

# What Did Federal Spending on Children Look Like in Fiscal Year 2024?

## Implications for Future Spending on Children after OBBBA

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Public spending on children—delivered through tax provisions, in-kind benefits (e.g., food assistance and health insurance), and cash payments—has short- and long-term benefits for children’s well-being and society more broadly (Maag et al. 2023). As part of the [Kids’ Share: Analyzing Federal Expenditures on Children](#) project, researchers at the Urban Institute calculate annual estimates of public spending on children across these categories.

This brief describes federal spending on children for FY 2024, contextualizing it within the broader federal budget and spending trends. Federal spending on children, a majority of which comes from tax provisions and health programs, has declined—both as a share of the budget and per capita—relative to spending levels during the COVID-19 pandemic. Under the One Big Beautiful Bill Act (OBBBA), we expect future spending on children to continue declining.

### How Much of the Federal Budget Goes to Spending on Children?

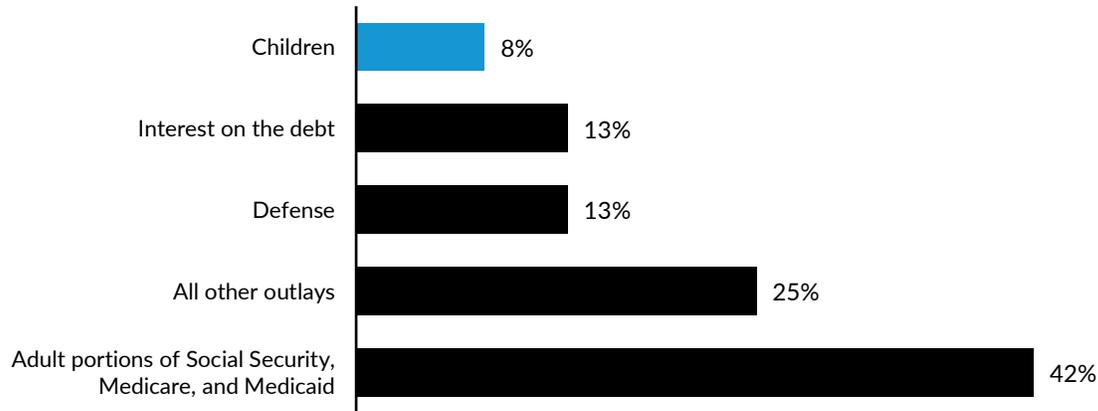
In FY 2024, out of the \$6.75 trillion spent by the federal government, just 8 percent was invested in children (figure 1). In recent decades, the average share of the budget that went to children was between 9 and 10 percent (Hahn et al. 2024)—this amounted to a decline of over \$25.8 billion in inflation-adjusted dollars from FY 2023 to FY 2024.

Spending on adults’ Social Security, Medicare, and Medicaid benefits has long made up the plurality of budget outlays (Hahn et al. 2024) and is expected to increase in the future, given the nation’s aging population.<sup>1</sup> Likewise, interest payments on the national debt, which recently surpassed spending on children as a share of the federal budget (Hahn et al. 2024), are projected to grow sharply over the next decade, fueled in part by the increased federal borrowing under OBBBA.<sup>2</sup> With spending in both of these categories likely to rise, if there is no comparable increase in federal investments on children, the share of federal spending on children will likely decline further (Crandall-Hollick et al. 2025).

FIGURE 1

## Spending on Children Made Up Just 8 Percent of FY 2024 Federal Spending

Share of federal budget outlays spent on children and other categories in fiscal year 2024



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**Source:** Authors' estimates are based primarily on budget outlays from OMB (2025a). Spending on children and adult portions of Social Security, Medicare, and Medicaid are based on methodology described in Phillips and colleagues (2024). See the "Methods" box below for additional information.

**Notes:** Percentages may not sum to 100 percent because of rounding. Federal spending includes the refundable portions of tax credits; tax deductions are not included.

### How Has Federal Spending on Children Changed in Recent Years?

Inflation-adjusted per capita federal spending on children has fallen to almost prepandemic levels. In FY 2024, the federal government spent an average of \$6,860 per child on programs and the refundable portions of tax credits, and the value of federal tax reductions that benefited children averaged \$1,710 per child (figure 2). This totals to \$8,570 in federal investments for each child.

