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Putting Cash in Parents' Pockets: An Executive Action Plan for the Next Presidential Administration

Four executive actions to deliver guaranteed cash to families with young children — without waiting for Congress.

Jamie Keene, Shafeka Hashash, and Maya Tellman

I. INTRODUCTION

In the wealthiest nation on earth, welcoming a new baby should not plunge a family into financial crisis, but for millions of American parents, that's exactly what happens. A staggering 25 percent of all moms of newborns experience poverty, and researchers have found that moms face a 45 percent increase in their rate of poverty from the last month of pregnancy to the first month following birth (Hamilton 2023). A new baby brings major expenses at the same time earnings drop. Our country has systematically failed to provide new parents with the resources they need to be the caregivers they wish to be.

Decades of policy choices created the affordability crisis facing families today. A single income could support a household and raise children a generation ago, but that is no longer true for millions of families. Over the past several decades, the cost of essentials has outpaced what families earn, and the squeeze falls hardest on those welcoming a new baby. That's because growing families face a fundamental *lifecycle mismatch*: the costs of welcoming a baby often arrive when caregivers' earnings dip and savings are low (Chao and Konczal 2025). The result is that millions of families with young children in the United States are struggling with deep financial precarity. Among families with children under the age of six, nearly half report being unable to meet one or more of their basic needs like food, housing, utilities, and/or childcare (RAPID Survey Project 2025). Parents' financial well-being has fallen 10 percentage points since its peak in 2021, a steeper drop than for other adults (Board of Governors of the Federal Reserve System 2025).

The effects of H.R. 1 are making this crisis worse. Prices are rising while help is being shut off. The cost of baby gear, including safety essentials like car seats, rose more than 20% during President Trump's first year in office according to one industry analysis (Bykofsky 2025). At the same time, Trump's so-called "big beautiful bill" will cut millions of families off from medical care and grocery assistance, while making it even harder for people to pay off student loans, impacting millions of young parents (Center on Budget and Policy Priorities 2025, Looney et al. 2026), all while the administration is undercutting parents' ability to earn for their families, with policies that erode

wages and hold workers back from economic security (Economic Policy Institute 2026). The result for new parents is a deepening financial hole.

When the next governing moment is won, the incoming administration cannot just patch the system back to how it was before. Parents are struggling to provide for their kids because of *systemic* policy failures. The United States is a global outlier in its failures to provide cash assistance to families with young children. Seventy percent of all countries have adopted some type of large-scale cash program for young families, which support children's health, development, and family economic stability (Shaefer et al. 2024). But not America. The U.S. has also failed to provide basic support systems like universal paid leave and universal child care; and its anti-poverty systems are often too slow and too restrictive to give parents the flexibility and freedom they need to provide for their families on their own terms. While the arrival of a new baby makes families eligible for additional assistance, the U.S. social safety net simply doesn't offer enough support to families during the financially vulnerable time they face around the birth of a child.

At the heart of these failures is one simple truth: our safety net does not trust parents. Instead of giving parents cash to spend as they see fit, our system largely restricts assistance to specific goods and services, telling parents what they need rather than trusting them to know. Government policy has to do better than this. Proposals to simply engage in modest, marginal reforms will fall far short of what families need to survive.

The American people need leaders to put forth an aggressive plan for putting cash in parents' pockets. While transforming our systems will require legislation, the next administration could itself take immediate action to support families. When the next presidential administration takes power, families will need urgent economic relief. One way to do this is by transforming safety net programs to deliver guaranteed cash to parents so families are treated with respect while their real needs are met.

This blueprint provides a new path forward that can be launched in the first days of a new administration. In **Section II**, we lay out the robust evidence that providing cash works. In **Section III**, we share four bold plans to expand the insufficient programs we have today into cash support systems for parents:

1. Create a national child allowance program for families with low incomes by expanding TANF's use of its cash assistance authorities
2. Guarantee that families have access to cash during pregnancy and after childbirth to ensure the health of moms and babies with low incomes
3. Provide cash to make sure kids don't enter the child welfare system just because their families are poor
4. Keep cash in families' pockets by protecting them from price gouging on essential early childhood goods and services

The first three proposals rebuild broken incomes by getting much needed cash into new families' hands. The fourth confronts broken markets by taking on the rising cost of early childhood essentials, that can allow increased cash to go even further.

