

Advancing a Broad and Inclusive Child Allowance

National Academy of Social Insurance (NASI) Workshop

Wednesday, March 3rd

2:20 – 3:20 pm

Introductions

- **Presenters**

- *Emma Mehrabi, Director of Poverty Policy, Children's Defense Fund (CDF)*
- *Zach Tilly, Policy Associate, Children's Defense Fund (CDF)*
- *Elisa Minoff, Senior Policy Analyst, Center for the Study of Social Policy (CSSP)*

- **Interactive and dialogue-based**

- *Goal is to get feedback on design, implementation, and advocacy strategy*

Current policy and state-of-play

| Policy | Current Law | COVID bill/Biden proposal | House 117 th Congress AFA |
|--------------------------|---|--|---|
| Cash benefit amount | \$2,000 until 2026, then \$1,000 | 1 year - \$3,000 for kids 6- 17; \$3,600 for children <6 yrs. until 2022 | \$3,000 indexed to inflation; \$3,600 for children <6 yrs. Indexed to inflation (permanent) |
| Refundability | \$1,400 indexed to inflation (until 2026, then \$1,000) | \$3,000/\$3,600 | \$3,000/\$3,600 |
| Minimum Earnings | \$2,500 until 2026, then \$3,000 | None | None |
| Immigrant kids | SSN required until 2026, then not required | SSN required | Back to pre-TCJA, SSN not required |
| Age | 0-16 | 0-17 | 0-17 |
| Advanced monthly payment | None | Starts July 1, 2021 | “as soon as feasible” |

Current policy and state-of-play

| Policy | Current Law | COVID bill/Biden proposal | House 117 th Congress AFA |
|----------------|---|--|---|
| Appropriations | None | \$397M for advanced monthly payment; \$16M for fiscal services | None |
| Territory | No equal treatment | Mirror tax code for some | Mirror tax code |
| Overpayments | None | Safe harbor provisions are narrow related to child; capped at \$2k per child; AGI capped at \$60k for joint filers | Taxpayers on the hook; gets added to their tax bill |
| Online portal | None | Directs Secretary to establish online portal | Creates an online portal |
| Phaseout | \$200k for individuals; \$400k for families | \$150k for joint filers; \$112k for head of household; \$75k for other cases | \$130k for head of household; \$180k for joint filers |

Who and what does the COVID package leave out?

- *All immigrant children* - Inclusion of children with tax identification numbers
- Robust protections against overpayments
- Outreach, education, and implementation guidance
 - *Data sharing*
 - *State and local coordination*
 - *Clear language for families not connected to the tax code*
- Permanency

Timeline for COVID package

- This week – ANS bill is in the Senate + vote-a-rama
 - *Amendments have to abide by the Byrd rule requirements*
- After Senate- goes back to the House to vote again assuming amendments or provisions that were struck out from the Senate version
- Important date - March 14th – UI expiration
- CTC provisions – looking ahead to 2nd reconciliation package + permanency

Why a child allowance?

