

The Child Tax Credit

Impacts and Lessons for Future Expansion

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**Center for the
Study of Social Policy**
Ideas into Action

- Why the CTC?
- Impacts of the Expanded CTC of 2021
- Lessons for Future Expansions





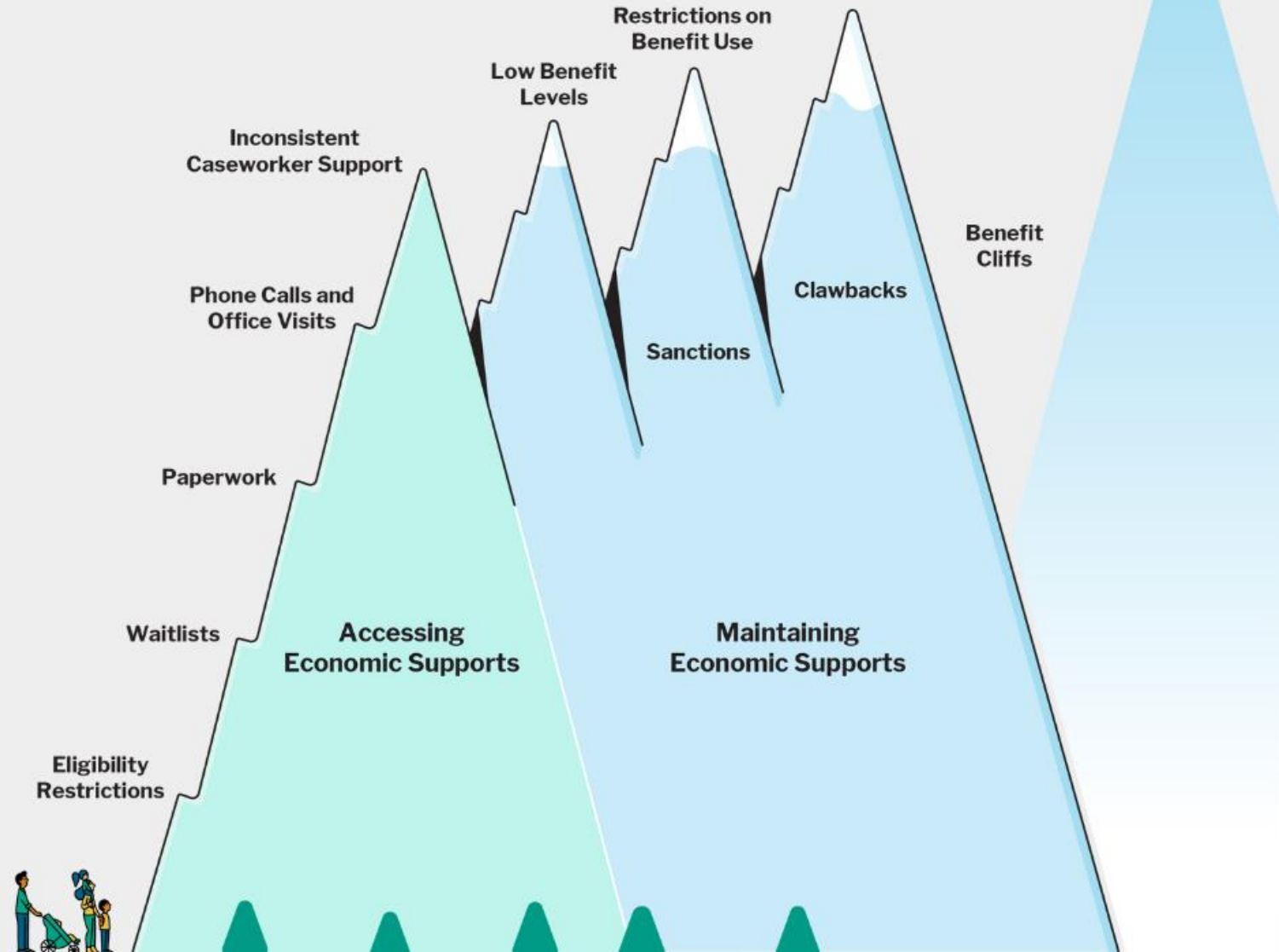
Why the CTC?

