December 8, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC. 20515

The Honorable Charles Schumer
Majority Leader
U.S Senate
Washington, DC. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC. 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Leader Schumer, and Minority Leader McConnell:

We, the 283 undersigned organizations, call on you to take action to enhance the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC), and prioritize tax credits supporting our children, youth, and families over tax breaks for large corporations as you lead negotiations on tax policy provisions during the closing weeks of the 117th Congress.

It is hard to overstate the impact of the CTC and EITC improvements — they were transformational to the lives of tens of millions of children, providing resources to help them build a sturdy foundation to learn, grow, and thrive. Improvements to the CTC alone were largely responsible for nearly cutting our national child poverty rate in half in 2021, lifting 3 million children — including 1 million children under 6 — above the poverty line. The enhanced monthly tax credits helped households with children catch up on rent and translated to more food on the table for children and warm clothes in the winter. It meant more money for educational resources, music or soccer lessons, or a trip to the zoo.

It also meant more money for child care, gas, and car repairs that helped parents get to work. Parents and caregivers reported that it gave them some breathing room, providing some relief from the constant fear and distraction of how to make ends meet and affording them more time and energy to spend with their children.

With the expiration of these unprecedented tax investments, every aspect of children’s lives is harmed: roughly 4 million children were plunged back into poverty in January 2022 and food insufficiency rates among households with children increased 25%. We must do better by our children.

**Tax Credit Investments Were Transformational for Millions of Children**

Extensive research shows that tax credits and cash transfers foster the development of positive parent-child interactions, improve child development outcomes, and have a bigger impact than any other policy in reducing child poverty.

The CTC is a powerful tool contributing significantly to the largest decrease in the child poverty rate on record — declining from 9.7% in 2020 to 5.2% in 2021-- dramatically reducing food
insufficiency, and decreasing material hardship for tens of millions of households. Families receiving the monthly CTC payments overwhelmingly spent the cash benefit on basic necessities including food, utilities, housing, education resources, diapers, and paying down debt. Furthermore, several studies show there is no difference in the change in employment for households receiving the CTC and those who did not. In fact, the Child Tax Credit helped families, especially single mothers, increase their labor force participation by allowing them to afford child care, transportation, and other necessities that help them get to work. Similarly, the EITC helped young people pay for transportation to and from job training, school or community-based support.

Furthermore, research out of the University of Washington suggests that the collective impact of tax credits for families led to a reduction in child maltreatment reports by helping to stabilize families. In light of this data, this University of Washington study suggests that child neglect reports decrease when parents have more economic resources. Decreasing these reports is an important outcome that could generate multiple other positive outcomes for children and their families.

Tax Credit Investments Make Smart Economic Sense for Families and Our Society

Analysts from Poverty Solutions at the University of Michigan found that federal pandemic assistance helped close the persistent gap in material hardship for U.S. families with children and that the advances remained even in the face of rising inflation. Over 130 economists called for the reinstatement of the Child Tax Credit payments as one of the most efficient and direct approaches to help offset inflationary pressures and concurred that the CTC would not increase inflation.

Enhancing the CTC also makes good economic sense for our greater society as child poverty is estimated by the National Academy of Sciences to cost the U.S. nearly $1 trillion annually, and researchers from Columbia University find that investment in a child allowance program will pay massive dividends — estimating an 8:1 return on investment. It also strengthens local economies — the Niskanen Center found that extending the Child Tax Credit for even just a year would support the equivalent of 500,000 private-sector jobs. Finally, it lowers our child poverty rate to closer of that of other wealthy countries, increasing our competitiveness around the world.

