

Statement from Natalie Foster, co-chair of Economic Security Project:

“The American Rescue Plan represents one of the largest expansions of direct cash policies in our country’s history.

Even before the pandemic, 40% of Americans couldn’t pay a \$400 unexpected expense. Then the bottom fell out. This bill recognizes that not only do we have to give families a boost to get back on their feet in this moment, but we need to begin to create an income floor that lifts up families that were struggling long before the pandemic.

Because of this bill, families with kids will start to receive regular cash payments to help pay bills, put food on the table, and buy needed medicines and school supplies. Nearly doubling the amount of the child tax credit and extending it to families with no income is expected to cut child poverty in half. And sending families payments monthly will mean they can pay bills when they need to, instead of one lump sum at the end of the year.

The direct checks in this bill will quickly send desperately needed money to most Americans. These checks have helped families pay for [food, gas and medicine](#), they’ve [kept millions from falling into poverty](#), and they’ve [given a boost to businesses](#). Over and over again we see that the quickest and most direct way to help people and the economy is by putting money directly into people’s pockets.

But the work isn’t done. The one-time \$1,400 checks will run out for many families in a couple of months, while millions are still expected to be out of work. Congress should tie checks and other relief to economic conditions, so that as long as people are struggling, they’re getting the relief they need. And Congress should make the one-year expansion of the child tax credit permanent so families don’t face a cliff in a year. We’ll keep pushing Congress and the Biden Administration to make sure families get the direct cash they need.”

Background:

Senators and economists are calling for tying checks to economic conditions:

- [16 Democratic Senators led by Senator Wyden](#) are collecting signatures for a letter to President Biden calling for automatic stabilizers for direct checks and unemployment insurance, so they continue as long as economic conditions indicate people require the support.
- Prominent economists [Darrick Hamilton and David Wilcox wrote an op-ed in MarketWatch](#) about how tying direct checks to economic conditions would help ensure a racially equitable recovery.

[A recent survey](#) shows \$600 checks nearly gone, \$1,400 checks will only last a couple months: A national survey of 1500 people who voted in the 2020 presidential election, by David Binder Research, conducted online Feb. 3-7, 2020, finds:

- Less than a month after receiving the \$600 checks, half of recipients had already spent it entirely, and another 20% had spent half or more.
- When asked how long a \$1,400 check would last them, nearly 60% said it would last them three months or less.