

## The Child Allowance is a Child Welfare Issue

### **Poverty is a leading driver of child welfare involvement.**

- Poverty is not neglect and does not cause neglect, but in some cases it can be a contributory factor. Families living in poverty likely do not only experience a lack of income, but also a number of other factors that make meeting children's needs more difficult, including limited options in housing, transportation, nutrition, quality education and child care.
- Though poverty is not meant to be grounds for child welfare involvement, in reality, poverty is often conflated with neglect and children regularly are removed from their families because of the consequences of poverty that could be solved with material support (e.g. unwashed clothing, children left unsupervised because parent can't afford child care, poor housing conditions).
- As a result of systemic racism, Black, Hispanic, and American Indian and Alaska Native children are far more likely to live in poverty than white children, which significantly contributes to their disproportionate representation in child welfare. While 8.3 percent of white children live in poverty, 20.8 percent of Hispanic children, 26.5 percent of Black children, and 20.6 percent of American Indian and Alaska Native children live in poverty.
- Poverty does not mean children are unsafe or unloved. Too many children are traumatically removed from loving families because of society's refusal to meet families' basic concrete needs.
- Untreated mental illness and parental substance use (often a consequence of untreated mental illness) are leading drivers of child welfare involvement and are intrinsically linked to poverty, since people living in poverty may have inadequate health care and be unable to afford treatment and support services to address behavioral health needs.
- Research has also shown that stress from factors associated with poverty, and the stress of not being able to provide day-to-day necessities, can increase the risk of childhood adversity and can lead to parents feeling anxious, depressed, fearful, and overwhelmed.<sup>1</sup> Poverty compounds racism to significantly impact the mental health of families of color.

### **A child allowance is an upstream investment in keeping families strong, so they don't ever come into contact with the child welfare system.**

- The Center on Poverty and Social Policy at Columbia University estimates reforming the CTC so that it functions more like a child allowance, by making the credit fully refundable and raising the yearly benefit level to \$3,600 per child under age six and \$3,000 per child age six to 17 has the potential to cut child poverty by almost half.
- COVID-19 has shown that many families who never would have been considered "at-risk" are just one emergency away from crisis that could lead to child welfare involvement. A regular child allowance helps ensure there is a dependable baseline of support if a parent loses a job, gets sick, or faces some other unpredicted financial strain, so families remain economically secure, safe, and together.
- Income volatility is inherently stressful and undermines family resiliency and wellbeing. Providing a monthly child allowance instead of a lump sum tax credit helps to stabilize poor families by providing dependable payments.

### **Providing economic support to families contributes to a lower incidence of child maltreatment and lower numbers of children entering foster care.**

- Increasing a family's income by \$1,000 through the Earned Income Tax Credit (EITC) was associated with a three to four percent reduction in neglect and an eight to ten percent decrease in CPS involvement among low-income single-mother families.<sup>ii</sup>
- Having a refundable state EITC was associated with an 11 percent reduction in foster care entries, suggesting that if states without an EITC implemented a refundable EITC they would see a reduction of 50 children entering foster care per 100,000 children each year.<sup>iii</sup>
- Research has shown that an increase in income through EITC led to a decrease in involvement with child welfare particularly for single mothers and women of color.<sup>iv</sup>
- States in which families lost all TANF benefits for not working saw a 12 percent increase in child maltreatment victims, a 23.3 percent increase in neglect victims, and a 12.7 percent increase in foster care placements. States that restricted TANF benefits to less than 5 years saw a 34.4 percent increase in child maltreatment victims and a 37.3 percent increase in victims of neglect.<sup>v</sup>
- Strengthening household economic security can reduce child abuse and neglect by improving the opportunity for parents to meet their children's basic needs (e.g., food, shelter, medical care), provide developmentally appropriate child care, and reduce parental stress and depression, both risk factors for child abuse and neglect.<sup>vi, vii</sup>

