

## TALKING POINTS: The Child and Dependent Care Tax Credit

### THE ASK TO STAFFERS

Please urge your Boss to support efforts to **modernize the Child and Dependent Care Tax Credit** as part of any tax legislation this year.

### TOP THREE POINTS TO MAKE

- The [Child and Dependent Care Tax Credit](#) (CDCTC, also known as the **Family Care Credit**) is the only tax credit that specifically helps working parents offset the cost of child care but it hasn't been updated since 2001 - **more than 20 years!** - so it has not kept up with the cost of child care.
- With major provisions of the Tax Cuts and Jobs Act of 2017 expiring in 2025, **Congress has a prime opportunity** to make changes to the CDCTC this year to better support working families with small children.
- This is a **win/win/win**. Making child care more affordable and accessible for families with little ones not only provides young children with vital opportunities to learn and grow, it also strengthens family finances, supports a thriving workforce, and boosts the economy.

### A FEW SUPPORTING POINTS

- Along with robust federal funding for child care programs, **tax reform is an important tool** in helping more working families find and afford the child care options they need.
- Families with young children **need support NOW**. They can't push pause on their child care needs and hope to deal with it a few years down the road - kids don't work like that!
- There is strong support among both **Republicans and Democrats** for updating the CDCTC. In a 2024 [national poll](#) from FFYF, 76% of voters support increasing the CDCTC, including 62% of Republicans, 74% of Independents, and 92% of Democrats.
- And many lawmakers – both [Republicans and Democrats](#) – proposed legislation to [modernize the CDCTC](#) in the previous Congress, meaning the current Congress wouldn't need to start from scratch.

### BY THE NUMBERS

- **22.9 million:** Number of children ages 0-5 in the United States.
- **65%:** Percent of these children who live in a home where all the adults are working.
- **\$587:** Average annual amount families receive from the CDCTC benefit.
- **\$3,500:** Average annual cost of child care in 2001, when the CDCTC levels were set.
- **\$11,600:** Average annual cost of child care today - more than triple what it was in 2001.

### A NOTE: The Child & Dependent Care Tax Credit and the Child Tax Credit are different. Families need both.

- Many advocates also talk about the Child Tax Credit (CTC) as a benefit to help families. It's important to understand that the CDCTC and CTC [support families in very different ways](#). **Families need both.**
- The Child Tax Credit (CTC) can be used by families to offset any costs associated with raising a child, like food, rent, clothes, medicine, diapers, etc. It plays an essential role in helping to lift families out of poverty.
- The Child and Dependent Care Tax Credit (CDCTC) specifically helps working parents offset the cost of child care and puts parents in the driver's seat to help ensure families can choose the type of care that works best for them.