

# RESEARCH BRIEF



## Expanded Child Tax Credits: A Transformational Opportunity to Help Families Put Food on the Table

*The 2021 expanded Child Tax Credit (CTC) showed a clear path to dramatically cutting hunger and poverty — the central root cause of hunger — among households with children. These essential benefits for children and their families were lost when the CTC expired in December 2021. This brief provides key information anti-hunger and nutrition stakeholders need to know about the 2021 expanded CTC, its impact on households with children related to hunger, food spending, and poverty — including new state-level data — and opportunities to take action to make permanent an expanded and more inclusive CTC at the federal and state level.*

### Introduction

The 2021 expanded federal CTC bolstered efforts to address hunger and its **root causes** — most notably poverty — by providing a lifeline for families with children to put food on the table and pay housing expenses, debts, and child care.

Federal and state CTCs and other refundable tax credits help to offset costs of raising a child and boost income. For families around the country, CTCs supplement low wages and help soften the financial impact of fluctuating incomes, job losses, or economic hardships. These and other tax credits are especially important for workers from communities overrepresented in low-wage work due to systemic racism, sexism, and other structural factors, including women, Black, Latinx, Native American, Southeast Asian, and/or Pacific Islander communities.<sup>1,2</sup>

In 2021, nearly 62 million children across more than 36 million households<sup>3</sup> received an enhanced federal CTC as part of changes made under the American Rescue Plan Act of 2021.

The American Rescue Plan Act expanded the CTC for 2021 in the following key ways:

- Increased the maximum credit amount from \$2,000 to \$3,600 for children under age 6 and \$3,000 for children ages 6–17.
- Expanded eligibility so that families could claim the credit for children who are 17 years old.



<sup>1</sup> Economic Policy Institute. (2022). *State of Working America 2021*. Available at: <https://www.epi.org/publication/swa-wages-2021/>. Accessed on September 28, 2023.

<sup>2</sup> Food Research & Action Center. (2021). *Hunger, Poverty, and Health Disparities During COVID-19 and the Federal Nutrition Programs' Role in an Equitable Recovery*. Available at: <https://frac.org/research/resource-library/foodinsecuritycovid19>. Accessed on September 28, 2023.

<sup>3</sup> Center on Poverty & Social Policy, Columbia University. (2022). *Research Roundup of the Expanded Child Tax Credit: One Year On*. Available at: [www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on). Accessed on September 28, 2023.

- Provided advanced payments for half of the CTC, received monthly for six months. The other half was received after the households filed 2021 taxes.
- Made the credit fully refundable (removed the minimum earnings requirements), opening access to children in families with the lowest or no income.

The 2021 expansion dramatically bolstered the CTC’s ability to address racial disparities, poverty, and hunger, and to target benefits to families with children at greatest risk of poverty and hunger. The advanced monthly payments were especially important for mitigating hunger. And, the extension of eligibility to households with low and moderate income who are left behind by the minimum earnings requirement was essential to reaching millions of children who are typically locked out of receiving the full or any CTC — which disproportionately affects Black and Latinx children, children in single parent families, in rural areas, in families with veterans or active-duty military members, in larger families, and young children.<sup>4</sup> Though it is important to note that the 2021 expansion did not restore access to children in immigrant families with Individual Taxpayer Identification Numbers, and remedying this is an essential fix that must be part of any future CTC enhancements.

### The 2021 expanded CTC contributed to:



**26%** decline in food insufficiency among households with children



**46%** reduction in child poverty

This essential expansion, however, was only temporary. Families stopped receiving the monthly benefits at the end of 2021 and the credit reverted back to its prior, more restricted form for 2022. This led to 18 million children no longer being eligible for the full or any CTC in 2022 because their family’s income was not high enough to qualify. These 18 million children represent 26 percent of all children and include more than 90 percent of children in poverty, 38 percent of Black children, 40 percent of Latinx children, 48 percent of children living with a female single parent, and 35 percent of rural children.<sup>5</sup>

*In 2022, 18 million children, including more than 90 percent of children in poverty, were ineligible for the full credit or any credit.*

The harms of the end of the expansion are clear. Households with children reported a 25 percent increase in food insufficiency<sup>6</sup> in early 2022 after the expanded CTC’s monthly payments ended.<sup>7</sup> Fueled by the end of the expanded

<sup>4</sup> Center on Budget and Policy Priorities. (2022). *Year-End Tax Policy Priority: Expand the Child Tax Credit for the 19 Million Children Who Receive Less Than the Full Credit*. Available at: <https://www.cbpp.org/research/federal-tax/year-end-tax-policy-priority-expand-the-child-tax-credit-for-the-19-million>. Accessed on September 28, 2023.

<sup>5</sup> Center on Poverty & Social Policy, Columbia University. (2023.) *Children Left Behind by the Child Tax Credit in 2022*. Available at: [www.povertycenter.columbia.edu/publication/2023/children-left-behind-by-the-child-tax-credit-in-2022](http://www.povertycenter.columbia.edu/publication/2023/children-left-behind-by-the-child-tax-credit-in-2022). Accessed on September 28, 2023.

<sup>6</sup> Since the beginning of the COVID-19 pandemic, the U.S. Census Bureau has collected monthly data on food insufficiency, defined as “sometimes or often not having enough to eat.”

<sup>7</sup> Children’s HealthWatch. (2022). *Association of the Expiration of Child Tax Credit Advance Payments With Food Insufficiency in US Households*. Available at: <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2797549>. Accessed on September 28, 2023.

