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NATIONAL SURVEY: FAMILIES FACED FINANCIAL STRAIN WHEN EXPANDED CTC EXPIRED

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INTRODUCTION

In the summer of 2022, families faced a shaky economic outlook that made it increasingly difficult to support the health and wellbeing of their children. Inflation, which often hits low- and middle-income families the hardest,¹ peaked at over 9 percent—the highest level in decades.² At the same time, families were still dealing with the blow of the end of the advanced monthly payments from the expanded Child Tax Credit (CTC) created under the American Rescue Plan Act (ARPA) of 2021. Families' incomes decreased as the cost of living climbed.

With this backdrop, this report presents findings from a survey of families with children conducted in July 2022 on the impacts of the CTC in the United States and Puerto Rico. Most eligible families with children had received advanced monthly payments of the CTC from July to December 2021. The payments amounted to half of their credit, the remainder becoming available once the household filed a tax return in early 2022. The expanded CTC—in addition to being delivered monthly—also had a higher value in 2021, ranging up to \$3,600 for the youngest children. The credit was also fully refundable, meaning that families with very low incomes received the maximum credit. Not surprisingly, once the monthly payments ended – as our findings detail – families had a harder time affording essentials like bills and food, facing more financial stress, and reporting higher levels of food hardship– all of which can be harmful to children. The positive benefits reported by families during the distribution of the monthly payments had reversed.³

The expanded CTC dramatically reduced child poverty and promoted family wellbeing in 2021, as documented by numerous studies.⁴ The CTC lifted 1 million children under the age of 6 out of poverty in 2021, and 1.9 million children between the ages of 6 and 17, according to the U.S. Census Bureau.⁵ Child poverty rates declined to a historically low level (5.2 percent),⁶ thanks in large part to the expanded CTC.⁷ Families also reported reduced rates of food insecurity,⁸ less financial stress,⁹ and increased ability to purchase essentials while receiving the monthly CTC payments.¹⁰

The expanded CTC payments especially benefited Black and Latinx children. The temporary changes to the policy enacted in 2021, especially the full refundability of the credit, disproportionately benefited Black and Latinx families. Because Black and Latinx children are often overrepresented among lower-income households, a reflection of systemic differences in the labor market and structural drivers of family poverty, they were more likely to be among the one-third of families who did not receive the full CTC benefit under prior law due to their families earning too little.¹¹ About 45 percent of Black children and 39 percent of Latinx children did not get the full CTC because their families' incomes were too low to qualify.¹²

Congress then allowed the expanded CTC to end. This report captures how parents coped with this economic shock. Despite the benefits of the expanded CTC, Congress failed to renew these enhancements, which expired in December 2021. Beginning in January 2022, the maximum credit dropped to \$2,000 per child under age 17 and the credit returned to being only partially refundable, meaning that families with lower incomes received a reduced credit – or none at all. Monthly payments ended as well, and 3.7 million more children fell into poverty between December 2021 and January 2022, representing an increase in the monthly child poverty rates from 12.1 to 17 percent.¹³

CLASP led a coalition of advocates and researchers in surveying families about the impact of the expanded CTC to provide data on the implementation of the program and offer insights about areas that have

effectively improved the wellbeing of families in the U.S. and in Puerto Rico. Below, we discuss the implications of our survey from the summer of 2022, which shows that there were changes in parents' uneven knowledge of the credit from prior to the delivery of the first advanced monthly payment until after the expiration of the expanded credit, and how anticipated usage of the credit varied from reported usage. We conclude with a series of policy implications for the design of future child tax benefits.

Key findings from the U.S. survey include that:

- **A vast majority of eligible families received the expanded CTC.** Nearly 4 in 5 eligible parents (78 percent) filed for the CTC, either by filing a tax return or using an online tool.
- **Participation by Hispanic^a parents increased after the initial payments were delivered.** The take-up rate among Hispanic parents jumped from 64 percent, reported in our October 2021 survey, to 75 percent in July 2022, after the tax season had ended. These findings suggest that CTC outreach successfully raised awareness among the Hispanic community.
- **Among families who claimed the CTC, almost all received monthly CTC payments in 2021.** Nearly 9 in 10 (88 percent) respondents who claimed the CTC reported receiving monthly CTC payments between July and December 2021. The take-up rate was constant across racial groups, with 89 percent of Black and Hispanic respondents who claimed the CTC reporting receipt of the monthly payments compared to 86 percent of white respondents.
- **More parents reported difficulty affording food and monthly bills after the monthly CTC payments expired.** Sixty percent of parents who previously received the monthly payments stated it has been more difficult for their family to meet their expenses since the payments stopped. Parents also reported increased financial stress and increased difficulty affording other goods for their children and household.
- **Respondents' experiences with the expanded monthly CTC made them feel like the government cares about their family's health and wellbeing,** especially among Hispanic and Black respondents.

