

**To: President Biden's Transition Team**  
**From: Children's HealthWatch**  
**Date: January 28, 2021**  
**Re: Prioritizing children and families**

---

[Children's HealthWatch](#) looks forward to working with President Biden's Administration to improve the health and development of young children through policies and practices that advance equity and address and alleviate economic hardship. Prior to the COVID-19 pandemic and resulting economic crisis, nearly one in six children in America lived in poverty, making them the poorest age group in the country. The rate and severity of poverty are even higher for children under six, with more than half of those experiencing poverty living in extreme poverty. Almost 73 percent of children living in poverty in America are children of color; nearly one in three Black and American Indian/Alaska Native children and nearly one in four Latinx children live in poverty, compared to one in 11 white children. Poverty has a catastrophic and lasting impact on the health and well-being of children, and its vicious cycle – often perpetuated by systemic racism – continuously deepens racial wealth and income gaps that harm our nation. But child poverty has a solution. **With your leadership, we can end child poverty in America and promote health across the lifespan by bringing evidence-based solutions that move our country forward to economic, racial, and social justice.**

The mission of Children's HealthWatch is to improve the health and development of young children, the health of families, and maternal health by informing equitable policies that alleviate economic hardships and actively seeking to dismantle systems of institutionalized discrimination and inequity that cause these hardships. Since 1998, we have been collecting real-time data about families with young children in frontline healthcare settings in Boston, MA; Baltimore, MD; Little Rock, AR; Minneapolis, MN; and Philadelphia, PA. With leadership from our network of pediatricians and public health researchers, we conduct comprehensive research on the impact of economic hardship on the health and development of infants and toddlers under age four. We are the only frontline organization that collects and analyzes data in real time exclusively among very young children from families facing economic hardship. With over 75,000 surveys in our data set, we have the most comprehensive, current information about the health and well-being of this population. To ensure a complete picture of each child in our survey, the information we collect from caregivers includes more than just physical health. We also look at numerous factors that impact health, such as access to basic needs – including food, housing, utilities, child care, and health care –, public program participation, employment and income, and caregivers' experiences of discrimination, and adverse childhood experiences. Starting in September 2020, we launched a longitudinal COVID-19 follow-up study to 1) assess changes in child and caregiver health and hardships during the COVID-19 pandemic and ongoing economic downturn, and 2) track how emergency assistance may have helped mitigate health and financial consequences. Paired with detailed existing Children's HealthWatch cross-sectional dataset, these new data demonstrate the impact of COVID-19 and response policies on child and adult health and economic well-being, and indicate avenues for policy change moving forward.

Throughout the presidential campaign, President Biden focused on the importance of racial equity, economic justice, housing, and health care, and articulated robust plans which align with many of the recommendations contained in this memo. We are supportive of these proposals, and the mission to rebuild systems that recognize and support the inherent humanity of all individuals and their right to be free from racism, sexism, and all forms of discrimination that impede physical, mental, and emotional health and well-being. **Children's HealthWatch urges the Biden Administration to address the specific**

**challenges of families with children with the greatest needs within its first 100 days in office.** As the incoming Administration seeks to fulfill its campaign pledge of “building back better,” child poverty and racial equity should be considered top-tier, urgent priorities. Throughout his term, we urge President Biden’s Administration to institute policies that redress systemic injustices that have long plagued our society, and to imbed robust representation by people with lived experience in his Administration, the Transition Team, and larger policy process.

In addition to opportunities to address root causes of poverty – including racism and inequities in wealth, income, and education – the Administration must invest in policies and programs that are proven to alleviate child poverty and improve health. Federal anti-poverty and safety net programs, including those that provide affordable **housing**, critical **nutrition** assistance, **health care**, high-quality **child care and early education**, and **energy** assistance must be protected, expanded, and made accessible to all families in need.

## Housing

### Short and Long-Term Policy Goals

- Dramatically increase funding for rental assistance to ensure all families with low incomes – especially families with young children – are able to afford safe, stable homes
- Adequately fund emergency assistance through a permanent resource to stabilize families in housing that they can afford and consequently prevent them from becoming evicted and/or homeless
- Address the severe shortage of affordable rental homes for families with the lowest incomes by increasing funding and reducing barriers to the production and preservation of affordable housing
- Improve the quality of housing to ensure all residents live in safe and healthy homes
- Increase supportive housing models with wraparound services needed to help families address health and economic needs
- Actively address systemic racism in policy and practice that has historically oppressed and excluded families of color from stable housing and home ownership
- Promote investment in neighborhoods of concentrated poverty in order to increase opportunities for children living there to thrive