Enhanced CTC and EITC Reaches Many of the Kids and Families with the Biggest Barriers to Economic Security

The American Rescue Plan Act (ARPA) enhancements to the CTC and EITC benefitted many children, youth, and families most in need. The CTC improvements increased the benefit to as much as $3,600 a year per young child and $3,000 a year for children six and older (including 17-year-olds), provided advanced monthly payments of the CTC starting in July 2021, and made the credit fully refundable. The EITC expansion nearly tripled the amount of the credit for low-income workers and broadened the eligibility age from 25 to 18 for foster youth and youth experiencing homelessness. The enhanced CTC likely reached nearly 40 million households with
over 65 million children, and the EITC improvements have the potential to benefit over 17 million workers, including an estimated 380,000 to 500,000 former foster youth. By making the full CTC available for the first time to families with little or no income, it reached the one-third of our children who had been left behind, disproportionately benefiting households of color. Recent analysis from Columbia’s Center on Poverty and Social Policy finds that children who were disproportionately ineligible for the CTC prior to the ARPA enhancements -- Black and Hispanic children, children in single-parent families, rural families, children in larger families, and families with young children— all experienced large declines in child poverty in 2021.

Unfortunately, while great progress was made, additional steps could have been taken to create a more equitable tax code to benefit all children. For example, even though the poverty gap for Black and Hispanic children compared to white children narrowed in 2021, a sizeable gap remains. Children in immigrant families continue to experience higher rates of poverty than their nonimmigrant peers because they oftentimes remain ineligible for assistance — an estimated one million immigrant children with Individual Taxpayer Identification Numbers (ITINs) remain excluded from receiving the Child Tax Credit, unfairly denying them critical support. Families in Puerto Rico did not have access to the advanced monthly payments, and under current law families with children in Puerto Rico accrue the refundable portion of the Child Tax Credit at a slower rate than families in the states.

**Congress Must Prioritize Children**
The expiration of the CTC and EITC improvements, combined with high food costs and rising rents, sent many families with children back to experiencing significant material hardship, increasing child hunger and suffering.

In a May 2022 poll by Lake Research, voters expressed support for extending the improved CTC by a wide 72-21% margin. American voters also expressed overwhelming concern (86% concerned to 12% not concerned) with data indicating that “child poverty costs our society up to $1.1 trillion a year due to higher crime, poor health outcomes, and lower income levels with children living in poverty grow up.”

We strongly urge you to enhance the CTC and EITC in any end-of-the-year tax policy decisions and prioritize children and youth in households who face the biggest barriers to economic security, for every child deserves the resources they need to thrive.

Congress faces a pivotal moment of opportunity to address the best interests of our nation’s children.

We urge you to act without delay.

Sincerely,

The Undersigned Organizations
First Focus Campaign for Children
20/20 Vision DC
African American Health Alliance
All Our Kin
American Association for Community Dental Programs
American Federation of Teachers
Armstrong Coaching
Association of State Public Health Nutritionists
Birth Defects Research & Education Foundation
Bread for the World
Caring Across Generations
Center for Economic and Policy Research
Center for Law and Social Policy (CLASP)
Center for the Study of Social Policy
Child Care Aware® of America
Child Welfare League of America
Children's Advocacy Institute
Children's Defense Fund
Children’s HealthWatch
Children's Rights
Children's Trust Fund Alliance
Church World Service
Circle of Parents, Inc.
Clinical Social Work Association
Coalition for Juvenile Justice
Coalition on Human Needs
Comic Relief US
Community Change Action
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces
Congressional Research Institute for Social Work and Policy
Elite Campaigns
Family Centered Treatment Foundation
Food Research & Action Center
FoodCorps
Friends Committee on National Legislation
Futures Without Violence
Generations United
Global Policy Solutions
Healthy Teen Network
HEAR US Inc.
High Flight Arts and Letters
iFoster
Income Movement
Institute for Child Success
Institute for Human Services
JustUs in Family Court
Juvenile Law Center
Kids in Need of Defense (KIND)
Leading for Kids
Lupus and Allied Diseases Association, Inc.
Main Street Alliance
MAZON: A Jewish Response to Hunger
MENTOR
MomsRising
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Counsel for Children
National Association of County Human Services Administrators
National Association of School Nurses
National Association of Social Workers
National Center for Youth Law
National Center on Adoption and Permanency
National Child Care Association
National Children's Campaign
National Coalition Against Domestic Violence
National Community Action Partnership
National Council of Jewish Women
National Crittenton
National Education Association
National Foster Youth Institute
National Health Care for the Homeless Council
National Immigration Law Center
National Network for Youth, Inc.
National Network to End Domestic Violence
National Organization for Women
National Prevention Science Coalition to Improve Lives  
National Resource Center on Domestic Violence  
National WIC Association  
Network Lobby for Catholic Social Justice  
ParentsTogether Action  
Poverty Project of the Institute for Policy Studies  
Prevent Blindness  
Prevention Institute  
Prosperity Now  
Provincial Council Clerics of St. Viator  
Public Advocacy for Kids (PAK)  
RESULTS  
Rural School and Community Trust  
Save the Children  
School-Based Health Alliance  
SDMC LLC  
Share Our Strength  
Shriver Center on Poverty Law  
Sisters of Charity of Nazareth  
Congregational Leadership  
SocioEnergetics Foundation  
Stand for Children  
Strategies for Youth  
The Arc of the United States  
The Education Trust  
The National Child Care Association  
The Praxis Project  
Together for Girls  
UndocuBlack Network  
UnidosUS  
Universal Income Project  
Voices for Progress  
Young Center for Immigrant Children's Rights  
Youth Law Center  
Youth Villages  
ZERO TO THREE