In Puerto Rico, implementation of the CTC was particularly complicated because most people, although they are U.S. citizens, are not ordinarily required to file federal income tax returns. Still, residents of Puerto Rico were not able to receive the advanced monthly payments under the law.

Key findings from the Puerto Rico survey include that:

- **Almost all Puerto Rican parents heard about the CTC.** Nearly 9 in 10 (88 percent) heard about the CTC prior to the survey – most often from friends or family, TV or in the news, or on social media.
- **Most respondents claimed the CTC on their tax return.** Despite the barriers to filing, and despite the fact that most Puerto Ricans are generally not required to file a federal tax return, nearly 7 in 10 (68 percent) of all survey respondents claimed the CTC when they filed their tax return in 2022.
- **Nearly 4 in 10 respondents who claimed the CTC on their tax return had to complete an identity verification process.** Thirty-eight percent of respondents who claimed the CTC

^a Throughout the report, we use both the phrase “Hispanic” and “Latinx.” The Ipsos survey classifies respondents using the term “Hispanic.”

received a letter (letter 5071(C/SP) or letter 6331C) asking them to complete an additional identity verification process.

- **Respondents who claimed the CTC planned to spend their refund on necessities and school supplies.**
- **Parents who claimed the CTC said their experience with the credit made them feel like the government cares about their families and community.**

These survey findings demonstrate the effectiveness of the expanded CTC in improving outcomes for families. Below is a condensed list of policy recommendations based on the findings from our survey and other research:

Federal CTC Design Recommendations:

- The CTC should be permanently fully refundable. A fully refundable CTC without a work requirement provides a consistent benefit to families and has a powerful antipoverty effect, especially among Black and Latinx families.
- The CTC should have a monthly payment option available and allow families to opt out. If an advanced payment option exists, there should be provisions to ensure families are held harmless for any accidental overpayment.
- Families should be able to sign up for the CTC through a simplified filing tool in case they don't normally file a federal tax return.
- The CTC expansions should be implemented permanently to improve the design of the program, increase awareness and outreach opportunities, and allow families to plan for the future.

Federal Tax Outreach and Implementation Recommendations:

- The government should develop and maintain a multisector working group approach for monitoring the implementation of the tax credit, which would include administration officials, state and federal nonprofit partners, and CTC recipients.
- Targeted outreach efforts aimed at improving participation using existing data on families who have been eligible for the CTC in the past were effective. This outreach should start as early as possible to avoid gaps in who benefits from the CTC.
- The government should leverage federal data to focus tax outreach efforts. If automatic enrollment is not possible, at a minimum, people who are known to the Social Security Administration or Medicaid and who have not filed taxes should receive targeted outreach and enrollment assistance.
- The government should improve the identity verification process and experiment with allowing public agencies and community-based organizations to provide in-person verification services as an alternative to online third-party vendors like ID.me.
- The government should develop a free online filing tool administered by the IRS to support taxpayers attempting to complete a federal tax return.

It's critical that we learn from the lessons and impacts of the temporary expansion to the CTC that included monthly payments for many families. An increasing number of states have created their own state CTCs in recent years.

Amid a flurry of new research findings, our three CLASP-Ipsos surveys of eligible parents make a unique contribution, finding that:

- Awareness and claiming of the credit increased after monthly payments arrived, particularly among Hispanic families.
- Monthly payments helped parents afford monthly costs, reduced their financial stress, and allowed them to work more hours. These trends reversed as the expansions to the CTC expired.
- Parents adapted to the end of the monthly payments, in some cases by experiencing more hardships.
- At a time of economic uncertainty, CTC payments improved families' views of government.



Timeline of CTC Policy Changes

March 11, 2021

President Biden signs the American Rescue Plan Act of 2021, which temporarily expanded the CTC for tax year 2021.

June 2021

The IRS sent Letter 6417 to families with children alerting them of their estimated CTC monthly payments.

July 2021

We administer our first CTC survey asking families about their tax filing experiences, their awareness of the advance monthly payments, and how they plan to spend their CTC funds.

July 15, 2021

The first advanced CTC monthly payment is distributed to families.

October 2021

We administer our second CTC survey asking families whether they have received the advance monthly payments, how they are spending them, and how the payments are impacting their families' wellbeing.

December 15, 2021

The last advanced CTC monthly payment is distributed to families.

February 2022

Families can begin filing their 2021 tax return to claim the remainder of the expanded CTC payment they were eligible for during the tax season.

July 2022

We administer the third CTC survey asking families how the end of the advance monthly payments impacted their finances and their families' wellbeing.

