

How are Michigan families using their Child Tax Credit payments?

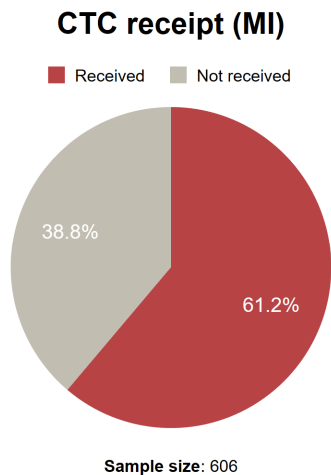
Evidence from Census Data

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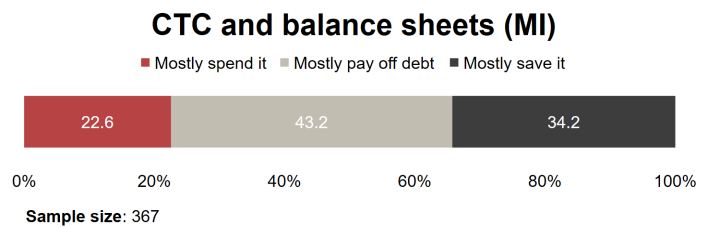
The temporary expansion of the Child Tax Credit (CTC) is projected to cut American child poverty by more than half. The CTC expansion provides families with \$3,600 for every child in the household under the age of six, and \$3,000 for every child between the ages of six and 17. The vast majority of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

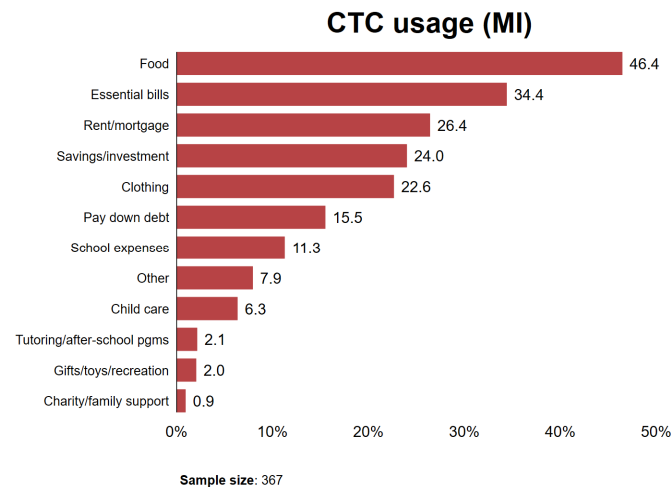
Key Finding 1: 61% of eligible MI families received the CTC.



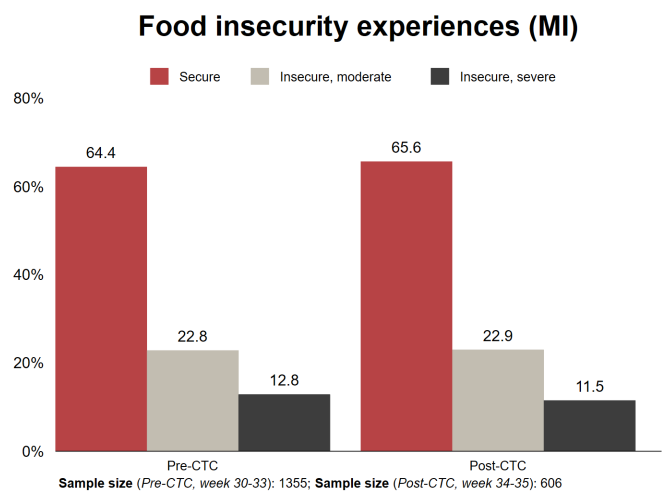
Key Finding 2: 43% of MI families reported mostly using their CTC to pay down debt, 34% mostly saved their CTC, and 23% mostly spent it.



Key Finding 3: The most common uses of the CTC payments among MI families were purchasing food for their family (46%), managing bills (34%), and paying the rent/mortgage (26%).

