW provisions and wage growth from program entry to four quarters after program exit, broken down by race and ethnicity group, to inform racially responsive intervention to improve long-term economic security for all CalWORKs participants.

5 2024 annual all urban consumers CPI "California Consumer Price Index (1955-2024)" at https://www.dir.ca.gov/oprl/CAPriceIndex.htm.

County WTW Provisions and Wage Growth

To analyze how different types of WTW provisions were associated with participants' wage growth from program entry to four quarters after leaving CalWORKs, we utilized non-deidentified WTW25(A) and Cal-OAR earnings data to compare average wage growth across counties[6] and racial and ethnic groups. We employed a quasi-experimental design with a difference-in-difference (DiD) model to estimate what happened when counties increased or decreased their efforts on different WTW provisions. We focused on four WTW indicators: the employment activities-to-participants ratio (work-first approach), training/education activities-to-participants (human-capital-building approach), supportive services-to-participants ratio (barrier-removal approach), and sanction rate (compliance-oriented approach). According to the regression-adjusted estimates, WTW participants experienced an average wage growth of about $3,000 from the time they entered the program to four quarters after they exited.

Figure 7. Estimated Effects of County WTW Provisions and Average Wage Growth.



6 We restricted our data to the largest thirty counties to avoid distorting the true effect size and the statistical significance of the findings, particularly for racial minority groups with small caseloads..

Our results, summarized in Figure 7, show that counties' efforts in employment activities were somewhat positive but not statistically significantly associated with average wage growth. However, if a county provided an additional training or education activity per participant, its participants, on average, would earn approximately $500 more in quarterly earnings four quarters after exiting the program. This association appears larger for Black, Hispanic, and NA/PI participants, with statistical significance[7] observed for Black and Hispanic participants ($p < .1$ and $p < .05$). We also found that providing an additional supportive service (such as child care support, transportation, mental health services, etc) that helps remove barriers to work was associated with an estimated increase of $100 ($p < .1$) in average quarterly earnings among participants, with the largest and statistically significant association among NA/PI participants (approximately $800, $p < .1$). However, if a county's sanction rate increased by 10 percentage points, on average, its WTW participants would earn about $118 ($p < .05$) less in quarterly earnings four quarters after leaving the program. The negative association was largest for NA/PI participants (approximately $400, $p < .05$), followed by Black ($173, $p < .1$, Hispanic ($160, $p < .05$), and White ($108, $p < .05$) participants. A negative relationship was also observed for Asian and Other participants, although it was not statistically significant. Our analysis reveals racially disparate associations between WTW provisions and average wage growth, highlighting how county-level WTW provisions may influence post-program earnings among CalWORKs participants of different racial and ethnic backgrounds.

