

How are Arizona families using their Child Tax Credit payments?

Evidence from Census Data

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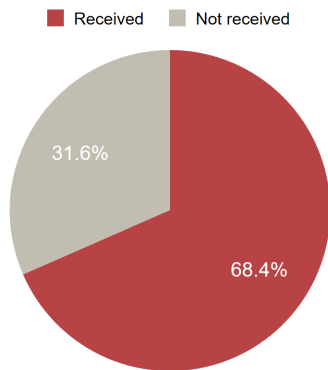
The temporary expansion of the Child Tax Credit (CTC) is projected to cut American child poverty by more than half. The CTC expansion provides families with \$3,600 for every child in the household under the age of six, and \$3,000 for every child between the ages of six and 17. The vast majority of U.S. families with children are eligible for the CTC.

In this research brief, we use data from the Census Household Pulse survey to examine how a representative sample of Arizona families making less than \$150,000 a year report using their CTC payments. This survey was administered between July 21st and August 16th, covering the period in which the first two CTC payments were deposited in families' bank accounts.

Key Finding 1: 68% of eligible AZ families received the CTC.

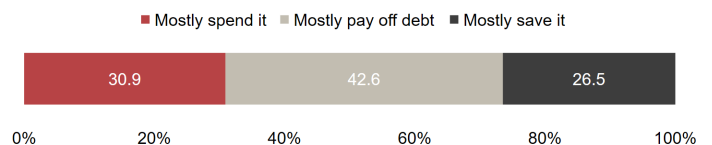
Key Finding 2: 43% of AZ families reported mostly using their CTC to pay down debt, 27% mostly saved their CTC, and 31% mostly spent it.

CTC receipt (AZ)



Sample size: 633

CTC and balance sheets (AZ)

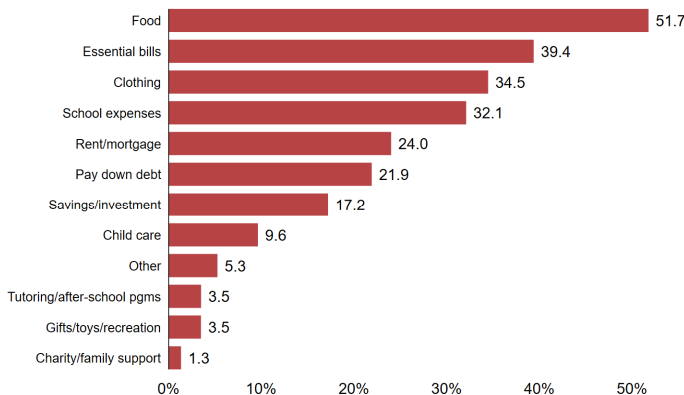


Sample size: 432

Key Finding 3: The most common uses of the CTC payments among AZ families were purchasing food for their family (52%), managing bills (39%), and paying for clothing and other essentials for their children (35%).

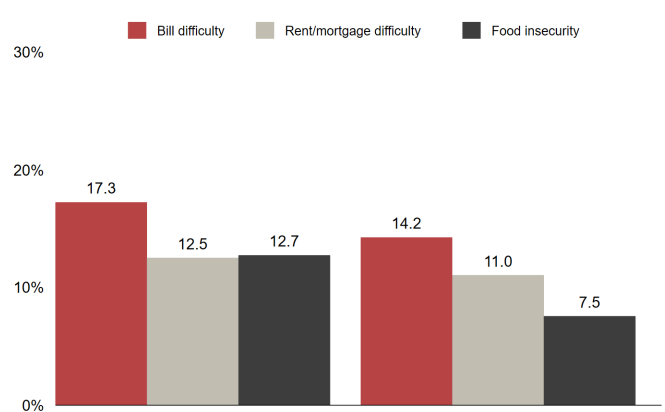
Key Finding 4: Eligible AZ families experienced lower rates of food insecurity, trouble with bills, and difficulty with housing payments after CTC payments went out.

CTC usage (AZ)



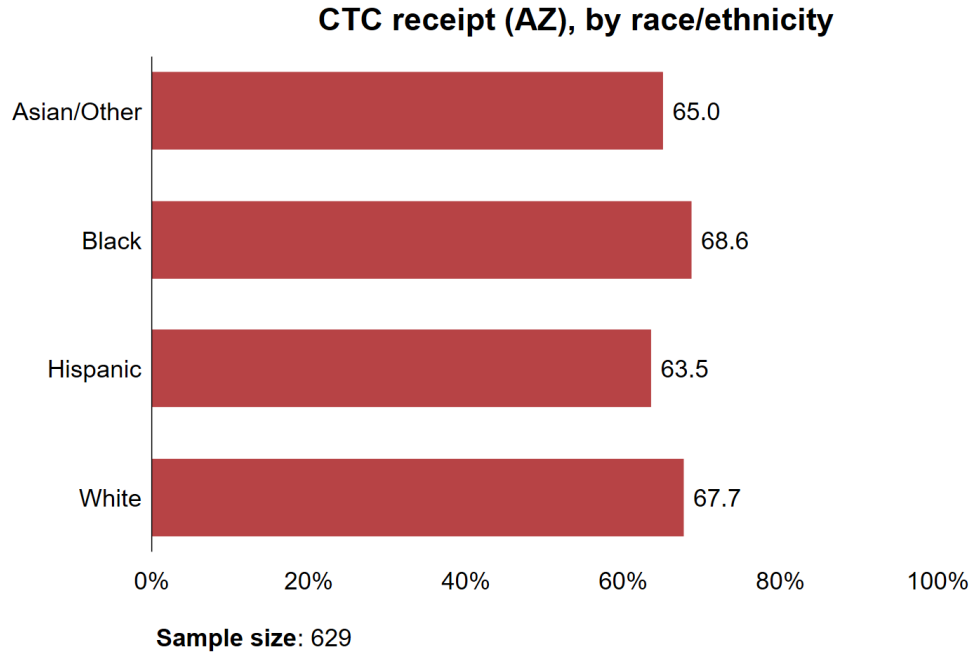
Sample size: 434

Financial hardship experiences (AZ)



Sample size (Pre-CTC, week 30-33): 1196; Sample size (Post-CTC, week 34-35): 633

Key Finding 5: Families of different races/ethnicities in AZ were similarly likely to receive the CTC (between 64% and 68%).



Key Finding 6: Black AZ families were more likely to mostly spend their CTC funds relative to other groups, while Hispanic families were more likely to report using their CTC payments to mostly pay down debt.