Structural Problems in Existing System of Supports

Limited support for families with children

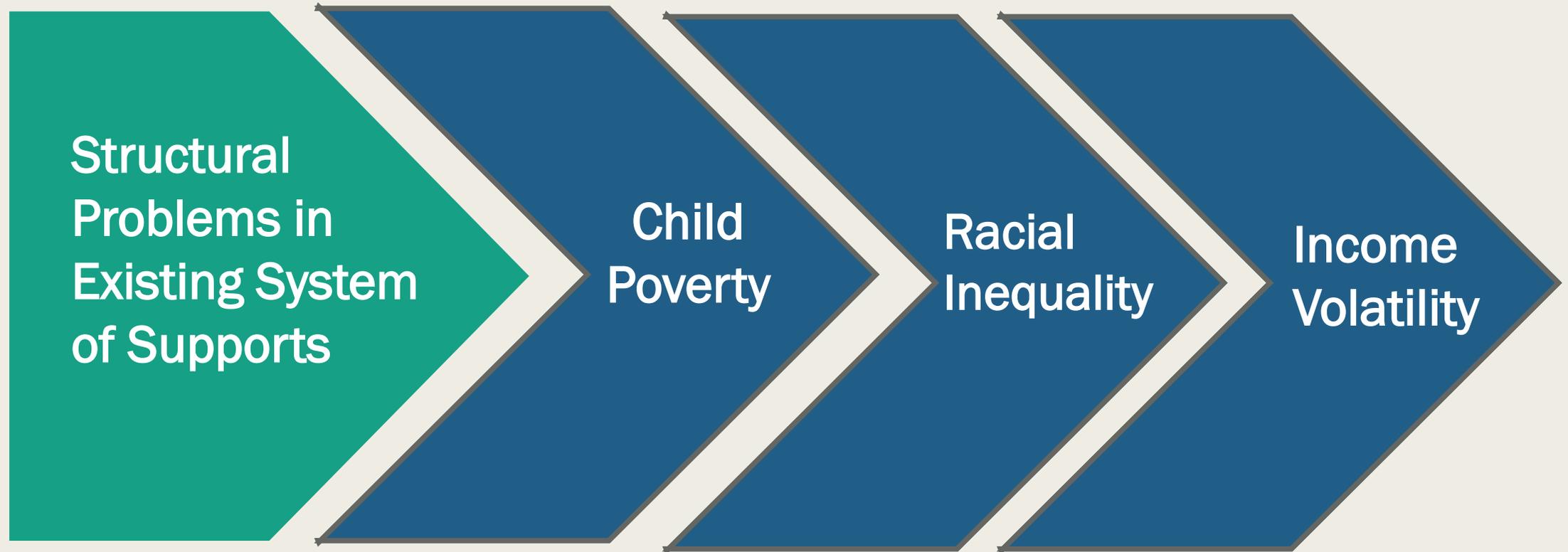
Support is often tied to work

Accessing support is difficult

Other eligibility barriers

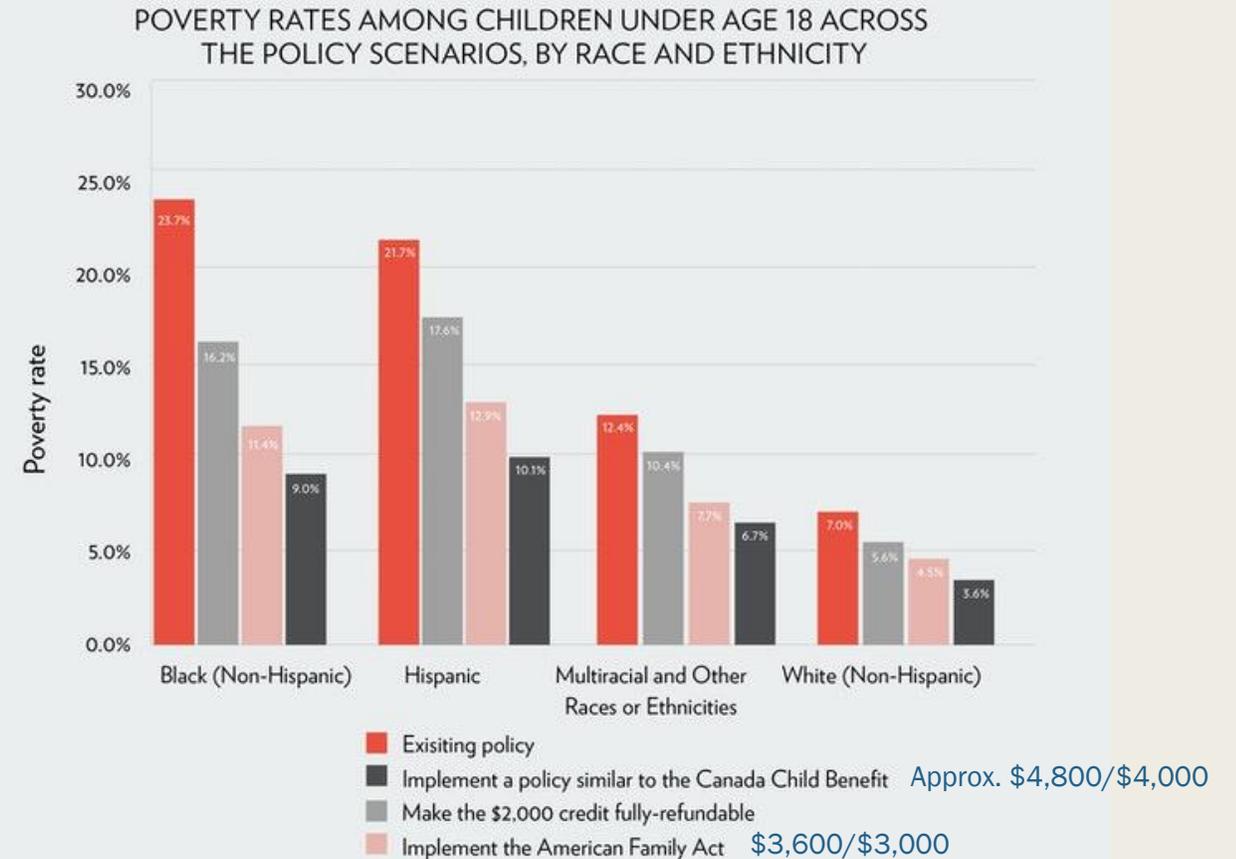


Why a Child Allowance?



Why a Child Allowance?

What a Child Allowance Can Do



Source: Calculated by authors based on data from the 2019 Annual Social and Economic Supplement to the Current Population Survey. Data retrieved from IPUMS-CPS, University of Minnesota, ipums.org.

THE CENTURY FOUNDATION

Why a Child Allowance?

| | Child Poverty Rate, Current Law | Child Poverty Rate, AFA (\$3,600/\$3,000) | Percent Change |
|--------------------------------------|------------------------------------|--|----------------|
| All children, under 18 | 13.6% | 7.5% | -45% |
| Asian American & Pacific Islander | 12.1% | 7.6% | -37.0% |
| Black, non-Hispanic | 23.7% | 11.3% | -52% |
| Hispanic | 21.7% | 11.8% | -45% |
| Multiracial & all other groups | 11.9% | 7.3% | -39% |
| Native American | 16.7% | 6.4% | -62% |
| White, non-Hispanic | 7.0% | 4.3% | -39% |

For more disaggregated data on the anti-poverty impact of a child allowance see the Center on Poverty & Social Policy's latest fact sheet: [A Poverty Reduction Analysis of the American Family Act](#) (January 25, 2021)

Goals of the Child Allowance Coalition

We will work intersectionally to advance a child allowance.

Publish core policy principles

Develop persuasive messaging and communicate publicly

Build national, state, and local support

Coordinate legislative advocacy

Principles for a child allowance

- **Generosity:** A child allowance should provide meaningful support to families
- **Frequency:** A child allowance should be available through regular payments
- **Eligibility:** A child allowance should be available to all children
