

How are Colorado families using their Child Tax Credit payments?

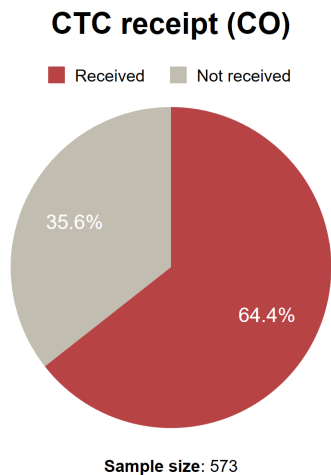
Evidence from Census Data

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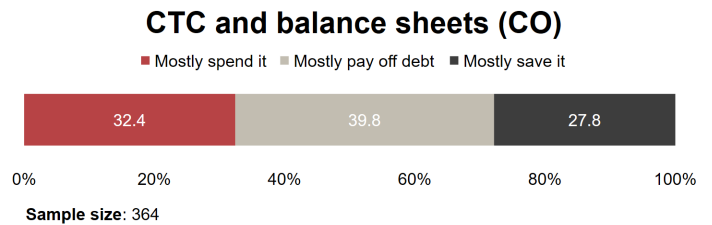
The temporary expansion of the Child Tax Credit (CTC) is projected to cut American child poverty by more than half. The CTC expansion provides families with \$3,600 for every child in the household under the age of six, and \$3,000 for every child between the ages of six and 17. The vast majority of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

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

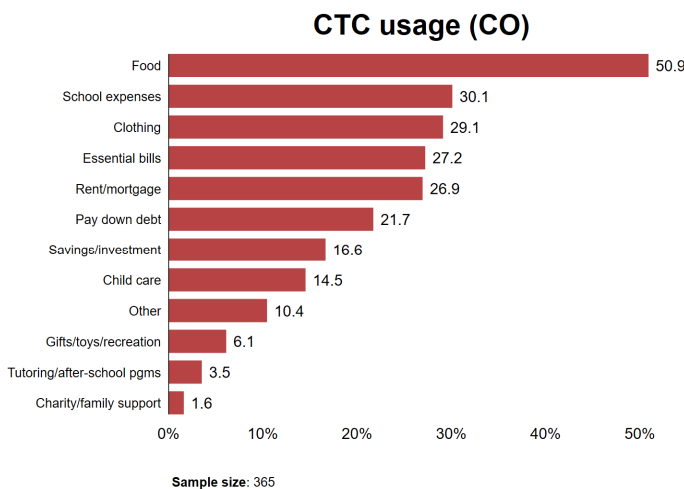
Key Finding 1: Almost two-thirds of eligible CO families received the CTC.



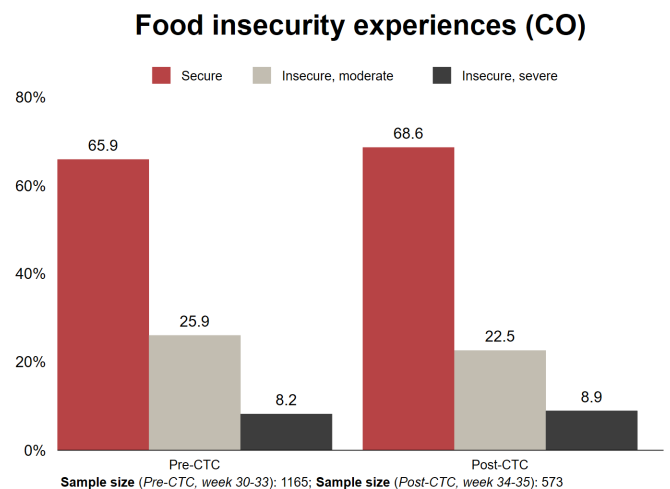
Key Finding 2: 40% of CO families reported mostly using their CTC to pay down debt, 28% mostly saved their CTC, and 32% mostly spent it.



