

The RESULTS U.S. Poverty Policy Forum

July 22, 2021

Welcome!

Our Anti-Oppression Values



RESULTS is a movement of passionate, committed everyday people. Together we use our voices to influence political decisions that will bring an end to poverty. Poverty cannot end as long as oppression exists. We commit to opposing all forms of oppression, including ableism, ageism, classism, colonialism, homophobia, racism, religious discrimination, sexism, transphobia, white saviorism, and xenophobia.

At RESULTS we pledge to create space for all voices, including those of us who are currently experiencing poverty. We will address oppressive behavior in our interactions, families, communities, work, and world. Our strength is rooted in our diversity of experiences, not in our assumptions.

With unearned privilege comes the responsibility to act so the burden to educate and change doesn't fall solely on those experiencing oppression. When we miss the mark on our values, we will acknowledge our mistake, seek forgiveness, learn, and work together as a community to pursue equity.

There are no saviors — only partners, advocates, and allies. We agree to help make the RESULTS movement a respectful, inclusive space.

Find all our anti-oppression resources at: https://results.org/volunteers/anti-oppression/

New Child Tax Credit payments



- July 15: IRS started monthly CTC payments to families
 - Most families will get \$250-300 per child
- Payment will go out each month through December
 - This will amount to ½ of their 2021 CTC; other half will be paid as a lump sum at tax time next year
- Most will get payments automatically but if you have not filed taxes in last two years, you may need to sign up
- Go to <u>www.childtaxcredit.gov</u> for more info

Update on Recovery Negotiations



Congressional leaders have agreed to a broad \$3.5 trillion framework, will see parameters next week

- Will assign spending amounts to different committees with assumptions of what they'll do, but not binding
- Will be taken up in Senate, then House, in coming weeks

Committees will craft specific bills, work already underway

- Up to Senate Banking/House Financial Services to then include increased rental assistance in their bill
- Up to Finance/Ways and Means to make EITC/CTC permanent

RESULTS "Asks"



Follow up with housing and tax aides. Urge them to speak to key committees, urging them to prioritize our bold and long-term anti-poverty policies in their reconciliation bills:

- Making 2021 EITC/CTC provisions permanent
- Guaranteed multi-year funding for rental assistance via Housing Choice Vouchers
 - House: Support Waters' Ending Homelessness Act (HR 4496) + Housing is Infrastructure Act (HR 4497)
 - And great work on the Dear Colleague letters!

Poverty and Policy: Expanding the Child Tax Credit and Housing Assistance

RESULTS U.S. Poverty Monthly Poverty Forum

July 2021

Sophie Collyer and Megan Curran



U.S. Poverty Measures



The official measure uses cash income, such as wages and salaries, Social Security benefits, interest, dividends, pension, or other retirement income.



(OPM)





Supplemental Measure

(SPM)



\$27,500-\$29,999 \$24,339-\$27,499 Under \$24,339

The SPM starts with cash income, then...

ADDING BENEFITS

cash but help families meet

their basic needs.

The SPM adds benefits from The SPM subtracts necessary the government that are not

expenses like taxes, health care, commuting costs for all workers, and child care expenses while parents work.

SUBTRACTING EXPENSES



For images & more information, see US Census Bureau

3 Ways CPSP Is Measuring Poverty During COVID-19

Traditional Supplemental Poverty Measure (SPM) poverty analysis

Use annual data available on a considerable lag; assess impact of policy on poverty within a one-year window (e.g. assess poverty and policy based on 2018 or 2019 data)