---

CTC, as well as the expiration of COVID-19 pandemic era supports, the child poverty rate more than doubled from 2021 to 2022, with particularly large increases among Black and Latinx children.<sup>8,9</sup>

Lawmakers in Congress and in statehouses must seize opportunities to provide families with the support they need to thrive by making permanent expanded and inclusive CTCs at the federal and state levels. Anti-hunger and nutrition stakeholders have a key role to play in bolstering efforts to secure permanent, expanded and inclusive CTCs at the federal and state levels that buoy the food security, nutrition, financial stability, and well-being of families with children.

## The 2021 Expanded CTC's Impact on Hunger and Food Spending

The expanded CTC, contributed to improved food sufficiency and helped families purchase food, including higher quality and quantities of food. Providing the CTC in monthly payments was particularly important for mitigating hunger. While households received monthly CTC payments from July to December 2021, they reported spending the monthly payments on recurring household expenses, particularly food, and the rate of food insufficiency among households with children declined. However, when households received the remainder of the CTC as a lump sum at tax time in the spring of 2022 they were more likely to pay down debt (e.g., back rent), and rates of food insufficiency did not improve.<sup>10</sup>

While this brief does not focus on other social needs that also are root causes of hunger, such as housing, health, and employment, it is important to note that there is a wealth of research on the benefits of the expanded CTC on these social needs,<sup>11</sup> as well as how addressing these social needs is essential to tackling the root causes of hunger.

### Impact on Food Insufficiency at the National Level

Numerous studies have looked at the impact of the 2021 expanded CTC and other COVID-19 pandemic relief programs on food insufficiency (or in some cases food security) among households with children across different time periods. The results are clear: food insufficiency rates declined dramatically among households with children during the period when households were receiving the monthly advanced CTC payments.

Receipt of the CTC was immediately correlated with lower levels of food insufficiency as soon as the first monthly payments were issued in July 2021.<sup>12</sup> Several robust research studies have demonstrated that the CTC payments were associated with approximately a 25 percent decline in food insufficiency among households with children.<sup>13,14</sup>

---

<sup>8</sup> U.S. Census Bureau. (2023). *Poverty in the United States: 2022*. Available at: <https://www.census.gov/library/publications/2023/demo/p60-280.html>. Accessed on September 28, 2023.

<sup>9</sup> Economic Policy Institute. (2023). *The expiration of pandemic-era public assistance measures fueled poverty increases in every state*. Available at: <https://www.epi.org/blog/the-expiration-of-pandemic-era-public-assistance-measures-fueled-poverty-increases-in-every-state/>. Accessed on September 28, 2023.

<sup>10</sup> Center on Poverty & Social Policy, Columbia University. (2022). *Research Roundup of the Expanded Child Tax Credit: One Year On*. Available at: [www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on). Accessed on September 28, 2023.

<sup>11</sup> Ibid.

<sup>12</sup> U.S. Census Bureau. (2021). *Household Pulse Survey Collected Responses Just Before and Just After the Arrival of the First CTC Checks*. Available at: <https://www.census.gov/library/stories/2021/08/economic-hardship-declined-in-households-with-children-as-child-tax-credit-payments-arrived.html>. Accessed on September 28, 2023.

<sup>13</sup> Children's HealthWatch. (2022). *Association of the Implementation of Child Tax Credit Advance Payments With Food Insufficiency in US Households*. Available at: <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2788110>. Accessed on September 28, 2023.

<sup>14</sup> Center on Poverty & Social Policy, Columbia University. (2021). *The Initial Effects of the Expanded Child Tax Credit on Material Hardship*. Available at: <https://www.nber.org/papers/w29285>. Accessed on September 28, 2023.

The strongest impact of the CTC on food insufficiency was among those households with the lowest incomes (below \$35,000).<sup>15</sup>

The positive impact of the CTC on food sufficiency (or in some cases food insecurity)<sup>16</sup> extended beyond July 2021. For instance:



- University of Michigan researchers using Propel survey data of Supplemental Nutrition Assistance Program (SNAP) households between June 2021 and January 2022 found a 32 percent decrease in food insecurity associated with a \$500 monthly credit (representative of the credit amount a household could have received for two children), and a 17 percent decline in material hardships overall among SNAP households with children. The researchers also found that the monthly advanced payments reduced the need to rely on family or friends for food.<sup>17</sup>
- The Center on Poverty and Social Policy at Columbia University used U.S. Census Bureau Household Pulse Survey data to show that after all six advanced monthly payments were distributed, the expanded CTC reduced food insufficiency by 19 percent, among households with children. The researchers found that with respect to impact on food sufficiency, the structure of the payments was key. The reduction in food insufficiency was seen with the monthly advanced payments, while the lump-sum payment did not have an impact on food insufficiency rates.<sup>18</sup>
- Looking at December 2020 to December 2021, Urban Institute and Brookings Institution researchers found a 23.4 percent decrease in food insecurity among households with children who received the advanced monthly CTC payments, compared to a 9.3 percent decrease for households (with and without children) who did not receive the payments. Among those who received the CTC, the decline in food insecurity was concentrated among families with income at or below 200 percent of the federal poverty level; food insecurity declined by 25.7 percent among these households.<sup>19</sup>

<sup>15</sup> Ibid.

<sup>16</sup> Food insecurity as defined by USDA. Research studies may use a survey module consisting of either 18, 6, or 2 questions to assess whether a respondent experienced food insecurity.

