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PUBLIC JUSTICE

Child Tax Credit should provide families with flexibility to meet their responsibilities

Families Valued | February 2024

Families are the foundation of a healthy society. The Child Tax Credit (CTC) is a longstanding bipartisan, pro-family policy that addresses the unique responsibilities and costs of raising children. The CTC is designed to offer families flexibility in meeting the needs of their household while also ensuring income stability. This flexibility is a hallmark of the CTC as it enables families to make decisions that reflect their values - from choosing a specific care arrangement to deciding to be a stay-at-home parent for a season of family life.

Right now, families must use their current year's earnings to determine how much of the credit they qualify for. However, this means that families who have a temporary loss of income in one year would lose out on the CTC's income-stabilizing assistance. A modest change in CTC's design - the inclusion of a "lookback" provision - will help families who experience a temporary loss or drop in income and protect parents' flexibility to meet their family responsibilities.

New parents

The ability to care for and bond with an infant is an option all families should have and that should be supported by the structure of the CTC. The United States is one of the world's few industrialized countries without the guarantee of paid family leave for new parents. Employer-based paid family leave policies reach less than a quarter of the workforce and are more commonly offered to those receiving a higher income. The many parents without adequate paid leave face an impossible choice: go back to work and send their infant to daycare or step away from work for a period of time.

For example, consider a family with a father who is finishing his education and a mother who needs to stay home with a new baby. The lookback provision would enable this family to benefit from the CTC based on the mother's earnings in the previous year before the baby was born.

Parents of children with special needs

Linda is the mother of children with special needs.¹ After Linda's daughter received an early autism diagnosis, an intensive and time consuming caregiving journey began. She spent 20 hours a week taking her daughter to specialized therapy and another 12 hours to a center providing early intervention services. Linda had to leave her job as a teacher during this intensive period of care. Likewise, parents of children who have been diagnosed with a major illness may need to take time off of work to manage medical visits and caregiving. These families would benefit from a flexible CTC that sustains them during periods of intense caregiving.

Parents seeking family-appropriate work schedules

Debora was a mother of two when she got a job in cleaning hotel rooms. Assigned to the night shift, she had to leave her kids in the care of friends and neighbors, placing a strain on her kids' welfare. Eventually, she felt the risks of the arrangement were too great; she did not want to leave a teen-age son unsupervised all night. Unable to switch overnight for daytime shifts, Debora had to start declining shifts.² A flexible CTC would avoid penalizing mothers like Debora who accept a temporary income loss in order to care for their kids.

Conclusion

Families are the first in line to provide care at the most vulnerable moments of human life. The Child Tax Credit can help families align resources with responsibilities and even weather challenging seasons in family life. The CTC should be designed in a way that protects parents' flexibility to make choices that are consistent with their own family values.

About the Center for Public Justice

The Center for Public Justice is an independent, nonpartisan organization devoted to policy research and civic education. Working outside the familiar categories of right and left, conservative and liberal, we seek to help citizens and public officeholders respond to God's call to do justice. Our mission is to equip citizens, develop leaders, and shape policy in pursuit of our purpose to serve God, advance justice, and transform public life.

¹ Center for Public Justice, *Time to Flourish: Protecting Families' Time for Work and Care*, July 2018. [Names are changed to protect family identity]

² Bekah McNeel, "Making it Work: How Working Parents are Changing What it Means to Be Involved," Center for Public Justice Shared Justice, February 6, 2019. (Archived)