FAMILIES IN ECONOMIC PERIL

"Government can mount programs that reduce, or augment, the rate of poverty and its attendant hardships...; it can destroy or revitalize cities; widen or narrow inequities in income; and promote or retard the expansion of civil rights. In a nation as smart, inventive and rich as America, the continuation of poverty is a choice not a necessity."

Michael B. Katz
In The Shadow of the Poorhouse:
The Social History of Welfare in America
Basic Books, New York, 1986

A family's economic status in large part determines its capacity to assure the health and well-being of its members. Not only do poor families suffer material deprivation, but financial hardship exacerbates the tension a family experiences between nurturing its members emotionally and physically and supporting them economically.

Most families members obtain their income in one of three ways: working for a wage, being supported by another family member or, for those who don't get sufficient income through work or family support, government transfer programs. These systems of income distribution work well for the majority of families. Most who are in the labor force are able to exchange their labor for an adequate wage. Most who rely on transfers to supplement their income, like the majority of social security recipients, have aggregate incomes that keep them above the poverty line. And most dependent family members, especially children, belong to families with income to share.

But for some families, access to an adequate source of income is tenuous. Not all who work are able to earn a sufficient wage. Some seek work and cannot find it. Not all dependents belong to families with income to share. Some have parents who are unemployed, underemployed, or absent altogether. And government transfer programs fail to provide the necessary funds to keep many families especially those who rely on Aid to Families with Dependent Children (AFDC) - out of poverty.

To address the fundamental problem of families in economic peril the lack of sufficient income - the Task Force examined the economic barriers that confront an increasing number of California's families.

Who Is in Economic Peril?

The statistics describing those in economic peril are startling, for they touch a broad cross-section of the state's population.

Children. More than one in five California children live in families whose income is below the federally defined poverty level. The number of poor children - 1.78 million - nearly doubled from 1969 to 1987.

People without jobs. In 1987, 792,000 Californians actively sought but could not find employment.²

People who work full-time. In 1985, 7.9 percent of California's working population remained in poverty.³ The number of poor adults who worked that year outnumbered those who received Aid

to Families with Dependent Children (AFDC) by 1.6 times.4

Single parent families. While more than 60 percent of female heads of families work,⁵ almost half live in poverty.⁶

Two-parent families. Over half the poor children in California live in families where both parents are present. In the majority of these families, one or both parents work, either full or part time.⁷

Young families. The average real income for families headed by parents under 30 dropped 26 percent since 1973.8

4

Older family members. In spite of Social Security and other programs that benefit the population over 65, older family members are more than 1.5 times as likely to be economically vulnerable as those under 65.9

Families supported by minimum wage workers. At \$4.25 an hour, a full time minimum wage worker in California brings home only \$734 a month. In most California cities, housing is not available for less than \$400 a month; that leaves \$334 for everything else. Rarely do such low wage jobs include health insurance or employee benefit packages.

Families with no health insurance. 5.2 million Californians - the vast majority of whom are working parents and their children - are without health insurance. Deven a middle income family can be plunged into poverty by just one family illness.

Equally as disturbing as the growth of poverty in California, is the increasing gap between the rich and the poor.

- From 1977 to 1986, the incomes of the poorest 20 percent of California's families declined by nine percent, while those of the richest 20 percent grew by 14 percent.¹¹
- This growing inequality was especially acute for black families
 both poor and middle class who saw their real incomes drop by nearly five percent from 1977 to 1985.¹²

Poverty is a particular threat to minority families because they are disproportionately represented in the lowest-wage sectors of the workforce.

 One survey found that 60 percent of black female household heads whose families live in poverty are involuntarily working part time.13

- Members of racial minorities, especially minority women, are concentrated in jobs which pay at or below the minimum wage.¹⁴
- Between 1973 and 1984, the average income for young black men declined a staggering 37 percent.¹⁵
- Poverty among Hispanics has risen faster than in any other group in recent years.¹⁶



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 Southeast Asian refugees are among the state's poorest residents and, like many other immigrant families, they face major obstacles getting the language and skills training they need to support their families.

Poverty is not a threat only to the families in economic peril; it is a threat to the state and its future. The cost of poverty is reflected in a host of related problems, including an alarming high school drop out rate, increasing teen parenthood, low birth weight babies, infant mortality, untreated health problems, and the low productivity of under-employed, under-educated workers. As we approach the 21st century, California cannot afford to ignore the fiscal costs and lost human potential long associated with poverty.

WHEN PAID EMPLOYMENT IS NOT ENOUGH

Hard work is no longer necessarily a route out of poverty for many California families. Today's wage-earners are caught in a time of enormous economic transformation. For many families, the very ground rules of employment have changed: wages have declined, the job market has been re-shaped, and many traditional avenues of employment have become dead-ends.

With the fastest job growth in the lowest paid industries - service and retail - workers' wages have dropped dramatically in the last two decades, especially for the less-than-college-educated who make up almost two-thirds of California's adults.¹⁷

• The real mean earnings of high school graduates ages 20 to 29 have dropped by 26 percent since 1976.18

Much of this decline can be attributed to workforce and wage cuts in the manufacturing sector, where hard work used to provide a ticket to middle class stability. This is most obvious in large urban areas where the poor are concentrated. Sociologist William Julius Wilson found in nine major U.S. cities, the number of jobs requiring less than a high school diploma dropped by 683,000 since 1970, while the number requiring at least some higher education rose by 722,000.¹⁹

According to Angela Blackwell, Executive Director of the Oakland's Urban Strategies Council, the blue collar jobs that disappeared in inner city Oakland in the last two decades were overwhelmingly replaced by "pink collar" clerical, service, and retail jobs, primarily occupied by women, at wages much lower than the jobs that were lost.²⁰

For some portions of the population, virtually no employment is available. California's desert counties, for example, suffer an unemployment rate as high as 19 percent, while other rural counties register their unemployment rates at 10 - 12 percent.²¹ Even in urban areas where job growth has been strong, the "Swiss cheese" character of that growth has left out whole communities. In 1987, while Alameda County experienced an unemployment rate of 4.5 percent,²² in the city of Oakland, blacks experienced an unemployment rate of 7.3 percent and Hispanics, 8.6 percent.²³ The story is similar in other urban centers where many residents, especially black and Hispanic youth, have become so discouraged they've dropped

The problems facing the family in the service sector force a mother or father, and in some cases both, to be at work 14 to 15 hours per day just to provide for their children's physical needs, but it does not allow them time to provide the nurturing, the guidance, and the emotional support necessary to establish a viable and stable family.

Eliseo Medina, President Service Employees International Union, Local 101 out of the job market altogether.

The Contingent Workforce

A new labor market trend has increased the threat of economic peril for many California families - the rise of the "contingent workforce." Contingent workers are part-time, temporary, and contract employees, often hired to supplement a company's core personnel. While core workers may have the traditional wages, benefits, and job security associated with employment, contingent workers tend to make less money, have less access to company health and pension benefits, and are often hired on a short-term basis.

A contingent workforce maximizes management flexibility by minimizing long-term wage and benefit commitments. It also offers flexibility to employees who choose to work on a part time or temporary basis - usually those whose incomes are not needed to assure their family's basic economic security. But for workers who rely on their jobs to support their families with a steady income, health benefits, and a secure future, contingent work means economic vulnerability for them and their families.

- A quarter of California's workforce is currently employed as contingent labor.24
- Part-time workers average almost \$3.00 per hour less than full time workers.²⁵
- Forty-two percent of part time workers and 30 percent of temporary workers in California are without any form of health insurance.²⁶
- The number of Californians working part time involuntarily those who want full time work but must settle for less has risen 151 percent since 1970.27

Government has become one of the largest employers of contingent workers. For example, some 43,000 home health care workers are employed as "independent providers" by the counties of Los Angeles and San Diego. While the counties arrange their hiring, pay their salaries, and deduct taxes and Social Security from their checks, because they are termed "independent," they receive no health or pension benefits.²⁸

The Senate Office of Research found that the expansion of the contingent workforce is resulting in greater numbers of lower-paid

workers without basic benefits, growing dependence of workers on publicly-provided taxpayer-supported services, weakening worker purchasing power, and a labor force that receives less training and has fewer reasons to be loyal to its employer.²⁹

Women's Wages

Women's wages remain well below the wages of men. In 1986, women working full time earned only 72 percent of that earned by full time male workers, a figure that has remained essentially the same throughout the 80's.³⁰ Nearly half of all working women are clustered into only 20 out of 420 job categories listed by the Department of Labor.³¹ These are among the lowest paid jobs and are least likely to offer health insurance, pension plans, and benefits such as child care or parental leave to assist mothers in meeting their caregiving responsibilities at home.

- Of the 1.6 million California families in poverty in 1985, 55 percent were headed by single mothers.³²
- Two-thirds of the contingent workforce are women³³ whose low wages are a significant factor in the growth of family poverty.

Numerous state and federal studies have revealed that it is not only women's relegation to the contingent workforce that accounts for the differential in pay between men and women. Sex discrimination also plays a major role. In fact, the sex of a worker is more predictive of a job's pay than any other factor, including education, experience, or unionization.³⁴

Elaborate methods have been developed to measure the value of a job so that wages can be assigned on a rational basis, and jobs of comparable worth can be paid equally. But in spite of much discussion by policy-makers and the implementation of comparable worth evaluations in a handful of workplaces, on the whole, women still earn less than men, even when their work is more difficult, demands more extensive training, and entails more responsibility.

Several California municipalities have successfully implemented comparable worth policies. In 1985, the Los Angeles City Council appropriated funds for a three year period that enabled its employees' representative, the American Federation of State, County and Municipal Employees, to negotiate pay raises of 11 to 15 percent for approximately 350 librarians and 4000 clerical workers.³⁵

I've worked for the last 16 years with one six-month break when our first son was six months old. In spite of a very steady income for all those years, and with fairly conservative spending habits, I find myself quickly approaching the age of 40 with no savings and not owning my own home. I think that's a fairly typical situation for most women.