This blueprint for executive action must be part of an even bigger reform agenda.

Fully addressing the affordability crisis for families will require a bold legislative agenda that invests in families and restores fairness to our economy. The executive actions described in this blueprint are intended to provide new pathways for relief and build momentum for cash support at the federal level. The proposals that follow are designed to complement, not substitute, the comprehensive legislative investments that families need. That legislative agenda includes:

- ☐ Building a national child allowance program, such as by restoring a monthly CTC that is fully available to all low income children
- ☐ Relieving families from the caregiving crunch by expanding universal access to high-quality child care and paid family leave
- ☐ Ensuring access to universal health care
- ☐ Raising wages and strengthening labor protections including predictable and fair scheduling
- ☐ Aggressively enforcing consumer protection and competition laws to ensure families aren't cheated and gouged in our economy

II. THE CASE FOR CASH

The evidence is clear: cash is the best way to support families struggling to survive the affordability crisis. A strong body of research demonstrates that providing cash assistance to families during a child's youngest years improves child wellbeing in the short- and long-term (Economic Security Project 2025). Programs that operate like a *child allowance,* providing consistent payments to families during the earliest years of a child's life, generate benefits that vastly outweigh their costs.

The temporary expansion of the Child Tax Credit (CTC) during the COVID-19 pandemic proved the efficacy of cash assistance in addressing childhood poverty. The temporary CTC expansion cut child poverty nearly *in half in a single year* (Census Bureau 2022), and proved that providing cash assistance to families is an efficient and effective way to dramatically improve family economic wellbeing. By providing monthly cash assistance to families with very low incomes, the CTC significantly reduced the material hardships families faced, including by cutting food insecurity, reducing medical hardships, and reducing the challenges families had paying their utility bills (Hamilton et al. 2022, Pilkauskas et al. 2022). What these findings demonstrate is that cash assistance plays an incomparable role in stabilizing families, allowing them to meet dynamic needs as they arise, rather than limiting assistance to one type of challenge.

Cash assistance during infancy and early childhood improves long-term wellbeing. Other studies have found that investments in cash assistance during infancy have profound and lasting impacts on child and parental wellbeing. For example, by studying how the January 1 birthday cutoff for child benefits in the U.S. tax code which results in financially similar families receiving very different amounts of cash assistance during a child's first year of life, researchers have found that receiving cash transfers during infancy improves a child's educational outcomes and future earnings. Because of this, an investment in a child allowance "pays for itself through subsequent increases in federal income tax revenue" (Barr, Eggleston, and Smith 2022). Other studies that have modeled the effects of permanently expanding cash assistance during childhood have found these investments in the early years of a child's life would lead to higher high school graduation rates and higher earnings (Werner 2024). Additional research has echoed these findings, demonstrating that updating tax credits so that they operate like a child allowance would generate extraordinarily strong social benefits, including improving infant health and reducing health care expenditures (Garfinkel et al. 2022).

Cash supports freedom, autonomy, and dignity. Cash is also essential to family wellbeing during a child's earliest years because no other intervention does more to support the autonomy and dignity of new parents. Cash plays a vital role in protecting families with children from unexpected costs and income losses which are almost inherent in raising a young child. While other in-kind safety net programs often fail to free up enough income to stabilize families, cash assistance "enables parents to act and spend in their children's best interest" (Gennetian and Magnuson 2022).

When we fail to provide cash assistance, child poverty causes profound long-term harm. As a systematic review of the literature conducted by the National Academies of Sciences, Engineering, and Medicine found, "the weight of the causal evidence does indeed indicate that income poverty itself causes negative child outcomes, especially when poverty occurs in early childhood or persists throughout a large portion of childhood" (NASEM 2019).

