

How are California families using their Child Tax Credit payments?

Evidence from Census Data

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

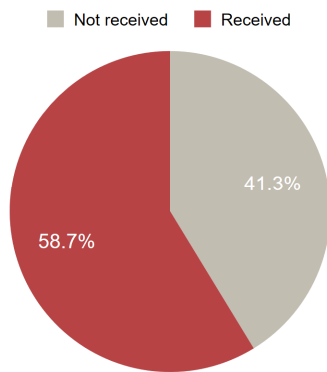
The temporary expansion of the Child Tax Credit (CTC) is projected to cut American child poverty by more than half. The CTC expansion provides families with \$3,600 for every child in the household under the age of six, and \$3,000 for every child between the ages of six and 17. The vast majority of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

In this research brief, we use data from the Census Household Pulse survey to examine how a representative sample of California 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: 59% of eligible CA families received the CTC.

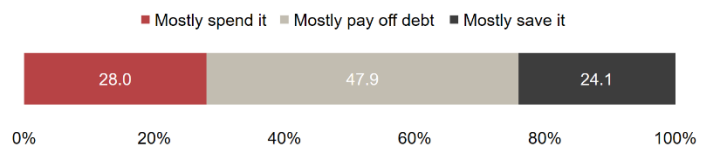
Key Finding 2: 48% of CA families reported using their CTC to pay down debt, 28% mostly spent it, and 24% mostly saved it.

CTC receipt (CA)



Sample size: 1707

CTC and balance sheets (CA)

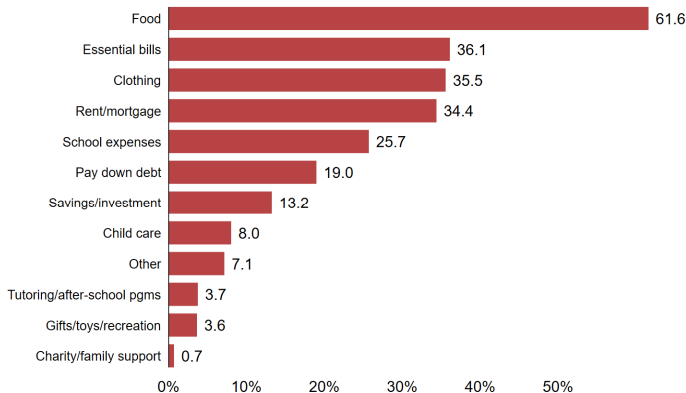


Sample size: 1041

Key Finding 3: The most common uses of the CTC payments among CA families were purchasing food for their family (62%), managing bills (36%), and clothing costs (36%).

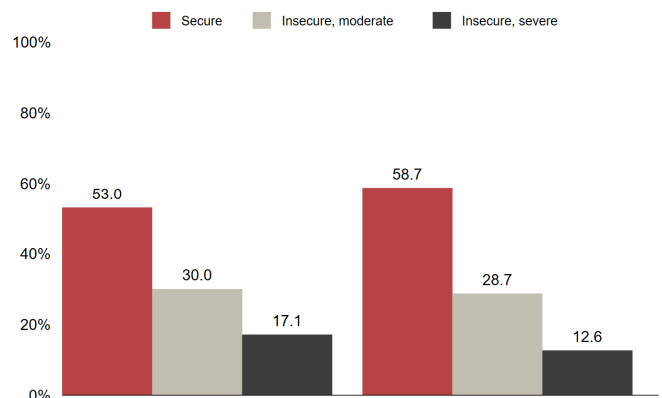
Key Finding 4: Eligible CA families experienced lower rates of moderate and severe food insecurity after CTC payments went out.

CTC usage (CA)



Sample size: 1046

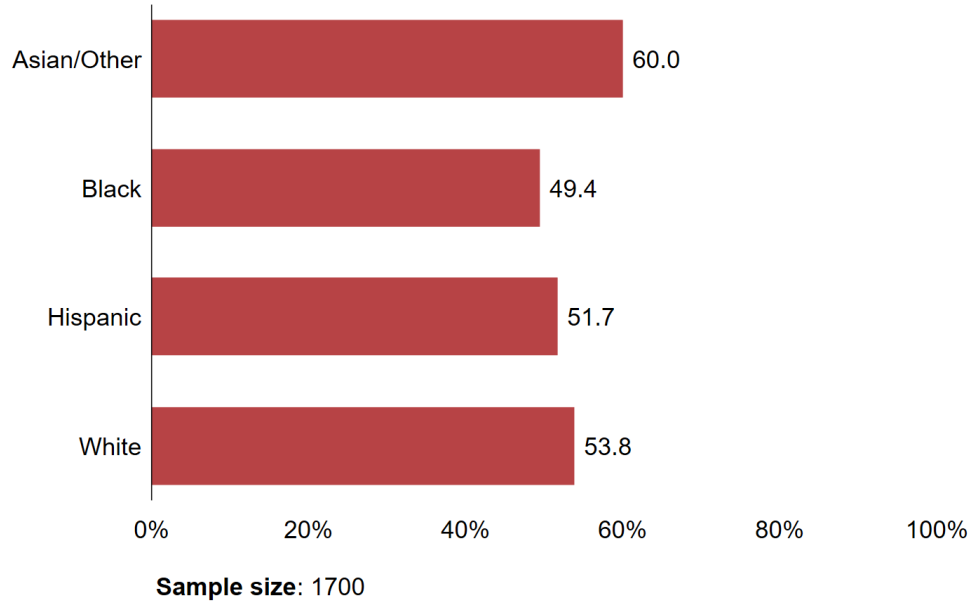
Food insecurity experiences (CA)



Sample size (Pre-CTC, week 30-33): 3398; Sample size (Post-CTC, week 34-35): 1707

Key Finding 5: Asian families or those of some other race/ethnicity were most likely to receive CTC payments (60%), followed by white (54%), Hispanic (52%), and Black (50%) families.

CTC receipt (CA), by race/ethnicity



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

CTC and balance sheets (CA), by race/ethnicity

