In their study, Bovell-Ammon et al. present evidence suggesting that the expiration of monthly, unconditional cash transfers to households with children was associated with an increase in household food insufficiency. This study adds to a growing literature linking income with health-related outcomes, and it has important implications for debates about income support policy in the US.

In March 2021, the American Rescue Plan Act temporarily expanded the Child Tax Credit (CTC), incorporating several long-standing recommendations for addressing child poverty made by the National Academies of Science and others. The CTC benefit level was increased from $2000 per child to $3600 for younger children and $3000 for older children, and half of the credit was disbursed to families in recurring payments ($250-$300 per month per child) from July to December 2021; the other half was delivered in a single lump-sum payment at tax time. Eligibility for the credit was also extended to families with very little or no earnings, who are at the highest risk of food insufficiency. In 2021, more than 90% of US children (and their families) were eligible for the CTC, making it a nearly universal child benefit, similar to child allowance policies found in most other wealthy nations.

Prior evaluations conducted over the past year show that the expanded CTC effectively reduced child poverty, by an estimated 2.9 million children, and helped US families more consistently meet their and their children's basic material needs. Of particular public health importance, prior research has suggested that CTC payments were associated with reduced food insecurity and improved nutrition-related outcomes for children and their families. Given that the temporary expansion of the CTC expired without additional action from Congress, Bovell-Ammon et al. sought to assess whether food hardship increased among households with children after the monthly CTC transfers had ceased.

Using data from the US Census Bureau's Household Pulse Survey from July 2021 to July 2022, the authors applied difference-in-differences and event study models to estimate changes in food insufficiency among families before and after the last monthly CTC payment. Bovell-Ammon et al. estimate that as of July 2022, 6 months after the final monthly CTC payment, the absence of these recurring cash transfers was associated with a 25% increase in food insufficiency.

The authors also found that consequences of the CTC expiration were uneven. Increases in food hardship were greatest among households already experiencing disproportionate food insufficiency: low-income, single-adult, non-Hispanic Black, and Hispanic households with children. These results are consistent with prior research suggesting that the expanded CTC narrowed sociodemographic inequalities in material hardship and also with concerns that these gaps would widen after expanded CTC benefits had expired.

When the authors estimated effects over time, their analysis showed food insufficiency continuing to increase even in the period shortly after tax time (ie, the weeks and months during which families received the lump-sum portion of the CTC). This pattern contrasts with a previous evaluation of the impact of the Earned Income Tax Credit, which found that food insecurity decreased among children immediately after lump-sum receipt of the Earned Income Tax Credit. One mechanism that may have diminished the protective effect of the lump-sum payment was increasing food prices due to inflation over this period. Also, as Bovell-Ammon et al. note in their discussion,
recent literature posits that payment frequency may be important for the ways in which income transfers operate to affect hardship. The authors’ findings suggest the need for greater investigation into whether routine payments (eg, monthly transfers) offer distinct value by stabilizing income and helping families meet basic material needs in particular.

Overall, Bovell-Ammon et al1 suggest that unconditional cash transfers play a role in families’ health-related social needs, and their results have important implications for policy making in the area of income support. The 2021 CTC incorporated several reforms that made it somewhat exceptional in terms of how safety net assistance tends to be provided in the US. These reforms include the provision of cash payments in a monthly income stream and more inclusive eligibility, especially for children living in families with very low or no income. In the US, income support policy is largely in-kind (ie, noncash, such as Medicaid or vouchers for food purchases) and/or conditioned upon income and work, such that children at the very bottom of the income distribution are frequently excluded from receipt. Given scientific consensus that poverty and food insecurity are damaging for children’s long-term health,2 findings such as those by Bovell-Ammon and colleagues add to the urgency of income support policy reforms to consistently reach US children in the lowest income families.

REFERENCES