Cash & Affordability Sign-On Letter

Dear

Senate Majority Leader John Thune,

Senate Minority Leader Chuck Schumer,

Speaker Mike Johnson, and

House Minority Leader Hakeem Jeffries:

As millions of Americans continue to struggle with the rising cost of living and growing financial strain, we write to reiterate that there is no path to affordability without putting more cash in people's pockets. Affordability isn't just about prices. It's about whether people have enough money in their pockets to pay them. Smart, targeted cash policies are the most direct, proven way to address broken incomes. Higher wages and stronger labor standards are part of the answer. And Congress must include cash policies such as an expanded Child Tax Credit and Earned Income Tax Credit in any affordability plan.

There is little debate about whether the U.S. is experiencing an affordability crisis. Families feel like they're doing everything right and are still falling behind. The cost of necessities like groceries, housing, health care, and child care has risen faster than everything else since 1967, and paychecks have remained essentially flat. Today, more than 4 in 10 U.S. families don't earn enough to cover those basics. For Black families, that number is 6 in 10, and for Hispanic families, it's 7 in 10. Meanwhile, corporate profits are now at their highest share of GDP on record, while wages have stagnated or fallen. Despite these record profits, corporate income tax revenue is at historic lows. The affordability agenda should include a fair tax structure that delivers cash relief for those who need it most, and makes the wealthy and corporations pay their fair share.

As you begin to build out a robust affordability agenda to address this growing economic crisis, we urge you to make income supports such as tax credits central to your agenda. America's affordability crisis is the result of decades of policy choices that have left Americans relying on broken markets and throttled incomes. While it is important to address prices, it is equally important to enact policies that ensure people have enough money in their pockets to pay them.

Fortunately, we have proven examples of smart, targeted cash policies that address broken incomes and have an immediate impact. Any affordability agenda must include an expanded monthly Child Tax Credit and Earned Income Tax Credit:

Expand and improve the Child Tax Credit (CTC).

The 2021 expanded monthly CTC was the biggest test of cash policy this country has run—and it worked. The monthly, fully refundable CTC lifted nearly 4 million children from poverty, and nearly 66 million – 90% of children in the country – benefited from the program. In addition to increasing the maximum credit amounts, we urge you to:

Make it fully available to all low- and middle-income families. One of the most important features of the expanded CTC was that it was made fully available to all low- and middle-income families regardless of income, allowing it to reach those who needed it the most. Currently, 19 million children in this country are excluded from the full credit, including approximately half of Black and nearly 40% of Latino children, who received only a partial credit or none at all.

When families have more to spend, local businesses thrive, and our whole economy grows stronger. When the 2021 CTC was in place, it generated nearly $20 billion of economic activity – every month. The value to society that flows from the monthly, fully refundable CTC is approximately ten times the annual investment – every dollar spent generates $10 in net benefits to society. Studies have found that monthly CTC payments made it easier for recipients to engage in paid work and expand their job skills and training. People who were eligible for the CTC were 1.3 times more likely to start new professional training. A fully refundable Child Tax Credit is a direct answer to the affordability crisis by providing relief for families now and stimulating local economies.

Extend it to all kids, regardless of immigration status. Under current law, the CTC continues to exclude nearly four million immigrant and US citizen children who have been targeted in the last two Trump tax laws. Prior to 2017, all children were eligible for the CTC, regardless of immigrant status. These restrictive policies have serious negative effects on millions of children, especially Latino children, who experience some of the highest poverty rates in the country. Continuing to exclude children due to the immigrant status of any household member makes it nearly impossible to combat poverty and close the vast gaps and inequality between white children and children of color. And we know the costs of child poverty are high – and not just for the families experiencing it – child poverty costs the country $800 billion to $1.1 trillion in lost economic output annually. Excluding immigrant families is simply antithetical to the purpose of the Child Tax Credit – to help parents keep up with rising costs and make sure their children get the basics.

Pay it monthly. Compared to annual tax refunds, monthly payments of the CTC keep one-third more kids out of poverty all year long and reduce debt on a monthly basis. Recipients of the 2021 monthly CTC preferred monthly payments over a lump-sum refund by nearly two to one. With average payments of $444 a month, families used the extra income to pay for food, rent, and utilities. The real-world results of the monthly payments were immediate and particularly salient for Black and Latino households. Within six weeks of the first payments going out, food insecurity plummeted by one-third. The impact of this change was most significant for Black and Latino families, who experience food hardship at twice

the rate of white families. These are exactly the types of immediate and impactful results a holistic affordability agenda must deliver.

