

## **Open letter from economists: extend the monthly refundable expanded Child Tax Credit to help families keep up with rising costs**

The undersigned economists support extending the monthly refundable expanded 2021 Child Tax Credit by the end of this year to help low- and middle-income families meet rising costs and promote long-term economic health.

Over the past year, American families have seen the cost of everything from food and fuel to housing and clothes increase at the fastest pace in decades. From July to December 2021, almost all families with children received a monthly Child Tax Credit of \$250 to \$300 per child. The expanded Child Tax Credit was an unprecedented success – [dramatically reducing food hardship](#), driving the [largest child poverty reduction on record](#), and helping families pay for [basic necessities](#). Now that the expansion has expired, [food hardship has rebounded](#), 3.7 million more [children are back in poverty](#), and [rates of material hardship are higher](#) than they were at the start of the pandemic. Polling from just last month shows that [a majority of Americans are still experiencing financial hardship](#) from inflation, including 77% of lower-income families. Families need relief, and our country is at risk of losing this momentous progress.

Extending the expanded Child Tax Credit is one of the easiest, most effective, and direct tools currently at our disposal to help families deal with the impact of inflation on family budgets. A recent analysis by [Moody's](#) found that inflation is costing the average family \$396 per month, with lower-income families being hit even harder. The average monthly Child Tax Credit payment in 2021 was \$444 per family, enough to cover these rising costs and more.

The expert opinions about the causes of and solutions to rising inflation are as varied as the authors of this letter, but we agree on this: **the expanded monthly refundable Child Tax Credit, at under 0.4% of GDP, is simply too small to meaningfully increase inflation, but it will help families meet rising costs.** With the future of our economy uncertain, the Child Tax Credit is even more important now to help families meet their basic needs.

### **Partial list of signers:**

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**Douglas Elmendorf**, Harvard Kennedy School

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**Robert Reich**, University of California at Berkeley

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