



The Stimulus Gap: 2.2 Million Californians Could Miss \$5.7 Billion in Federal Stimulus Payments

ELSA AUGUSTINE, CHARLES DAVIS, AND APARNA RAMESH

Summary: In March 2021, Congress passed the American Rescue Plan, which included a third round of pandemic-related stimulus that delivered cash aid rapidly to low- and middle-income Americans. However, we estimate that approximately 2.2 million eligible Californians are caught in the federal Stimulus Gap: they likely did not receive these or prior stimulus payments automatically and may be in danger of not receiving them at all. These Californians may need to take an extra step to claim their payments by either filing a tax return or using the currently dormant IRS Non-Filers Tool to obtain stimulus payments. We estimate these Californians are at-risk of missing out on \$5.7 billion.

Recommendations: The May tax deadline is fast approaching. In the immediate term the IRS should simplify the process of receiving stimulus payments by relaunching their online Non-Filers Tool to allow households to claim their payments without filing a full tax return. While the Treasury Department has committed to relaunching a similar tool, the Non-Filers Tool has been unavailable since November 2020. We also recommend the IRS explore enhancing the tool to also allow non-filers to claim other anti-poverty tax credits like the Earned Income Tax Credit and Child Tax Credit. The IRS should also coordinate closely with state and local human-services agencies to conduct targeted outreach to their enrollees most at-risk of missing stimulus payments. Congress should also explore ways to provide unclaimed stimulus dollars directly to states, allowing states to distribute stimulus dollars to eligible non-filers enrolled in safety-net programs.

Distributing stimulus payments through the tax system got aid to many Americans fast, but also created a federal Stimulus Gap among low-income Americans.

In response to the COVID-19 economic crisis, Congress passed three rounds of legislation providing stimulus payments that deliver cash aid directly to American families. These payments represent a significant financial boost for low-income households. When stimulus payments (also known as Economic Impact Payments) from all legislation are combined, most eligible adults could receive a total of \$3,200 each (see [Table 1](#)). Adults with dependents under the age of 17 in qualifying households could receive an additional \$2,500 per dependent. For example, a single parent with one child making \$15,000 could receive \$5,700 in stimulus payments, representing an almost 40% increase in their annual income.

The distribution mechanism for these payments — the tax system — enabled quick and efficient payment for many households. Within [five days of Congress](#) passing the third stimulus bill, the IRS disbursed \$242 billion to 90 million American households. For the first round of stimulus, the IRS used 2018 or 2019 federal tax returns to determine which families were eligible for stimulus payments and sent direct deposit payments, checks, or debit cards to those households. For the second round of stimulus, the IRS used 2019 federal tax returns to automate payments. For the third round, the IRS is using 2019 or 2020 returns. Households receiving Social Security (OASDI) benefits, Supplemental

TABLE 1: Three rounds of stimulus payments

ROUND OF STIMULUS	LEGISLATION	WHO IS ELIGIBLE FOR FULL PAYMENT	WHO RECEIVED AUTO-PAYMENTS	AMT PER ADULT	AMT PER DEPENDENT
April 2020	Coronavirus Aid, Relief, and Economic Security (CARES) Act	Adjusted gross income below: - Single: \$75,000 - Head of Household: \$112,500 - Married, filing jointly: \$150,000 All family members must have Social Security Number (SSN). Dependents must be under age of 17.	Tax Year 2018 and 2019 return filers Social Security/Veteran's Affairs/Railroad Retirement beneficiaries	\$1,200	\$500
Dec. 2020	Coronavirus Response and Relief Supplemental Appropriations Act	Above plus certain mixed-immigration status households	Tax Year 2019 return filers Social Security/Veteran's Affairs/Railroad Retirement beneficiaries	\$600	\$600
March 2021	American Rescue Plan Act	Above plus all dependents (regardless of age and whether parents have valid SSN)	Tax Year 2019 and Tax Year 2020 return filers (who filed before official March payment date) Social Security/Veteran's Affairs/Railroad Retirement beneficiaries	\$1,400	\$1,400
Total stimulus				\$3,200	\$2,500

Security Income (SSI), and compensation/pensions from Veteran's Benefits also received payments automatically for the first two rounds of payments, and will for the third as well.

Though fast, the strategy of using the tax system for distribution overlooks a segment of Americans most in need of this economic relief: households that have little or no earned income and are therefore not required to file taxes. These households did not automatically receive all the stimulus payments they were eligible for, landing them in what we call the federal Stimulus Gap (referred to as the Stimulus Gap hereafter). These low-income Americans likely have to take additional steps to receive these payments. This brief describes the characteristics of Californians who are enrolled in safety-net programs and are caught in the Stimulus Gap.

