Child tax credit immediately reduces hunger and hardship for Ohio families

In March, Congress temporarily expanded the child tax credit in the American Rescue Plan. On July 15, tens of millions of families across the nation received their first of several monthly child tax credit payments. New Policy Matters analysis of data from the Census Household Pulse survey shows the direct payments have already taken some stress off struggling Ohio families, helping them pay for the basics, such as food, rent, clothing, phone and internet service, and educational expenses.

The Household Pulse Survey tracks the pandemic’s impact on Americans by asking a sample of the population about child care, employment, food security, health, housing, household spending and more. Before the child tax credit payments began, an estimated 357,600 Ohio families with children said they “sometimes” or “often” didn’t have enough to eat in the last week and 1.15 million adults with children reported difficulty paying for basic household expenses. After receiving the payments on July 15, 229,500 families reported not having enough to eat in the last week, a drop of 36%; and 850,000 adults with children said they had trouble paying for basic household expenses, a decrease of 26%.

“The expanded child tax credit is already providing more security and stability for children and families in Ohio,” Policy Matters Researcher Will Petrik said. “When children live in poverty, they are less healthy, less secure and more stressed. We can build a better future by giving the best start possible to all children, no matter their race or where they live. The expanded child tax credit can be part of achieving that.”

The federal government has sent over $1.6 billion to support over 2.1 million Ohio children since July 15, 2021, with the average family receiving $437 a month. Many families immediately spent the money on essentials, supporting local businesses and stimulating the economy. The Center on Budget and Policy Priorities (CBPP) estimates that 84% of households making less than $35,000 annually and 60% of those making $35,000 and more, used the credit for basic needs, including food, clothing, rent, mortgage, phone and internet, to support their family.

State and federal lawmakers have made decades of policy choices that have held down wages and limited opportunities for many Black, brown, and rural families, draining resources from their communities. The expanded credit will increase opportunity for Black and brown families in Ohio. Before expansion of the credit, roughly half of all Black and brown children and half of children who live in rural communities received a partial credit or no credit at all, because their family's incomes were too low. By making the credit fully refundable, the American Rescue Plan fixes this issue, but only for a year.

“Research shows that public spending to improve the health and well-being of thousands of Ohio children is common sense,” Petrik said. “This new data shows it works. Now we need to come together and call on Congress to make the expanded, refundable child tax credit permanent, so all our kids can thrive, no exceptions.”

Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.