Provide a boost for families with newborns. The financial shock of a new child is one of the most acute drivers of family instability in the United States. The costs of childbirth, infant care, and lost parental income in the first months of life arrive all at once, precisely when families are least able to absorb them. A robust newborn tax credit would provide direct, immediate relief during this critical window, reducing child poverty rates and giving families the stability they need to invest in their children's early development — a period that research consistently shows has outsized effects on long-term health, educational, and economic outcomes.

A modern Child Tax Credit must be made fully available to all low- and middle-income families, extended to all families, regardless of immigration status, and delivered monthly.

Expand the Earned Income Tax Credit.

The EITC is the largest cash transfer program for low-wage workers and one of the most effective anti-poverty programs in the country. But it leaves out too many of the workers who need it most. Workers without children are eligible for only a fraction of the EITC available to parents—an average of just $308 for a full-time minimum wage worker—often meaning they are taxed into, or further into, poverty. If Congress made permanent the expansions in the American Rescue Plan — including lowering the eligible age from 25 to 19 (18 for former foster or homeless youth), and eliminating the upper age limit of 64 – it would benefit 14.5 million working adults, including 3.8 million adults aged 19–24 and 1.6 million people 65 and older. Together, these much needed reforms would modernize a 50-year-old policy to fit today's workforce. The EITC is a promise that hardworking Americans won't be left behind by an economy that they have powered for decades.

The Earned Income Tax Credit must be expanded to reach the full scope of workers who need it, which means broadening the eligibility age, broadening income eligibility, and increasing the EITC amount for workers without children.

Fixing broken incomes is a choice. It requires champions of affordability to intentionally and thoughtfully incorporate solutions into the broader affordability framework. The cost of doing nothing is rising every day, and the same forces driving broken markets are driving broken incomes. Decades of tax policy have tilted the economy toward wealth concentration at the top, shrinking paychecks and the public investments working families count on. HR1 doubled down on that approach. When the wealthy and corporations don't pay their fair share, the rest of us pay more in higher costs, cut services, and a tax base too hollowed out to fund the things that make life affordable.

Cash works to make incomes stronger. It's the most effective, practical tool we have to put real money back in people's pockets, give them agency in their own lives, and close the gap between what working families earn and what life costs.

Congress must enact an affordability agenda that includes an expanded monthly Child Tax Credit and Earned Income Tax Credit to put more money into the pockets of American families struggling with the rising cost of living.

Sincerely,

Economic Security Project Action

Economic Security California Action

Economic Security Illinois Action

mBOLDen Change

Inland Equity Community Land Trust

California Alliance of Caregivers

Eastmont Community Center

End Poverty in California (EPIC)

Young Invincibles

San Diego for Every Child

John Burton Advocates for Youth

Golden State Opportunity

United Parents and Students

National Women's Law Center Action Fund

Glide Foundation

Courage California

Western Center on Law and Poverty

Coalition on Human Needs

RESULTS

Children's HealthWatch

Stepping Forward LA

Pennsylvania Policy Center

National Association of Counsel for Children

Youth Law Center

Honest Arizona

Center for Law and Social Policy (CLASP)

Institute on Taxation and Economic Policy

New Jersey Policy Perspective

Mother’s Outreach Network

LUCHA

The Bridge Project

Rochester Monroe Anti-Poverty Initiative

Bixby Foundation

Orange County United Way

Freedom Virginia

Catalyst Miami

Women Employed

Common Good Iowa
Fore Women

Oregon Center for Public Policy

Hawaii Children's Action Network Speaks!

Our Voice, Our Vote AZ
Fuerte Arts Movement

Chispa Arizona

Alliance for Youth Action

Center 1968

Progress Arizona

Hill District Consensus Group

Mental Health Partnerships

P Street

North Carolina Budget & Tax Center

CASH Campaign of Maryland

United Way of New York State

211 New York Inc.

Alliance to Reclaim Our Schools

Equal Rights Advocates

NYC Family Policy Project

Community Spring

Raising Illinois Prenatal-to-Three Coalition

New Moms

NAACP

Transit For All PA

Indivisible Fairfield County

Rise Up West Virginia

Unitarian Universalist Fellowship of Hidalgo County Texas

Fairness Pennsylvania

United Way of Southwestern Pennsylvania

Connecticut Voices for Children

Meals4Families

United Way of CT

Food Research & Action Center

Prosperity Indiana

Just Harvest

Chicago Jobs Council

Lighthouse Silicon Valley

Grow Brooklyn

All Home

The Community College Foundation

Haven Services

Maine Center for Economic Policy

Central City Neighborhood Partners

United Latino Voices of Contra Costa County

Rising Communities

McKinleyville Family Resource Center

California Child Care Resource & Referral Network

End Child Poverty CA

Parent Voices, California

The Academy of Financial Education

Share Our Strength

Colorado Fiscal Institute

Inclusive Action for the City

Invest Louisiana

UpTogether

Center for the Study of Social Policy

Alabama Arise

Southern California College Attainment Network

Colorado Statewide Parent Coalition

Oxfam America

Hunger Free Colorado

Clayton Early Learning

Michigan League for Public Policy

New Jersey Citizen Action

Housing Now! CA

California Immigrant Policy Center

East Boston Social Centers

Mile High United Way

Friends Committee on National Legislation

Coalition of California Welfare Rights Organizations, Inc.

