

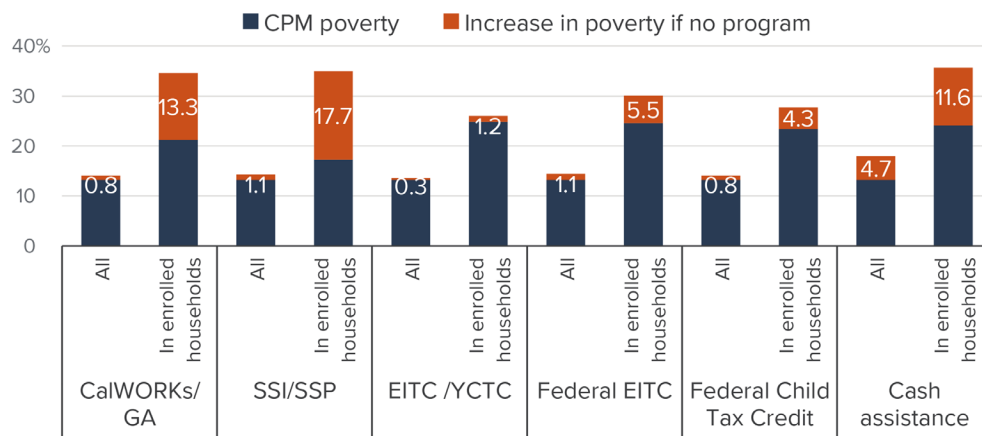
California's Cash-Based Safety Net

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Cash assistance programs help low-income Californians meet basic needs.

- ▶ According to the [California Poverty Measure \(CPM\)](#), cash-based programs kept 1.8 million Californians—including 760,000 children—out of poverty in early 2023. But not all who are eligible are enrolled.
- ▶ While tax credits reach more low-income Californians, the California Work Opportunity and Responsibility to Kids (CalWORKs) and Supplemental Security Income/State Supplementary Payments (SSI/SSP) have the largest impact on poverty for participants because they provide higher levels of support.
- ▶ Eligibility, requirements, funding sources, and oversight vary widely across key cash-based programs.

Tax credits reach more Californians, but targeted programs provide more assistance to participants



Source: California Poverty Measure, early 2023.

Notes: Chart shows program impacts for all people, and for people in families where any member participates. “Cash assistance” combines assistance from all of the individual programs shown. Program participation may be overlapping.

CalWORKs assists families, while General Assistance helps a small number of adults.

- ▶ CalWORKs provides monthly cash assistance to very low-income families with dependent children. Undocumented immigrants are ineligible but may have eligible family members (usually US-born children). Many parents must be working or making progress in education or training in order to remain eligible.
- ▶ In 2022–23, appropriated federal, state, and local spending for CalWORKs cash assistance totaled 4.3 billion. Starting in October 2023, monthly maximum grants have ranged from \$1,112 to \$1,310 for a family of three. Additional program funds go toward education, training, and employment services and support, including child care.
- ▶ About 60% of eligible families participate in CalWORKs, according to [estimates from 2019](#)—this relatively low rate might be attributable to eligibility expanding faster than benefit levels. About three quarters (76%) of the 880,000 participants are children.
- ▶ County-run and -funded General Assistance (GA) programs assist about 160,000 low-income, working-age adults per month who are not eligible for other cash assistance. Counties spent \$472 million on GA in 2023–24—two-thirds of it in Los Angeles County. Grants are typically time-limited and averaged \$244 per month.
- ▶ Seven localities across the state are implementing [guaranteed income pilots](#) that will reach about 12,000 low-income families. Funded by state, local, and private sources, these initiatives aim to test the impact of unconditional cash payments, prioritizing foster youth and pregnant individuals.

SSI and SSP assist low-income individuals who are disabled or age 65 or older.