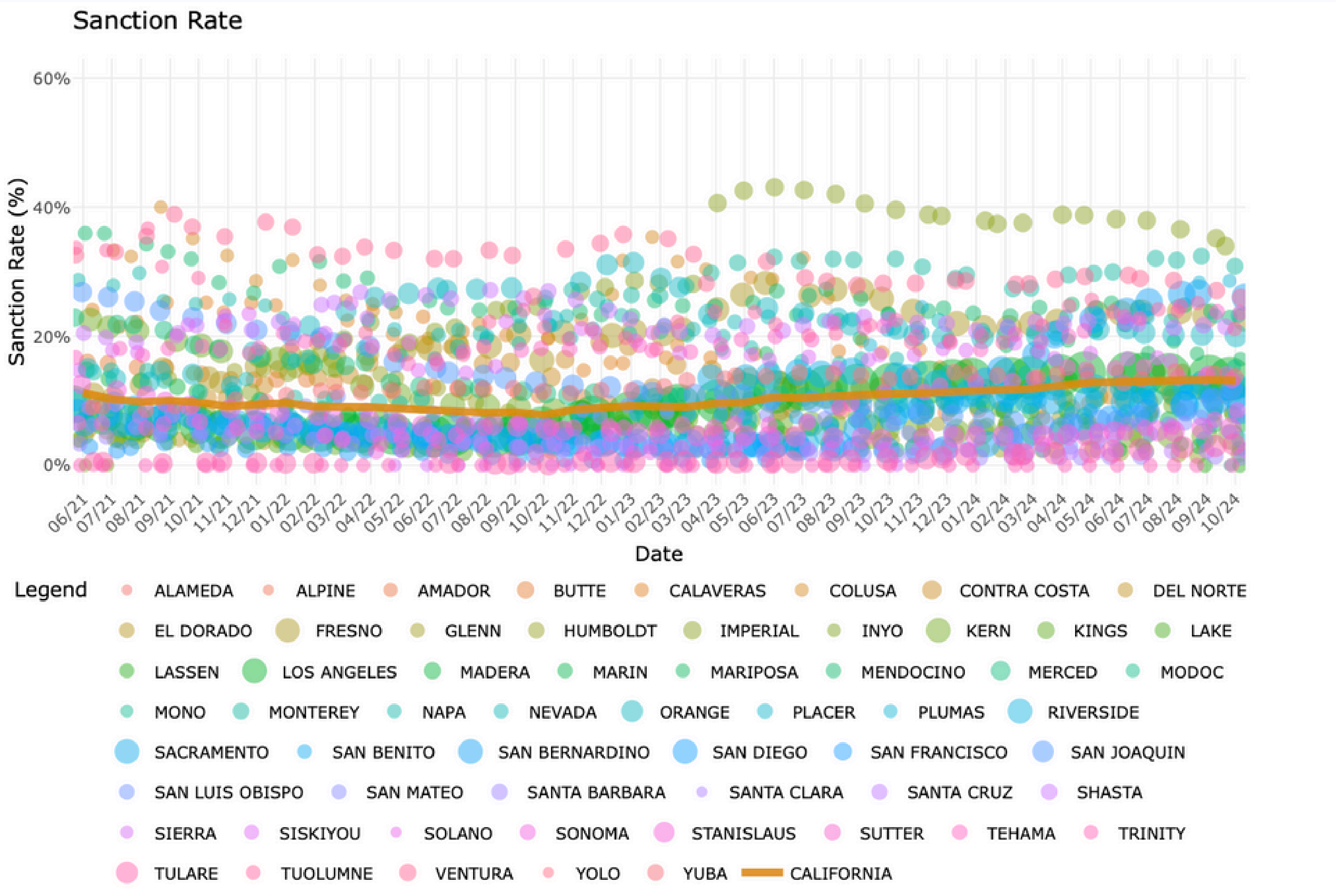
7 Results reported as statistically significant at the $p < .05$ level indicate a high likelihood that the observed relationship is not due to chance. Results at the $p < .1$ level are considered "marginally significant" — they may point to a real association but should be interpreted with greater caution.

Sanction and Sanction Resolution Rates

A sanction occurs when a family's CalWORKs cash assistance is reduced due to a parent's non-compliance with Welfare-to-Work (WTW) participation requirements, such as missing a job training, education, or work-related activity. Sanction resolution involves re-engagement with program requirements, resulting in the reinstatement of full benefits..

At the state level, California's WTW sanction rate declined from 11% in June 2021 to 8% in October 2022, likely reflecting the temporary suspension of compliance rules and the implementation of supportive flexibilities during the COVID-19 pandemic. However, as the economy reopened and pandemic-related policies were gradually phased out, the rate began rising again—reaching 13% by October 2024 (Figure 8).

Figure 8. Sanction Rate: Variations Across Counties.