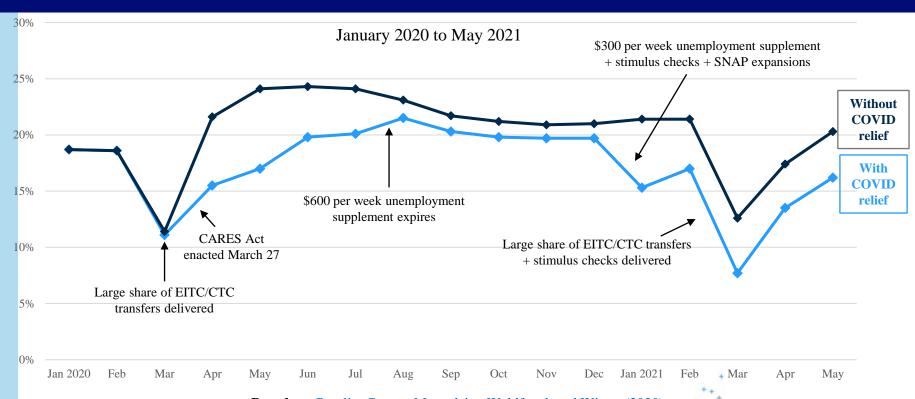
• Forecasting 'real-time' monthly SPM poverty estimates

Use combination of available monthly data to assess changes in family income & poverty rates by month (monthly SPM poverty threshold = annual SPM income threshold divided by 12)

• Forecasting 'real-time' annual SPM poverty estimates

Project family income & poverty rates for the current or near-future years (e.g. what might 2021 or 2022 poverty look like?)

Monthly Child Poverty During COVID-19

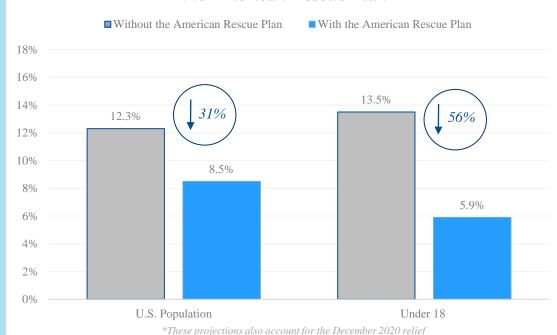


Based on: Parolin, Curran, Matsudaira, Waldfogel, and Wimer (2020)

Access all results at: https://www.povertycenter.columbia.edu/forecasting-monthly-poverty-data

Anti-Poverty Potential of the American Rescue Plan

Projected 2021 poverty rates with and without the American Rescue Plan



projections also account for the December 2020 relief

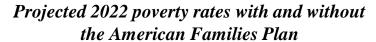
Based on: Parolin, Collyer, Curran, Wimer (2021)

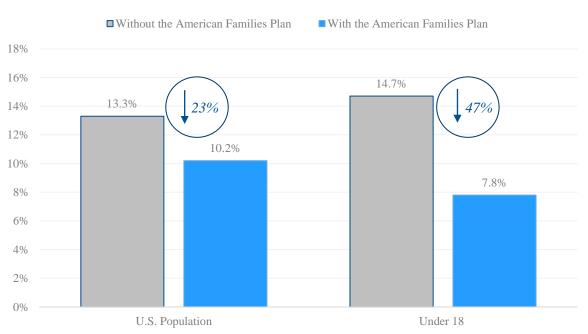
The American Rescue Plan includes:

- Extension of 15% SNAP increase
- Direct payments of \$1,400 per person
- Extension of \$300 per week UI supplement
- Fully refundable increased Child Tax Credit (\$3000/\$3600)
- Expanded Earned Income Tax Credit for childless workers
- Expanded and refundable CDCTC



Anti-Poverty Potential of the American Families Plan





The American Families Plan includes:

- Expansion of subsidized child care
- Fully refundable increased Child Tax Credit (\$3000/\$3600)
- Expanded Earned Income Tax Credit for childless workers
- Expanded and refundable CDCTC
- Expansion of Summer-EBT benefits
- Expansion of the Pell Grant



