

BRIEFING: The Overwhelming Benefits of Extending the Monthly Refundable Child Tax Credits:

Key findings on the poverty, hunger and inflation-fighting power of the CTC

Links to Resources

This briefing is co-sponsored by the Center for the Study of Social Policy, Children's Defense Fund, Children's HealthWatch, Coalition on Human Needs, Common Sense, Economic Security Project Action, Friends Committee on National Legislation, NETWORK Lobby for Catholic Social Justice, ParentsTogether, and UnidosUS.

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[The impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being: Findings from the Social Policy Institute's Child Tax Credit Panel \(Wave 2\).](#) Leah Hamilton, Stephen Roll, Mathieu Desnard, Elaine Maag, Yung Chun, Laura Brugger, and Michal Grinstein-Weiss. April 13, 2022

In a study published in April 2022 with the Global Economy and Development program at Brookings Institution, researchers at the Social Policy Institute at Washington University in St. Louis and Appalachian State University looked at the impacts of the 2021 expanded child tax credit on family employment, nutrition, and financial well-being. The researchers found that the monthly Child Tax Credit significantly improved the financial security of eligible families amid rising costs, even causing a sharp decline in households seeking high-cost financial services such as predatory payday loans and selling blood plasma.

[Monthly Cash Payments Reduce Spells of Poverty Across the Year.](#) Christal Hamilton, Christopher Wimer, Sophie Collyer and Laurel Sariscany, Columbia University Center on Poverty and Social Policy, May 2022 showed that monthly Child Tax Credits can lift [30% more children out of poverty](#) over the course of a year vs. lump sum.

[The Child Tax Credit Benefits Whole Families.](#) Children's HealthWatch, May 2022.

Data collected by Children's HealthWatch show low-income families with young children receiving CTC payments report higher rates of food security and parents being in excellent or good health. Despite these positive signs, their data show notable disparities in which families received the CTC – likely as result of structural racism and exclusions that should be rectified in future policymaking and implementation.

[Food insufficiency in families with children increased after expiration of Child Tax Credit monthly payments.](#) Allison Bovell-Ammon, MDiv¹ ; Nicole McCann, BA² ; Martha Mulugeta, MPH² ;

Stephanie Ettinger de Cuba, PhD, MPH¹ ; Julia Raifman, ScD² ; Paul Shafer, PhD²

¹ Children's HealthWatch, Boston Medical Center; ² Boston University School of Public Health. April, 2022.

Children's HealthWatch and researchers at Boston University School of Public Health analyzed data from the Census Household Pulse Survey and find Child Tax Credit payments that distributed monthly cash payments for children were associated with a 26% reduction in food insufficiency in households with children. [After the advance CTC expired, there was a 12% increase in food insufficiency in households with children in February 2022.](#)

[Child Tax Credit Recipients Experienced a Larger Decline in Food Insecurity and a Similar Change in Employment as Nonrecipients Between 2020 and 2021.](#)

Michael Karpman, Elaine Maag, Stephen Zuckerman, Doug Wissoker, Tax Policy Center May 2022. Using 2020 and 2021 data from the Urban Institute's Well-Being and Basic Needs Survey, researchers estimated changes in material hardship and employment for adults living with children who received advanced CTC payments and compared them with changes for adults with and without children who did not get the payments and found:

- Rates of food insecurity decreased from 26.1 to 20.0 percent for CTC recipients and from 24.7 to 22.4 percent for nonrecipients.
- Among CTC recipients, the decline in food insecurity was concentrated among adults with family incomes below 200 percent of the federal poverty line; their rate of food insecurity fell from 48.2 to 35.8 percent.

[Including Children in Immigrant Families in Policy Approaches to Reduce Child Poverty.](#)

Dolores Acevedo-Garcia, PhD; Pamela K Joshi, PhD; Emily Ruskin, MPA; Abigail N Walters, MPP; Nomi Sofer, PhD; Carlos A Guevara, JD, Academic Pediatrics, June, 2021.

This paper shows that due to immigrant exclusions from the social safety net, US citizen children in immigrant families benefit less from anti-poverty programs, despite having higher poverty rates than other children. This suggests the need to eliminate immigrant exclusions to ensure that all children benefit equitably from current and proposed enhanced anti-poverty programs.