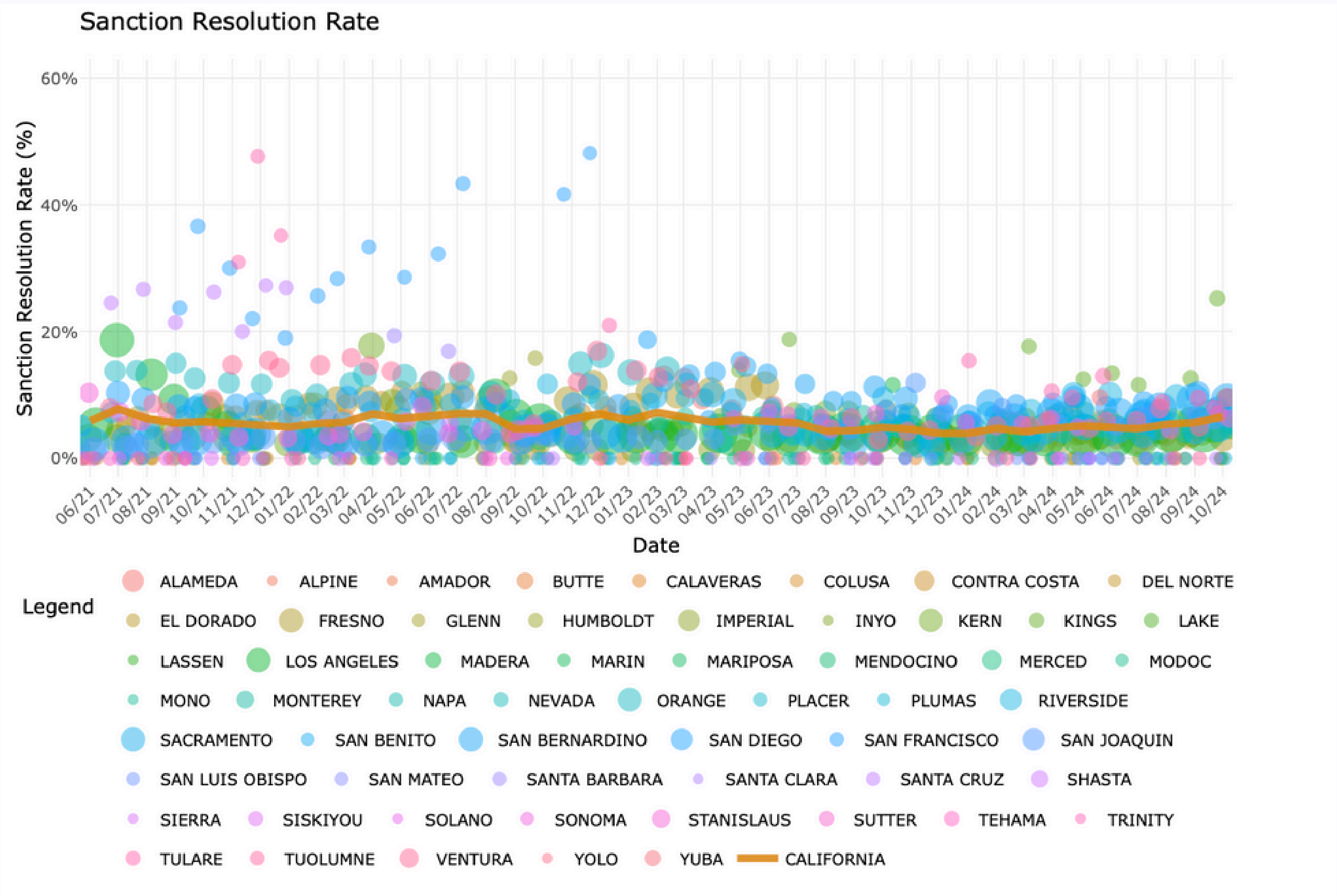


Note: Point size reflects the relative county caseload size for a given outcome. Point size relative to other time points and counties in figure. For longitudinally sampled variables (Exit with Earnings, Post-Program Employment Rate, and Median Income), sampling is lagged by one year.

Despite overall statewide trends, county-level sanction rates varied dramatically during this period. In July 2023, the average county-level sanction rate was 12%, with rates ranging from 0% in three counties to as high as 43% in Imperial, and a standard deviation of 11% (Figure 8). This substantial variability—nearly fourfold between counties—highlights disparities in sanction enforcement that may impact equitable access to WTW services.

