

How Parents Use the Child Tax Credit, and Implications of Ended Monthly Payments

Key Findings, July 2022 Continental U.S. Survey

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September 12, 2022

A recent survey of low- to moderate-income (under \$75,000) parents following the end of the monthly Child Tax Credit (CTC) payments showed that parents are hurting financially and have faced increased difficulty paying for food and monthly bills now that monthly payments have ended. The CTC reached a wide scope of families, especially among Hispanic parents, who had reported lower uptake in prior surveys relative to white and Black parents. These topline findings demonstrate to lawmakers the importance of extending a fully refundable, expanded CTC.

Additional survey findings focused on families in Puerto Rico can be found [here](#).

Below are the topline findings from the CTC continental survey:

- **The CTC reached a wide margin of families, with increasing participation by Hispanic parents.** Nearly 4 in 5 eligible parents (78 percent) filed for the CTC, either by filing a tax return or using an online tool. The take-up rate among Hispanic parents jumped from 64 percent, reported in our October 2021 [survey](#), to 75 percent in July 2022. These findings suggest CTC outreach was successful in raising awareness among the Hispanic community.
- **White parents continue to display the highest take-up rate of the CTC.** While the CTC [reduced child poverty](#) in 2021, particularly among Black and Latino children, white families most consistently claim the CTC. Eighty-two percent of all white respondents, compared with 75 percent of Hispanic parents and 80 percent of Black parents, claimed the CTC either through filing a tax return or using an online portal.
- **Among families that claimed the CTC, a large majority received monthly CTC payments in 2021.** Nearly 9 in 10 (88 percent) respondents who claimed the CTC reported receiving monthly CTC payments between July and December 2021. Receipt of monthly payments was constant across racial groups, with 89 percent of Black and Hispanic respondents who claimed the CTC receiving the monthly payments compared to 86 percent of white respondents. When asked why parents didn't get the monthly payments, parents commonly responded that they were intentionally opting out of the payments or that they were confused about why they were not receiving them.
- **The expiration of monthly CTC payments left parents reporting more difficulty in affording food and monthly bills.** Sixty percent of parents who previously received the monthly payments stated it has been more difficult for their family to meet their expenses since the payments stopped. Among these parents, about two-thirds said they had trouble covering basic expenses, including food and groceries (66 percent) and paying the bills (65 percent). Other expenses that have been hard for parents to meet since the monthly payments ended include buying clothing and shoes (49 percent) and paying rent or mortgage (40 percent). Hispanic respondents,

disabled respondents, parents who have never been married, and respondents with lower incomes were more likely to report difficulty meeting monthly expenses.

- **The end of the monthly CTC payments led to food hardship for parents, especially for those with low incomes, those attaining less than a bachelor's degree, and Hispanic parents.** Many respondents who had received monthly payments reported an increased difficulty affording more or higher quality foods, along with visiting food banks or pantries more frequently now that monthly payments had stopped. Fifty percent of Hispanic respondents reported being unable to buy quality food and/or visiting a food bank more frequently, compared to 39 percent of white respondents and 34 percent of Black respondents. Over half of respondents earning under \$25,000 reported hardship.
- **The end of the monthly CTC payments resulted in other hardships for parents.** Respondents who received monthly payments in 2021 reported facing increased financial stress since the end of the monthly payments, and a reduced ability to buy toys, gifts, and desired activities for their children. These hardships could hurt children's social and educational outcomes, parents' health outcomes, and the economy.
- **Respondents' experiences with the CTC make them feel like the government cares about their family's health and wellbeing, especially among Hispanic and Black respondents.** Hispanic respondents were more likely to report that their experiences receiving the CTC make them feel like the government cares about their family's health and wellbeing. Nearly three-quarters (74 percent) of Hispanic respondents who received monthly payments reported this sentiment, compared to 6 in 10 Black respondents and less than half (40 percent) of white respondents. Only 9 percent of Hispanic respondents and 10 percent of Black respondents disagreed with the statement, compared to 23 percent of white respondents. Hispanic respondents and Black respondents who received the monthly payments were also more likely to say their experience with the CTC made them feel like the government is responsive to the needs of their community (69 percent and 66 percent, respectively) compared to white respondents (41 percent).

CLASP collaborated with IPSOS to survey a nationally representative sample of 1,050 adults with at least one child in the household and with incomes below \$75,000 in July 2022 – seven months after the end of the monthly CTC payments. Statistically weighted results from the survey yield a nationally representative sample of parents eligible for the CTC. The margin of error is 3.0 to 4.6 percentage points, depending on count of respondents for key questions. This is the third related survey in a series of surveys focusing on families' experience with the program since its expansion last year. Prior findings from the CTC survey conducted in July 2021 can be found [here](#), and findings from our October 2021 survey appear [here](#).

This research is conducted in partnership with University of California, Berkeley, the Center for the Study of Social Policy, the Children's Defense Fund, ideas42, the National Women's Law Center, Prosperity Now, UnidosUS, and the Urban-Brookings Tax Policy Center. Thank you to the Heising-Simons Foundation for its generosity in funding the CTC survey research project.