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Congress Should Adopt American Families Plan's Permanent Expansions of Child Tax Credit and EITC, Make Additional Provisions Permanent

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Key tax credit provisions in President Biden's American Families Plan would provide significant help to all but the highest-income families with children and to low-paid working adults without children. The plan would extend through 2025 the American Rescue Plan Act's Child Tax Credit expansion and make permanent the Act's provision making the full credit available to children whose parents have low or no earnings. It would also make permanent the Act's expansion of the Earned Income Tax Credit (EITC) for adults not raising children. Congress should adopt these proposed changes, which would result in reductions of child poverty and provide income support for millions of people. And it should go two steps further: it should make all of the Rescue Plan's Child Tax Credit expansion permanent, as House Ways and Means Chairman Richard Neal recently proposed, and make certain immigrant children who have an Individual Taxpayer Identification Number (ITIN) rather than a Social Security number eligible for the credit.

In 2018 the Child Tax Credit and EITC together lifted more children above the poverty line, 5.5 million, than any other economic support program.¹ This level of poverty reduction was achieved through multiple expansions of the EITC and Child Tax Credit since their respective enactments in 1975 and 1997. The American Rescue Plan Act, by making a significant set of changes to the Child Tax Credit, will lift another 4.1 million children above the poverty line, cutting the number of children in poverty by more than 40 percent, we estimate. *Permanently* enacting these historic provisions — along with the Rescue Plan's EITC expansion, which will stop the federal tax code from taxing millions of workers without children into or deeper into poverty — would be a landmark achievement, and should be an urgent priority for policymakers in the upcoming recovery bill.

Congress should make the complete set of Rescue Plan Act expansions permanent, including its provisions that:

Make the full Child Tax Credit available to all children except those with the highest incomes. The Rescue Plan Act makes the full Child Tax Credit available (sometimes called making

¹ These credits lifted 5.5 million children above the poverty line in 2018 and 5.1 million children in 2017.

it “fully refundable”) to children whose parents previously would have been eligible for a partial credit or no credit at all because their earnings were too low or they didn’t have earnings in a year. Like all of the Child Tax Credit changes in the Rescue Plan, this change is currently only in place for 2021. The Rescue Plan also increases for one year the credit’s maximum amount to \$3,000 per child and \$3,600 for children under age 6 and expands the credit to cover 17-year-olds. (The Rescue Plan Act’s increase in the maximum credit amount begins to phase out for single filers making \$75,000, heads of households making \$112,500, and married couples making \$150,000.) The American Families Plan would make permanent the Rescue Plan’s provision making the full Child Tax Credit available and would extend through 2025 the Act’s maximum credit increase and the inclusion of 17-year-olds. Congress should make all of these changes permanent.

Prior to the Rescue Plan some 27 million children — including roughly half of all Black and Latino children and a similar share of rural children — received less than the then-maximum credit of \$2,000 per child because their parents earned too little, even as middle- and higher-income families received the full amount. The Act’s changes will lift roughly 4.1 million children above the poverty line — cutting the number of children in poverty by more than 40 percent. They also will lift about 1.1 million children above half the poverty line (referred to as “deep poverty”). Black and Latino children in particular, whom the prior credit disproportionately left out or left behind, will benefit.

Make an overdue EITC increase for low-paid working adults not raising children in the home. The EITC is a powerful wage subsidy, but before the Rescue Plan it suffered from a glaring flaw: it largely excluded workers not raising children, providing only a tiny credit to a very small number of these workers. The Families Plan would fix this flaw permanently by extending the Rescue Plan’s one-year provisions raising both the maximum EITC for workers without children from roughly \$540 to roughly \$1,500, and the income cap for these adults to qualify from about \$16,000 to at least \$21,000. It would also permanently expand 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 provide income support to over 17 million working adults without children who do important work for low pay. That includes some 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 be too low without an extension of the Rescue Plan’s expanded provisions.²

In addition to making these permanent changes, Congress should permanently make children with ITINs eligible for the Child Tax Credit. (For tax purposes, non-citizen children who do not have Social Security numbers may use ITINs.) A 2017 tax law change revoked their eligibility; restoring it would help their families meet basic needs and decrease hardship while better positioning these children, and in turn the future economy, for later success.

