



The Honorable Lou DiPalma, Chair
Finance Committee
State House
Smith Street
Providence, RI 02903

Re: S2823

April 6, 2026

Dear Chairman DiPalma and members of the Committee:

I am writing this letter in support of Senate bill 2823 which would establish a child tax credit (CTC) in the amount of six hundred and fifty dollars (\$650) for eligible taxpayers adjusted for inflation annually commencing January 1, 2027. This bill will enhance the economic security of families with children, particularly those in lower- and middle-income brackets. Helping these families will contribute to preventing unnecessary child welfare involvement, reduce parental stress, and support the greater Rhode Island economy. The National Academies of Science, Engineering, and Medicine's 2019 report on reducing child poverty found that expanding the Child Tax Credit would be the single most effective policy for reducing child poverty. As we continue to address the impact of significant cuts from the federal government, state level strategies to reduce the number of Rhode Island children entering poverty will be critical.

Adoption Rhode Island is a nonprofit organization dedicated to promoting safety, permanency, and a sense of belonging in foster and adopted children, vulnerable youth, and families through compassionate services, education, and advocacy. We have served many thousands of children and families impacted by trauma in our child and family serving programs for more than 40 years. We know that entering foster care is traumatic. We advocate to prevent children from being removed from their families whenever that is safely possible. There is robust research that shows that expanding tax credits are protective against child welfare involvement. Evidence suggests that these tax credits primarily act as a protective factor against neglect. The CTC reduces maltreatment by addressing the root causes of family stress and material hardship.

There is a large body of evidence showing that economic assistance programs reduce major disruptions in the form of poverty, income volatility, and food insecurity. This proposal represents one of the most direct and evidence-based strategies to reduce child poverty, support working parents, and strengthen Rhode Island families. Families use these payments to cover necessities such as housing, food, and childcare.

Research indicates a direct link between the financial relief provided by the CTC and improved mental health outcomes for caregivers. While the CTC benefited many, certain groups experienced more significant improvements. The largest decreases in depression and anxiety were observed in low-income households. Improvements in mental health symptoms were particularly pronounced among Black and Hispanic families, who often have fewer financial buffers.

Child tax credits contribute to the overall economy by increasing consumer spending among families likely to spend immediately on necessities. This influx of cash supports local businesses and jobs. Furthermore, by reducing child poverty, the credits improve long-term economic outcomes, leading to a more productive adult workforce that generates higher tax revenue.

In summary, I support establishing a child tax credit to improve child and family outcomes, prevent unnecessary child welfare involvement due to neglect, contribute to the overall economy, and to buffer the impact of federal cuts to services. Thank you for your consideration of this policy proposal.

Respectfully submitted,

A handwritten signature in black ink that reads "Darlene Allen". The signature is written in a cursive, flowing style.

Darlene Allen
CEO and Executive Director
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