



breadfortheworld
HAVE FAITH. END HUNGER.

Expand the Child Tax Credit to Significantly Reduce Child Hunger

As part of the \$1.9 trillion American Rescue Plan, President Biden proposes a one-year expansion of the Child Tax Credit (CTC) that would make it available to all low-income families with children. Expanding the CTC would do more to reduce hunger and poverty among our nation's children than any single policy has in decades.

Presently, an estimated 27 million children under age 17 live in families who do not earn enough to qualify for the full CTC for children because they do not have sufficient taxable income.¹ The CTC needs to be available to all children in need, including children in immigrant families with ITIN numbers, children living in U.S. territories, children in large families, and children involved with the child welfare or other intervening system. These are families in which food insecurity and hunger are most prevalent.

Young children are more vulnerable than any other group to the damaging impacts of hunger,² even for short periods. At the same time, families with young children are more likely to face hunger than those with older children.³ This is why additional monthly resources are especially important for young children.

All children would benefit, but children from groups that have disproportionately high hunger rates would benefit most. Poverty among Black children would be cut by 52



August de Richelieu/Pexels

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percent, among Latino children by 45 percent, among Native American children by 62 percent, among Asian American and Pacific Islander children by 37 percent, and among white children by 39 percent.⁴

CTC expansion may have the largest effect for families in rural areas, where child poverty rates are highest. The additional resources will go further in areas where wages and living costs such as housing are lower than in metropolitan areas.

Providing the credit monthly, rather than in a lump sum when families file their taxes as is now the case, makes it more effective in preventing hunger. Frequently,

low-income households run short of grocery money on a cyclical basis—for example, in the days before workers receive their next paycheck. Participating in the Supplemental

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MAJOR COMPONENTS OF THE CTC EXPANSION:

- Would increase the benefit from \$2,000 per year to \$3,600 for children up to age 6 and to \$3,000 for children 6-17.
- Would pay in monthly installments of \$300 per month for each younger child and \$250 per month for each older child.
- Equally available to all families starting at \$0 income through middle-income status.

Nutrition Assistance Program (SNAP) helps reduce hunger but does not solve this problem, because SNAP benefits are low. According to USDA, most households have used their monthly allotment by the second to third week of the month.⁵ Monthly CTC payments would help ensure that families can put food on the table every day of the month.

The additional resources to smooth out fluctuations in monthly incomes make it possible for families to be more independent and rely less on food banks and other charitable services, underscoring the dignity of providing food for oneself.