Expanded Child Tax Credit Would Cause Historic Reduction in Child Poverty

Raising the incomes of children growing up in poverty through policies such as the Child Tax Credit can make an important difference in children’s lives now and in the long term, according to a

² This estimate excludes full-time students aged 19-23, who under current law can be claimed by their parents as qualifying children for the larger EITC for families with children.

congressionally chartered report issued in 2019 by a National Academy of Sciences (NAS) panel on child poverty. “The weight of the causal evidence does indeed indicate that income poverty itself causes negative child outcomes, especially when poverty occurs in early childhood or persists throughout a large portion of childhood,” the panel concluded. The better outcomes that are linked with stronger income assistance include healthier birthweights, lower maternal stress (measured by reduced stress hormone levels in the bloodstream), better childhood nutrition, higher school enrollment, higher reading and math test scores, higher high school graduation rates, less use of drugs and alcohol, and higher rates of college entry. The NAS panel devised two packages of policy proposals aimed at cutting child poverty in half, one of which included as a centerpiece a \$2,700-per-child “child allowance” that is very similar to the American Rescue Plan Act’s expanded Child Tax Credit.³ (The NAS plan included several other substantial components, including an EITC expansion, in addition to the Act’s expanded Child Tax Credit.)

The Child Tax Credit expansion in President Biden’s American Families Plan would deliver significant additional income to low-income children and their families. It would make the full credit available to about 27 million children in families that didn’t qualify for the full credit prior to the Rescue Plan because their parents lacked earnings or had earnings that were too low.⁴ (See Appendix Table 1 for estimates by state.) That includes roughly half of all Black children and half of all Latino children, whose families (along with other families of color) 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 has systematically limited opportunity.⁵ Similarly, about half of children who live in rural areas would benefit from making the full credit available, which is not surprising because the median yearly wage for year-round workers is lower (by roughly 19 percent) in rural than in metro areas.⁶ Of the 27 million children who would get the full credit permanently, an estimated 9.9 million are Latino, 8.8 million are white, 5.7 million are Black, and 813,000 are Asian.⁷ (See Appendix Table 2 for state-specific estimates by race/ethnicity.)

³ National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, National Academies Press, 2019, <https://www.nap.edu/read/25246>.

⁴ Robert Greenstein *et al.*, “Improving the Child Tax Credit for Very Low-Income Families,” US Partnership on Mobility from Poverty, April 2018, <https://www.mobilitypartnership.org/improving-child-tax-credit-very-low-income-families>.

⁵ Jacob Goldin and Katherine Micheltore, “Who Benefits From the Child Tax Credit?” National Bureau of Economic Research, October 2020, <https://www.nber.org/papers/w27940>; Danilo Trisi and Matt Saenz, “Economic Security Programs Reduce Overall Poverty, Racial and Ethnic Inequities,” Center on Budget and Policy Priorities, 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>.

⁶ Rural communities are diverse; about one-quarter of rural residents identify as Black, Latino, Asian, American Indian, Alaska Native, Native Hawaiian, or other Pacific Islander, or identify with more than one race. Chuck Marr *et al.*, “Expanding Child Tax Credit and Earned Income Tax Credit Would Benefit More Than 10 Million Rural Residents, Strongly Help Rural Areas,” Center on Budget and Policy Priorities, August 6, 2020, <https://www.cbpp.org/research/federal-tax/expanding-child-tax-credit-and-earned-income-tax-credit-would-benefit-more>.

⁷ Racial and ethnic categories in this report do not overlap unless otherwise noted; figures for each racial group such as Black or Asian do not include individuals who identify as multiracial or of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race. Data are not available for people living in the territories.

In addition to making the full credit available to low- and no-income families, the Families Plan’s Child Tax Credit proposal also would increase the amount of the credit to \$3,000 per child and \$3,600 per child under 6 and make 17-year-olds eligible for the credit. The Administration proposes to make these two changes — the increase in the maximum credit and eligibility for 17-year-olds — through 2025. The full Families Plan’s Child Tax Credit would lift an estimated 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 due to many of the same barriers mentioned previously that affect their families’ economic security.⁸ Of the roughly 9.9 million children it would lift above *or closer to* the poverty line, 3.8 million are Latino, 2.9 million are white, 2.1 million are Black, and 426,000 are Asian.⁹ These changes would reduce the number of children in poverty by more than 40 percent nationally. (See Appendix Table 3 for state-specific estimates of reductions in child poverty rates by race/ethnicity.)

