

AMERICAN RESCUE PLAN

The American Rescue Plan: Impacts on California

The Need for Action in California

The pandemic and the associated economic crisis have had a severe impact on California. The need for action is clear:

- Since the pandemic began, more than 3.5 million people have been infected with COVID-19 and more than 54,000 people have died.
- The unemployment rate is 9.3%, up from 4.3% before the pandemic.
- Since February 2020, more than 1.6 million fewer people are employed.
- 3.2 million adults – 13% of all adults in the state – report not having enough food to eat. This includes 1.8 million adults living with children, or 17% of all adults living with children, who report that the children in their household do not have enough to eat.
- An estimated 1.9 million renters or 16% of renters are not caught up on rent.
- An estimated 11.4 million adults or 41% of all adults statewide report having difficulty covering normal household expenses.

The Effect of the American Rescue Plan on California

President Biden's American Rescue Plan will provide California with:

- \$27 billion in state fiscal relief
- \$18.5 billion in local fiscal relief
- More than \$15 billion in relief for K-12 schools
- Economic impact payments of up to \$1,400 per person (above the \$600 per person provided in December) for more than 22 million adults and 9 million children. This is 80% of all adults in the state and 81% of all children in the state.
- Additional relief of up to \$1,600 per child through the Child Tax Credit to the families of 7.8 million children, lifting 553,000 children out of poverty
- Additional relief of up to nearly \$1,000 through the Earned Income Tax Credit to 1.8 million childless workers, including many in frontline jobs
- Marketplace health insurance premiums that are \$1,270 lower per month for a 60-year old couple earning \$75,000 per year