In contrast, the statewide sanction resolution rates remained relatively consistent, increasing modestly from 6% in June 2021 to 7% in October 2024. Nonetheless, resolution rates varied significantly across counties. For instance, in December 2022, the average county-level resolution rate was 9%, with a range from 0% in ten counties to 48% in San Francisco, and a standard deviation of 12%. The 0% rate indicates limited success in re-engaging sanctioned individuals in several counties, despite overall sanction levels (Figure 9).

Figure 9. Sanction Resolution Rate: Variations Across Counties.

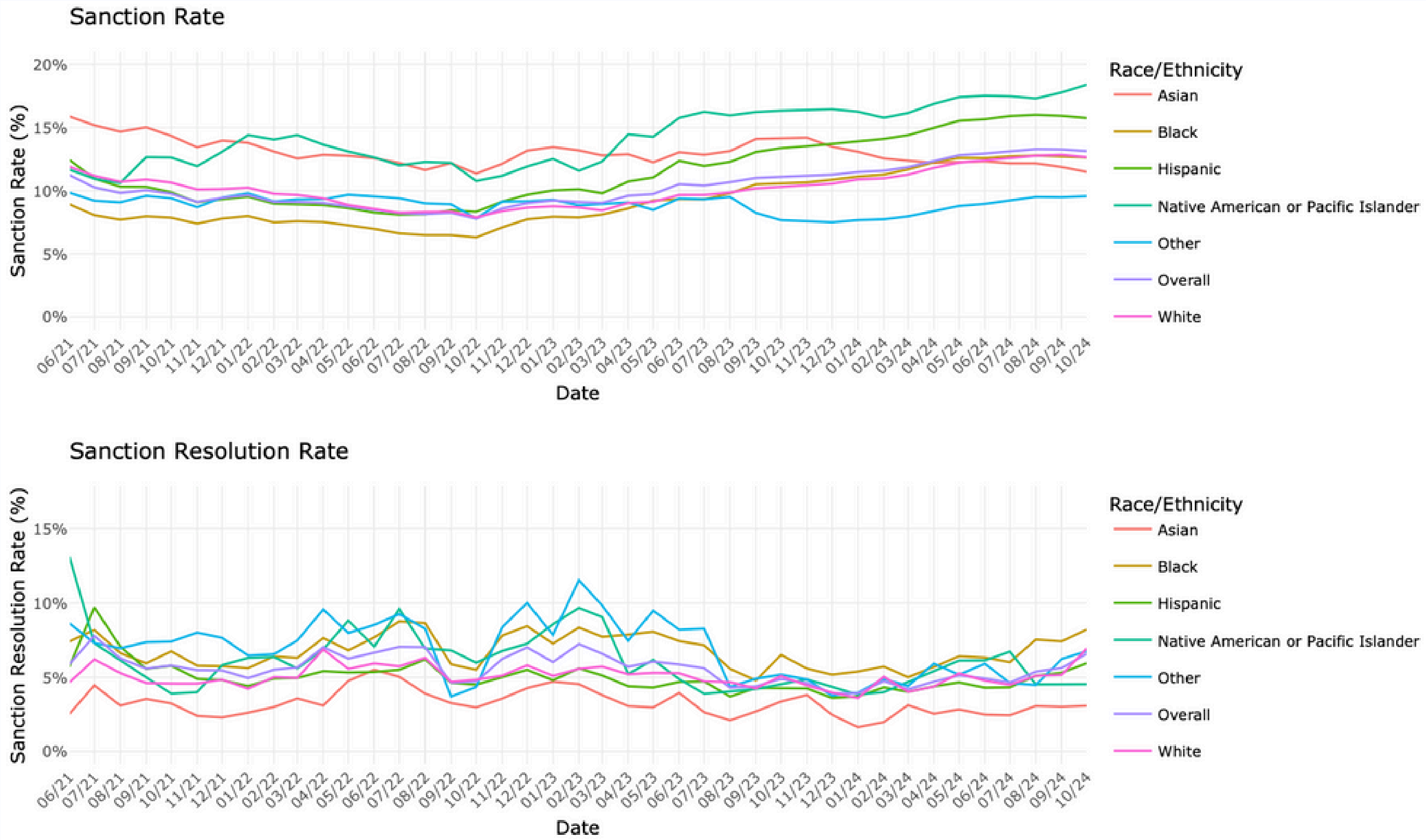


Note: Point size reflects the relative county caseload size for a given outcome. Point size relative to other time points and counties in figure. For longitudinally sampled variables (Exit with Earnings, Post-Program Employment Rate, and Median Income), sampling is lagged by one year.

