

THE CHILD TAX CREDIT IS BUFFERING FAMILIES FROM FINANCIAL HARDSHIP

Since the start of the advance Child Tax Credit payments in July 2021, 76% of parents in our national survey report having received the payments. We have been asking parents how they use these payments and looking at how the payments are affecting families' financial situations and the emotional well-being of parents and children.

RAPID-EC has been collecting data about families' expectations for and use of the advanced CTC payments since June 2021. Our data show the payments are mitigating the experience of material hardship and helping families maintain financial stability.



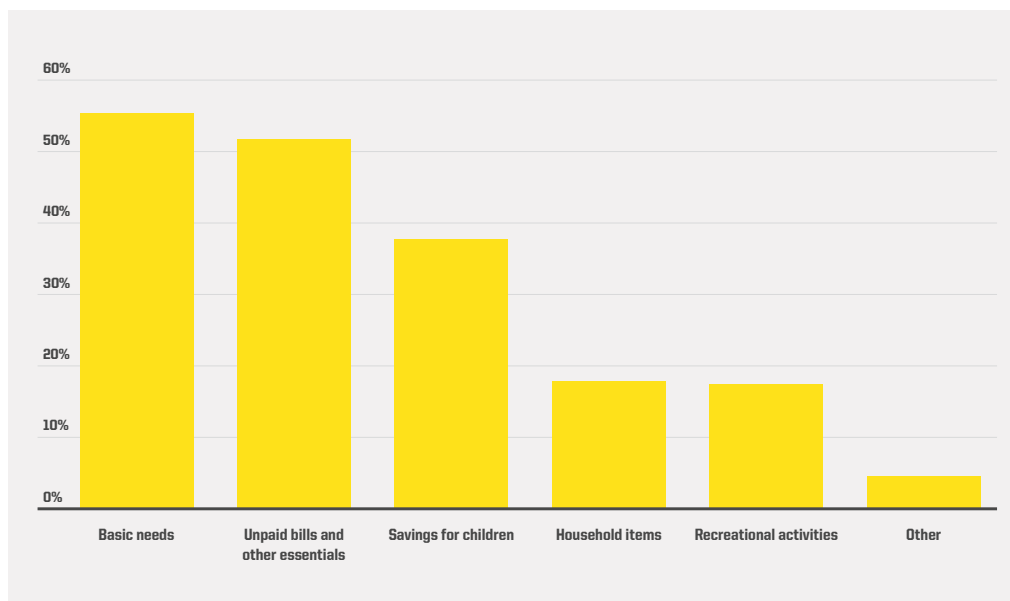
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A MAJORITY OF FAMILIES USE THE CTC FOR FOOD, HOUSING AND UTILITIES

Over half (55%) of families receiving the Child Tax Credit are using the payments to meet basic needs (e.g., food, housing, utilities, and telecommunications). Fifty-two percent are putting payments toward unpaid bills and other essentials (e.g., vehicle payments, credit card payments, child care); and child care accounts for 37% of the essential

costs in this category. Additionally, 38% report putting payments into savings for their children. Moreover, approximately one in five parents who receive the Child Tax Credit payments report using them to pay for household items (e.g., books, items for school, computer) (18%) and recreational activities (e.g., a family outing, vacation, camp for child) (17%).

How families use the Child Tax Credit payments*



“It helps a lot. [It has paid for] this month’s medical bills for the kids and for school books for one of my children.”
Parent in Tennessee

* The percent of parents who report spending some, most, or all of the CTC payments in specific categories are reported in these figures.

“[The payments] are helping me get back on track with bills.”
Parent in Massachusetts

DIFFERENCES ACROSS INCOME LEVELS IN HOW PARENTS ARE USING CHILD TAX CREDIT PAYMENTS

We compared families of different income levels, including lower-income (below 200% FPL), middle-income (between 200% and 400% FPL), and higher-income (above 400% FPL).