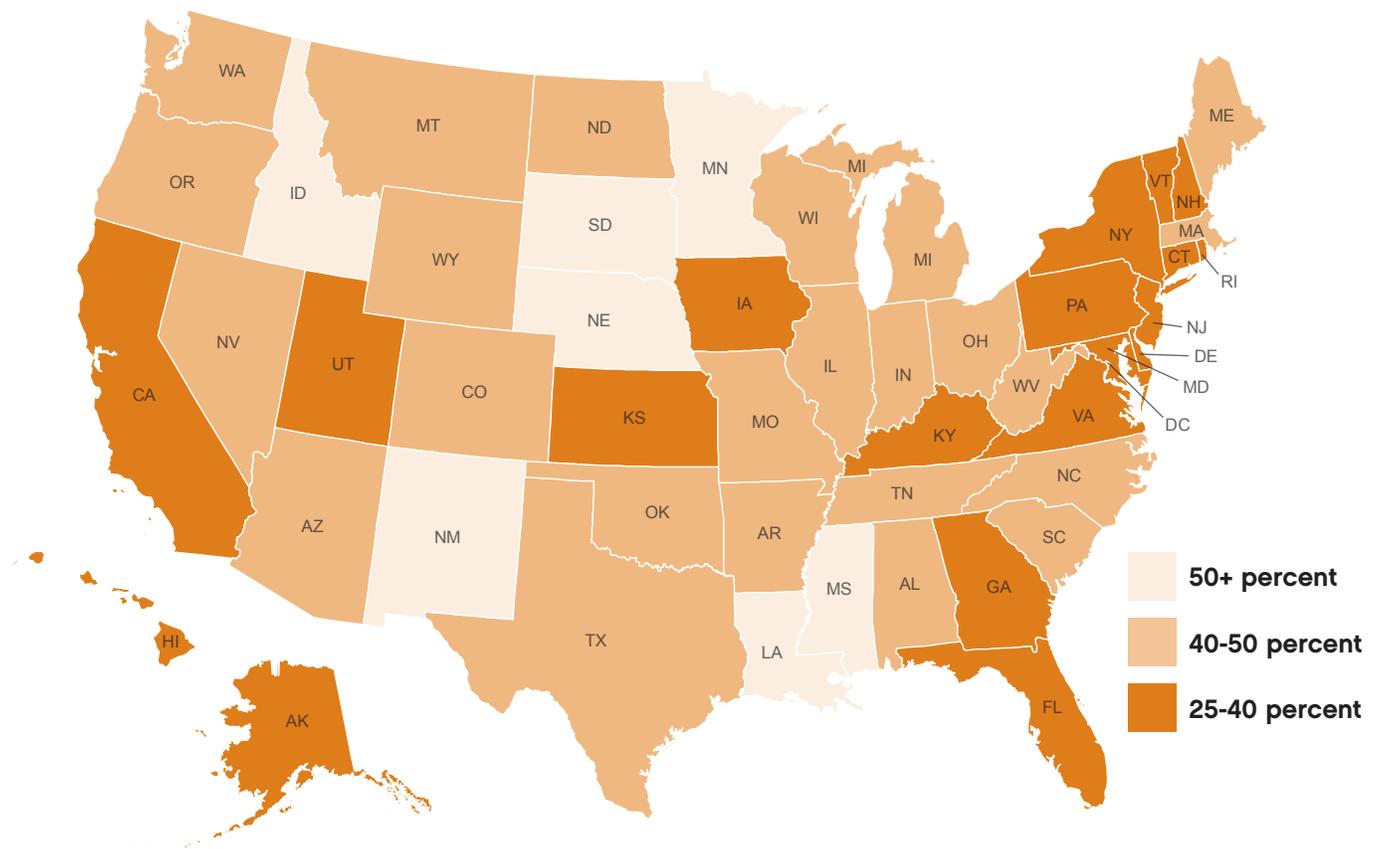
In 2019, the National Academies of Sciences used models to measure the impact of various policy reforms on poverty

among children. A CTC expansion had a larger impact on reducing child poverty than any other policy or combination of policies studied.⁶

A CTC expansion would not only contribute to better life prospects for the most vulnerable children in the country but would also offer a good return on investment. In a way, the United States cannot afford *not* to reduce poverty among children, because every year, it costs the economy between \$800 billion and \$1.1 trillion. The costs come in lower productivity, higher healthcare costs, and the need to spend more on public safety, services for homeless people, incarceration, and care for survivors of child abuse.

Additional resources:

Estimated Percentage Reduction in Child Poverty



Source: Based on analysis by the Center on Poverty and Social Policy, Columbia University, 2021. "A Poverty Reduction Analysis of the American Family Act." Poverty and Social Policy Fact Sheet. <https://static1.squarespace.com/static/5743308460b5e922a25a6dc71/600f2123fdfa730101a4426a11611604260458/Poverty-Reduction-Analysis-American-Family-Act-CPSP-2020.pdf>

Endnotes:

- 1 <https://www.mobilitypartnership.org/improving-child-tax-credit-very-low-income-families>
- 2 <https://www.ers.usda.gov/webdocs/charts/80061/insecurity.png?v=6102>
- 3 <https://www.ers.usda.gov/webdocs/charts/80061/insecurity.png?v=6102>
- 4 <https://cssp.org/2021/02/one-path-to-a-child-allowance-reforming-the-child-tax-credit/>
- 5 <https://www.cbpp.org/research/food-assistance/more-adequate-snap-benefits-would-help-millions-of-participants-better>
- 6 <https://www.nap.edu/child-poverty/highlights.html>