

April 21, 2022

Honorable Charles Schumer
Senate Majority Leader
United States Senate
Washington, DC 20510

Honorable Nancy Pelosi
Speaker of the U.S. House
United States House of Representatives
Washington, DC 20515

Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, DC 20510

Honorable Kevin McCarthy
U.S. House Republican Leader
United States House of Representatives
Washington, DC 20515

Dear Majority Leader Schumer, Speaker Pelosi, Minority Leader McConnell, and Republican Leader McCarthy:

We, the undersigned behavioral scientists, share a commitment to the investigation and application of behavioral science to improve lives. Our expertise in human behavior leads us to strongly support an extended version of the 2021 Child Tax Credit (CTC). We urge you to pass a newly extended CTC that contains the behaviorally-informed provisions outlined below.

The American Rescue Plan's extended CTC reached about 65 million children¹ and reduced child poverty by an estimated 30%². These no-strings attached payments trusted families to decide for themselves how to use their credit, and parents chose to use it for food, clothing, shelter, utilities, and school-related expenses³. The National Academies of Sciences, Engineering and Medicine's *A Roadmap to Reducing Child Poverty* recommended universal monthly child allowances like the CTC to avoid stigmatizing families with low incomes and, because it is not means tested, to provide a secure floor even when family income fluctuates⁴. New research has further affirmed the benefits of unconditional cash transfers, finding that they impact child brain activity in ways associated with future learning and development⁵. Unfortunately, the 2021 CTC was not renewed past December 2021. In January 2022, an estimated 27 million children lost some or full access to the benefit⁶ and by February 2022, 3.4 million more children were thrust back into poverty⁷. As families lost the CTC, inflation reached record highs⁸, placing added financial and psychological stress upon families navigating already uncertain circumstances.

The 2021 CTC was an effective anti-poverty tool because it made it easy for eligible families to access their benefit. As behavioral scientists, we know that easier and more accessible processes allow people to follow through on their intended actions. Several provisions of the 2021 CTC did this to the benefit of families and should be included in a newly extended CTC:

- **Automatic enrollment:** This makes it easier for eligible families to enroll in the CTC. Over 729,000 children were automatically enrolled in 2021⁹.
- **Increased credit and monthly payments:** Additional cash benefit amounts, coupled with monthly disbursements, equipped families to better navigate uncertain times by supporting and smoothing consumption. These provisions alone reduced child poverty in 2021 by an estimated 5 percent¹⁰.
- **Refundable credit:** A refundable CTC allows families with the lowest incomes to receive the full benefit. An estimated 3.6 million children gained the resources they needed to stay out of poverty in 2021 due to this provision¹¹.

A newly extended CTC should include additional provisions that leverage behavioral science to help families access the benefit and meet their needs:

- **Presumptive eligibility and a grace period:** These provisions will help eligible families get cash right away and give caregivers who forget to enroll initially retroactive access to their benefits.
- **Outreach funding:** Additional funding for behaviorally informed outreach will help ensure all eligible families interested in accessing their benefit are able to do so.
- **Safe harbor clause:** A safe harbor clause protects families who were accidentally given incorrect amounts of credit from having to repay it.
- **Immigrant access:** Removing documentation requirements that exclude immigrant families with ITINs would increase CTC access to about 1 million immigrant children¹².

A newly extended CTC should not include a work requirement. Research on other programs shows that work requirements do not increase employment; instead, they strip support from people who are already working or cannot work due to illness, disability, or education¹³. A CTC work requirement could exclude millions of otherwise eligible children, including children living with retired grandparents, children of student parents, or children who have disabilities and require care that makes it impossible for their parents to work¹⁴. Exempting these groups from a work requirement would not help: whether satisfying work requirements or proving their exemption, people have to wade through cumbersome paperwork on strict deadlines. Behavioral science tells us that the burden of navigating this red tape ultimately prevents people who need support most from getting it¹⁵.

During this time of record-high inflation, global conflict, and pandemic-related uncertainty, the CTC is a vital program providing consistency and support for families. Congress must make it easier for eligible families to access the CTC. Beyond its efficacy at reducing poverty, streamlining accessibility to programs has been shown to increase trust in government¹⁶. At a time when our trust in government is in crisis, this added benefit is crucial. Therefore, we urge you to take action and extend the CTC with the provisions outlined above.

If you have any questions, please contact Kelli García at kelli@ideas42.org or 202-618-1574.

Sincerely,

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Endnotes

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