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## Build Back Better's Child Tax Credit Changes Would Protect Millions From Poverty — Permanently Expanded EITC Extended for Adults Without Children

By Chuck Marr, Kris Cox, and Arloc Sherman

The House Build Back Better legislation would ensure that families continue to get a significantly expanded Child Tax Credit via monthly payments through 2022; and it would permanently make the full credit available to children in families with low or no earnings in a year, locking in substantial expected reductions in child poverty. The expanded credit benefits roughly 9 in 10 children across the country, and already data show signs of success. The vast majority of parents with low incomes are spending their Child Tax Credit payments on basic needs such as food, housing, utility bills, and education, which can help give their children a stronger start in life.<sup>1</sup>

Build Back Better would also extend through 2022 the American Rescue Plan's expansion of the Earned Income Tax Credit (EITC) for working adults not raising children, boosting the incomes of over 17 million of these working adults.<sup>2</sup> Previously nearly 5.8 million of them were taxed into, or deeper into, poverty in part because their EITC was too low.

Making the full Child Tax Credit available for families with low or no earnings in a year, often called making it “fully refundable,” is expected to generate historic reductions in child poverty compared to what it would have been otherwise. Before the Rescue Plan made the full Child Tax Credit fully available in 2021, 27 million children in families with low or no income in a year received less than the full credit or no credit at all.<sup>3</sup> Full refundability ensures that children in these families get the same amount of the Child Tax Credit as children in families with higher incomes.<sup>4</sup> This provision is the *main* driver of the credit expansion's child poverty reductions:

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<sup>1</sup> Claire Zippel, “9 in 10 Families with Low Incomes Are Using Child Tax Credits to Pay for Necessities, Education,” CBPP, October 21, 2021, <https://www.cbpp.org/blog/9-in-10-families-with-low-incomes-are-using-child-tax-credits-to-pay-for-necessities-education>.

<sup>2</sup> The American Rescue Plan is Public Law 117-2.

<sup>3</sup> Chuck Marr *et al.*, “Congress Should Adopt American Families Plan's Permanent Expansions of Child Tax Credit and EITC, Make Additional Provisions Permanent,” CBPP, May 24, 2021, <https://www.cbpp.org/research/federal-tax/congress-should-adopt-american-families-plans-permanent-expansions-of-child>.

<sup>4</sup> Making the credit fully refundable eliminates the previous earnings threshold, phase-in structure, and cap on the refundable amount.

- Altogether Build Back Better’s Child Tax Credit expansions — full refundability and expanding the maximum credit to \$3,600 for children under age 6 and \$3,000 for children aged 6-17 — are expected to reduce child poverty by more than 40 percent as compared to what it would be without the expansion. Full refundability drives 87 percent of this anti-poverty impact.
- While policymakers should ensure that the higher credit is made permanent, even if the credit amounts return to their pre-2021 level of \$2,000 per child under age 17,<sup>5</sup> making the credit fully available at that level would reduce child poverty by roughly 20 percent.

Build Back Better’s Child Tax Credit expansions — especially permanent full refundability — also represent a significant step toward racial equity: they would permanently eliminate a fundamental design flaw in the credit that had the direct effect of ensuring that disproportionate numbers of Black and Latino children received a partial credit or none at all. Before the Rescue Plan’s expansion, roughly half of Black and Latino children in our country received less than the full Child Tax Credit or no credit at all — compared to roughly 1 in 5 white children — because their families earned too little.<sup>6</sup> Black and Latino families are overrepresented in low-paid work and face worse employment prospects due to historical and ongoing discrimination in education, housing, employment, and criminal justice that have systematically limited opportunity.<sup>7</sup> Build Back Better also would restore eligibility for the credit to children who aren’t eligible for a Social Security number because of their immigration status but can be claimed as tax dependents by using an Individual Tax Identification Number (ITIN).

## Full Refundability — the Driver of Child Poverty Reduction — Would Be Permanent

Prior to the Rescue Plan, 27 million children received less than the full Child Tax Credit or no credit at all because their families’ incomes were too low. That included roughly half of all Black and Latino children and half of children who live in rural communities.<sup>8</sup> (See Appendix Table 2 for state-specific estimates, by race and ethnicity.) This upside-down policy gave less help to the children who needed it most. The Rescue Plan temporarily fixed this policy by making the tax credit fully refundable for 2021. Build Back Better, in one of its signature achievements, would make this policy advance permanent.

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<sup>5</sup> Prior to the Rescue Plan, the maximum Child Tax Credit was \$2,000 per child and was available to children under age 17. Under Build Back Better, the credit would return to this maximum amount, and families would not be able to claim 17-year-olds for the credit, for tax years 2023 through 2025.

<sup>6</sup> Sophie Collyer, David Harris, and Christopher Wimer, “Left behind: The one-third of children in families who earn too little to get the full Child Tax Credit,” Center on Poverty & Social Policy at Columbia University, May 14, 2019, <https://www.povertycenter.columbia.edu/news-internal/leftoutofctc>.