Cash assistance needs to be substantial enough to make a real difference in a family's life. A recent, often quoted large-scale study found limited short-term effects of monthly cash assistance on wellbeing for families with low incomes (Magnuson et al. 2025). Several of the authors of that study have argued that the $333 the study provided to families each month was likely insufficient to overcome the affordability crisis that families face, and that the impacts of the study may have simply been overtaken by the upheaval of the COVID-19 pandemic. Furthermore, the study demonstrated that families who received cash increased the time and money they spent on their children (Magnuson and Gennetian 2025). These findings should further dispel paternalistic arguments that parents cannot be trusted with cash for their own families. Such misconceptions fail to reflect the overwhelming body of evidence that income assistance during early childhood is an effective public policy intervention.

III. EXPANDING CASH IN THE NEXT GOVERNING MOMENT

The next presidential administration must put cash in the pockets of families with young children to provide economic relief and deepen investments during a critical period of life. While more sweeping changes will be necessary, here are four concrete ways we can build on existing laws and programs to provide relief to families:

1. Broaden the reach of TANF as a child allowance program for families with low incomes

What's broken: *Our nation's cash safety net has collapsed, leaving many families without help around the arrival of a new baby when they face high costs and cannot work as many hours.*

Temporary Assistance for Needy Families (TANF) is a $16 billion federal program that is supposed to operate as our nation's cash safety net for families, but the program is broken. Today, less than one quarter of TANF funds actually reach families as cash assistance (Hahn, Pratt, and Mefferd 2024). Experts argue that TANF has failed families in at least four systematic ways. The program's strict work requirements have caused deep poverty among families to increase; those work requirements have failed to help families actually find good jobs; the program no longer reaches families who need assistance; and the value of TANF benefits are too low and have lost value over time relative to the rising cost of living. In short, "TANF promised "work, not welfare" but left many families with neither" (Pavetti and Zane 2021). These failures have been especially harmful for moms, who have experienced greater material hardship and stress because of the program's complicated administrative burdens (Walker et al. 2023).

Our vision: *The government should give families cash before a baby is born to help cover large expenses, and should offer monthly cash payments for at least six months after so that parents can take care of their children. This assistance should reach all qualifying caregivers of new infants – including grandparents, aunts, uncles, and other kinship caregivers – not just birth parents.*

How we can get this done: *The next administration should expand the use of TANF's existing cash assistance authorities to reach more families with low incomes around the birth of a child. The goal is to use TANF's Non-Recurrent Short-Term Benefits (NRST) authority more aggressively for families welcoming a new child, while protecting and strengthening support for families with older children who also rely on the program.*

While the traditional TANF program has failed to provide economic security for families, an innovative pilot program in Michigan, called Rx Kids, is leveraging TANF dollars to provide a child allowance for moms and babies. The program provides a maternal and infant "cash prescription" that gives expectant families $1,500 in prenatal assistance, followed by $500 per month for infants until their first birthday. The program offers unconditional support, allowing families to spend it however they need, and predictable payments, meaning families know exactly how much

assistance they will receive and for how long (Hanna and Shaefer 2024). Early evidence from the program shows incredible promise. Moms who have received cash prescriptions through Rx Kids have shown improvements in their economic wellbeing, with lower risk of eviction, and improvements in their mental health and wellbeing, with lower levels of postpartum depression (Hanna et al. 2025).

How is Rx Kids doing this? They've leveraged an underused authority within the TANF program, called Non-Recurrent Short Term Benefits (NRST). NRST benefits are powerful because they give states flexibility to provide short-term emergency assistance to families which *are not considered core TANF assistance*. This means states can provide short-term NRST cash assistance without triggering TANF's work requirements or lifetime assistance limits, and states can set a higher income threshold for NRST eligibility than for general TANF assistance (Hahn, Pratt, and Mefferd 2024). Cash assistance provided through a TANF NRST is generally not counted as increased income which could disqualify a family from assistance in other means-tested programs (Shrivastava, Manansala, and Aguas 2025). Rx Kids has demonstrated that the end of pregnancy and the birth of a child presents a financial emergency for parents with low incomes, allowing them to use TANF NRST assistance as a child allowance. Because current TANF regulations limit the use of NRSTs to four months, the Rx Kids program has relied on philanthropic funding to continue providing monthly infant benefits after the first four months of a child's participation in the program (Hanna and Shaefer 2024).