Although CalWORKs is designed to support all families, persistent racial disparities in both sanction and sanction resolution rates suggest uneven access to resources and inconsistent program implementation. These disparities not only reflect broader structural inequities but also raise concerns about how policies are applied across racial and ethnic groups within the CalWORKs system.

In June 2021, Asian participants had the highest sanction rate at 16%, followed by Hispanic, NA/PI, and White participants at 12%, Other participants at 11%, and Black participants at 9%. Over the next year, most groups experienced a decline in sanction rates, reaching a low around October 2022. However, since that point, nearly all groups—except Asian and Other participants—saw sanction rates increase steadily through October 2024. By October 2024, NA/PI and Hispanic participants had the highest sanction rates at 18% and 16%, respectively, both exceeding the statewide average of 13%. Asian participants, who initially faced the highest rates, saw a notable decline to 11%, aligning more closely with Black, White, and Other participants, all of whom reached 13% by October 2024 (Figure 10, upper panel). These patterns suggest a

Figure 10. Sanction and Sanction Resolution Rates by Race and Ethnicity.



convergence in sanction rates for most groups alongside a widening gap for certain populations, particularly Hispanic and NA/PI families post-pandemic.

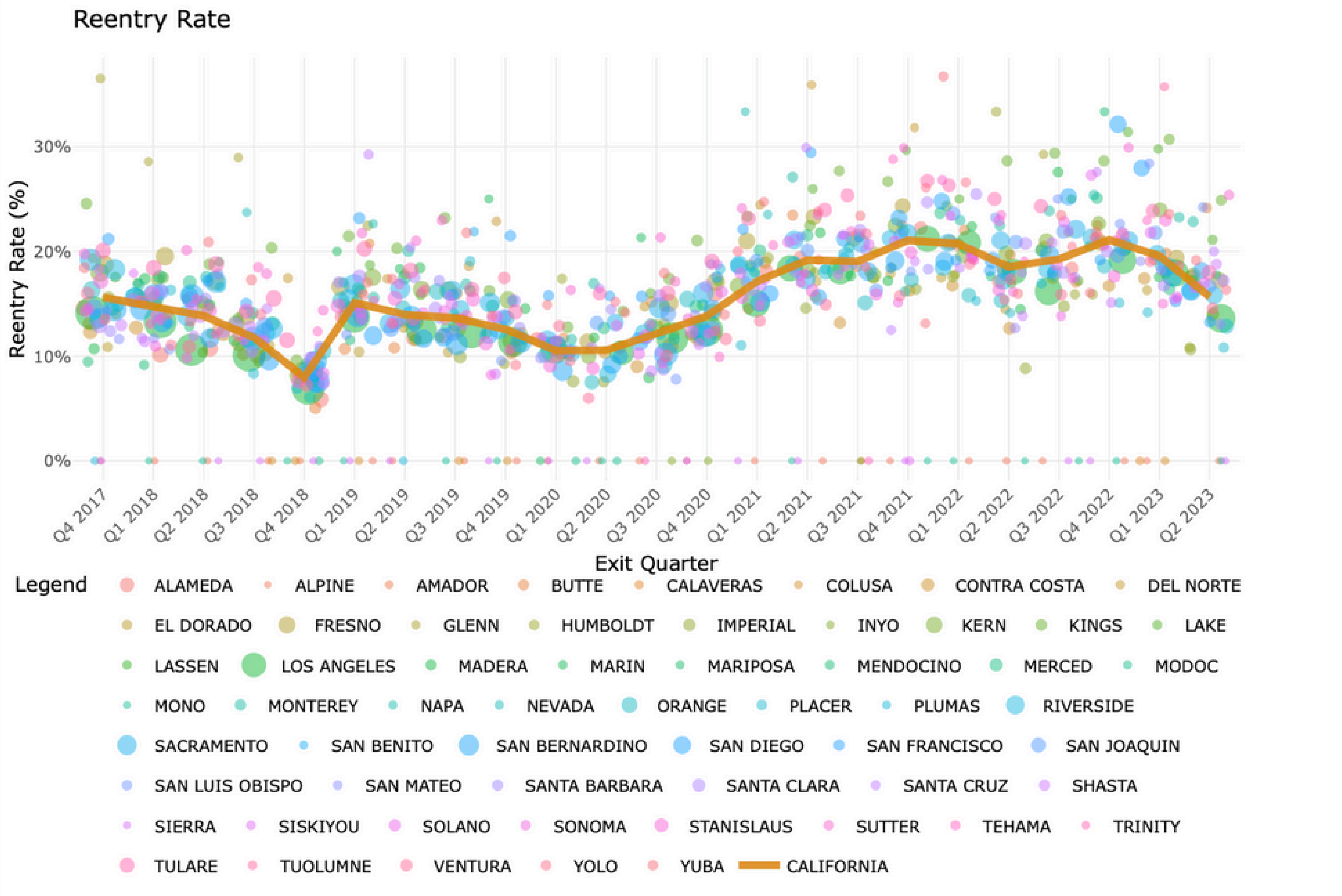
Sanction resolution rates also revealed racial disparities. Asian participants consistently had the lowest resolution rate, remaining at just 2% to 5% from 2021 through 2024, despite having one of the highest initial sanction rates. In contrast, Black participants had relatively high resolution rates, increasing from 7% in June 2021 to 8% by October 2024, indicating stronger re-engagement with the WTW program. Hispanic participants maintained a steady 6% resolution rate over the same period. White participants saw an increase from 5% to 7%, while Other participants declined slightly from 9% to 7%. Notably, NA/PI participants experienced the most significant decrease in resolution rates—from 13% in June 2021 to just 5% by October 2024—despite simultaneously facing the highest sanction rates (Figure 10, bottom panel).