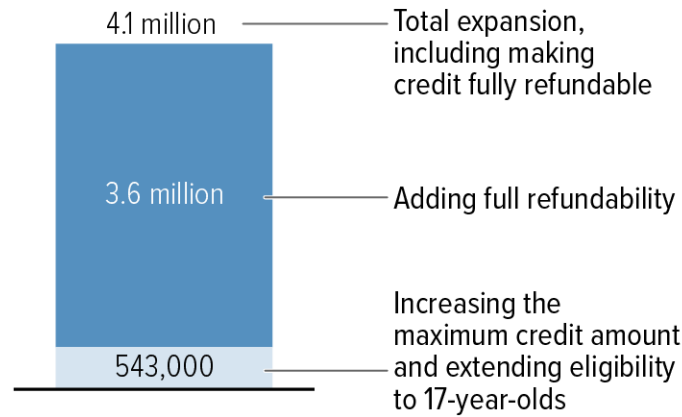
<sup>7</sup> Danilo Trisi and Matt Saenz, “Economic Security Programs Reduce Overall Poverty, Racial and Ethnic Inequities,” CBPP, January 28, 2021, <https://www.cbpp.org/research/poverty-and-inequality/economic-security-programs-reduce-overall-poverty-racial-and-ethnic>. Even in the relatively strong pre-pandemic economy, 1 in 3 Black (33 percent) and Latino (34 percent) workers earned below-poverty wages, as did nearly 1 in 5 white workers (19 percent). Economic Policy Institute, *State of Working America Data Library*, “Poverty-level wages,” 2019, <https://www.epi.org/data/#?subject=povwage>.

<sup>8</sup> Marr *et al.*, *op. cit.*

FIGURE 1

## Full Refundability Drives Anti-Poverty Impact of Rescue Plan's Child Tax Credit Improvements

Number of children lifted above the poverty line



Note: Full refundability = Families with little or no income for the year can receive the full credit. Rescue Plan = 2021 American Rescue Plan Act. All estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. Together with increasing the maximum credit amount to \$3,000 for children ages 6-17 and \$3,600 for children under age 6 and extending eligibility to 17-year-olds, we retain the \$2,500 earned income floor and 15% phase-in under pre-Rescue Plan policy and assume that the \$1,400 refundability cap is removed.

Source: CBPP analysis of March 2019 Current Population Survey

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The Rescue Plan's Child Tax Credit expansions — and their continuation in Build Back Better — are expected to result in historic reductions in child poverty, with full refundability largely responsible. The Rescue Plan expanded the Child Tax Credit in three ways:

- It increased the maximum credit to \$3,600 per child for children through age 5 and \$3,000 for children aged 6 to 17;
- It allowed families to newly claim their 17-year-old children; and
- It made the credit fully available to families with children that lacked earnings in a year or had earnings that were too low.

In the absence of the full refundability provision, the first two of those changes would lift an estimated 543,000 children above the poverty line, reducing the child poverty rate by 5 percent.<sup>9</sup>

<sup>9</sup> Chuck Marr, Kris Cox, and Arloc Sherman, "Recovery Package Should Permanently Include Families With Low Incomes in Full Child Tax Credit," CBPP, September 7, 2021, <https://www.cbpp.org/research/federal-tax/recovery-package-should-permanently-include-families-with-low-incomes-in-full>. The poverty reduction estimates in this report come from policy simulations — that is, calculating after-tax income for a representative sample of families in Census data under different Child Tax Credit scenarios, with and without expansion provisions. This may not equal the reduction in poverty that will be observed between one year and another, which will be influenced by additional factors such as the economy and the expiration of other relief measures.

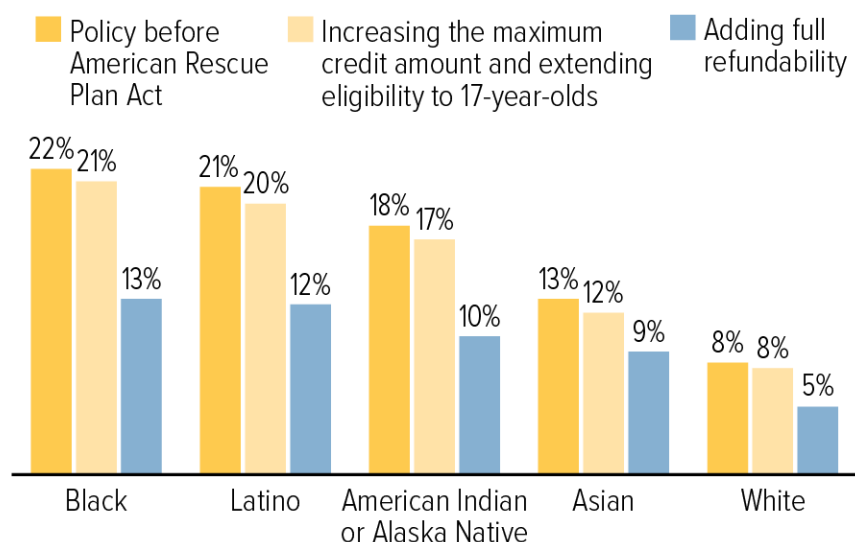
Before the Rescue Plan, most children with incomes below the poverty line received less than the full Child Tax Credit, so raising its maximum amount would have provided them no benefit.

But the two changes *plus* full refundability stand to raise 4.1 million children above the poverty line (see Appendix Table 1 for state-specific estimates) and cut the child poverty rate by more than 40 percent. (See Figure 1.) In other words, the full refundability feature makes the expansion *nearly eight times as effective* in reducing child poverty.

FIGURE 2

### Full Refundability Provision of the Expanded Child Tax Credit Cuts Child Poverty, Narrows Racial and Ethnic Differences in Poverty Rates

Percent of children in poverty



Note: Full refundability = families with little or no income for the year can receive the full credit. All estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. American Indian and Alaska Native (AIAN) children may be AIAN alone or in combination with other races and ethnicities. Latino (short for Latino, Hispanic, or Spanish origin) may be of any race. Other racial/ethnic groups refer to children of that race alone and not Latino. The middle bar shows estimated child poverty rates if the Child Tax Credit were expanded to \$3,600 per child under 6 (\$3,000 per child 6-17) but retained the \$2,500 earned income floor and 15% phase-in rate present under pre-Rescue Plan law (but removing the \$1,400 per child cap on refundability). Bar heights reflect unrounded values.