Restore Credit Eligibility for Children With ITINs

In the upcoming recovery bill Congress should also restore Child Tax Credit eligibility to children with ITINs. 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 a permanent Child Tax Credit would help up to 675,000 of them and their families meet basic needs and decrease hardship.¹⁰

What the Credits Can Mean for Families

All of the Rescue Plan’s Child Tax Credit expanded provisions are central to its historic projected impact on child poverty and should be included in upcoming recovery legislation. The Families Plan would make permanent the crucial provision that makes the full credit available to children whose families lack earnings or have low earnings. But the Rescue Plan’s increase in the maximum credit and inclusion of 17-year-olds are also significant — accounting for roughly half of the Act’s anti-poverty effects, we estimate. In other words, making the Rescue Plan’s complete Child Tax Credit expansion permanent would essentially double the impact of just making the credit fully available on a permanent basis.

⁸ 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.

⁹ Figures for children identified as American Indian or Alaska Native (AIAN) are particularly sensitive to how the racial category is defined. Among the roughly 1.6 million children identified as AIAN alone or in combination, regardless of Latino ethnicity, 124,000 would be lifted above the poverty line and 280,000 would be lifted above *or closer to* the poverty line by the Act’s Child Tax Credit expansion. (If we apply the non-overlapping categories this report uses for other groups, only 555,000 children are considered AIAN alone, not Latino; 50,000 of them would be lifted above the poverty line and 112,000 of them would be lifted above *or closer to* the poverty line by the Child Tax Credit 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. These calculations use the Supplemental Poverty Measure, which counts more forms of income than the “official” poverty measure (among other differences).

¹⁰ Jeffery Passel and D’Vera Cohn, “U.S. Unauthorized Immigrant Total Dips to Lowest Level in a Decade,” Pew Research Center, November 27, 2018, <https://www.pewresearch.org/hispanic/2018/11/27/most-unauthorized-immigrants-live-with-family-members/>. Pew estimated that 675,000 non-citizen children lacked legal documentation in 2016 and therefore can only qualify for an ITIN and not a Social Security number.

Upcoming recovery legislation should incorporate the Families Plan *and* make the complete Rescue Plan expansion permanent to ensure that families continue to receive expanded Child Tax Credits for more than this year. To see what these actions can mean to individual families, consider these examples:

- A single mother of a toddler and a second-grader, who earns \$10,000 a year providing in-home care to older people (with work hours that fluctuate significantly from month to month), received a Child Tax Credit of \$1,125 prior to the Rescue Plan. The proposed Families Plan would expand her credit through 2025 — continuing the Rescue Plan’s 2021 expansion — and she would receive \$3,600 for her toddler and \$3,000 for her second-grader, for a total of \$6,600 (a gain of \$5,475 relative to 2020). Under the proposed Families Plan, however, her credit amount would fall back to just \$2,000 in 2026 (assuming the same annual income), underscoring the urgency for permanence.
- A single mother with a 4-year-old daughter and 8-year-old son, who is out of work for the year due to a health condition, would have received no Child Tax Credit at all prior to the Rescue Plan, adding to the family’s financial insecurity. Under the Rescue Plan, this year she will receive the full Child Tax Credit of \$3,600 for her daughter and \$3,000 for her son to help with the children’s expenses. The American Families Plan would ensure that this family would permanently receive the full Child Tax Credit. The credit’s maximums would remain at the higher amounts (\$3,000 for children age 6-17, \$3,600 for children under age 6) if Congress makes all of the Rescue Plan’s provisions permanent, but they would fall back to \$2,000 in 2026 under the Families Plan.
- A married couple in which one spouse earns \$20,000 as a short-order cook and the other cares for their 3-year-old son and 7-year-old daughter received a credit of \$2,625 prior to the Rescue Plan — well below the \$4,000 credit that a higher-income family with two children would have received. Under the Rescue Plan, they will receive the full Child Tax Credit of \$3,600 for their son and \$3,000 for their daughter, for a family gain of \$3,975. The Families Plan would extend these gains through 2025, after which their overall credit amount would fall to \$2,000 — below the credit they received even before the Rescue Plan’s enactment. (In 2026 the maximum credit per child would revert to the pre-2017-law amount of \$1,000.)
- And to look beyond the provisions’ anti-poverty outcomes to their broader effects, where almost 90 percent of children benefit, consider a married couple with combined income of \$125,000. (One spouse makes \$75,000 as a dental hygienist and the other makes \$50,000 as a property manager and they have 8-year-old twin daughters.) This family’s Child Tax Credit rose from \$4,000 to \$6,000 under the American Rescue Plan. This boost would continue through 2025 under the Families Plan but would fall to a total of \$2,000 in 2026, or \$4,000 below the proposed levels if the expansion is not made permanent.¹¹

Extending all the provisions in the Rescue Plan would provide important help to people in a myriad of jobs that pay little and often have fluctuating schedules and lack benefits that many others take for granted, such as paid sick days. That includes people caring for those who are elderly, driving buses, cooking and serving meals, and doing many other kinds of work whose importance the pandemic has only further revealed. (See Table 1.)