<sup>17</sup> University of Michigan. (2022). *The Effects of Income on the Economic Wellbeing of Families with Low Incomes: Evidence from the 2021 Expanded Child Tax Credit*. Available at: <https://www.nber.org/papers/w30533>. Accessed on September 28, 2023.

<sup>18</sup> Center on Poverty & Social Policy, Columbia University. (2022). *The Differential Effects of Monthly and Lump-Sum Child Tax Credit Payments on Food and Housing Hardship*. Available at: <https://www.povertycenter.columbia.edu/publication/child-tax-credit-payments-on-food-and-housing-hardship>. Accessed on September 28, 2023.

<sup>19</sup> Urban Institute and Brookings Institution. (2022). *Child Tax Credit Recipients Experienced a Larger Decline In Food Insecurity and a Similar Change In Employment As Nonrecipients Between 2020 and 2021*. Available at: [https://www.taxpolicycenter.org/sites/default/files/publication/163848/ctc\\_recipients\\_experienced\\_larger\\_decline\\_in\\_food\\_insecurity\\_and\\_similar\\_change\\_in\\_employment\\_as\\_nonrecipients\\_v2.pdf](https://www.taxpolicycenter.org/sites/default/files/publication/163848/ctc_recipients_experienced_larger_decline_in_food_insecurity_and_similar_change_in_employment_as_nonrecipients_v2.pdf). Accessed on September 28, 2023.

## Impact on Food Insufficiency at the State Level

Analysis conducted by the Social Policy Institute at Washington University in St. Louis using state-level U.S. Census Bureau Household Pulse Survey data showed that rates of food insufficiency declined in most states after receipt of the 2021 expanded CTC. The consistency of this trend at the state level demonstrates the effectiveness of the CTC in different contexts. While not all of the changes in food insufficiency were statistically significant, this may have been due to small sample sizes in less populated states.

**TABLE 1: Receipt of the 2021 Child Tax Credit Coincided With Reductions in Households Reporting Food Insufficiency in Most States**

State	Food Insufficiency		Percentage Point Difference	Percent Change
	Pre-CTC	Post-CTC		
National	12.9	11.0	-1.87***	-17%
Alabama	18.4	14.1	-4.35**	-31%
Alaska	11.6	9.8	-1.73	-18%
Arizona	11.5	9.5	-2.03*	-21%
Arkansas	16.7	14.1	-2.54	-18%
California	13.3	11.9	-1.39**	-12%
Colorado	7.2	8.3	1.1	13%
Connecticut	11.3	9.5	-1.89	-20%
Delaware	8.5	12.9	4.41**	34%
District of Columbia	15.7	14.4	-1.22	-8%
Florida	15.2	12.7	-2.58**	-20%
Georgia	15.4	12.6	-2.80**	-22%
Hawaii	11.6	9.9	-1.64	-17%
Idaho	12.4	8.3	-4.12***	-50%
Illinois	10.7	10.6	-0.02	0%
Indiana	10.8	10.9	0.1	1%
Iowa	11.0	9.8	-1.26	-13%
Kansas	10.7	9.4	-1.3	-14%
Kentucky	11.9	11.6	-0.25	-2%
Louisiana	19.9	15.1	-4.80**	-32%
Maine	10.6	5.8	-4.87***	-84%
Maryland	13.9	11.4	-2.46**	-22%
Massachusetts	8.4	8.8	0.39	4%
Michigan	11.4	11.8	0.4	3%
Minnesota	6.4	7.2	0.84	12%
Mississippi	18.4	19.7	1.31	7%

State	Food Insufficiency		Percentage Point Difference	Percent Change
	Pre-CTC	Post-CTC		
Missouri	12.4	9.6	-2.80**	-29%
Montana	10.2	9.3	-0.85	-9%
Nebraska	11.2	11.0	-0.17	-2%
Nevada	14.4	10.9	-3.50**	-32%
New Hampshire	8.2	8.9	0.73	8%
New Jersey	12.4	10.0	-2.40*	-24%
New Mexico	15.2	10.8	-4.33***	-40%
New York	15.9	12.6	-3.35**	-27%
North Carolina	13.8	10.4	-3.39**	-33%
North Dakota	9.3	11.8	2.47	21%
Ohio	13.8	9.6	-4.19***	-44%
Oklahoma	14.0	13.3	-0.72	-5%
Oregon	11.2	8.1	-3.06***	-38%
Pennsylvania	9.7	9.9	0.17	2%
Rhode Island	11.7	13.1	1.35	10%
South Carolina	17.3	12.6	-4.76***	-38%
South Dakota	9.9	10.4	0.44	4%
Tennessee	12.5	11.3	-1.18	-10%
Texas	15.0	12.4	-2.64***	-21%
Utah	7.1	6.6	-0.51	-8%
Vermont	11.1	6.8	-4.33***	-64%
Virginia	10.8	8.2	-2.63*	-32%
Washington	9.9	7.5	-2.38***	-32%
West Virginia	14.0	9.8	-4.28**	-44%
Wisconsin	7.6	7.8	0.18	2%
Wyoming	12.0	11.2	-0.79	-7%

Statistically significant at: \*p<0.05; \*\*p<0.01; \*\*\*p<0.001

**SOURCE:** Analysis by the Social Policy Institute at Washington University in St. Louis. Data is from the Census Household Pulse Survey. Food insufficiency rates are calculated among all households with children, regardless of income. The pre-CTC period combines data from weeks 30–33 (May 12–July 5, 2021) and the post-CTC period combines data from weeks 34–42 (July 21, 2021–February 7, 2022). Household survey weights were used to generate nationally representative estimates.