Source: CBPP analysis of the Census Bureau’s March 2019 Current Population Survey (for national total) allocated by race or ethnicity based on CBPP analysis of American Community Survey data for 2016-2018.

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The Build Back Better legislation would extend the entire Rescue Plan expansion through 2022, and make full refundability permanent, which would result in a significant reduction in child poverty even if the other aspects of the expansion expire. If the maximum credit amount drops back to \$2,000 per child in the coming years and the age range of eligibility for the credit returns to under 17, but full refundability remains permanent, roughly 2 million children would be lifted above the

poverty line (as compared to child poverty without the full refundability provision in place). That would reduce child poverty *by roughly 20 percent* compared to what it would be without the expansion. In future legislation Congress should extend the full Rescue Plan expansion beyond 2022 and, ultimately, make the full expansion permanent.

Making the Child Tax Credit fully refundable is particularly important for reducing racial disparities in child poverty. Expanding only the maximum credit amount to Rescue Plan levels and including 17-year-olds (but not making it fully refundable) would reduce Black and Latino child poverty rates by only about 1 percentage point relative to the poverty rate without those expansions, and so would do little to shrink the significant, long-standing gaps in child poverty between Black and white children and between Latino and white children.

But increasing the credit, adding 17-year-olds, *and* making it fully refundable would reduce Black and Latino child poverty rates by about 9 percentage points — from 22 percent to 13 percent for Black children, and 21 percent to 12 percent for Latino children — and would reduce the white child poverty rate from 8 percent to 5 percent, relative to the unexpanded credit.<sup>10</sup> (See Figure 2.) As a result, these changes would narrow the Black/white and the Latino/white differences in child poverty rates by 44 and 41 percent, respectively. The full expansion of the Child Tax Credit would also reduce the poverty rate for children identified as American Indian and Alaska Native alone or in combination with other races (regardless of Latino ethnicity) from 18 percent to 10 percent, and for Asian children from 13 percent to 9 percent.

Poverty and the hardships that come with it — unstable housing, frequent moves, inadequate nutrition, and high levels of stress in the family — can take a heavy toll on children and are associated with lower levels of educational attainment, poorer health in adulthood, lower earnings, and higher likelihood of being arrested, a 2019 National Academies of Science, Engineering, and Medicine report on reducing child poverty found. “[T]he weight of the causal evidence indicates that income poverty itself causes negative child outcomes, especially when it begins in early childhood and/or persists throughout a large share of a child’s life,” the report concluded.<sup>11</sup>

<sup>10</sup> Danilo Trisi *et al.*, “House Build Back Better Legislation Advances Racial Equity,” CBPP, September 27, 2021, <https://www.cbpp.org/research/poverty-and-inequality/house-build-back-better-legislation-advances-racial-equity>.

<sup>11</sup> National Academies of Science, Engineering and Medicine, “A Roadmap to Reducing Child Poverty,” 2019, <https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty>.

FIGURE 3

## Child Tax Credit Expansion Would Provide Large Gains for Children and Society

-  Lower neo-natal mortality
-  Greater health and longevity for children and parents
-  Higher future earnings of child beneficiaries
-  Lower costs of protecting children from abuse & neglect
-  Greater safety from reductions in crime
-  Increased future tax payments by child beneficiaries
-  Reduced expenditures on children’s and parents’ health care costs

Source: Irwin Garfinkel *et al.*, “The Costs and Benefits of a Child Allowance,” Center on Poverty and Social Policy at Columbia University, 2021

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Making the credit fully available on a *permanent* basis to families with low incomes would improve children’s lives in the near and long term and benefit society overall, in important ways. (See Figure 3.) Studies show additional income is linked to better outcomes for children in families with low income, including better educational performance and attainment, higher earnings in adulthood, and better health, which can yield benefits for children and their communities over the course of their lives.<sup>12</sup> Additional income provides greater stability for families, with a corresponding reduction in stress for parents and children. And making the credit fully available would boost the incomes of many families who work hard at important but low-paid jobs, including in many positions recognized as essential to our daily life.

## Key Child Tax Credit Changes Extended, Some Groups Newly Eligible

Recall that Build Back Better legislation would extend the Rescue Plan’s increase in the maximum Child Tax Credit from \$2,000 to \$3,600 for children under age 6 and \$3,000 for children aged 6-17 (including 17-year-olds for the first time). And as it does under the Rescue Plan, Build Back Better’s increase in the maximum credit would begin to phase down for unmarried tax filers making more than \$112,500 and for married couples making over \$150,000.<sup>13</sup>

Also under Build Back Better, families could receive the Child Tax Credit as advance monthly payments of \$300 per young child (\$250 per older child) for the entirety of 2022, with Congress possibly considering a further extension. (Build Back Better allows 12 months of advance monthly payments while the Rescue Plan allowed families to receive six months of advance monthly payments of \$300 per young child or \$250 per older child, from July to December 2021, in part because the Rescue Plan was enacted partway through the year, in March 2021.<sup>14</sup>) To understand the game-changing potential of this policy advance, consider the following example:

- A single mom, with a toddler and a daughter who is a second-grader, works as a home health aide helping an elderly person meet their basic needs; she makes \$12,500 working part time around her kids’ schedule. Prior to the Rescue Plan, this family received a Child Tax Credit of \$750 per child per *year*, but they now get \$550 per *month* — a total \$3,600 for the toddler and \$3,000 for the second-grader in 2021 — and would in 2022 as well if Build Back Better is enacted.

