The Baby Bonus Act

The Baby Bonus Act would provide new parents with \$2,000 upon the birth of their child, bringing economic stability to households at a pivotal period for child development.

The birth of a new child is often a time of increased economic insecurity. Families face new expenses for health care, diapers, baby clothes and more—while many parents must take time off leading up to or following the arrival of a newborn. Research has found that average household income declines significantly before the birth of a child, including more than 10 percent during the birth month. For single mothers who don't live with other adults, their earnings drop by roughly 31 percent on average during the two months before and after birth. A newborn's first months are crucial for their development, making economic stability even more important during this time.

To soften the economic shocks that often come with childbirth, The Baby Bonus Act:

- establishes a program providing families with \$2,000 per child upon birth, or up to 60 days before the expected due date.
- will be administered by the Social Security Administration, reducing <u>administrative</u> <u>burdens</u> associated with tax credits and reaching low-income families who are not required to file their taxes.
- adjusts the bonus annually for inflation.
- allows parents relying upon adoption or surrogacy to be eligible for the baby bonus.

All children deserve a healthy and stable start. A baby bonus provides timely and flexible assistance, allowing families to address their unique circumstances during a crucial period in their child's life.

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