Together, these trends reveal concerning inequities in both the imposition of sanctions and the support provided to families in resolving them. While sanction rates increased for nearly all racial and ethnic groups following the pandemic-related flexibilities, certain populations—particularly NA/PI and Hispanic families—now experience disproportionately high sanctions with limited success in resolution. Asian families, although seeing reduced sanction rates over time, remain the least likely to resolve sanctions once imposed. In contrast, Black families show relatively strong resolution rates, though they too face rising sanctions. These findings underscore the need for racial equity to be a central concern in CalWORKs program oversight and reform, with tailored strategies to address barriers to engagement and re-engagement across diverse communities.

Program Reentry Rate

Individuals who leave the program without reaching a livable wage or due to sanctions without re-engagement are more likely to re-enter the CalWORKs system. Therefore, monitoring reentry rates is essential for evaluating the program's success. Reentry rates, the percentage of former participants who return to CalWORKs in any month during the 12-month period following exit, showed a sharp rise during the pandemic. Statewide, the reentry rate dropped from 14% for participants exiting CalWORKs in Q2 2018 to 8% for participants exiting CalWORKs in Q4 2018. However, it then rose sharply to 15% for participants exiting in Q1 2019 (Figure 11). This increase was likely influenced by the economic disruptions caused by the COVID-19 pandemic, particularly the spike in unemployment in California in early 2020 (California Employment Development Department, n.d.), which likely caused many individuals to return to CalWORKs.

Figure 11. Program Reentry Rate: Variations Across Counties.