Families with low and moderate incomes are spending their expanded Child Tax Credits on the most basic household expenses — food, clothing, housing, and utilities — or education. Nine in ten

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<sup>12</sup> Arloc Sherman *et al.*, “Recovery Proposals Adopt Proven Approaches to Reducing Poverty, Increasing Social Mobility,” CBPP, August 5, 2021, <https://www.cbpp.org/research/poverty-and-inequality/recovery-proposals-adopt-proven-approaches-to-reducing-poverty>.

<sup>13</sup> For tax year 2022, as with 2021, the credit would phase down in two steps. First, the credit increase would start to phase down at \$112,500 for heads of household (\$150,000 for married couples). Second, the final \$2,000 of the credit would start to phase down at \$200,000 (\$400,000 if married). A couple with two children and income between \$400,000 and \$440,000 would receive a partial credit.

<sup>14</sup> Build Back Better allows families to receive advance monthly payments if their income is below \$112,500 for a head of household, or \$150,000 for a married couple, and families with higher incomes will claim their Child Tax Credit at tax time. The Rescue Plan allowed any family eligible for the Child Tax Credit to receive monthly payments, including those with higher incomes.



families with lower incomes (less than \$35,000) spent their Child Tax Credit on at least one of these needs, Census Bureau data show.<sup>15</sup> More families also report having enough to eat since the Child Tax Credit monthly payments began.

Overall, Build Back Better's Child Tax Credit expansions are expected to benefit more than 65 million children — nearly 90 percent of all children — across the country, including 31.9 million white children, 17.5 million Latino children, 9.4 million Black children, and 2.8 million Asian children.<sup>16</sup> (See Appendix Table 3 for state-specific estimates.) They are also expected to lift 4.1 million children above the poverty line, of whom 1.6 million are Latino, 1.2 million are white, 930,000 are Black, and 132,000 are Asian. Black and Latino children would disproportionately benefit.<sup>17</sup>

### **Children With Certain Immigration Statuses Would Again Be Eligible**

The Build Back Better framework would also restore eligibility for the credit to children who aren't eligible for a Social Security number (SSN) because of their immigration status but can be claimed as tax dependents by using an Individual Tax Identification Number (ITIN). A provision in the 2017 tax law denied the credit to such children — even though there is generally broad support to grant legal status or take other steps to encourage them to finish their education and equip them for future success in our communities and economy. The country has a stake in ensuring that these children get the resources they need to realize their potential, and Build Back Better would ensure that children with ITINs have access to the same credit as other children.

### **Child Tax Credit Expansion Would Greatly Benefit U.S. Territories**

The Build Back Better legislation would also provide its Child Tax Credit expansions to all the U.S. territories.<sup>18</sup> Child poverty is much higher there, making these expansions sorely needed. To ensure the Child Tax Credit reaches all eligible families, the territories would need support to make people aware of the expansions, given the steep economic challenges, language barriers, and other obstacles to enrollment they face. The territories face economic challenges that have left local government agencies without the necessary funding and staffing to aid outreach efforts.

### **One-Year Extension of Expanded EITC for Adults Not Raising Children**

The EITC is a powerful wage subsidy, but before the Rescue Plan it largely excluded working adults not raising children at home, providing only a tiny credit to a small number of them, and excluding younger and older workers. Build Back Better would extend for 2022 the Rescue Plan's

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<sup>15</sup> Zippel, *op. cit.*

<sup>16</sup> Among the 1.6 million U.S. children identified in Census Bureau data as American Indian or Alaska Native (AIAN), either alone or in combination with other races and ethnicities, an estimated 1.5 million would benefit from this Child Tax Credit expansion. (If we apply the non-overlapping race-ethnic categories this report uses for other groups, 555,000 children are considered AIAN alone, not Latino; about 524,000 of them would benefit from this expansion.)

CBPP analysis of the U.S. Census Bureau's March 2019 Current Population Survey (for national total) allocated by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018, using 2021 tax parameters and incomes adjusted for inflation to 2021 dollars.

<sup>17</sup> The credit would lift above the poverty line an estimated 9.4 percent of Black children, 8.5 percent of Latino children, and 3.3 percent of white children.

<sup>18</sup> For families in Puerto Rico, monthly payments will be available from July to December 2022.

EITC expansion, which raised both the maximum credit for these workers (from roughly \$540 to roughly \$1,500) and the income cap for them to qualify (from about \$16,000 to at least \$22,000). It also expanded the age range of eligible workers without children to include younger adults aged 19-24 (excluding students under 24 who are attending school at least part time), as well as people aged 65 and over.

This expansion would continue to boost the incomes of more than 17 million working adults without children who do important work for low pay. (See Appendix Table 4 for state-specific estimates, by race/ethnicity.) They include nearly 5.8 million people aged 19 to 65 whom the federal tax code would otherwise tax into, or deeper into, poverty — the lone group for whom that happens — in large part because their EITC would otherwise be too low.<sup>19</sup> The shares of such people who are Latino and Black workers are disproportionately high (about 26 percent are Latino and 18 percent are Black, compared to their 19 percent and 12 percent respective shares of the overall population) — again reflecting historical and ongoing barriers to economic opportunity that have led to their overrepresentation in low-paid work.

