

# Reinstate the Enhanced, Fully Refundable Child Tax Credit.

The enhanced Child Tax Credit that expired in December 2021 lifted 2.9 million children out of poverty monthly, of which about a third were under age 6.

**The enhanced, fully refundable Child Tax Credit is a proven measure towards reducing poverty for children and babies during their most critical years of development.**

## Key Features of the enhanced, fully refundable Child Tax Credit:

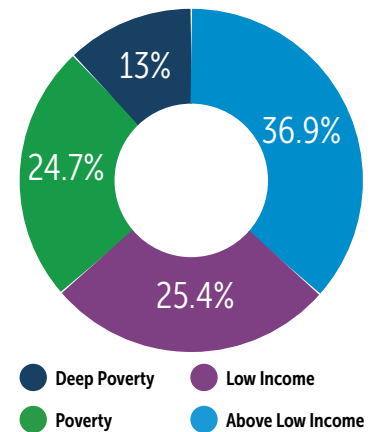
- **Eliminate phase-in eligibility** based on income to reach families in deep poverty.
- **Increase the amount per child** to \$3,600 for children under age 6 and \$3,000 for children over age 6.
- **Provide monthly installments** to families so they can secure basic needs such as food and housing.
- **Include immigrant families** filing taxes with Individual Taxpayer Identification Numbers.

## STATE OF BABIES YEARBOOK 2023

The data presented in the State of Babies Yearbook 2023 paint a clear picture: bold action is needed to address the urgent needs of infants, toddlers and their families.

Learn more at [stateofbabies.org](https://stateofbabies.org)

## Babies by Family Income in Rural Areas



Babies living in rural areas (24.7%) are more likely to experience poverty, with one in eight (13%) living in deep poverty.

“When my husband’s pizza business shut down during COVID, we moved to land we owned in a rural community in Arkansas with our two children and Belgian Malinois dogs. We love our community, but it costs \$30 for us to drive into town for groceries. Despite our best efforts, we live paycheck to paycheck.

The expanded Child Tax Credit (CTC) was a huge support to us. Without that support, we had to reassess our budget. My husband had to take on an extra job. He’s been working six or sometimes seven days a week to help provide for our family. Even with him doing so, we’re still struggling every month. We worry about surprise costs, like a necessary car repair or a health emergency. We are trying hard to make a better future for our kids, and the CTC helped make that possible.

—Brandy S.  
Big Flat, Arkansas



**Acting now to lift babies out of poverty is an investment not just in their futures, but also in the future health and economic well-being of our nation.**

# Poverty and income are defining factors for the nation's babies.

For young children, economic insecurity brings inadequate housing, food insecurity and familial stress, which all pose a risk to babies' rapidly developing brains and bodies. The effects of early childhood poverty can persist into adulthood, impacting educational attainment, later earnings, health, reliance on public benefits, arrest rates, and even early death. Disparities by race/ethnicity and geography are pronounced: babies of color and those in rural areas are disproportionately likely to live with poverty or low income.

## Babies by Family Income and Race and Ethnicity



Poverty and low income disproportionately affect families of color, making economic insecurity the norm for many babies.

## Poverty and Low Income Impact Babies

**Early Development.** The timing of poverty matters: poverty experienced in the earliest years of children's lives has a greater impact on developmental trajectories than poverty experienced later in life. Early childhood poverty is associated with increased risk of chronic, unrelenting stress that can be toxic to the developing brain, disrupting early development.

**Food Insecurity.** For infants and toddlers, even mild levels of food insecurity may result in developmental deficits during their sensitive period of rapid brain growth, and infants who experience food insecurity are more likely to perform poorly on tests of cognitive development. According to data from the U.S. Census Bureau, the enhanced Child Tax Credit payments correlated with a sharp decline in parent reports of food hardship.

**Child Welfare.** While a family's difficulty in making ends meet can impact their ability to feed, clothe or house their children, poverty does not equal child neglect. Still, concrete financial assistance is shown to increase spending on child needs and lower family stress, would help meet basic needs and prevent child welfare involvement.

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