---

## Impact on Food Spending at the National Level

A multitude of studies have found that the majority of households quickly spent monthly advanced CTC payments (rather than putting them into savings), emphasizing the importance of this cash infusion for household expenses. Families reported spending the funds on day-to-day expenses, with food being the most common category, and reported that the monthly advanced payments helped households to buy better quality food and/or more food.

### These studies include:

- A Center on Budget and Policy Priorities analysis of U.S. Census Bureau Household Pulse Survey data for the period when households had received the first three monthly advanced payments found that 59 percent of households with income at or below \$35,000 reported spending CTC payments on food.<sup>20</sup>
- Researchers from the Department of Labor and Columbia University underscored the importance of the CTC advanced monthly payments to family food purchases. Their analysis of Consumer Expenditure Interview Survey data found that families spent \$75 out of every \$100 received on essentials, including \$28 on food (other large spending categories were housing and child-related goods and services).<sup>21</sup>
- Researchers from the Social Policy Institute at Washington University in St. Louis and Appalachian State University in a Brookings Institution working paper found that CTC-eligible households experienced improvements in healthy eating, including that these households were: 1.4 times more likely to report increased ability to afford balanced meals; 1.3 times more likely to increase fruit consumption; and 1.5 times more likely to increase meat and protein consumption. They also found that these households were 1.4 times more likely than ineligible families to gain confidence about affording the kinds of food they needed. These findings were more pronounced among certain households. For example, they found that CTC-eligible Black households were two-times as likely to become more confident in affording food, compared to ineligible Black households. With respect to income, they found that CTC-eligible households with income between \$25,000 and \$50,000 were nearly two-times as likely to report improvements in affording balanced meals, compared to CTC-ineligible families with similar incomes.<sup>22</sup> This underscores how certain households were more likely to need support meeting basic needs as a result of systemic racism and other structural factors that lead to disproportionately high rates of hunger and poverty and lack of access to healthy food.<sup>23</sup> It also emphasizes how essential full refundability of the 2021 CTC was in making available the full credit amount to additional Black and Latinx households with low incomes.

*CTC-eligible households were 1.4 times more likely to gain confidence about affording the kinds of food they need; and to report increased ability to afford balanced meals.*

---

<sup>20</sup> Center on Budget and Policy Priorities. (2021). *9 in 10 Families With Low Incomes Are Using Child Tax Credits to Pay for Necessities, Education*. Available at: <https://www.cbpp.org/blog/9-in-10-families-with-low-incomes-are-using-child-tax-credits-to-pay-for-necessities-education>. Accessed on September 28, 2023.

<sup>21</sup> Center on Poverty & Social Policy, Columbia University. (2023.) *Effects of the Expanded Child Tax Credit on Household Spending: Estimates Based on U.S. Consumer Expenditure Survey Data*. Available at: <https://www.nber.org/papers/w31412>. Accessed on September 28, 2023.

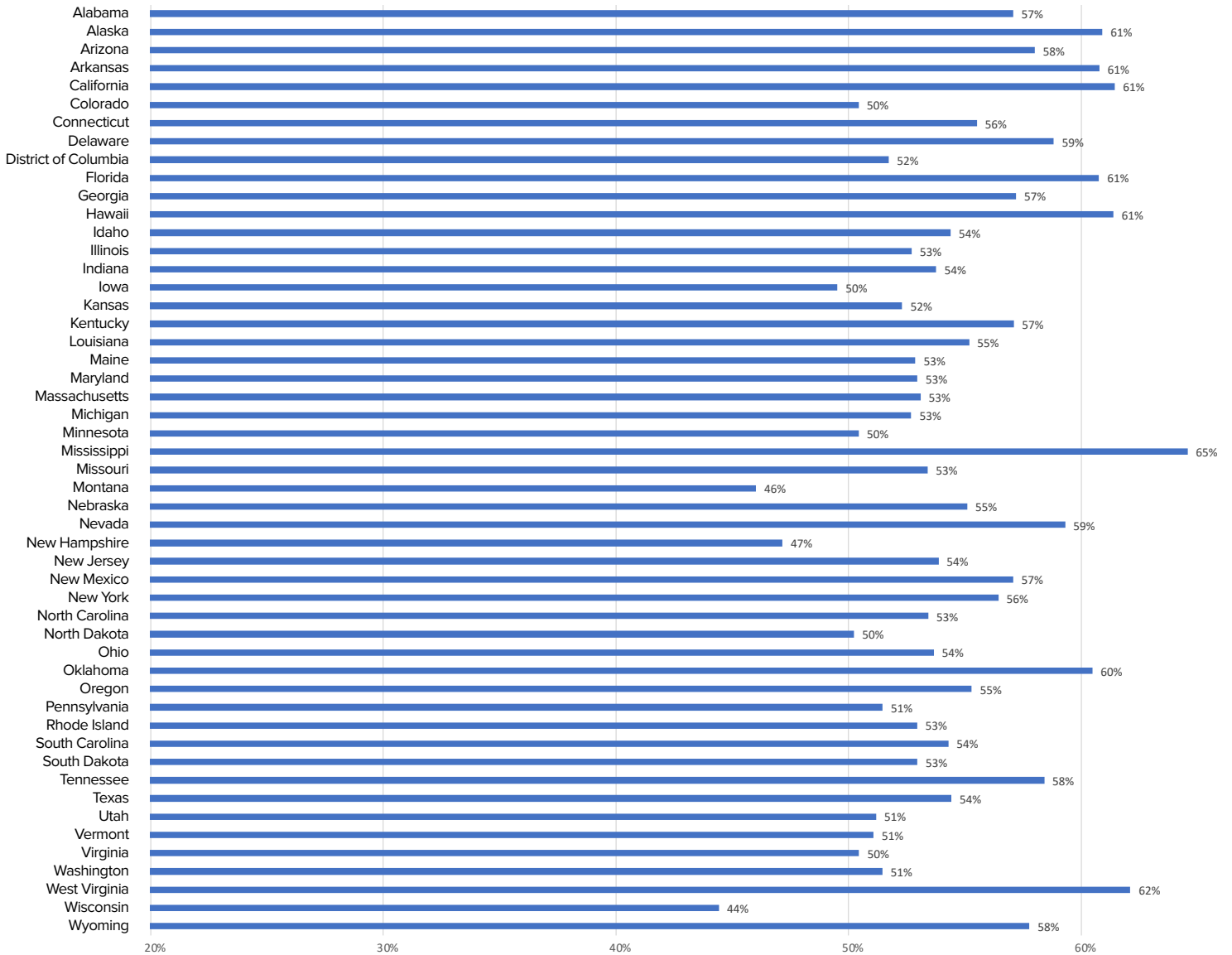
<sup>22</sup> Brookings Institution. (2022). *The Impacts of the 2021 Expanded Child Tax Credit on Family Employment, Nutrition, And Financial Well-Being*. Available at: <https://www.brookings.edu/articles/the-impacts-of-the-2021-expanded-child-tax-credit-on-family-employment-nutrition-and-financial-well-being/>. Accessed on September 28, 2023

