Some Kids Are Worth Less: The Neoliberal Politics of Indirect Social Spending

Bayley Connors (bayleyc@bu.edu), Professor Cathie Jo Martin

Boston University, Department of Political Science, Boston, MA

Child Poverty in America

- One out of five children younger than six lives in poverty.
- Nearly three-quarters of children living in poverty are children of color.
- Poverty rates are the most extreme for younger age groups – infants, toddlers, and preschoolers.

Anti-Child Poverty Policy in America

- The child tax credit provides some parents with a $2,000-per-child annual benefit through the tax code.
- The credit is upwardly regressive. In 2018, the top income quartile earned $900 more on average from the child tax credit than the lowest income quartile.
- Families who do not file taxes or who do not earn more than $2,500 do not qualify for the child tax credit.

Past Approach

- From the Great Depression to the 1990s, low-income parents received direct cash payments through Aid to Families with Dependent Children.
- This program was defunded and transformed into Temporary Assistance for Needy Families (TANF) in 1996.
- Temporary Assistance for Needy Families operates on $16.5B annual budget. In comparison, the child tax credit will cost nearly $600B between 2018 and 2022.

Research Question

- Why have American policymakers chosen to pursue indirect solutions to child poverty over direct ones?
- In other words, why are we pretending as though the child tax credit will end child poverty?

Argument: Neoliberalism is to blame.

Neoliberal values are the causal mechanism for the embrace of indirect social spending in the United States.

- Political actors use neoliberal values to...
  - Divide people implicitly
  - Undermine the American welfare state
  - Increase support for regressive economic agendas

What is Neoliberalism?

- This thesis defines neoliberalism as the reliance of political actors on market means to achieve public goals.
- Neoliberal values refer to a set of vocabulary and norms that emphasize one’s relationship with the market.

Methods

- Using archives of The Congressional Record, this thesis crafts comparative case studies of the child tax credit and TANF.
- An original survey experiment of 850 adults was fielded. Quotas were used to ensure a representative sample with respect to age, income, race and ethnicity. Half of participants identified as Democrats, and half identified as Republicans.
- Participants were told what the Tax Cuts and Jobs Act of 2017 cost and achieved broadly. Some were additionally told that the legislation doubled the child tax credit.
- Participants were presented with a variety of policy proposals. Different target populations were primed among the groups. Beneficiaries were referred to as “families,” “hardworking American families,” “low-income parents,” or “welfare parents.”

Findings

- Political actors on both sides condition the distribution of anti-poverty aid on the market relationships of beneficiaries.
- A bipartisan moderate-conservative coalition consistently passes child tax credit reform within regressive economic legislation, which is often reframed as family policy.
- Priming neoliberal rhetoric increases support for policy proposals significantly, particularly among Republicans.
- Americans support direct spending policies. Even when told that taxes would increase, for example, 81% support a universal breakfast program.
- Most Americans know little of the child tax credit. Half falsely believe it most benefits low-income earners. More than 60% did not notice the changes made to the child tax credit by the Tax Cuts and Jobs Act, despite it being the largest instance of reform in the credit’s history.

Neoliberal values are the causal mechanism for the embrace of indirect social spending in the United States.

Figure 1 (Top Left). Participants were asked of their support for 2017 tax reform, with and without the child tax credit.

Figure 2 (Bottom Right). Participants were given different target populations and asked of their support for family allowance programs.

Full Thesis and References →