### Most Urgent Solutions to Address Housing Instability and Homelessness During COVID-19 Pandemic

COVID-19 amplifies the individual and societal harms of eviction and housing instability. While millions of people have been called to shelter in place, social distance, and maintain good hygiene (including frequent handwashing) to reduce the transmission of the virus, families experiencing homelessness and housing instability [are not able to access these privileges](#). As a result, these families are at a higher risk of exposure to COVID-19. Furthermore, these families may be more vulnerable to health complications of the virus due to the poor health outcomes associated with housing instability and concurrent inability to meet other basic needs. [Initial reports](#) indicate that people who are experiencing homelessness and contract COVID-19 are much more likely to be hospitalized and require critical care and are much more likely to die than the general public. Furthermore, [data suggest](#) that COVID-19 is widening housing disparities by race and income. Ensuring that families are stably housed during and long after the pandemic is both a moral imperative and a public health necessity. We applaud the Biden-Harris Administration’s American Rescue Plan, which would provide critical relief to families through an

extended eviction moratorium, rental assistance, and emergency solutions grants. Taking the immediate actions below will strengthen the impact of the Biden-Harris plan:

- **Provide Emergency Rental Assistance:** [Research](#) demonstrates that without adequate rental assistance, millions of renter families could face eviction when moratoriums expire. To avert an unmitigated surge in evictions and avoid the related health risks, significant emergency rental assistance must be included in any forthcoming package. This will help families that have fallen behind on rent maintain housing and simultaneously [stabilize smaller landlords](#) that have experienced significant income shock. In addition to the \$25 billion allocated for rental assistance in the December 2020 relief package, we applaud the Biden-Harris proposal of \$30 billion in emergency rental assistance, which will help eliminate back rent owed by families with low incomes, and provide legal and other services to help families avoid eviction.
- **Extend and Strengthen a Uniform Moratorium on Evictions until the Economy Recovers:** Along with emergency rental assistance, implement a uniform, nationwide policy that ensures all families can maintain stable housing, as proposed in the Biden plan. The moratorium should provide an automatic, universal protection to keep more families in their homes, and should apply to all stages of evictions. Though the Biden-Harris plan seeks to extend the moratorium through September, 2021 – and we applaud the swift executive order to initially extend the protection through March, 2021 – we recommend implementing a moratorium until the economy recovers.
- **Provide Emergency Homeless Assistance:** At least [\\$8 billion](#) (\$3 billion above the Biden-Harris proposal) in Emergency Solutions Grant (ESG) funds are needed to help service providers and crisis managers on the front lines minimize the number of people living in homeless encampments and congregate shelters, as well as create alternative space, such as hotels, for isolation and self-quarantine.
- **Expand the Stock of Housing Choice Vouchers:** At least \$28 billion for 500,000 new Housing Choice Vouchers are necessary to provide immediate and long-term stability to extremely low-income households that are homeless, have histories of housing instability and are struggling to pay rent, or are fleeing domestic violence. During an extended health and economic crisis, the long-term stability that vouchers provide is a major benefit to those facing the greatest risk of losing their homes or becoming homeless. Housing vouchers also play a critical role in helping families move from shelters or temporary housing into stable homes, which is particularly critical given the additional risks of homelessness during the pandemic. Funding a substantial number of new vouchers in relief legislation would be a critical first step towards meeting the Biden Administration’s goal of making housing vouchers available to all eligible households.
- **Establish a permanent national Emergency Assistance Fund (EAF):** While some families need longer-term supports to maintain stable housing, other families could be stabilized through short-term supports. Our research demonstrates that when families fall behind on rent - often due to economic shocks - the health of children and caregivers suffer and families struggle to afford other basic needs. A [standing EAF](#), which exists in both “normal times” and extraordinary times, would provide both short-term financial assistance and stability services to help families overcome unforeseen economic shocks that threatens their financial, stability, health, and well-being.

