



The Daily Dish

Is the Child Tax Credit Really Progress on Poverty?

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Eakinomics: Is the Child Tax Credit Really Progress on Poverty?

To great fanfare, yesterday the Internal Revenue Service began distributing the reformed Child Tax Credit (CTC) of \$3,000 for every child 17 years of age and younger and \$3,600 if under 6 years old. It is available in full to families making \$150,000 or less, with the credit phased out at higher incomes. Per [The Washington Post](#), “The administration previously [said that about 88 percent of all children nationwide](#) would receive the aid. At an event at the White House on Thursday afternoon with Vice President Harris, Biden extolled the benefit as representing a ‘historic’ achievement and said it would be one of the administration’s proudest accomplishments.”

In contrast, in 2016 the Brookings Institution and the American Enterprise Institute convened a “Working Group on Poverty and Opportunity,” consisting of experts from across the ideological spectrum (I was part of the [rollout event](#)). The result was a set of consensus recommendations:

- To strengthen *families* in ways that will prepare children for success in education and work:
 - Promote a new cultural norm surrounding parenthood and marriage.
 - Promote delayed, responsible childbearing.
 - Increase access to effective parenting education.
 - Help young, less-educated men and women prosper in work and family.
- To improve the quantity and quality of *work* in ways that will better prepare young people—men as well as women—to assume the responsibilities of adult life and parenthood:
 - Improve skills to get well-paying jobs.
 - Make work pay more for the less educated.
 - Raise work levels among the hard-to-employ, including the poorly educated and those with criminal records.
 - Ensure that jobs are available.
- To improve *education* in ways that will better help poor children avail themselves of opportunities for self-advancement:
 - Increase public investment in two underfunded stages of education: preschool and postsecondary.
 - Educate the whole child to promote social-emotional and character development as well as academic skills.
 - Modernize the organization and accountability of education.
 - Close resource gaps to reduce education gaps.

That's right: When serious experts grapple with the key issue of economic self-sufficiency, the focus is on effective parenting, work, and education.

The CTC does not go to children. It goes to their parent or parents and there is nothing that will change the effectiveness of their parenting. The fact that the \$3,000-\$3,600 per child CTC is now available regardless of work status makes it less (not more) likely that the parents will work, hurting their ultimate economic self-sufficiency. (Recent [AAF work on child poverty programs](#) takes a much more detailed approach to the self-sufficiency question and reaches a similar conclusion). The CTC does nothing to improve the organization or accountability of a K-12 education system that annually fails another 25 to 33 percent of America's young.

Is spending hundreds of billions of dollars without addressing the root issues really progress?