FIRST FOCUS
CAMPAIGN FOR CHILDREN

1400 Eye Street NW Suite 450 Washington DC 20005
p: 202.657.0670 | Twitter: @Campaign4Kids

March 7, 2014

The Honorable Chuck Schumer
Senate Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Chairman, Senate Finance Committee
United States Senate
Washington, D.C. 20510

The Honorable Michael Crapo
Ranking Member, Senate Finance Committee
United States Senate
Washington, D.C. 20510

Dear Senate Leadership and All Senators:

On behalf of First Focus Campaign for Children (FFCC), I am writing to urge the Senate to pass the Child Tax Credit provisions in H.R. 7024, the "Tax Relief for American Families and Workers Act of 2024," which was crafted in a bipartisan fashion by Senate Finance Committee Chairman Ron Wyden (D-OR) and House Ways and Means Committee Chairman Jason Smith (R-MO). This legislation offers a step toward fixing problems with the current law for children and significantly reducing economic hardship for kids in this country.

Therefore, we also urge you to reject any changes or amendments that may be offered that would be harm children by cutting resources and ask that instead, you support kids, particularly low-income children, who suffer both immediate and life-long consequences from child poverty.

First, there must be an understanding that our children are in crisis. As examples:

- **Child and Teen Mortality**: Child and teen mortality increased by 20% between 2019 and 2021,[1] the largest increase in 50 years. These tragic figures come after a previous study found U.S. children had a 70% greater chance of dying in childhood than kids born in other wealthy countries.[2]

- **Infant Mortality**: The U.S. infant mortality rate, which was already much higher than in other wealthy nations, increased for the first time in two decades between 2021 and 2022.[3] We are failing our babies.

[1] Woolf, S.H., Wolf, E.R., Rivara, F.P. (2023, Mar. 13). The New Crisis of Increasing All-Cause Mortality in US Children and Adolescents. JAMA. 329(12): 975–976.
[2] Thakrar, A.P., Forrest, A.D., Maltenfort, M.G., & Forrest, C.B. (2018, Jan.). Child Mortality in the U.S. and 19 OECD Comparator Nations: A 50-Year Time-Trend Analysis. Health Affairs.
[3] Ely D.M. & Driscoll A.K. (2023, Nov.). Infant mortality in the United States: Provisional data from the 2022 period linked birth/infant death file. Centers for Disease Control and Prevention, National Center for Health Statistics. Vital Statistics Rapid Release; no 33.

- **Child Hunger**: 10% of all U.S. children (7.3 million kids) did not have enough food to keep them healthy in 2022.[4] That is a nearly 7% increase of children over the previous year. Rates of food insecurity were significantly higher for households with children that included a Black or Hispanic adult.

- **Child Poverty**: Child poverty more than doubled in 2022 compared to 2021, with the rate of children living in poverty increasing from 5.2% (4 million children) to 12.4% (9 million children).[5] This increase represents more than 5 million children who were allowed to backslide into poverty within a single year. Babies and toddlers experience the highest rates of poverty and are the largest group by age that has had an eviction filed against them.

No child should have to experience these harsh realities.

Child poverty negatively impacts every aspect of the lives of children, including their health, education, hunger, housing, and incidents of child abuse and neglect and engagement with the criminal justice system.[6] Furthermore, child poverty has life-long and intergenerational consequences.

Cutting child poverty is one of the most important things that Congress should do to improve the lives and opportunities for our children, but also for our nation's future. This is a public policy choice.

Prior to 2021 and now again under current policy due to the expiration of the improved Child Tax Credit, 19 million of our nation's children – in poverty and near poverty – are tragically "left behind" by the Child Tax Credit. The reason is that their parents make ***too little*** to qualify for the full credit.[7] This policy is a devastating choice for children, as it excludes the nation's poorest kids from reaping the full benefit of the Child Tax Credit. With the exception of 2021, this policy contributes to child poverty rates in this nation which have been more than 50% higher than adult poverty.[8]

Overwhelming evidence shows that money matters and supports like the Child Tax Credit are effective in improving children's long-term success, which leads to better health outcomes, higher educational attainment, and increased earnings as adults.[9] There is overwhelming evidence of strong rates of return on investment (ROI) when investments are made in children, particularly low-income kids.[10]

In fact, the societal cost of child poverty is estimated by the National Academy of Sciences, Engineering, and Medicine (NASEM) to be as much as $1.1 trillion annually.[11] By an overwhelming 86-12% margin, the