### [Opportunities to Address Housing Instability in 2021](#)

#### *Administrative Actions*

- **Issue an executive order that extends, improves, and enforces the national eviction moratorium until the end of the pandemic:** The Biden-Harris Administration has taken commendable executive action to extend the national moratorium through March, 2021. However, this is not enough. We encourage the Administration to take further action to issue a national moratorium that extends and enhances the current Centers for Disease Control and Prevention (CDC) protection, which is limited and has barriers to eviction prevention. While there is opportunity to do this legislatively in the next COVID relief package, as proposed in the Biden plan, we urge the Administration to issue this order immediately to ensure no evictions take place following the new March 31<sup>st</sup> expiration.
- **Undoing regulatory harm:** In the midst of a pandemic and economic crisis that has exacerbated and exposed inequities across our nation, the U.S. Department of Housing and Urban Development (HUD), under the direction of the Trump Administration, finalized two regulatory proposals that weaken the Fair Housing Act and dismantle key tools for addressing systemic racism, segregation, and discrimination in housing. We urge the Biden Administration to take advantage of executive powers and regulatory tools available – such as the Congressional Review Act – to rescind the harmful changes to the [disparate impact standard](#) tool, as was rightfully done to reinstate the [Affirmatively Furthering Fair Housing](#) rule. The Administration should continue to take swift action to ensure rules that harm the health of children and families, particularly those that have not been finalized or gone into effect. This includes preventing the finalization of a [HUD proposed rule](#) that would evict or force separation of mixed-status families living in public and subsidized housing.

In addition to the above administrative and executive actions, we urge the Biden Administration to support strong legislation that addresses the housing crisis in the United States and promotes the ability of all families to access and maintain stable housing.

### **The Need for Solutions**

The connection between [housing and health](#) is clear: when children live in safe, stable, quality homes their families can afford, they are better able to thrive. [Children living in stable homes](#) have better physical and mental health outcomes and educational achievement, are at a lower risk of hospitalization, and are less likely to experience other economic hardships. Furthermore, [research](#) has shown that stable housing reduces overall health care expenditures by 12 percent for Medicaid recipients, increases the use of primary care services by 20 percent, and decreases emergency room visits by 18 percent. Access to stable, affordable housing enables low-income families to devote more of their limited resources to other basic needs, such as food, utilities, health care, and child care. [For example](#), families with low incomes that live in affordable housing experience greater food security and their children are 52 percent less likely to be seriously underweight compared to those who are housing cost-burdened. In addition, [research](#) shows that children in households with low incomes that live in affordable housing score better on cognitive development tests than those in households with unaffordable housing, partly because parents with affordable housing can invest in more activities and materials that support their children’s development.

Conversely, housing instability – including being behind on rent, multiple moves, and past or present experience of homelessness – [harms the health of children and families](#) and is associated with increased risk of other hardships, including food and energy insecurity. Both of these hardships ([food insecurity](#) and [energy insecurity](#)) are independently associated with poor child and adult health, children’s risk for developmental delays, and increased health care utilization. Our research shows that families who experience housing instability are also more likely to forgo medical care and prescriptions or sacrifice

other basic needs in order to afford necessary medical care. [Young children who live in unstable housing](#) are 20 percent more likely to be hospitalized, and those in families who move frequently are at increased risk of poor child health, developmental delays, and being underweight for their age – an indicator of undernutrition and stress.

As is the case with many hardships in the United States, housing instability is disproportionately experienced by families of color as a result of centuries of racially oppressive and discriminatory policies and practices – such as redlining, discriminatory mortgage lending practices, restricted educational and occupational opportunities, and other structural constraints – that have denied minority groups the opportunity to invest in housing, build income, and accumulate wealth. [Compared](#) to only 6 percent of white households, 20 percent of Black households, 17 percent of American Indian or Alaska Native households, 15 percent of Latinx households, and 10 percent of Asian households are extremely low-income renters with incomes at or below 30 percent of their area median income. Despite representing only 13 percent of the US population, Black individuals make up [40 percent of the homeless population and more than 50 percent of homeless families with children](#). Furthermore, as a result of government-sanctioned segregation, disinvestment, and oppression, Black and Latinx families are significantly [more likely](#) to live in neighborhoods of concentrated poverty – which [hinders](#) health, educational achievement, and upward income mobility –, compared to white families, and the majority of Black and Latinx children [live in low-opportunity neighborhoods](#) compared to white children who often live in high-opportunity neighborhoods. This is significant, as research shows that when children live in stable, affordable homes located in neighborhoods with opportunity – including high-performing schools, safe outdoor spaces, and access to transportation and jobs – they are [better able to thrive and become healthy adults](#). However, wide opportunity disparities exist between neighborhoods across the country.

Research also demonstrates the harmful effect of specific forms of housing instability. Residential mobility – when families move frequently often due to economic hardship - interacts at neighborhood, family, and individual levels in cumulative and compounding ways with a significant impact on the well-being of children. [A body of evidence](#) links residential mobility in childhood with higher levels of behavioral and emotional problems, increased teenage pregnancy rates, accelerated initiation of illicit drug use, adolescent depression, and reduced continuity of health care. Frequent moves in residence are often paired with frequent moves in schools and communities, which make it difficult for families to maintain relationships and stable communities, and among school-age children can [impede school performance](#), social skill building, and [negatively affect children’s behavior](#). Multiple moves even within the same community place immense stress on families and are associated with adverse health outcomes.