BACKGROUND

Under current law, the CTC provides eligible families with children ages 16 and under with an annual credit of up to \$2,000 per child. Families generally receive this credit as part of their tax refund after they file their annual federal tax return. Prior to 2017, children with Individual Tax Identification Numbers (ITIN) were eligible for this credit, but current law only extends eligibility for children with a Social Security number (SSN) and whose parents have an SSN or ITIN – restricting credit eligibility for an estimated 1 million children who don't have SSNs until 2025.¹⁴

The CTC first offsets taxes owed. If a family is eligible for a credit that is more than the taxes they owe, they can receive up to \$1,500 as a refundable credit in 2022.¹⁵ After a family earns \$2,500, they receive 15 cents of tax credit for each additional dollar earned. To receive the full \$2,000 per child credit, a single parent with two children must earn nearly \$30,000.¹⁶

These rules make the credit less available to families with the lowest incomes. One-third of children in the United States live in families who make too little in income to receive the full CTC benefit.¹⁷ The children who are left out of receiving the full CTC are disproportionately Black, Latinx, and American Indian or Alaska Native.¹⁸ Children living in rural communities are less likely to receive the full credit because their parents do not earn enough compared with children living in metropolitan communities.¹⁹ The credit is available to families with higher incomes – single parents making up to \$200,000 per year and married couples making up to \$400,000 can access the full CTC of \$2,000 per child.

The Tax Cuts and Jobs Act of 2017 and the CTC

The Tax Cuts and Jobs Act of 2017 (TCJA)^b made numerous changes to the CTC that are set to expire at the end of 2025. The law doubled the maximum credit from \$1,000 per child to \$2,000 per child and extended benefits of the credit to families with much higher incomes. After 2025, the CTC will begin phasing out for single parents once their income reaches \$75,000 and for married parents once their income reaches \$110,000. Until then, single parents can receive the full CTC until their income reaches \$200,000 and married parents can receive the full CTC until their income reaches \$400,000. Prior to TCJA, families did not begin receiving the CTC until they earned at least \$3,000. The TCJA reduced that amount to \$2,500. The TCJA created a requirement that children must have a Social Security number (SSN) to qualify for the credit. By adding SSN requirements, the TCJA reforms excluded close to 1 million children that use tax ID numbers, the majority of whom are Latinx.^c

^b Congressional Research Service, "The Child Tax Credit: Legislative History," updated December 2021, <https://crsreports.congress.gov/product/pdf/R/R45124>.

^c Marco Guzman, "Inclusive Child Tax Credit Reform Would Restore Benefit to 1 Million Young 'Dreamers,'" Institute on Taxation and Economic Policy, April 2021, <https://itep.org/inclusive-child-tax-credit-reform-would-restore-benefit-to-1-million-young-dreamers/>.

"Hispanic Children and the Child Tax Credit," UnidosUS, June 2021, https://unidosus.org/wp-content/uploads/2021/08/unidosus_hispanicchildrenandctc.pdf.

In response to the COVID-19 pandemic, lawmakers in 2021 temporarily expanded the CTC as part of ARPA. Despite the positive outcomes for many families and dramatic reductions in child poverty, the temporary expansion to the CTC expired in 2022. (See the textbox for more details on the changes to the CTC passed under ARPA.)

Under prior law, residents of Puerto Rico who earned all of their income from working in Puerto Rico were excluded from receiving the CTC if they were in families with only one or two children. ARPA made all income-eligible Puerto Rican families with children eligible for the CTC on a permanent basis.

ARPA made a few big changes to the expanded CTC. ARPA also expanded the EITC and the CDCTC. All of these changes were allowed to sunset at the end of 2021.

- The law increased the maximum CTC benefit from \$2,000 per child under age 17 to \$3,600 per child under age 6 and \$3,000 per child ages 6 through 17. The increased credit amounts began to phase out once income reached \$112,500 for single parents and \$150,000 for married parents filing jointly.
- Families received up to half of the CTC in monthly payments from July through December 2021. Monthly payments began automatically for the vast majority of families and were delivered based on information on prior tax returns. Families could claim the remaining half of the CTC when they filed a tax return and receive it as part of their tax refund. Families could choose to opt out of the monthly payments, though it appears few did so.^d
- The law made the CTC fully refundable, meaning the full credit was available to families with little to no earnings.
- Seventeen-year-olds were made eligible for the CTC in 2021. Under prior law, only children under seventeen years old could receive the credit.

For tax year 2021, ARPA also temporarily expanded the Earned Income Tax Credit (EITC), which supports low- and moderate-income workers, and the Child and Dependent Care Tax Credit (CDCTC), which helps families meet their work-related, out-of-pocket child and dependent care expenses. The law increased the EITC available to workers without dependent children in the household, nearly tripling the maximum credit from just over \$500 to about \$1,500. The bill also made the EITC temporarily available to younger workers and older workers.

Additionally, the pandemic-relief bill included a matching \$600 million block grant for Puerto Rico to enhance the local EITC program and make it comparable to federal levels, since residents on the island cannot claim it directly from the Internal Revenue Service (IRS). Lawmakers also increased the amount of child care expenses that could be used to calculate the CDCTC for 2021 and made the credit refundable, so even families who did not owe federal income taxes could benefit.

^d Government Accountability Office, "COVID-19: Current and Future Federal Preparedness Requires Fixes to Improve Health Data and Address Improper Payments," GAO-22-105397, April 2022, <https://files.gao.gov/reports/GAO-22-105397/index.html#appendix15>.