---

[4] Rabbitt, M.P., Hales, L.J., Burke, M.P., & Coleman-Jensen, A. (2023, Oct.). Household Food Security in the United States in 2022. U.S. Department of Agriculture, Economic Research Service. ERR-325. https://www.ers.usda.gov/publications/pub-details?pubid=107702.
[5] Shrider, E.A. & Creamer, J. (2023, Sep. 12). Poverty in the United States: 2022, U.S. Census Bureau, Current Population Reports, P60-280. https://www.census.gov/library/publications/2023/demo/p60-280.html.
[6] See, for example, First Focus on Children (2023, Jun.), Child Investment Research Hub.
[7] Collyer, Sophie, David Harris, and Christopher Wimer (2019, May 13), Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit, Columbia University's Center on Poverty and Social Policy, Vol. 3, No. 6.
[8] Schrider, Emily A., Melissa Kollar, Frances Chen, and Jessica Semega (2021, Sep.), Income and Poverty in the United States: 2020*,* U.S. Census Bureau.
[9] National Commission on Children (1991), Beyond Rhetoric: A New American Agenda for Children and Families; Greg J. Duncan and Jeannie Brooks-Gunn (1997), Consequences of Growing Up Poor, Russell Sage Foundation; National Academy of Sciences, Engineering, and Medicine (2019), A Roadmap to Reducing Child Poverty, eds. Greg Duncan and Suzanne Le Menestrel; First Focus on Children (2023, Jun.), Child Investment Research Hub.
[10] Hendren, Nathaniel and Ben Sprung-Keyser (2020, Mar.), A Unified Welfare Analysis of Government Policies, The Quarterly Journal of Economics, Vol. 135, No. 3, 1209-1318.
[11] National Academy of Sciences, Engineering, and Medicine (2019).

American people have said they are concerned (61% deeply concerned) about the costs of child poverty to the country.[12]

According to an analysis of H.R. 7024 by the Center on Budget and Policy Priorities, about 16 million of the 19 million children (more than 80%) who are currently "left behind" because their parents make ***too little*** would benefit from the legislation and an estimated 400,000 children would be lifted above the poverty line.[13] According to a May 2021 study by the Center on Poverty and Social Policy at Columbia University, those "left behind" by the lack of refundability of the Child Tax Credit were disproportionately: (1) children under the age of 6 (40% receive only partial or no credit); (2) Black and Hispanic children; (3) children in single-parent households ("70% of children in families headed by single parents who are female do not receive the full credit"); (4) children in rural communities; and, children in larger families.[14]

H.R. 7024 targets resources to support and improve the lives of these children. Consequently, we urge adoption of H.R. 7024 and ask that senators apply a simple test to any efforts to modify or amend the bill: "Is it good for the children?"

"Is It Good for the Children?" Test

By increasing the maximum amount of the refundable credit for low-income families, multiplying the allowable refundable credit by the number of qualifying children (which eliminates the current law's "child penalty" in low-income families), allowing families to use earned income from a prior year in the calculation of the Child Tax Credit ("the lookback"), and indexing the credit to inflation in 2024, the bill would:

- *Cut child poverty by an estimated 400,000 in the first year and 500,000 or more when in full effect;*
- *Benefit 16 million children, or more than 80% of the 18-19 million who currently get no or only partial credit in the first year;*
- *Benefit 3 million children under the age of 3 in the first year;*[15]
- *Assist children by increasing family and economic stability; and,*
- *Help all families in the future by adjusting the credit for inflation.*

Among H.R. 7024's most important provisions are that it, as House Ways and Means Committee Chairman Jason Smith (R-MO) explained on the House floor, "removes the penalty for families with multiple children" by multiplying the allowable refundable credit by the number of qualifying children for low-income families. Under current law, middle- and upper-income families receive the full Child Tax Credit of $2,000 per child, including for newborns. In sharp contrast, a low-income family with a child may only be receiving a partial credit for that child and would receive nothing at all for a newborn.

As an example of how the current Child Tax Credit operates, the attached issue brief entitled *The Child Tax Credit and Its Potential Impact on the Lives of Children and Future of the Nation* demonstrates how a single mom earning $150,000 a year would receive $6,000 for her two older children and her newborn while a single mom earning $10,000 a year would receive just $1,125 for her first child and nothing for either her second child or newborn.