Evictions also pose a risk to the health of families. Our research and the work of others link eviction to sequelae of long-term poor health and hardships. Research from Children’s HealthWatch<sup>1</sup> demonstrated that compared to families without an eviction history, children in families with a history of evictions within the last five years, regardless of immigration status, are more likely to be in fair or poor health and at developmental risk, their mothers are more likely to report depressive symptoms, and their families are more likely to endure multiple economic hardships. Alarming, we showed families with a history of eviction are five times more likely to experience homelessness and three to four times more likely to experience other forms of housing instability compared to families without an eviction history.

---

<sup>1</sup> In preparation: Cutts D, Wellington C, Ettinger de Cuba S, Bovell-Ammon A, Coleman S, Sandel M. Household history of eviction associated with increased hardships and adverse caregiver and child health outcomes. Presented at Pediatric Academic Societies April 28, 2019; Baltimore, MD.

These findings are consistent with a host of others' research, which document the [harmful effects](#) eviction has on [children](#), entire families, and communities, and the ways in which it [perpetuates inequities](#) among low-income families of color. In addition to harming physical and mental health, an eviction on record makes it harder for a family to find decent [housing](#) in a safe neighborhood and negatively impacts [employment](#). Particularly for families with low incomes, the ripple effect of eviction deepens barriers to employment and ability to build and accumulate assets. On an individual level, with fewer assets to draw on for future needs and emergencies, the risk of future eviction and continued housing instability is greater. Furthermore, on a community level, the concentration of eviction within poor neighborhoods of color contributes to the [reproduction of urban poverty](#) and perpetuates inequities in health and opportunity.

In addition to the upfront health and financial costs associated with a forced move, eviction often leads to residential instability, moving into poor quality housing, overcrowding, doubling up, and homelessness, each of which is [associated](#) with negative health among adults and children. Furthermore, a forced move, such when a family is formally or informally evicted, often compels renters to accept substandard housing, which can result in additional poor health and development, and/or drive them to [move again soon](#). Among other conditions, substandard housing includes poor quality homes and overcrowding.

Even before losing housing, people who are threatened with eviction [are more likely to report](#) poor health, high blood pressure, depression, anxiety, and psychological distress. This impact is highly concerning, given trends that show eviction has been increasing over the past two decades, particularly for Americans with low incomes and [families with small children](#). The health consequences of threatened eviction exist for children even prior to their birth. Exposure to eviction case filings during pregnancy, particularly in the latter stages of a pregnancy, [has been associated](#) with an increased risk of adverse birth outcomes including prematurity and low birth weight, likely due to the extreme stress of the situation experienced by the mother.

The most severe form of housing instability for families is homelessness. For families with young children, an experience of homelessness, even if temporary, can severely affect health during the first years of life. Our research has found homelessness during the [prenatal period](#) and/or [first year of a child's life](#) is associated with poor birth and infant outcomes, which incur huge healthcare costs and adversely change the trajectory of the child's health and ability to succeed. Homelessness not only has extreme effects on individuals, families, and communities but is also associated with substantial costs to society; [a study](#) prepared for the US Department of Housing and Urban Development (HUD) found the average homeless system costs alone incurred for families experiencing first time homelessness to be \$3,184 to \$20,031 (the average costs for individuals was \$1,634 to \$2,308) and increase with duration of homelessness. The difference in costs between individuals and families is not surprising, since the average daily costs for programs serving individuals are generally much lower than for those serving families, and the average length of stay for first-time homeless individuals is much shorter than for first-time homeless families. These average costs to the homeless system are in addition to incremental and direct costs to healthcare utilization due to homelessness, as well as [healthcare costs as a result of health outcomes associated with homelessness](#), such as [low birthweight](#).