- ▶ SSI assists low-income individuals who are blind, or meet strict disability criteria, or are 65 or older; California augments this income with SSP. In addition, the California Assistance Program for Immigrants (CAPI) serves about 15,000 legal residents who do not meet additional non-citizen criteria for SSI.
- ▶ About 1.1 million people receive SSI/SSP monthly grants, mostly those ages 18–64 (40%) and ages 65 and older (52%). The share of eligible Californians who participate is not tracked, but participation has declined 14% over the past decade.
- ▶ Federal benefits totaled \$7.7 billion in 2023, while state benefits totaled \$3.1 billion. After making cuts during the Great Recession, the state has been increasing SSP benefits in recent years. As of 2023–24, maximum monthly SSI/SSP payments are \$1,183 for individuals and \$2,023 for couples.

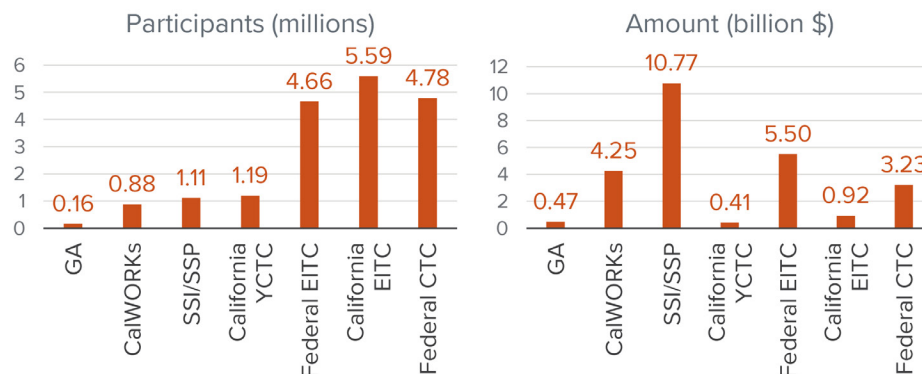
Refundable tax credits help those with low—and sometimes no—earnings.

- ▶ Low-income earners who file taxes get federal and state credits, including Earned Income Tax Credits (EITCs), the federal Child Tax Credit (CTC), and the Young Child Tax Credit (YCTC). California began providing the YCTC regardless of earnings and the new Foster Youth Tax Credit (FYTC) for the 2022 tax year.
- ▶ The federal EITC averaged \$1,857 for the 2021 tax year. The CalEITC can be claimed by undocumented immigrants and other filers who are ineligible for the federal credit. The combined CalEITC and YCTC credit averaged \$388; very low-income filers with children under 6 could receive substantially more. The FYTC provides up to \$1,117 to eligible current and former foster youth ages 18–25.
- ▶ The [IRS estimates](#) that about 71% of eligible California families (about 3.3 million tax filers and their families—8.3 million people overall) got the federal EITC in 2021. This take-up rate was lower than that of 46 other states and the District of Columbia. In 2023, the CalEITC was claimed by 3.4 million filers (and benefited 5.6 million people); about 412,000 of these filers also got the YCTC, and close to 5,000 got the FYTC.
- ▶ Federal EITC spending in California totaled \$5.5 billion in 2023; the state spent about \$920 million for the CalEITC, \$414 million for the YCTC, and \$5 million for the FYTC.

California is moving forward amid economic uncertainty.

- ▶ Most pandemic-era safety net expansions expired by the end of 2022, and [poverty rose in early 2023](#).
- ▶ California is facing a revenue shortfall. Lawmakers made cuts to [CalWORKs and SSP during the Great Recession](#), but cash grants have not been affected so far.
- ▶ California has expanded the cash-based safety net in recent years; now that the state is facing budget challenges, a focus on improving program participation among eligible Californians and facilitating equitable access could be especially opportune.

Participation and funding vary widely across the state's largest cash assistance programs



Sources: [CA237 Report](#); [Franchise Tax Board, Public Affairs Office](#); [GR 237 Statistical Report](#); [Local Assistance Appropriation Table 2023–24](#); [SSI Monthly Statistics, December 2023](#); and [Statistics of Returns with EITC](#).

Sources: [CalWORKs Maximum Aid Payments 2023](#); [CalWORKs Take-up Rates Across Demographic Groups](#); [EITC participation rates](#); [TANF Financial Data FY 2022](#); [The SSI Program](#).