Among those most likely to benefit are people who work as cashiers, food preparers and servers, and home health aides. (See Table 1.) The pandemic has helped the nation better understand and appreciate these workers and millions of others who work for low pay and the essential role they play in keeping this economy running. Build Back Better would ensure that this income boost will continue in 2022. Congress will need to enact a further extension to ensure this important policy remains in place.

TABLE 1

### Working Adults Without Children in Selected Essential Occupations Who Would Benefit From EITC Expansion in Build Back Better Legislation

Relative to without the expansion

Occupation	Number of workers who would gain	Workers who would gain as a share of all workers aged 19 and older in occupation
Cashiers	1,074,000	33%
Retail salespersons	673,000	20%
Cooks	660,000	30%
Janitors and building cleaners	537,000	21%
Laborers and freight, stock, and material movers, by hand	534,000	24%
Personal and home care aides	468,000	29%
Truck and delivery drivers	412,000	10%
Nursing, psychiatric, and home health aides	385,000	17%
Stock clerks and order fillers	384,000	26%
Food preparation workers	315,000	30%

<sup>19</sup> Marr *et al.*, *op. cit.*



TABLE 1

## Working Adults Without Children in Selected Essential Occupations Who Would Benefit From EITC Expansion in Build Back Better Legislation

Relative to without the expansion

Occupation	Number of workers who would gain	Workers who would gain as a share of all workers aged 19 and older in occupation
Child care workers	304,000	24%
First-line supervisors/managers of retail sales workers	253,000	7%
Hand packers and packagers	204,000	32%
Miscellaneous agricultural workers	182,000	19%
Dishwashers	105,000	51%
Bus drivers	71,000	11%
<b>All occupations</b>	<b>17,445,000</b>	<b>11%</b>

Note: Workers without children counted as benefiting from the EITC expansion in the Build Back Better legislation are those aged 19 and older (excluding students under age 24 attending school at least part time).

Source: CBPP estimates based on U.S. Census Bureau's March 2019 Current Population Survey, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. Estimates reflect a pre-pandemic economy.

## Appendix

APPENDIX TABLE 1

### Estimated Number of Children Who Would Benefit From Child Tax Credit Expansion in Build Back Better Legislation, by State

Relative to without the expansion

State	Children under 18 lifted above poverty line by expansion	Children under 18 who would benefit from expansion	Share of children under 18 who would benefit from expansion
<b>Total U.S.</b>	4,120,000	65,560,000	89%
Alabama	76,000	1,020,000	93%
Alaska	11,000	166,000	89%
Arizona	109,000	1,507,000	92%
Arkansas	47,000	661,000	93%
California	582,000	7,844,000	86%
Colorado	56,000	1,106,000	87%
Connecticut	30,000	604,000	81%
Delaware	9,000	181,000	89%
District of Columbia	9,000	93,000	75%
Florida	275,000	3,833,000	91%
Georgia	165,000	2,269,000	90%
Hawai'i	15,000	277,000	91%
Idaho	16,000	410,000	93%
Illinois	150,000	2,536,000	87%
Indiana	78,000	1,452,000	92%
Iowa	24,000	668,000	91%
Kansas	29,000	651,000	92%
Kentucky	66,000	929,000	92%
Louisiana	89,000	1,027,000	92%
Maine	10,000	229,000	90%
Maryland	56,000	1,120,000	83%
Massachusetts	57,000	1,099,000	80%
Michigan	114,000	1,968,000	90%
Minnesota	43,000	1,122,000	87%
Mississippi	55,000	677,000	94%
Missouri	70,000	1,260,000	91%
Montana	10,000	209,000	91%
Nebraska	18,000	434,000	91%
Nevada	38,000	634,000	92%

<b>State</b>	<b>Children under 18 lifted above poverty line by expansion</b>	<b>Children under 18 who would benefit from expansion</b>	<b>Share of children under 18 who would benefit from expansion</b>
<b>Total U.S.</b>	4,120,000	65,560,000	89%
<b>New Hampshire</b>	8,000	221,000	85%
<b>New Jersey</b>	93,000	1,599,000	81%
<b>New Mexico</b>	32,000	454,000	93%
<b>New York</b>	250,000	3,554,000	86%
<b>North Carolina</b>	135,000	2,085,000	90%
<b>North Dakota</b>	4,000	157,000	91%
<b>Ohio</b>	128,000	2,367,000	91%
<b>Oklahoma</b>	59,000	894,000	93%
<b>Oregon</b>	40,000	778,000	89%
<b>Pennsylvania</b>	137,000	2,363,000	89%
<b>Rhode Island</b>	8,000	185,000	89%
<b>South Carolina</b>	67,000	1,025,000	93%
<b>South Dakota</b>	9,000	196,000	91%
<b>Tennessee</b>	92,000	1,393,000	92%
<b>Texas</b>	489,000	6,686,000	91%
<b>Utah</b>	32,000	859,000	92%
<b>Vermont</b>	4,000	104,000	89%
<b>Virginia</b>	89,000	1,586,000	85%
<b>Washington</b>	66,000	1,433,000	87%
<b>West Virginia</b>	22,000	346,000	93%
<b>Wisconsin</b>	45,000	1,158,000	90%
<b>Wyoming</b>	4,000	128,000	93%

Notes: Estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars.

Source: CBPP analysis of the March 2019 Current Population Survey (for national total) allocated by state based on CBPP analysis of American Community Survey (ACS) data for 2016-2018. Poverty calculations also use U.S. Census Bureau Supplemental Poverty Measure research files for the ACS.