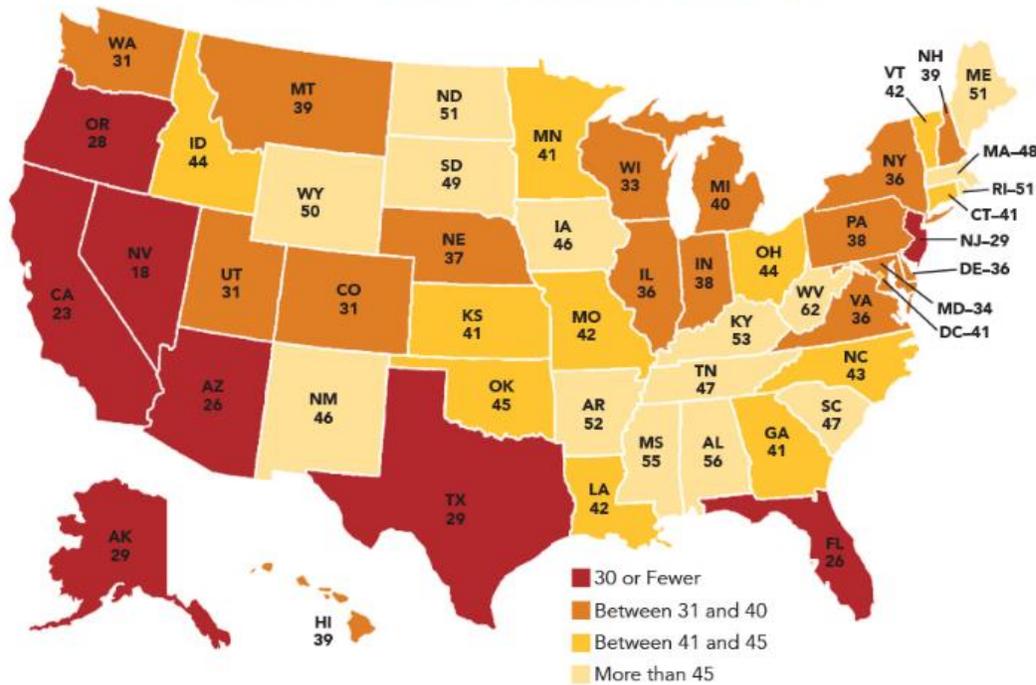
In addition to perpetuating individual health disparities, housing instability contributes to increasing national health care costs. Children's HealthWatch conservatively estimated that the United States will spend [\\$111 billion](#) on avoidable health-related costs of housing instability over the next 10 years if we do not act to improve housing stability and promote equity. These costs include treatment for mothers

experiencing mental and physical health issues linked to their housing instability as well as the cost of excess ambulatory visits, hospitalizations, dental procedures, and emergency room visits and special education for children. This estimate assumes that the current number of families living in unstable homes persists. Thus, if more families become unstably housed as a result of economic downturns and lack of adequate assistance, costs will increase.

Federal housing assistance prevents housing instability and eviction and is a critical support for families with low incomes. However, current levels of funding for housing assistance are limited, and do not adequately respond to the needs of families and housing crisis in the United States. Over the past few decades, the [combination](#) of increasing housing costs, inadequate supply of affordable housing, and stagnant wages have meant that many families are unable to afford a safe, stable home. While the housing crisis has affected families across the income scale, the impact is worst for those with the lowest incomes; the National Low Income Housing Coalition (NLIHC) reports that roughly 10 million households with extremely low incomes are either homeless or pay [unaffordable](#) rental costs that force many of them to make impossible choices between paying the rent and paying for food, medications, transportation, and other necessities. The NLIHC has also reported that there are [no states, metro areas, or counties](#) in the country where a worker earning the federal or prevailing state or local minimum wage can afford a two-bedroom rental home at fair market rent by working a standard 40-hour work week.

## THE GAP

### RENTAL HOMES AFFORDABLE AND AVAILABLE PER 100 EXTREMELY LOW INCOME RENTER HOUSEHOLDS BY STATE



Note: Extremely low income (ELI) renter households have incomes at or below the poverty level or 30% of the area median income. Source: NLIHC tabulations of 2018 ACS PUMS Data.

Despite this crisis, chronic underfunding of housing assistance has meant that only one in four eligible households receive assistance – a gap that has likely increased since the pandemic, as demand for assistance has grown [without sufficient financial relief](#). The impacts of this housing crisis without adequate government support threatens the health and well-being of children, families, and the prosperity of our nation. Investment in affordable and fair housing will have a multi-sector impact and is critical to promote racial equity and reduce child poverty.

## **Economic and Racial Justice**

While many policies strongly recommended in this memo seek to strengthen federal housing and other assistance programs across social determinants of health and needs, we must acknowledge that access to financial resources is at the core of these recommendations. The most simple and effective approach to fight economic inequality and financial instability is to put more money back into the pockets of the people who need it most. In order to alleviate economic hardship and promote the health and well-being of every child and family living in the US, we must actively dismantle systems of institutionalized discrimination and inequity at the root of these hardships, and target the inequitable distribution of wealth and income, particularly across racial lines. An approach to boost income also gives families freedom and dignity by enabling them to prioritize their own basic need and to make choices that are best for their family. Further, when families have money to spend, they do so in the communities in which they live, thus stimulating local economies. We are appreciative of the Biden-Harris Administration's necessary recognition and acknowledgment of pervasive systemic racism and inequality in our economy and society, and the ways in which their impacts have deepened and been underscored during the COVID-19 pandemic and economic crisis.

