

Reduce Child Poverty and Support All Families

The federal government's investments in children and families have a proven track record of helping nearly every family with kids in the United States. The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are two of the most important anti-poverty programs in the country. They reduce racial disparities and historically have had bipartisan support.

Unless Congress acts, the anti-poverty improvements to these credits will expire at the end of 2021. This change would disproportionately affect the lowest-income recipients, many of whom are front-line workers during the pandemic. Adults not raising children would see their Earned Income Tax Credit shrink to almost nothing, and workers under age 25 would lose the EITC altogether. If Congress fails to act, the parents of tens of millions of low-income children would no longer receive the full Child Tax Credit, and all families would see their CTC reduced.

We urge every member of Congress to publicly call on their party leadership to ensure the important improvements to the EITC and CTC are made permanent.

- » **Prevent more than five million low-wage workers from being taxed into, or deeper into poverty.** The American Rescue Plan expanded the EITC for adults not raising children and workers under age 25 until the end of 2021. Prior to that law, this group benefitted little from the EITC while facing significant payroll taxes.
- » **Extend the full refundability of the Child Tax Credit.** Prior to March 2021, the parents of 26 million children did not earn enough money to access the full Child Tax Credit. If this provision expires, it would significantly cut the CTC for millions of parents who can least afford it.
- » **Expanding the Child Tax Credit** to be fully available to all families regardless of income and increasing the amount to \$3,000 and \$3,600 for children under six could cut child poverty by 40 percent. Further, the largest gains go to children in Black and Latino communities where low family incomes have in the past often excluded those families from the full benefits.
- » **Studies show recipients are working people who use benefits to meet basic needs, such as purchasing groceries.**

Extend the Earned Income Tax Credit and Child Tax Credit expansions.

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