Francie Hornstein San Francisco In San Francisco, through a popular referendum, the electorate changed the city charter to include comparable worth as a criteria in the establishment of city workers' wages.

Grassroots Efforts to Upgrade Wages

Efforts to raise wages have taken many forms, from union organizing drives at specific workplaces to coordinated city and regional strategies designed to stimulate economic growth and attract new jobs. For years, local governments have subscribed to the theory that an influx of new businesses will create jobs, shore up the local tax base, and ensure an economy vital enough to benefit the whole community. Unfortunately, as many communities have discovered, the jobs they attract are not always good jobs, and employment opportunities often miss the residents most in need of work.

New strategies are emerging to improve opportunities for the working poor, sponsored both by government agencies and innovative community organizations. Some focus on job training, some on job creation, and some on removing barriers that confront particular segments of the population. In all cases, model programs share the goals of broadening possibilities for employment and ensuring workers dignity and a decent wage.

Some California cities negotiate agreements with companies that seek to build new residential or commercial developments to hire low income and minority residents or to provide special services to economically depressed neighborhoods.

The city of Berkeley runs a "first source hiring" program that matches city residents in need of work with jobs created by new business and developments.

Manos, a project sponsored by the Oakland Catholic Diocese, serves monolingual Hispanic immigrants. Recognizing that most job growth is in the service industry, Manos is trying to turn low-paying service jobs, like house cleaning and janitorial work, into higher quality jobs by developing worker-owned businesses and cooperatives. A similar effort is underway in Los Angeles.

In many communities, organizations exist to help people start small business ventures. The Women's Initiative for Self Employment in San Francisco targets its services specifically to low income women for whom entrepreneurialism can be a route out of poverty.

In the city of Fremont, leaders of a local job training program identified housing costs as a barrier facing many of their clients. They founded the Fremont Housing Scholarship Program, a partnership between the job training agency and apartment owners who agreed to reduce rents for students while they are in training.

The Employment Training Panel is a statewide program that funds training for workers who have recently become unemployed or are likely to lose their jobs due to economic and technological change. The goal of ETP is to ease the trauma caused by shifts in the economy, helping help workers and their families before they sink into poverty. Since its founding in 1983, the nearly 50,000 people who have graduated from ETP programs have remained employed at wages higher than they received in their previous jobs.

California has a robust economy and an innovative spirit. As the first state in the nation to raise the minimum wage from \$3.35 to \$4.25, the state demonstrated compassion for low income workers and an understanding of the conditions many poor families face. Yet, in spite of innovative programs and a generally healthy economy, poverty persists and policies must continue to respond. On both state and local levels, policies must encourage an investment in people by targeting resources to support families in their efforts to maintain economic self-sufficiency.

Double Jeopardy for the Working Poor

Families in economic peril, like all other families, experience the tension between their two primary functions - supporting their members economically and caring for them physically and emotionally. But for poor families without the resources to supplement their caregiving efforts, that tension can easily become a crisis.

Poor parents are most likely to lack the time and services critical to ensure their family's health and safety. Child care, including safe, well-supervised after school activities, supervision of sexually active teenagers, and even basic health care services are beyond the reach of many of the working poor. They often must surrender caregiving time to the demands of their jobs, and low income parents in particular, cannot afford to jeopardize their job security by letting family needs "interfere" with their worklife.

POLICY RECOMMENDATIONS

I. Re-formulate compensation policies in the public sector to protect economically vulnerable employees.

Offer pro-rated benefits to less-than-full-time and temporary employees.

Establish pay equity between men and women who do jobs of comparable worth.

II. Encourage businesses that contract with the state to bolster the economic security of low income workers.

In awarding government contracts, give weight to a bidder's achievement in implementing family-oriented policies that include health insurance, child care, elder care, employee assistance, family leave, flexible work hours, comparable worth compensation practices, and pro-rated benefits for less-than-full-time work.

III. Index the minimum wage to the cost of living, adjusted annually.

RELYING ON OTHER FAMILY MEMBERS FOR ECONOMIC SUPPORT

California has approximately 14 million people who work, and about eight million others - mostly children - who depend on them for their economic well-being. The rising rate of poverty among children is evidence that many are not being adequately supported by those on whom they depend. Some parents do not earn sufficient wages to support their children. But an increasingly common cause of economic peril for children is the absence of one of their parents from the household.

o Nearly half the children born today will spend a significant

portion of their lives in a single-parent home, usually with their mother.³⁷

 Rising divorce rates and unmarried parenthood have caused the number of female-headed households nationally to double in the last 20 years, and California's statistics are no different.³⁸

Given the necessity of two paychecks to support most families, losing one - especially the larger male paycheck - has a devastating effect.

• Upon the break-up of a household, one study showed the average man's standard of living goes up by 42 percent while that of the woman and her children drops by 73 percent.³⁹



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Parental Responsibility

The rising numbers of women raising children alone has made it imperative to enforce the obligation of both parents - whether married and present in the household or not - to support their children. Unfortunately, the current child support system which tries to ensure financial support for children by non-custodial parents has proven inadequate. The Institute for Research on Poverty estimates that only half the families eligible to receive child support from an absent father receive the full amount due.⁴⁰

The most important thing in California is the changing household and the profile of that household. Over half of all households in California - and this is the only state in which you can say this -consists of only one or two persons. We have the largest number of single adults, of one-parent families, of all states in the United States.

Leo Estrada School of Urban and Regional Planning, UCLA In California, the 1987 delinquent child support payments amounted to \$1.6 billion.41

Much recent attention has focused on improving child support collection mechanisms, a rational approach to the problem of inadequate collection. But equally critical is the initial award. In California in 1986, the average monthly award was only \$171.42 This is less than the 1983 national median of \$195 per month and only \$21 higher than the U.S. poverty guideline of \$150 per month per child. To truly combat poverty, it is essential that the child support system strive to increase the contribution of noncustodial parents and implement efficient methods for updating awards to reflect increases in the cost of living and changes in the financial circumstances of either parent.

The state of Wisconsin re-tooled its child support system to ensure that it serves an anti-poverty role. It established per-child, percent-of-income awards, so that award levels are no longer left exclusively to judges' discretion. This year, on a pilot basis, it will provide a minimum benefit to children whose absent parents are unable or unavailable to make their full support payments. Officials in Wisconsin believe their child support insurance system, though expensive initially, will lift a significant number of families out of poverty and ultimately reduce the cost of welfare dependency to the state.

Protecting Adult Dependents

The dissolution of a long-term marriage can push a woman directly into economic peril. Only 14 percent of divorcing women receive spousal support, and the average award does not reflect either the standard of living established during marriage or the husband's ability to pay. Of all divorcing women, those with small children are least likely to receive spousal support awards, even though they face the greatest difficulty holding a job because of the age of their children and they have the highest child care costs. Women from marriages of long duration who worked as full time homemakers also face hazards. They are often referred to as "displaced homemakers," for they no longer have their homemaking job and are left with a lack of marketable skills and little or no source of support. According to the Senate Task Force on Family Equity, these women are eligible for minimal social security, rarely have pension coverage, and have only a small likelihood of remarriage.

The economic problems of divorced women are exacerbated by the disadvantages women are subject to in the labor market where they are likely to earn only 44 percent of their spouse's salary.⁴⁵ The

Family Equity Task Force found economic necessity mandates that spousal support be awarded in amounts large enough to compensate women fairly for their contribution to the marriage and recommended that the courts attempt to ensure an equal standard of living for both partners when their marriage ends.

Dependent members of long-term couples who have remained unmarried also bear the potential for economic hardship. Nearly 1.4 million adults - many with children - live in unmarried couple households in California. Their reasons for living together as domestic partners rather than spouses are varied. For same-sex couples, the law requires it. Considering the reasons of others, the California Supreme Court wrote, "Some ... may wish to avoid the permanent commitment that marriage implies, yet be willing to share equally any property acquired during the relationship. Others may fear the loss of pension, welfare, or tax benefits resulting from marriage... In lower socioeconomic groups, the difficulty and expense of dissolving a former marriage often leads couples to choose a non-marital relationship; many unmarried couples incorrectly believe that the doctrine of common law marriage prevails in California and thus that they are in fact married."

Whatever the reasons people form domestic partnership families, they often become as economically intertwined as spouses or blood-related families. However, because our laws have not kept pace with changes in family structure, these families often face particular difficulties that place their dependent members in economically vulnerable positions.

- A recent study documented discrimination with economic consequences against unmarried couples in the areas of employee benefits, insurance, and health care services. 48
- Some life insurance companies refuse to allow policy holders to designate an unmarried partner as beneficiary.
- Many insurance companies deny coverage, set higher rates, or cancel policies because the policy holders are unmarried or because of their sexual orientation.
- Serious gaps exist in the law giving crime victims and their economically dependent partners recourse against wrongdoers. If a couple is married and one member is seriously injured or killed, the other can sue for damages to the marriage, emotional trauma, or wrongful death. However, if a member of an unmarried couple is killed or maimed, the survivor,

even if he or she was entirely economically dependent on the partner, has no recourse to sue.

Unmarried long-term partners perform the same economic and nurturing functions for one another - and for their children - as do other types of families. While some may object to unmarried couples living together, if those couples assume the responsibilities of a family, public policy should recognize them as families and prohibit discrimination that impedes the economic well-being of their family members.

POLICY RECOMMENDATIONS

I. Ensure that parents - whether they live with their children or not - meet the responsibility to support their children economically.

Alter child support guidelines to raise award amounts and ensure they keep up with the cost of living.

Insure child support awards, so that if a parent defaults, the state will pay the award and seek repayment from the defaulting parent, removing the burden of prosecution from the custodial parent.

Implement automatic wage withholding for child support payments at the time a court order is issued.

Develop policies to guarantee the establishment of paternity at birth.