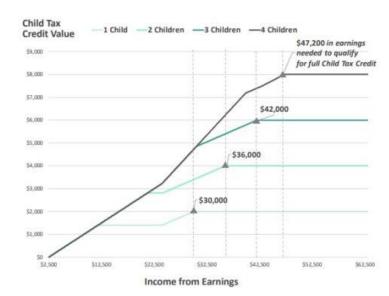
Based on: Parolin, Collyer, Curran, Wimer (2021)

Child Tax Credit: The Case for Reform

1 in 3 children in the US were excluded from the full Child Tax Credit because their families earned too little to qualify



- More than 1 in 2 Black children were left out
- 1 in 2 Latino children were left out
- Close to 3 in 4 children in single-parent hhs were left out
- Close to 1 in 3 children in rural areas were left out
- Close to 1 in 2 children in larger families (hhs with three or more children) were left out



Curran and Collyer (2020)

CPSP Child Tax Credit Resources

CPSP policy briefs:

- The **national** profile of the children left out of the CTC **HERE** & **HERE**
- How many children were left out (i.e. how many *benefit* from CTC reform) by state & Congressional district (HERE)
- How an expanded CTC can **generate benefits over 8x the value of its annual cost**, in our cost-benefit analysis **HERE** (plus New York State & New York City-specific analyses)

CPSP fact sheets:

- A breakdown **HERE** of the anti-poverty impact of an expanded CTC by:
 - Children's race and ethnicity; family structure and size; & disability status (*nationwide*)
 - Number of families moved out of poverty, deep poverty, and low income status (*state-by-state*)

Child allowances are a winning investment

Cost-Benefit Analysis: A Policy Tool



There are a lot of benefits to society associated with the CTC expansion beyond the poverty reduction.



Summary Findings

- High quality research shows that cash and near-cash benefits increase **children's health**, **education**, and **future earnings**.
- They also decrease social spending on health, child protection, and criminal justice.
- Altogether, the value to society that flows from the CTC expansion is equal to over eight times the annual costs.

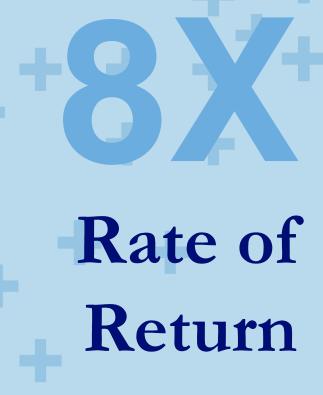




A Win for Society

At the worst, a child allowance is a pretty good investment. At the best, it's an extraordinary investment.

Irwin Garfinkel, CPSP Co-Director



Access full benefit-cost analysis here.



Expanding Housing Voucher Access

Section 8 Housing Choice Vouchers

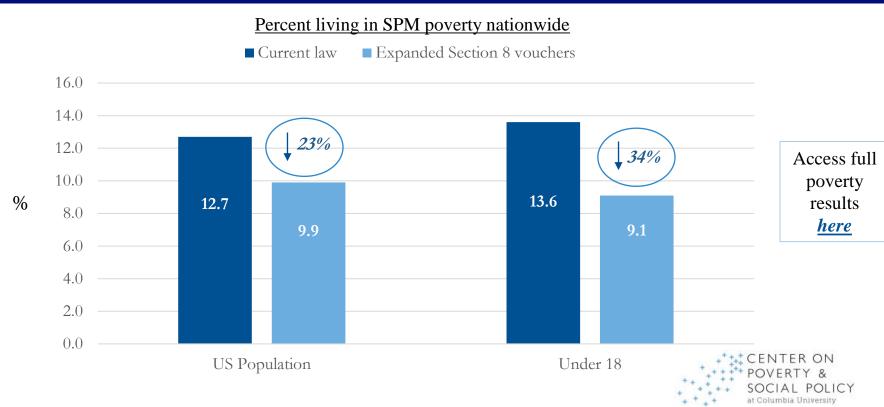
- The nation's largest form of rental assistance
- Federal program administered by state and local housing agencies
- Aim is to help very low-income families, the elderly, and individuals with disabilities pay for housing in the private market