APPENDIX TABLE 2

**Estimated Number of Children Under 17 Left Out of Full \$2,000 Child Tax Credit Prior to Rescue Plan, by State and Race/Ethnicity**

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	27,000,000	8,763,000	9,904,000	5,738,000	813,000	1,782,000
Alabama	480,000	181,000	55,000	220,000	3,000	22,000
Alaska	53,000	15,000	N/A	N/A	N/A	27,000
Arizona	692,000	153,000	407,000	39,000	8,000	84,000
Arkansas	323,000	157,000	56,000	86,000	N/A	22,000
California	3,524,000	450,000	2,480,000	227,000	221,000	146,000
Colorado	346,000	120,000	176,000	19,000	8,000	22,000
Connecticut	199,000	53,000	92,000	37,000	7,000	10,000
Delaware	67,000	19,000	17,000	26,000	N/A	N/A
District of Columbia	53,000	N/A	8,000	43,000	N/A	N/A
Florida	1,730,000	466,000	657,000	498,000	26,000	84,000
Georgia	1,044,000	273,000	221,000	473,000	21,000	57,000
Hawai'i	92,000	9,000	19,000	N/A	16,000	47,000
Idaho	153,000	95,000	46,000	N/A	N/A	10,000
Illinois	982,000	295,000	352,000	265,000	26,000	44,000
Indiana	558,000	307,000	96,000	107,000	11,000	36,000
Iowa	197,000	120,000	32,000	24,000	5,000	16,000
Kansas	218,000	106,000	65,000	23,000	4,000	20,000
Kentucky	422,000	292,000	38,000	59,000	5,000	27,000
Louisiana	530,000	160,000	41,000	296,000	5,000	28,000
Maine	75,000	62,000	N/A	N/A	N/A	6,000
Maryland	352,000	82,000	85,000	148,000	13,000	24,000
Massachusetts	356,000	119,000	146,000	50,000	21,000	22,000
Michigan	810,000	406,000	97,000	232,000	16,000	60,000
Minnesota	322,000	133,000	57,000	74,000	23,000	36,000
Mississippi	351,000	103,000	16,000	215,000	N/A	15,000
Missouri	502,000	296,000	46,000	112,000	5,000	43,000
Montana	78,000	51,000	N/A	N/A	N/A	21,000
Nebraska	141,000	65,000	47,000	13,000	5,000	11,000
Nevada	271,000	53,000	142,000	42,000	10,000	23,000
New Hampshire	52,000	40,000	N/A	N/A	N/A	N/A
New Jersey	561,000	144,000	252,000	122,000	23,000	20,000
New Mexico	245,000	34,000	166,000	3,000	N/A	42,000
New York	1,552,000	471,000	574,000	316,000	123,000	69,000
North Carolina	926,000	300,000	241,000	300,000	18,000	66,000

APPENDIX TABLE 2

### Estimated Number of Children Under 17 Left Out of Full \$2,000 Child Tax Credit Prior to Rescue Plan, by State and Race/Ethnicity

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	27,000,000	8,763,000	9,904,000	5,738,000	813,000	1,782,000
<b>North Dakota</b>	39,000	20,000	N/A	N/A	N/A	12,000
<b>Ohio</b>	950,000	512,000	91,000	249,000	11,000	88,000
<b>Oklahoma</b>	398,000	153,000	100,000	51,000	4,000	90,000
<b>Oregon</b>	291,000	146,000	102,000	10,000	8,000	25,000
<b>Pennsylvania</b>	893,000	428,000	192,000	196,000	25,000	54,000
<b>Rhode Island</b>	67,000	22,000	30,000	8,000	N/A	N/A
<b>South Carolina</b>	476,000	156,000	66,000	220,000	4,000	30,000
<b>South Dakota</b>	67,000	28,000	6,000	N/A	N/A	30,000
<b>Tennessee</b>	635,000	314,000	93,000	188,000	7,000	33,000
<b>Texas</b>	3,086,000	476,000	2,040,000	430,000	60,000	79,000
<b>Utah</b>	233,000	129,000	74,000	N/A	4,000	19,000
<b>Vermont</b>	30,000	26,000	N/A	N/A	N/A	N/A
<b>Virginia</b>	532,000	194,000	102,000	179,000	17,000	39,000
<b>Washington</b>	477,000	191,000	173,000	32,000	20,000	61,000
<b>West Virginia</b>	170,000	145,000	4,000	9,000	N/A	N/A
<b>Wisconsin</b>	366,000	171,000	75,000	73,000	13,000	34,000
<b>Wyoming</b>	35,000	22,000	8,000	N/A	N/A	4,000

Notes: Figures are rounded to the nearest 1,000 and may not sum to totals. N/A indicates reliable data are not available due to small sample size. Estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. Children left out in prior law received less than the full \$2,000 per child because their families lacked earnings or had earnings that were too low. Racial and ethnic categories do not overlap; figures for each racial group such as Black, white, or Asian do not include individuals who identify as multiracial or people of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race. Due to limitations of the Census data, the figures do not reflect IRS rules that require children to have a Social Security number to qualify for the Child Tax Credit. This omission likely has little effect on most of the estimates shown here; the Latino share of children left out, however, may be somewhat overstated.

Source: Tax Policy Center national estimate allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.