Study the feasibility of transferring child support collection from the justice system to the tax system to remove the punitive stigma and collect awards more efficiently.

Study the nationally heralded "Wisconsin model" child support system and consider its implementation in California. The system includes a flat percentage-of-income rate guiding child support awards and a minimum benefit standard paid by the state if the non-custodial parent is unable or unavailable to provide it.

II. Ensure that adult dependents are protected from economic harm due to the loss of the family breadwinner.

Implement those recommendations of the Senate Task Force on Family Equity that are designed to protect spouses, particularly older homemakers in marriages of long duration, from excessive financial harm resulting from divorce. These include:

Spousal support awards that are based on the standard of living established by the parties during the marriage; and

Effective enforcement of spousal support awards to alleviate the impoverishment of women and children resulting from divorce.

Amend the wrongful death statute to allow unmarried adult dependents who resided with the deceased to sue for damages caused by a wrongful death.

Outlaw insurance practices that cause economic harm by discriminating against unmarried couples, including practices that do not allow life insurance applicants to name the beneficiary of their choice.

INCOME FROM GOVERNMENT TRANSFER PROGRAMS

The United States spends close to a trillion dollars each year on social welfare, a spending category that includes public education, health care, and all the government's social insurance programs, such as Social Security, unemployment insurance, and worker's compensation. Only 12 to 13 percent of the government's social welfare spending is targeted to the poor, and those funds go primarily to programs for the aged, blind, and disabled. Slightly more than two percent is directed to Aid to Families with Dependent Children (AFDC), the only program designed to aid children deprived of parental support.⁴⁹

While the vast majority of social welfare spending goes to middle income Americans, it is AFDC - commonly referred to as "welfare" - that has been the focus of much public concern. Designed as a widow's pension in the 1930's, Aid to Families with Dependent Children is a holdover from an era when few mothers worked. Its intent was to assist children in households no longer supported by a male income, usually because of their father's death. It has continued to serve that purpose, though today the most common reason that children are deprived of parental support is the absence, rather than the death, of a parent.

Aid to Families with Dependent Children

Welfare is a way station in the life cycle of many low income families. And it is a surprisingly common stop. Most stays on welfare are temporary - less than five years - and as many as a quarter of the total population have at one time received some form of public assistance.⁵⁰

- Approximately 670,000 families receive AFDC in California.⁵¹
- Eighty-eight percent are single parent families, almost always headed by a female.⁵²
- A third leave welfare within two years.⁵³
- Approximately a third rely on welfare for eight years or more, but only 20 percent of the children of long-term welfare recipients become welfare recipients themselves.⁵⁴

Long-term welfare families, while not growing in number, have become increasingly marginalized and segregated geographically. They are likely to live in neighborhoods where welfare is the norm and few options exist for upward mobility. The Urban Strategies Council found in inner-city Oakland that even marriage - the most common route off welfare for most women - is not likely to raise a black woman and her children out of poverty. For every 100 black women in Oakland aged 25 - 34, census



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The lack of a mutually supportive relation between family life and economic life is one of the most serious problems facing the United States today. The economic and cultural strength of the nation is directly linked to the stability and health of its families. When families thrive, adults contribute to the common good through their work at home, in the community and on their jobs, and children develop a sense of their own worth and of their responsibility to serve others. When families are weak or break down entirely, the dignity of parents and children is threatened. High cultural and economic costs are visited on society at large.

Rev. William Wood, Director California Catholic Conference data shows only 45 black men holding full time jobs, and thus in a position to support a family.⁵⁵ Forming a two-income household has virtually disappeared as an option in some of California's communities.

The AFDC recipients who are most likely to stay on the rolls long-term are young, never-married mothers who had their first children as teenagers, and their children are likely to be poor throughout their childhoods. When their children are grown, they leave the welfare rolls skill-less, separated from the world of work by years of unemployment and deprivation.

California's Welfare Program: GAIN

In recent years there has been much discussion of "welfare dependency" and the need to help welfare parents become self- sufficient. In California, the GAIN (Greater Avenues to Independence) program was devised as a welfare-to-work program, the result of many years of study, policy discussion, and negotiation. GAIN is designed to provide a broad array of job preparation services, including adult basic education, vocational training, and job search assistance to help move welfare recipients into the workforce. Key to the GAIN program is the state's commitment to furnish the family supports - particularly child care - that parents need to participate in GAIN and move successfully into a job.

The jury is still out on the success of GAIN. Though the program became law in September, 1985, three years later it still had not been implemented in the state's three largest counties, including Los Angeles where 40 percent of the AFDC population lives. Nonetheless some problems are evident. Two years into the program, most GAIN participants who had gotten jobs continued to receive a partial AFDC grant because their new jobs paid so little they were still eligible for welfare. Some counties report that when their child care benefits run out, many women are forced to leave their new jobs because they cannot find child care arrangements they can afford. And when women are placed in jobs that move them off welfare, their families may be left in an even more vulnerable position. Not only is the mother no longer at home to care for her children, but if her income rises above AFDC eligibility, even by a few dollars, her family also loses its Medi-Cal eligibility and - except in rare cases where the woman's job offers health benefits - its access to medical care. It is questionable whether leaving the ranks of the welfare poor to join the ranks of the working poor will necessarily enhance a family's economic security.

But a clearer threat to the success of the GAIN program is the decision California already made - in GAIN's second year - to cut its funding statewide by 25 percent. In Los Angeles County, the program was projected to cost \$200 million. Hardest hit by the budget cut, Los Angeles will receive only \$42 million, clearly undermining its chances for success.

California's experience should serve as a warning light to the rest of the country. The federal welfare reform legislation of 1988, also designed to put welfare recipients to work, improves upon the GAIN system by providing child care and medical benefits for up to a year after a mother goes to work, instead of the three months California currently offers. However, the legislation for the new program calls for spending \$3.35 billion over five years, less than \$700 million a year nationally. When Los Angeles County, with three to four percent of the nation's population, estimates the cost of its comprehensive welfare-to-work program to be \$200 million, it is hard to imagine how \$700 million can meet the needs of the entire country.

A review of any welfare-to-work program must carefully consider its ultimate impact on family stability. Current policies encourage families to enter the workforce, but often leave them in the ranks of the working poor, in worse condition than they were while on welfare. A more "family-friendly" approach would enable families to continue to receive benefits as long as their income remains low, by allowing them to purchase health and child care benefits on a sliding-fee scale. Such a system would support working families by helping them to meet their work responsibilities without jeopardizing the health and care of their families, and help the economy by contributing to a stable workforce.

The concerns of the welfare poor are no different from those of the rest of the population: education, good jobs, quality affordable child care, health insurance, a safe living environment, and the promise of equal opportunity for their children. Welfare reform and other anti-poverty measures must reflect the need of all families - poor and non-poor alike - for decent jobs and the services and support necessary to ensure quality family caregiving.

POLICY RECOMMENDATIONS

I. Monitor the GAIN program and its effects on California's families.

Where appropriate, add as an element of the GAIN program family support centers, designed to provide comprehensive family services to GAIN participants, including high quality child care, counseling, peer support groups, and other services needed by welfare recipients trying to make the transition to paid employment.

II. Expand the public benefits program to enable low income working families to purchase Medi-Cal and child care benefits on a sliding fee scale, based on their ability to pay.

THE LEGACY OF LOW WAGES: ELDERS AT ECONOMIC RISK

The 1935 Social Security Act was the government's first attempt to build an economic floor of security under the elder population. The Act provided a radical departure from previous policies that included poorhouses and laws holding families solely responsible for the care of elder parents. But over the years, elder poverty crept up until the 1960's when the poverty rate for those over 65 reached almost 35 percent. Public outrage, Congressional concern, and skillful organizing by elder activists led to a new set of supports - Medicare, Medicaid, Supplemental Security Income (SSI), and the indexing of social security payments to inflation. California augmented the federal programs with its own Supplemental Security Program (SSP) to offer further protection.

While social supports were being strengthened, private pension plans also grew in popularity. Union strength and high productivity after World War II resulted in widespread worker coverage by a variety of private pensions. Thirty-nine percent of today's retirees benefit from pensions they got through agreements with their employers. ⁵⁷ By 1985 the blend of public and private pension programs had lowered the poverty rate for California's elder population to 6.7 percent, down from nearly 20 percent in 1960. ⁵⁸

But there are potholes in the economic road for many family members as they grow older. Poverty often increases with age. Major health care costs are incurred and savings are depleted. The value of non-indexed pensions declines, and surviving spouses are





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often left uncovered by their mate's pension plans. Most worrisome, however, are indicators that the fastest growing elder populations are those at greatest risk of poverty - women, minorities, and those over 85, the oldest old.

- One-fourth of the elders over 85 live at less than 125 percent of the poverty line.⁵⁹
- Women comprise 58.7 percent of the elder population, but they are 71.2 percent of the elder poor. 60
- Nationally in 1986, the median income of elderly blacks was 59 percent that of elderly whites; for elder Hispanics it was 64 percent.⁶¹

Women

Because social security payment levels are based on an individual's wage history, women who earn less than men, or take time out of the paid labor force to raise children or care for ailing family members, receive correspondingly lower social security payments.

• In 1980, the average female wage-earner who had been employed in manufacturing received Social Security benefits that were less than two-thirds those of her male counterpart. 62

It appears this differential will continue to exist in spite of the gradual rise in women's wages. Because the benefit formulas favor people making higher incomes, women will continue to suffer during retirement until their lifetime earnings equal those of men.

• Even though women's wages rose in proportion to men's between 1967 and 1980, their benefit levels dropped from 67 percent of the benefits received by men to 61 percent. 63

Minorities

The likelihood of being old and poor is greatest for minorities. Because one's economic status during retirement is directly related to one's income before retirement, those who are relegated to low income jobs during their working years will continue to have lower incomes after retirement. Many of today's older minorities were segregated into low paying jobs which seldom offered retirement benefits.