Key Finding 3: CO families' most common uses of the CTC payments were purchasing food for their family (51%), followed by paying for school expenses (30%), and paying for clothing and other essentials for their children (29%).

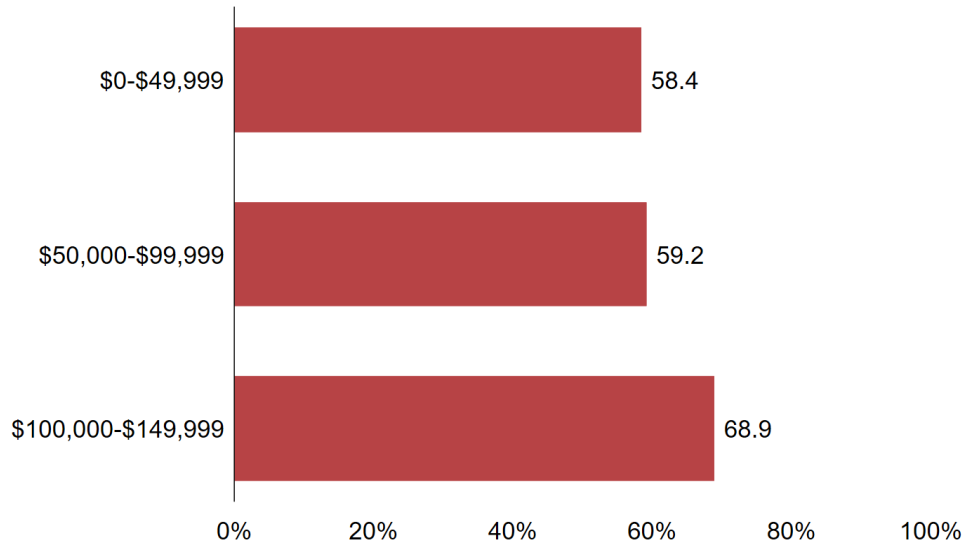


Key Finding 4: Eligible CO families experienced slightly lower rates of food insecurity following the introduction of the CTC.



Key Finding 5: Almost 70% of higher-income CO families received the CTC, compared to around 60% of middle- and lower-income families.

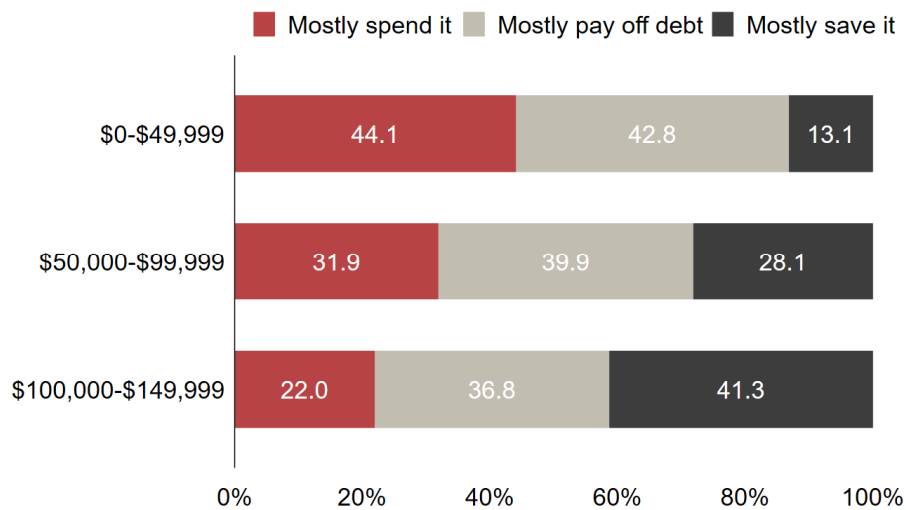
CTC receipt (CO), by income



Sample size: 572

Key Finding 6: Lower-income CO families were more likely to report mostly spending the CTC or mostly using it to pay down debt, while higher-income families were more likely to report mostly saving the CTC.

CTC and balance sheets (CO), by income



Sample size: 364