

# Fact Sheet

## END CHILD POVERTY IN CALIFORNIA

End Child Poverty in California is a campaign to educate Californians about the severity of child poverty and to raise awareness that there is a research-backed, data-driven solution that could reduce child poverty by 50%. This campaign is coordinated by GRACE along with partner organizations. Only by working together can we make child poverty a priority in California.

## PROBLEM

California has the highest child poverty rate in the country after adjusting for the cost of living. More than one-fifth of children in California—1.9 million—live in poverty.

## SOLUTION

Based on extensive research conducted by the [Stanford Center on Poverty and Inequality](#) and [GRACE](#), a comprehensive, data-driven policy approach was developed that will substantially reduce poverty in California. It addresses the problem of child poverty holistically, and is grounded in the belief that all children deserve an equal opportunity to reach their full potential.

## GRACE APPROACH

Impacting poverty of this magnitude requires an unprecedented and comprehensive investment in proven strategies. Research indicates that expanding and investing in the following programs would reduce poverty in California by 50 percent:

- Pre-Natal and Home Visiting Services
- Childcare
- Early Childhood Education
- After School and Summer School Programs
- California Promise Zones designated in areas with concentrated poverty
- Job Training
- Expanded State Earned Income Tax Credit (EITC)
- Increase in CalWORKS grants

## **FUNDING SOURCES**

The cost to implement this comprehensive plan would be approximately \$7.7 billion per year. This investment would be more than offset by the amount California would save by reducing the demand for foster care, juvenile detention and incarceration, and social services and health care costs.

The plan could be financed in a number of ways including charitable giving, philanthropic efforts and increased government support. Further revenue options to explore include a millionaire's tax, a property split roll tax, a sales tax increase, or a combination of any of these options.

Another option to explore would be a surcharge on real property in excess of \$3 million. For example if the following surcharges were applied, approximately \$8.7 billion could be raised:

- 0.3% on the portion of assessed value between \$3 million and \$5 million
- 0.6% on the portion of assessed value between \$5 million and \$10 million
- 0.8% on the portion of assessed value in excess of \$10 million

This would affect approximately 1.3 percent of property owners in California.

## **IMPACT**

- Reduce child and family poverty by 50%
- Reduce child abuse
- 170,000 new jobs will be created
- Significant cost savings in healthcare, foster care, juvenile detention, social services and incarceration