The Stimulus Gap in California includes any household enrolled in safety-net programs who did not automatically receive each of the stimulus payments for which they were eligible and are therefore at risk of not receiving that payment at all. We measure the Stimulus Gap using anonymized state human-services enrollment records (February 2018–July 2020) linked to tax data showing who filed a California state tax return in TY 2018 or 2019 (current as of August 2020). Our analysis starts with all Californians enrolled in safety-net programs administered by the California Department of Social Services: including but not limited to food stamps (the Supplemental Nutrition Assistance Program, SNAP) and cash aid (Temporary Assistance for Needy Families, TANF). We refer to these individuals as “safety-net enrollees” throughout the brief, though it is important to note that not all safety-net programs, such as Medicaid, are included in that definition. Due to the income-eligibility rules of these programs, nearly every one of these enrollees is eligible for stimulus payments.

To determine who is caught in the Stimulus Gap, we first determine who is likely *not* in the Gap. This includes individuals who likely received all of the automatic payments for which they were eligible because: (1) they filed a state tax return in 2019, (2) they are 65 years and older (and likely receiving Social Security benefits), or (3) they are enrolled in SSI/State Supplementary Payment (SSP) or disability insurance (SSDI). The Stimulus Gap also includes safety-net enrollees who filed a state tax return in 2018, but did not file a 2019 state tax return. This is because the IRS used

2018 tax returns only to deliver the first round of **stimulus payments**. See the appendix for more information on our methodology.

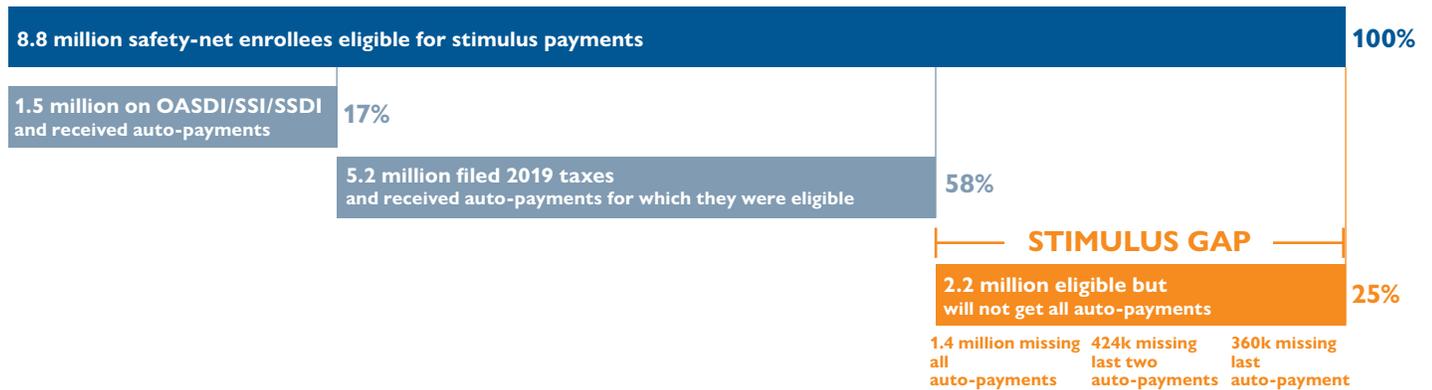
Twenty-five percent of Californians enrolled in safety-net programs — 2.2 million people — are caught in the Stimulus Gap.

The IRS was able to get payments out fast to most safety-net enrollees in California — but in its speed, we estimate that 25% of California's safety-net enrollees did not automatically receive all payments for which they were eligible. Across all three rounds of the stimulus, roughly 6.6 million Californians enrolled in safety-net programs automatically received (or will soon receive) an estimated \$18 billion in automatic stimulus (see gray bars in **Figure 1**). The data show that 58% of stimulus-eligible Californians (5.2 million) participating in safety-net programs from February 2018 through July 2020 appeared on a 2019 California state tax return as of August 2020 and therefore this group received all stimulus payments automatically. An additional 17% (1.5 million) were likely issued automatic payments because they are old enough to receive Social Security or from receiving SSI or SSDI.

However, we estimate that 25% of safety-net enrollees, some 2.2 million Californians, are caught in the Stimulus Gap and may miss out on approximately \$5.7 billion in stimulus payments. We estimate that 1.4 million of these Californians may miss out on all three rounds of stimulus. An additional 424,000 filed their 2018 but not 2019 taxes and so may miss out on the second and third rounds. Finally, another 360,000 dependents may miss out on the third round of stimulus, which broadened eligibility to all dependents. To receive their money, these Californians have to take an additional step to notify the IRS that they are eligible. If they did not use the Non-Filers Tool before it was taken down in November 2020, their only option now is to file a federal tax return.