¹¹ All examples are in 2021 dollars.

An estimated 65.6 million children — almost 90 percent of all children — would receive a larger Child Tax Credit under this permanent expansion, which would deliver economic support to large numbers of children in every state, including 31.9 million white children, 17.5 million Latino children, 9.4 million Black children, and 2.8 million Asian children.¹² (See Appendix Table 4.) The only two groups that wouldn't benefit are children in high-income households and children who lack a Social Security number because of their immigration status, a group that often struggles to make ends meet.

TABLE 1

People in Selected Essential Occupations Who Would Benefit Each Year From Permanent Expansion of Child Tax Credit

Relative to before American Rescue Plan's temporary expansion

Occupation	Number of workers who would gain	Workers who would gain as a share of all workers aged 18 and older in occupation
Truck and delivery drivers	1,069,000	27%
Cashiers	1,048,000	30%
First-line supervisors/managers of retail sales workers	994,000	29%
Nursing, psychiatric, and home health aides	801,000	35%
Janitors and building cleaners	682,000	27%
Cooks	661,000	29%
Personal and home care aides	497,000	31%
Child care workers	474,000	36%
Miscellaneous agricultural workers	381,000	38%
Food preparation workers	315,000	28%
Medical assistants	292,000	46%
Health practitioner support technicians	219,000	31%
Bus drivers	186,000	29%
Hand packers and packagers	173,000	26%
First-line supervisors/managers of food preparation and serving workers	164,000	26%
All occupations	46,694,000	28%

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

¹² Among the roughly 1.6 million children identified as AIAN alone or in combination, regardless of Latino ethnicity, about 1.5 million would benefit from this Child Tax Credit expansion. (If we apply the non-overlapping categories this report uses for other groups, only 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.

A Meaningful EITC for Workers Without Children

The American Families Plan would make permanent the American Rescue Plan Act's expansion of the EITC for adults not raising children in their homes and who work hard at important, but low-paid, jobs. This permanent expansion would benefit over 17 million of these adults. The EITC is a highly successful wage subsidy that's earned bipartisan support over the years. But prior to the Rescue Plan, it largely excluded adults who weren't raising children in their homes, and it completely excluded young workers without children trying to gain a toehold in the labor market.

Adults not raising children were the lone group that the federal tax code actually taxed into, or deeper into, poverty prior to the Rescue Plan, partly because their EITC was so meager. Some 5.8 million workers aged 19-65 (excluding full-time students aged 19-23) without children — including about 2.7 million white, 1.5 million Latino, 1 million Black, and 253,000 Asian workers — were taxed into or deeper into poverty.¹³ The shares of such Latino and Black workers are disproportionately high (about 26 percent are Latino and 18 percent are Black, compared to 19 percent and 12 percent of the population, respectively), again reflecting historical barriers to economic opportunity that have led to their overrepresentation in low-paid work.

For workers without children, the Families Plan would make permanent the increase in the maximum EITC from roughly \$540 to roughly \$1,500 and raise the income limit to qualify from about \$16,000 to at least \$21,000. It would also make permanent the expansion in the age range of workers without children eligible for the tax credit to include younger adults aged 19-24 (excluding students under 24 who are attending school at least part time), as well as people 65 and over.¹⁴

To see how this would benefit these workers, consider a 25-year-old single woman who works roughly 30 hours a week throughout 2021 as a cashier at a convenience store and earns about \$9 an hour. Her annual earnings of \$13,800 are just above the poverty line of \$13,745 for a single individual. Prior to the Rescue Plan, federal taxes would have pushed her into poverty:

- Some \$1,056 — 7.65 percent of her earnings — is withheld from her paychecks for Social Security and Medicare payroll taxes.
- When filing income taxes, she can claim the \$12,550 standard deduction, which leaves her with \$1,250 in taxable income. Since she is in the 10 percent tax bracket, she owes \$125 in federal income tax.
- Thus, her combined federal income and payroll tax liability, not counting the EITC, is \$1,181. Prior to the Rescue Plan, she would have received a small EITC of \$165, so her net federal income and payroll tax liability would have been \$1,016.

