



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

In the labor movement, just as working families are recovering from the effects of a global pandemic, we're witnessing them bear the brunt of rising costs. As Congress weighs legislation to address inflation and the economy, it's essential that policy solutions help workers weather this storm by reinstating two benefits for working families immediately: the expanded Child Tax Credit (CTC) and the expanded Earned Income Tax Credit (EITC). We know what the expanded versions of these tried-and-true, bipartisan credits can do because we all saw it up close last year. When Congress reconvenes, we call on you to put workers and their families first.

The expanded CTC was the largest middle-class tax cut in a generation, providing millions of families every month with up to \$300 per child under 17 and [lifting 3.7 million kids out of poverty](#). Studies show that most [households used those funds](#) on basics like food, rent, and transportation. For the first time, the CTC was made fully refundable, meaning that it would no longer leave millions of families behind (disproportionately Black and Latino families) who didn't earn enough to qualify for the full credit. And it changed the game entirely by making the tax credit payments in installments, providing relief on a monthly basis — the same way most households plan their budgets.

Real-world survey data show the expanded CTC did not have negative employment impacts. After monthly CTC payments started, Census Household Pulse Survey data show the payments caused [no drop in employment](#). A survey by the American Enterprise Institute in September 2021 showed [no net effect](#) on employment: with 90 percent of recipient parents reporting no change to their work; 5 percent reporting working more; and 5 percent reporting working less. In fact, parents eligible for the Child Tax Credit [were much less likely to report](#) being unemployed because they had to care for children after monthly CTC payments began. Many families reported using CTC payments for child care, reducing this barrier to employment.

Of course, it's not just families with kids who need relief from rising prices. The EITC expansion last year provided an essential lifeline to so many lower-income workers — [providing \\$700 more on average for nearly 17 million American workers](#).

These two benefits have long been championed by both Republicans and Democrats because they're widely popular. And they're widely popular because they work. There

will be voices arguing against any congressional spending to help Americans dealing with rising costs. To that, we call on you to listen to [over 130 economists](#) who weighed in to argue that this kind of direct relief can help mitigate the problem for millions of Americans *without* contributing to inflation.

We know this letter will be received alongside similar letters from corporate interests and lobbyists vying for their favorite tax reform packages that all amount to giveaways to the wealthiest and most powerful people in America. We represent XX million Americans whose labor made it possible for corporate profits to rise at record rates — whose hard work made it possible for CEOs' salaries to soar to new heights, all while they can barely afford to keep gas in their cars. We urge you to pass much-needed relief for the people whose lives and household budgets are actually affected by rising costs.

It is for those working Americans that we call on you to reinstate the expanded CTC and EITC before the end of the year.

Sincerely,

Service Employees International Union

American Federation of Teachers