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Statement from Economic Security Project Action California Campaign Director Teri Olle on AB 2589

“As costs for gas, rent, food and other goods continue to rise across the country, California has – once again – emerged as a national role model in the fight against poverty. Economic Security Project Action is proud to join Golden State Opportunity, GRACE/End Child Poverty in California, CalEITC Coalition, End Child Poverty in California, United Ways of California, First 5 CA, and others in supporting [AB 2589](#). Proposed today by Assemblyman Miguel Santiago (D-Los Angeles), this legislation would provide 5 million Californians with direct cash payments and expanded tax credits —support that is life-changing for many of California low-income families that are targeted in this program. AB 2589 will help address the state’s ongoing affordability crisis by supporting struggling families who have been hardest hit by the rising costs of basic necessities. The bill not only sets a \$255 minimum income floor for the CalEITC Credit, but it also compensates for the recent expiration of the federal Child Tax Credit (CTC) with a one-time payment to parents. This direct cash stimulus of \$2,000 per child—available to families with earnings as low as \$1—recognizes the barriers that have prevented low-income California families from receiving their much-needed benefits. These payments allow Californians the freedom to use this benefit how they see fit and will be key in addressing the needs of children living in deep poverty.

“Families and workers in California need this money now more than ever. As one of the wealthiest states in the country, California can afford to step up where the federal government has lagged behind. In 2021, the federal Child Tax Credit cut child poverty by 40%, sending \$10 billion to Californians hit hardest by the COVID-19 pandemic. Washington’s failure to extend the expanded Child Tax Credit makes Assemblyman Santiago’s leadership even more crucial. AB 2589 would provide financial assistance while eliminating cumbersome bureaucratic paperwork that keeps families from accessing money they deserve.

“With an estimated discretionary budget surplus of nearly \$21 billion, California has the opportunity to redefine what it means to fight poverty in our nation. Just one provision in this legislation, the established minimum CalEITC credit, will provide direct cash benefits to nearly 3.1 million households, an astonishing and enduring benefit that has already pushed what a robust anti-poverty effort can be. Economic Security Project Action urges the legislature to take this historic opportunity and pass [AB 2589](#). Direct cash payments are a proven way to ensure families can afford basic needs like food and rent. We cannot let struggling Californians down.

For more information about the Economic Security Project Action, visit:

<https://www.economicsecurityproject.us/>

To read Assemblyman Santiago’s full statement, visit:

<https://a53.asmdc.org/press-releases/20220222-assembly-member-santiago-introduces-bill-ca-child-tax-credit-low-income>