This report focuses on our third of three national surveys, conducted with parents in summer 2022. This survey measured how families fared after the monthly CTC payments had expired. It also measured CTC claiming rates, whether families received the monthly CTC payments in 2021, and the barriers families experienced in receiving the CTC when they filed their tax returns.



METHODOLOGY

To measure how family wellbeing changed after the end of the monthly payments, CLASP and collaborating organizations developed a survey given to families in July 2022 to assess their circumstances and tax filing behavior. The survey was administered by the Ipsos polling firm. These results stem from the third in a series of related surveys focusing on families' experience with the program since its expansion in 2021.²⁰ Our series of three surveys were composed of three different groups of people, rather than the same people interviewed three times. Each sample was weighed to yield nationally representative results. We developed separate surveys for families with children based in the U.S. and in Puerto Rico because of the differences in how the program operated in Puerto Rico.

The third round of the U.S. survey included a sample of 1,050 adults with household incomes below \$75,000 and at least one resident child under 18 years of age. The survey was administered seven months after the end of the monthly CTC payments. Statistically weighted results from the survey yielded a nationally representative sample of parents with income below \$75,000 who are likely to be eligible for the CTC. The margin of error is 3.0 to 4.6 percentage points, depending on the count of respondents for key questions. All comparative statements in this report are statistically significant at the conventional level of $p < .05$ or stronger, meaning that in only 5 out of 100 repeated family samples the difference may not be significant.

The Puerto Rico survey included 505 adults in Puerto Rico with at least one child in the household in July 2022. Statistically weighted results from the survey yield a representative sample of parents eligible for the CTC in Puerto Rico.

By assessing families' experiences with the CTC across three separate surveys, we can compare how awareness and filing behavior, spending patterns, sentiments toward government support, and measures of family wellbeing changed throughout the temporary program. The first survey was administered shortly before the advance monthly payments were distributed (July 2021), the second during the distribution of the monthly payments (October 2021), and the third after the program expansions ended (July 2022).

We also conducted extended interviews with respondents who consented to these longer conversations about their experiences. We asked more detailed questions about individuals' receipt of the advance monthly CTC payments, how the payments affected their families, and the impact on families once the payments ended. Phone conversations typically lasted about 30 minutes.

DISCUSSION OF U.S. SURVEY RESULTS

Most Families Claimed the CTC and Received Monthly Payments

Families Claimed the CTC at High Rates

The IRS reported delivering almost \$93 billion in monthly CTC payments to support over 61 million children.²¹ The IRS sent advanced monthly payments to almost all families who appeared eligible for a CTC based on their 2020 tax return (or a 2019 return if a 2020 return had not been processed yet), or a previous claim for an Economic Impact Payment (also called "stimulus payments").²² The monthly CTC payments were issued from July 2021 to December 2021 and amounted to up to half the credit a family appeared

eligible for. To get the remainder of the credit (or the full credit if they had not received advanced payments), most families needed to file a 2021 tax return (due in early 2022) and claim the CTC on that tax return.

For some families, the requirement to file a return presented a barrier. Most families who file their taxes with the household tax filing status of “married, filing jointly” with incomes below \$25,900 are not required to file federal income tax returns, and many advocates expressed widespread concern that these families would not benefit from the CTC.²³ In response, the IRS implemented new regulations that allowed families with very low incomes who are not required to file a tax return to file a simplified return. This new form only collected the information necessary for claiming the CTC. In addition, the nonprofit Code for America developed a user-friendly website (the “CTC online tool”) that helped families file the simplified return.²⁴ Even so, lack of awareness and confusion about eligibility rules likely kept some families from receiving the credit, in addition to other barriers discussed in the next section.²⁵

Seventy-eight percent of respondents reported claiming the CTC at the time of the survey, either through their tax return or through a simplified filing portal. Three-quarters of respondents reported claiming the CTC when they filed their tax return. About two percent of respondents (25 total respondents) reported that they successfully claimed the CTC using an online tool, such as the Economic Impact Payment (stimulus payment) non-filer portal or the CTC online tool.

White and Black respondents were slightly more likely to claim the CTC than Hispanic respondents. Over 8 in 10 (82 percent) white respondents reported claiming the CTC, either through filing their tax return or through online tools, statistically equal to the 80 percent of Black respondents who claimed the CTC. A slightly lower share of Hispanic respondents reported claiming the CTC (75 percent) through either method. (See Figure 1.)^e

As noted in other analyses, Latinx families faced unique barriers to claiming the CTC.²⁶ Many organizations working to improve participation in the CTC noted these barriers and worked to reduce them.²⁷

