

How are American families using their Child Tax Credit payments?

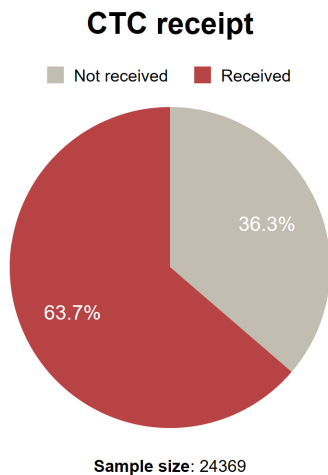
Evidence from Census Data

Stephen Roll, PhD; Yung Chun, PhD; Laura Brugger, MA; Leah Hamilton, PhD

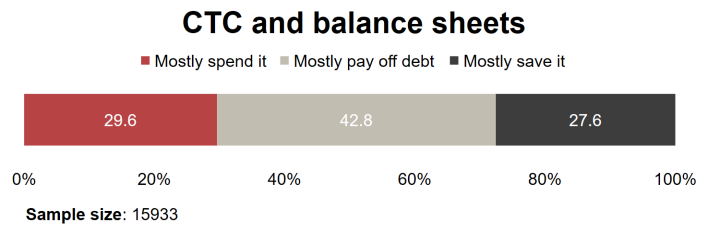
The temporary expansion of the Child Tax Credit (CTC) is projected to cut American child poverty by more than half. The CTC expansion provides families with \$3,600 for every child in the household under the age of six, and \$3,000 for every child between the ages of six and 17. The vast majority of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

In this brief, we use data from the Census Household Pulse survey to examine how a representative sample of CTC-eligible American 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.

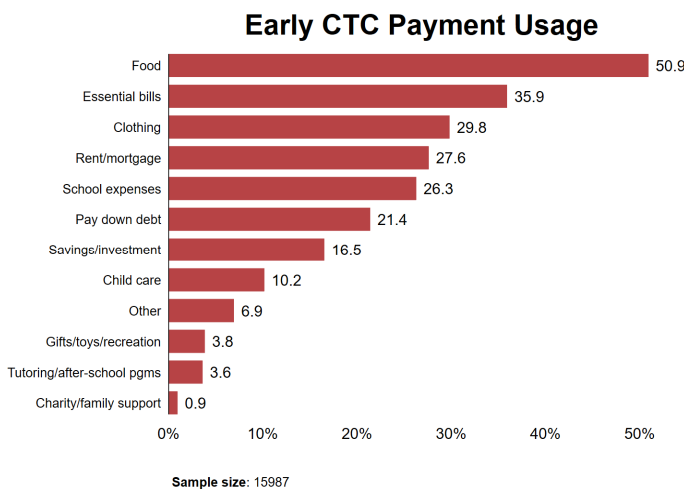
Key Finding 1: Almost two-thirds of eligible U.S. families received the CTC.



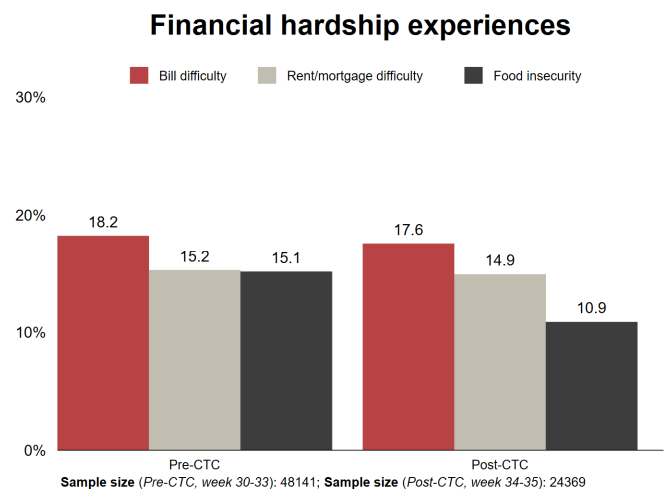
Key Finding 2: 43% of U.S. families reported mostly using their CTC to pay down debt, 30% mostly spent their CTC, and 28% mostly spent it.



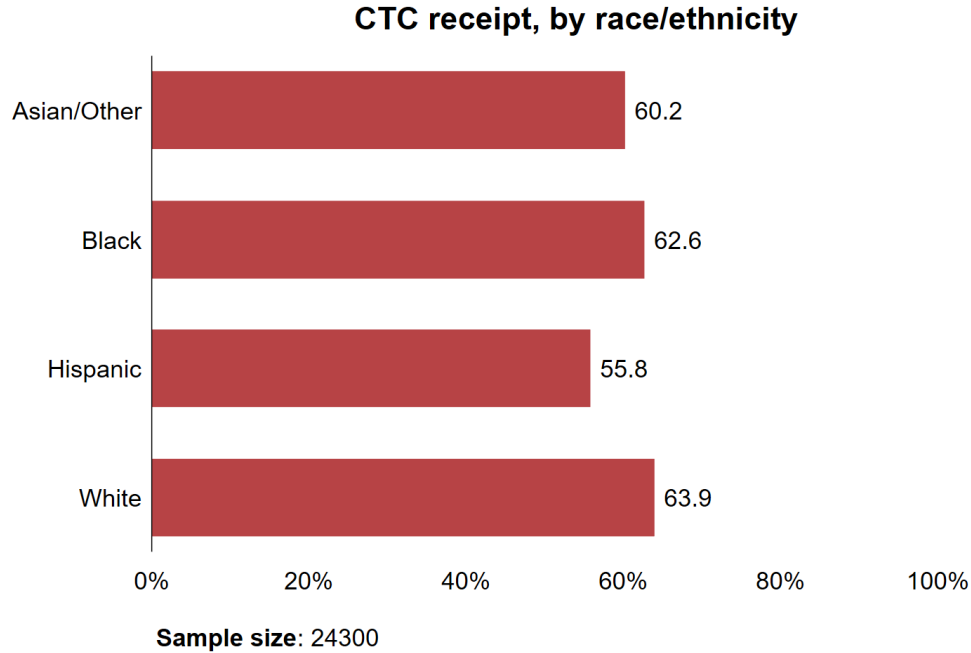
Key Finding 3: Families' most common uses of the CTC payments were purchasing food for their family (51%), followed by paying essential bills (36%), and paying for clothing and other essentials for their children (30%).



Key Finding 4: The rate of food insecurity among eligible families dropped by almost 30% after the CTC payments went out, while difficulties with bills and housing payments stayed flat.



Key Finding 5: Over 60% of Asian/other, Black, and white families received the CTC, while 56% of Hispanic families did.



Key Finding 6: Usage of the CTC was similar across different racial/ethnic groups in the U.S., though Asian/other families were somewhat more likely to mostly spend the CTC while Black and Hispanic families were somewhat more likely to mostly use it to pay down debt.