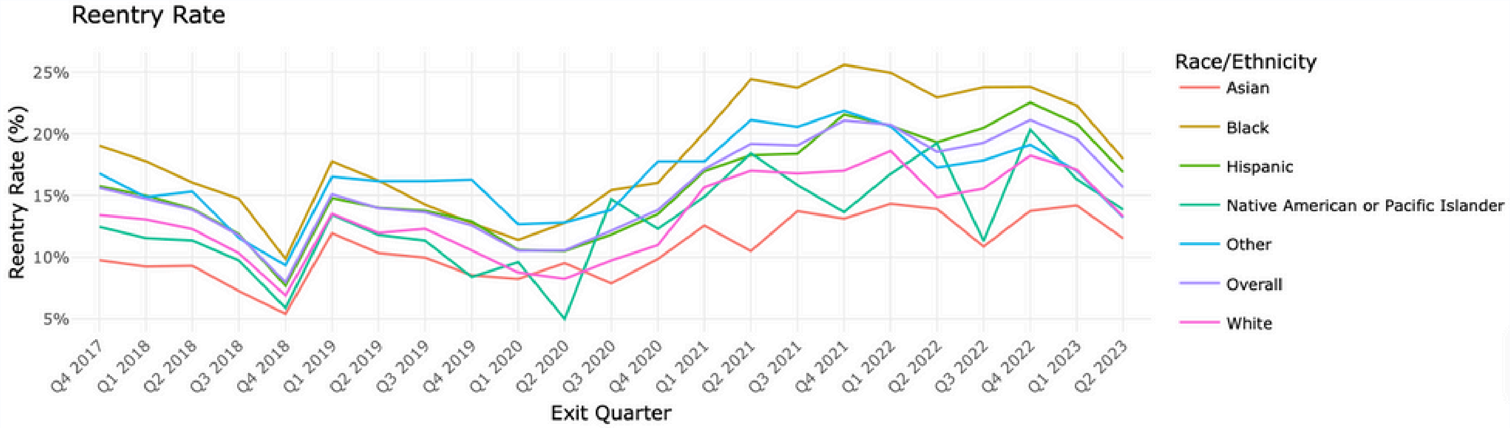
Note: Point size reflects the relative county caseload size for a given outcome. Point size relative to other time points and counties in figure. For longitudinally sampled variables (Exit with Earnings, Post-Program Employment Rate, and Median Income), sampling is lagged by one year.

Following that, the reentry rate decreased for those exiting between Q2 2019 and Q2 2020. Yet, it later surged again, reaching a peak of 21% in Q4 2021—a timing marked by a surge in CalWORKs applications following the expiration of federal pandemic unemployment benefits in September 2021 (Chang, Keh, & Salazar, 2025). Overall, these trends indicate that reentry rates are associated with broader economic conditions and changes in unemployment benefit programs.

While most counties clustered near the state average, some—such as Del Norte, Lake, and Kings—reported reentry rates near or over 30% at certain time points after the economy reopened and recovered in California following mid-2021. These high rates suggest uneven success in helping families leave the CalWORKs program and achieve self-sufficiency.

In terms of racial and ethnic differences in the reentry rates, Asian participants consistently had the lowest rates, increasing only slightly from 10% in Q4 2017 to 12% by Q1 2023. In contrast, Black participants had the highest reentry rates, rising sharply from 19% in Q1 2017 to 26% in Q4 2021, before falling to 18% in Q2 2023. Hispanic participants followed a similar pattern, peaking at 22% and declining to 17%. NA/PI participants remained on the lower end, fluctuating between 12% and 14% in recent years. Participants categorized as Other began with higher reentry rates—17% in Q4 2017—and peaked at 22%, before declining to 13% by Q2 2023. White participants show similar patterns to those of Other participants (Figure 12). Building on our earlier findings that Black and Hispanic participants have the lowest earnings four quarters after exit, these individuals face the greatest challenges in earning a livable wage to achieve self-sufficiency.

Figure 12. Program Reentry by Race and Ethnicity.



Policy Recommendations

These recommendations aim to address ongoing disparities and improve outcomes for CalWORKs participants through evidence-based strategies, increased county capacity, and supportive services. By adopting these policies and practices, California can strengthen the quality and effectiveness of the CalWORKs WTW system.