A national survey in 1984 showed that workers who were earning less than \$500 a month were covered by pensions only 38 percent of the time, while those earning \$2000 or more a month were covered 84 percent of the time.

It's very difficult to have a chronic illness and be in treatment for cancer and have that relaxed, good mental attitude that I'm hearing that we're supposed to have, when there is no insurance and we're living on money that was supposed to be for our retirement.

Leslie Serkland Richmond

Economic Insecurity for Future Retirees

Concern for the economic security of coming generations of retirees is warranted. A recent survey of 1500 companies by the Bureau of Labor Statistics showed that pension coverage is decreasing in the workforce nationally. Employees who are covered by pension plans may never become vested because of the growing likelihood in today's workforce of numerous job changes during one's work life.

• Thirty-nine percent of full-time workers, 70 percent of part time workers, and 80 percent of those who are self-employed have no private pension plans at all.

Where pension plans exist, they are in jeopardy for many workers. The corporate practice of skimming assets from pension funds - or canceling pension plans altogether - to finance take-overs and buy-outs has drained more than \$17 billion from private pension funds across the country.⁶⁷ The U.S. Labor Department found that workers whose pension plans are terminated will lose about 45 percent of the benefits they had expected to receive in their retirement.⁶⁸

It is difficult to measure the elder population's actual standard of living. The Census Bureau uses a different poverty standard for adults over 65 than for those 64 and under. Someone hovering near the poverty line may be counted in the poverty statistics one day and then, because he or she turns 65, suddenly "disappear" from the official ranks of the poor. The government's poverty line is based on its estimate of the cost of a minimally adequate household food budget. Because analysts assume elders require less food, they assume elders also need less money. But this formulation fails to take into account costs for non-food items, some of which may be significantly higher for older family members. Health care and housing costs are likely to consume the largest portion of an elder's fixed-income budget. Older Californians spend over three times as much out-of-pocket on health needs as those who are younger.69 Housing costs for elder renters may be astronomical. California has five of the nation's ten most expensive housing markets and the 49th lowest rate of rental assistance for low income households.70

Elders who are homeowners often find they are asset rich but cash

poor. Nearly two-thirds of California's elders own their own homes, but owning a home does not help in the purchase of medicine or other necessities unless home equity can be translated into spendable income. And that option - reverse mortgage loans for elders - is risky without guarantees against forced liquidation of their homes while they still live in them.

Policy makers must not rest on the reforms of the past. Attention must be paid to today's low income elders and tomorrow's retirees, for both are likely to face increasing economic vulnerability. More sensitive measures must be developed to assess the economic status of the elder population so that planning can be founded on accurate premises. And mechanisms must be designed to enhance the cash flow of elders through safeguarded reverse mortgage programs and protection of state and federal income supports.

POLICY RECOMMENDATIONS

- I. Develop more sensitive statistics to measure the economic status of elders. Measurements should differentiate among the various age groups within the over 65 population and include gauges of poverty that are appropriate to elder families.
- II. Develop a mechanism that enables elder homeowners to borrow against the value of their equity without jeopardizing their homes as long as they live in them.
- III. Maintain adequate Social Security Insurance (SSI) and Social Security Protection (SSP) levels for low income elders.
- IV. Promote greater private pension coverage of the working population by ensuring the portability of pension plans, reducing vesting periods, and expanding coverage to include part-time and temporary workers on a pro-rated basis.

The difficulties all families confront as they stretch to meet the needs of each family member can be seriously exacerbated by a

family's economic vulnerability. What might be a small financial problem for most families becomes a crisis for a family with scant resources. The lack of economic stability can undermine a family's ability to perform the functions society relies on it to perform - caring for its members economically, nurturing them emotionally, and guiding them intellectually. When economic vulnerability becomes persistent poverty, a family can be hindered for generations. The effects of having too little money are not only felt by individual families; they are ultimately shared by society as a whole. For the health of our families and of society, we must develop methods to protect vulnerable families from slipping into poverty and devote the necessary resources to ensure that those living in poverty truly have options to climb out.

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PREPARING TODAY'S CHILDREN FOR TOMORROW'S ECONOMY

"At the moment, California seems headed down a deadly path. Each year we will spend more and more on the consequences of our failure to educate our young people. Unless we do something very quickly about the quality of schools, especially those that serve minority and poor students, we will consign large numbers of young Californians to underachievement and underemployment, and we will threaten not only California's families, but our state's economy. We have been convinced by the many schools in California that are making a difference for their students that this situation can be avoided. But we must start now."

Unfinished Business: Fulfilling Our Children's Promise
The Achievement Council, 1988

The fast pace of change in the labor market has outstripped the ability of most schools to prepare students for future jobs. Tomorrow's workforce will need critical thinking and basic learning skills, flexibility, and good work attitudes. Too few students are leaving high school with a solid foundation in these work requirements.

The changing profile of the California family also presents a challenge to the educational system. The majority of students today live in single parent or two-earner households, with parents who often have little time to participate in their children's daily educational experience. More of California's children are living in poverty and many are new to this country. The gap between the educational achievement of low and middle income students continues to grow.

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Business leaders, educators, and parents have grown concerned for the future of today's children and the health of California's economy. Will we have a competitive workforce that can support tomorrow's families and contribute to a vital economy? How can we most effectively address the disturbing trends we see in today's educational system? What changes are anticipated in the economy and how can we best prepare our children for them?

The year 2000 promises a changed workforce in a changed economy. The nature of work in the United States is undergoing profound transformations. In the shift from heavy manufacturing to an economy based largely on the service and information industries, good jobs will become increasingly complex. California's workers will need quality education to ensure employment at a decent family wage, and the state's businesses will need a well educated workforce to compete successfully in the global economy.

Demographic trends indicate that the state's workforce will be increasingly comprised of immigrants, minorities, and women. Key to preparing these new workers for tomorrow's workforce is forging a partnership between parents and schools, and raising the standards of our schools to ensure that all students can attain the educational level they need to be successful in the future labor market. Parents must play a role in promoting educational motivation at home and educational reform in the schools. An ill prepared workforce will hinder both the economic stability of tomorrow's families and the productivity of the state's economy.

Will California Lose Its Competitive Edge?

California's citizens have traditionally been among the best educated in the United States. A highly trained workforce has been one of

California's competitive attractions, giving the state international prominence as the world's sixth largest economy, and promising upward mobility for generations of new arrivals and their families.

Yet today, business is worried that the state is losing its competitive educational edge, and parents are concerned that their children will not attain the economic security they achieved, let alone surpass it. Among economists and other labor market analysts, there is virtual unanimity on three points:

- In modern manufacturing and the service and information industries dominating today's economy, practically all jobs require higher skill levels than in the past, and that trend will accelerate.
- Most schools are not yet ensuring that students attain the problem solving and critical thinking skills they will need in tomorrow's labor market.
- Today, the surest (if not the only) path to upward mobility starts with post-secondary education or training.

Who Are the Breadwinners for Tomorrow's Families?

The workforce of tomorrow can be observed in California's changing population today. The first grade class of 1988-89 - the graduating class of the year 2000 - is predominantly Hispanic, Asian, and black. The kindergarten class of the year 2000 will be almost half Hispanic and Asian. By the turn of the century, the state will be truly multicultural with no single ethnic group laying claim to "majority" status.

- Two thirds of the world's immigration is to the United States and nearly half of that is to California.²
- The birthrate of Latinos (2.7 children per female), blacks (1.88), and Asians (1.8), surpasses that of whites (1.4).³
- By the year 2000, Latinos will comprise 27 percent of the state's population, up from 12 percent as recently as 1970. Asians, comprising nine percent of the population, will increase to 12 percent by the next century. The black population, while increasing at a slower rate, will comprise eight percent, while the white population will decline from 62 percent to 54 percent.⁴

One in six of the students in the California public schools are foreign born. Many students speak the Spanish language; many of them speak Cambodian, Chinese, Mandarin, Tagalog. And many of them are coming as low-income students; many of them are coming without prior schooling; and many of them are coming to this country by themselves. They come from countries like El Salvador, Nicaragua, Mexico, Cambodia. And many of them come into classrooms without that needed parental support

> Marvin Martinez California Tomorrow

Tomorrow's workforce is today's children. They are increasingly multi-racial, new to the United States, and poor. They will be in shorter supply than the current generation's entry-level workforce, despite the "baby boomlet" of the 1980's, and in greater demand to fill positions in the workforce. The economic stability of tomorrow's families - and the economic well-being of the state - will hinge on how successfully our youth are prepared to compete in the job market of the future.

Workforce in the Year 2000

The coming decades are expected to bring continued, albeit slower, job growth. The U.S. Department of Labor's report, "Workforce 2000: Work and Workers for the 21st Century," forecasts a strong U.S. economy fueled by a rebound in exports, growth in worker productivity, and an improved world economy.

"Workforce 2000" predicts the persistence of several trends already evident in today's economy, most notably the continued growth of the service sector. Service industries will create virtually all the new jobs and most of the new wealth in the coming century.

Service sector jobs provide mixed promises for tomorrow's families. Many are low paying jobs, like those in the retail trade - the largest service industry - where average salaries are less than half the hourly wage of manufacturing jobs.⁶ Of the 11 fastest growing job categories in 1986, only four paid full time workers more than \$17,000 a year, and five paid wages at or below poverty income for a family of four.⁷

On the other hand, the service sector also includes a range of professions - especially in science and technology - that offer tomorrow's families economic stability and a respectable standard of living. But the highest paying jobs all demand higher levels of education.