- **Administrability:** A child allowance should be paid out through the Social Security Administration, not through the tax code
- **Access:** A child allowance should be easy and straightforward to access, with limited paperwork and administrative burdens for families.
- **Supplement, Not Supplant:** A child allowance should supplement, not supplant, other supports for families

Different visions for a child allowance

Option One- long term

- Direct payment
- Full protection for overpayments
- Universal benefit
- Child centered and flexible
- SSA
- Automatic payments based on prior years earnings
- Eliminate or change relationship and relative test

Option two – COVID bill

- Advanced monthly option
- Income carve out protecting only lower income families and only changes in children
- Targeted to those who need it
- Parent/family centered
- IRS
- Projection of same years income
- Child must live with the parent/guardian for 6 months

Q+A about the presentation

- *What else can or should we be doing to achieve our mission?*
- *What other stakeholders and organizations should we bring reach out to on this subject? Would you be interested or know anyone who we should consult or ask to join the coalition?*
- *With the first COVID bill about to pass, what are you concerned about with implementation?*
 - *Do you foresee challenges in communities in getting people signed up who are not connected to the tax code?*
 - *If so, how would you design the outreach, online portal, community education?*
- *How does the narrow definition of qualifying child interact with the advanced monthly payment? How do we make the benefit follow the child?*
- *What should we be concerned about with the IRS and implementation? How should a direct child allowance policy be administered? Would SSA or HHS be a better avenue?*
- *How can a child allowance complement rather than compete with your work?*

THE END!

Any questions? Please contact:

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