

# NEWS RELEASE

THE ANNIE E. CASEY FOUNDATION

## UNDER EMBARGO

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## 50-STATE DATA REPORT CONFIRMS URGENT NEED TO MAKE GAME-CHANGING EXPANDED CHILD TAX CREDIT PERMANENT

### ANNIE E. CASEY FOUNDATION: SMART POLICIES WILL HELP FAMILIES WITH THE BASICS, FUEL BUDDING RECOVERY

BALTIMORE — Today, as the federal government launched a new website and other resources for parents and caregivers eligible for an expanded child tax credit, the Annie E. Casey Foundation released a 50-state data report that argues for making the expansion permanent. The Foundation's analysis comes from the *2021 KIDS COUNT® Data Book*, a report released annually with state rankings to present a comprehensive picture of child well-being — an assessment that indicates nearly a decade of progress after the Great Recession could be erased by the COVID-19 pandemic unless policymakers act boldly to sustain the beginnings of a recovery.

The Foundation identified challenges faced by kids and families during the crisis, from food and housing insecurity to health concerns — and urged immediate action from Congress — in a December report. Since then, the federal child tax credit has been increased as well as restructured to provide advance monthly payments to most families of \$250 to \$300 per child.

“The COVID-19 crisis has brought many families to the breaking point, especially parents and caregivers who have lost jobs and income,” said **Lisa Hamilton, president and CEO of the Annie E. Casey Foundation**. “Making the expanded child tax credit permanent will continue providing critical financial support for families who are struggling to make ends meet and help reduce long-standing disparities that affect millions of families of color.”

Data from surveys confirm that households with children were hit especially hard during the pandemic in 2020 but that the U.S. appeared to be experiencing the start of a recovery in the first months of 2021. The figures from this year's Data Book illustrate that returning to a pre-pandemic level of support for children and families would shortchange millions of kids and fail to address persistent racial and ethnic disparities.

The annual KIDS COUNT data and rankings represent the most recent information available but do not capture the impact of the past year:

- In 2019, the latest year for which the national estimate is available, 12 million kids (17%) lived in poverty. The pandemic brought on dire economic circumstances for millions of people, some of whom were already living in poverty and others who found themselves struggling in new ways.
- In 2019, 4.4 million children (6%) lacked health insurance. This was the first rate increase in a decade, and that was before the pandemic hit.
- Some good news: in 2019, an all-time low one in seven high school students (14%) failed to graduate from high school on time, and the rate of children living in high-poverty areas fell for the fourth straight year, to 9%.

Survey data from the last year add to the story of America's children and families:

- During the pandemic, in 2020, more than one in eight adults with children in the household (13%) lacked health insurance. However, by March 2021, this figure had fallen to 11%, suggesting the beginnings of a recovery.
- During the pandemic, in 2020, more than one in five households with children (22%) said they had only slight confidence or no confidence that they would be able to make their next rent or mortgage payment on time. However, by March 2021, this figure had fallen to 18%, also reflecting positive momentum.

Massachusetts, New Hampshire and Minnesota placed first, second and third in the annual KIDS COUNT rankings that are based on pre-pandemic data. Thirteen states (AL, AR, AZ, GA, KY, LA, MS, NM, NV, OK, SC, TX, WV), all in the South or West, landed in the bottom 20 in those rankings and also appeared among the worst-performing states in most or all of the pandemic indicators reviewed by this *Data Book*.

Additional *Data Book* recommendations:

- **State and local governments should prioritize the recovery of hard-hit communities of color.**
- **States should expand income support that helps families care for their children.** Permanently extending unemployment insurance eligibility to contract, gig and other workers and expanding state tax credits would benefit parents and children.
- **States that have not done so should expand Medicaid under the Affordable Care Act.** The American Rescue Plan offers incentives to do so.
- **Leaders should strengthen public schools and pathways to postsecondary education and training.**

## RELEASE INFORMATION

The 2021 KIDS COUNT® Data Book will be available June 21 at 12:01 a.m. EDT at [www.aecf.org](http://www.aecf.org). Additional information is available at [www.aecf.org/databook](http://www.aecf.org/databook). Journalists interested in creating maps, graphs and rankings in stories about the Data Book can use the KIDS COUNT Data Center at <http://datacenter.kidscount.org>.

## ABOUT THE ANNIE E. CASEY FOUNDATION

*The Annie E. Casey Foundation creates a brighter future for the nation's children by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow. For more information, visit [www.aecf.org](http://www.aecf.org). KIDS COUNT® is a registered trademark of the Annie E. Casey Foundation.*