

## FACT SHEET

# California's State Stimulus & Low-Income Seniors

SEPTEMBER 2021

Low income seniors who have faced unanticipated pandemic-related costs are receiving a much needed financial boost from the recently enacted state stimulus. The two state stimulus programs (the Golden State Stimulus and Golden State Grant) provide direct aid to low-income Californians experiencing financial hardship during the pandemic and include a significant number of older adults, most significantly the over 1 million low-income seniors and people with disabilities who receive SSI/SSP.

The state stimulus was approved by the Legislature and signed into law by the Governor in February 2021 as an early budget action, with the final state budget expanding eligibility for the Golden State Stimulus to moderate income workers. The Golden State Stimulus operates through the state tax system, including the CalEITC, the state's Earned Income Tax Credit, and provides a refundable credit of up to \$2,200 to households earning up to \$75,000. The Golden State Grant operates outside the state tax system and provides a one-time \$600 grant to beneficiaries of three programs that serve very low-income households: SSI/SSP, CAPI and CalWORKs.

Below is a summary of the two stimulus programs and who is eligible for them.

## GOLDEN STATE GRANT

The Golden State Grant provides \$600 in one-time relief to low-income individuals receiving certain public benefits, with the largest group being the seniors and people with disabilities who receive Supplemental Security Income/State Supplementary Payment (SSI/SSP). The Golden State Grant also includes individuals who receive Cash Assistance Program for Immigrants (CAPI) and California Work Opportunity and Responsibility to Kids (CalWORKs). All three programs are means-tested and provide income benefits to very low-income seniors, people with disabilities, and families with children. For example, CalWORKs provides cash aid and services to low-income families with children in the home, including intergenerational households of grandparents raising grandchildren. These payments went out to eligible individuals automatically between April and June 2021.

The largest group of seniors receiving the Golden State Grant are the over 1 million SSI beneficiaries in California. All SSI beneficiaries are seniors or people with disabilities, with the majority of recipients in California being age 60 or older. Because SSI is means-tested, the program demographics end up reflecting broader social and economic inequalities, with women and people of color being disproportionately represented in the program.<sup>1</sup> Nearly two-thirds of SSI seniors in California are women.<sup>2</sup> SSI recipients of all ages are disproportionately people of color,<sup>3</sup> and SSI seniors in particular are disproportionately immigrants.<sup>4</sup> Given the program demographics, a stimulus for SSI recipients is an effective way to target assistance in order to reduce income inequality.

CAPI is a state-funded SSI look-alike program that provides benefits to a certain subset of immigrant seniors and people with disabilities. California established CAPI in 1998 to provide benefits for certain immigrants who previously would have been able to receive SSI, but who are no longer eligible for SSI because of restrictions placed on non-citizen eligibility in 1996 federal welfare legislation.

Policy guidance issued by the Social Security Administration in July 2021<sup>5</sup> clarified that the Golden State Grant and Golden State Stimulus are disaster assistance payments. The disaster assistance designation means that the state stimulus payments do not count as income or as a resource for SSI. These income and resource exclusions ensure that seniors and people with disabilities will not lose SSI eligibility due to receiving the state stimulus, including individuals who save their stimulus payment long-term.

## **GOLDEN STATE STIMULUS**

The Golden State Stimulus that was included as an early budget action provides a credit of \$600 or \$1,200 to workers with earned income up to \$30,000 who qualify for the CalEITC, and workers who file with an Individual Tax Identification Number (ITIN) and have earned income up to \$75,000. These individuals have already received their stimulus payments automatically. The final state budget expanded eligibility for the Golden State Stimulus to all tax filers with earned income up to \$75,000 and provided an additional payment for filers with dependents. These payments should be going out in the next few weeks.

Working seniors and undocumented workers are eligible for the CalEITC, due to California breaking from federal eligibility standards to expand eligibility to workers age 65 or older in 2018 and to ITIN filers in 2020. These recent expansions mean that low-wage older workers of all ages and regardless of immigration status can be eligible for the CalEITC, which in turns qualifies them for the Golden State Stimulus.

Both parts of the state stimulus are providing much-needed relief to low-income individuals and families hit hardest by the pandemic, including many low-income seniors. Going forward, continuing a targeted focus on individuals and families who receive public benefits will strengthen the resilience of the safety net during disasters. Future stimulus efforts could be improved by working to automate payment to all beneficiaries, including beneficiaries of other benefit programs serving low-income Californians, and providing a larger credit to undocumented Californians who have been excluded from federal relief. Centering equity will help California to address the impacts of historic discrimination on women, people of color, and immigrants, and to reduce economic insecurity where it is most severe.

# COMMUNITY VOICES



*"With shelter in place there are additional costs including using online services for all food and essential items, not traveling on public transportation due to risk, in-person grooming services for my guide dog since I'm unable to get to groomers & more. TY for including the needs of those who are blind during this challenging time." —Alice, Sunnyvale, Californians for SSI, @CA4SSI, June 21, 2021*

*"Miguel from Panorama City near LA says he will use his #GoldenStateGrant on much needed car repair." Californians for SSI, @CA4SSI, June 20, 2021.*

*"Wilma on the #GoldenStateGrant: I'm very glad that I got the \$600 dollars. It helped out a lot with food and I traveled to help out my mom because her husband passed away of Covid. Thanks so very much." Californians for SSI, @CA4SSI, June 19, 2021.*

*"When I get the \$600 Golden State Grant money, I will spend it on paying off my overdue bills says Kristy." CALIF-ILC, @SystemsChange4C, June 9, 2021.*

*"From Keith at St. Mary's Center: "When I get the \$600 Golden State Grant money, I will be able to live, not simply survive, by catching up on delayed bills, and spending time with my grandkids." Ruby Rodriguez (She/They), @rcr\_liberation, June 9, 2021.*

*"When I get the \$600 #GoldenStateGrant money, I will spend it on my front lower tooth plate - Randy, #SSI Recipient, Sacramento" Californians for SSI, @CA4SSI, June 8, 2021.*

## ENDNOTES

- 1 Giefer, Katherine, "A Profile of SSI Recipients: 2017," Current Population Reports, U.S. Census Bureau (2021), available at <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p70br-171.pdf>
- 2 Esi Hutchful, "The SSI/SSP Grant: A Critical Support for Older Women and People of Color in California," California Budget & Policy Center (2020), available at <https://calbudgetcenter.org/resources/the-ssi-ssp-grant-a-critical-support-for-older-women-and-people-of-color-in-california/>
- 3 "Annual Statistical Supplement, 2020," Social Welfare and the Economy: Interprogram Data, Social Security Administration (2021), available at <https://www.ssa.gov/policy/docs/statcomps/supplement/2020/3c.html#table3.c7a>
- 4 "SSI Annual Statistical Report, 2019," Noncitizens, Social Security Administration (2020), available at [https://www.ssa.gov/policy/docs/statcomps/ssi\\_asr/2019/sect05.html](https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2019/sect05.html)
- 5 See [EM-20014 REV 4](#) and [EM-21050](#).