

**For Immediate Release**

August 25, 2021

**Contact:** [press@economicsecurityproject.org](mailto:press@economicsecurityproject.org)

## **New Census Data Shows Child Tax Credit is Key to Reducing Poverty for Families of Color**

*Hunger fell by ⅓ among Latinx families and ¼ among Black families after receiving second round of cash payments*

**WASHINGTON, DC** -- Today, new data released by the Census Bureau's Household Pulse Survey showed a continued decrease in hunger amongst families with kids who are receiving the Biden Administration's expanded child tax credit payments, from 11% before the Child Tax Credit payments to 7.7%. This decline was especially steep for Black and Latinx households, two of the hardest hit communities during the pandemic. This is a further drop from 8.4% after the first round of checks, boosted by an additional 1.6 million children receiving CTC benefits in August.

Food insecurity in Black and Latinx households with kids fell dramatically:

- Latinx families: food insecurity dropped from 15.7% before the arrival of the first checks to 10.1%.
- Black families: food insecurity dropped from 15.6% before the first checks to 11.8%.

The share of Black and Latinx households that reported having little or no confidence in making next month's rent payment also slightly dropped from 36.7% and 37.3 % after the first round of payments to 35.8% and 36.7%, respectively, demonstrating the immediate and direct effects of the expanded child tax credit.

"Poverty is a policy choice and today's new child tax credit data from the Census Household Pulse survey illustrates what we have seen time and time again: families who are struggling financially use this cash to meet their basic needs," **said Natalie Foster, Co-Chair of the Economic Security Project**. "The expanded child tax credit has proven its unique ability to support American families of all ethnicities, age groups and states in a remarkably short period of time. As working families continue to use these payments to help pay for essential needs, Congress must take immediate action to make the expanded Child Tax Credit permanent and help lift millions of children out of poverty."

"Here in the United States, no child should have to live in poverty," said **Eric Rodriguez, Senior Vice President for Policy of UnidosUS**. "Today's new Census Household Pulse survey shows what we already know, that the Child Tax Credit has the potential to lift millions of children out of poverty. Hunger has fallen by one-third

among Latino families since the expanded benefit began two months ago. Yet, many immigrant children, including children whose families pay taxes, have been cruelly excluded from these benefits. For our country to fully live up to its spirit and promise, immigrant families with tax identification numbers need to be included in these benefits. We urge Congress to both make the expanded Child Tax Credit permanent and ensure all immigrant children are able to access these life-changing cash payments.”

Data from the Treasury Department shows that the August 13 payments were sent to approximately 61 million families with children, covering an additional 1.6 million children since the first monthly payments began.

The next round of payments will be sent to families on September 15, and will continue monthly until December, unless extended. The remaining second half of the credit will be a lump sum paid out during the next tax season.

The key findings of the data include:

- **Families continue to spend the Child Tax Credit on basic needs.** The monthly CTC payment served as real money for American families, helping supplement monthly incomes for 36 million households to more easily afford basic necessities. Specifically, the top categories families spent the payment on was [food, clothing, utilities, school supplies, paying down debt and boosting saving](#).
- **The Child Tax Credit payment continued to help families with kids meet household expenses, with a stunning 20% of Latinx families and 18% of Black families newly able to meet their basic needs.** The percentage of families with children having difficulty meeting usual expenses continued to drop after receiving the second round of checks, from 50.6% in the weeks following the first round of checks ([July 21 to August 2](#)) to 49.9% ([August 4 to August 16](#)). Black and Asian households (with or without kids) also saw a similar drop from 58.7% and 40.3% to 58.3% and 37.5%, respectively.
- **The Child Tax Credit payment continued to reduce hunger among families with kids.** Food scarcity among families with children has continued to drop in the weeks after the first payment from 11% in the weeks prior to the CTC payment to 8.4% after the first payment and now 7.7%. For Black families, in particular, the percentage of households who didn't have enough to eat dropped from 17% after the first round of payments to 11.8%.
- **The Child Tax Credit payment helped households with kids and households of color stay in their homes.** The percentage of all respondents who had little or no confidence in their ability to pay the next month's rent dropped slightly

after the first round of payments, from 25.7% to 25.6%. The difference was higher for households with kids and households of color. After the first payment, 33.7% of respondents with kids in the home were facing housing insecurity, dropping to 32.1%. For Black, Latinx and Asian households, the share facing housing insecurity dropped from 36.7%, 37.3% and 21.4% after the first payment to 35.8%, 36.7% and 20.8%, respectively.

- **The Child Tax Credit payment helped improve the mental health of families.**

The share of families with kids who noted feeling depressed or hopeless on several days, more than half the day, or nearly every day dropped from 38.7% after the first CTC payment to 37.4%. There were similar drops for households of color: Black, Latinx and Asian households all saw a roughly 1-2 percentage point drop from 37.2%, 41% and 35.1% after the first payment to 35.8%, 40.1% and 33.3%, respectively.

###

*The [Economic Security Project](#) challenges the current status quo by catalyzing ideas that build economic power for all Americans. We pick our fights based on our analysis of where a little push could turn an idea from a trend into an intervention that improves the lives of Americans. Our work as a convener, funder, and campaigner includes research to provide the intellectual foundation for our ideas, advocacy to move them forward, and culture change efforts to shift the way we imagine and talk about our economy. We currently focus our efforts on advancing a guaranteed income that would provide an income floor for all Americans, winning recurring direct stimulus checks through the end of this economic crisis, and anti-monopoly action to rein in the unprecedented concentration of economic power.*