BUT...

only 1 in 4 households eligible for Section 8 vouchers actually receive them¹

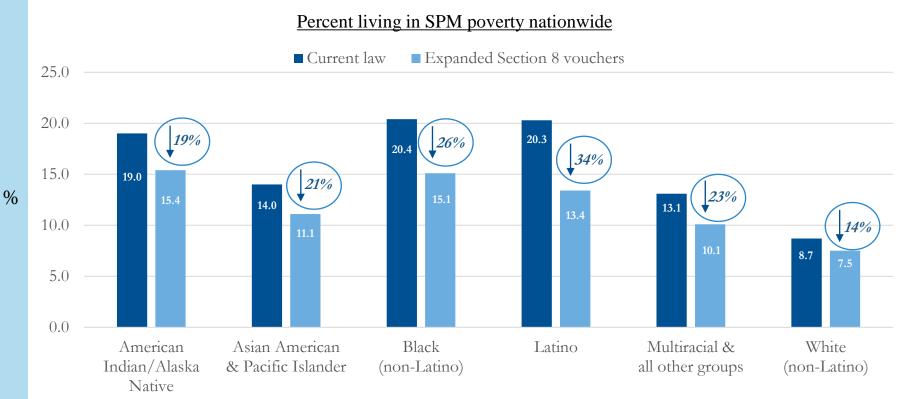


Anti-Poverty Effects of Voucher Expansion



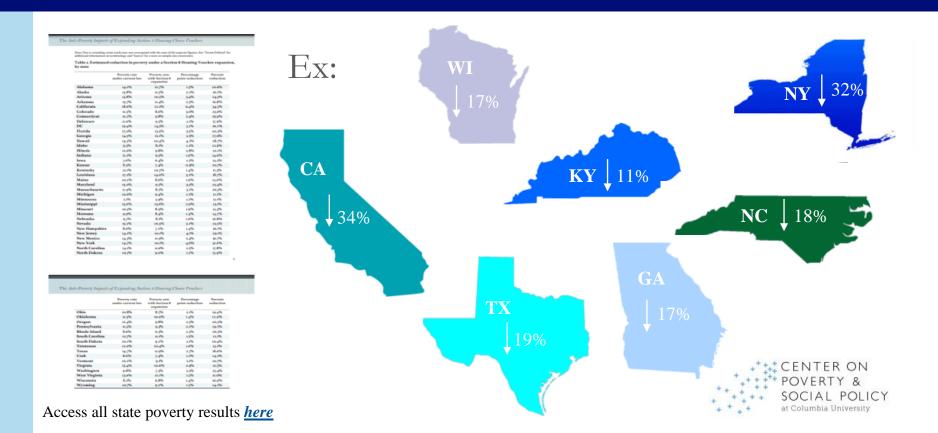
^{*}Based on pre-pandemic data; does not account for American Rescue Plan and other pandemic economic relief efforts

Anti-Poverty Effects of Voucher Expansion



^{*}Based on pre-pandemic data; does not account for American Rescue Plan and other pandemic economic relief efforts; full results **here**.

State-Level Results



Questions?

Keep in touch!



Sophie Collyer Research Director



Megan Curran Policy Director



povertycenter.columbia.edu



cpsp@columbia.edu



@cpsppoverty

Join our email list for policy updates and information about upcoming policy seminars.

July U.S. Poverty Action Resources



- Monthly Action Sheets: https://results.org/volunteers/monthly-actions/
- Lobby Resources: https://results.org/volunteers/lobbying/
- Laser Talks: https://results.org/volunteers/laser-talks/
- Lobby Report Form: <u>www.tinyurl.com/RESLobbyReport</u>
- EITC and CTC stats by state:
 https://www.cbpp.org/research/federal-tax/congress-should-adopt-american-families-plans-permanent-expansions-of-child
- State housing data https://nlihc.org/housing-needs-by-state



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