1 Realign Welfare-to-Work Services Toward Wage Progression, Not Just Employment

Evidence shows that counties that invest in human capital–building and supportive services achieve greater earnings gains for CalWORKs participants, particularly for families of color. In contrast, reliance on compliance-driven sanctioning hinders wage progression and economic mobility. To advance the goals of CalWORKs 2.0 and Cal-OAR, and implement reforms under the recently passed SB 119 (California State Legislature, 2025), the state could:

- Incentivize counties to track and promote wage gains and career pathways;
- Encourage integration with adult education, training programs, and supportive services that lead to living-wage employment; and
- Disincentive punitive sanction practices and encourage re-engagement strategies.

2 Strengthen County Capacity for Post-Exit Employment Supports

Counties with persistently low employment and earnings outcomes need greater capacity to support long-term economic stability for exiting. Strategies could include:

- Strengthen partnerships with local Workforce Development Boards and employers to connect WTW participants to local labor market opportunities;
- Strategic employer-linked subsidized and transitional employment with built-in progression plans; and
- Post-exit follow-up services for at least four quarters to support job retention and wage progression.

3 Enhance Cal-OAR Implementation in County System Improvement Plans

Evidence show persistent disparities in employment, earnings, sanctions, and program reentry by county and race and ethnicity groups. Cal-OAR can provide resources and trainings to help counties identify and address different disparities (e.g., race, language speaking, geography, gender, age, or family type) in ways that improve overall service quality and program performance. Although many counties already include goals related to service access and outcomes in their CalWORKs System Improvement Plan (Cal-SIP, California Department of Social Services, 2025a) and participate in the CDSS-led service improvement initiative (such as Racial Equity and Implicit Bias (REIB) Statewide Initiative, California Department of Social Services, 2025b), counties could consider:

- Routine analyses of performance outcome across demographic groups to pinpoint where service delivery may be uneven and to track changes over time; and
- Service-quality focused technical assistance and peer learning collaboratives to strengthen local strategies and ensure service quality for all participants.

4 Improve County Sanction Practices to Support the Implementation of SB 119

Sanction rates vary widely across counties, with some sanctioning over 40% of participants, while others rarely impose sanctions. This brief shows that county high sanction rates are linked to weaker average twage progression for most racial and ethnic groups, though the effect size differs. The recently passed SB 119 aims to prohibit sanction during the first 90 days on CalWORKs and promote a more supportive, family-centered approach. To improve wage progression and reduce disparities, counties could consider:

- Documented and standardized good cause reviews before sanction imposition;
- Verify availability of needed childcare and other supportive services (e.g., transportation, housing, or mental health services) before sanction imposition; and
- Demographics-disaggregated sanction analysis embedded in the Cal-SIP review process.

5 Invest in Accessible and Participant-Centered Re-engagement Services

Sanction resolution rates remain low, with notable challenges for Asian and NA/PI participants who may face language barriers, geographic isolation, or other service mismatches. This issue may be worsened by limited language access and uneven implementation of sanction-curing procedures (MPP §42.721.48) and recommended re-engagement strategies (ACIN I-93-17). To improve service quality and reduce gaps in outcomes, the state and counties could invest in:

- Culturally competent caseworkers and community-based partners who support CalWORKs participants through the sanction-curing process; and
- Participant-friendly services and trauma-informed re-engagement toolkits that guide caseworkers on how to reach out to individuals who have been sanctioned or disengaged.

6 Prevent CalWORKs Reentry through Post-Exit Support

CalWORKs reentry rates surged after the COVID-19 pandemic, revealing challenges in achieving long-term self-sufficiency and inadequate post-exit support. Reentry rates are more pronounced among Black and Hispanic participants who also show lower post-program median earnings or a slower earnings recovery. The state and counties could:

- Develop reentry prevention initiatives to assess income sufficiency, employment stability, and unmet needs among program leavers;
- Prioritize outreach to individuals exiting with low quarterly earnings and expand access to supportive services, such as housing stability, child care, and transportation subsidies, to help reduce cyclical poverty; and
- Analyze reentry patterns across demographics to identify service gaps.

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