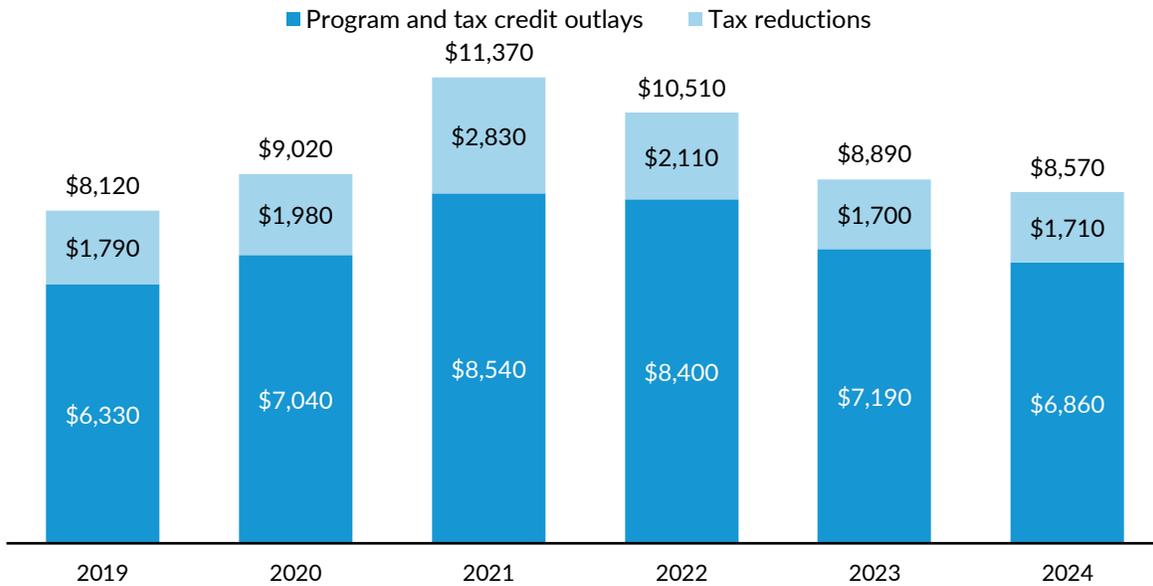
Spending on children reached a high during the pandemic because of the unprecedented level of federal investment in pandemic recovery efforts.<sup>3</sup> This increase in federal investment coupled with unemployment insurance and state programs reduced child poverty by 81 percent in 2021 compared to what it would have been without any of these programs (Wheaton, Giannarelli, and Dehry 2021). Reducing child poverty is associated with improved health, education, and child well-being outcomes (Drake and Williams 2022; NASEM 2019) and greater economic productivity (McLaughlin and Rank 2018), suggesting that this greater spending on children during the pandemic likely benefited children and the broader economy.

With the expiration of many pandemic recovery efforts, federal spending on children fell dramatically. At the same time, child poverty increased, reversing the positive outcomes that resulted from the elevated spending (Trisi 2024). Future federal spending on children—and corresponding changes to the child poverty rate and child outcomes—will be influenced by OBBBA; with certain key programs facing substantial cuts, spending on children will likely continue its downward trajectory, especially for children from families with low incomes.<sup>4</sup>

FIGURE 2

**Per-Child Spending Has Decreased to Almost Prepandemic Levels**

Estimates of federal expenditures per child in 2024 dollars by expenditure type, 2019–24



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**Source:** Authors’ estimates are based on methodology described in Phillips and colleagues (2024). All estimates are adjusted for inflation using GDP data from CBO (2025) and OMB (2025b) and adjusted for the annual child population based on data from the US Census Bureau (2025). See the “Methods” box below for additional information.

**Notes:** “Program and tax credit outlays” refers to direct spending on federal programs and the refundable portions of tax credits. “Tax reductions” refers to reductions in tax liabilities due to other provisions in the tax code, such as deductions, exemptions, exclusions, and the portion of refundable tax credits that offset income tax liabilities. See Hahn and colleagues (2024) for more information.