The next administration should build on the Rx Kids model and work to expand the TANF program to a nationwide child allowance model. To do this, the Department of Health and Human Services (HHS), which administers the TANF program, could update the TANF regulations to make clear that providing cash assistance prior to the birth of a child and during formative early months is a valid use of NRST authority, and HHS could investigate lengthening the four month time period for NRST benefits to six months or one year when NRST benefits are used as a child allowance for families with low incomes. Instead of a lengthy multi-year rulemaking process, HHS could issue an interim final rule (IFR) to expand NRST cash assistance more swiftly. While HHS issued guidance in 2024 clarifying that Rx Kids is a permissible use of TANF funds, that guidance imposed overly stringent restrictions on administering a child allowance program through TANF (Administration for Children and Families 2024).

Considerations: TANF is a block grant program. This means states have latitude to establish their own program rules and spend TANF funds in accordance with state priorities. This has led many states to use TANF like a slush fund, diverting public dollars intended for families to other programs (Hahn 2024). Expanding TANF into a child allowance program would require states to choose to participate in this transformation. The federal government has additional tools to incentivize states to move towards using more TANF funds for cash assistance. New TANF regulations could be used to limit states' ability to divert program funds for higher-income families, require states to fully fund their maintenance-of-effort requirements, and tighten up requirements that states spend TANF funds in line with the statute's intent. Versions of these policy options were

proposed in regulations in 2023 but were never finalized (Administration for Children and Families 2025).

A campaign to encourage states to use their TANF programs to invest in birth grant models for families will require the federal government to help states with administrability. HHS should develop a model policy for state health and human services agencies to use NRST benefits for families around the arrival of a child, and could help develop a data-sharing system that allows state health and human services agencies to use Medicaid enrollment data as a proxy for TANF child allowance assistance.

2. Guarantee families have access to cash during pregnancy and after childbirth to ensure the health of moms and babies

What's broken: *The birth of a child triggers a financial emergency for many families, especially those with low incomes, but our healthcare and social safety net systems provide minimal support to help families weather it.*

The birth of a child often precipitates a period of poverty for growing families. Researchers have found a "45 percent increase in monthly poverty from just one month before the birth to one month after" (Hamilton 2023). Research consistently shows that exposure to poverty and financial precarity in early childhood has detrimental effects on children's long-term development and health (Redd et al 2024). Further, the scientific evidence shows that poverty "embeds biologically" in childhood, beginning in the *prenatal* period, impacting the areas of the brain that regulate stress hormones, suggesting that child poverty gets "under the skin" with life-long consequences (Schmidt et al. 2021).

Our vision: *Every family that uses Medicaid should be entitled to cash payments during pregnancy and after birth to support healthy and strong first months of the infant's life. This proposal is designed to complement and strengthen Medicaid coverage which itself must be protected and expanded. The cash support described below is envisioned as an additional layer of assistance on top of existing coverage. Cash is not a substitute for health insurance coverage and care.*

How we can get this done: *The next administration should establish a Medicaid waiver to provide cash assistance to families around the birth of a child.*

Medicaid is already the insurer for four out of every ten births in the United States, and nearly half of all births in rural communities (Ranji et al. 2025). To help protect families, federal Medicaid rules already prevent out-of-pocket charges for pregnancy and maternity care, and require that all babies born to a mom enrolled in Medicaid be automatically eligible for coverage for the first year

of their life (Ranji et al. 2025). This means the Medicaid program already has incredible reach to families with low incomes as they are welcoming a baby.

Medicaid 1115 waivers allow states to use Medicaid funds for demonstration projects that test innovative approaches to expand coverage or benefits beyond what is permitted in the core Medicaid program; waivers must be approved by the Centers for Medicare and Medicaid Services (CMS) (Hinton and Diana 2025). Under the Biden administration, CMS expanded the use of 1115 waivers for "health-related social needs." States are already using Medicaid 1115 waivers to increase support for pregnant and postpartum parents and babies. Fifteen states now have waivers to provide housing services for families during pregnancy and after childbirth, and seven states have waivers for nutrition services for pregnant and postpartum moms and their children (Gardner et al. 2024).