Though our estimates of the overall Stimulus Gap in California are the most detailed to date, they are still imperfect because we cannot account for two key groups of eligible households. One group would potentially decrease our estimate of the Stimulus Gap and the other would potentially increase our estimate of the Gap. First, we cannot identify which people in our analysis population filed only a federal, and not a state, tax return. This group received

FIGURE 1: 25% of eligible California safety-net enrollees are in the Stimulus Gap



Source: Franchise Tax Board Tax Year 2018 and 2019 data (indicator of tax filing only), Medi-Cal Eligibility Data System files from February 2018 through July 2020.
 Note: Due to rounding, percentages and numbers may not total.

payments automatically and probably comprises around 750,000 eligible people, which would lower our estimates of the Stimulus Gap accordingly. Some, but not all, of those Californians are presumably enrolled in SNAP or TANF. Second, our analysis population does not include Medicaid enrollees who are not also enrolled in SNAP or TANF. We estimate this group comprises approximately 6 million people, some of whom likely did not receive automatic payments. If we had data on this group, all our aggregate estimates would likely increase, including the number and dollar amount of the Stimulus Gap. On balance, we think our overall estimate of the Stimulus Gap is a lower bound because the number of eligible Medicaid-only enrollees who did not receive automatic payments is likely larger than the number of safety-net enrollees that filed only federal taxes. See the appendix for more detail.

Who is in the Stimulus Gap in California?

Two-thirds of adults in the Stimulus Gap, around 880,000 people, are single and without dependents.

Most of these adults do not have any wage earnings. These individuals had little incentive or need to file their taxes prior to the pandemic, but are now eligible for \$2,000 to \$3,200 in aid. This should concern policymakers because it exacerbates the problem of single adults without dependents (especially those without earned income) being **left behind** by safety-net programs.

The Stimulus Gap includes 360,000 dependents who became eligible to receive the third stimulus payment because of provisions in the March 2021 bill. That bill expanded eligibility to include dependents ages 17 and older and children (with Social Security Numbers) of undocumented parents. However, if a parent or guardian does not have an Individual Taxpayer Identification Number (ITIN) to file a return, they may need to take the extra step of applying for an ITIN — a process that **can take an additional two months**.

Safety-net enrollees identified as Native American or Alaskan Native in the enrollment data appear to be at the highest risk for being in the Stimulus Gap.

Among that group, 37% likely did not receive an automatic payment. In contrast, only 11% of eligible individuals identified as Asian in the data are caught in the Stimulus Gap. Around 30% of eligible individuals identified in the data as Black, White, and Hawaiian or Other Pacific Islander are in the Stimulus Gap, as are 24% of eligible individuals identified in the data as Hispanic.

Safety-net enrollees in rural Northern and Eastern counties are more likely to be in the Stimulus Gap than residents of other counties in California.

For example, 33% percent of eligible safety-net enrollees who are residents of the North Coast economic area (Trinity, Humboldt, and Del Norte counties) are at risk of not receiving payments automatically. This interactive **county map** shows how many people are in the Gap in each county.

The IRS Non-Filers Tool is an essential, but incomplete, way to address the Stimulus Gap.

From April through November 2020, the IRS website featured a tool to help low-income Americans receive their stimulus payments even though they were not required to file taxes. Single filers with income under \$12,200 and those married filing jointly under \$24,400 could use this tool to claim their stimulus payment and bypass the complexities of tax filing.

This tool was largely successful. By October 2020 over **8.1 million households nationally had used it**. The IRS has not published detailed information on who used the tool, so we do not know how many were Californians or how many submissions were accepted. However, it is clear that the tool provided a crucial mechanism for households to avoid being caught in the Stimulus Gap.

Despite the tool's success, many families who are eligible for the stimulus still have not yet received it. In January 2021, the Treasury Department estimated that **8 million households nationally** had not yet been able to get their stimulus payments. That number is roughly equal to the number that used the Non-Filers Tool, which suggests that 50% of eligible households used the Non-Filers Tool.

We can apply this 50% take-up rate of the Non-Filers Tool to the Stimulus Gap in California, but we first have to subtract 780,000 Californians who are at-risk of missing only the second or third rounds of stimulus payments. These individuals were unable to use the Non-Filers Tool because the second and third rounds of stimulus passed *after* the tool had closed. Even if half of the remaining 1.4 million Californians (around 700,000) in the Stimulus Gap had used the Non-Filers Tool, that would still leave around 1.5 million Californians who could potentially miss out on \$3.5 billion in stimulus payments. In **Table A1** in the appendix, we apply a more complex set of assumptions and come to roughly the same estimate. To help federal and state policymakers track progress in closing the Stimulus Gap, the IRS should release detailed estimates of Non-Filers Tool use by state to date.

Beyond the stimulus: using the tax system to distribute benefits leaves a perpetual gap.

Over one million Californians in the Stimulus Gap may be eligible for other anti-poverty tax credits, such as the Earned Income Tax Credit (EITC) and the expanded Child Tax Credit (CTC).

Approximately 560,000 adults in the Stimulus Gap are likely eligible for the federal EITC, because they have wage earnings. The March 2021 bill expanded the federal EITC for childless workers, and is now worth up to \$1,500. In addition, 650,000 dependents in the Stimulus Gap may be eligible for the newly refundable CTC in 2021, worth up to \$3,600. In forthcoming work, we will provide robust estimates of who is at highest risk of missing out on these credits. The IRS should revive its tool to allow non-filers to claim their stimulus payments and also consider allowing non-filers to claim these other anti-poverty tax credits through that tool.

