

FACT SHEET: CHILDREN'S BUDGET 2021



First Focus on Children is proud to release the Children's Budget Book 2021, which provides a comprehensive analysis of the share of spending allocated to kids across more than 250 government programs in the federal budget. The book tracks domestic and international spending on children including both mandatory and discretionary funding across twelve federal departments and numerous agencies and bureaus. This is the second year the book tracks international resources supporting kids, and this year newly captures pandemic aid and adds three refundable tax credits for the first time: the Child Tax Credit, the Child and Dependent Care Tax Credit and the Earned Income Tax Credit.

Unfortunately and unacceptably, children routinely have come last and least in the federal budget, with appalling statistics to reflect that reality:

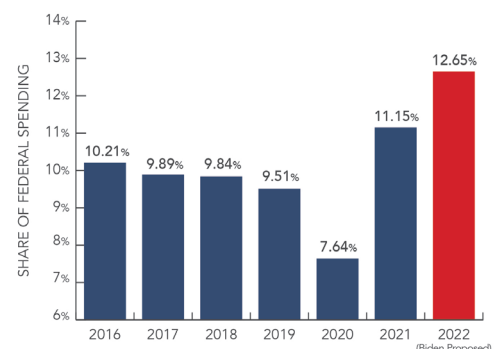
- » The United States has the **10th highest rate of child poverty** among the 38 countries in the Organisation for Economic Cooperation and Development.
- » In 2019, more than **1.5 million** U.S. students were experiencing homelessness.
- » Nearly **15 million children** experienced hunger and food insecurity in 2020.
- » Up to **99% of students in lower- and middle-income countries** have suffered closures of schools and learning spaces due to the pandemic.
- » Nearly **4.3 million children** did not have health insurance in 2020—a 7% rise over 2019.
- » Only **one-in-seven eligible families** receive a subsidy from the Child Care and Development Block Grant.

For more than a decade, this report has documented a sharp decline in share of federal spending for kids. But, in the wake of COVID-19, Congress responded with long-overdue investments in early childhood, child care, education, child nutrition, health care and income support and reversed that downward spending trend — the share dedicated to children **rising from a record low of 7.64% in 2020 to 11.15% in 2021** — an unprecedented increase.

Key Takeaways from Children's Budget 2021

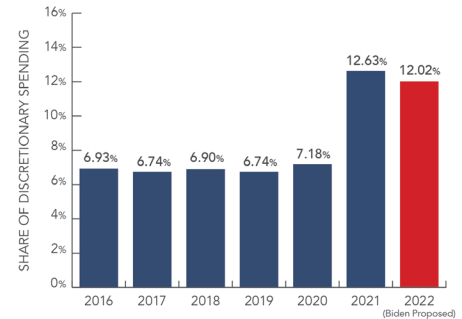
Share of federal spending on children increased largely due to aid in response to the pandemic and subsequent economic downturn.

The pandemic spurred game-changing investments in programs that benefit children and families, and drove up the share of federal spending on children. An expansion of the Child Tax Credit, increased food aid, and the economic impact payments offer just a few examples of how emergency federal assistance has positively affected children since the pandemic began.



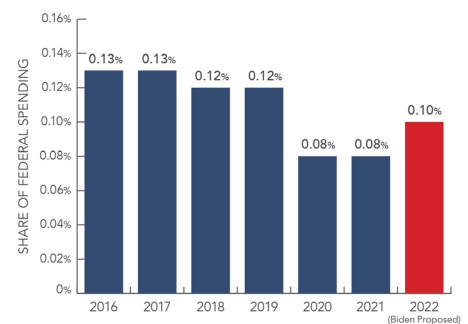
Despite this increase, children are at a disadvantage in the budget process.

Spending on children is disproportionately discretionary, often temporary, capped, and lacks both built-in growth and dedicated revenue. Discretionary programs by design undergo annual review, and while regular review during the annual appropriations process could be helpful to identify additional needs for programmatic improvements, in recent times, it often leads to funding uncertainty, slower growth and more frequent cuts as passage of appropriations bills lag behind the fiscal calendar.



Less than one cent of every federal dollar goes to children internationally.

Children make up about 30% of the world's population, yet the U.S. devoted just .08% of the entire federal budget to children abroad in FY 2021. Only 7.6% of the U.S. international budget is devoted to children. Nearly two years into the COVID-19 pandemic, children around the globe continue to experience dire hardship. They have lost access to education, food, health care, and other life necessities. Reported rates of child labor, child marriage, sexual exploitation, violence, child abuse and neglect have increased.



Racial, social, economic, geographic and other inequities continue to drive the unfair distribution of federal resources. Policymakers must do more to not only increase resources to children overall, but to address the systemic racial inequities that prevent equal access to federal resources for all children. Children of color continue to experience poverty and food insecurity at higher rates than white children, and greater challenges to accessing quality health care and educational support.

Now is the time to keep the progress going.

The increases detailed in the Children's Budget Book 2021 represent a temporary solution to the long-term challenges children and families face, which have been exacerbated by the health crisis and its economic chaos.

Congress must address the structural disadvantages imposed on children's programs by the budget process. In addition, lawmakers must continue to improve outcomes for children by building on the investments of the American Rescue Plan and the policy lessons learned during the dual public health and economic crises.

The impact of emergency aid — which helped reduce child poverty by more than 20% in 2020, even in the midst of a pandemic — illustrates what lawmakers can achieve on behalf of children when they have the political will to do so. Now is the time to continue prioritizing children's needs and invest in all aspects of children's lives. Our treatment of children today will determine our future.