<sup>23</sup> Food Research & Action Center. (2021). *Hunger, Poverty, and Health Disparities During COVID-19 and the Federal Nutrition Programs' Role in an Equitable Recovery*. Available at: <https://frac.org/research/resource-library/foodinsecuritycovid19>. Accessed on September 28, 2023.

## Impact on Food Spending at the State Level

The Food Research & Action Center (FRAC) used state-level data from the U.S. Census Bureau Household Pulse Survey to conduct an analysis of CTC use on food — looking at overall use of CTC on food, household income level, and at race and ethnicity. This analysis reinforced the importance of monthly CTC advanced payments to households in every state when it came to food purchases, and the particular importance to households with lower incomes (compared to households with higher incomes) and to Black households (compared to White households), across most states.<sup>24</sup>

**FIGURE 1: Percent of Households Who Spent 2021 CTC Funds on Food**



**SOURCE:** FRAC analysis of U.S. Census Bureau Household Pulse Survey data. Data was pooled for weeks 34 to 42 (July 2021–February 2022). Survey weights were divided by 9 to account for pooling of data and were used to generate nationally representative estimates. Analysis was limited to the population who reported receiving CTC payments in the prior four weeks.

<sup>24</sup> Estimates by income or race are not available for all states due to insufficient sample size.

With respect to household income level, FRAC found high rates of reported use of CTC funds on food across different income categories in each state. In nearly every state, there were higher rates of reported use of the CTC for food among households with income below 130 percent of the federal poverty level, compared to households with income between 185 percent and 400 percent of the federal poverty level.

**FIGURE 2: Reported Use of 2021 CTC on Food by Households Income by State**

State	FPL <130 — Percent of CTC recipients who spent some of the benefit on food	FPL 185-400 — Percent of CTC recipients who spent some of the benefit on food
Alabama	67%	59%
Alaska	76%	57%
Arizona	71%	52%
Arkansas	72%	56%
California	71%	66%
Colorado	59%	54%
Connecticut	68%	63%
Delaware	74%	65%
Florida	69%	59%
Georgia	70%	56%
Hawaii	68%	63%
Idaho	70%	52%
Illinois	55%	56%
Indiana	66%	57%
Iowa	65%	52%
Kansas	68%	55%
Kentucky	68%	61%
Louisiana	62%	54%
Maryland	62%	62%
Massachusetts	71%	60%
Michigan	61%	55%
Minnesota	76%	56%
Mississippi	70%	56%
Missouri	70%	47%
Montana	66%	42%
Nebraska	70%	53%
Nevada	67%	60%
New Hampshire	60%	47%
New Jersey	65%	61%
New Mexico	64%	56%
New York	69%	56%
North Carolina	61%	58%
North Dakota	73%	58%
Ohio	67%	53%
Oklahoma	74%	55%
Oregon	67%	59%
Pennsylvania	55%	51%
South Carolina	70%	50%
South Dakota	72%	48%
Tennessee	65%	63%
Texas	58%	56%
Utah	67%	49%
Virginia	68%	52%
Washington	63%	58%
West Virginia	55%	65%
Wisconsin	61%	46%

**NOTE:** Estimates by income are not available for all states due to insufficient sample size.

**SOURCE:** FRAC analysis of U.S. Census Bureau Household Pulse Survey data. Data was pooled for weeks 34 to 42 (July 2021–February 2022). Survey weights were divided by 9 to account for pooling of data and were used to generate nationally representative estimates. Analysis was limited to the population who reported receiving CTC payments in the prior four weeks.