¹³ CBPP estimates based on the U.S. Census Bureau's March 2019 Current Population Survey, using 2021 tax parameters and incomes adjusted for inflation to 2021 dollars. The estimates count all workers aged 19-65 (excluding full-time students aged 19-23) who are pushed below the Census poverty thresholds — or further below them — by their federal income tax liability (if any) and the employee share of the payroll tax. The estimate excludes full-time students aged 19-23 because, under current law, their parents can claim them as qualifying children for the larger EITC for families with children. Poverty status is determined at the level of the tax filing unit. We use the 2020 Census official poverty threshold appropriate for the tax unit based on the number and age of the tax unit members, inflated to 2021 dollars.

¹⁴ The Act also extends eligibility to former foster youth and youth experiencing homelessness starting at age 18.

- In other words, her earnings were just above the poverty line, but federal taxes would have pushed her income about \$961 *below* the poverty line.
- Under the Rescue Plan, her EITC will grow to \$1,164, raising her income after federal income and payroll taxes to \$38 *above* the poverty line. The American Families Plan would make this permanent, keeping her from being taxed into poverty in 2022 and beyond.

TABLE 2

Working Adults Without Children in Selected Essential Occupations Who Would Benefit Each Year From Permanent EITC Expansion in American Families Plan

Relative to before American Rescue Plan’s temporary 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%
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%
All occupations	17,445,000	11%

Note: Workers without children counted as benefiting from the American Families Plan EITC expansion 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.

The Rescue Plan’s EITC expansion will benefit an estimated 17.4 million workers nationwide without children, including roughly 9.7 million white, 3.6 million Latino, 2.7 million Black, and

816,000 Asian working adults.¹⁵ The Families Plan would make this crucial EITC expansion permanent. (See Appendix Table 5 for estimates by state and by race/ethnicity.)

The top occupations that would benefit permanently include cashiers, food preparers and servers, and home health aides. (See Table 2.) Again, 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. They deserve more than the meager EITC in prior law, and the Families Plan Act would provide concrete, meaningful help.

¹⁵ Among the roughly 1.4 million workers aged 19 and over without children (excluding students under age 24 attending school at least part time) who identify as AIAN alone or in combination, regardless of Latino ethnicity, 365,000 would benefit from the EITC expansion in the American Families Plan. (If we apply the non-overlapping categories this report uses for other groups, only 530,000 workers aged 19 and over without children, excluding students under age 24 attending school at least part time, identify as AIAN alone, not Latino; 140,000 of them would benefit from the Families Plan's EITC 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.

Appendix

APPENDIX TABLE 1

Estimated Number of Children Who Would Benefit Each Year From Permanent Expansion of Child Tax Credit, by State

Relative to before American Rescue Plan's temporary expansion

State	Children under 17 previously left out of full \$2,000 credit who would benefit from permanent expansion	Children under 18 lifted above poverty line by permanent expansion	Children under 18 lifted above or closer to poverty line by permanent expansion	Children under 18 who would benefit from permanent expansion	Share of children under 18 who would benefit from permanent expansion
Total U.S.	27,000,000	4,120,000	9,894,000	65,560,000	89%
Alabama	480,000	76,000	162,000	1,020,000	93%
Alaska	53,000	11,000	21,000	166,000	89%
Arizona	692,000	109,000	238,000	1,507,000	92%
Arkansas	323,000	47,000	94,000	661,000	93%
California	3,524,000	582,000	1,690,000	7,844,000	86%
Colorado	346,000	56,000	132,000	1,106,000	87%
Connecticut	199,000	30,000	80,000	604,000	81%
Delaware	67,000	9,000	24,000	181,000	89%
District of Columbia	53,000	9,000	25,000	93,000	75%
Florida	1,730,000	275,000	700,000	3,833,000	91%
Georgia	1,044,000	165,000	353,000	2,269,000	90%
Hawai'i	92,000	15,000	44,000	277,000	91%
Idaho	153,000	16,000	37,000	410,000	93%
Illinois	982,000	150,000	338,000	2,536,000	87%
Indiana	558,000	78,000	175,000	1,452,000	92%
Iowa	197,000	24,000	49,000	668,000	91%
Kansas	218,000	29,000	58,000	651,000	92%
Kentucky	422,000	66,000	143,000	929,000	92%
Louisiana	530,000	89,000	187,000	1,027,000	92%
Maine	75,000	10,000	21,000	229,000	90%
Maryland	352,000	56,000	159,000	1,120,000	83%
Massachusetts	356,000	57,000	161,000	1,099,000	80%
Michigan	810,000	114,000	249,000	1,968,000	90%
Minnesota	322,000	43,000	85,000	1,122,000	87%
Mississippi	351,000	55,000	115,000	677,000	94%
Missouri	502,000	70,000	153,000	1,260,000	91%
Montana	78,000	10,000	21,000	209,000	91%
Nebraska	141,000	18,000	36,000	434,000	91%
Nevada	271,000	38,000	86,000	634,000	92%