**What Programs Make Up the Federal Government’s Spending on Children?**

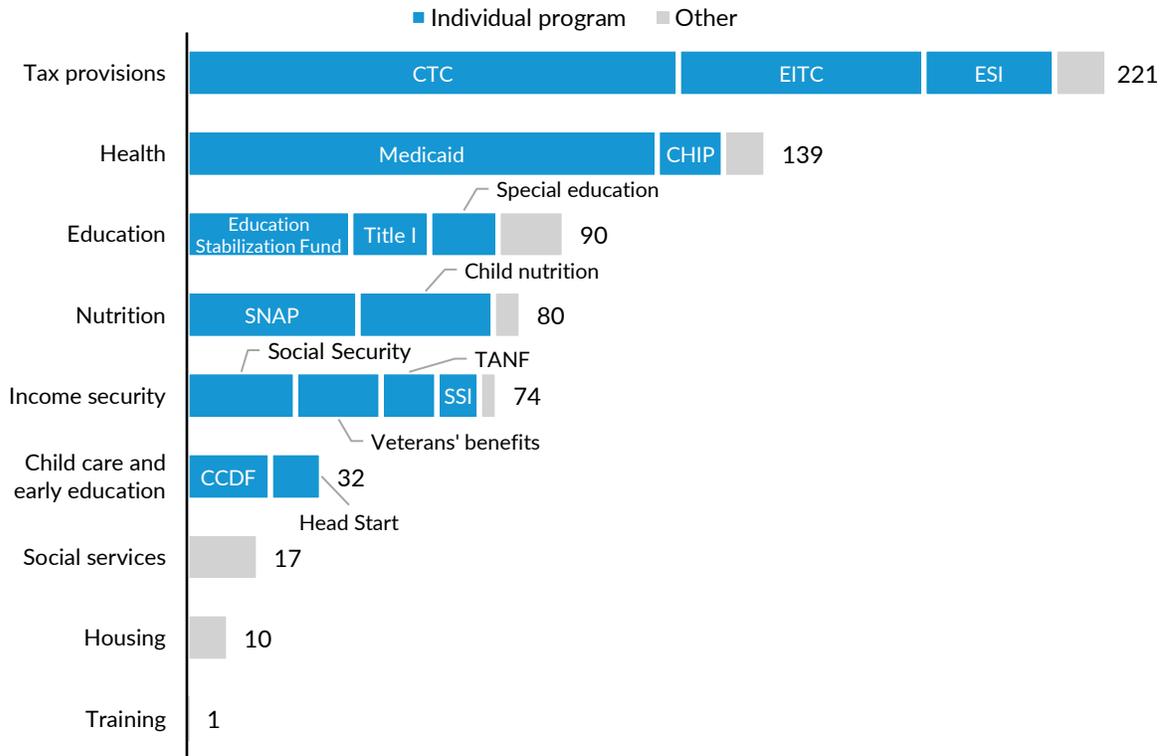
Tax provisions—encompassing reductions in tax liability and the refundable portions of tax credits—are the largest category of spending on children, making up \$221 billion of the over \$665 billion spent on children in FY 2024 (figure 3). Over half of spending in this category is on the child tax credit. Under the OBBA, the benefits of this credit will shift to middle- and higher-income families because the law increases the maximum credit, for which low-income families do not qualify (Maag and Crandall-Hollick 2025).

Outside of the tax system, Medicaid and the Supplemental Nutrition Assistance Program (SNAP) are the two largest spending programs for children. Medicaid provides health coverage to about 40 percent of all children and over 80 percent of children in poverty,<sup>5</sup> while SNAP serves about 20 percent of children in the US (Llobrera and Nunez 2025). Despite these programs’ positive outcomes for children,<sup>6</sup> OBBA’s more stringent requirements could reduce or eliminate the benefits some families with children receive (Wheaton et al. 2025). As a result, spending on children from these programs may fall in the coming years.

FIGURE 3

### Tax Provisions Made Up the Largest Amount of Spending on Children, Followed by Health

Estimates of FY 2024 federal expenditures on children by category and major programs, in billions of 2024 dollars



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**Source:** Authors' estimates are based on methodology described in Phillips and colleagues (2024) and expenditure data from OMB (2025a). See the "Methods" box below for additional information.

**Notes:** Programs with spending under \$10 billion are not shown separately but are included as part of "Other" and in the totals by category. These programs are listed in Hahn and colleagues (2024, table 1). CCDF = Child Care and Development Fund; CHIP = Children's Health Insurance Program; CTC = child tax credit (including tax liability reductions and the refundable portions of the credit); EITC = earned income tax credit (including tax liability reductions and the refundable portions of the credit); ESI = exclusion from income tax on employer-sponsored health insurance; SNAP = Supplemental Nutrition Assistance Program; SSI = Supplemental Security Income; TANF = Temporary Assistance for Needy Families.