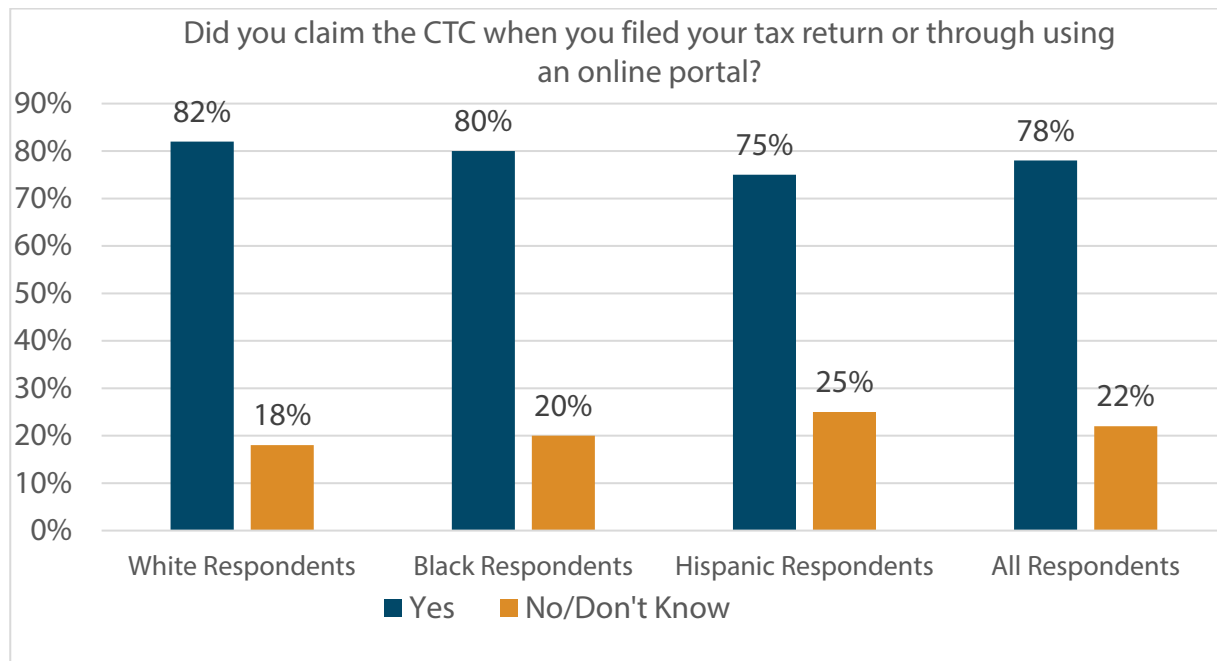
We discovered a rising share of Hispanic families claiming the CTC across the three surveys. Seventy-five percent of Hispanic respondents reported claiming the CTC in summer 2022, higher than the 64 percent of families in fall 2021.^f (See Figure 2.) Rates of claiming among respondents who categorized their race as “other” and who identified as non-Hispanic are lower than others (59 percent), though this demographic is based on a smaller sample, which makes the estimate less precise.^g

^e These rates do not take into account respondents who later reported that either the other parent claimed the CTC on behalf of the child, or that they responded with an incorrect answer of their tax filing circumstances. Our research priority is to estimate the share of random samples of CTC-eligible parents who report filing for the credit. Yet, when setting aside “other parent” respondents or incorrect responses, 85 percent of white respondents reported claiming the CTC, as did 87 percent of Black respondents and 76 percent of Hispanic respondents.

^f When accounting for parents who responded that they didn’t claim the CTC due to the other parent claiming the credit that year on behalf of the child or for respondents who responded with a wrong answer, the rates of filing for the CTC slightly increase in all racial categories: 85 percent of white respondents, 87 percent of Black respondents, and 76 percent of Hispanic respondents.

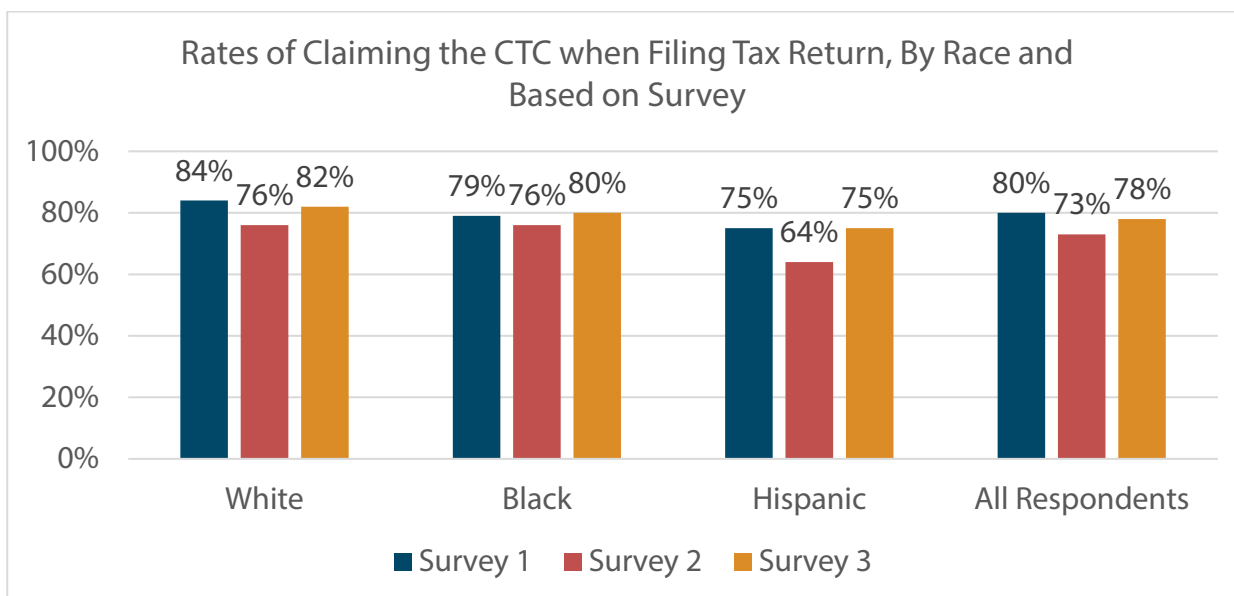
^g The Ipsos polling firm classified 6 percent of all survey respondents as “other,” which included Asian American respondents. About 1.5 percent of all survey respondents reported being of two or more racial groups.

