



The Biden Administration's Budget Recognizes Investments in Families Are Long Overdue: Now Let's Get To Work

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In its annual budget released last week, the Biden administration once again proposed critical investments in families, including restoring the Child Tax Credit expansion that temporarily cut child poverty [nearly in half](#), establishing a national paid family and medical leave program, and expanding access to high quality child care and early education. Action on these priorities, which Congress has failed to take up over the last year, is long overdue.

With the notable exception of the temporary supports made available earlier in the pandemic, parents and caregivers have been shouldering the responsibility of raising the next generation with limited support from government, leaving many struggling to make ends meet and unable to provide opportunities for their children that will best set them up to flourish. The burdens have fallen heaviest on Black parents and other parents of color—particularly women—and caregivers with the lowest incomes because of [racist policies](#) that have excluded families from supports and [channeled](#) many into more punitive systems. Ultimately, the failure to adequately support families limits the prospects of all children and caregivers, and threatens our nation's future.

To understand what parents and caregivers need for their families to be economically secure and thrive, CSSP conducted [research](#) over the last two years, interviewing and surveying Black, Latinx, and

other families of color and families with low incomes who have been disproportionately excluded from supports in the past to learn what they need to be able to pursue their goals. Caregivers told us they need the help from the policies that Biden administration's budget includes—and more.

Theresa, a mother of three teenagers in Michigan who had recently started a new job when she talked to CSSP a little over a year ago, explained that she had accrued debt trying to make ends meet when her girls were younger. Her new job, Theresa explained, was “a step-up but it's still not where I guess I would need to be.” Her goal is to “continue to grow, go back to school possibly, so that I'd be able to make more money, and be able to pay off debt and ... slowly get myself in a position where I can buy a house and be able to save and those type of things. Right now it's just ... it's like digging yourself out of a hole all the time.”

It is long past time policymakers develop a child allowance, paid leave, and comprehensive child care that lift some of the burden off caregivers and enable children to live full lives. [To advance racial and economic justice](#), meaningful relief must be provided to the families who need it most, and be designed to work for Black, Indigenous, Latinx, and other families of color who have been excluded and harmed by policies in the past.



Here is how one of the Biden administration's budget proposals—[expanding the Child Tax Credit](#)—stacks up against what we heard from Theresa and other Black, Indigenous, and Latinx parents and caregivers of color about what they need:

- 1. Equity.** The administration's proposal takes the critical step of making the CTC “fully refundable” on a permanent basis, meaning that families with the lowest incomes are eligible for the full benefit. This step alone will help ensure that the CTC advances racial and economic equity, as more than a third of children and approximately [half of Black and Latinx children](#) were previously excluded from the full benefit of the CTC because their households' incomes were too low. But this step alone is not enough. The Trump administration [excluded](#) some children in immigrant families from the CTC for the first time in 2017 when it required that every child have a Social Security Number in order to be claimed by a taxpayer for the credit. The budget proposal does not take the important step of restoring access to the CTC for children without SSNs.
- 2. Meaningful benefit levels.** Through 2025, the administration's proposal restores the increased CTC benefit made available to families temporarily under the American Rescue Plan Act (ARPA)—\$3,600 for children ages 0-5, and \$3,000 for children ages 6-17, up from \$2,000 under current law. Under ARPA, half of the boosted CTC was paid out in monthly installments of \$250 or \$300 depending on the age of the child. This increased benefit helped families pay the bills and meet unexpected expenses as they arose from month to month. But parents with lower incomes and parents of color [told us](#) they needed a more generous cash benefit to more fully achieve economic stability and well-being. When asked how much they would need to feel financially secure, caregivers' most common answer was \$500 per month per child.
- 3. Regular payments.** The administration's proposal would make the CTC permanently available on a monthly basis. Parents and caregivers were clear in our interviews and surveys how important regular payments were, helping them budget and meet everyday expenses. The vast majority of parents [preferred monthly payments](#), while some said they would like to receive a child allowance even more frequently—every two weeks.
- 4. Easy to access.** The administration's proposal would require the IRS to establish an online portal for families to sign up for the CTC, and it would also enable the IRS to pay the credit out automatically based on birth records and other information from government agencies, such as state public-benefit granting agencies. Doing so would make the CTC much easier to access, which is critical for ensuring the families who need it most receive the benefit. We also heard from caregivers that it was important for them to have the option to sign up for the benefit in person, and talk to someone who can help them navigate any difficulties receiving the benefit. This in-person and over-the-phone service is also critical for enabling full take-up of the benefit.
- 5. Dependable.** The administration's proposal makes two permanent changes to the CTC: it is fully refundable and available monthly on a permanent basis. But the increased benefit of up to \$3,600 per child per year ends after 2025, after which the maximum CTC benefit falls down even further to \$1,000 per child per year. When we spoke to parents and caregivers, they are clear that they need a dependable, predictable meaningful child allowance over the long term to be economically secure. In order to best support families, all elements of the CTC expansion should be permanent.

The Biden administration's proposals are an important step in the right direction. After decades of neglecting families, policymakers need to take immediate action to enact these supports—and to improve them over time so that they meet the expressed needs of families of color and support all families who need it.

