California's Social Safety Net in Recession and Recovery

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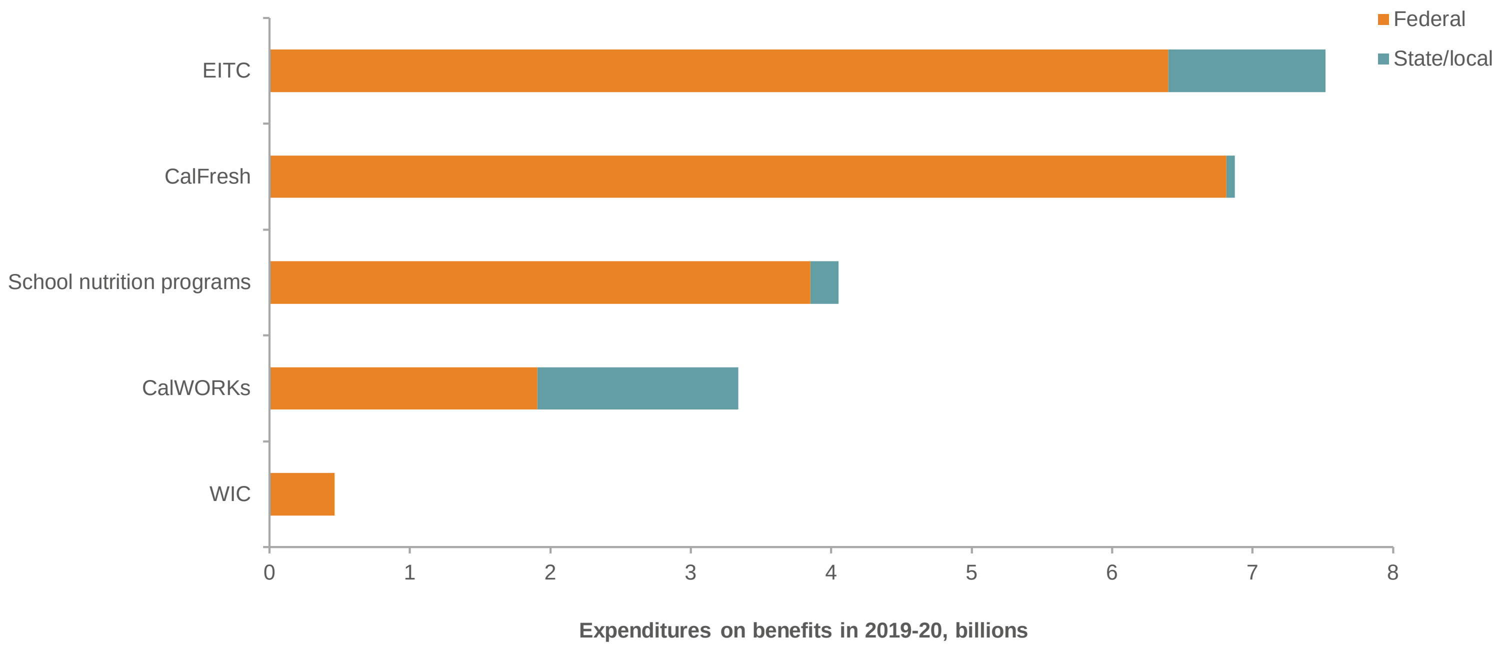
California’s safety net can help promote an equitable economic recovery

- State and federal policies seem to have averted sharp increases in poverty in the early months of the COVID-19 shutdown
- But low-wage workers may have an even longer-term need for the social safety net than they did after other recent downturns
- Examining the safety net’s response after the Great Recession can help policymakers effectively leverage safety net resources moving forward

California’s safety net bolsters incomes

- California’s social safety net provides immediate assistance to supplement low-paid work and under- or unemployment
- Largest programs include
  - Cash: CalWORKs
  - Nutrition: CalFresh, school meals, WIC
  - Tax credits: federal Earned Income Tax Credit (EITC), Child Tax Credit (CTC); CalEITC, Young Child Tax Credit
- Programs also aim to improve a range of other outcomes

Safety net programs represent a federal-state-local partnership



Overall, safety net programs responded to the Great Recession

- CalFresh and CalWORKs grew in response to elevated unemployment
- The federal EITC response was mixed
  - The EITC is closely tied to employment, and many people lost jobs or hours of work during the downturn
- School meals and WIC expanded for targeted groups
- Need remained elevated even after the economy began to improve and the state budget was recovering

There were gaps in the safety net response

- Key gaps include working age adults not living with children and families with mixed immigration statuses
- For adults without children, no measurable support from programs when unemployment rates rose
  - In part due to ineligibility
  - EITC may have declined for this group
- For mixed-status families, no measurable support from CalWORKs or EITC
  - Again, driven in part by ineligibility
  - CalFresh, WIC and school meals helped to fill gaps

Policy innovations during the pandemic could be helpful in future recessions

- Fill gaps in the federal recessionary response
  - Faced by adults without dependents or mixed-status families
- Provide multiple points of delivery for stimulus
  - Tax filers and also program participants got payments
- Ease program access temporarily
  - Redeterminations and program time limits were paused
- Assess the effectiveness of recessionary measures

Looking forward

- Time temporary actions to expire when targeted unemployment rates improve
- Continue to increase participation among eligible Californians so more can be reached quickly during recessionary periods
- Continue to improve linkages across programs to reduce bureaucratic obstacles to enrollment

Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.