

Children's Defense Fund

Children's Rights

<https://www.childrensdefense.org/blog/latest-child-allowance-proposals/>

Public Facing Advocacy Writing

It was a long time coming but its finally happened. Right now, the hottest policy idea in Washington is [giving cash to families](#) with children with no strings attached.

The logic is simple. More than [10 million children were living in poverty in 2019](#) and the economic crisis created by the pandemic has [threatened the security of millions more](#). These children need fast and flexible assistance. A child allowance would put cash directly into the hands of families with children to spend without restrictionsto put food on the table, keep the lights on, and keep children safely housed.

The most prominent Democratic plan to get more cash to families with children is **the [American Family Act](#) (AFA), which would create a powerful child allowance** by making several improvements to the Child Tax Credit. This bill was reintroduced on February 8 in the U.S. House of Representatives by Representatives DeLauro (D-CT), DelBene (D-WA), and Torres (D-NY) (with our own President and CEO, the Rev. Dr. Starsky Wilson, [speaking in support of the legislation as it was unveiled](#)).

Under the AFA, every low- and middle-income familyincluding families with no income at allwould receive a refundable tax credit of \$3,600 per child under age six and \$3,000 per child age six to 17, which could be paid out monthly. In other words, a low-income family with two young children and no federal tax liability would receive a child allowance of \$600 per month.

If passed, the AFA would be transformative for our childrenespecially children of color, who disproportionately bear the burden of child poverty in America. Child poverty would be [cut nearly by half for all children and by 52 percent for Black children](#). The bill would extend benefits to 23 million children, mostly Black, Latinx, and immigrant children, who currently do not benefit fully from the existing CTC.

The AFA would also extend eligibility to immigrant children left out of the current program, expand the CTC into U.S. territories, and index the credit to inflation to ensure it will keep pace with the cost of living.

Inspired by the AFA, **Congressional Democrats have included [an ambitious one-year improvement to the CTC in their COVID relief package](#)**. Like the AFA, this proposal raises the value of the credit to \$3,000/\$3,600; it also directs the IRS to set up monthly advanced payments by July 1 and send families checks every month through the end of the year.

The plan isnt perfectit excludes immigrant children who lack Social Security Numbers and there are some concerns about whether its possible to set up a robust system of monthly payments on such a tight timelinebut the potential effects are extraordinary. According to a January analysis by researchers at Columbia University, this one-year plan could [cut child poverty by 51 percent this year](#) and give Congress an opportunity to turn this temporary child allowance into a permanent pillar of the federal income support system.

Whats more, even prominent conservatives have come out in favor of a child allowance. On February 4, **Senator Mitt Romney (R-UT) introduced [a plan to replace the CTC with a flat child allowance](#)** paid monthly by the Social Security Administration of \$4,200 per year for children under six and \$3,000 for children ages six to 17. The proposal is the first of its kind from a Republican lawmaker and it shows that there can be bipartisan support for a monthly child benefit that doesnt exclude the lowest income children. But ultimately Senator Romneys plan falls short. The proposal funds its generous child allowance by gutting other crucial supports like TANF, SNAP, and the Child and Dependent Care Tax Credit (CDCTC), and drastically changing the EITC for families with low-incomes.

Because of these program cuts, the Romney plan would not fully meet the needs of our children and their familiesin fact, under this plan some working-class single parents would actually lose benefits. The Romney plans projected anti-poverty effects pale in comparison to that of the AFA and the one-year effects of the temporary improvements expected in the next COVID relief bill.

Congress must pass this short term improvement to the Child Tax Credit and build on that success to create a robust, permanent child allowance.

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