



The Kid Angle

Kid-focused news from First Focus on Children

Four ways the debt ceiling bill hurts kids

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Last night the House passed a debt ceiling bill that will stave off disaster for the country as a whole, but will hurt millions of our children.

The package that now heads to the Senate takes its biggest cuts from discretionary spending, the discreet pot of money that funds most children's programs. The deal limits federal discretionary spending to 1% growth over the next two years, which in reality results in a cut because the increase does not keep pace with inflation.

The cuts come as children face ever-increasing hardship. Child mortality rates are rising. The improved Child Tax Credit, which lifted millions of kids out of poverty, has expired. Millions more children may lose health care coverage through the Medicaid unwinding process, and will continue to face crises in our education, early childhood, and child care systems created by decades of disinvestment.

In addition to these burdens, the debt ceiling bill will:

1. Take food out of their mouths: Under the agreement, spending for the Supplemental Special Supplemental Nutrition Program for Women, Infants and Children (WIC) will [fall \\$615 million short](#) of what USDA estimates their expanding caseload of new mothers, pregnant women and their children will need in fiscal year 2024.

On its face, the deal seems to protect homeless and former foster youth from losing food aid. But these youth already experience barriers to accessing public assistance and they are likely to [struggle with navigating the debt ceiling bill's onerous and bureaucratic exemption process](#).

Lawmakers, in fact, should be removing barriers to food assistance, for instance by maintaining the increase in SNAP benefits created by updating the Thrifty Food Plan to better reflect modern food costs, making it easier for families to gain SNAP eligibility by limiting burdensome administrative requirements, investing in nutrition education for SNAP participants, and ensuring vulnerable youth and young adults have access to food assistance. Find more solutions in our [2023 Agenda for America's Children](#).

2. Exacerbate the child care crisis, especially for low-income families: Low-income families already struggle to access child care, which costs a family with two children [more than annual mortgage payments in 44 states and the District of Columbia](#). Child care is [least affordable and accessible for Black, Hispanic, and low-income working parents](#).

The debt ceiling bill aggravates this struggle by rescinding funds for the Child Care & Development Block Grant (CCDBG), the primary source of child care assistance for low-income families. The deal also imposes severe caps on funding for child care in the next two years — a departure from a trend of increases that previously were bipartisan.

To build an early learning system that meets the needs of children, families, and employees, Congress must instead significantly increase federal investments in child care and treat the sector like the public good it is. Find more solutions in our [2023 Agenda for America's Children](#).

3. Increase family and child homelessness: More than 1 million school-age children were identified as homeless in the 2020-2021 school year and rising rents — median household rent increased 15% from 2021 to 2022 — are adding to those numbers. Existing rental assistance already is inadequate: Only 1-in-4 families who are eligible for rent assistance receive it. Instead of [expanding access to housing vouchers, reforming federal homelessness assistance, and creating a national renters' tax credit](#), the debt ceiling deal rescinds rental assistance for low-income families. Find more solutions in our [2023 Agenda for America's Children](#).

4. Drain cash assistance from the children who need it most: Since the expiration of the 2021 improvements to the Child Tax Credit, the Temporary Assistance for Needy Families (TANF) program has been the only federal program providing monthly cash assistance to families with very low incomes. TANF is a children's program — [more than 70% of TANF recipients are children](#). TANF provides critical assistance to millions of children and families through cash assistance as well as funding for child care, state tax credits, food banks and other aid. Administrative issues already limit TANF's reach — [only 21 out of 100 families in poverty receive benefits](#) — and changes made to work requirements by the debt ceiling bill will further limit its impact. One analysis estimates that [as many as 1 million children could lose benefits](#). Find more solutions in our [2023 Agenda for America's Children](#).

As a nation, we already underinvest in our children, spending [at best about 12% of the federal budget](#) on them, even though they make up nearly one-quarter of the population. At our worst, we have spent [just 7.55% of the budget](#) on children. The debt ceiling bill risks taking us back to those bad old days.



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