November 9, 2023

Dear Member of Congress,

On behalf of The Leadership Conference on Civil and Human Rights, Black Women’s Roundtable, NAACP, NAACP Legal Defense and Educational Fund, Inc. (LDF), National Action Network, National Coalition on Black Civic Participation, National Urban League, and UnidosUS, we write to urge you to prioritize the needs of millions of lower-income Black and Latino children by including an expansion of the Child Tax Credit (CTC) in year-end legislation, and to refrain from moving forward with any legislation that gives tax breaks to corporations without addressing the needs of lower-income children and their families. Roughly 19 million low-income children are currently denied the maximum $2,000 per child credit. The communities we represent are counting on you to address rising child poverty rates by expanding the CTC focused on these children. This is particularly timely given efforts to reach a bipartisan tax agreement before the end of the year.

Allowing child poverty to continue and increase, as it did last year, is a policy choice. The temporary CTC expansion included in the American Rescue Plan Act benefited millions of families and helped reduce the child poverty rate to a record low of 5.2 percent in 2021, the largest year-to-year drop on record.\(^1\) Unfortunately, recent census data showed a staggering rise in poverty in 2022 following expiration of the expanded credit. The data show there were particularly significant increases in poverty among Black and Latino children, with the poverty rate for Black children rising from 8.3 percent to 18.3 percent and for Latino children from 8.4 percent to 19.5 percent.\(^2\) In short, our incredible progress in reducing child poverty was erased.

Expanding the CTC is a proven way to reduce child poverty and improve economic mobility, particularly for Black and Latino families, without meaningfully reducing workforce participation.\(^3\) It is well-established that Black and Latino families disproportionately struggle with poverty as a result of deep-rooted historical discrimination in employment, housing, health care, and education, as well as other forms of structural racism. As census data show, the expanded CTC has been incredibly impactful in addressing the poverty gap for Black and Latino children and families. Policies that reduce poverty have an immediate impact on economic security, and research shows that most low-income families spent the expanded credit on basic necessities like food, utilities, and rent or mortgage payments, as well as education.\(^4\)

The credit also addresses long-term stability, health, and education outcomes. The Brookings Institution found that families of color in particular used the expanded CTC in ways that will support their long-term economic mobility, such as by investing in their children’s futures through improved childcare and education.\(^5\) For this reason, such investments have been found to be highly cost-effective by increasing economic contribution and family stability over both the short- and longer-term.
Policymakers can make the largest and most lasting impact on child poverty and build a stronger economy overall by permanently expanding the CTC and making it fully refundable and available to families through monthly payments. Additionally, the credit should be available to children regardless of immigration status by restoring access to the CTC for immigrant children with Individual Tax Identification Numbers (ITINs).

Most immediately, Congress has an opportunity to include improvements to the CTC in year-end tax legislation that could help lift many children in the lowest income families in this country out of poverty and provide the maximum credit to those children currently left out. Since expiration of the CTC expansion at the end of 2021, the credit is no longer fully available to all low-income children.

The expanded CTC had a significant impact on reducing poverty and improving the lives of the most vulnerable Black and Latino children in this country. We strongly urge you to include tax changes that would make the credit more available to the roughly 19 million children who live in families whose incomes are now too low to qualify for the full credit, including nearly half of all Black children, and 1-in-3 Latino kids. Policymakers must and can expand the credit in a way that will benefit 19 million children who struggle the most to have their basic needs met.

If you would like to discuss these issues further, please reach out to Peggy Ramin, policy counsel for health and anti-poverty, at ramin@civilrights.org with any questions.

Sincerely,

The Leadership Conference on Civil and Human Rights
Black Women’s Roundtable
NAACP
NAACP Legal Defense and Educational Fund, Inc. (LDF)
National Action Network
National Coalition on Black Civic Participation
National Urban League
UnidosUS

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3 CTR. ON BUDGET & POL’Y PRIORITIES, supra note 1.


v Id.


vii CTR. ON BUDGET & POL’Y PRIORITIES, supra note 2.