

## Improving the Lives of Children and Families Through the Tax Code A Case Study

Every area of a child and family's life is impacted by the tax system. Investing in a more equitable tax system is a direct investment in improving outcomes for children and families across all domains. This case study is shares the story of a funder who invests in tax code and tax systems.

### *Making A Difference for Children Through Tax System Investments*

To achieve their mission to build a brighter future for our nation's children and youth, the Annie E. Casey Foundation knew that supporting tax policy efforts at both the federal and state levels was critical. Over the years, that investment has proven more than worth it. In 2021 the federal Child Tax Credit (CTC) was expanded as part of the American Rescue Plan, lifting nearly 3 million children out of poverty. And fifteen states have adopted state versions of the CTC, building on the power of the federal credit to improve outcomes for children.

"I think there's tremendous opportunity for making strides when it comes to equity through this work," said Michael Cassidy, director for policy reform and advocacy at the Annie E. Casey Foundation.

The foundation funds organizations working on tax systems issues at both the federal and state levels. Their federal policy grantees include organizations who

conduct independent, credible policy research and analysis to inform improvements to tax policies. For example, in 2019, the foundation funded six organizations to implement strategies and tactics to expand or create a state earned income tax credit (EITC) benefit for young workers. The foundation's state-based grantees are engaged in policy and advocacy work in all 50 U.S. states, the District of Columbia, Puerto Rico, and the Virgin Islands, and their network of state fiscal analysis grantees conduct critical state budget and tax analysis to improve state policy and budget decisions.

Cassidy noted the creativity, nimbleness, and persistence of the foundation's grantees, who are constantly responding to changing policy environments and legislative chambers, always prepared for windows of opportunity as they arise, and never give up on work that can take years and years to have an impact.

In addition to the foundation's grant-based investments, they also run the Kids Count Data Center, which produces reliable data and statistics on the educational, social, economic, and physical well-being of children. This information is used to develop policy recommendations and tools that help advance children's well-being in these areas.

For other funders looking to engage in tax systems work, Cassidy pointed out that their existing priorities likely have a direct connection to tax policy work.

"You should care about tax policy even if the focus of your work historically has been, let's say, programmatic investments," Cassidy said. "All of that relies on public investments. The philanthropic sector cannot do this work alone."

To that point, Cassidy also noted that tax policy work is a very collaborative space for funders. Funders with different goals and priorities come together to support various aspects of the work that align with their expertise, he explained. Together, they create a collective impact.



**Michael Cassidy**

Director of Policy Reform & Advocacy  
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