---

[12] First Focus on Children (2022, Jun. 30*),* Fact Sheet: Voters Strongly Support Making Investments in Our Children and Grandchildren (citing a poll by Lake Research Partners).
[13] Cox, Kris, et al. (2024, Jan. 24), About 16 Million Children in Low-Income Families Would Gain in First Year of Bipartisan Child Tax Credit Expansion, Center on Budget and Policy Priorities.
[14] Collyer, Sophie, David Harris, and Christopher Wimer (2019, May 13).
[15] Cox, Kris, et al. (2024, Jan. 24).

Under H.R. 7024, the change would at least provide the low-income single mother with $1,125 per child, or $3,375 in total. By eliminating the "child penalty" or "baby penalty", H.R. 7024 would at least lessen some of the more egregious penalties imposed on the most vulnerable children in the current Child Tax Credit. We should support our nation's children and not punish children or babies for the circumstances or zip code in which they are born. This is one of the reasons both pro-choice and pro-life groups have rallied in support of this legislation.

The "lookback" provision in H.R. 7024 is important for many of the same reasons. This provision prevents children from being penalized in families that experience a drop in income for numerous reasons, such as:

- *The death of a parent;*
- *An economic recession;*
- *A natural disaster, such as an earthquake, hurricane, wildfire, or drought;*
- *Domestic violence;*
- *Divorce;*
- *A move or relocation;*
- *Education and training;*
- *A health care emergency, such as a diagnosis of cancer;*
- *A car accident;*
- *The need for a wage earner to quit their job or work fewer hours to be a caregiver for other family members, including a parent, a spouse, or a child;*
- *The lack of affordable child care;*
- *The lack of paid family leave; or,*
- *The birth of a child.*

H.R. 7024 would help improve income stability for children in these situations, as it makes no sense for federal policy to "punish" children for circumstances far beyond their control.

Again, in the case of childbirth, families often experience financial hardship due to the costs of having a baby and the complications that arise from it, such as losing income because of physician-advised bed rest, leaving employment or going unpaid during pregnancy and delivery, medical complications to mother, baby, or both, and a lack of paid family leave and affordable child care throughout the postpartum period.

Research finds that women experience a dramatic loss of income during pregnancy, through the birth of a child, and for months and even years afterward.[16] Research by Alexandra Stanczyk finds:

> *On average, households experience significant declines in income-to-needs that begin three months before the birth month, reach the lowest levels – around 34 percent lower than the pre-pregnancy baseline – in the first and second months of the infant's life, and do not recover to pre-pregnancy levels in the year following the birth*.[17]

Unfortunately, families having a baby can experience a "triple-whammy" of: (1) increased costs associated with having a child; (2) reduced household income; and, (3) a reduction in the Child Tax Credit.

Again, public policy should not punish families and children for having babies. The provisions in H.R. 7024 related to eliminating the "child penalty" or "baby penalty" and inclusion of the "lookback" helps, at the very least, to mitigate the harm.

---

[16] Stanczyk, Alexandra B. (2016, Oct.), The dynamic of household economic circumstances around a birth, Washington Center for Equitable Growth working paper series.
[17] *Ibid.*

Although some have suggested amendments to H.R. 7024, such as the elimination of the "lookback" provision, out of stated concerns about potential labor incentives, those critics fail to justify the fact that this approach would increase child poverty and effectively reduce the Child Tax Credit received by children and their families who experience a drop in income for a variety of reasons, including that associated with the birth of a child.

If anything, we should do the opposite and provide families with greater support when they have a child – not less.[18]

Another suggested amendment by opponents of the Child Tax Credit would seek to impose new "child penalties" by denying the Child Tax Credit to U.S. citizen children in mixed-status immigrant households, even when those children have a Social Security number and their parents have an Individual Taxpayer Identification Number (ITIN).[19]

These mixed-status families, by definition, are working and paying payroll, sales, gas, and property taxes. But more importantly, denying millions of U.S. citizen children access to the Child Tax Credit would increase child poverty, along with child hunger, homelessness, and incidences of child abuse and neglect. Denying the credit also would negatively impact child health and educational outcomes, which would undermine the well-being of U.S. citizen children in the short- and long-term and threaten our nation's economic future.

The Child Tax Credit and its policy should focus on children, their economic security, and their well-being. Unfortunately, when people seek to shift the focus and attention of legislation that impacts children from children themselves to the so-called "deservingness" of parents,[20] they often fail to recognize that it is children who are most negatively impacted by punitive policies. Far too often, children are forgotten or treated as an afterthought, even when the bill or program has the word "child" in its title.[21]

H.R. 7024 passed the House of Representatives by an overwhelming 357-70 margin. Some of the small opposition came from members who felt the Child Tax Credit provisions did not do enough to address "preventable poverty" among children. On that point, we would agree.