- High costs of raising children
 - \$310,605 from birth to the age of 17
- Importance of cash
- Delivering cash through the tax system has benefits...





ECONOMIC SUPPORTS ARE DIFFICULT TO ACCESS, PUTTING ECONOMIC SECURITY OUT OF REACH





“I know beggars can’t be choosers, but I feel like if we had better programs, maybe there wouldn’t be so much begging.”

-Tanya, mother in Arizona



Impacts of the
Expanded Child Tax Credit of 2021

CSSP's Research

In 2021-2022, CSSP conducted research to better understand the impacts of the expanded Child Tax Credit (CTC):

- **Interviewed** 45 parents and caregivers who identified as Black, Latinx/e, AAPI, and had low and moderate incomes in four states: MI, MS, NC, AZ.
- **Fielded a survey** of 1,930 parents and caregivers with at least one child under 18
 - 64% identified as Black, Latinx/e, AAPI, or Indigenous
 - 69% incomes under \$50k; 29% under \$25k

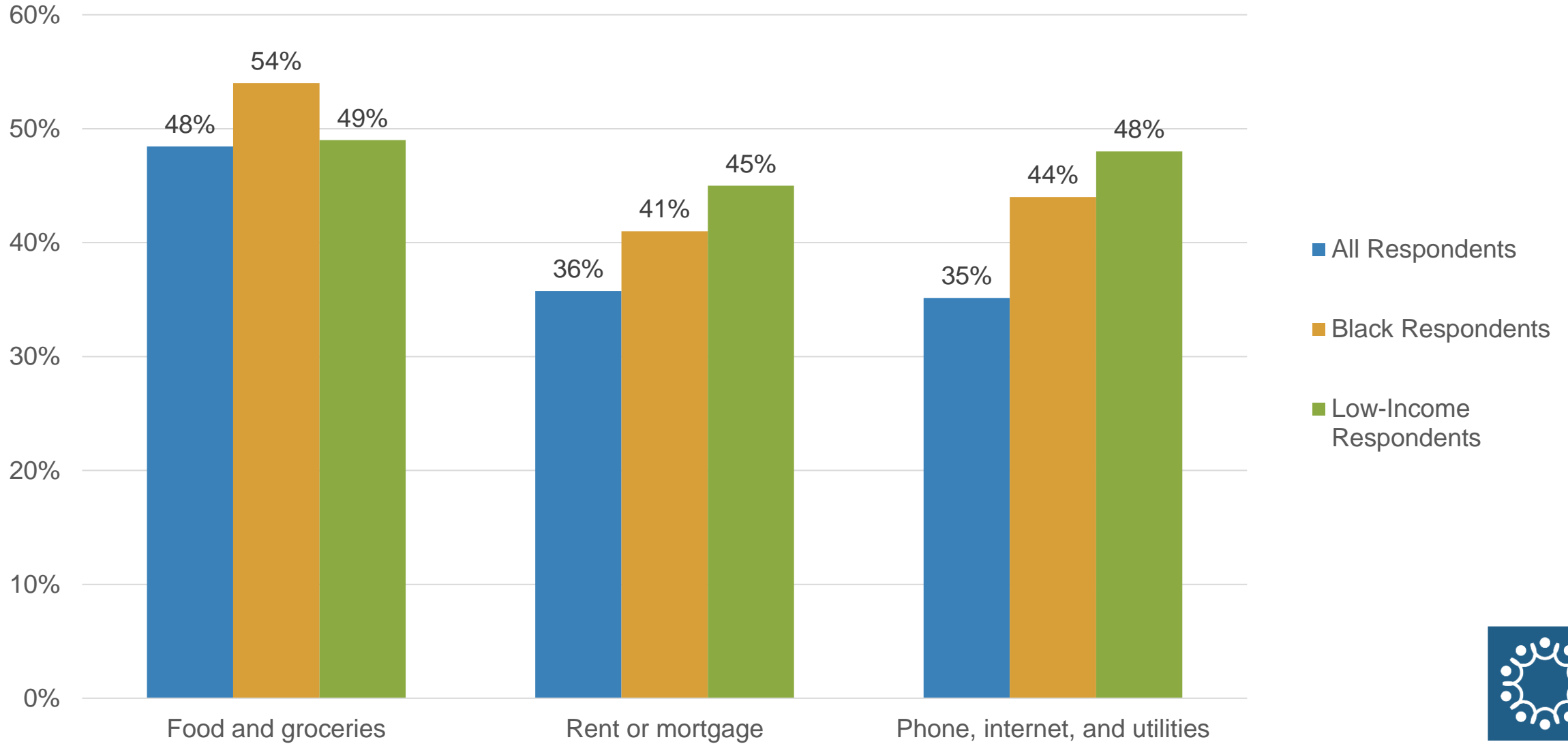


Did you receive any monthly CTC payments?

	All		Black		Latinx/e		White		\$0 - 25,000		\$25,001 - 50,000		\$50,001 - 75,000	
	n	%	n	%	n	%	n	%	n	%	n	%	n	%
Yes	1612	89%	704	87%	143	83%	550	90%	443	84%	644	90%	227	92%
No	209	11%	103	13%	30	17%	60	10%	83	16%	73	10%	21	8%



Top Three Uses of the CTC Were on Basic Needs





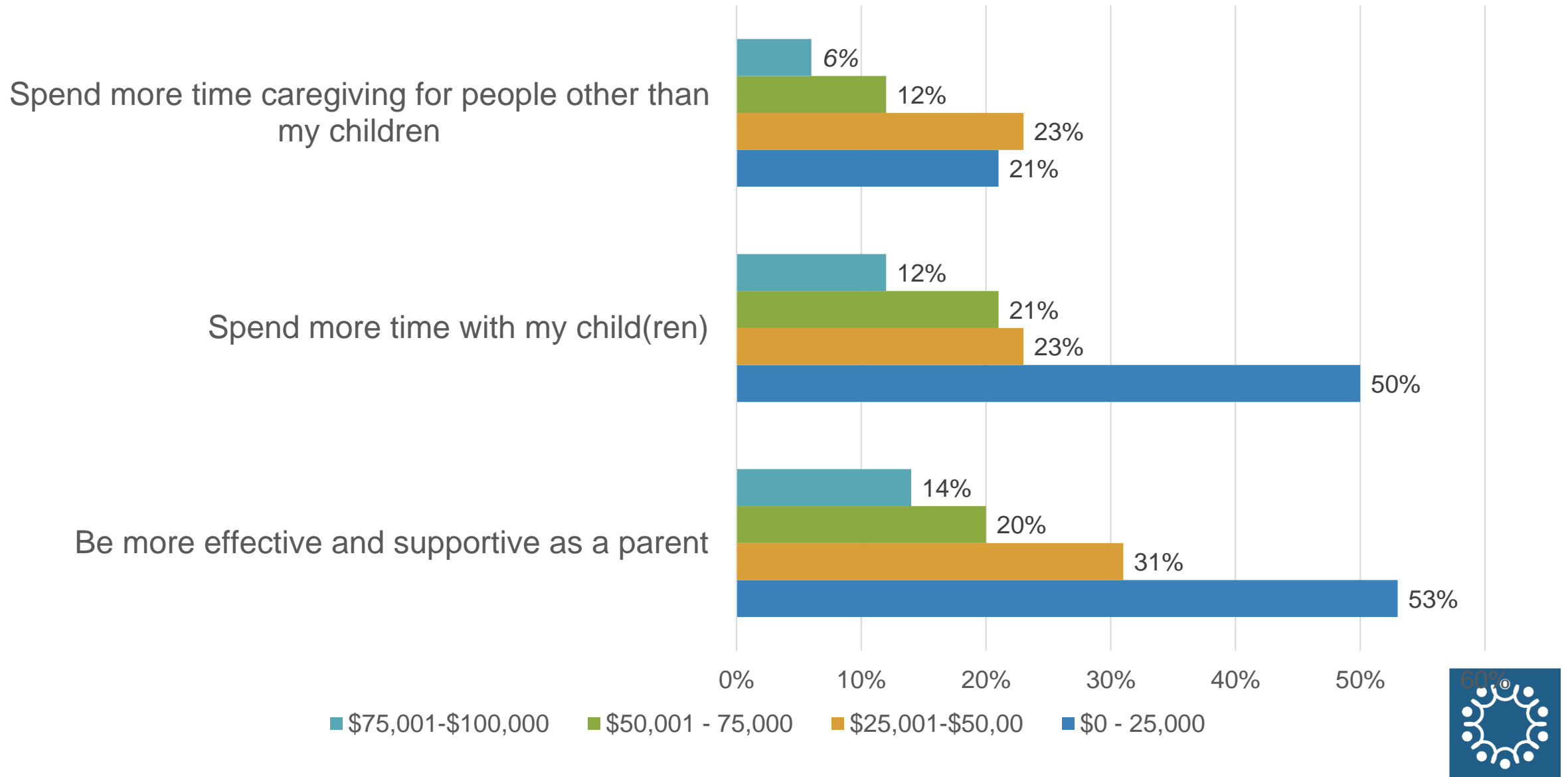
“I put \$500 towards my utility bills. I made sure that my car was suitable to get us back and forth. I was able to fix these little things. But now that I have the money, it was like okay now I can do the things that I need to do.”

