Research Roundup:

What do we know about the expanded Child Tax Credit?

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What do we know about the expanded Child Tax Credit?
### Impact of the Expanded Child Tax Credit

<table>
<thead>
<tr>
<th>ACCESS</th>
<th>INCOME</th>
<th>POVERTY</th>
<th>SPENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reached over 61 million children, but outreach needed to newly-eligible children in low income families</td>
<td>Buffered family incomes amidst continuing pandemic &amp; uncertain economy</td>
<td>Significantly reduced child poverty (by approx. 30%) during the six months it was in place</td>
<td>Families spent it on basic household needs – most common item: food</td>
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</tbody>
</table>

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<th>HUNGER</th>
<th>STRESS</th>
<th>EMPLOYMENT</th>
<th>EQUITY</th>
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<td>Reduced food insecurity, particularly among families with lower incomes</td>
<td>Reduced financial stress and material hardship.</td>
<td>No evidence of reductions in parental work</td>
<td>Children of color stand to benefit the most</td>
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</tbody>
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### Findings

- By September 2021, checking account balances of families with low incomes were 70% higher (approx $1,000) than pre-pandemic. *(JPMorgan Chase)*

- The most common way families spent the Child Tax Credit was on food. This was true for families with incomes up to $150,000 & for families with incomes less than $35,000. *(Social Policy Institute & Center on Budget & Policy Priorities)*

- The initial Child Tax Credit payments reduced food hardship by 25%. *(Center on Poverty and Social Policy)*
Child Tax Credit Effects on Child Poverty

The fifth Child Tax Credit payment kept 3.8 million children from poverty in November.
The CTC’s anti-poverty effects have grown by 800,000 children since the first payment, which kept 3 million children from poverty in July.

Due to the Child Tax Credit, monthly child poverty rates have dropped.

*3.7 million children kept out of poverty in December 2021 with a December child poverty rate of 12.1%

Monthly Child Poverty During COVID-19

January 2020 to January 2022

- **Tax refunds delivered**
- **CARES Act enacted March 27**
- **$600 per week unemployment supplement expires**
- **Monthly Child Tax Credit payments begin**
- **Monthly Child Tax Credit payments end**
- **$300 per week unemployment supplement + stimulus checks + SNAP expansion**

Based on: Parolin, Curran, Matsudaira, Waldfogel, and Wimer (2020)
Access all results at: https://www.povertycenter.columbia.edu/forecasting-monthly-poverty-data
Thank you

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