[A Policy Equity Analysis of the EITC | diversitydatakids.org.](#)

Dolores Acevedo-Garcia, Abigail N. Walters, Leah Shafer, Elizabeth Wong, Pamela Joshi, Brandeis University, April, 2022. One group of children is systematically and disproportionately excluded from the EITC: children in immigrant families, who make up a full 44% of children in poverty. Nearly all of these children are U.S. citizens themselves, but those with a family member without a Social Security number are ineligible for the EITC.

[Federal Reserve Report on the Economic Well-Being of U.S. Households](#) (from the SHED survey conducted in November 2021) showing that fewer than one-third of households were not able to meet a \$400 emergency expense. The **Economic Security Project** then compared to its [Yougov poll](#) done last week showing that nearly half of households now could not meet that same \$400 emergency expense. Also see [tweet thread](#) from the Economic Security Project on Federal Reserve's SHED data showing that the percentage who could not rely on cash to meet a \$400 emergency expense was 32% in November and is 49% today.

Credit Where Credit is Due: Economic Security Project Action has compiled recent polling data, a new ad test, and brand new voter file modeling to help officials understand why it is in the strong political self-interest of CTC supporters to talk about fighting for the CTC and to use the CTC as an element in their public messaging.

Three Reasons Why Providing Cash to Families With Children Is a Sound Policy Investment.

Lisa Gennetian and Katherine Magnuson, Center on Budget and Policy Priorities, May, 2022.

Summary of evidence that cash can act as a stabilizing and protective force for families and can do so equitably in ways that can also increase returns on other public investments.

STATE DATA:

U.S. Census Bureau, Household Pulse surveys, calculations by the Coalition on Human

Needs: the following link to the most recent data (collected from April 27 – May 9, 2022) with data for the U.S., all states, and certain metropolitan areas (see tabs at the bottom of the Excel files to find states and metro areas). CHN has calculated percentages for findings by race/ethnicity and for people living with children or in households without children.

Food 1: **Food Sufficiency for Households, in the Last 7 Days, by Select Characteristics**

https://www.chn.org/wp-content/uploads/2022/05/Food1_week45_CHN_Modified.xlsx

Housing 1b: **Last Month's Payment Status for Renter-Occupied Housing Units, by Select Characteristics**

https://www.chn.org/wp-content/uploads/2022/05/Housing1b_week45_CHN_modified.xlsx

Housing 4: **Household Energy Use and Spending in the Last 12 Months, by Select Characteristics**

https://www.chn.org/wp-content/uploads/2022/05/Housing4_week45_CHN_Modified.xlsx

Spending 1: **Difficulty Paying Usual Household Expenses in the Last 7 Days, by Select Characteristics**

https://www.chn.org/wp-content/uploads/2022/05/Spending1_week45_CHN_Modified.xlsx

Comparing lack of food when families were receiving the Child Tax Credit (August, 2021) and after the monthly payments were discontinued (April-May, 2022), in selected states: Available here:

<https://www.chn.org/wp-content/uploads/2022/06/Food-1-35-36-Averaged-vs-Week-45-Food-Scarcity-Updated.xlsx>

If you would like these comparisons done for your state, please contact Nicolai Haddal, Coalition on Human Needs, nhaddal@chn.org.

50 state plus DC table showing Difficulty Paying Usual Household Expenses, comparing people in households with and without children, and also for Hispanic/Latino, Black and White. Census Bureau's Household Pulse data, calculations by Coalition on Human Needs, most recent data, survey conducted April 27 – May 9.

U.S Department of the Treasury:

Advance Child Tax Credit Payments Disbursed each Month, by State

- December 2021 [\[pdf\]](#) [\[excel\]](#)
- November 2021 [\[pdf\]](#) [\[excel\]](#)

- October 2021 [\[pdf\]](#) [\[excel\]](#)
- September 2021 [\[pdf\]](#) [\[excel\]](#)
- August 2021 [\[pdf\]](#) [\[excel\]](#)
- July 2021 [\[pdf\]](#) [\[excel\]](#)

[If Congress Fails to Act, Monthly Child Tax Credit Payments Will Stop, Child Poverty Reductions Will Be Lost](#), Kris Cox, Chuck Marr, Arloc Sherman, Stephanie Hingtgen, Center on Budget and Policy Priorities, December, 2021: state by state estimates on the impact of the expanded CTC expiration.