State / Local Organizations

**Alabama**
The Alabama Chapter of the American Academy of Pediatrics

**Arizona**
Child & Family Resources, Inc

**Arkansas**
Arkansas Advocates for Children and Families
Open Arms Pregnancy Center

**California (con’t)**
California Child Care Resource And Referral Network
California Rural Legal Assistance Foundation (CRLA Foundation)
Children Now
Community Bridges
Community Child Care Council (4Cs) of Alameda County
Community Health Councils
County Welfare Directors Association
Epilepsy California
First 5 California
Girls Club of Los Angeles
GRACE/End Child Poverty California
John Burton Advocates for Youth
Latino Coalition for a Healthy California (LCHC)
Los Angeles Regional Food Bank
Mixteco/Indígena Community Organizing Project
Public Counsel

**California**
Alliance for Children’s Rights
Allies for Every Child
Bill Wilson Center
Buen Vecino
C5 Children’s School
California Alliance of Caregivers
California Alliance of Child and Family Services
California (con’t)
San Diego for Every Child
Sycamores
the California Family Resource Association
the Child Abuse Prevention Center
The Children's Partnership

Colorado
Adams County Health Department
CLLARO
Colorado Academy of Family Physicians
Colorado Children’s Campaign
Colorado Cross-Disability Coalition
Hunger Free Colorado
Illuminate Colorado
Invest in Kids
Parent Possible
The Consortium
Tri-County Health Dept

Connecticut
Mayflower Montessori School
SimplifyCT
The Connecticut Association for Human Services

Delaware
Prevent Child Abuse Delaware

District of Columbia
Mother’s Outreach Network
Rebuilding Independence My Style
RESULTS DC/MD
The Vanner Street Group

Florida
American Children's Campaign
Florida Policy Institute
Floridians For Dental Access
Joyful Noise Learning Center
RESULTS Tampa Bay
The Center of Achievement, Inc.

Georgia
Generations Together Inc
Prevent Blindness Georgia

Hawaii
Hawaii Children's Action Network Speaks!
Maui Economic Opportunity, Inc.

Illinois
Chicago Foundation for Women
Children's Home & Aid
Health & Medicine Policy Research Group
Illinois Action for Children
Illinois Collaboration on Youth
Illinois Society for the Prevention of Blindness
Prevent Child Abuse Illinois

Indiana
MCCOY (Marion County Commission on Youth)

Iowa
Within Reach Consulting

Kansas
Culture Creations Inc
Success By 6 Coalition

Kentucky
Kentucky Youth Advocates
Sisters of Charity of Nazareth Western Province Leadership

Maine
Maine Association for the Education of Young Children
Maine Chapter, American Academy of Pediatrics
Maine Children’s Alliance
Opportunity Enterprises Inc.