Coordinating through safety-net programs can be an effective way to close the Stimulus Gap, and focusing on SNAP recipients in the Gap is a promising place to start. At least 2 million Californians who we estimate did not receive automatic payments were enrolled in SNAP at some point between 2018 and 2020. Targeting efforts, such as outreach or even providing direct tax filing assistance, for example to SNAP recipients, could help the IRS meet Congress' goal of getting stimulus out to the families who have been most impacted by the COVID-19 economic downturn.

Recommendations

The IRS should make it as easy as possible for low-income Americans to claim the stimulus and anti-poverty tax credits. **Our past work** finds that simple, low-touch outreach is unlikely to spur tax filing. Filing a full tax return is complex in ordinary times. Finding convenient ways to do so is even **more difficult during the pandemic**, in part because in-person preparers (including the Volunteer Income Tax Assistance program) are not operating at full capacity.

The current administration has signaled steps toward simplification but can and should do more. In January 2021, President Biden signed an **executive order** directing the IRS to reopen its online Non-Filers Tool for and to focus on

outreach to underserved households. While the Treasury Department committed to relaunching the tool, it has remained unavailable since November 2020.

We recommend the following additional actions:

(1) Reinstate the IRS Non-Filers Tool as soon as possible — with modifications

In the immediate term, the IRS should simplify the process of receiving stimulus payments as much as possible, including by reinstating its online Non-Filers Tool, alongside easy options for Americans without internet access to claim payments.

In addition, the IRS should incorporate important lessons learned in the 2020 iteration of its tool. For example, it should ensure that using the Non-Filers Tool does not [preclude or delay](#) claiming the EITC or other anti-poverty tax credits.

(2) Enhance the Non-Filers Tool to facilitate claiming of other anti-poverty tax credits

The previous Non-Filers Tool was targeted at stimulus payments, but with some alterations it could also be used for households to claim the newly refundable CTC, which has fairly simple eligibility rules, especially for those under the non-filer income threshold. For more complex credits, such as the EITC, the IRS should explore whether the Non-Filers Tool, supported by administrative data, could be used to simplify claiming credits. These valuable tax credits are worth thousands of dollars in 2021 and are designed to pull children and low-wage earners out of poverty. Future policy briefs will cover how administrative data could also be used to accomplish this.

(3) Congress and California should devote additional funding to safety-net outreach

Congress should direct additional dollars to state human-services agencies to conduct outreach targeted at eligible households in the Stimulus Gap. In California, the state legislature should also allow state and county human-services departments to conduct direct outreach to program participants in the Stimulus Gap regarding stimulus payments and other anti-poverty tax credits. Those departments should send text messages and letters to households containing a link to the online Non-Filers Tool and find ways to incorporate claiming stimulus payments as part of existing interaction points. For households in the Stimulus Gap with a tax filing obligation, departments should provide information on

free resources to assist with filing a full tax return, such as Code for America's [GetYourRefund.org](#).

(4) Develop auto-payment infrastructure for all safety-net enrollees

The Gap identified in this brief will continue to exist as long as valuable benefits are distributed solely through the tax system. For the millions of low-income Americans who do not file taxes, we need to make it just as easy to distribute and receive funds through the existing safety-net system. For future payments, Congress should consider appropriating money to state human-services agencies to provide automatic payments directly to their non-filing enrollees, allowing money to flow faster to families most in need during economic downturns. To make this work, the IRS could allow, through a secure portal, state human-services agencies to check whether their program enrollees were issued a payment without necessitating the exchange of data between parties.

Acknowledgments

We are very grateful to our ongoing partnership with the California Department of Social Services and the California Franchise Tax Board, the staff at each organization who helped with this research, and for their commitment to informing policy through rigorous research.

The findings reported herein were performed with the permission of the California Department of Social Services and the California Franchise Tax Board. The opinions and conclusions expressed herein are solely those of the authors and should not be considered as representing the policy of the collaborating department, agency or any department or agency of the California government.

We thank Arnold Ventures, the University of California Office of the President Multicampus Research Programs and Initiatives, MRP-19-600774 and M21PR3278, The James Irvine Foundation, Tipping Point Community, and the Bylo Chacon Foundation for their generous support. Support for this research was provided in part by University of Wisconsin Institute for Research on Poverty, the National Institute on Aging, and the Robert Wood Johnson Foundation's Policies for Action program. The views expressed here do not necessarily reflect the views of the Robert Wood Johnson Foundation. All errors should be attributed to the authors.

Technical Appendix

Methodology: The California Policy Lab linked an indicator of whether a Californian filed a Tax Year (TY) 2018 or 2019 state tax return (or was claimed as a dependent on a tax return) with enrollment data and quarterly earnings data from the California Department of Social Services (CDSS). Data from the Franchise Tax Board (FTB) was through August 2020, and captures tax filing through the extended July 15th, 2020 tax filing deadline for TY 2019. The December 2020 legislation broadened eligibility to include household members with valid SSNs in mixed-status households (where at least one head filer or spouse has a valid SSN) — making them eligible for all rounds of stimulus. The March 2021 legislation broadened eligibility to include all dependents with a valid SSN, regardless of whether their parents have SSNs. Due to these expansions, virtually all CDSS program participants are eligible for payments. All data were anonymized before CPL began its analysis.