### What's Next for Public Spending on Children?

Initial analyses of OBBBA's impact on future spending indicate that some programs for children like the child tax credit will see increased expenditures, as will child care tax benefits, the adoption tax credit, and a temporary pilot program seeding tax-advantaged "Trump accounts," albeit to a much smaller degree. But these tax changes will be concentrated among middle- and higher-income families (Maag and Crandall-Hollick 2025), while changes to other programs like SNAP may reduce spending on children, in particular for those in families with low incomes.<sup>7</sup> Additional data projecting future spending will provide a clearer picture of spending levels for children and whether the composition of spending will shift across categories and programs, potentially affecting which children benefit the most. In forthcoming Kids' Share products, we will analyze projections of program expenditures to better examine the impact of the OBBBA and other changes on children's spending levels.

Investing in children has long-term benefits that extend to the broader economy and reduce government spending on social safety net programs (Maag et al. 2023). Still, federal policymakers have not prioritized funding programs that serve children: after a marked increase in spending during the pandemic, and the corresponding reduction in child poverty, spending on children is once again on a downward trajectory.

## METHODS

The Kids' Share project calculates annual estimates of the share of federal spending on children (Nikolopoulos and Crandall-Hollick 2025). We identify programs that benefit children or households with children and estimate the share of each program's expenditures that goes to children. Actual expenditures come from the annual federal budget appendix (OMB 2025a). Our sources to calculate the share of federal spending on children vary from program to program.

The methodology and data sources used for this year's calculations, including estimates of spending for FY 2019–23, are largely consistent with those described in last year's methodology report (Phillips et al. 2024). We adjust estimates of nominal expenditures from past years to account for inflation using GDP data from CBO (2025) and OMB (2025b). A methodology report for this year's calculations and data sources is forthcoming.

Federal budget outlays for categories other than spending on children are from OMB's historical tables (2025b). To calculate per-child expenditures, we divide inflation-adjusted expenditures on children by the total number of children up to age 18 in a given year (US Census Bureau 2025).

While Kids' Share typically pairs estimates of the most recent federal fiscal year for which data are available with projections on spending in future years, as of this writing, CBO has not yet published these projections. This means that the estimates in this brief do not account for changes in spending under the OBBBA. Our research team plans to produce these estimates once CBO data are available.

## Notes

- <sup>1</sup> Mark Mather and Paola Scommegna, "Fact Sheet: Aging in the United States," Population Reference Bureau, January 9, 2024, <https://www.prb.org/resources/fact-sheet-aging-in-the-united-states/>.
- <sup>2</sup> "Long-Term Impacts of the One Big Beautiful Bill Act," Budget Lab at Yale, June 6, 2025, <https://budgetlab.yale.edu/research/long-term-impacts-one-big-beautiful-bill-act>; and Phillip L. Swagel, letter to Jeff Merkley, "Effects on Deficits and the Debt of Public Law 119-21 and of Making Certain Tax Policies in the Act Permanent," Congressional Budget Office, August 4, 2025, <https://www.cbo.gov/system/files/2025-08/61466-DebtService.pdf>.
- <sup>3</sup> Julia B. Isaacs and Cary Lou, "The Pandemic Response Led to an Unprecedented Increase in Federal Spending on Children," *Urban Wire*, Urban Institute, November 17, 2021, <https://www.urban.org/urban-wire/pandemic-response-led-unprecedented-increase-federal-spending-children>.
- <sup>4</sup> Joshua Gotbaum and Sarah Calame, "How Children Are Treated in the One Big Beautiful Bill Act," Brookings Institution, October 21, 2025, <https://www.brookings.edu/articles/how-children-are-treated-in-the-one-big-beautiful-bill-act/>.
- <sup>5</sup> Elizabeth Williams, "5 Key Facts about Children with Special Health Care Needs and Medicaid," KFF, April 18, 2025, <https://www.kff.org/medicaid/5-key-facts-about-children-with-special-health-care-needs-and-medicaid/>.
- <sup>6</sup> For a summary of the literature about the impacts of Medicaid and SNAP on child outcomes, see Maag and colleagues (2023).
- <sup>7</sup> Joshua Gotbaum and Sarah Calame, "How Children Are Treated in the One Big Beautiful Bill Act," Brookings Institution, October 21, 2025, <https://www.brookings.edu/articles/how-children-are-treated-in-the-one-big-beautiful-bill-act/>.

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