

How are Vermont families using their Child Tax Credit payments?

Evidence from Census Data

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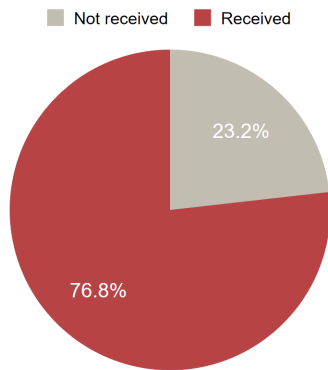
The temporary expansion of the Child Tax Credit (CTC) is projected to cut American child poverty by more than half. The CTC expansion provides families with \$3,600 for every child in the household under the age of six, and \$3,000 for every child between the ages of six and 17. The vast majority of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

In this research brief, we use data from the Census Household Pulse survey to examine how a representative sample of Vermont 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: 77% of eligible VT families received the CTC.

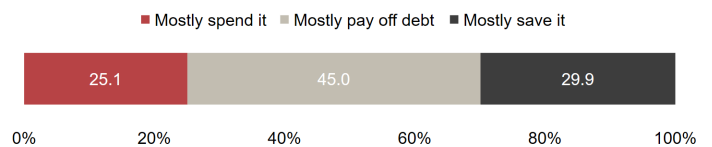
Key Finding 2: 45% of VT families reported mostly using their CTC to pay down debt, 30% mostly saved their CTC, and 25% mostly spent it.

CTC receipt (VT)



Sample size: 209

CTC and balance sheets (VT)

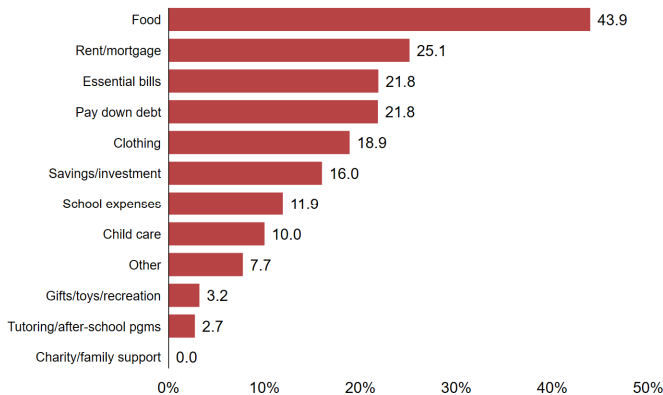


Sample size: 156

Key Finding 3: The most common uses of the CTC payments among VT families were purchasing food for their family (44%), paying for housing costs (25%), and managing bills (22%).

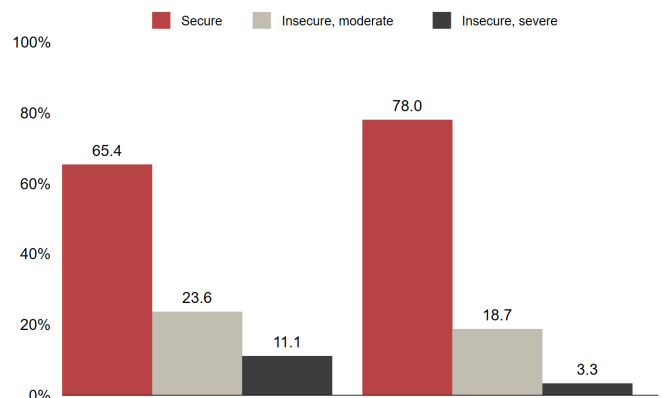
Key Finding 4: Eligible VT families experienced much lower rates of moderate and severe food insecurity after CTC payments went out, as well as a large increase in overall food security.

CTC usage (VT)



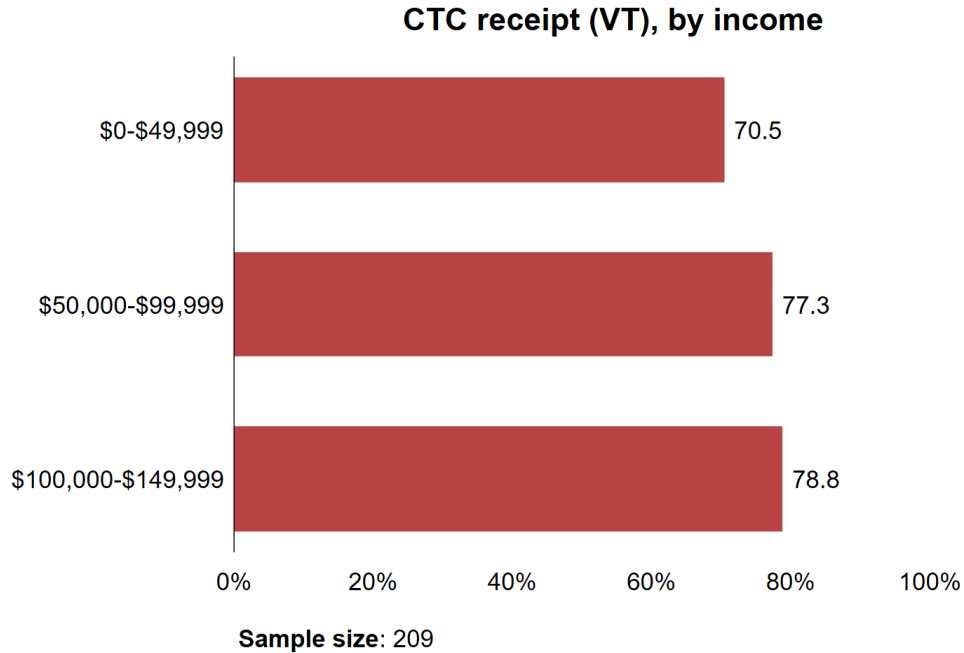
Sample size: 156

Food insecurity experiences (VT)



Sample size (Pre-CTC, week 30-33): 441; Sample size (Post-CTC, week 34-35): 209

Key Finding 5: VT families in all income categories received the CTC at similar rates (71%-79%).



Key Finding 6: Roughly half of VT families in the low and middle income categories used their CTC to mostly pay down debt, while those in the high income category were more fairly evenly split in their usage of the CTC.