 In the next ten years, half the jobs created will require education beyond high school, and a third of these will be filled by college graduates. Today, just over 20 percent of the jobs available require a college diploma.⁸

The declining prospects of the less-than-college educated are primarily due to wage and workforce cuts in the manufacturing sector, where hard work once substituted for higher education as a route to upward mobility for many Americans. Today's young workers cannot expect to follow that same path to security. By the early 21st century, blue collar workers will make up the same small portion of the workforce as farmers do today, just three percent.9

Already the impact of the rising demand for a better educated workforce is evident. Where a high school diploma once guaranteed entry to a range of employment options, today's graduates face dimmer prospects, and the picture is worse for those without diplomas.

 Workers without a high school diploma average only half the annual salary of those with college degrees, and they are five times as likely to be unemployed.¹⁰

The demands of the global economy, the pace of technological development, short product life cycles, and new flexible production processes will demand a more highly educated and flexible labor pool, at entry level and beyond.

Signs of Trouble

The swift pace of change has broad policy implications for the educational system. Are today's children gaining the basic skills necessary for tomorrow's jobs? What will happen to families where skills are lacking? How can families, schools, and the business community ensure a match between the demands of the job market and the preparation of the workforce?

All jobs will increasingly demand communication skills, reading comprehension, the capacity to speak and write clearly, a solid vocabulary, and math and computation skills. Employability will require analytic and problem solving capacities, reliability, responsibility, and responsiveness to change. But current trends indicate that our schools are far from guaranteeing this level of academic achievement.

When the U.S. Department of Labor consulted employers in 1988, it found that two-thirds believed the current pool of job applicants lacks basic skills.¹¹ A study by the National Assessment of Educational Progress revealed a startling incapacity among young adults to perform even moderately complex tasks. Three out of five 20 year olds could not get from point A to point B on a map, repeat the salient facts of a new story, or total their lunch bill and calculate the change they were due.¹²

Fewer than 40 percent of California's high school graduates enter



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college, and many do not remain until graduation.¹³ Colleges are reporting a growing and troubling need among college students for remediation courses in math, reading, and writing.

In the meantime, increasing numbers of students do not even finish high school.

- One third of today's tenth graders will leave high school without a diploma.¹⁴
- Nearly half the Latino and black students, 27 percent of the white students, and 17 percent of Asian students did not complete high school in 1987.¹⁵
- Half the state's poor teenagers will not reach high school graduation.¹⁶

The cost of the dropout rate is high. Young adults without high school diplomas are considerably more likely to be illiterate, on welfare, or in jail.

- Each additional year of secondary school reduces the chance of being on welfare by 35 percent.¹⁷
- Nearly 60 percent of all jail inmates did not complete high school, and earning a high school diploma decreases the chance of arrest by 90 percent.¹⁸

According to the Ford Foundation, in the late 1960's, a high school graduate was 30 percent more likely to be employed the fall after graduation than a dropout was; by the 1980's this gap had doubled to 61 percent.¹⁹ In 1985, fewer than half of white dropouts were employed and less than one third of black dropouts had jobs.²⁰

A recently completed study estimated that dropouts from a single graduating class in a large urban school district will earn \$200 billion less than graduates during their lifetimes and will deprive society of more than \$60 billion in tax revenues.²¹ As demographers Leon Bouvier and Phil Martin wrote, "Tomorrow's workers will be disproportionately drawn from groups that have not fared well in the school system or the labor market; yet they will provide most of the workers whose productivity and taxes support dependent Californians."²² Clearly, educational neglect has its costs. The state cannot afford to allow the lack of academic achievement to determine the future of tomorrow's families and the competitiveness of the state's economy.

Education Reform: Gaps in the Push for Excellence

California's 1983 education reform act, SB 813, toughened grade and graduation requirements, created incentives to increase the number of math, science, and college preparatory courses, and raised salaries and standards for teachers. By many measures, the effort has begun to pay off. On the whole, student test scores have climbed, as has the number of students enrolled in academic courses.

But many children, even entire schools, were left out of the last decade's push for excellence. "We are deeply troubled that a reform movement launched to upgrade the education of all students is irrelevant to many children in our urban schools," wrote the Carnegie Foundation for the Advancement of Teaching in its 1988 report, "An Imperiled Generation: Saving Urban Schools." "In almost every big city, dropout rates are high, morale is low, facilities often are old and unattractive, and school leadership is crippled by a web of regulations."²³

California's urban areas are no different. The children left behind by the education reform movement in California are disproportionately black, Hispanic, and poor. A 1988 report by the Achievement Council, an alliance of California education, business, and community leaders dedicated to improving achievement among minority and poor students, found disturbing and consistent gaps among students.

We don't educate all children the same way. We isolate poor and minority children from other students into schools where we put less of everything that we believe makes a difference, less in the way of experienced and well-trained teachers, less in the way of instructional time, less in the way of a rich and wellbalanced curriculum, less in the way of well-quipped facilities, and less of what is undoubtedly the most important of all, a belief that children can really learn.

> Kati Haycock, Co-Director Achievement Council

- While test scores have risen for all groups since the 1983 education reform, the test score gap between white students and blacks and Hispanics has not narrowed.
- Dropout rates for black and Hispanic students are much higher than for other groups, and the grades earned by those who stay in school are disturbingly lower.
- While enrollments in college preparatory courses are climbing for all groups, white students are almost four times as likely as blacks and three times as likely as Hispanics to be enrolled in Advanced Placement high school courses for the college bound.
- Of those attending college, three out of four blacks and Hispanics go to a two year college rather than a four year school.²⁴

Some of the patterns that lead to low school achievement go back to the primary grades when Hispanic and black students are often "tracked" into less rigorous programs by teachers who have lower expectations of them than other students. Because poverty is often concentrated geographically, poor, black, and Hispanic students are frequently segregated in large, urban schools where educators often have less professional experience and far fewer resources than they do in schools serving more advantaged students.

The State Department of Education's Task Force on School Readiness, established by the Legislature to study the growing problem of student failure in kindergarten, traced the start of low achievement as far back as the pre-school years, when children from poor, black, and Hispanic families are less likely than middle class children to attend a high quality child development program.²⁵ Research has shown that high quality early childhood programs can give poor children the social and cognitive tools to thrive in the classroom, and can help to close the achievement gap between poor and middle income children. Longitudinal studies that followed children who participated in high quality pre-school programs into adulthood found they were more likely than their peers to be employed, less likely to have become teen-age parents, and less likely to have been arrested or to have dropped out of high school.²⁶

 Minority and poor children are least likely to attend preschool and most likely to be held back in kindergarten.²⁷



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 Only 29 percent of three and four year olds with family incomes below the poverty line attend pre-school, compared with 75 percent of their peers in families earning more than \$25,000 annually.²⁸

The Committee for Economic Development, an influential corporate policy think tank, recommends the expansion of publicly funded preschool programs "until every child has the opportunity to be enrolled."²⁹ That endorsement was seconded by the California Business Roundtable and the Task Force on School Readiness. The House Select Committee on Children, Youth, and Families found that each dollar spent on Head Start and similar early education programs for low income children saves five dollars in later costs for special education and juvenile detention.³⁰

The schools - from pre-school through high school - will play a critical role in determining whether or not our children have the necessary tools to meet the workforce requirements of the future. In the push for academic excellence, we cannot ignore the special needs of schools that serve families with the fewest resources. Those schools in particular require quality teachers, added resources, and innovative leadership.

The Role of Families

Patterns leading to educational achievement are linked to family life as well as school. Parents are children's first and most significant teachers. When families read aloud, provide a good foundation for speaking and listening, and help with their children's school work, a positive environment is created for learning and intellectual motivation. Studies show that what parents do to help their children learn, from pre-school through high school, is one of the most significant predictors of academic achievement. ³¹

Yet many factors interfere with consistent parental involvement in their children's schooling. Increasing numbers of California's children live in dual income or single parent families where parents have less time to spend helping with homework, organizing after-school activities, meeting with teachers, or even monitoring their children's school attendance. Close to a million school age children are unsupervised after school because their parents work and few programs are available to serve them.³²

Parents in poor families often have few resources with which to motivate and inspire their children - including time, material goods, and educational choices. Yet most want nothing more than to see their children succeed educationally and leave the ranks of the economically disadvantaged.

The diverse needs of children from two-earner, single parent, immigrant, and poor families are landing on the steps of the schoolhouse, and the schools are having difficulty responding. The pace of change in today's schools is lagging behind the rapid and growing need for it.

School, Family, Community, and Business - The Necessary Links

The schools have not yet fully responded to the demands of the changing workforce, nor have they met the needs of today's new student population. Our educational institutions will have to change dramatically if we are to maintain a competitive state economy and ensure our children's educational achievement and future employment opportunities.

While many California schools are in need of improvement, none need it more than those serving minority and poor students. These schools demand immediate and focused attention. As a first priority, the state must launch an aggressive effort to improve the functioning of low performing schools and raise their levels of achievement. A rigorous curriculum rich in ideas and concepts must be available to every student, and educational tracking, a practice which often pushes youngsters downward on the educational ladder, must be eliminated. Targeted resources, coupled with expanded school accountability, can change the odds for many California students who

are currently left out of the game entirely.

Though it is incumbent upon the schools to meet the challenge before them, they cannot be expected to bear the responsibility alone. Key to preparing today's students for tomorrow's workforce is the schools' partnership with parents, and together, they must draw upon community resources as well. Local organizations - including child care centers, senior centers, neighborhood health clinics, and the public library - can supplement the assets of families and schools. The business community can contribute technical assistance and resources to strengthen local schools. A concerted partnership among families, schools, community organizations, and business sets the stage for the academic accomplishment of all our children.

Sweet Water Union High School in San Diego County marshaled its own resources and drew on assistance from the community to address the needs of its lowest achieving students. Tracking was eliminated for slow learners, and individualized programs were designed to teach students how to succeed in college. A year-round independent study program was developed for dropouts, allowing them to work at their own pace in a specialized computer center. The success of the combined programs was demonstrated when the class of 1987 earned \$1.4 million in scholarships, and 42 percent of the drop out population returned to regular classes at the high school.