We count any individual enrolled in a CDSS program from February 2018 through July 2020 and who appears on a TY 2019 tax return as having received all three rounds of their stimulus payments automatically. We count any CDSS program participant who appeared on a TY 2018 return but not a TY 2019 return as part of the Stimulus Gap: this is because the IRS only delivered the first round of stimulus payments automatically using TY 2018 returns — the second two rounds of stimulus payments relied on TY 2019 and/or 2020 returns. In our totals of who has received an automatic

payment to date, we count these individuals as having received the first round of stimulus automatically. We assume that any CDSS program participants aged 65 years or older by 2020 likely received an automatic payment through Social Security. We also conservatively assume that any program participants who appear in a case where at least one member is indicated as receiving Supplemental Security Income/State Supplementary Payment (SSI/SSP) or Social Security Disability Insurance (SSDI) likely received an automatic payment. We use aid codes in the CDSS data, which denote reasons why an applicant was approved for Medi-Cal, as a proxy for whether a member of the household is on SSI/SSP or SSDI. Codes we use as a proxy either specify SSI/SSP receipt or denote a disability. Using this proxy, the volume of individuals we flag as receiving SSI/SSP is comparable to caseload levels reported by CDSS. We also conservatively assume that any individual who is 17 or 18 years old on a case with more than one person was ineligible for the first two rounds of stimulus. We are unable to observe who is a veteran and who may have received automatic payments through Veteran's Affairs (although estimates indicate that roughly 94,000 veterans in California receive SNAP in California).

CDSS programs: Our sample includes enrollment data across all safety-net programs administered by CDSS. CDSS's two largest social safety-net programs are CalFresh (SNAP) and CalWORKs (TANF). Other safety-net programs under the oversight of the CDSS include the SSI/SSP, the In-Home

Supportive Services (IHSS) Program, Adoption Assistance Program (AAP)/Aid Adoption of Children (AAC), Approved Relative Caregiver (ARC) program, Cash Assistance Program for Immigrants-Qualified (CAPI-Qualified) Aliens, Entrant Cash Assistance (ECA), Foster Care, Former Foster, KinGAP Cash Assistance, and Refugee Cash Assistance (RCA), and the Trafficking and Crime Victims Assistance Program (TCVAP).

Comparing to other estimates: Our estimates of the number of individuals who receive SNAP in California and are in the Stimulus Gap are higher than those released by the [Center for Budget and Policy Priorities](#), which estimated in October 2020 that 1.1 million Californians enrolled in SNAP or Medicaid are non-filers. Our estimates likely differ because we use more granular administrative data, eligibility rules changed in subsequent legislation, we account for households who only filed taxes in 2018, and we capture enrollments through the first five months of the pandemic — when SNAP enrollments in California reached their highest-levels ever. Additionally, the IRS estimates that as of October 2020, [1.1 million Californians](#) with earned income did not receive their stimulus payments. The figures from the IRS use W-2s and 1099s and thus do not include Californians *without* earned income — who make up a significant part of our Stimulus Gap estimates. The IRS also estimates that as of January 2021, after the Non-Filers Tool closed, approximately 8 million households in America had not received their stimulus payment. Assuming that 11–12% of those individuals live in California (roughly the percent of Americans who live below 100–200% of the federal poverty level in California), that leaves at least 1 million California *households* who have yet to receive any payments. Note that the IRS estimates do not include dependents who are newly eligible for the third round of stimulus — which we estimate to be an additional 360,000 among safety-net enrollees.

Estimating the number of CDSS program enrollees who used the IRS Non-Filers Tool. We use IRS-provided numbers for our assumption that 50% of those in the Stimulus Gap used the IRS Non-Filers Tool. Shortly before decommissioning the tool, the IRS reported that [8.1 million households](#) had used it. In January 2021, the Treasury Department noted that [8 million additional households](#) were eligible but had not claimed stimulus payments. This suggests that roughly half of Americans who did not automatically receive their stimulus payments used the Non-Filers Tool.

We arrived at similar estimates using a more complex calculation (see [Table A1](#)). We start with the IRS report of 8.1 million returns submitted through the Non-Filers Tool. We assume these returns represent 11.3 million individuals, given that the average case size among households in the Stimulus Gap while the Non-Filers Tool was open was around 1.4 individuals. We use the proportion of Californians in the U.S., the proportion of Americans around the federal poverty level (FPL) and 200% of the FPL who live in California, and the percent of households nationally who claimed the EITC in California last year to generate a range of estimates of the number of Californians who used the tool. These estimates range from 11–12%. We assume that not all Californians who used the Non-Filers Tool are CDSS enrollees, but that all users of the Non-Filers Tool are enrolled in Medicaid. This is a conservative assumption: it is likely that some Californians who used the Non-Filers Tool are enrolled in no safety-net programs, which would increase our Gap estimates. Total CDSS enrollment numbers from August 2019–July 2020 represent roughly 54% of [Medi-Cal enrollments in July 2020](#). In [Table A1](#), we use an adjustment to assume that approximately 54% of the California volume of IRS Non-Filers Tool use came from CDSS enrollees. We also keep constant the 357,075 dependents eligible for the latest round of stimulus payments, since they did not have the opportunity to use the Non-Filers Tool, as well as the 424,150 TY 2018-only Filers.