APPENDIX TABLE 3

### Estimated Number of Children Under 18 Who Would Benefit From Child Tax Credit Expansion in Build Back Better Legislation, by State and Race/Ethnicity

Relative to without the expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	65,560,000	31,912,000	17,548,000	9,377,000	2,759,000	3,964,000
Alabama	1,020,000	575,000	78,000	316,000	12,000	39,000
Alaska	166,000	78,000	16,000	4,000	9,000	59,000
Arizona	1,507,000	563,000	695,000	69,000	34,000	146,000
Arkansas	661,000	412,000	84,000	120,000	8,000	38,000
California	7,844,000	1,756,000	4,473,000	411,000	771,000	434,000
Colorado	1,106,000	591,000	377,000	48,000	31,000	59,000
Connecticut	604,000	305,000	166,000	77,000	24,000	32,000
Delaware	181,000	88,000	30,000	48,000	6,000	10,000
District of Columbia	93,000	10,000	15,000	63,000	N/A	N/A
Florida	3,833,000	1,536,000	1,227,000	790,000	88,000	193,000
Georgia	2,269,000	942,000	348,000	790,000	73,000	115,000
Hawai'i	277,000	36,000	53,000	3,000	66,000	120,000
Idaho	410,000	307,000	77,000	N/A	4,000	19,000
Illinois	2,536,000	1,231,000	682,000	410,000	106,000	107,000
Indiana	1,452,000	1,025,000	166,000	164,000	27,000	71,000
Iowa	668,000	520,000	69,000	31,000	16,000	33,000
Kansas	651,000	427,000	125,000	39,000	15,000	46,000
Kentucky	929,000	726,000	56,000	86,000	14,000	47,000
Louisiana	1,027,000	502,000	70,000	391,000	13,000	50,000
Maine	229,000	202,000	6,000	7,000	N/A	12,000
Maryland	1,120,000	430,000	187,000	373,000	57,000	73,000

APPENDIX TABLE 3

### Estimated Number of Children Under 18 Who Would Benefit From Child Tax Credit Expansion in Build Back Better Legislation, by State and Race/Ethnicity

Relative to without the expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	65,560,000	31,912,000	17,548,000	9,377,000	2,759,000	3,964,000
<b>Massachusetts</b>	1,099,000	628,000	236,000	109,000	63,000	62,000
<b>Michigan</b>	1,968,000	1,299,000	168,000	329,000	53,000	119,000
<b>Minnesota</b>	1,122,000	760,000	103,000	115,000	62,000	82,000
<b>Mississippi</b>	677,000	323,000	30,000	296,000	6,000	23,000
<b>Missouri</b>	1,260,000	905,000	86,000	172,000	20,000	78,000
<b>Montana</b>	209,000	163,000	12,000	N/A	N/A	33,000
<b>Nebraska</b>	434,000	297,000	79,000	23,000	11,000	24,000
<b>Nevada</b>	634,000	213,000	270,000	63,000	35,000	53,000
<b>New Hampshire</b>	221,000	188,000	15,000	4,000	6,000	8,000
<b>New Jersey</b>	1,599,000	683,000	487,000	241,000	123,000	66,000
<b>New Mexico</b>	454,000	102,000	281,000	5,000	5,000	61,000
<b>New York</b>	3,554,000	1,592,000	955,000	582,000	265,000	160,000
<b>North Carolina</b>	2,085,000	1,047,000	354,000	487,000	55,000	142,000
<b>North Dakota</b>	157,000	122,000	8,000	N/A	N/A	19,000
<b>Ohio</b>	2,367,000	1,674,000	146,000	355,000	44,000	148,000
<b>Oklahoma</b>	894,000	465,000	157,000	72,000	15,000	185,000
<b>Oregon</b>	778,000	484,000	185,000	17,000	28,000	64,000
<b>Pennsylvania</b>	2,363,000	1,549,000	303,000	320,000	75,000	116,000
<b>Rhode Island</b>	185,000	102,000	50,000	14,000	6,000	12,000
<b>South Carolina</b>	1,025,000	542,000	96,000	319,000	14,000	54,000
<b>South Dakota</b>	196,000	140,000	11,000	6,000	N/A	37,000
<b>Tennessee</b>	1,393,000	893,000	136,000	274,000	23,000	65,000



APPENDIX TABLE 3

### Estimated Number of Children Under 18 Who Would Benefit From Child Tax Credit Expansion in Build Back Better Legislation, by State and Race/Ethnicity

Relative to without the expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	65,560,000	31,912,000	17,548,000	9,377,000	2,759,000	3,964,000
<b>Texas</b>	6,686,000	1,939,000	3,488,000	803,000	242,000	215,000
<b>Utah</b>	859,000	629,000	156,000	10,000	13,000	50,000
<b>Vermont</b>	104,000	94,000	N/A	N/A	N/A	N/A
<b>Virginia</b>	1,586,000	818,000	230,000	336,000	83,000	119,000
<b>Washington</b>	1,433,000	791,000	332,000	59,000	85,000	165,000
<b>West Virginia</b>	346,000	306,000	8,000	13,000	N/A	17,000
<b>Wisconsin</b>	1,158,000	807,000	143,000	104,000	37,000	67,000
<b>Wyoming</b>	128,000	99,000	19,000	N/A	N/A	9,000

Notes: Figures are rounded to the nearest 1,000 and may not sum to totals. N/A indicates reliable data are not available due to small sample size. Estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. Racial and ethnic categories do not overlap; figures for each racial group such as Black, white, or Asian do not include individuals who identify as multiracial or people of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race. Due to limitations of the Census data, the figures do not reflect IRS rules that require children to have a Social Security number to qualify for the Child Tax Credit. This omission likely has little effect on most of the estimates shown here; the Latino share of children benefiting, however, may be somewhat overstated.

Source: CBPP analysis of the U.S. Census Bureau's March 2019 Current Population Survey (for national total) allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.

