

AMERICAN RESCUE PLAN

The American Rescue Plan Helps Reduce Child Poverty

The COVID-19 pandemic and the corresponding economic crisis are devastating lower- and middle-income American families. [Some 24 million adults](#) report that their household sometimes or often didn't have enough food to eat. Those households include up to 11 million children. Black and Latino households are disproportionately impacted, reporting they are about three times as likely to report not having enough food to eat. And, 26 percent of renters living with children reported that they are not caught up on rent. Without additional government support, lower- and middle-income families will face devastating economic consequences.

President Biden's American Rescue Plan will change the course of the pandemic, deliver immediate relief for workers and families, and support the hardest hit communities. The plan will build a bridge to an equitable economic recovery and immediately [reduce child poverty](#). In fact, a Columbia University study found that passing the plan will lift more than 5 million children out of poverty this year, cutting the poverty rate by more than 50%.

The American Rescue Plan will:

- **Increase the Child Tax Credit** from \$2,000 per child to \$3,000 per child (\$3,600 for a child under age 6) and make 17-year-olds qualifying children for the year. This means a typical family four with two young children would receive an additional \$3,200 in assistance to help cover costs associated with raising children.
- **Expand child care assistance**, helping hard-hit child care providers cover their costs, and increase tax credits to help cover the cost of childcare.
- **Give families an additional tax credit to help cut child care costs.** Families will get back as a tax credit as much as half of their spending on child care for children under age 13, so that they can receive a total of up to \$4,000 for one child or \$8,000 for two or more children. The tax credit will be refundable, meaning that families who don't owe a lot in taxes will still benefit. The full 50 percent reimbursement will be available to families making less than \$125,000 a year. And, all families making between \$125,000 and \$400,000 will receive a partial credit so they receive benefits as least as generous as those they can receive today.
- **Increase the Earned Income Tax Credit** for 17 million workers by as much as \$1,000. The top occupations that will benefit are cashiers, food preparers and servers, and home health aides – frontline workers who have helped their communities get through the crisis.
- Provide an additional \$1 billion for states to cover the additional cash assistance that **Temporary Assistance to Needy Families** (TANF) recipients needed as a result of the crisis.
- **Give working families a \$1,400 per-person check**, bringing their total relief payment from this and the December down payment to \$2,000. This means a lower or middle-income family of four would see an additional \$5,600 in their pockets.
- **Extend current unemployment insurance benefits and eligibility** and provide a \$400 per week supplement.
- **Help Americans stay in their homes** by providing emergency aid to cover back rent. In addition, the House bill provides assistance to help struggling homeowners catch up with their mortgage payments and utility costs through the Homeowners Assistance Fund. And, it provides additional funding for families and individuals who are recovering from or at risk of homelessness. This relief is critically needed as 1 in 5 households are not caught up on rent and nearly 1 in 10 homeowners with a mortgage is behind on payments.

- **Raise the federal minimum wage to \$15 per hour**, lifting pay for [32 million](#) workers.
- **Increase the value of Supplemental Nutrition Assistance Program (SNAP) benefits**. If Congress does not take action, a typical family of four on SNAP would see their nutrition assistance payment cut by more than \$100 per month. The House bill also funds partnerships with restaurants to feed American families and keep workers in the restaurant industry on the job. And, it provides U.S. territories like Puerto Rico additional nutrition assistance funding, in addition to funding to make sure women, infants and children get the food they need to help address food insecurity.

The American Rescue Plan will address the immediate public health and economic crises we face. In the coming months, President Biden will lay out his economic recovery plan to invest in America, create millions of additional good-paying jobs, and build back better than before.