



## Romney Charts Conservative Path For Addressing Child Poverty

Kristin Shapiro

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Last week, Senator Mitt Romney outlined a bold plan to address child poverty. He proposes to provide each family a benefit amounting to \$350 a month for each young child, and \$250 a month for each school-aged child, with benefits starting to phase out for single parents earning \$200,000 a year and married couples earning \$400,000 a year.

Romney estimates that the policy would “lift nearly three million children out of poverty, while providing a bridge to the middle class—without adding a dime to the federal deficit.” The Niskanen Center similarly estimates that the proposal would cut child poverty by about one third, and deep child poverty by one half.

Romney’s last caveat—“without adding a dime to the federal deficit”—distinguishes his proposal from recent progressive proposals to expand the child tax credit or give baby bonds to newborns. Romney’s proposal would add \$66 billion in annual spending to the federal budget, but it would offset that cost by consolidating and eliminating duplicative programs and policies, such as the Child and Dependent Care tax credit and the Temporary Assistance for Needy Families block grants.

Romney also proposes to eliminate the SALT deduction, which would increase federal revenue (*i.e.*, taxes) by about \$25 billion per year. This is really the only offset in his proposal that I’d count as “new”—rather than repurposed—federal spending. And, despite being fairly conservative financially, I have to say I don’t mind this. IWF has previously outlined how the SALT deduction is bad policy which transfers income to high-tax states like California, New York, and New Jersey. The federal government should not be subsidizing such high taxes.

One of the things that I love most about Romney’s proposal is that it accomplishes its desired policy goals by making existing federal spending more efficient. Michael Tanner at the Cato Institute has explained that, as of 2015, federal, state, and local governments spent approximately \$1 trillion annually on at least 126 anti-poverty programs. Federal welfare spending alone “totaled more than \$15,187 for every poor man, woman, and child in this country,” which for a poor family of three would amount to *more than \$45,562*. In other words, as Tanner concluded, “we are spending more than enough money to fight poverty, but we are not spending it in ways that actually reduce poverty.”

Consolidating numerous anti-poverty programs into one strong program should also help struggling families, even apart from the increased financial benefits such families might receive under Romney’s plan. Instead of receiving numerous checks of varying size from several

programs at different times throughout the year, Romney's plan would send each family one check each month for a flat amount. Budgeting is hard enough when you're poor, and providing families this stability will make it easier for them to control their finances.

In other words, we do not need and do not want 126 mediocre programs to fight child poverty, we just need one good one. Romney's proposal is a step in the right direction.