



Oregon Pediatric Society

A Chapter of the American Academy of Pediatrics. Incorporated in Oregon

DATE: May 30, 2023

TO: Sen. Mark Meek, Co-Chair
Rep. Nancy Nathanson, Co-Chair
Joint Committee on Tax Expenditures

FROM: Jennifer McCall, DO, FAAP
Oregon Pediatric Society member

SUBJECT: Support for HB 3235 – Oregon Kids’ Credit

I am Jennifer McCall, a newborn hospitalist pediatrician living and working in Portland, and a member of the Oregon Pediatric Society. We strongly support HB 3235, which would help alleviate a small portion of the huge financial burden felt by those already at the bottom of our economic ladder by providing a child tax credit (CTC).

What might families I work with do with a child tax credit? Many first-time parents don’t realize that it can cost at least \$150/month for diapers and wipes alone. Recently a young couple left my hospital with their newborn. They do not have family support: the mother is not originally from Oregon, so she doesn't have any family members nearby, and the father does not have close relationships with his family. The dad works at a minimum-wage paying job, which now has to support the three of them. The mom is planning on staying at home with her baby, since they cannot afford childcare and have one car. They are living in a house with several other roommates, and the mom mentioned how she was concerned about being discharged to her home because they have rats. The child’s dad had tried unsuccessfully to trap the rats, so they wanted help from an exterminator. A \$1,200 CTC would help this family immensely with basic needs and safety, since they are already struggling paycheck to paycheck.

More and more research is being done that shows the importance and impact of social determinants of health – such as income, enough food, housing, and early childhood development – on individuals and their overall health¹. A recent study was published looking at the effect of the CTC given during the COVID pandemic on the mental health of both adults and children. The study showed that the CTC not only alleviated food insufficiency, but it also improved mental health in both age groups, especially in the most marginalized.² Through the CTC, people

¹ https://www.who.int/health-topics/social-determinants-of-health#tab=tab_1

² Effects Of The 2021 Expanded Child Tax Credit On Adults’ Mental Health: A Quasi-Experimental Study. <https://doi.org/10.1377/hlthaff.2022.00733>

were given a small amount of breathing room, leading to improved mental health, which is really remarkable. When the necessities of life are covered, levels of stress are reduced, and people can go beyond survival and even thrive.

Another ongoing study is looking at the brain activity of infants after their mothers are given either a small or large monthly monetary gift for up to the child's age five. The results after the first year of income intervention have been published, and they are quite promising. The areas of children's brains associated with thinking and learning were more active in the group receiving the large gift.³ By alleviating financial stressors, mothers are able to focus their energies more fully on their infants, changing the dynamics in which they interact. These increased positive interactions lead to increased activity in the areas of the brain associated with language, cognitive, and social-emotional development. A cultural shift upstream like this could positively affect the downstream problems people contend with today—like addiction and mental health problems—by improving early childhood development.

The US spends more on health care than any other developed nation, but we have poorer health outcomes⁴. A recent meta-analysis of peer-reviewed literature demonstrates that interventions in the areas of housing, income support, and nutritional support have improved health outcomes⁵, which can lead to an overall decrease in health care expenses, not to mention a better quality of life for those involved.

Research in this area of health is burgeoning, and I believe will continue to demonstrate how reducing poverty improves health outcomes and quality of life. The Oregon Pediatric Society and I urge you to support HB 3235 to which leads to better child and family health, lower health care costs long-term, and improvements in the overall mental health and robustness of society at large.

³ The Impact of Poverty Reduction Intervention on Infant Brain Activity. <https://doi.org/10.1073/pnas.211564911>

⁴ The Commonwealth Fund <https://www.commonwealthfund.org/publications/issue-briefs/2023/jan/us-health-care-global-perspective-2022#:~:text=In%202021%2C%20the%20U.S.%20spent,higher%20than%20in%20South%20Korea.>

⁵ Leveraging the Social Determinants of Health: What works? <https://doi.org/10.1371/journal.pone.0160217>