Figure 1: Rates of Claiming the CTC, by Race



Note: This includes respondents who reported claiming the CTC through filing a tax return or through using an online portal.

Figure 2: Rates of Claiming the CTC Across All Three Surveys, by Race



Note: Survey 1 included respondents making up to under \$150,000 in income. Surveys 2 and 3 only included respondents making under \$75,000 in income. Each survey asked the following questions to respondents who reported filing a tax return either in the current or prior year: "Did you claim the Child Tax Credit when you filed your tax return?" The chart shows the responses for this question based on race per survey.

Most Families Who Claimed the CTC Received Monthly Payments

Nearly 9 in 10 (88 percent) respondents who claimed the CTC reported receiving monthly CTC payments between July and December 2021. Of those benefiting from the monthly payments, over three-quarters (76 percent) reported receiving all six payments between July and December 2021.

Receipt of monthly payments was constant across racial groups, with 89 percent of Black and Hispanic respondents who claimed the CTC receiving the monthly payments, compared to 86 percent of white respondents. Receipt of the monthly payment was also constant across income groups.

Following receipt of the monthly payments, data from an Urban Institute survey showed that almost half (45 percent) of all credit recipients preferred monthly payments, 28 percent had no preference between monthly and annual payments, and the remaining 27 percent preferred annual payments. In general, families with lower incomes were more likely to prefer monthly payments.²⁸



Implications of Findings for Upcoming Tax Seasons – Outreach is Essential for Equity

In 2021, almost all families with children and income under \$75,000 in the U.S. received the advanced monthly payments of the CTC. Although Hispanic receipt rates started out lower than other groups, by the time the tax filing season in early 2022 had passed, rates of receipt had evened out. This provides some evidence that the outreach efforts targeted at these communities were successful in significantly increasing take-up rates among Latinx families with low incomes. Other studies have found the same success in these outreach efforts.^h

Latinx and Black families stood to benefit the most from the 2021 CTC full refundability design, given that they are likelier to live in the lowest income households due to historic and systemic discrimination in institutions like the labor market. However, because of such factors, they were also the most likely to be disconnected from our tax system and to have an inconsistent relationship with the IRS. Researchers warned in the fall of 2021 that over 4 million eligible children were at risk of missing out on the CTC payments.ⁱ

Government officials and tax outreach advocates needed to intentionally center equity in tax outreach to maximize the economic impact of the CTC, ensuring that families who had been traditionally left out of the CTC received the benefits they qualified for. This meant addressing the wide array of family circumstances that create barriers to filing for the CTC, including but not limited to having insecure housing, lacking internet connection, having a disability, speaking a language other than English, being unbanked, using an ITIN to file a tax return, and more. It was critical for outreach to address fears about filing taxes and unfamiliarity with the tax filing system because both can lead to ‘tax hesitancy,’ especially among new filers.^j

Distrust in government can be another barrier to receiving benefits and has been commonly reported in focus groups.^k Core to effective outreach was partnering with trusted community organizations and tax-filing assistance organizations as well as conducting outreach through other state programs, school districts, and hospitals to spread the word.^l The result of these collective efforts show that centering equity in outreach is not simply a morally good aspiration, but rather a realistic and attainable goal when all actors are willing to take it on.

^h Code for America, “Lessons from Simplified Filing in 2021: Client experience and outreach learnings from the operation of the GetCTC simplified filing tool,” January 2022, <https://files.codeforamerica.org/2022/01/15163938/lessons-from-simplified-filing-in-2021-getctc-report-january-2022.pdf>.

ⁱ Kris Cox, Roxy Caines, Arloc Sherman, and Dottie Rosenbaum, “State and Local Child Tax Credit Outreach Needed to Help Lift Hardest-to-Reach Children Out of Poverty,” Center on Budget and Policy Priorities, August 2021, <https://www.cbpp.org/research/federal-tax/state-and-local-child-tax-credit-outreach-needed-to-help-lift-hardest-to-reach>.