Dr. Edward Zigler, chief architect of Head Start and Chair of the Yale Bush Center in Child Development and Family Policy, has designed a model that goes even further toward integrating the family and involving the community in the schools. The "school of the 21st century" places schools at the hub of a range of community activities that support families. Besides providing K - 12 education, the school of the 21st century offers pre-school, child care, before- and afterschool care, and a range of family programs, from literacy classes to comprehensive parenting education and family services.

The California Business Roundtable has joined forces with the State Department of Education and the California Chamber of Commerce to design policies to increase the educational preparedness of the state's entry level workers.

The California Compact, an alliance that includes the State Department of Education, the Employment Development Department, the California Chamber of Commerce, and the California Business Roundtable, hopes eventually to ensure that every student who graduates from a California high school and meets certain standards will be given priority in hiring or financial assistance to pursue a college

education.

The City of Emeryville made a comprehensive commitment to prepare its children for a positive and productive role in the workforce. The city designed a program that addresses the needs of children from pre-school forward, including a scholarship fund - established by the school district and local employers - to give all graduating seniors the opportunity to attend college.



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POLICY RECOMMENDATIONS

I. Take immediate steps to improve the performance of low achieving schools.

Require the State Department of Education to design new evaluation tools to measure school achievement that include not only test scores and college admission levels, but also teacher turnover and absenteeism, student absenteeism, vandalism, parent participation, extra-curricular activities, student employability, and achievement trends by ethnicity.

Establish a targeted school improvement program in the State Department of Education that will hold schools accountable for students' achievement level by:

Monitoring school achievement trends statewide;

Publicly identifying low performing schools;

Providing low performing schools with technical assistance and resources; and

Installing new administrative leadership to oversee the management of the school if school performance does not improve within a specified period of time. The process of appointing the new leadership must be developed by the Legislature in consultation with school and district administrators, teachers, parents, and community leaders.

II. Encourage schools and educators to include parents as partners in the education of their children.

Provide grants to schools, earmarked for parent involvement programs that require the cooperative involvement of principals, teachers, and parents in program planning.

Require school districts to report to the state annually on the status of parent involvement in the schools. Reports should include goals and evaluation measures.

III. Increase learning opportunities for preschool children.

Expand subsidized pre-school programs, such as Head Start, to increase the school readiness of low income children. Ensure these programs include a parental involvement component to foster an early partnership between parents and the school.

Expand school readiness programs as recommended by the state Task Force on School Readiness. Those recommendations include:

Establishment of an experiential learning continuum that allows children to progress at their own pace between ages four and six;

Programs that meet the needs of culturally and linguistically diverse children; and

Appropriate education, training, and remuneration for staff in early primary programs.

Implement programs in public libraries to support early childhood education. Programs should increase parental awareness of library services and other community resources, and expand circulation of materials developmentally appropriate for infants and toddlers.

IV. Improve recruitment and training for the teaching profession.

Upgrade professional training programs available to teachers and administrators to better prepare them to address the needs of the diverse student population, including low achieving students. Ensure competitive salaries for professional school staff.

Establish a fellowship program for principals in low achieving schools that enables them to rotate through exemplary schools, under the guidance of effective principals.

V. In consultation with local employers, upgrade educational curricula to ensure that students graduate with the skills necessary to compete in the job market.

Design curricula for elementary and junior high grades that provide students with an understanding of changing labor force needs to better prepare them for choices they must make later in life; share this information with parents and counselors.

VI. Improve conditions for teaching in the schools.

Reduce class size; design mini-schools within the school where appropriate to mitigate problems resulting from overcrowded classes.

Expand the discretion of individual schools over their educational programs and budgets.

Expand school programs that decrease interracial tension and promote multi-ethnic understanding.

VII. Encourage community-level activities that support educational achievement.

Form local community compacts among family groups, businesses, and educators to upgrade and enrich local school programs.

Convene regional meetings of representatives of business, public schools, job training programs, adult education programs, and community colleges to address labor market needs and issues regarding future workforce competency.

Parents, schools, business, and government must work together to launch a second stage of educational reform that reaches all children to ensure they are well-prepared for their roles as parents and workers in tomorrow's economy. To tolerate barriers to achievement by large numbers of California's students is to court disequilibrium for families and disaster for the economy.

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BREAKING GENERATIONAL BARRIERS

"An aging society has great potential for diversity, individual development, and cultural depth... Bringing children and elders together benefits both groups directly and contributes to creating and sustaining an enlightened, stable society."

Ira Mothner
Children and Elders:
Intergenerational Relations
in an Aging Society,
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Perhaps the most dramatic demographic change California will experience in the coming century will be the growth of its elder population. Increased longevity, combined with an overall drop in the birth rate, has already boosted the proportion of the population that is old, and this trend will continue well into the 21st century.

- Currently the average man who reaches the age of 65 can expect to live for nearly 15 more years, while the average woman at 65 has another 19 years in front of her. 1
- When the baby boom reaches retirement age, beginning about 2015, the elder population will mushroom to a full third of the adult population.²

This is the first time in history that a typical child can expect to reach old age. Today most people spend as much time in the last stage of the life cycle - retirement - as they did in the first - growing up and attaining their education. This remarkable demographic change opens new vistas and raises new questions about the meaning of the elder years.

Most elders live their retired lives as active individuals, in relatively good health and with a modicum of economic security. They possess skills, experience, and time - resources largely untapped by most California communities. With lifespans nearing a century, innovative possibilities arise for blending the successive stages of life - education, work, and retirement - and building upon the strength of a multigenerational population. The Task Force explored those possibilities in the belief that the rapid growth of the aging population creates an imperative for a new approach to intergenerational relations.

Since World War II, employment policies have tended to encourage early retirement. A large pool of young workers prompted companies to move older more expensive workers out of the workforce, while expanded pension coverage, business-sponsored early retirement packages, and union-backed "30 and out" campaigns, served as incentives for workers to retire at increasingly younger ages. Whatever the constellation of reasons employees today retire early their economic stability, the desire to travel or pursue a hobby, poor health, subtle pressure in the workplace, or long-made plans early retirement is now the rule rather than the exception.

But this may be a trend the country and California can ill afford, as the workforce shrinks and the world market becomes more competitive. The contraction of the workforce will put pressure on individual families, the public coffers, and the state's economic productivity.

• In the next three decades, the ratio of workers to dependents will shift from nearly six workers for each retirement-age Californian to fewer than four workers for each retiree.³

Jobs in the next century will depend less on workers' physical skills and more on their critical thinking and problem-solving abilities - assets that are sharpened by experience and maturity. Employers will turn to older workers more often to meet specific labor force needs. But workers who look forward to retirement may be disinclined to prolong their working life. How can we reorganize the workforce to increase the participation of older workers without denying them the leisure they have earned?

Breaking Stereotypes

Ironically, even as the growing need for older workers becomes evident, employment practices and stereotypes persist that discourage older workers from remaining in the workforce. Most employers are reluctant to hire anyone over 55 and even less likely to offer an older worker training opportunities. People over 55 who lose their jobs due to plant closures or lay-offs face extremely limited options in the job market; some never find another permanent position.

Many employers believe older workers will not perform as well as younger workers and will be less motivated to stay in a job. These stereotypes have little basis in reality. According to Deputy Under Secretary of Labor John R. Stepp, there is no proven link between age and poor performance except in special cases (primarily related to illness.) To the contrary, evidence shows that the maturity, stability, commitment, and skills of older workers are a valuable resource of great benefit to employers.⁴

As the pace of technological change quickens, more workers of all ages are likely to be displaced and have to change occupations or undertake retraining; to hold lower expectations of older workers or afford them fewer opportunities to adapt to the changing economy inflicts undue hardship on them and their families and denies society the benefit of their skills.

Some solutions lie in challenging stereotypes and rethinking the life cycle itself. Why must one's entire worklife take place within a 30 year period? Early retirement could be exchanged for mid-life sabbaticals, with workers taking periodic leaves for educational

We have a tremendous, untapped resource in our older population and we can take advantage of that to ensure that this country does not decline and enjoys a renewal and a renaissance. But we can only do that if we develop the types of family policies that involve the older person, that allow women and their families choices in caring for their elders, and that allow persons to play a role. Fernando Torres-Gil Andrus Gerontology Center University of

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purposes, or to spend time with growing families. Time off from work may mean more to an employee with a young child or a troubled teen than to those in their early sixties who might be just as happy to continue working, perhaps on a part time basis, for several more years.

Why do we still think of education as something one gets prior to entering the workforce? Education and work are becoming inextricably intertwined. Employees of all ages will require education at some point in their working lives. By blending education and work, and extending them both through the life cycle, we can encourage life-long learning to meet constantly changing labor force needs while promoting intellectual fulfillment.

Flexible work schedules and phased retirement plans provide options that lengthen an employee's working life in conjunction with an increase in leisure time - a scenario favored by many as they near retirement.

 A 1981 Harris poll found that eighty percent of older workers surveyed supported greater access to part time work, and many indicated interest in a job they could share with another person, or one with flexible work hours.⁵

Some employers already draw on experienced retirees to help out on special projects. This practice could be expanded to allow retirees to fill in for younger workers taking parental leave or mid-life employees taking time off to upgrade their education. Elders would receive the respect they deserve as thinkers and workers, while younger employees would gain opportunities to leave the work path for family or personal development. This intergenerational work model could promote flexibility and provide new options to family members at different stages in the life cycle. Simultaneously, it could provide the labor force with a large pool of committed workers.

Some firms are beginning to experiment with innovative programs to promote full and part time job opportunities for older persons.

The Travelers Companies started a "Retiree Job Bank" after a survey of its retirees indicated many wanted to return to work part time. The program became so popular with company supervisors that Travelers opened the bank to non-Travelers retirees in order to meet the demand for their services.

Intertek Services Corporation maintains a registry of 5000 retired and semi-retired quality-control engineers and technicians who can step into familiar positions on short notice.

