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## Child Tax Credit Proposal: Impacts by the Numbers

The bipartisan Child Tax Credit proposal released by Senator Ron Wyden and Representative Jason Smith, while smaller than the American Rescue Plan expansion, would provide meaningful help to millions of children in families with low incomes, starting in the first year.

- Roughly **16 million children in families with low incomes would benefit** from the expansion in the first year.
  - That's more than **80 percent** of the 19 million children who currently receive less than the full credit, or none at all, because their families' incomes are too low.
  - **Nearly 3 million** children under age 3 would benefit in the first year.
- The expansion would meaningfully **reduce child poverty**.
  - In the first year, the expansion would lift as many as **400,000 children** above the poverty line. **3 million** more children would be made less poor as their incomes rise closer to the poverty line.
  - When the expansion is fully in effect, it would lift some **500,000 or more children** above the poverty line. About **5 million** more children would be made less poor.
- The expansion would help children of **all races and ethnicities**. It would particularly help groups where parents are overrepresented in low-paid jobs due to historical and ongoing discrimination and other structural barriers to opportunity. In the first year:
  - Overall, more than **1 in 5** children under 17 would benefit from the expansion.
  - More than **1 in 3** of all Black and Latino children under 17 would benefit.
  - **3 in 10** of all American Indian and Alaska Native children under 17 would benefit.
  - **1 in 7** of all white and Asian children under 17 would benefit.
- The expansion would **meaningfully help** millions of children in families with low incomes. Of the about 16 million children who would benefit in the first year:
  - **Half** live in families that gain \$630 or more.
  - **40 percent** live in families that gain \$1,000 or more.
  - **25 percent** live in families that gain \$1,400 or more.
  - **Half** of the children who benefit and who live in families with more than one child would see their families gain \$1,000 or more.
- Consider the following examples of families that would benefit from the expansion:
  - A single parent with two children who earns \$13,000 working part time as a home health aide would see their credit double (a \$1,575 gain) in the first year.
  - A single parent with two children who earns \$22,000 as a child care worker would gain \$675 in the first year.
  - A married couple — with one parent earning \$32,000 as a nursing assistant and the other parent staying home to take care of their three young children — would gain \$975 in the first year.

Source: CBPP analysis of Census Bureau and IRS data. Estimate of 19 million children in low-income families currently not receiving full Child Tax Credit is from Tax Policy Center.