## **The End Child Poverty Act**

The End Child Poverty Act would provide a universal child benefit of \$458 per child, per month, bringing us closer to a nation where all children can grow up free from poverty and economic instability.

The United States has one of the highest child poverty rates among wealthy nations. According to OECD data, the child poverty rate in the U.S. was 18.1% in 2023. But other countries have proven significant progress is possible. In Sweden, the child poverty rate was 8% in 2023; in the Netherlands, it was 7%; in Finland, it was 6.8%.

The hardship of child poverty is not borne equally. In the U.S., roughly <u>one out of five</u> Black, Hispanic, and Indigenous children lived in poverty in 2024, compared to only 6.7 percent of white children.

Addressing the U.S.' epidemic of child poverty will require a significant increase in social spending on child benefits—where the U.S. lags far behind many nations. In 2023, the U.S. spent just 0.6 percent of GDP on benefits for families with children. Columbia and Chile, themselves much poorer countries, spent three times that amount, as a percentage of GDP, on family benefits.

We know the U.S. can dramatically reduce child poverty, because we've done it before. Prior to its expiration, the groundbreaking Child Tax Credit expansion signed into law in the American Rescue Plan cut child poverty in America by 45 percent. With a universal child benefit, we can do even better.

The End Child Poverty Act would:

- **create a universal child allowance of \$458 per child per month**. This amount is the monthly difference between the one-person poverty line and two-person poverty line. No family should ever enter poverty solely because they have added a child to their family.
- 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 caring for from birth until the age of 19.
- be paid out by the Social Security Administration (SSA), reducing <u>administrative</u> <u>burdens</u> associated with tax credits and reaching low-income families who are not required to file their taxes. The SSA currently sends out monthly checks to 50 million

- seniors. It has the administrative capacity to send out checks to the parents of the nation's children efficiently and effectively.
- fully replace the federal Child Tax Credit and the child provisions of the federal 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.

The **End Child Poverty Act** would make it easier for working families to afford basic necessities like diapers and childcare, while providing a long overdue safety net for all our nation's children.

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