The next administration should build on this progress in expanding Medicaid pregnancy and postpartum coverage by establishing an 1115 waiver to provide cash assistance around the birth of a child. A Medicaid 1115 waiver could authorize states to provide a birth grant during the third trimester of pregnancy for Medicaid patients to help expecting families pay for important essentials that are needed before birth (like car seats, cribs, and breastfeeding supplies), and could provide monthly cash prescriptions for infants for the first year of life while they remain automatically Medicaid eligible. The rationale for providing this assistance through Medicaid is evidence that maternal and infant health are impacted by whether a family has the sufficient financial resources to meet basic needs, like food and shelter. We also know that families' ability to purchase basic goods, like diapers and safety certified cribs, are essential for infant safety. Further, the evidence shows new parents' ability to spend time caring for and bonding with an infant is essential, but this is often impossible for parents who lack access to paid family leave. All of this evidence points to the health benefits of cash sufficiency around the birth of a child.

Proposed legislation in New York would require the state to request a Medicaid 1115 waiver to provide a "healthy birth grant" of $1,800 dollars during the third trimester for every pregnant New Yorker enrolled in the Medicaid program (Rock 2024). The next administration should lead the way in establishing waiver authority for as many states as possible to provide cash prescriptions around the birth of a child. The next administration might also leverage Health Service Initiatives (HSI) within the Children's Health Insurance Program (CHIP) which allows states to use CHIP funds to "strengthen the human and material resources necessary to accomplish public health goals relating to improving the health of children, including targeted low-income children and other low-income children" (MACPAC 2019).

Considerations: Current CMS policies require all Medicaid 1115 waivers be "budget neutral" (Centers for Medicare & Medicaid Services 2024) for the federal government, meaning costs cannot exceed expected savings. Additionally, under current CMS rules, waivers for "health-related social needs" are capped at 3 percent total Medicaid spending for each state (Gardner et al. 2024). Critically, the passage of Trump's domestic policy bill, H.R. 1 in July 2025, has made this constraint

significantly more challenging. H.R. 1 has now codified budget neutrality requirements for 1115 waivers in statute, requiring that all new or renewed waivers be certified as budget neutral (Huberfeld and Lawrence 2026). A progressive future administration will need a clear strategy for navigating this change, including potentially arguing that demonstrated long-term health savings from improved birth outcomes and reduced infant morbidity satisfy the budget neutrality standard.

The good news is there is robust evidence that when parental income increases, the likelihood their children will be in good health as adults increases, too (McInnis 2023). Some evidence also shows that exposure to policies that increase household income also reduces the incidence of low birth rates (Hoynes, Miller, and Simon 2015). These findings demonstrate that greater financial resources during childhood have health benefits, but our health care system and our social safety net fail to provide sufficient economic resources around the birth of a child.

Another potential barrier is timeline: approval of Medicaid 1115 waivers can take years of negotiation between CMS and states (National Association of Medicaid Directors 2024). This means the next administration will need a strategy for fast-tracking 1115 waivers.

While President Trump's "big beautiful bill" formally exempts pregnant and postpartum individuals, and parents with a dependent child under age 13 from new Medicaid work requirements, this exemption offers less protection than it may appear (Hinton, Diana, and Rudowitz 2025). The law requires recertification every six months, creating an ongoing administrative burden for families in the middle of pregnancy and early parenthood. When Arkansas implemented similar work requirements, even though most enrollees were working or qualified for an exemption, nearly one in four people lost coverage within seven months (Harker 2023). The next administration will need to reverse these draconian Medicaid policies, and actively work to ensure that the families this waiver is designed to serve are not quietly pushed off coverage by administrative barriers.

3. Provide cash to prevent poverty-driven family separation

What's broken: *Poverty is a key driver of referrals to the child welfare system. Families experiencing a financial crisis often experience exposure to child protective services, not because of abuse but because of material hardship.*

