

July 2, 2020

The Honorable Mitch McConnell
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, and Minority Leader McCarthy:

As child and family advocacy organizations, we collectively call on you to elevate the unique needs of our children, especially those whom our policies and institutions render most vulnerable, during these uncertain and traumatic times. No child should live in poverty, but in the United States, children, particularly children of color, experience poverty at rates much higher than adults, while far too often falling into the shadows during policy debates. Now, the coronavirus and the resulting economic crisis are exposing the many inequities in our society, disrupting every facet of children's lives. We cannot yet know all of the negative and enduring effects the current crises will have on children's healthy development and future success, but we have an obligation as a society to address these glaring inequities.

This is a pivotal moment for Congress to enact lasting, structural policy change to both mitigate the economic hardships falling on our families and children due to COVID that are disproportionately harming communities of color, and tackle our persistent and unacceptably high level of child poverty. Investments to benefit all our children today lead to positive outcomes for their health and well-being and help to ensure our nation's prosperity. Ample research tells us that **strengthening and expanding the Child Tax Credit and converting it into a monthly child allowance** is one of the most powerful ways to address child poverty and increase long-term positive outcomes for our children. **We strongly urge Congress to adopt changes to the Child Tax Credit, reflecting the provisions in the American Family Act (S.690/H.R. 1560), to ensure it is fully refundable and reaches all children in low- and no-income households with the greatest need.**

The Children Are Not Alright

We already see the troubling effects caused by the pandemic as low-income household budgets are stretched even thinner, leading to increasing rates of child hunger, rising homelessness, and deepening learning gaps. Even before the pandemic, children's needs were often overlooked and underfunded in our society. We continue to have higher rates of child poverty than many of our peer countries, **and due to systemic racism and discrimination ingrained in our country's institutions, children of color continue to experience rates of poverty three times that of white children.** The pandemic is further compounding these racial disparities, infecting communities of color at higher rates and impacting workers of color who disproportionately are represented in frontline jobs and who are overrepresented in industries being shuttered.

[Researchers at Columbia University](#) find that our already unacceptable rates of child poverty could spike by as much as 53 percent due to widespread job losses and furloughs, leaving millions more children at risk of long-lasting harm to their healthy development. Poverty not only has negative implications for our nation’s children, but for our larger society. [In 2015, child poverty cost the U.S. economy upwards of \\$1 trillion](#), representing 28 percent of the federal budget.

Permanently Strengthen the Child Tax Credit

While we applaud the inclusion of temporary provisions to strengthen and expand the Child Tax Credit and other refundable tax credits such as the Earned Income Tax Credit in the House-passed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800), they are not nearly enough given the scope and projected lengthy duration of the economic crisis for families. Inadequate response to the last great recession resulted in a slower recovery, and we know that programs designed to sustain spending capability for low-income households will yield benefits for the economy and at the same time support the well-being of our children. Simply put, limited federal support lasting only for the 2020 tax year fails to acknowledge the magnitude of the current challenge and ultimately fails our kids.

Strengthening the Child Tax Credit and converting it into a permanent, monthly child allowance would ensure parents have the vital resources to meet current challenges and the high costs associated with raising children and supporting their healthy development. Payments delivered regularly each month to households with children provide an economic boost to communities, injecting much-needed cash into the economy. Regular delivery of assistance also offers a ready mechanism to adjust benefit levels as needed – for example, to increase payments during times of economic crisis.

As negotiations for another emergency relief package continue, we urge Congress to take bold action to permanently strengthen the Child Tax Credit. Undoubtedly, the improvements to the Child Tax Credit set out by the HEROES Act would address near-term financial hardships for many low-income households, and we strongly support those provisions. However, more permanent policy solutions, such as those proposed in the American Family Act, should be adopted to address the longer-term needs of families with children. Important principles for reforming the CTC include:

- Making the credit fully refundable and increasing the credit (to at least \$3000 per child per year),
- Creating a more generous young child tax credit (at least \$3600 per child per year),
- Including all children, regardless of immigration status,
- Designating 17-year-olds as “qualifying children,”
- Establishing equity for children in US territories, and
- Making advance payments on a monthly basis when household bills regularly come due.

These changes would ensure that [29 million children](#) in low- and moderate-income working families ([one-third of all children](#) nationwide) receive the full credit and are not left behind because their parents earn too little or the refundable portion of the credit is capped. At the same time, these critical changes would provide some financial stability to families with children who need it most and spur the economy during this ongoing emergency and beyond. Currently, 50 percent of Black, non-Hispanic and Hispanic children are left behind and do not receive the full credit, compared to 23 percent of White, non-Hispanic children; and nearly 1-in-5 Black, non-Hispanic children do not receive any credit at all.

The 2019 landmark, non-partisan National Academy of Sciences (NAS) study, [A Roadmap to Reducing Child Poverty](#), finds that a \$3,000 annual child allowance, operating as an extension of the Child Tax Credit, is the most effective measure to reduce child poverty in the United States and disproportionately

decreases poverty for Black and Hispanic children as well. [Analysis by the Niskanen Center](#) finds that a similar child allowance program, like that proposed in the American Family Act, would lift approximately 4 million children out of poverty, cutting child poverty by 42 percent and deep child poverty (children living in households with incomes below 50 percent of the poverty line) in half.

Extensive research shows that children in households that receive a boost in income are healthier, perform better in school, and earn more as adults. Increased household income also relieves parental stress, giving parents more time and mental energy for their children.

Act Without Delay to Prioritize Children

Structural change is needed not only to mitigate the harm caused by the pandemic, but also to address our consistently high level of child poverty and reduce racial disparities. We urge you to act without delay to strengthen and expand the Child Tax Credit and ensure that this historic pandemic does not deny our young people the opportunity to succeed. We must do better by our children, as they are our nation's future.

Sincerely,

American Psychological Association
Center for the Study of Social Policy
Children's Defense Fund
Children's Health Fund
Child Welfare League of America
Every Child Matters
First Focus Campaign for Children
Institute for Educational Leadership
National Association of School Nurses
National Diaper Bank Network
National Network for Youth
National WIC Association
Public Advocacy for Children
SchoolHouse Connection
Share Our Strength
Youth Development Institute of Puerto Rico
ZERO TO THREE