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Title of contribution	<i>The Impact of the 2021 Expanded Child Tax Credit on Child Poverty in the U.S.</i>
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Author Organization	<i>United States Census Bureau</i>
Topic	<i>Social policies and data</i>
<p>Summary:</p> <p><i>Enacted in 2021, the American Rescue Plan (ARP) made several major changes to the Child Tax Credit (CTC). First, the CTC was made fully refundable, allowing low-income families to realize the full value of the credit, even if their earnings fell below minimum tax liability required to receive the full benefit. This change allowed more families to claim the credit than in previous years. Second, the value of the CTC was expanded substantially. Prior to ARP, the CTC was a maximum of \$2,000 for a child under the age of 17. The expanded CTC increased the credit up to \$3,600 for children under 6 and \$3,000 for children under 18. Finally, starting in July families were eligible to receive half of their expected CTC in monthly installments with the remained half received when they filed 2021 taxes.</i></p> <p><i>This paper will use the 2022 Current Population Survey Annual Social and Economic Supplement (CPS ASEC), covering calendar year 2021 and the Census Bureau CPS ASEC Tax Model to analyze the impact of CTC on child poverty rates overall, by child age, and race/ethnicity. Poverty status in this paper will be estimated using the Supplemental Poverty Measure (SPM). A key characteristic of the SPM is its ability to isolate how different social safety net programs and policies lift or push persons out of or into poverty. We will first compare the overall impacts of the CTC on child poverty for 2020 and 2021. Next, we will perform a counterfactual exercise where we will compare child poverty rates in an environment where the CTC remained at its original pre-ARP status for 2021. By conducting this counterfactual exercise, we will be able to examine the impact of expansions in CTC in addition to the overall impact of CTC on child poverty.</i></p> <p><i>Finally, we will explore the impact of CTC expansions on child poverty at different points in the income-to-poverty ratio distribution.</i></p>	
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