APPENDIX TABLE 4

### Estimated Number of Working Adults Without Children Who Would Benefit From EITC Expansion in Build Back Better Legislation, by State and Race/Ethnicity

Relative to without the expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	17,445,400	9,658,700	3,639,600	2,739,300	815,700	592,100
Alabama	274,300	157,100	15,200	92,000	4,000	6,000
Alaska	38,900	20,400	N/A	N/A	3,100	10,500
Arizona	385,200	196,800	130,900	22,700	10,800	24,000
Arkansas	173,700	118,500	12,800	34,200	2,800	5,300
California	2,070,100	668,800	941,300	138,100	247,600	74,300
Colorado	293,300	197,700	61,600	15,200	8,900	10,000
Connecticut	160,900	88,700	37,100	23,800	6,100	5,300
Delaware	46,500	25,500	4,600	13,200	1,500	1,700
District of Columbia	33,200	9,100	4,500	17,300	N/A	N/A
Florida	1,323,000	629,200	401,300	232,400	30,500	29,700
Georgia	569,900	261,700	62,700	214,600	18,600	12,300
Hawai'i	71,700	17,100	7,300	N/A	24,100	21,700
Idaho	104,300	86,200	13,100	N/A	N/A	3,500
Illinois	620,700	353,100	113,500	113,100	28,800	12,300
Indiana	367,100	273,700	27,100	47,900	8,000	10,500
Iowa	171,400	146,200	9,000	9,400	3,100	3,600
Kansas	163,700	118,900	20,100	15,700	2,900	6,100
Kentucky	256,000	205,600	11,200	30,600	2,900	5,700
Louisiana	281,900	137,600	17,800	115,900	4,900	5,700
Maine	85,300	79,400	N/A	N/A	N/A	2,400

APPENDIX TABLE 4

### Estimated Number of Working Adults Without Children Who Would Benefit From EITC Expansion in Build Back Better Legislation, by State and Race/Ethnicity

Relative to without the expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	17,445,400	9,658,700	3,639,600	2,739,300	815,700	592,100
Maryland	263,300	115,400	36,600	87,600	16,200	7,400
Massachusetts	299,500	197,200	46,500	26,800	19,500	9,500
Michigan	571,000	407,600	33,300	98,900	13,700	17,700
Minnesota	276,300	210,800	17,900	23,100	11,700	12,800
Mississippi	166,500	79,600	6,500	76,400	1,900	2,200
Missouri	338,800	257,400	15,800	50,500	6,500	8,600
Montana	77,900	67,800	2,600	N/A	N/A	6,100
Nebraska	101,000	75,900	11,900	7,300	N/A	3,600
Nevada	175,300	78,100	53,500	20,100	14,400	9,100
New Hampshire	66,400	59,900	N/A	N/A	N/A	N/A
New Jersey	388,400	168,600	116,700	69,300	25,200	8,700
New Mexico	132,000	48,500	64,100	4,300	1,800	13,300
New York	982,700	463,500	235,500	158,900	98,100	26,600
North Carolina	593,900	334,300	63,800	161,200	13,800	20,700
North Dakota	39,300	29,100	2,900	N/A	N/A	3,300
Ohio	651,600	473,900	27,500	119,200	13,000	17,900
Oklahoma	229,200	141,900	26,500	25,100	3,700	32,000
Oregon	255,300	191,100	35,700	6,200	9,900	12,300
Pennsylvania	662,700	475,200	59,000	93,700	21,200	13,500
Rhode Island	47,600	32,300	9,300	2,500	N/A	N/A
South Carolina	303,300	164,800	21,600	104,600	4,800	7,400

APPENDIX TABLE 4

### Estimated Number of Working Adults Without Children Who Would Benefit From EITC Expansion in Build Back Better Legislation, by State and Race/Ethnicity

Relative to without the expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
<b>Total U.S.</b>	17,445,400	9,658,700	3,639,600	2,739,300	815,700	592,100
<b>South Dakota</b>	49,800	37,500	N/A	N/A	N/A	8,200
<b>Tennessee</b>	381,400	262,100	25,100	80,500	6,300	7,400
<b>Texas</b>	1,505,300	532,800	674,800	212,800	55,100	29,700
<b>Utah</b>	142,300	103,600	26,100	N/A	4,700	5,800
<b>Vermont</b>	37,200	34,000	N/A	N/A	N/A	N/A
<b>Virginia</b>	415,700	230,000	46,600	105,000	20,900	13,300
<b>Washington</b>	358,300	233,300	54,600	19,500	24,800	26,100
<b>West Virginia</b>	102,900	90,200	2,700	7,300	N/A	1,700
<b>Wisconsin</b>	303,700	240,700	18,500	28,300	6,600	9,600
<b>Wyoming</b>	35,500	30,400	2,900	N/A	N/A	1,700

Note: Figures are rounded to the nearest 100 and may not sum to totals. N/A indicates reliable data are not available due to small sample size. Estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. Workers without children counted as benefiting from the EITC expansion in the Build Back Better legislation are those aged 19 and older (excluding students under age 24 attending school at least part time). Racial and ethnic categories do not overlap; figures for each racial group such as Black, white, or Asian do not include individuals who identify as multiracial or people of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race. Due to limitations of the Census data, the figures do not reflect IRS rules that require all EITC family members to have a Social Security number. This omission likely has little effect on most of the estimates shown here; the Latino share of those benefiting, however, may be somewhat overstated.

Source: CBPP analysis of the March 2019 Current Population Survey (for national total) allocated by state and by race or ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.