

# Opportunity Wisconsin: Milwaukee Journal Sentinel- “How President Biden’s rescue plan could help poor kids in Wisconsin”

Posted on Wednesday, May 12, 2021

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

**MADISON, Wis.**— In case you missed it, last week the [Milwaukee Journal Sentinel published an opinion article](#) from Tim Smeeding, a Professor of Public Affairs and Economics at the La Follette School and former director of the Institute for Research on Poverty at the University of Wisconsin-Madison.

**KEY POINT: “Passed in March, the \$1.9 trillion American Rescue Plan offers the most sweeping anti-poverty package for children in U.S. history. The greatest benefit comes in the form of an expanded child tax credit, which estimates suggest will benefit 92% of all children in Wisconsin, including 140,000 poor kids.”**

**[Read more about how the American Rescue Plan helps Wisconsin families in this updated report from Opportunity Wisconsin.](#)**

**Milwaukee Journal Sentinel**

**[Opinion: How President Biden’s rescue plan could help poor kids in Wisconsin](#)**

May 5, 2021

By Tim Smeeding

The COVID-19 recession has increased poverty and insecurity, especially for minority and female-headed families in Wisconsin. But the Biden administration’s American Rescue Plan will have significant benefits for these families, and

particularly for Wisconsin's children.

A study from UW-Madison's Institute for Research on Poverty showed that Wisconsin's Black child poverty in 2018 was four times that of white child poverty — above 30%. Hispanic and other minority child poverty rates were almost twice as high as for white children. When the American Rescue Plan goes into effect, though, the state's Black child poverty rate is expected fall below 15%, while the Hispanic Latino child poverty rate should fall to 7% or 8%.

Passed in March, the \$1.9 trillion American Rescue Plan offers the most sweeping anti-poverty package for children in U.S. history. The greatest benefit comes in the form of an expanded child tax credit, which estimates suggest will benefit 92% of all children in Wisconsin, including 140,000 poor kids.

The Biden administration first added billions for hunger relief, including a substantial increase in "food stamps," known as FoodShare in Wisconsin. More importantly, the legislation increased the child tax credit from \$2,000 per child per year to \$3,000 for those 6 to 17 years old and \$3,600 for younger children. It made the child tax credit fully refundable to all families who qualify, with monthly payments for children from lower-income and working-class families starting this summer. The plan also added substantially to subsidized child care benefits such as Wisconsin CARES to allow lower-income families to more easily increase their work effort.

These policies will cut child poverty by more than half nationally and increase earnings among the lowest-income families. The child tax credit stabilizes incomes and reduces economic uncertainty month to month, at least for one year (though the Biden administration has pending legislation to extend it far beyond that). And while higher earnings mean paying a bit more for child care and receiving less in FoodShare benefits, the child tax credit is not reduced until incomes exceed \$112,000 a year.

Every low-income child in the United States with a Social Security number, including the 6.3 million children of immigrants born here, will benefit from the refundable child tax credit. The benefit also helps support 14 million children who are living in multigenerational "grandfamilies," many of them struggling to raise grandchildren when parents are not capable of doing so alone. The effects are especially helpful to poor Black children and other minorities.

Read more here: <https://www.jsonline.com/story/news/solutions/2021/05/05/how-president-bidens-rescue-plan-could-help-poor-kids-wisconsin/4925343001/>