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Estimated Number of Children Who Would Benefit Each Year From Permanent Expansion of Child Tax Credit, by State

Relative to before American Rescue Plan's temporary expansion

State	Children under 17 previously left out of full \$2,000 credit who would benefit from permanent expansion	Children under 18 lifted above poverty line by permanent expansion	Children under 18 lifted above or closer to poverty line by permanent expansion	Children under 18 who would benefit from permanent expansion	Share of children under 18 who would benefit from permanent expansion
New Hampshire	52,000	8,000	20,000	221,000	85%
New Jersey	561,000	93,000	257,000	1,599,000	81%
New Mexico	245,000	32,000	71,000	454,000	93%
New York	1,552,000	250,000	681,000	3,554,000	86%
North Carolina	926,000	135,000	306,000	2,085,000	90%
North Dakota	39,000	4,000	10,000	157,000	91%
Ohio	950,000	128,000	277,000	2,367,000	91%
Oklahoma	398,000	59,000	114,000	894,000	93%
Oregon	291,000	40,000	92,000	778,000	89%
Pennsylvania	893,000	137,000	310,000	2,363,000	89%
Rhode Island	67,000	8,000	23,000	185,000	89%
South Carolina	476,000	67,000	151,000	1,025,000	93%
South Dakota	67,000	9,000	19,000	196,000	91%
Tennessee	635,000	92,000	211,000	1,393,000	92%
Texas	3,086,000	489,000	1,078,000	6,686,000	91%
Utah	233,000	32,000	69,000	859,000	92%
Vermont	30,000	4,000	8,000	104,000	89%
Virginia	532,000	89,000	249,000	1,586,000	85%
Washington	477,000	66,000	159,000	1,433,000	87%
West Virginia	170,000	22,000	50,000	346,000	93%
Wisconsin	366,000	45,000	93,000	1,158,000	90%
Wyoming	35,000	4,000	11,000	128,000	93%

Notes: Estimates reflect a pre-pandemic economy, using tax year 2021 tax rules and incomes adjusted for inflation to 2021 dollars. Children left out prior to the American Rescue Plan's temporary Child Tax Credit expansion received less than full \$2,000 per child because their parents lacked earnings or had earnings that were too low.

Source: For children left out of the full \$2,000 Child Tax Credit, Tax Policy Center national estimate allocated by state based on CBPP analysis of American Community Survey (ACS) data for 2016-2018. For remaining columns, CBPP analysis of the March 2019 Current Population Survey (CPS) (for national total) allocated by state based on CBPP analysis of 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 American Rescue Plan's Temporary Expansion, by State and Race/Ethnicity

State	Total	White	Latino	Black	Asian	Another race or multiple races
Total U.S.	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