On the other hand, H.R. 7024 would lift hundreds of thousands of children out of poverty and benefit 16 million low-income children, including 3 million children under the age of 3. This legislation would offer a step forward for children, and lawmakers should reject any efforts that would harm our kids – intentionally or otherwise – by reimposing or adding new "child penalties" to the legislation.

Today, our nation's children stand at a crossroads.[22] In recent years, every aspect of their lives was negatively impacted by the twin disasters of the COVID-19 pandemic and the worldwide economic recession. We are

---

[18] Lowrey, Annie (2024, Feb. 14), "The Case for Spending Way More on Babies," The Atlantic; Hanna-Attisha, Mona, and H. Luke Shaefer (2024, Feb. 14), "Moms and Babies were struggling in Flint, Michigan. Case offers a lifeline of hope," USA TODAY.
[19] This policy was adopted as part of the Tax Cuts and Jobs Act in 2017.
[20] On the issue of incentives or disincentives on the work of parents, researchers do not agree – not even at the American Enterprise Institute (AEI). See, for example, Nikhita Airi and John Buhl (2024, Jan. 25), "The New Child Tax Credit Proposal Versus Old Concerns About Work Incentives," Tax Policy Center.
[21] Jones, Sarah (2023, Sep. 13), "The Enemies of America's Children," Intelligencer; Lesley, Bruce (2022, Aug. 17), "The Child Tax Credit Must Not Treat Children as an Afterthought," First Focus on Children.
[22] Lesley, Bruce (2022), "Making Children a National Priority: Overcoming the Marginalization and Invisibility of Children," in *Our Children Can't Wait: The Urgency of Reinventing Education Policy in America*, ed. Joseph P. Bishop, Teachers College Press.

witnessing a tragic and troubling increase in child and infant mortality.[23] Families are struggling with rising food, energy, and housing costs.[24] Unplanned births are on the rise, and they will be, as journalist Melissa Jeltsen writes, "concentrated in some of the worst states for infant and maternal health."[25]

Congress should be doing many things to address the myriad of problems facing our nation's children.[26] With respect to the Child Tax Credit, it is well past time to put aside ideological differences, notions of "deservingness" related to adults that impose harm to millions of children, and the decades of failure to fully address the needs and concerns of children and families in this country.[27]

Child poverty is a policy choice. We know how to significantly reduce it. Furthermore, the American people – across partisan, racial, gender, regional, and generational lines – all agree by overwhelming margins that Congress should extend and improve the Child Tax Credit. This is in the best interest of children and our nation's future.

Thanks for your consideration.

Sincerely

Bruce Lesley

Bruce Lesley
President

[23] Woolf, Steven H., Elizabeth R. Wolf, and Frederick P. Rivara (2023, Mar. 13), The New Crisis of Increasing All-Cause Mortality in US Children and Adolescents, Journal of the American Medical Association, Vol. 329, No. 12, 975-976; Adrianna Rodriguez (2023, Mar. 17), "After years of medical progress, American children are now less likely to reach adulthood," USA TODAY.
[24] Sawhill, Isabel V., Morgan Welch, and Chris Miller (2022, Aug. 30), "It's getting more expensive to raise children. And government isn't doing too much to help," Brookings.
[25] Jeltsen, Melissa (2022, Dec. 16), "We Are Not Prepared for the Coming Surge of Babies," The Atlantic.
[26] First Focus Campaign for Children (2023), A Children's Agenda for the 118th Congress.
[27] Hoynes, Hilary W. and Diane Whitmore Schanzenbach (2018, May), Safety Net Investments in Children, National Bureau of Economic Research, Working Paper 24594; Committee for a Responsible Federal Budget (2018, Aug. 16), Budgeting for the Next Generation: Does the Budget Prioritize Children?; First Focus on Children (2020), Children's Budget 2020; Heather Hahn, Cary Lou, Julia B. Isaacs, Eleanor Lauderback, Hannah Daly, and C. Eugene Steuerle, Kids' Share 2020, Urban Institute; Anna Aizer, Hilary W. Hoynes, and Adriana Leraas-Muney (2022, Feb.), Children and the US Social Safety Net: Balancing Disincentives for Adults and Benefits for Children, National Bureau of Economic Research, Working Paper 29754.