-Eve, mother in North Carolina

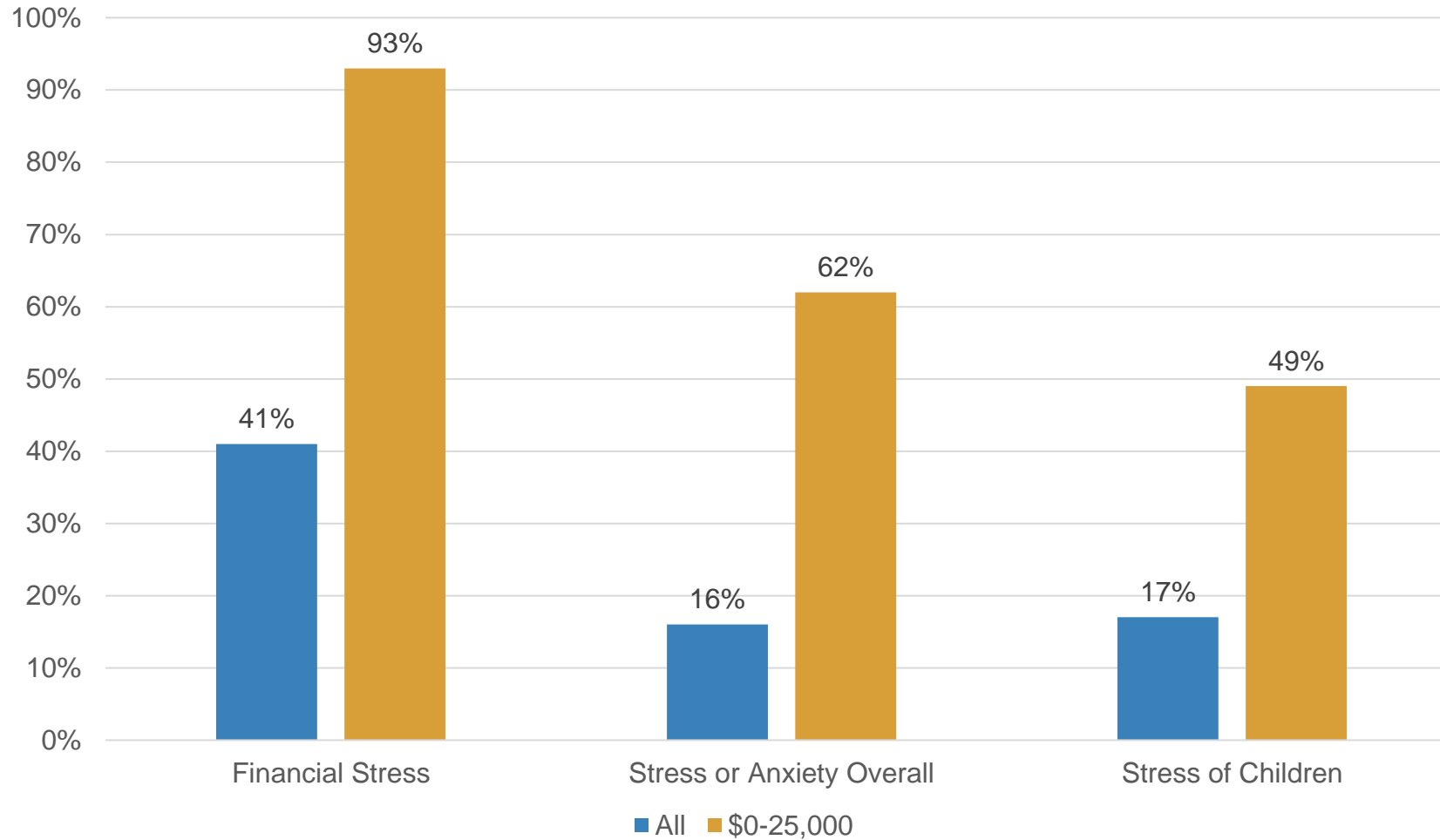
"I usually always pay my light bill on the 15th [of the month, when the CTC arrives], then I go and get her whatever she needs. Then once I do that, I usually just put the rest up for whenever we [are] out and she wants something—like she loves McDonald's."