Over 80 percent of families investigated by child protective services are living below 200 percent of the federal poverty line (Grewal-Kök, McDaniel, and Reliford 2025). A robust body of evidence shows that when families receive cash assistance so that they can meet their children's material needs, exposure to the child welfare system declines (Cusick and Anderson 2024). When the federal government provided monthly cash payments to families through the expanded CTC during the COVID-19 pandemic, researchers found child abuse and neglect-related emergency room visits declined in the 4 days following monthly payments (Bullinger and Boy 2023). Researchers also found that enhanced CTC cash transfers were associated with an immediate 13 percent decrease in contacts to national child abuse hotlines, but calls to those hotlines gradually but significantly

increased after the expiration of the enhanced CTC (Merrill-Francis et al. 2024). Using 20 years of administrative data comparing families that received the EITC during a child's first year of life versus those who did not receive that cash assistance, researchers found that a one-time $1,000 cash transfer during the first year of life reduces referrals to child protective services and stays in foster care for the first three years of life, and those effects persist through age 8 (Rittenhouse 2025). Other researchers have found that for each additional payment of $1,000 from the EITC and CTC, state-level rates of reported child maltreatment declined in the weeks following the tax refunds (Kovski et al. 2022).

The case for cash prevention is also an efficiency argument. Combined federal, state, and local government spending on child welfare exceeds $34 billion annually, the vast majority of which goes toward placement and services after a child has already been removed from their home (Bipartisan Policy Center 2025 (b)). Yet, research suggests that for every $1 spent on foster care, the long-term social return is negative (Nielsen and Roman 2019). Providing upstream cash assistance to stabilize families before a crisis occurs is not only better for children, it costs a fraction of the system we have built to respond after the fact.

Our vision: *Provide families with cash assistance when poverty is the root cause of neglect, instead of separating kids from their families.*

How we can get this done: *The next administration should expand access to cash assistance for families at risk of poverty-related child welfare involvement.*

In 2018, the Family First Prevention Services Act was signed into federal law, ushering in sweeping changes to the nation's child welfare financing system to shift towards greater investment in prevention services that keep children safely with their family of origin. Importantly, Family First allows federal funds under Title IV-E of the Social Security Act to be used to fund prevention services for children who are at risk of being placed into foster care as long as those prevention services fall into the categories of mental health or substance use treatment, or improving in-home parenting skills (Bipartisan Policy Center 2025). But to date, it has been challenging to leverage IV-E funds to provide what are known as "economic and concrete supports," including cash assistance, in spite of the robust evidence that cash transfers reduce child welfare exposure (Cusick and Anderson 2024).

Title IV-E is an open-ended entitlement, meaning the federal government guarantees reimbursement for a share of services provided to every child in the child welfare system. This means it's a powerful source of funding for stabilizing vulnerable families. To leverage Title IV-E funding, the next administration should update the Title IV-E Prevention Services Clearinghouse, which certifies which prevention models are eligible for federal reimbursement, to make clear that prevention programs that emphasize improving parenting skills *can include monthly cash transfers*. The Family First legislation definition of in-home parenting skills services includes no indication that providing cash assistance would be an impermissible component of a program that builds

parenting skills[1]. Indeed, the evidence is clear that financial precarity and income volatility negatively impact parenting capacity and involvement with child welfare (Cusick and Anderson 2024). Reflecting this evidence in IV-E prevention program certifications would make Title IV-E funds available to reimburse states that provide monthly cash assistance for up to 12 months for children at risk of entering foster care.

At the state and local level, pilot programs are already offering cash assistance to families at risk of poverty-related neglect. In New York and Illinois, two randomized control trials are offering monthly cash assistance to families with child welfare system exposure who have been screened to be able to remain safely together while they receive prevention services and support. These RCTs will study the effect of cash transfers on future child welfare system involvement and on parent and child wellbeing, though they offer different levels of cash assistance each month (New York State Office of Children and Family Services, n.d.; Empower Parents with Resources, n.d.). Pending the findings of these two studies, they may offer the robust evidence needed for the next administration to certify cash assistance programs as a well-supported practice in the Title IV-E Prevention Services Clearinghouse.

Considerations: While unlocking Title IV-E funds for cash assistance to prevent child welfare involvement could be transformative for many families, it may also create scenarios where social workers feel compelled to screen families into the child welfare system to expand access to economic assistance when other alternatives aren't available because of our fragmented and insufficient social safety net. Community-based entry points would be preferable, but Title IV-E prevention funds are structurally tied to children who are "candidates for foster care," meaning families with no prior child protective services (CPS) contact may not automatically qualify for federal reimbursement. States have some discretion in how broadly they define "candidate for foster care," and the next administration should issue clear federal guidance confirming that states can extend eligibility to families self-referring due to financial hardship without requiring a prior CPS investigation.