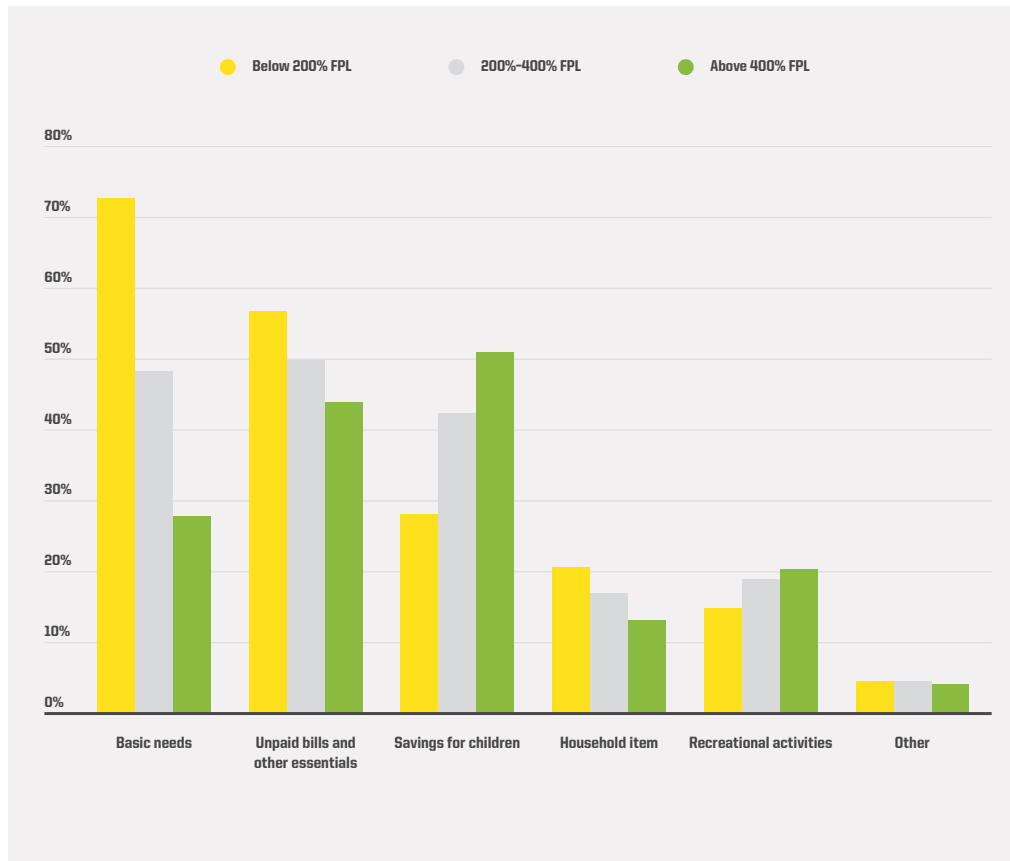
Lower-income families are more likely to use the Child Tax Credit payments to meet basic needs (73%) than middle- (44%) and higher-income families (28%). Lower-income families are also

“The Child Tax Credit has completely changed our lives! We are just now finally getting out from under water.”
Parent in Colorado

more likely to use Child Tax Credit payments to pay for unpaid bills and other essentials (including child care; 57%) than middle- (50%) and higher-income (44%) families. In contrast,

higher-income families are more likely to put Child Tax Credit payments in savings for their children (51%) as compared to middle- (42%) and lower-income (28%) households.

How families use the Child Tax Credit payments, by income levels



“It has made a major difference on our lives, as our income was recently severely decreased from \$4200/month to \$950 month.”
Parent in Washington

“It has helped us buy household items every month and a little goes towards family outings we can do together (finally).”
Parent in Indiana