^j “Full Report: Expanded Child Tax Credit. Learning from 2021. Looking Ahead to 2022.”

<https://drive.google.com/drive/folders/1hf8I50w6sC0bokHClnu-aSxMqXw2Jiad>.

^k Celinda Lake, Alysia Snell, Cate Gormley, and Jenna Scarbrough, “Findings from Qualitative Research on the Child Tax Credit,” Lake Research Partners and Partnership for America’s Children, https://docs.google.com/presentation/d/1bdMrDe6au_vdToB0hClz-vKWag9esrDH/edit#slide=id.p1.

^l Luisa Godinez-Puig, Aravind Boddupalli, and Livia Mucciolo, “Lessons Learned from Expanded Child Tax Credit Outreach to Immigrant Communities in Boston,” Urban Institute and Bookings Institute Tax Policy Center, October 2022, <https://www.taxpolicycenter.org/publications/lessons-learned-expanded-child-tax-credit-outreach-immigrant-communities-boston>.

Most Families Who Received Monthly Payments Filed for the Remainder of the CTC

Going into the 2022 tax filing season, advocates and IRS officials were concerned that some families who had received the advanced monthly payments of the CTC were at risk of not receiving the remainder of benefits owed to them. To receive the second half of their increased CTC, families needed to file a tax return. The IRS sent letters to potentially eligible individuals who did not claim credits in their 2021 tax return about the credits they may be eligible for and how to access them, including the CTC.²⁹ This is an example of critical outreach from a federal government agency.

The survey asked all respondents who reported receiving monthly payments whether they had filed a tax return in 2022. (Our survey was conducted in July 2022, three months after the tax filing deadline.) Eighty percent of those respondents reported that they had filed a tax return. Of those respondents who had reported filing a tax return in 2022, nearly 9 in 10 (89 percent) reported having received their tax refund at the time of the survey.

Families Reported Using Their Tax Refunds in Ways that Were Similar to How They Used Advanced Monthly Payments

Respondents who received both the monthly advance payments and who filed a tax return in 2022 reported planning to spend their CTC tax refund in largely similar ways compared with how respondents reported spending their monthly payments – toward paying bills, purchasing food and groceries, buying clothing and shoes, helping to pay the rent or mortgage, and paying down credit cards or other debt. The tax refunds largely went toward monthly bills, essentials, and debt. Since most of these expenses are recurring, a monthly payment would much better match the timing of payment to the needs of families.³⁰

SOME FAMILIES REPORTED BARRIERS ACCESSING THE CTC

Barriers to Receipt of the Monthly CTC Payments Included Confusion and Fear, Among Other Factors

The IRS automatically sent advanced monthly payments to almost all families based on information from prior tax returns. If a parent had filed a tax return in at least one of the two prior years (and it had been processed by the IRS) or claimed an Economic Impact Payment (stimulus payment) in 2020 or 2021 through a portal, they should have received payments beginning in July 2021 for all eligible children in their household.

While this automatic design benefitted many families, it threatened to leave out certain households: those who do not normally file a tax return; those whose first child was born in 2021 (and therefore whose information would not be reflected in prior tax returns); those who are divorced and who take turns claiming children on their tax returns; and those who are experiencing homelessness or housing insecurity who may lack a permanent bank account or address.

A small share (103 respondents, representing 10 percent of all survey respondents) reported not receiving the monthly CTC payments in 2021. One-third of these respondents (32 percent) reported they did not receive the monthly payment because they opted out of doing so. The IRS allowed parents to opt out of getting the monthly payments using an online portal. This allowed parents who prefer getting a larger annual lump sum payment to make that choice. It also was an important option for parents who shared

custody with another parent and who did not intend to claim their children during that tax year. A review of the advanced payments suggested a relatively small share of families opted out of monthly payments.³¹

For respondents who opted out of the advanced monthly payments, the most common reason was a preference for receiving a lump sum when filing their tax return (25 respondents, representing 82 percent of respondents who answered the question). Prior analysis of tax refunds suggests that large refunds can present an opportunity to save or invest in a large item such as a refrigerator, used car, or even education.³² A few respondents indicated that they feared owing money back to the IRS later. ARPA included a safe harbor provision, which offered most families with low incomes repayment protection for excess advance payments they received in error caused by changes in the number of qualifying children.³³

Another one-third (31 percent) of respondents who didn't receive the monthly payments said they were not sure why they didn't get the payments. This reflects general confusion about the eligibility rules of the program and about the design and roll-out of the program. Eleven percent of respondents who reported not receiving the monthly payments said another parent or other caregiver was claiming the child on their tax return. See the table below for other responses to the question.