### **A child allowance could provide significant support for children in kinship care.**

- Kinship caregivers often step in without notice to care for a child to prevent them from entering foster care and do not have time to plan financially, which puts increased strain on the family. Many kinship caregivers are older and must use their retirement savings to support the child.
- For every child placed with kin in the foster care system, 19 children are being raised by relatives outside of the formal system. Kinship caregivers outside of the child welfare system are excluded from the financial supports that foster families receive.
- TANF Child-Only grants that kin outside of the system can receive are significantly smaller than the foster care maintenance payment (FCMP) that licensed foster families receive. Nationally, the average TANF child-only grant is less than half of the average FCMP for a single child and less than a third for a family taking in three children<sup>viii</sup>. Unlike FCMP, the TANF child-only grant amount decreases with each additional child in the home, making this support less helpful for kin caring for sibling groups.
- Many kinship care providers in the formal child welfare system are not licensed, so many children living with kin don't receive the benefit of the FCMP and would benefit from a child allowance.
- Black, American Indian, and Alaska Native children are significantly more likely to live in kinship families than the overall population, both inside and outside of the formal child welfare system.<sup>ix</sup> Systematic barriers to licensing kin of color as foster parents mean that a significant proportion of kinship caregivers inside the formal child welfare system are unable to access needed benefits including the FCMP.<sup>x</sup>

### **A child allowance would help families reunify.**

- Families are often unable to reunify because of material concerns related to poverty (e.g. parent income, insufficient housing, lack of transportation). A child allowance would help to alleviate material concerns so families could reunify more quickly.
- Guaranteed payments would help to prevent failed reunifications by providing a measure of stability during an inherently unstable time.

### **A child allowance looks beyond child protection and toward child well-being.**

- A child allowance isn't just a tool for child abuse prevention. It is an investment in the health, safety, and well-being of every child.
- A child allowance would reduce racial disparities in child poverty, cutting Black child poverty by 52 percent, Hispanic child poverty by 45 percent, Native American child poverty by 62 percent, Asian American and Pacific Islander child poverty by 37 percent, and White child poverty by 39 percent.<sup>xi</sup>
- It isn't enough to simply prevent maltreatment and child welfare involvement. We need to ensure every child has the tools and resources to succeed in each stage of life.

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<sup>i</sup> Martin, M., & Citrin, A. (2014). Prevent, Protect & Provide: How child welfare can better support low-income families. *Center for the Study of Social Policy*. Retrieved from <https://cssp.org/resource/prevent-protect-and-provide-how-child-welfare-can-better-support-low-income-families/>

<sup>ii</sup> Berger, L., Font, S.A., Slack, K.S., Waldfogel, J. (2017) Income and child maltreatment in unmarried families: Evidence from the Earned Income Tax Credit. *Rev Econ Household*. 15:1345–1372

<sup>iii</sup> Rostad W.L., Ports K.A., Tang S., Klevens J. (2020) Reducing the number of children entering foster care: Effects of state Earned Income Tax Credits. *Child Maltreatment*. 25(4):393-397

<sup>iv</sup> Berger, L. M., Font, S. A., Slack, K. S., & Waldfogel, J. (2017). Income and child maltreatment in unmarried families: evidence from the earned income tax credit. *Review of Economics of the Household*, 15(4), 1345-1372

<sup>v</sup> Ginther, D. K., Johnson-Motoyama, M. (2017) Do state TANF policies affect child abuse and neglect? University of Kansas

<sup>vi</sup> Fortson, B. L. et al. (2016). Preventing child abuse and neglect: A technical package for policy, norm, and programmatic activities. *Centers for Disease Control and Prevention*. Retrieved from <https://www.cdc.gov/violenceprevention/pdf/can-prevention-technical-package.pdf>

<sup>vii</sup> Stith, S. M. et al. (2009). Risk factors in child maltreatment: A meta-analytic review of the literature. *Aggression and Violent Behavior*, 14(1), Retrieved from <https://doi.org/10.1016/j.avb.2006.03.006>

<sup>viii</sup> US Government Accountability Office (2011). *TANF and Child Welfare Programs: Increased Data Sharing Could Improve Access to Benefits and Services*. GAO-12-2.

<sup>ix</sup> Generations United. (2020). Facing a Pandemic: Grandfamilies Living Together During COVID-19 and Thriving Beyond. Generations United. Retrieved from <https://www.gu.org/facing-a-pandemic-grandfamilies-living-together-during-covid-19-and-thriving-beyond/>

<sup>x</sup> Kelly, John. "Fewer Foster Youth, More Foster Homes: Findings from the 2019 Who Cares Project." *The Imprint*. 2019. <https://imprintnews.org/featured/less-foster-youth-more-foster-homes-findings-from-the-2019-who-cares-project/38197>.

<sup>xi</sup> Center on Poverty and Social Policy. (2021). A Poverty Reduction Analysis of the American Family Act. *Columbia University*.