



End Child Poverty Act

The United States has one of the highest child poverty rates in the developed world. Without the Child Tax Credit, we cannot afford to let millions of families slide back into poverty. No family should ever enter poverty solely because they have added a child to their family—now is the time to build on the robust anti-poverty investments in the American Rescue Plan and provide families urgently needed financial security **by creating a Universal Child Benefit of \$393 per child per month.**

Background:

In 2017, the child poverty rate in the U.S. was 21.2%. In Canada, the same number was 11.4%; in Norway, it was 8%; in Denmark, it was just 4.7%. Child poverty also disproportionately impacts children of color. Black, Hispanic, and Indigenous children have the highest, disproportionate rates of poverty. For example, Black children are 14.4% of the total child population but constitute 27.3% of children living in poverty.

Addressing the U.S.' endemic of child poverty will require a significant increase in social spending on child benefits to keep pace with other developed nations. In 2017, the U.S. spent just 0.6% of GDP on benefits for families with children. In that same year, Canada spent 1.7% of GDP, while Norway and Denmark spent 3.2% and 3.4% respectively. The groundbreaking Child Tax Credit expansion signed into law in the American Rescue Plan cut child poverty in America by 45 percent—but with a Universal Child Benefit, we can do even better.

The Solution:

The End Child Poverty Act would expand on the groundbreaking Child Tax Credit to create a universal child allowance administered through the Social Security Administration.

- **The payment would be set to \$393 per child per month.** This amount is the difference between the one-person poverty line and two-person poverty line. A monthly benefit will ensure families can incorporate payments into their budgets, rather than waiting for an annual lump sum.
- **This program would be universal and include no income phase-ins or phase-outs.** Children will be automatically enrolled at birth, and every family would receive a monthly payment for every child they are currently caring for from birth until the age of 18.
- **The payment would be paid out by the Social Security Administration (SSA).** The SSA currently sends out monthly checks to 50 million seniors, and it has the

administrative capacity to send out checks to the parents of the nation's 77 million children efficiently and effectively.

- **The Universal Child Benefit would fully replace the Child Tax Credit and the child provisions of the Earned Income Tax Credit.** The Universal Child Benefit is more generous than the CTC and EITC child provisions at every percentile of the earning distribution, and ensures that every child—including the most vulnerable—will be eligible.

Estimates produced by the People's Policy Project show that this change would cut child poverty by 64% and cut deep child poverty by 70%. By providing monthly checks to all children, the Universal Child Benefit under the **End Child Poverty Act** would benefit all families, not just the poor. The Universal Child Benefit would make it easier for working class people to afford necessities like diapers and childcare, and provide a long overdue safety net for our nation's families and children.