With respect to race, FRAC again found high rates of reported use of the CTC for food across households in each state, regardless of race. However, in nearly every state there were higher rates of reported use of the CTC for food among Black households compared to White households. The sample sizes were not sufficient in enough states for additional comparisons with respect to other racial or ethnic groups.

**FIGURE 3: Reported Use of 2021 CTC on Food by Race by State**

State	Black	White
Alabama	61%	51%
Arizona	70%	59%
Arkansas	72%	56%
California	61%	50%
Connecticut	60%	49%
Delaware	68%	53%
Florida	67%	56%
Georgia	59%	55%
Illinois	57%	47%
Indiana	61%	50%
Louisiana	58%	51%
Maryland	56%	47%
Massachusetts	63%	49%
Michigan	59%	49%
Minnesota	59%	46%
Mississippi	71%	59%
Missouri	70%	50%
Nebraska	80%	49%
Nevada	63%	52%
New Jersey	62%	47%
North Carolina	60%	48%
Oklahoma	79%	57%
Pennsylvania	51%	50%
South Carolina	63%	50%
Tennessee	65%	56%
Texas	60%	47%
Virginia	56%	48%

**NOTE:** Estimates by race are not available for all states due to insufficient sample size.

**SOURCE:** FRAC analysis of U.S. Census Bureau Household Pulse Survey data. Data was pooled for weeks 34 to 42 (July 2021–February 2022). Survey weights were divided by 9 to account for pooling of data and were used to generate nationally representative estimates. Analysis was limited to the population who reported receiving CTC payments in the prior four weeks.

---

## The Expanded CTC's Impact on Child Poverty

The expanded CTC generated historic improvements when it came to child poverty rates. As anti-hunger and nutrition stakeholders know well, poverty is a core driver of hunger, adding force to how the expanded CTC is vital to solving hunger in America.



A substantial body of research has documented the landmark improvements in child poverty due to the 2021 expanded CTC.<sup>25</sup> The U.S. Census Bureau's Supplemental Poverty Measure — which considers income from federal programs, including the CTC and key nutrition programs — shows that child poverty was cut nearly in half (a 46 percent reduction) from 2020 to 2021, and 86 percent of this reduction was attributable to the expanded CTC.<sup>26,27</sup> The Census Bureau also found that 2.9 million children were lifted above the federal poverty line in 2021 by the CTC, and that the measures to expand the CTC directly accounted for 2.1 million of that 2.9 million.<sup>28</sup> Furthermore, children who

had been locked out of receiving the full or any CTC prior to the 2021 expansion — disproportionately Black and Latinx children, as well as children in single parent families, in rural areas, in larger families, and young children — experienced “significant reductions in poverty that also helped close poverty gaps and disparities between groups.”<sup>29</sup>

## The End of the 2021 Expanded CTC

Despite the profound positive effects for households with children, Congress allowed the 2021 CTC expansion to expire. In 2022, 18 million children — 26 percent of all children — were not eligible for the full CTC or any credit because their family's income was not high enough to qualify. Systemic racism and other structural factors result in disproportionately low wages for certain communities who are marginalized. As a result, when the CTC contracted in 2022, 38 percent of Black children, 40 percent of Latinx children, 48 percent of children living with a female single parent, and 35 percent of rural children were ineligible for the full CTC. Children in households with lower income also were left behind — 91 percent of children in household with income below the poverty line, and 36 percent of those in household with income between 100 percent and 200 percent of the poverty line were ineligible for the full Child Tax Credit, versus 5 percent of children in households with incomes above 200 percent of the poverty line.<sup>30</sup>

---

<sup>25</sup> Center on Poverty & Social Policy, Columbia University. (2022). *Research Roundup of the Expanded Child Tax Credit: One Year On*. Available at: [www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on). Accessed on September 28, 2023.

<sup>26</sup> U.S. Census Bureau. (2021). *What's the Difference Between the Supplemental and Official Poverty Measures?* Available at: <https://www.census.gov/newsroom/blogs/random-samplings/2021/09/difference-between-supplemental-and-official-poverty-measures.html>. Accessed on September 28, 2023.

<sup>27</sup> U.S. Census Bureau. (2022). *Expansions to Child Tax Credit Contributed to 46% Decline in Child Poverty Since 2020*. Available at: <https://www.census.gov/library/stories/2022/09/record-drop-in-child-poverty.html>. Accessed on September 28, 2023.

<sup>28</sup> U.S. Census Bureau. (2022). *The Impact of the 2021 Expanded Child Tax Credit on Child Poverty*. Available at: <https://www.census.gov/library/working-papers/2022/demo/SEHSD-wp2022-24.html>. Accessed on September 28, 2023.

<sup>29</sup> Center on Poverty & Social Policy, Columbia University. (2022). *Research Roundup of the Expanded Child Tax Credit: One Year On*. Available at: [www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on). Accessed on September 28, 2023.

<sup>30</sup> Center on Poverty & Social Policy, Columbia University. (2023.) *Children Left Behind by the Child Tax Credit in 2022*. Available at: [www.povertycenter.columbia.edu/publication/2023/children-left-behind-by-the-child-tax-credit-in-2022](http://www.povertycenter.columbia.edu/publication/2023/children-left-behind-by-the-child-tax-credit-in-2022). Accessed on September 28, 2023.