Wealth and income inequality are growing and continue to harm children from families of color with low incomes. Implementing and expanding programs and policies that serve young children and their families is an investment in the success and future health of our nation. Furthermore, acknowledging that systemic racism has contributed to disproportionate rates of poverty and health disparities among people of color – and prioritizing policies that respond to and rectify this – is critical to effectively promote economic mobility. The Biden Administration should enact emergency and long-term policies that respond to the current health and economic crises and provide the foundation for family health and ability to thrive. These include policies related to income, housing, nutrition, energy, health care, and early education and child care. Specifically, the Administration should focus on cross-agency coordination and sustained program implementation that will increase the ability of all people to afford basic needs – most notably those disproportionately impacted by financial hardship, including families with young children, families of color, and immigrant families. Families with low incomes often experience co-existing material hardships; thus multi-sector and structural changes to address the underlying causes driving economic instability, in addition to improving existing assistance programs, are critical to reduce poverty. This includes prioritizing efforts to raise income and wealth, with a focus on policies to close income and wealth gaps. In order to effectively promote long term financial stability and economic mobility, the Biden Administration should focus on policies and programs that are rooted in advancing racial equity, help families of color build assets and wealth, and center on the voices of people with lived experience.

## **Income Building**

Income – and thus socioeconomic status – is the underpinning of health and opportunity in this country. Income directly correlates to a family’s ability to afford basic needs, and level of that income dictates the choice and quality of resources. Low incomes are [associated](#) with a persistent cycle of inadequate access to quality food and housing, financial stress and hardship, poor health, threats to personal safety, and lack of access to health. These circumstances, in turn, increase the health risks of families with low incomes, even in the absence of serious health problems. Our research, which specifically examines the health and hardship of families with low incomes, consistently shows that inability to afford basic needs – including [food](#), [housing](#), [utilities](#), [child care](#), and [health care](#) – is associated with poor child and parent health, multiple hardships, and increased health care utilization. Our research also shows that [cumulative hardship](#) has adverse health and economic outcomes among children and families.

### ***Short and Long-Term Policy Goals***

- Enable working families to afford basic needs by raising the federal minimum wage to accurately reflect the cost of living in the United States
- Recurring direct cash payments during economic downturns to stabilize families’ health and finances
- Enhance and expand federal and state working family tax credits to reduce poverty and increase financial stability, namely the Earned Income Tax Credit and Child Tax Credit
- Establish a direct federal jobs guarantee program

### ***Most Urgent Actions to Supplement Income During COVID-19 Pandemic***

Reports show that during the pandemic, [46 percent](#) of households have experienced serious financial trouble, including running out of savings, trouble affording food, paying utility bills, and paying their rent or mortgage, and [60 percent](#) of those who have lost income are still making less than they were before the pandemic. As communities deal with the pandemic and resulting economic turmoil, we must provide lasting financial support to families in poverty and those in the middle class pushed to the brink, including:

- **Issue direct recurring cash payments:** Economic Impact Payments provided under the CARES Act constituted a lifeline for millions of low and middle income families. [Data](#) show that, to a large extent, households that received these payments used the funds to cover basic needs including food, utilities, housing, and health care. However, the two payments issued eight months apart did not provide sustained support and left out millions of families. Direct, monthly recurring cash payments *at least* until the economy recovers and inclusive of immigrants and mixed status families should be issued to [help families and the economy](#). These payments should provide [equal or higher funds for children](#) recognizing that families with children – particularly those with young children – are at greater risk of poverty than other households without children. We appreciate President Biden’s proposal to distribute an additional \$1,400 per person in direct checks to stimulate the economy and help households cover expenses, and applaud his proposed expansion of these checks to additional dependents and all mixed status households. We urge again that these checks be issued on a recurring basis, and that they are further expanded to be inclusive of [all](#) immigrants.
  - **Implement an automatic trigger** within the tax code to allow for swift distribution of payments and other relief in the face of natural or economic disasters.
- **Extend paid sick leave and medical leave provisions to cover all workers:** Extended emergency paid sick leave and medical leave provisions should include low wage workers and immigrants currently excluded from policies enacted on the federal level, and increase wage replacement

amounts within the programs to ensure families are able to make ends meet. We applaud President Biden's [proposed plan](#) to reauthorize, strengthen, and extend critical emergency paid leave measures through September 2021, an