How federal-only returns impact our estimates

The final column of [Table A1](#) adjusts for the share of Californians in the Stimulus Gap who may have filed only a federal tax return, in addition to adjusting for use of the IRS Non-Filers Tool, and therefore do not appear in the state tax data. When we compare the volume of TY 2018 federal returns the IRS received from Californians with the volume of TY 2018 state returns in the FTB data used for this analysis (among returns with a positive AGI under \$25,000), we estimate that the IRS received an additional 525,102 returns, covering 747,358 Californians. The proportion of federal-only returns in California belonging to those enrolled in CDSS programs is unknown, but we apply the same Medicaid adjustments we used to adjust the Non-Filers Tool volume. While these adjustments impact the volume and magnitude of the issue, we do not believe these returns will greatly impact the breakdowns of the Stimulus Gap by program, race/ethnicity, language, or geography.

TABLE A1: Federal Stimulus Gap among California safety-net enrollees, adjusted for Non-Filers Tool use, under five different assumptions

ASSUMPTION: % IN (A) IS EQUIVALENT TO:	(A) CALIFORNIA SHARE OF RETURNS FILED THROUGH THE NON-FILERS TOOL	(B) CALIFORNIANS WHO USED NON- FILERS TOOL: (A) * 11.3 MILLION (EST. # OF CALIFORNIANS WHO USED TOOL)	(C) CDSS PROGRAM ENROLLEES WHO USED TOOL: (B) * 54%*	(D) # WHO DID NOT RECEIVE ANY STIMULUS PAYMENT: 2.2 MILLION (STIMULUS GAP) - (C)	(E) % TAKE-UP OF TOOL: (C) / (CALIFORNIANS WHO MISSED 1ST ROUND OF PAYMENT)**	(F) \$ MISSED- ADJUSTED FOR NON-FILERS TOOL USE	(G) \$ MISSED- ADJUSTED FOR FEDERAL-ONLY RETURNS AND NON-FILERS TOOL USE***
Percent of US population in CA	12%	1,360,800	737,026	1,471,405	52%	\$3,442,942,133	\$2,202,862,112
Percent of Americans below the FPL who live in CA (2019 ACS)	12%	1,360,800	737,026	1,471,405	52%	\$3,442,942,133	\$2,202,862,112
Percent of federal EITC claimants nationally who live in CA	11.2%	1,270,080	687,891	1,520,540	48%	\$3,592,070,164	\$2,351,990,143
Percent of Americans below 200% FPL who live in CA	11.7%	1,322,244	716,144	1,492,287	50%	\$3,506,321,546	\$2,266,241,525
50% Non-Filers Tool take-up assumption	12%	1,360,800	737,026	1,471,405	50%	\$3,514,033,800	\$2,273,953,779

* All estimates adjust the volume of Non-Filers Tool returns by approximately 54%: the volume of CDSS enrollments relative to Medi-Cal enrollments over a year long period.

** The non-filers tool closed before the second and third round of stimulus payments, so the denominator of the take-up rate is 1.4 million: the adults and children who qualified for but missed out on the first round of payments.

*** Adjusts volume of federal-only filers by 54%: the volume of CDSS enrollments relative to Medi-Cal enrollments over a year long period.

Our estimates do not capture the full federal Stimulus Gap in California. There are potentially eligible individuals who do not receive SNAP, TANF, or other benefits administered by CDSS but who do receive other government assistance and fall in the federal Stimulus Gap. For example, our analysis does not include Californians who are enrolled in Medicaid (known in California as Medi-Cal, California's largest safety-net program) but not enrolled in SNAP or TANF. Income eligibility rules for Medicaid mean that almost all enrollees will be eligible for the stimulus, so there is likely a larger pool of eligible Californians at-risk of not receiving an automatic stimulus payment. For example, in July 2020, there were 13 million Californians enrolled in Medicaid, compared with 7 million enrolled in CDSS programs from August 2019 through July 2020. If the proportion of Medicaid enrollees in the federal Stimulus Gap is the same as in the CDSS data, there could be an additional 1 million Californians in the Stimulus Gap. Matching Medicaid data with tax data would provide a more comprehensive

overview of the magnitude of who may not have received their stimulus payments to date in California.