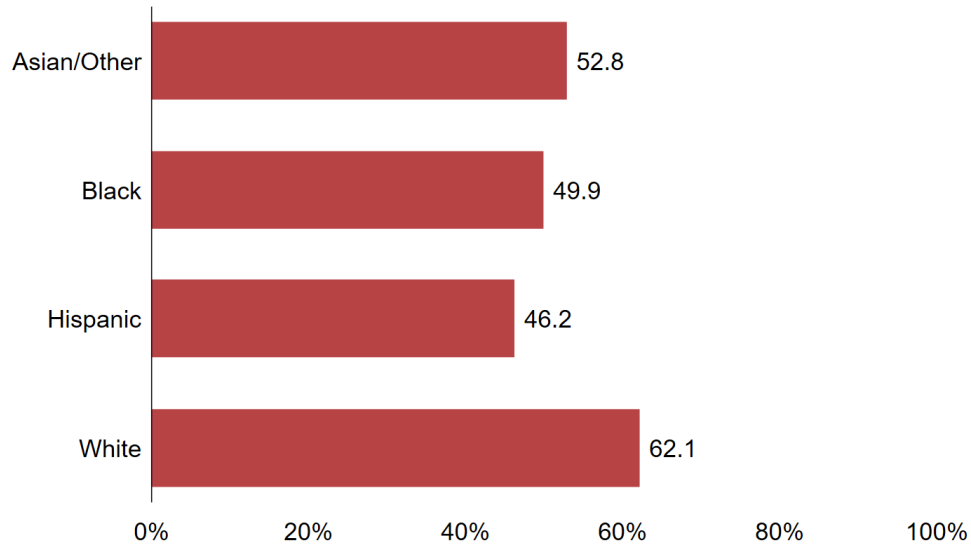


Key Finding 4: Eligible MI families experienced slightly lower rates of severe food insecurity after CTC payments went out.



Key Finding 5: White MI families were most likely to receive CTC payments (62%), followed by Asian families or those of other races/ethnicities (53%) and Black (50%) families. Only 46% of Hispanic families received the CTC.

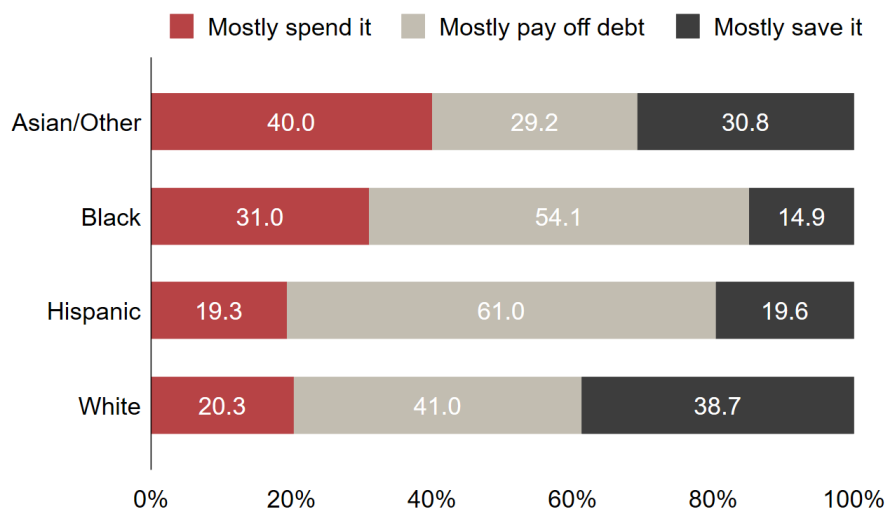
CTC receipt (MI), by race/ethnicity



Sample size: 605

Key Finding 6: Black and Hispanic MI families were more likely to mostly use their CTC funds to pay down debt relative to other groups, while white families were more likely to save the CTC funds and Asian/other families were more likely to spend it.

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



Sample size: 367