- **Expand the Child Tax Credit (CTC) and Earned Income Tax Credit (EITC):** Key changes to the refundable credits should mirror the Cost of Living Refund, and include: (1) making the CTC fully refundable; (2) boosting CTC amounts and creating an expanded credit for families with young children; and (3) increasing EITC amounts for workers not raising children; and (4) extending the age eligibility for both the CTC and EITC. These expansions, as proposed and supported by President Biden, will provide longer-term support for families and ensure they are able to meet basic needs over an extended period of time.
- **Extend pandemic unemployment insurance programs:** As recognized and included in the Biden proposal, increased and expanded unemployment benefits are necessary until the economy recovers to support those who are out of work.
- **Provide adequate funding to state and local governments:** States are facing the impact of budget shortfalls as a result of the pandemic and economic crisis. To ensure critical assistance programs are maintained and able to be expanded to respond to local need, financial assistance – such as that proposed in the [American Rescue Plan](#) – must be provided directly to state and local governments and tribes and territories.

### [Opportunities to Promote Economic Security in 2021](#)

#### *Administrative Actions*

- **Automatically pay direct cash to eligible households:** An estimated 12 million families, most of whom have very low incomes, did not receive automatic Economic Impact Payments (EIP) because they were not required to file taxes in 2018 or 2019. This meant that families at greatest risk of economic hardship during the pandemic faced the most barriers to support when they needed it the most. The Biden Administration should direct the Treasury Department to use current income and wage data to automatically pay any remaining CARES Act EIP payments to people who have not yet received payments, and to those who didn't apply on the online Non-Filer Portal but who appear eligible based on forms W2, 1099-MISC, and 1099-NEC.
- **Align federal and state tax credits to reduce barriers to accessing working family tax credits:** The Biden Administration should examine opportunities to align processes and share data (while ensuring data security) between the IRS and states to facilitate automatic filing of state EITCs, which are an evidence-based solution for improving early childhood health. Further, the Administration should instruct the IRS to identify ways to support automatic filing, such as facilitating claiming both federal and state credits at the same time and using EBT as a mechanism to automatically pay out state and federal EITCs.
- **Encourage periodic disbursement of federal, state, and local credits:** Recognizing that families utilize tax credits to afford basic needs, it is critical to provide opportunity for families to access this support year-round in order to reduce economic hardships and improve health. The Biden administration should direct the IRS to develop a process for people to elect to receive tax credits as they are earned, and on a periodic basis. The IRS should also work with state tax agencies to encourage and support state and local tax credits to be disbursed periodically in alignment with federal credits.
- **Inclusion of immigrant taxpayers and their families in working families tax credits:** The Biden Administration should explore the possibility of directing the IRS to decline to reject EITC claims based on a lack of Social Security Number if the taxpayer includes an Individual Taxpayer Identification Number (ITIN). This is critical for the health of children in the U.S. given that one in

four children in the U.S. have an immigrant parent, some of whom lack a Social Security Number and are excluded from many health-promoting tax credits.

- **Protect the privacy of undocumented immigrants:** By executive memorandum, President Biden can ensure that any data gathered by federal agencies, including IRS, about ITIN holders is used solely for its intended purpose, and not for use by ICE or any other agency to identify people who are undocumented. President Biden should rescind the Executive Order issued by the Trump Administration in 2019 that required agencies to provide any information to the Department of Commerce that would assist in identifying undocumented people.

### **The Need for Solutions**

Despite the direct link between income and health, wages in the US remain inadequate to meet the rising cost of living, and income inequality is at a peak. Income growth for the wealthiest few has [far outpaced growth for everyone else](#). Since 1980, incomes for the top one percent of earners have grown by 226 percent, compared with only 47 percent for the middle 60 percent of earners. These unequal growth rates have produced alarming present-day income disparities which spill into nearly every other facet of American life. Income gaps also persist between white households and households of color – in particular Black households. People of color are [more likely](#) than white workers to be employed in low-wage jobs, to be paid poverty wages, and to be paid less for comparable work. A [recent analysis](#) of government data showed Black and Latinx households at the 90th percentile of their income distribution earned only sixty-eight and sixty-five percent as much as white households at their 90th percentile, respectively. In other words, when occupying the same percentile on income distributions by race and ethnicity, people of color earn less.

### **Wealth Building**

In addition to urgent actions necessary to support economic security, stabilize families, and provide access to basic needs, the Biden Administration must commit to bold, structural reform to close the deep and persistent racial and wealth divide. These actions should include removal of asset limits on all public assistance programs, an [examination and disbursement of reparations](#), and policies and programs that increase access to wealth-building opportunities for BIPOC families.