Maryland
Addiction Connections Resource
Benedictine Sisters of Baltimore
Maryland National Organization for Women
The Karabelle Pizzigati Initiative at the University of Maryland
Massachusetts
CAN-DO (Citizens for Affordable Housing in Newton Development Organization, Inc.)
Greater Boston Legal Services
Massachusetts Immigrant and Refugee Advocacy Coalition
MassKids
RESULTS-Massachusetts
Strategies for Children

Michigan
Congress of Communities
Detroit Champions For Hope
Insight Youth and Family Connections
MCHS Family of Services
Michigan's Children

Minnesota
MNAEYC
West Central Initiative

Missouri
A Red Circle
HappyBottoms
St. Cronan Church

Nebraska
Nebraska Appleseed
Voices for Children in Nebraska

Nevada
Children’s Advocacy Alliance

New Jersey
Advocates for Children of New Jersey
Family Voices NJ
SPAN Parent Advocacy Network

New Mexico
New Mexico Pediatric Society
Ralph Dowden, Attorney at Law

New York
Center for Independence of the Disabled, NY
Children's Aid
Citizens' Committee for Children of New York
Labor-Religion Coalition of NYS
Metro New York Health Care for All
Mobilization for Justice, Inc.
New York Immigration Coalition
People’s Equal Action and Community Effort, Inc.
Saratoga Immigration Coalition
Schuyler Center for Analysis & Advocacy
Sisters of St. Dominic of Blauvelt, New York
The Children's Agenda
United Way of Buffalo & Erie County

North Carolina
Goldsboro Pediatrics
Pisgah Legal Services
Prevent Child Abuse North Carolina

Ohio
Action for Children
Non Profit Evolution
RESULTS Central Ohio
SEM FOOD PANTRY

Oklahoma
Oklahoma Institute for Child Advocacy

Oregon
Oregon Food Bank
Our Children Oregon
TFP Therapeutic Services, Inc.
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<td>ACLAMO, Bucks County Women's Advocacy Coalition, GRANDS AS PARENTS INC,</td>
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<td>Maternal and Child Health Consortium, Director Program Evaluation,</td>
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<td>Pennsylvania Council of Churches, Pennsylvania Partnerships for Children,</td>
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<td>Philabundance, Philadelphia Department of Public Health, United Way of Greater</td>
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<td>Philadelphia and Southern New Jersey, West Chester Food Cupboard, Women's Law</td>
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<td>Project</td>
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<td><strong>Puerto Rico</strong></td>
<td>Instituto del Desarrollo de la Juventud</td>
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<td><strong>Rhode Island</strong></td>
<td>Rhode Island KIDS COUNT, Washington County Coalition for Children</td>
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<td><strong>South Carolina</strong></td>
<td>HALOS - Helping And Lending Outreach and Support, South Carolina Appleseed</td>
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<td>Legal Justice Center</td>
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<td><strong>Tennessee</strong></td>
<td>RESULTS Tennessee, Town of Tracy City</td>
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<td><strong>Texas</strong></td>
<td>Every Texan, RESULTS Austin Global, RESULTS Dallas Global, Results Houston,</td>
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<td>Texas Kids Can't Wait, Texas Parent to Parent, United Way of Metropolitan Dallas</td>
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<td>United Ways of Texas</td>
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<td>Children's Service Society of Utah, Early Childhood Alliance, UTAAP</td>
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<td><strong>Vermont</strong></td>
<td>Voices for Vermont's Children</td>
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<td><strong>Virginia</strong></td>
<td>Campaign for a Family Friendly Economy, Families Forward Virginia, Social</td>
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<td>Action Linking Together (SALT), Voices for Virginia's Children</td>
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<td><strong>Washington</strong></td>
<td>Partners for Our Children, Seattle/King County Coalition on Homelessness, United</td>
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<td>Way of King County, Washington State Association of Head Start and ECEAP</td>
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<td>Havenstead, Wisconsin Association of Local Health Departments and Boards,</td>
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