THE CTC IS MITIGATING THE EXPERIENCE OF MATERIAL HARDSHIP AND HELPING FAMILIES MAINTAIN FINANCIAL STABILITY

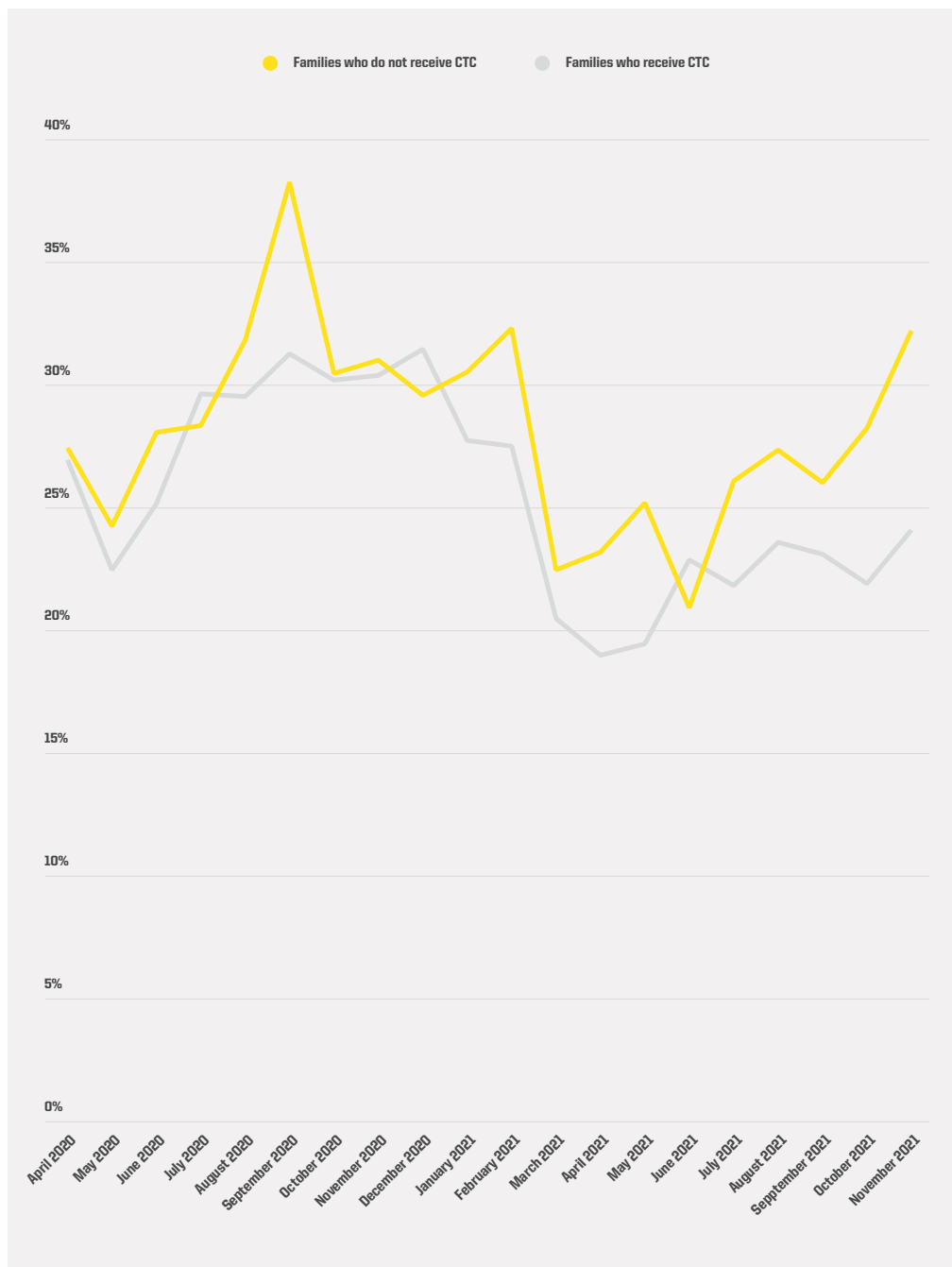
Families that have been receiving CTC payments are less likely to report experiencing material hardship compared to households that have not received the payments. In addition, the percent of families experiencing

material hardship (i.e., difficulty paying for basic needs) has **increased** for those not receiving CTC payments, while rates of material hardship have remained **stable** for those families receiving CTC payments.

This trend is particularly pronounced among lower-income families. Lower-income families that have been receiving the payments have experienced significantly less material hardship than those who have not received the payments. Among lower-income

families, those that have received the CTC payments have also been less likely to experience hardship over time than those that have not, indicating that the CTC payments are playing a role in preventing experiences of material hardship for lower-income families.

Trend of the percent of families who experience at least one material hardship, by whether they receive the Child Tax Credit payments



“The payments have been the only thing to keep me slightly afloat.”

Parent in Rhode Island

“The CTC payments have made preschool obtainable for our children.”

Parent in New Hampshire

“It’s made it so I’m not worried about money on a daily basis and I can pay for child care.”

State not given

ABOUT THE RAPID-EC PROJECT

These analyses are based on responses collected from 3,365 caregivers between the dates of July 21st, 2021 and November 16th, 2021. These caregivers represent a range of voices: 5.49% are non-Latinx Black/African American, 11.85% are Latinx, and 45.27% live at or below 200% of the federal poverty level. Proportions/percentages are calculated based on the item-level response rates, not on the total sample. The data for these analyses are not weighted.

The RAPID-EC project includes a survey of caregivers with children under age 6 and a survey of child care providers and other adults who care for children under age 6.

These surveys are designed to gather essential information continuously regarding the needs, health-promoting behaviors, and well-being of children and their families and important adults in their lives during the COVID-19 outbreak and recovery period in the United States.

Twice per month, RAPID-EC collects data from 1,000 caregivers and child care providers in all 50 states. The surveys are national in scope, though not technically nationally representative. RAPID-EC collects snapshots of data across time and can also assess trends longitudinally.

For more information about RAPID-EC study design and methods, see [here](#).

RAPID-EC is under the direction of Philip Fisher, PhD, Director of the Center for Translational Neuroscience at the University of Oregon

1,000+

surveyed bi-weekly

87

surveys

12,000+

unique households

50

US states

