



Data roundup: Non-filers at risk of being left out of Child Tax Credit

The latest data on the non-filers at risk of missing out on expanded CTC

By the numbers: How many children are receiving the CTC automatically and how many are at risk of missing out?

- △ **59.3 million children are receiving Child Tax Credits automatically** – either because their caregiver filed 2019 or 2020 tax returns which suggest they are eligible, or because their caregiver used the IRS’s Non-Filer Portal to claim an Economic Impact Payment (EIP or stimulus check).
 - On July 15, the Treasury Department sent nearly \$15 billion in monthly CTC payments to 39 million families.
 - The IRS automatically paid the Child Tax Credit for [720,000](#) previously disconnected children through information gathered from people filing for stimulus checks with the EIP Non-Filer Portal.
- △ **4-7 million kids are at risk of being left out of the Child Tax Credit** because they live in very low-income households that don’t normally file taxes.
 - **Center on Budget and Policy Priorities:** [4 million](#) are at risk of missing out, including [2.3 million](#) who have health insurance but don’t appear on a tax return, and another 1.6 million expected to be born in 2021 with Medicaid coverage. In addition to that, there is an unknown number of children who are uninsured, who have immigrant parents hesitant to interact with the tax system, and dependents of federal beneficiaries (like SSI and veterans benefits) who did not use the EIP Non-Filer Portal to claim stimulus payments.
 - **People’s Policy Project:** [7 million](#) low-income children are likely eligible, but not in the tax system.

Face to a name: Who are the children most likely to miss out on the CTC?

- △ **Mostly children in very low-income households that don’t file taxes** because their family income is below the tax filing thresholds – about \$25,000 for married parents and \$19,000 for single parents.
- △ **Many children whose families receive federal benefits like Medicaid and SNAP.** According to an analysis by Columbia University Center on Poverty and Social Policy (CPSP)¹, 3 in 4 very low-income households with children likely eligible for the Child Tax Credit receive benefits like Medicaid and SNAP.

¹ **Columbia University, Center on Poverty and Social Policy, “Informing Child Tax Credit Outreach: A portrait of parents with likely eligible children and very low incomes.” (July 2021).** This analysis is not limited to children disconnected from the tax system; instead, it estimates the number and demographic characteristics of children in households with incomes below the tax filing threshold – those most likely to be non-filers (and therefore miss out on the CTC) based on the historical tax filing behavior of this very low-income group.

- △ **Disproportionately kids of color.** CPSP's analysis finds that Black and Latinx families make up half of very low-income households with likely eligible children.
- △ **Disproportionately families where English is not the primary language spoken at home.** CPSP's analysis finds that 1 in 4 very low-income households with likely eligible children do not speak English at home.
- △ **Children who likely have single parents.** CPSP's analysis shows that 8 in 10 of very low-income households with likely eligible children are headed by an unmarried parent.

Hard to reach: What are the barriers between these families and the CTC?

- △ **Lack of awareness of tax benefits is not the primary barrier to filing.** Despite the widespread public awareness campaigns, introduction of innovative, simplified tools for non-filers, and measures to automate EIP payments, [5-10 million Americans](#) still did not receive one or more EIPs they were entitled to.
 - **New America and Propel:** In surveys of food stamp recipients, [40% of families](#) said they do not plan to file a tax return to access the new CTC even though half of the families thought they were eligible.
 - **Code for America:** Interviews with intermittent and lapsed filers revealed that the [motivation for filing taxes is not all about the refund](#); many don't file taxes because they can't find trustworthy and affordable help, have experienced financial and emotional hardships, and/or have existing debt.
 - **2020 Study by Elizabeth Linos et al:** An examination of six different outreach interventions to get EITC-eligible non-filers to file [found no evidence](#) that the varying content, design, messenger, and mode of messages affected household likelihood of filing a tax return or claiming a credit.
- △ **'Tax hesitancy': Misconceptions and imperfect understanding of eligibility rules for filing taxes and receiving benefits.** According to a [qualitative study](#) by New America, many intermittent- or non-filers assumed if they had an income below the requirement to file federal taxes, they *should not* file and thus are not eligible to get IRS benefits.
- △ **Perceive filing taxes to be daunting and costly.** Low-income people, afraid of making mistakes in filing, often rely on help from intermediaries which can be costly. Gig workers have an especially hard time understanding what they are supposed to pay and fear opening themselves up to investigations for prior years if they finally file now.