



## Hot Topic: Affordability for Families

### ACTION:

- Repeal H.R. 1 cuts to safety net programs including SNAP and Medicaid
- Expand access to nutrition programs including SNAP benefits and provide full funding for WIC
- Increase appropriations for and pass legislation to reduce costs of child care and early learning programs
- Expand access to housing assistance
- Restore the Affordable Care Act (ACA) Enhanced Premium Tax Credits (EPTCs) and reverse changes to Medicaid eligibility
- Expand the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)

### Background

American families are struggling to keep up with the rising cost of living. Nearly half of families lack the resources needed to cover essential expenses. Children that experience homelessness, food insecurity, and other economic concerns are more likely to have poor health and education outcomes than their peers. Economic and material hardship are consistent and significant predictors of child welfare involvement, when limited access to basic needs and resources cause caregiver stress and family instability. Addressing poverty and better access to basic needs can help prevent foster care placement and may reduce the number of children in out-of-home care, thereby reducing foster care expenditures.

Last year, Congress passed H.R. 1, the budget reconciliation bill that cut billions of dollars from social safety net programs like Medicaid and SNAP to significantly increase the budget of the Department of Homeland Security (DHS). These cuts have redirected billions of dollars away from children and families to instead fund immigration enforcement, family detention, and mass deportations, actions which demonstrably cause harm to children. The Administration is now proposing even greater cuts.

This year, Congress must pass legislation and fund programs that will undo the harm of H.R. 1 and make significant progress in reducing and addressing economic hardship for families.

### FOOD AND NUTRITION

According to the USDA, 7.3 million children lived in food-insecure households in 2024. Families with children are more likely to face hunger because of the high cost of raising children, which adds financial stress and makes it difficult for caregivers to meet the needs of the family.

Federal food security programs provide essential support for families. The Supplemental Nutrition Assistance Program (SNAP) helps households with low income put food on the table each month. The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program provides access to healthy food, including fresh fruits and vegetables, for pregnant women, breastfeeding women, postpartum women, infants and children under five years old. SNAP, WIC, and other nutrition programs are vital supports to help mitigate the impacts of poverty for children and their caregivers.

#### Congress must:

- Reverse the cuts in H.R. 1 by eliminating the cost shift to states, reinstating improvements in the Thrifty Food plan, and rolling back the expanded work verification requirements that trip up eligible families
- Restore SNAP funding that was redirected to harmful DHS immigration enforcement activities
- Reauthorize the Farm Bill to strengthen the SNAP program, increase SNAP allotments, extend the program to Puerto Rico and other territories, end time limits on benefits, and improve access for college students
- Fully fund WIC and support efforts to increase enrollment of eligible children and caregivers

### CHILD CARE

Child care and early childhood education are critical to the future well-being of all children and help build a strong foundation for all families. Child care helps prevent child maltreatment—when parents utilize safe child care providers while they work, they are less likely to rely on unsafe or unskilled caregivers, and children are less likely to experience abuse or neglect while receiving care. High-quality early childhood education provides critical developmental benefits and sets the foundation for lifelong learning and success. Children who participate in quality preschool programs show improved school readiness, higher graduation rates, and better long-term outcomes.

Research shows that when families participate in Head Start, children are 93% less likely to enter foster care. Yet, despite categorical eligibility, children already in foster care are often underserved by available early childhood education systems.

To expand access to early childhood education,

**Congress must:**

- Protect and increase funding for Head Start and Early Head Start
- Increase appropriations for the Child Care and Development Block Grant
- Pass the Child Care for Working Families Act (S.2295/H.R.4418)
- Incentivize child welfare agencies to coordinate with early childhood education providers to ensure seamless enrollment and transitions for young children in care
- Expand categorical eligibility for Head Start for children in families receiving services through the Family First Prevention Services Act (FFPSA)

## HOUSING

Housing stability is the key to reducing intergenerational poverty and increasing economic mobility for families and for young adults. However, in recent years, skyrocketing housing costs and a lack of investment in new affordable housing have resulted in families and individuals struggling to maintain stable housing. According to recent data, 80% of Americans in rural communities and 72% of Americans in urban communities believe housing affordability is getting worse in their communities.

Housing factors contributed to involvement with the child welfare system for 14% of families in 2024. Youth and young adults who have experienced foster care also face increased risk of housing instability upon transitioning to young-adulthood, and young adults exiting foster care consistently report that housing is a primary concern. Lack of safe and stable housing can lead youth to other serious concerns, such as worsening mental and physical health, increased substance use, increased vulnerability to trafficking and violence, and lower education and employment attainment.

To address housing instability for children, families, and young adults, **Congress should:**

- Expand funding for and increase time limits of Family Unification Program vouchers, including Foster Youth to Independence vouchers
- Incentivize the creation of housing-child welfare partnerships to coordinate existing resources and streamline service navigation
- Designate funding to scale family-centered housing programs that promote family stabilization and reunification
- Expand access to supportive housing services such as education, employment, and mental health supports, for young adults exiting foster care

- Expand funding for the Housing Choice Voucher Program and other affordable housing programs at HUD and USDA

## HEALTH CARE

Health care costs, which generally rise faster than inflation, have risen sharply over the last several decades, and out-of-pocket costs are continuing to rise. Guaranteeing access to needed health services is vital to preventing child maltreatment and reducing the need for foster care, but high costs prevent some families from accessing care.

Rather than addressing rising health care costs, Congress has made them worse by cutting Medicaid funding in H.R. 1, which instituted work requirements for individuals in the Medicaid expansion population and cut provider taxes that states rely on to fund rural hospitals and other critical Medicaid services. Congress also allowed the Affordable Care Act (ACA) Enhanced Premium Tax Credits (EPTCs) to expire, leading to a spike in health care premiums for plans purchased through the ACA Marketplace.

To address rising health care costs, **Congress must:**

- Reverse changes to Medicaid in H.R. 1 by repealing cuts to rural hospitals and new work eligibility hoops that require new state data systems
- Restore Medicaid funding that was redirected to DHS to pay for harmful immigration enforcement activities
- Reinstatement of the ACA EPTCs to reduce the cost of ACA premiums

## TAX CREDITS

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are two of the most effective tools we have to provide financial assistance to working people and pull children out of poverty. Expanding these two credits has helped to stabilize families and reduced the harmful effects of poverty on children who are vulnerable.

Despite its immediate and incredible success in reducing poverty, the pandemic-era expanded CTC—which increased the eligibility for more families, increased the amount received per child, and established monthly payments—expired at the end of 2021 and has not been renewed. Changes to the CTC in H.R. 1 limited the benefit to children who have at least one parent with a Social Security number, taking the credit away from some citizen children in mixed status families; this change should be reversed.

**Congress should:**

- Expand the EITC
- Make the CTC fully refundable for all children, including citizen children in mixed status families and immigrant children with ITIN numbers
- Allow the CTC to be dispersed monthly to help families address costs in real time, rather than at the end of the year
- Create a Young Child Tax Credit within the CTC for children age five and under

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