

## 2022 NYU Policy Case Competition

### *Domestic: Childcare Allowance*

#### **General Information:**

As part of the 2021 American Rescue Plan (ARP), the existing Child Tax Credit (CTC) was expanded to be more generous and to reach nearly all families in the United States.<sup>1</sup> This expanded benefit was one of the cheaper items in the ARP, but it had a large economic effect, reducing child poverty by roughly 30 percent.<sup>2</sup> Despite its success, the benefit has encountered political problems which have thus far prevented it from being renewed or made permanent after its expiration in 2021.<sup>3</sup> The uncertain future of the expanded CTC has led to alternative childcare benefits being proposed by politicians across the political spectrum.<sup>4</sup>

#### **What to Cover:**

Regardless of the issue(s) you choose to address, you should consider the following points and be prepared to answer questions in these particular areas during your presentation:

**Child Poverty:** Your policy must address how its CTC (or another child care benefit) will reduce the level of child poverty, or at least maintain the reductions from ARP's CTC.

**Differences from ARP CTC:** If your proposal is not simply an extension of the ARP's CTC, explain how your child care benefit is distinct from that policy.

**Political Feasibility:** Considering that political opposition has been the CTC's chief difficulty, explain how your policy proposal has the potential to bypass political gridlock.

#### **Points of Interest:**

The following points of interest may be used to guide research on your topic, but are not mandatory nor needed for a successful policy paper.

Subsidies vs. Direct Cash Benefits  
Implementation of the policy via the Social Security Administration

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<sup>1</sup> <https://www.nytimes.com/2022/01/02/business/economy/child-tax-credit.html>

<sup>2</sup> <https://www.povertycenter.columbia.edu/news-internal/monthly-poverty-november-2021>

<sup>3</sup> <https://www.nytimes.com/2021/12/21/us/politics/manchin-child-tax-credit-biden.html>

<sup>4</sup>

<https://www.clasp.org/publications/report/brief/understanding-child-care-and-pre-kindergarten-provisions-build-back-better>