The Aerospace Corporation in Los Angeles relies heavily on the skills and experience of older workers because the company values continuity on long term projects. Along with the 145 full time regular employees, Aerospace also hires its own retirees who can work up to 999 hours per year without disrupting their pension benefits.

The state of California has several programs that allow older workers to adopt reduced workloads. One, the Partial Service Retirement program, was developed especially to retain older experienced state workers. Prior to the program's implementation, 7000 employees were identified as eligible to participate. However, very few are currently taking advantage of the program. No one has yet examined the reasons for the low participation rate. It may be due to lack of awareness, workers' preference for early retirement, or a lack of enthusiasm on the part of employers who must help arrange an employee's participation. The Partial Service Retirement program demonstrates the need for greater information and evaluation so that future programs can be developed that truly meet the changing needs of employees and their employers.

New worklife patterns, life-long education, part time work after retirement, and flexibility in retirement planning are all strategies to extend the productivity and social involvement of elder family members. Business, government, and local communities must develop these options now, in collaboration with the current workforce; accommodating the needs of older workers today will pave the road for the social and economic trends of the coming century. Attitudes that have been forged by years of assumptions regarding older workers and the "normal" stages of life must make room for creative approaches to workforce organization and family life patterns.

Enhancing Generational Relations

Older family members who have left the workforce and are no longer raising families often find themselves slipping out of the mainstream of community life. Many no longer live in family households. Their children are gone, and often they have outlived their spouses. For many, the elder years are the first time in decades they have lived alone. Where do these elders get their nurturance, intimacy, and intellectual stimulation when their lives have changed so dramatically?

In earlier times, when extended families were the rule, the generations were seldom segregated. Today multigenerational households are the exception. They are primarily found among families who double up to stretch their rent money, or among new immigrants who adhere to the intergenerational customs of their home countries. For the most part, in contemporary American culture, each generation establishes a separate household, and only if an elder becomes frail is he or she expected to rejoin younger family members.

The isolation experienced by elders mirrors the generational fragmentation of society as a whole. Even grandparent-grandchild contact has weakened in the last few decades - the result of housing policies, changes in the economy, and the mobility of the population. As a result, vast numbers of children grow up in little contact with elders and with virtually no understanding of the aging process. Elders, on the other hand, often find themselves separated from family life, and disconnected from the activities that formerly gave them structure and a sense of purpose.

In recent years, psychologists, historians, and educators have decried the separation of the generations. At a meeting of national leaders from the fields of aging, education, and child and youth affairs, consensus was reached that greater intergenerational contact would "provide a continuity of historical value as well as contribute to the healthy well-being of individuals of all age groups." 7 Dr. Margaret Clark, author of "The Anthropology of Aging," pointed out that much about growing old, which the aged in our society must learn with great pain in their later years, is known and understood by the elderly of other cultures. Contemporary American lifestyle does little to integrate the elder population into the life of our communities, and almost nothing to help people prepare psychologically for the aging process.

Within the growing ranks of the elder population lie new possibilities for bridging the gap between our youngest and oldest generations. A first step is public education regarding aging. Open discussion of the aging process, including the capabilities and fears of elders, can take place in community settings of all sorts, with elders serving as leaders in the dialogue. Communities can promote elder role models and, in coordination with local non-profit agencies and the business community, develop methods to combat myths and stereotypes about the aging population. Public school curriculum can incorporate materials about aging, and elder community members could be invited into the schools to talk candidly with students about the experience of growing old.



□ 1989 Nita Winter

Innovative job and volunteer placements can also draw upon the skills of elders to enhance intergenerational relations. Elders can serve as tutors, adjunct teachers, or mentors to young adults beginning their professional careers. Their skills can help to fill gaps in the educational system. For example, retired math and science professionals could be retrained to teach, putting their skills to work in a new way through a part time second career. Community-based programs can emulate the multigenerational family by providing for cross-generational caregiving between people from different families. Foster grandparent and senior companion programs, already found in many California communities, serve as successful models.

At a 1984 conference on intergenerational relations, participants who had worked with a variety of intergenerational programs agreed that it takes more than simply grouping youngsters and older people together for a program to work. Crossing age lines - and often racial and cultural lines - can be a complex process. Programs work best when the old and young share interests, know what is expected of them, and have opportunities to take the initiative in structuring their activities.⁹

In the Boston area, an organization called Arts in Progress brings professional artists together with small intergenerational groups to teach dance, music, filmmaking, writing, and painting. The generations learn from each other by doing "with" rather than "for" one another.

Some schools have programs that draw on retirees to help children develop career awareness. Others integrate curricula about aging with activities that include senior volunteers, such as discussion groups and field trips.

Some school systems have joined together with elder organizations to hold day-long conferences where the young and old meet for intensive discussions on topics of concern to all generations, such as environmental issues, the changing family, racial prejudice, or the arms race.¹⁰

Less structured intergenerational relationships can be encouraged in the context of multigenerational housing and neighborhood projects. While some retirees choose to join communities of their peers, the goal of public policy should be to promote a generational mix throughout the community. Government, community-based organizations, and private agencies must make a concerted effort to design programs that encourage positive intergenerational contact.

Policy-Makers' Imperative

A spate of articles in recent years has warned of the impending competition between children and elders for limited public resources. They predict a growing schism between the old, predominantly white, population and the young minority population as both seek public funds to meet their particular needs.

Though polls show strong support for social programs that serve both the old and young, policy makers must nonetheless take heed. Simultaneous growth in the young and old populations at a time of cross-the-board cuts in social spending could readily lead to tension over resource allocations, exacerbated by our system of competitively-funded social programs.

Care must be taken to break generational barriers, not to fortify them. It is the responsibility of policy-makers to seek common ground between the generations - and there is a substantial amount. Both depend on family and community life to prosper. Both are economically vulnerable, relying on the productivity of the middle generation. Both have concerns regarding medical services and dependent care. As new programs are considered, lawmakers must guard against competition between the young and old, and instead establish a dialogue with both in an attempt to develop policies for the broadest common good.

We're going to have a unique situation, young minorities and an aging society. How we integrate the needs of younger minorities and the needs of older persons will be the central question facing policymakers in this state and this country after the year 2000. Those demographic trends — aging, changing family lifestyles, and multiculturalism — will require a fundamental reassessment of policy directions and political leadership, as well as changes in our attitudes towards minorities, young people, family, and the elderty.

> Fernando Torres-Gil Andrus Gerontology Center University of Southern California

POLICY RECOMMENDATIONS

I. Increase participation of older workers in the workforce.

Assess the extent to which age discrimination pushes people out of the workforce, despite anti-discrimination laws.

Encourage the expansion of part time work options, flexible scheduling, and phased retirement for older workers.

Develop incentives or other methods to encourage businesses to train, hire, and/or retain older workers.

Enhance vocational counseling and training programs to help older workers plan second and subsequent careers.

Develop placement agencies that specialize in matching retirees with temporary workforce needs, such as substituting for young parents on family leave.

II. Increase intergenerational contact and understanding of the aging process.

Establish educational programs to dispel myths and stereotypes about the elder population and help the public better understand the aging process, the heterogeneity of the elder population, and the continuity of the life cycle.

Integrate gerontological materials into the K-12 curriculum to teach children about the aging process and the mutual interdependence of the generations. Curriculum should include intergenerational contact.

Convene meetings of advocates for the young and the old in order to design legislation and promote alliances that serve intergenerational interests.

III. Encourage community involvement before and after retirement.

Encourage retirement planning in the workplace, designed to help workers prepare for retirement, and introduce them

to options for on-going community involvement.

Develop a statewide elder volunteer action corps that matches retiree interest with community needs.

Encourage the development of innovative intergenerational programs, such as those that recruit elders to share skills with younger generations, to serve as mentors to youth, or to work with families with special needs.

The young and the old are part of a continuum of the life cycle that must remain whole to promote continuity and interdependence, in the interest of all generations. An intergenerational community offers the young a perspective on history and the passage of time, while elders gain the sense of vitality that comes with connection to the present. As society becomes ever more multi-generational, the possibilities grow for positive contact among the generations and a richness in the texture of our state. Families and communities will only gain from the interplay of the generations.

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A CALL TO ACTION

The pressures on today's families will not fade away. The economic, social, and demographic trends we are witnessing promise to extend well into the next century. More parents will enter the workforce in the coming decades; they, like working parents today, will struggle to balance their family and work responsibilities. As the baby boom ages, the number of elders in our communities will grow, and families will turn more attention to the care of those who become frail. The importance of lifelong education will increase as technology advances and the economy demands a more knowledgeable and skilled workforce. Employment, education and family life will become increasingly intertwined, with each sphere strongly affecting the others.

The family will endure as the cornerstone of society and the foundation for individual development. But unless we act, outdated policies and unresponsive institutions will continue to threaten the health and stability of California's families. Parents, children, elder family members, and employers will bear the costs.

California is the first state in the nation to attempt the formulation of a comprehensive family policy. Ultimately, every level of government and every institution that affects families must participate. The state cannot act alone. Employers, local government, schools, community organizations, and citizens in every region must help to create an environment in which all families can thrive.

We all must act.

- The Legislature must take state and national leadership by passing laws that promote family-friendly policies at every level. It must make resources available to address the needs of today's families, act as a model employer, and ensure that its own policies strengthen families.
- Local governments must examine their policies, asking how they can most effectively promote healthy families on the city and county level. They can assess their local family profile and ascertain specific family needs by holding hearings,

convening meetings, or establishing task forces to develop policy. City and county governments are particularly well suited to collaborate with businesses in their communities to address the family needs of employees and customers.

- Businesses can work together, through the Chamber of Commerce, economic development agencies, or other organizations, to find affordable ways to implement programs and policies to meet their employees' family needs. They can develop consortia, offer cooperative support for family services, and form relationships with family institutions, such as schools and child care centers.
- Most importantly, citizens must become involved. Throughout the state, people must ask what can be done in workplaces, cities, and neighborhoods to support families. They must participate in public discourse and remember their family concerns at the ballot box, in order to ensure their interests are addressed by government at every level. If the public will not lobby for the family, who will?

