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Coronavirus package has a little vote-buying, debt-increasing tenet in child tax credit increase

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The Associated Press article opens with sarcasm, not generally a good start for a news story.

"Tucked inside President Joe Biden's \$1.9 trillion coronavirus relief plan is a seemingly radical notion that children should not grow up in poverty," begins the report, carried in Tuesday's Times Free Press.

We know of no one — Republican, Democrat or independent — who believes it is a radical notion that children should not grow up in poverty.

The AP story was so written because the writer assumes there will be pushback by congressional Republicans — and rightly so — to the proposal that the current maximum child tax credit be raised from a maximum of \$2,000 to \$3,600 per year.

The article refers to the proposal being temporary, but Democrats openly have said they want this to become a permanent change.

"The Democrat plan would likely mark the most significant step in the fight against child poverty since LBJ's Great Society," the article quotes a University of Chicago professor as saying.

That statement deserves some unpacking.

Since the Lyndon Johnson presidential administration declared "war on poverty" in 1964, according to a 2019 Cato Institute article, more than \$23 trillion has been spent on the effort by federal, state and local governments.

According to the Census Bureau definition of poverty, little has changed in the poverty rate since the 1960s. Statistics show that from 1990 to 2019 it ranged from highs of 15.1% of the population in 1993 and 2010 to 10.5% in 2019.

However, as the recovery from the Great Recession took off and more and better jobs became available, the rate twice fell 1.3% in a year. Before the coronavirus hit in early 2020, median household income jumped 6.8% in 2019, and Blacks and Hispanics were working in record numbers.

Indeed, according to Census Bureau statistics released Monday, the share of people in the U.S. living in poverty areas — defined as census tracts where at least 20% of the population lives in poverty — was lower between 2015 and 2019 than it was in some 15 years.

In Tennessee, it was between 1% and 3.9% lower than between 2005 and 2009. In Hamilton County, it was 3.2% lower than from 2010 to 2014. For county Blacks, it fell 6.2% over the same time; for Hispanics, it fell 2.9%. For whites, it fell 1.9%

And during that time period, the 2017 Tax Cuts and Jobs Act — the tax cuts so vilified by the left — doubled the child tax credit from \$1,000 to \$2,000.

The Cato Institute also noted that a more accurate measure of poverty — when non-cash government benefits and refundable tax credits are considered — is 5 to 6 percentage points lower than the official version.

But that was then. The global pandemic has changed that, and undoubtedly the poverty rate in early 2021 is higher than it was at the end of 2019.

In the last 11 months, the federal government has spent about \$3.5 trillion in virus relief efforts. Included in that amount was \$1,800 for every adult who makes up to \$75,000 a year, with an additional \$1,100 for every qualifying child.

All of that has added to the national debt, which as of Tuesday was nearly \$28 billion, or more than \$84,000 per citizen and more than \$222,000 per taxpayer.

Now imagine \$1,600 being added to the debt every year for every qualifying child in the country.

With the advent of the coronavirus vaccines, much of the U.S. will return to normal later this year. But all the people who were employed a year ago won't have their jobs back, and some jobs will never be back.

So we understand the suggestion of a temporary increase in the child tax credit, but — again — that is not the ultimate goal of Democrats. It is, as usual, wrapped up in votes.

Such an increase, according to The Washington Post, could have ramifications in the 2022 congressional elections because it could affect so many families.

Perhaps the biggest downside of an increase in the child tax credit, though, is that there is no guarantee the money will be spent on children. No rule exists on how the money — either in a decrease of taxes owed or direct payments to families — must be spent. Rather than providing children healthier food, much-needed eyeglasses or a laptop for school, it can easily go for a new cellphone for mom, a new television for dad, or opioids for both.

A much better way to reduce all poverty is education and, from that education, a good job. The poverty rate for people who don't earn a high school diploma is 23.7%, for those who finished high school 11.5%, for those who have some college 7.8% and for those with a bachelor's degree or higher 3.5%.

An increase in the child tax credit other than a temporary boost — and many may not need that with all the other federal government stimulus money — is the wrong solution to poverty and only saddles more debt on our children, grandchildren and descendants.