A complementary step would be encouraging states to sharpen the distinction between poverty-driven neglect and abuse at the front end of their child welfare systems. The next administration should work with states to make clear that investing in economic stabilization for families whose child welfare involvement stems from financial hardship is consistent with and encouraged by federal prevention policy.

4. Protect families from price gouging on essential early childhood goods and services

[1] The Family First legislation defines in-home parenting skills programs as follows: "include parenting skills training, parent education, and individual and family counseling" and allows federal reimbursement for these programs for up to 12 months in support of a specific child at risk of entering foster care (Pub. L. No. 115 - 123, TITLE VII Family First Prevention Services Act).

What's broken: *Families cannot provide for their families with rising costs.*

Families face rising costs on essential early childhood goods. Millions of families struggle to afford the cost of diapers, facing on average a $100 bill per month for diapering one child (Zhong, Sandstrom, and Rashid 2025). The cost of baby gear — including safety essentials like car seats — has risen more than 20 percent during President Trump's first year in office according to one industry analysis (Bykofsky 2025).

Our vision: *In addition to putting more cash in families' pockets, we must also aggressively counteract rising prices.*

How we can get this done: *The next administration should leverage its authorities to ensure competition and fair pricing for essential goods that families with babies rely on.*

First, the next administration could establish through Executive Order a coordination council to enforce competition and consumer protection laws around the industries and products that are essential during pregnancy and early childhood. Drawing on the example of President Biden's Executive Order on Competition in the American Economy which directed enforcement coordination in key industries where concentration has been harmful to American workers and consumers, the next administration could establish a similar coordination body focused on addressing competition and consumer protections for early childhood products and services. For example, the federal government could ensure robust interagency oversight of antitrust laws in highly concentrated industries, like the baby formula industry. Federal agencies could also partner to support price transparency for parents, monitoring and publishing price shifting on essential goods.

The next administration could also consider drawing inspiration from Mexico's *canasta básica*, or basic basket. To address the impact of rising inflation on grocery prices, Mexico negotiated a price cap on a basic basket of grocery essentials with private sector retailers. The "Package Against Inflation and Expenditure (PACIC)" includes 24 basic food items that are considered household essentials which dozens of manufacturers and retailers — including Walmart — agreed to cap at a total cost of 910 pesos, or around $45 (Mexico Daily News 2024). The next administration could pursue a similar "basic baby basket" that seeks voluntary agreements to cap the costs of essential baby products.

Considerations: In recent years, momentum has grown for "baby baskets" which provide a bundle of physical goods, like diapers and playpacks, for families around birth[2]. There's no question that families need help affording diapers, formula, and other costly essentials during the period of

[2] For example, the Senate's recent appropriations package for the Departments of Labor, Health and Human Services, and Education include $5 million for "Newborn Essentials Support Toolkits" to procure supply kits for new mothers and infants (Senate Appropriations Committee 2026), reflecting the growing recognition that families need more assistance at the time of birth.

financial precarity after the arrival of a child. The problem is that these one-time assistance models don’t address the structural financial challenges growing families face.

CONCLUSION

The financial crisis that millions of growing families face is not an inevitable condition of our economy; it’s the result of systemic policy failures. We can reverse course. The arrival of a baby should be a time of joy, security, and connectedness for families. For too many families, it is a financial emergency instead. A new administration does not have to wait to change that. Every proposal in this blueprint can be done through executive action. Executive actions and public administrative changes are not permanent, and what one president builds through guidance and waivers, the next can try to undo. However, cash for families, once expected, becomes much more challenging to undo. The Earned Income Tax Credit started small in the 1970s and grew under both parties, and repealing it now is widely unpopular. The expanded Child Tax Credit’s six month runway was not enough time to become so entrenched as to be untouchable, hence the urgency for action in the first weeks. The more states that run these programs and the more parents who plan around them, the harder they are to take back without public outcry. A new administration can begin on day one by putting cash in parents' pockets and trusting them to know what their families need.

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