-Symone, mother in Mississippi

The CTC Supported Parents in their Role as Caregivers



The CTC Reduced Stress, Especially for Families with Low Incomes





“Certain things, certain benefits you can only use it on this...So not having a restriction and really being able to gauge what our family needed that month without worry was super beneficial.... It was whatever we needed that month or if we just wanted to save it.”

-Amara, mother in North Carolina



“I think the average family is getting something that is well deserved, that's way overdue”... “[A lot of parents] are like ‘It’s a godsend.’ A lot of them feel like, ‘Okay, now we're getting a part of what it means to be an American.’”

-Michael, father in Michigan

Other CTC Research



- Access high
- Use on basic needs and to child-related expenses
- Reduced economic hardships
- Reduced stress and improved well-being

Helpful literature reviews:

Curran, [Research Roundup of the Expanded Child Tax Credit: One Year On](#), November 15, 2022

Fischer, Schild and Johnson, [Spending Responses to the Child Tax Credit](#), April 2024





Lessons for Future Expansion



Lessons from the Research

To effectively support families and advance equity, a future CTC expansion should:

- ❖ Include All Families
- ❖ Meaningful Amount
- ❖ Regular Payments
- ❖ Easy to Access
- ❖ Dependable



Child Allowance Principles



I have seen the impact of monthly CTC payments impact my community both professionally and personally. In working within the social services arena I have watched this payment change families' lives. It meant they could pay their utility bill, get a new pair of shoes for their children, and have enough food for their family.

For my family it meant making it to the end of the month without having to get gas groceries or other needed items on a credit card. It meant I could avoid the constant circle of high interest payments to get our basic needs met. I implore Congress to address the financial burden children and families in our county are facing and to bring back the monthly CTC payments.

-Kali Daughtery, [ABC Coalition Parent Advisory Board](#)



CSSP CTC Resources

- Three State-Specific Briefs:
 - [A 'Godsend': How Temporary Investments in the Child Tax Credit and Child Care Impacted Michigan Families](#)
 - ["We Don't Have that in Mississippi": How Temporary Expansions of the Child Tax Credit & Child Care Demonstrate the Importance of Federal Investments & Oversight](#)
 - [Where Do We Go From Here?: How Temporary Investments in the Child Tax Credit & Child Care Impacted North Carolina Families, and the Road Ahead](#)
- [Let Us Rise: How Parents and Caregivers Would Design a Permanent Child Allowance to Advance Racial and Economic Justice \(May 2023\)](#)
- [The Child Tax Credit & Family Economic Security: Findings from the Center for the Study of Social Policy's Survey of Families with Children \(October 2022\)](#)
- [Anti-Racist Child Allowance Landing Page](#)