### **Short and Long-Term Policy Goals**

- Eliminate asset tests across all public assistance programs
- Provide every child at birth a child savings account with seed funding to ensure all children have a fair chance at economic mobility
- Examine and disburse reparations to address historical disenfranchisement of BIPOC families that perpetuate racial and health inequities

### **Opportunities to Address Racial Wealth Inequity in 2021**

#### *Administrative Actions*

- **Eliminate asset tests in public assistance:** Asset tests, which require applicants and beneficiaries to have resources below a certain threshold in order to qualify for benefits, trap families in a state of economic precarity and are an impediment to saving and wealth-building. As the COVID-19 pandemic further financially destabilizes families, it is more necessary now than ever to ensure that all people have the resources necessary to weather and recover from the crisis.

- **Improve data collection on race and wealth:** It is difficult to understand the breadth and scope of the racial wealth divide without the necessary data. Local, state, and national data that include information on household assets and debt disaggregated by race and ethnicity would provide better insight into racial and economic disparities across the US, and support policy and practice that respond to this reality.
- **Establish a Congressional committee on reparations:** A formal committee should be created to study the effects of slavery and its successors (Jim Crow, redlining, and mass incarceration) and evaluate policies – such as reparations – to address the legacy of policies, institutions, and practices that have [perpetuated racial wealth and health inequities](#).

### **The Need for Solutions**

The United States is the richest nation in the world, with enough resources to provide for the basic needs of every child. However, these resources are unfortunately not distributed evenly; wealth ownership has long been concentrated among a small subset of the population and, as a result, contributed to racial health inequities. This trend, which [has existed](#) since the early 1920s and has worsened in recent years, is alarming given the significant role wealth plays in helping families manage expenses – particularly unforeseen costs that require significant savings –, and access opportunities such as home ownership and education that are essential for economic mobility and thus health and well-being.

Unsurprisingly and yet deeply concerning, [an examination](#) of wealth in the US found the net worth of a typical white family is nearly ten times greater than that of a Black family. This racial wealth gap remains even for families with the same income, demonstrating that although wealth is influenced by present income, it is significantly tied to past earnings and generational inheritances. Racial inequity is extreme in the context of wealth and assets and is driven primarily by [decades of public policy decisions](#), such as redlining and housing discrimination (including discriminatory mortgage lending practices and racial covenants), preferential treatment of income from investments, restricted educational and occupational opportunities, and other structural constraints that perpetuate existing fortunes but do not help to create new ones. Systemic racism has oppressed the ability of people of color to access and build wealth and assets, particularly home ownership, which has in turn prevented the ability to build and pass along family wealth. [Nearly one-third](#) of the racial wealth gap is explained by differences in homeownership rates; largely as a result of historical factors. Forty-two percent of Black and 48 percent of Latinx households owned their home in [2019](#) compared with 73 percent of white households. Unsurprisingly, these historic practices have also been associated with [racial and ethnic health disparities](#). Intergenerational processes and mobility are vital to understand and implement policies that reduce wealth inequality and promote family well-being.

The COVID-19 crisis has [deepened wealth inequities](#) in the United States. Meanwhile, a 2019 survey found that [nearly 70 percent](#) of Americans have less than \$1,000 in savings. Widespread unemployment and loss of income as a result of the pandemic has forced many families to [rely on savings or even sell assets to cover expenses](#), widening the wealth gap and further hindering efforts to build wealth.

Children’s HealthWatch looks forward to promoting equity and improving the health and well-being of children and their families in partnership with the Biden-Harris Administration. For questions regarding this letter, please contact Children’s HealthWatch: Stephanie Ettinger de Cuba, [sedc@bu.edu](mailto:sedc@bu.edu), or Allison Bovell-Ammon, [allison.bovell-ammon@bmc.org](mailto:allison.bovell-ammon@bmc.org).

Sincerely,



Megan Sandel MD, MPH  
Co-Lead Principal Investigator, Children's  
HealthWatch  
Boston, MA



Maureen Black, PhD  
Principal Investigator, Children's HealthWatch  
Baltimore, MD



Diana Becker Cutts, MD  
Co-Lead Principal Investigator, Children's  
HealthWatch  
Minneapolis, MN



Stephanie Ettinger de Cuba, MPH  
Executive Director, Children's HealthWatch



Félice Lê-Scherban, PhD, MPH  
Principal Investigator, Children's HealthWatch  
Philadelphia, PA



Deborah A. Frank, MD  
Principal Investigator and Founder, Children's  
HealthWatch  
Boston, MA



John Cook, PhD, MAEd  
Principal Investigator, Children's HealthWatch  
Boston, MA



Eduardo Ochoa Jr., MD  
Principal Investigator, Children's HealthWatch  
Little Rock, AR