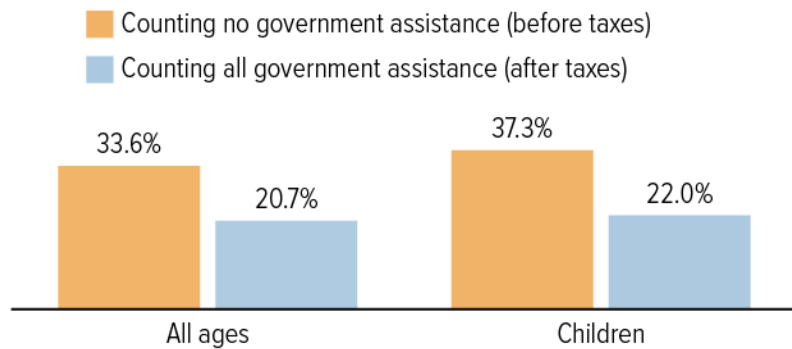


In California, Safety Net Lifts Roughly 4.9 Million People Above Poverty Line and Provides Health Coverage to 49 Percent of Children

Federal and state safety net programs lift an estimated 4.9 million Californians above the poverty line each year, reducing the poverty rate from 33.6 percent (before counting government benefits and taxes) to 20.7 percent. Many are children: the safety net lifts roughly 1.4 million California children above the poverty line, reducing the child poverty rate from 37.3 percent to 22.0 percent.

Safety Net Cuts Poverty Rate by More Than One-Third in California



All figures in this fact sheet reflect the most recent data of their kind available. The figures measure the combined impact of federal, state, and local policies, but federal programs account for the vast majority of poverty reduction in every state.

Impact of Largest Programs

Social Security lifts more Californians above the poverty line each year than any other program. “Means-tested programs,” which tie eligibility to a person’s income — such as SNAP (formerly food stamps) and the Earned Income Tax Credit — also reduce poverty considerably, especially among the non-elderly. In California:

- **Social Security** lifts an estimated 2.3 million people — most of them elderly — above the poverty line and cuts the elderly poverty rate from 51.2 percent to 19.2 percent.
- **SNAP** lifts an estimated 810,000 people above the poverty line, and it makes many others less poor. Altogether, SNAP assists an average of 4.4 million people a month, including about 2.4 million children.
- Two working family tax credits, the **Earned Income Tax Credit** and **Child Tax Credit**, lift an estimated 1.2 million people out of poverty. Altogether, roughly 11 million people — including 6.4 million children — receive the Earned Income Tax Credit or low-income part of the Child Tax Credit.
- **Supplemental Security Income**, which provides critical aid to elderly and severely disabled people with very low incomes, lifts an estimated 770,000 people above the poverty line.
- **Housing assistance** lifts an estimated 660,000 people above the poverty line. In total, federal rental assistance helps 1 million people keep a roof over their heads; many other families eligible for assistance don't receive it due to funding limitations.

Safety net programs not only reduce immediate deprivation but also have long-term benefits for children, a growing body of research indicates. The findings suggest, for instance, that SNAP and the Earned Income Tax Credit help reduce infant mortality and low birthweight, and improve children's reading and math test scores, high school completion, college entry, and expected future earnings. The findings also indicate that housing assistance that helps low-income families move to safe, low-poverty neighborhoods with better schools can enhance their children's long-term prospects.

Higher Income for Poor Children Is Associated With Increased Work Hours and Earnings Later in Life



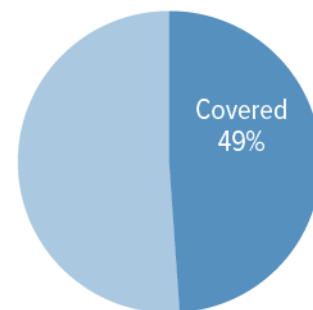
Health Coverage

An estimated 12 million Californians have coverage through Medicaid or the Children's Health Insurance Program. (Health coverage provided through public programs doesn't count in determining a household's poverty status.) These programs are particularly essential to children's health, covering 5.1 million — or half — of the state's children.

Obtaining access to health care through Medicaid has long-term benefits. People eligible for Medicaid coverage in childhood miss fewer school days due to illness or injury, are more likely to complete high school and college, and earn more as adults.

Half of California Children Covered by Public Health Insurance

Share of children covered by Medicaid and Children's Health Insurance Program



Data note: The figures on people lifted out of poverty reflect a comprehensive poverty measure that includes cash benefits and income-like assistance such as SNAP and refundable tax credits, and adjusts for households' underreporting of benefits. The estimates average data over multiple years (in most cases 2009-2012) for increased reliability; 2012 is the latest year for which it is now possible to correct for underreporting. The figures modestly overstate the safety net's current overall anti-poverty impact, largely due to the subsequent decline in unemployment benefits. (The poverty-reduction figures for the EITC and low-income CTC, where adjustments for underreporting are not required, cover 2011-2013.)

The figures on program participation are the latest data available from program records – May 2016 for Medicaid, 2015 for SNAP and HUD and USDA housing programs, and 2013 for the EITC and CTC.

For methodological reasons, poverty-reduction figures for individual programs add up to somewhat more than the total for the safety net as a whole. For more detail on the lifted-out-of-poverty calculations and the data sources used here, as well as on the effects of particular programs at the state level, see <http://www.cbpp.org/research/poverty-and-inequality/impact-of-the-safety-net-state-fact-sheets-data-sources-and-calculations>.

(Graphic 1 source) CBPP analysis of 2009-2012 Census Bureau data from the March CPS and SPM public use files; corrections for underreported benefits from HHS - Urban Institute TRIM3 model. **(Graphic 2 source)** Greg J. Duncan and Katherine Magnuson, "The Long Reach of Early Childhood Poverty," *Pathways*, Winter 2011. **(Graphic 3 source)** CBPP calculations based on CMS Medicaid and CHIP enrollment data for March 2016 and Census Bureau population data.