Tables

TABLE A2: California safety-net enrollees who received automatic stimulus payments

	ADULTS	DEPENDENTS*	TOTAL	% OF SAFETY NET	\$ DISBURSED
Total eligible, received any payment automatically	3,620,996	3,439,630	7,060,626	80	18,434,921,100
<i>Filed California state taxes in 2019 (received all eligible payments automatically)</i>	2,041,575	3,113,903	5,155,478	58	13,429,932,500
<i>Filed California state taxes in 2018 (received April 2020 automatically only)</i>	216,494	207,656	424,150	5	435,987,100
<i>Likely received through Social Security, SSI/SSP</i>	1,362,927	118,071	1,480,998	17	4,569,001,500
Eligible CDSS program participants	5,679,055	3,165,852	8,844,907	100	—

TABLE A3: California safety-net enrollees in the Federal Stimulus Gap

	ADULTS	DEPENDENTS*	TOTAL	% OF SAFETY NET	\$ AT RISK
Total eligible, federal stimulus gap	1,387,819	820,612	2,208,431	25	5,679,862,600
<i>At risk of missing all rounds of payments</i>	1,090,918	336,288	1,427,206	16	4,331,657,600
<i>At risk of missing Dec 2020 and/or March 2021 payments</i>	296,901	484,324	781,225	9	1,348,205,000

*Includes adult dependents.

Source: Franchise Tax Board Tax Year (TY) 2018 and 2019 data (indicator of tax filing only), Medi-Cal Eligibility Data System (MEDS) files from February 2018 through July 2020.

Note: Table A2: “Filed California state taxes in 2019 (received all eligible payments automatically)” captures any primary filer, secondary filer (on a joint return), or dependent claimed on a tax return in TY 2019. We estimate these filers received all payments automatically for all three rounds of stimulus. “Filed California state taxes in 2018 (received April 2020 automatically only)” captures any primary filer, secondary filer (on a joint return), or dependent claimed on a tax return in TY 2018 but *not* TY 2019. We estimate these filers did not receive the second or third round of stimulus payments. This group is included in both Table A2 and Table A3, which is why total percentages do not add up to 100%. “Likely received through Social Security, SSI/SSP” includes any CDSS program participant over the age of 65 at any point from 2018–20, any individual associated with a case that had one enrollee with a MEDS aid code indicating Supplemental Security Income/State Supplementary Payment receipt or indicating a disability. Table A3: “Total eligible, federal stimulus gap” does not account for use of the IRS Non-Filers Tool. “At risk of missing Dec 2020 and/or March 2021 payments” includes dependents who became newly eligible for the third round of stimulus as well as adults and dependents who did not appear on a 2019 tax return, and are at risk for not receiving the second and third rounds of stimulus.

TABLE A4: Case size and percent of wage earners among eligible adults in federal Stimulus Gap in California

CDSS CASE SIZE	ADULTS IN STIMULUS GAP	# WITH NO WAGE EARNINGS	% WITH NO WAGE EARNINGS	% TOTAL OF STIMULUS GAP (ADULTS ONLY)
1 person	883,211	515,562	58	64
2 people	197,230	119,780	61	14
3 people	127,919	76,100	59	9
4+ people	179,459	109,802	61	13
Total	1,387,819	821,244	59	100

Source: Medi-Cal Eligibility Data System files from February 2018 through July 2020 with matched Employment Development Department quarterly wage data from February 2018 through June 2020 for adults ages 18 and up with quarterly earnings over \$50. For adults who only appeared on a 2018 tax return, 2019 and 2020 earnings were used to determine whether they were an adult with no wage earnings. Data does not include self-employment income.

TABLE A5: Federal Stimulus Gap in California, by safety net program

SAFETY-NET PROGRAM	STIMULUS-ELIGIBLE ENROLLEES	ENROLLEES IN STIMULUS GAP	% IN EACH PROGRAM IN STIMULUS GAP	% OF TOTAL STIMULUS GAP
SNAP only	5,805,691	1,517,303	26	69
SNAP & TANF	1,712,651	508,452	30	23
TANF only	52,000	19,433	37	1
Other safety net programs	1,274,565	163,243	13	7
Total	8,844,907	2,208,431	25	100

Source: Medi-Cal Eligibility Data System files from February 2018 through July 2020; SNAP (Supplemental Nutrition Assistance Program) and TANF (Temporary Assistance for Needy Families) longitudinal database files from February 2018 through July 2020.

TABLE A6: Federal Stimulus Gap in California, by race/ethnicity

	STIMULUS-ELIGIBLE ENROLLEES	ENROLLEES IN STIMULUS GAP	% IN EACH RACE/ETHNICITY IN STIMULUS GAP	% TOTAL OF STIMULUS GAP
Alaskan Native or American Indian*	47,165	17,557	37	0.8
Asian**	520,414	56,576	11	2.6
Asian Or Pacific Islander**	122,424	14,038	11	0.6
Black	1,020,986	325,446	32	14.7
Hispanic	3,883,493	923,628	24	41.8
Native Hawaiian or Other Pacific Islander**	24,725	7,597	31	0.3
Other/Unknown	1,295,707	301,227	23	13.6
White	1,929,132	562,234	29	25.5
Total	8,844,046	2,208,303	25	100

Source: Medi-Cal Eligibility Data System (MEDS) files from February 2018 through July 2020.

