



breadfortheworld
HAVE FAITH. END HUNGER.

Permanently Expand the Child Tax Credit to Reduce Child Hunger

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

Before the expansion, an estimated 27 million children under age 17 lived in families who did not earn enough to qualify for the full CTC for children because they did not have sufficient taxable income.¹ These are families in which food insecurity and hunger are widespread.

Young children are more vulnerable than any other group to the damaging impacts of hunger² 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.

Most children stand to benefit from CTC expansion, but children from groups that have disproportionately high hunger rates will benefit most. Poverty among Black children will be cut by an estimated 52 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

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August de Richelieu/Pexels

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 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

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MAJOR COMPONENTS OF THE CTC EXPANSION:

- Increases the benefit from \$2,000 per year to \$3,600 for children up to age 6 and to \$3,000 for children 6-17.
- Delivers 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.

the second to third week of the month.⁵ Monthly CTC payments will help ensure that families can put food on the table every day of the month.

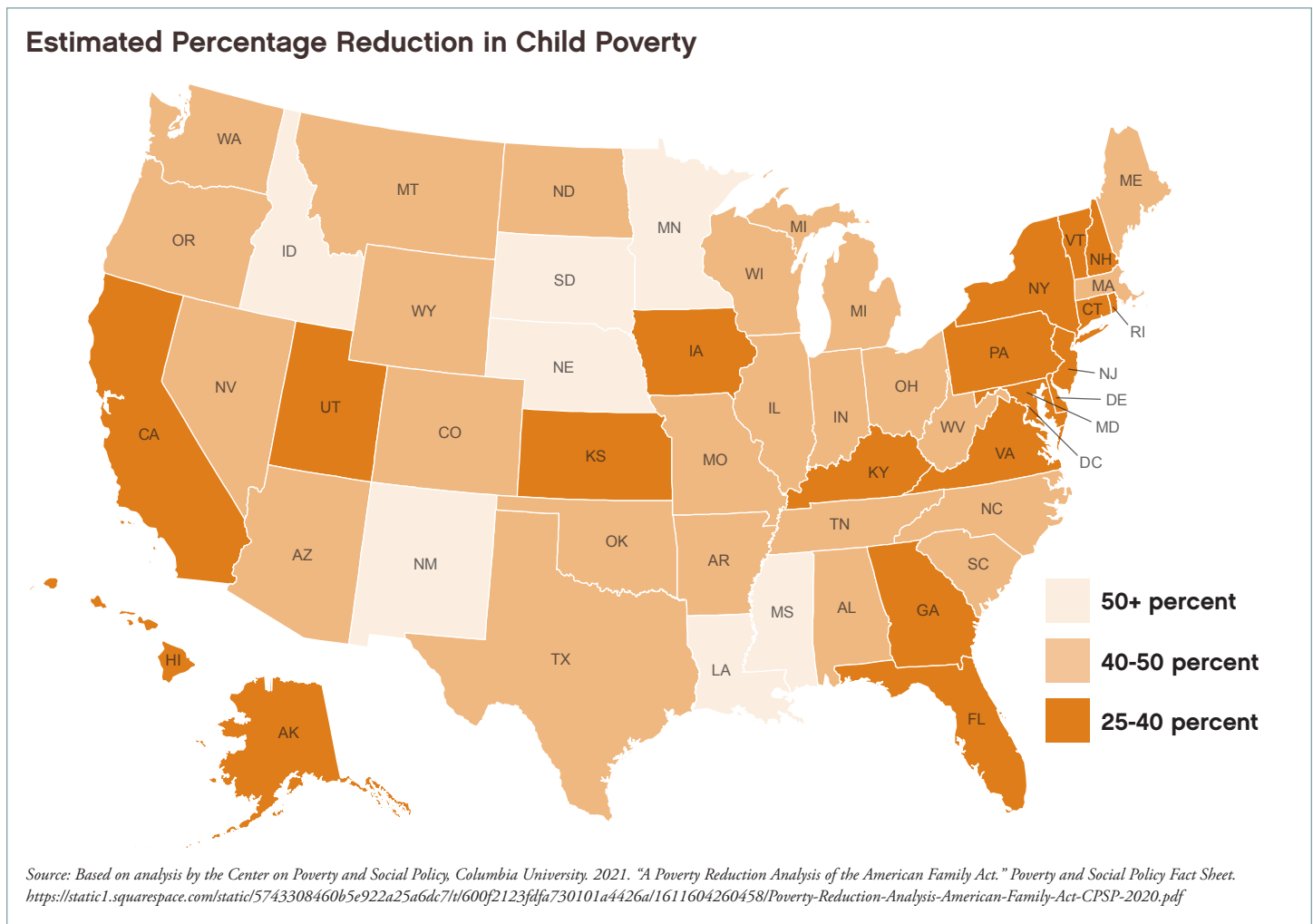
The additional resources to smooth out fluctuations in monthly incomes make it possible for families to be more independent and rely less on food banks and other charitable services, underscoring the dignity of providing food for oneself.

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

Additional resources:

A CTC expansion not only contributes to better life prospects for the most vulnerable children in the country but also offers 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.⁷ 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.

CTC expansion will have a significant impact. But we aren't done yet. We must work to make the expansion permanent and available to all children, including those living in poverty and in immigrant families with ITIN numbers.



Endnotes:

- <https://www.mobilitypartnership.org/improving-child-tax-credit-very-low-income-families>
- <https://srcl.onlinelibrary.wiley.com/doi/full/10.1111/cdev.12764>
- <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/key-statistics-graphics.aspx#verylo>
- <https://cssp.org/2021/02/one-path-to-a-child-allowance-reforming-the-child-tax-credit/>
- <https://www.cbpp.org/research/food-assistance/more-adequate-snap-benefits-would-help-millions-of-participants-better>
- <https://www.nap.edu/child-poverty/highlights.html>
- Ibid.