APPENDIX TABLE 2

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

State	Total	White	Latino	Black	Asian	Another race or multiple races
North Carolina	926,000	300,000	241,000	300,000	18,000	66,000
North Dakota	39,000	20,000	N/A	N/A	N/A	12,000
Ohio	950,000	512,000	91,000	249,000	11,000	88,000
Oklahoma	398,000	153,000	100,000	51,000	4,000	90,000
Oregon	291,000	146,000	102,000	10,000	8,000	25,000
Pennsylvania	893,000	428,000	192,000	196,000	25,000	54,000
Rhode Island	67,000	22,000	30,000	8,000	N/A	N/A
South Carolina	476,000	156,000	66,000	220,000	4,000	30,000
South Dakota	67,000	28,000	6,000	N/A	N/A	30,000
Tennessee	635,000	314,000	93,000	188,000	7,000	33,000
Texas	3,086,000	476,000	2,040,000	430,000	60,000	79,000
Utah	233,000	129,000	74,000	N/A	4,000	19,000
Vermont	30,000	26,000	N/A	N/A	N/A	N/A
Virginia	532,000	194,000	102,000	179,000	17,000	39,000
Washington	477,000	191,000	173,000	32,000	20,000	61,000
West Virginia	170,000	145,000	4,000	9,000	N/A	N/A
Wisconsin	366,000	171,000	75,000	73,000	13,000	34,000
Wyoming	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 due to rounding. 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 prior to the American Rescue Plan's temporary Child Tax Credit expansion received less than the full \$2,000 per child because their parents 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 Reduction in Child Poverty Each Year From Permanent Expansion of Child Tax Credit, by State and Race/Ethnicity

Relative to before American Rescue Plan's temporary expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
Total U.S.	41%	40%	41%	42%	30%	41%
Alabama	46%	42%	56%	48%	N/A	N/A
Alaska	51%	41%	N/A	N/A	N/A	50%
Arizona	45%	38%	47%	51%	N/A	45%
Arkansas	48%	47%	58%	46%	N/A	N/A
California	34%	30%	35%	33%	26%	32%
Colorado	41%	40%	42%	N/A	N/A	N/A
Connecticut	36%	40%	33%	42%	N/A	N/A
Delaware	38%	36%	N/A	N/A	N/A	N/A
District of Columbia	35%	N/A	N/A	37%	N/A	N/A
Florida	38%	36%	39%	40%	25%	42%
Georgia	46%	41%	52%	46%	37%	41%
Hawaii	34%	N/A	N/A	N/A	N/A	36%
Idaho	42%	43%	N/A	N/A	N/A	N/A
Illinois	43%	42%	45%	44%	38%	42%
Indiana	43%	43%	45%	44%	N/A	N/A
Iowa	48%	51%	N/A	N/A	N/A	N/A
Kansas	47%	44%	51%	N/A	N/A	N/A
Kentucky	44%	44%	50%	44%	N/A	N/A
Louisiana	47%	42%	44%	50%	N/A	N/A
Maine	45%	46%	N/A	N/A	N/A	N/A
Maryland	34%	33%	34%	36%	N/A	N/A
Massachusetts	34%	33%	39%	33%	28%	N/A
Michigan	44%	43%	52%	43%	N/A	46%
Minnesota	48%	45%	47%	55%	N/A	52%
Mississippi	47%	43%	N/A	46%	N/A	N/A
Missouri	44%	44%	41%	45%	N/A	N/A
Montana	45%	40%	N/A	N/A	N/A	55%
Nebraska	46%	45%	55%	N/A	N/A	N/A
Nevada	43%	38%	45%	40%	N/A	53%
New Hampshire	39%	39%	N/A	N/A	N/A	N/A

APPENDIX TABLE 3

Estimated Reduction in Child Poverty Each Year From Permanent Expansion of Child Tax Credit, by State and Race/Ethnicity

Relative to before American Rescue Plan's temporary expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
New Jersey	36%	39%	37%	30%	31%	N/A
New Mexico	43%	40%	44%	N/A	N/A	45%
New York	36%	41%	34%	36%	29%	36%
North Carolina	43%	40%	48%	42%	47%	41%
North Dakota	40%	N/A	N/A	N/A	N/A	N/A
Ohio	45%	43%	43%	47%	N/A	49%
Oklahoma	51%	48%	53%	58%	N/A	49%
Oregon	41%	38%	47%	N/A	N/A	38%
Pennsylvania	43%	43%	42%	44%	33%	N/A
Rhode Island	35%	34%	37%	N/A	N/A	N/A
South Carolina	43%	42%	45%	45%	N/A	N/A
South Dakota	46%	49%	N/A	N/A	N/A	46%
Tennessee	43%	39%	51%	45%	N/A	N/A
Texas	44%	39%	47%	42%	35%	33%
Utah	44%	45%	43%	N/A	N/A	N/A
Vermont	43%	46%	N/A	N/A	N/A	N/A
Virginia	35%	33%	33%	39%	25%	39%
Washington	40%	40%	46%	N/A	27%	31%
West Virginia	43%	43%	N/A	N/A	N/A	N/A
Wisconsin	45%	45%	43%	48%	N/A	N/A
Wyoming	33%	N/A	N/A	N/A	N/A	N/A

Notes: N/A indicates reliable data are not available due to small sample size. Children are defined as under age 18. 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 child poverty reduction shares, 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, race, and ethnicity based on CBPP analysis of American Community Survey (ACS) data for 2016-2018.