Note: Race/ethnicity variable from MEDS data. This variable combines concepts of race and ethnicity. It is also a combination of self-reporting and social worker visual identification (applicants are asked to provide their self-identified race/ethnicity, but if they do not mark anything the eligibility worker may enter a value based on their own visual assessment). In February 2020, the California Department of Social Services (CDSS) issued guidance to limit all reporting on race and ethnicity to be self-reported. The demographic distribution of race/ethnicity in the CDSS data is comparable with the distribution of California households on food stamps by race/ethnicity from the American Community Survey (2019). Excludes “two or more” category due to small cell size.

*Our analysis captures individuals in safety-net programs administered by CDSS who identify as American Indian and Alaska Native but do not live on tribal land and/or earn tribal income. Individuals who earn tribal income are exempt from state tax filing in California and may not appear as having received a payment automatically in our data. However, among those earners who qualify for safety-net programs, most are also likely eligible for tribal safety-net programs — such as the Food Distribution Program on Indian Reservations and Tribal TANF — and would not appear in the MEDS data.

**CDSS reports nine ethnicities that are grouped by the US Census into an “Asian” category (Asian Indian, Cambodian, Chinese, Filipino, Japanese, Korean, Laotian, and Vietnamese), and three ethnicities that are grouped by the US Census as “Native Hawaiian and Other Pacific” (Guamanian, Hawaiian, and Samoan). Due to small cell sizes, we are unable to report each category distinctly, and use the US Census race/ethnicity categories to best capture the distinct take-up rates across all these categories. CDSS also has a separate, distinct option in the data titled “Asian or Pacific Islander”. We are unable to meaningfully group that category and choose to report it separately.

TABLE A7: Federal Stimulus Gap in California, by primary language

	STIMULUS-ELIGIBLE ENROLLEES	ENROLLEES IN STIMULUS GAP	% EACH CATEGORY IN STIMULUS GAP	% TOTAL OF STIMULUS GAP
English	6,440,875	1,789,992	28	81
Non-English	2,324,145	416,902	18	19
Total	8,765,020	2,206,894	24	100

Source: Medi-Cal Eligibility Data System files from February 2018 through July 2020.

Note: Primary language reported by enrollee. One percent of cases do not have a language specified. Note that a primary language other than English reported by enrollees does not mean that a household only speaks a non-English language. Non-English languages include: Spanish, American Sign Language, Cantonese, Japanese, Korean, Tagalog, Mandarin, Cambodian, Armenian, Ilocano, Mien, Hmong, Lao, Turkish, Hebrew, French, Polish, Russian, Portuguese, Italian, Arabic, Samoan, Thai, Farsi, Vietnamese, and Other language.

TABLE A8: Federal Stimulus Gap in California, by geography

	STIMULUS-ELIGIBLE ENROLLEES	ENROLLEES IN STIMULUS GAP	% IN EACH REGION IN STIMULUS GAP	UNCLAIMED (\$)	% OF TOTAL FEDERAL DOLLARS UNCLAIMED
Bay-Peninsula	421,275	88,554	21	229,434,900	4
Capital	609,389	152,640	25	399,738,400	7
East Bay	423,240	98,782	23	255,461,600	5
Inland Empire	1,235,453	317,101	26	813,510,300	14
Los Angeles Basin	2,461,975	603,538	25	1,551,009,800	27
Middle Sierra	32,469	9,492	29	25,552,700	<1
North Bay	251,713	66,981	27	175,976,000	3
North Central Coast	160,909	39,935	25	99,022,900	2
North Coast	46,501	15,527	33	43,109,900	1
North State	211,320	61,006	29	163,941,000	3
Orange	502,418	115,784	23	292,032,500	5
San Joaquin Valley and Associated Counties	1,481,803	371,932	25	950,823,500	17
South Central Coast	126,544	33,248	26	82,920,900	1
Southern Border	710,786	179,570	25	469,865,700	8
Ventura	145,687	34,683	24	87,946,100	2
Total	8,821,482	2,188,773	25	5,640,346,200	100

Source: Medi-Cal Eligibility Data System (MEDS) files from February 2018 through July 2020.

Note: Counties are grouped into Regional Planning Units (RPU) — a regional designation by the [Employment Development Department](#). The county of the latest month of enrollment is used for analysis. Eight percent of observations in MEDS files did not have a county code; for these observations, we used ZIP code to assign to county. Remaining observations without county code are < 0.01% of total and are excluded from this table.

The California Policy Lab builds better lives through data-driven policy. We are an independent, nonpartisan research institute at the University of California with sites at the Berkeley and Los Angeles campuses.

This research publication reflects the views of the authors and not necessarily the views of our funders, our staff, our advisory board, the California Department of Social Services, the California Franchise Tax Board, or the Regents of the University of California.