A deep bench of research shows the harm to households with children after the loss of the monthly payments. After the end of the expanded CTC and other COVID-19 pandemic-era relief, child poverty surged at an unprecedented rate, more than doubling from 5.2 percent in 2021 to 12.4 percent in 2022.<sup>31</sup> Households with children reported a 25 percent increase in food insufficiency in 2022 after the expanded CTC's monthly payments ended.<sup>32</sup> The effects of the expiration on food insufficiency were especially stated among households with income below \$35,000 and among Black and Latinx households.<sup>33</sup> Households reported challenges in covering the cost of food and other essentials, and reduced ability to meet their basic needs.<sup>34</sup> A survey conducted for the Center for Law and Social Policy and partners found that 60 percent of respondents experienced more difficulty meeting household expenses after the monthly CTC payments ended. Families in particular cited heightened difficulty in being able to afford higher quantities or quality of food, with especially high rates of struggles among Latinx households.<sup>35</sup>



## Take Action to Reduce Child Hunger and Poverty With the CTC

The dramatic increase in hunger and in child poverty in 2022, and particularly steep rises in rates among Black and Latinx children, underscore how vital it is to secure a permanent expanded and inclusive CTC and the equity-enhancing effects of the 2021 expansion.<sup>36</sup>

Policymakers must reinstate and make permanent expanded CTCs — at the federal level and state level — that build on the lessons learned from the 2021 expansion. It is essential that our nation leverage this profound opportunity to address hunger, its root cause poverty, and improve the nutrition, health, and well-being of households with children.

Anti-hunger advocates and nutrition stakeholders have a key role to play in broader CTC efforts. Bringing the anti-hunger perspective, relationships with key policymakers, and expertise can help move the needle on securing this transformational support for households with children at the federal level, as well as in pushing forward strong state CTCs.

<sup>31</sup> U.S. Census Bureau. (2023). *Poverty in the United States: 2022*. Available at: <https://www.census.gov/library/publications/2023/demo/p60-280.html>. Accessed on September 28, 2023.

<sup>32</sup> Children's HealthWatch. (2022). *Association of the Expiration of Child Tax Credit Advance Payments With Food Insufficiency in US Households*. Available at: <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2797549>. Accessed on September 28, 2023.

<sup>33</sup> Center on Poverty & Social Policy, Columbia University. (2022). *Research Roundup of the Expanded Child Tax Credit: One Year On*. Available at: [www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on). Accessed on September 28, 2023.

<sup>34</sup> Center on Poverty & Social Policy, Columbia University. (2022). *Research Roundup of the Expanded Child Tax Credit: One Year On*. Available at: [www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on](http://www.povertycenter.columbia.edu/publication/2022/child-tax-credit/research-roundup-one-year-on). Accessed on September 28, 2023.

<sup>35</sup> Center for Law and Social Policy et al. (2023). *National Survey: Families Faced Financial Strain When Expanded CTC Expired*. Available at: [https://www.clasp.org/wp-content/uploads/2023/08/2023.8.9\\_National-Survey-Families-Faced-Financial-Strain-When-Expanded-CTC-Expired.pdf](https://www.clasp.org/wp-content/uploads/2023/08/2023.8.9_National-Survey-Families-Faced-Financial-Strain-When-Expanded-CTC-Expired.pdf). Accessed on September 28, 2023.

<sup>36</sup> Economic Policy Institute. (2023). *Despite a strong labor market, the choice to allow pandemic-era public assistance programs to expire increased poverty across all racial groups in 2022*. Available at: <https://www.epi.org/blog/despite-a-strong-labor-market-the-choice-to-allow-pandemic-era-public-assistance-programs-to-expire-increased-poverty-across-all-racial-groups-in-2022/>. Accessed on: September 28, 2023.

## Federal

### ***Federal Call to Action: Support an expanded and inclusive Child Tax Credit (CTC) in any end of the year tax package or other legislative vehicle.***

Congress must act now to make permanent essential federal CTC enhancements that fight poverty and hunger. Anti-hunger advocates and nutrition stakeholders should join CTC stakeholders in securing a permanent federal CTC with:

- Increased maximum credit amount: This will better support families and help offset the rising costs of raising children.
- Full refundability: Removing the minimum earnings requirement would restore access for 18 million children, including 91 percent of children whose household income is below the federal poverty line, to the full credit.
- Monthly advanced payments: Making the CTC available to families as monthly payments ensures that families can use the resources when and how they need them, such as for monthly expenses like food, and boosts food sufficiency.<sup>37</sup>
- Restored eligibility for 17-year-olds and for children with an Individual Taxpayer Identification Number (ITIN): This would restore access to 1 million children in immigrant families.<sup>38</sup>

Polling published by Hart Research Associates in collaboration with the Economic Security Project and Groundwork Action found wide support for expanding the CTC: “82% of voters favor a Child Tax Credit that is fully available for all low- and middle-income families.”<sup>39</sup> A survey by the Center for Law and Social Policy and partners found that the advanced monthly CTC payments made survey respondents — especially Black and Latinx respondents — feel that the government cares about the health and well-being of their families.<sup>40</sup>

Congress can act to adopt a permanently strengthened and more inclusive CTC by passing the American Family Act (H.R.3899), or in any end of the year tax package or any other legislative vehicle. The American Family Act includes essential CTC expansion components and must be passed to support families with children and make strides in addressing hunger and poverty.

#### **Reduce hunger and poverty by passing a permanently expanded Child Tax Credit that is:**

- fully refundable
- expands maximum credit amounts
- includes monthly payments
- inclusive

#### **Federal CTC resources:**

[FRAC CTC Resources](#) and [Leave Behind; Automatic Benefits for Children Coalition](#); [Economic Security Project](#).