APPENDIX TABLE 4

Estimated Number of Children Under 18 Who Would Benefit Each Year From Permanent Expansion of Child Tax Credit, by State and Race/Ethnicity

Relative to before American Rescue Plan's temporary expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
Total U.S.	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
Massachusetts	1,099,000	628,000	236,000	109,000	63,000	62,000
Michigan	1,968,000	1,299,000	168,000	329,000	53,000	119,000
Minnesota	1,122,000	760,000	103,000	115,000	62,000	82,000
Mississippi	677,000	323,000	30,000	296,000	6,000	23,000
Missouri	1,260,000	905,000	86,000	172,000	20,000	78,000
Montana	209,000	163,000	12,000	N/A	N/A	33,000
Nebraska	434,000	297,000	79,000	23,000	11,000	24,000
Nevada	634,000	213,000	270,000	63,000	35,000	53,000
New Hampshire	221,000	188,000	15,000	4,000	6,000	8,000
New Jersey	1,599,000	683,000	487,000	241,000	123,000	66,000

APPENDIX TABLE 4

Estimated Number of Children Under 18 Who Would Benefit Each Year From Permanent Expansion of Child Tax Credit, by State and Race/Ethnicity

Relative to before American Rescue Plan's temporary expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
New Mexico	454,000	102,000	281,000	5,000	5,000	61,000
New York	3,554,000	1,592,000	955,000	582,000	265,000	160,000
North Carolina	2,085,000	1,047,000	354,000	487,000	55,000	142,000
North Dakota	157,000	122,000	8,000	N/A	N/A	19,000
Ohio	2,367,000	1,674,000	146,000	355,000	44,000	148,000
Oklahoma	894,000	465,000	157,000	72,000	15,000	185,000
Oregon	778,000	484,000	185,000	17,000	28,000	64,000
Pennsylvania	2,363,000	1,549,000	303,000	320,000	75,000	116,000
Rhode Island	185,000	102,000	50,000	14,000	6,000	12,000
South Carolina	1,025,000	542,000	96,000	319,000	14,000	54,000
South Dakota	196,000	140,000	11,000	6,000	N/A	37,000
Tennessee	1,393,000	893,000	136,000	274,000	23,000	65,000
Texas	6,686,000	1,939,000	3,488,000	803,000	242,000	215,000
Utah	859,000	629,000	156,000	10,000	13,000	50,000
Vermont	104,000	94,000	N/A	N/A	N/A	N/A
Virginia	1,586,000	818,000	230,000	336,000	83,000	119,000
Washington	1,433,000	791,000	332,000	59,000	85,000	165,000
West Virginia	346,000	306,000	8,000	13,000	N/A	17,000
Wisconsin	1,158,000	807,000	143,000	104,000	37,000	67,000
Wyoming	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 due to rounding. 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 5

Estimated Number of Working Adults Without Children Who Would Benefit Each Year From Permanent EITC Expansion in American Families Plan, by State and Race/Ethnicity

Relative to before American Rescue Plan's temporary expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
Total U.S.	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
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

APPENDIX TABLE 5

Estimated Number of Working Adults Without Children Who Would Benefit Each Year From Permanent EITC Expansion in American Families Plan, by State and Race/Ethnicity

Relative to before American Rescue Plan's temporary expansion

State	Total	White	Latino	Black	Asian	Another race or multiple races
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
South Dakota	49,800	37,500	N/A	N/A	N/A	8,200
Tennessee	381,400	262,100	25,100	80,500	6,300	7,400
Texas	1,505,300	532,800	674,800	212,800	55,100	29,700
Utah	142,300	103,600	26,100	N/A	4,700	5,800
Vermont	37,200	34,000	N/A	N/A	N/A	N/A
Virginia	415,700	230,000	46,600	105,000	20,900	13,300
Washington	358,300	233,300	54,600	19,500	24,800	26,100
West Virginia	102,900	90,200	2,700	7,300	N/A	1,700
Wisconsin	303,700	240,700	18,500	28,300	6,600	9,600
Wyoming	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 due to rounding. 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 American Families Plan EITC expansion 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.