Cambridge Economic Opportunity Committee

California Women’s Law Center

People's Advocacy Council

Iowa Citizens for Community Improvement

Rosie’s Place

New York Immigration Coalition

Maternity Care Coalition

National Partnership for New Americans

LIFT-NY

Vermont Environmental Justice Network

Idaho Hunger Relief Task Force

ASSIST Program

Cedar Lane Unitarian Universalist Environmental Justice Ministry

Oasis Legal Services

The Bell Policy Center

Georgia Resilience and Opportunity Fund

NETWORK Lobby for Catholic Social Justice
Kitchen Soup Project

Foundation for Black Women's Wellness

Larimer County Commissioner

Colorado College

Maine Equal Justice

Voices for Vermont's Children

Americans for Tax Fairness

Maryland Center on Economic Policy

American Federation of Teachers

Maine People's Alliance

SiX Action

JVS Boston

Latino Network

Greater Chicago Food Depository

Empower Missouri

DC Action

National Advocacy Center of the Sisters of the Good Shepherd

Congregation of Our Lady of Charity of the Good Shepherd, U.S. Region

National Council of Jewish Women

National Immigration Law Center

United Way Santa Cruz County

United Way of Pennsylvania

Montana Budget & Policy Center

Washington State Budget and Policy Center

ACCESS REPRODUCTIVE JUSTICE

United Parent Leaders Action Network

Springboard To Opportunities

The Arc of the United States

Child Welfare League of America

Legal Momentum

Public Counsel
Legal Key Partnership for Health and Justice

Pennsylvania Partnerships for Children
Children First PA

National Association of Social Workers

National Education Association

Center for Health Progress

Community Change Action

Public Advocacy for Kids

Institute for Policy Studies' Poverty Project

UnidosUS

MAZON: A Jewish Response to Hunger

Unitarian Universalists for Social Justice

Colorado Coalition for the Homeless

California Food Banks

United Ways of California
Latino Policy Forum

Blue Future

Human Appeal

Boston Medical Center

Nebraska Appleseed

Just Solutions

People's Action

Maui Economic Opportunity, Inc.

National Network to End Domestic Violence

Alliance to End Hunger

First 5 California

Statewide Poverty Action Network (WA)

National Organization for Women

Alianza Americas

Main Street Alliance

VOCAL-NY

Unity Fellowship of Christ Church-NYC

Voices for Progress

ParentsTogether Action

Demos

ECCHO-Latino, Inc.

Arkansas Advocates for Children and Families

MomsRising

Church World Service

United Church of Christ

Justice + Joy National Collaborative

Small Business Majority

AYA Foundation, Inc.

The Thrive Networks

Cares of Southwest Michigan

Children's Defense Fund

Oconee Food Council

Serving at-risk families everywhere, Inc.

Battle Born Progress

Project Concern of Cudahy/St Francis, Inc.

Sisters of the Presentation

Families Over Billionaires

Voices for Virginia's Children

Empowering Pacific Islander Communities (EPIC)

Latin American Community Center

Citizen Action of New York

Massachusetts Budget and Policy Center

Sister Carmen Community Center

PUENTE Learning Center

All About the Ballots

Granite State Interfaith Action Fund

Society for Public Health Education

Autistic Women & Nonbinary Network

the Forum for Youth Investment

United Way of Buffalo & Erie County

Hawaii Appleseed

Hunger Solutions New York

People Power United

Feminist Majority

Clearinghouse on Women's Issues

Children's Advocacy Alliance

American Association of University Women

Poder Latinx

Coalition for Social Justice Education Fund

Mountain Resource Center

YWCA Columbus

Somos un Pueblo Unido

New Jersey Cash Alliance

Pediatric Public Health Initiative

Toys for the Needy and aid Inc.

Care Income Now

Women of Color/GWS

Global Women's Strike

Sikh American Legal Defense and Education Fund

Food Bank of Central & Eastern North Carolina

New York State Cash Alliance

ISAIAH

Minnesota Financial Opportunity Coalition

907 Initiative

RESULTS Kansas City

New Mexico Voices for Children

RESULTS Massachusetts

RESULTS South Carolina

RESULTS DC/MD

RESULTS Iowa

Hyde Park Neighborhood Association

National Coalition for the Homeless

Oklahoma Policy Institute

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