<sup>37</sup> Center on Poverty & Social Policy, Columbia University. (2022). *The Differential Effects of Monthly and Lump-Sum Child Tax Credit Payments on Food and Housing Hardship*. Available at: <https://www.povertycenter.columbia.edu/publication/child-tax-credit-payments-on-food-and-housing-hardship>. Accessed on September 28, 2023.

<sup>38</sup> Center for Law and Social Policy and National Immigration Law Center. (2023). *Restore the Child Tax Credit for All Children*. Available at: <https://childrenthriveaction.org/wp-content/uploads/2023/07/National-CTC-Fact-Sheet-1.pdf>. Accessed on September 28, 2023.

<sup>39</sup> Economic Security Project. (2023). *82% of Voters Support Broad Eligibility of the Child Tax Credit, As Census Data Shows Child Poverty Doubled After Program's Lapse in 2022*. Available at: <https://economicsecurityproject.org/news/census-data-shows-child-poverty-doubled/>. Accessed on September 28, 2023.

<sup>40</sup> Center for Law and Social Policy et al. (2023). *National Survey: Families Faced Financial Strain When Expanded CTC Expired*. Available at: [https://www.clasp.org/wp-content/uploads/2023/08/2023.8.9\\_National-Survey-Families-Faced-Financial-Strain-When-Expanded-CTC-Expired.pdf](https://www.clasp.org/wp-content/uploads/2023/08/2023.8.9_National-Survey-Families-Faced-Financial-Strain-When-Expanded-CTC-Expired.pdf). Accessed on September 28, 2023.

---

## State

***State Call to Action: Support efforts at the state level to create, expand, or enhance your state's CTC.***

The 2021 expanded federal CTC showed the power of tax policy to address hunger and poverty for children and their families. State lawmakers and advocates around the country have stepped up to build on those lessons learned by moving to create, expand, or enhance their state CTC.

Like with the federal CTC, to maximize the impact on hunger and poverty, state CTCs should be fully refundable; have maximum credit amounts that support the needs of families; be inclusive of all children under 18 and children in all immigrant families; and include the option for monthly payments.

### State Spotlight: Minnesota

[Hunger Solutions Minnesota](#) joined state budget coalition leads in successful advocacy to pass a permanent, refundable [state Child Tax Credit for Minnesota families](#). The credit goes into effect for the 2023 tax season, and it is estimated that it could [reduce child poverty in the state by more than 30 percent](#). The CTC includes many key features to help families, including a structure that ensures families most in need get help, and inclusion of children with an Individual Taxpayer Identification Number and children age 17. It also includes the option for the Minnesota Commissioner of Revenue to establish monthly or periodic payments. Leah Gardner from Hunger Solutions Minnesota shared, “We know that when families have more money in their pockets, they are more easily able to put more and better food in the fridge. That made joining the fight for a strong state CTC an easy and enthusiastic ‘yes!’, and our budget partners made it an easy and effective lift. Having Hunger Solutions Minnesota at the table helped lawmakers understand the essential ways in which this credit will improve the food security of Minnesota families. This credit, combined with [Hunger Free Schools](#), SNAP, and other essential nutrition and financial resources, will help move the needle on hunger in our state.”

### State CTC resources:

[Economic Security Project](#); [Jain Family Institute](#); [Center on Budget and Policy Priorities](#); [Institute on Taxation and Economic Policy](#).

---

## Conclusion

The 2021 expanded Child Tax Credit was a powerhouse policy that dramatically reduced hunger and poverty among households with children. It provided lawmakers and our nation with a clear path to addressing poverty and hunger for households with children. Lawmakers must follow this path and pass permanent expanded and inclusive Child Tax Credits at the federal and state levels to reduce child poverty and help millions of families with children put food on the table. Congress can act to adopt a permanently strengthened and fully expansive CTC by passing the American Family Act, or in any end of the year tax package or any other legislative vehicles. Anti-hunger advocates and nutrition stakeholders have an essential role to play in boosting CTC efforts and showing lawmakers the way.

---

## Acknowledgements

This brief was written by Food Research & Action Center's (FRAC) Susan Beaudoin, Allison Lacko (contributing author and data analyst), and Alexandra Ashbrook (contributing author). FRAC would like to thank Alex Coccia, Center for the Study of Social Policy, Maneesha Horshin, Children's Defense Fund, and Laura Brugger and Stephen Roll, Social Policy Institute at Washington University in St. Louis, for their review and contributions. FRAC also wishes to acknowledge the following researchers from the Social Policy Institute at Washington University in St. Louis for their insights and analysis of the Pulse data: Laura Brugger, Yung Chun, Leah Hamilton, Katie Kristensen, and Stephen Roll.

## About FRAC

The Food Research & Action Center (FRAC) improves the nutrition, health, and well-being of people struggling against poverty-related hunger in the United States through advocacy, partnerships, and by advancing bold and equitable policy solutions. For more information about FRAC, or to [sign up](#) for FRAC's e-newsletters, go to [www.frac.org](http://www.frac.org).

For research citation: Food Research & Action Center (FRAC). (2023). *Expanded Child Tax Credits: A Transformational Opportunity to Help Families Put Food on the Table* [Research brief]. Available at: <https://frac.org/wp-content/uploads/Expanded-Child-Tax-Credits-Research-Brief.pdf>.