Policy-makers and citizens alike can contribute to the development of a statewide family policy by reading and responding to this report. The First Year Report of the Task Force on the Changing Family is intended to be a "living document." The recommendations are designed to stimulate thought, discussion, and action. To keep this report alive, the Task Force hopes for ideas and responses from citizens across the state.

Clip and send to: Joint Select Task Force on the Changing Family Room 446 State Capitol Sacramento, CA 95814

1.	What family issues are of greatest concern to you?
2.	What issues related to families do you feel should be studied further?
3.	Would you be interested in participating in a hearing on family issues?
4.	Would you be interested in organizing a meeting in your community to discuss ways that policies and local activities can support and strengthen families?
5.	How would you describe your family?

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APPENDIX

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Minority Statement

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ON THE CHANGING FAMILY



TIM LESLIE

ASSEMBLYMAN, FIFTH DISTRICT

REBUILDING THE FAMILY

AN AGENDA FOR OPPORTUNITY

INTRODUCTION

I am pleased to see that the California Legislature has awakened, and recognized the need to address problems facing families in California. The success or failure of our actions on these issues will set the foundation for either a strong state built on rock, or a weak government built on sand.

Since the founding of this great nation, families have been the cornerstone, the very building block, of our society. But in recent years, the family has come under great pressures, and its very existence is being jeopardized. There is agreement that we must meet these pressures decisively if our families are to be strengthened, and if we are to continue to be a great state, and an example for the nation.

To examine the problems faced by families, and develop policy recommendations, the Legislature passed ACR 89 in 1987 establishing the Joint Select Task Force on the Changing Family.

The initial resolution mandated a review of current social, economic, and demographic trends and an assessment of their implications on California families. Policy recommendations would then be made based on these findings.

The preliminary results of the Task Force's efforts are presented in the <u>Portrait of a Changing Family</u>, <u>First Year Report</u>. This dissertation is intended to supplement the report by examining its deficiencies, and providing positive alternatives which have been either overlooked, or ignored in the process.

DEFINING THE FAMILY

The first order of business for the Task Force on the Changing Family was quite simple, provide a working definition of the "family." Numerous meetings were spent discussing this.

Setting aside the most commonly used definition of a family -"blood, marriage or adoption" -- the members worked to re-define
family with the most broad, inclusive terms possible. The result
was a list of five "basic functions" of families. From this list
of functions, the Task Force set out to develop a cohesive set of
policy recommendations to help people who fit this description.

There is an inherent problem with using a series of functions as a definition -- invariably elements are included in an analysis which do not fit the true definition.

For example, the members of a college fraternity would meet the five point criteria of the Task Force. Should fraternity members be able to claim tax deductions and receive insurance benefits normally reserved for traditional families? I think not.

Historically, it has been recognized that there are implicit costs to rearing children. Insurance rate reductions and tax benefits have been put into place to aid parents, and give them an incentive to have and raise children.

By broadening the definition of family, the Task Force loses its focus on strengthening the basic family unit. Instead of serving as a road map to help ailing families, this report can be used as a vehicle for social engineers to reshape our society. Many of the recommendations of this report will not benefit, and in some cases, will actually harm the California family.

SYMPTOMS NOT CAUSES

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In the eighteen months of its existence, the Task Force has heard limited testimony and debated issues. Unfortunately, there has been very little public testimony. Rather than listening to

concerns from numerous families of different race, ethnic and socio-economic backgrounds, time has been spent in Task Force meetings debating amongst ourselves.

As the topics and issues have evolved, it has become apparent that the Task Force is merely addressing the symptoms not the causes of a family's problems.

A serious look at the social and economic trends which helped to create these problems -- government tax policies, regulation and intrusion, as well as the moral decline of our society, liberal divorce laws, pornography, etc. -- have been completely overlooked.

The following analysis presents alternative solutions to the problems facing California's families, and suggestions for areas of study which will provide additional information to help the Task Force determine the causes and potential solutions of these problems.

INCENTIVE AND ACTION

California families deserve the opportunity to have a choice in decisions regarding the well being of their own children.

Government should encourage, not mandate. Incentive programs can be designed to limit intrusion by government into family life and

business productivity. This is the most positive, compassionate solution which the Task Force can offer the family. Unfortunately, many of the Task Force's recommendations fail to recognize this fact. Solutions call for higher levels of government involvement, with increased spending and regulation.

Consider the initial section, "Work and Family: the Contemporary Balancing Act."

The overall premise of this section is that the make up of our workforce has changed dramatically. Family members are finding more conflicts between the demands of their families and their work places. Rather than examining the cause of this shift, and whether or not it is beneficial to the family, the report concludes that new policies must be developed to accommodate this new direction in the workforce. Address the symptoms not the cause.

The Task Force did recognize part of the reason for this shift in the workforce.

"...two incomes are necessary to buy the security that one wage used to afford."

However, it failed to address this further.

Government tax policies have taken the hardest toll on the traditional nuclear family. A recent study by the U.S. Treasury Department found that between 1960 and 1984, married couples with two children saw their tax burden rise 43% and those families with four children had a 223% tax increase. Contrast that to the average tax burden for single persons and childless couples whose tax burden did not rise, and it becomes clear that government is placing a disproportionately large burden on families. 1

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One solution to restoring strength to the family can be found in reducing the financial constraints placed upon them by government. Strategic tax incentives can accomplish far more than state mandated programs and continued government over-regulation.

Family tax credits can be utilized to give parents a choice whether to remain at home or to work. This is the most compassionate option the Legislature can offer.

The Task Force report itself recognizes both the importance of parent-child relationship in the formative years;

Allan Carlson, "Whatever Happened to the Family Wage?," The Public Interest, Spring 1986

"Psychologists and lay persons alike recognize the importance of 'bonding,' or establishing an intimate connection between parent and newborn."

and parental preference to remain at home with their children;

"...those who have some choice about working often opt to stay at home."

By reducing the tax burden on the California family, government can help remove some of the implicit costs to parenting, thus returning incentives to parents who want to remain at home.

Tax relief can also be utilized as an incentive for business to become more flexible to the needs of young families who choose to work. The Task Force has recognized that private enterprise is already responding to the needs of families. The report states:

"Some companies are beginning to invest in programs to benefit the entire community in which the business resides."

Rather than imposing state-mandated oversight -- "family responsibility statements" -- and increased regulations -- "job-protected family leave" -- the Legislature can give tax credits to encourage businesses to establish programs which benefit families.

Increasing government regulations, creating an additional level of bureaucracy and developing additional state programs will have a detrimental effect on California families by hitting them where it hurts most -- the pocketbook.

Additional examples of the difference between incentives and regulation can be found in the section of this report titled "From the First Generation to the Last: A Family Continuum of Caregiving."

In examining the problems of California's Child and Elder Care systems, the Task Force failed to address the impact of government incentives and free enterprise efforts to provide adequate care.

Rather than increasing the level of subsidized child care, as the report recommends, the Legislature should focus on increasing incentives for private enterprise to provide child care solutions. Government provided child care has not been successful as the report points out;

"Though California has the nation's largest subsidized child care system...fewer than 10 percent of eligible children are served by existing resources."

And the report also notes that businesses have begun to take the initiative by providing child care services.

"Employers' support for child care often focuses on assistance to their own employees, though some businesses have created consortia to improve child care options community-wide."

Incentives should be put into place which would expand private enterprise participation in the child and elder care system.

In addition, the red tape and over-regulation of child care facilities should be restructured to allow facilities to become more competitive and less expensive. This would allow parents who decide to work more choice in where to send their children.

Parents who must utilize day care facilities must be given a choice as to where their child should be placed. Again, tax incentives can be utilized.

Tax credits benefit lower income families the most in that they are deducted from their tax liability. By granting credits and/or vouchers to families who must seek out day care, government is allowing parents the choice. Subsidized child care, as with subsidized anything, implies that government can spend an individual's dollars better than that person.

As we look toward the future, and the continued development of our children, we realize that they are our future. We must take steps to insure that they are not ill-prepared to meet tomorrow's challenges.

Educational opportunities must be of the utmost quality.

Unfortunately, the current education system in California is in need of help. We must develop solutions which will benefit families as they raise and educate their children.

Free market approaches can be found to help stimulate improvement in our public school system. Competition breeds excellence. The Legislature should implement programs which motivate competition among our state's schools.

Open enrollment policies will give parents a choice in their children's education. Schools will have to compete for kids, and will improve their curriculum and teaching staffs accordingly.

Parental involvement in schooling also is essential. Schools should not be allowed a "carte blanche" in their instruction of our children. Positive parental consent should be required before teaching sex education, or when non-academic counseling is performed. Other incentives for parental involvement should also be developed, such as allowing parents to review educational

materials to be used during the school year. Parental involvement in the school system can be accomplished without increasing government spending and control as advocated by the report.

ISSUE AREAS

Although the report of the Task Force is an attempt at comprehensive investigation of the problems facing families, the basic focus of the report is misplaced. While we all agree that family structure is in jeopardy, there is a disagreement on which direction we must move. We must not concede to the problems that confront the family, and use these problems as an excuse to respond by creating new government programs which replace family responsibility. Rather, government should find ways to strengthen and back-stop the family -- to help the family resist and respond to these pressures.

There is much which this report has not yet addressed, including drug and alcohol abuse, pornography, promiscuity, gangs and related criminal activity, aids, child abuse, divorce, and

affordable housing -- all of which impact family life. When we deal with the causes of each of these issues, and not the symptoms, then we will be performing our important role of helping the family survive into the 21st century.

Sincerely,

Tim Leslie

Assemblyman, Fifth District Member, Joint Select Task Force on the Changing Family