Table 1: Reasons Parents Did Not Receive Monthly CTC Payments

Which best describes the reason you didn't receive monthly CTC payments?	
I intentionally opted out of the monthly payments	32%
I'm not sure	31%
Another parent or caregiver claimed the child/children on their taxes	11%
Other (Write in Response option)**	10%
I expected to receive CTC payments because I had recently filed my taxes, but I never received the payments	7%
I tried to sign up using the simplified filing tool but could not get to it	7%
I have not filed taxes recently and I did not sign up for the monthly CTC payments using the simplified filing tool	1%
The IRS denied my CTC claim	1%
Refused to answer the question	1%

Note: 103 total respondents who reported not receiving the monthly CTC payments, or not knowing whether they had received the monthly payments, were asked this question. Respondents could select one

option out of the list, or write in a response under the “other” category.

*** Write-in responses for the “Other” category of the question included the child being born in 2021 (five responses), not qualifying for the CTC (one response), the IRS not accepting the return due to a mistake with the Social Security number (one response), the other parent incorrectly claiming the child, though the parent reported eventually getting the CTC (one response), a respondent who was unsure (one response), and someone who checked the question by mistake (one response).*

Of the respondents who responded with “other,” the most common write-in response was that they had a child born in 2021, which is why they did not receive the monthly payments. The IRS would not have known about this child and the agency did not create a portal to allow parents to provide this information during the period when the agency made advanced payments.

Reasons for Not Claiming the CTC Included Uncertainty About Eligibility Rules and Unawareness of Program, Among Other Factors

The survey asked respondents who indicated they were not planning to claim the CTC by filing a tax return why they did not intend to claim it (206 respondents). Among individuals who answered the question, the most common response was not believing they were eligible for the credit (27 percent). A smaller share of adults not planning to claim the CTC reported not knowing about the program (17 percent). Less common responses included not knowing how to sign up for the CTC (4 percent) and concerns about losing other benefits they receive (4 percent).

The ways that different public benefit programs interact with each other can be confusing and complicated for families. If a household receives a higher benefit in one program, such as higher cash assistance benefits from the Temporary Assistance for Needy Families (TANF) program, or higher earnings from employment, this can jeopardize their eligibility for other benefits. This is because many public benefits have income eligibility thresholds that cause benefit amounts to phase out as household earnings or other sources of income increase.

Benefit programs may also have asset limits that limit the amount of assets households can have and remain eligible for benefits. The risk of losing benefits due to increasing income can cause fear and anxiety among recipients.³⁴ Federal refundable tax credits are explicitly excluded as income for the purposes of determining eligibility for other federal benefits, meaning that receiving a higher tax credit would not impact a household’s eligibility for other benefit programs immediately. But if the money were of a sufficient amount and saved for long enough (typically more than 12 months), it could be counted toward a program asset test. Our survey found just 4 percent of respondents reported having concerns about their CTC causing them to lose other benefits.

Among respondents who indicated they were not planning to claim the CTC by filing a tax return, about a third responded with “other.” Some common write-in responses included the other parent or partner filing for the credit instead of them, people not filing their own taxes and being unaware of whether they claim the CTC, respondents being confused by the question, and the respondent receiving disability benefits. Individuals with disabilities who receive disability benefits, such as Social Security Disability Insurance and Supplemental Security Income, face small earnings limits and asset limits. If they go above these thresholds, they can lose their benefits – which are often tied to receiving health insurance, representing a

potentially significant loss.³⁵ This can result in recipients being fearful of having income above the program thresholds.³⁶ It isn't surprising that a small share of survey respondents reported similar fears about receiving the CTC payments.

These responses show that many respondents did not understand how the CTC operates. Others were unaware of whether they received and benefitted from the credit. As lawmakers consider the popularity of the program and the feasibility of building public will to make it permanent, these findings are important to consider. The stability of a program and its duration are important factors to consider when evaluating program participation and awareness. Given that the CTC advance payments were only available for six months, it is not surprising that some recipients were unaware of the program benefit and of their eligibility for it.

Researchers have identified that informational and learning costs stem from the time and resources required for an individual to learn about the existence of a public benefit program, the rules of the program, and the application process.³⁷ The newer the program is, the less likely there will be public awareness about the program and about its eligibility rules. Prior analysis of other tax benefits showed that as people who were knowledgeable about a program moved to new areas, knowledge of the program spread.³⁸ If expanded CTC monthly payments were reinstated with longer duration, awareness would likely spread.



ITIN Holders Face Barriers to Filing Taxes

Taxpayers who needed to apply for or renew an ITIN to file taxes were systemically at a disadvantage when claiming the expanded CTC in their tax return. They are disproportionately affected by administrative burden,^{l,m} because they have limited access to Taxpayer Assistance Centers (TAC) and Certified Acceptance Agents (CAA), which are used for validating original documents to apply for an ITIN without the need to mail them directly to the IRS. During the pandemic, TACs closed in-person operations. And during the 2020 and 2021 tax filing years, applicants waited up to a year to have their ITINs processed and to have their original documents returned to them. Even without the backlogs, the process of acquiring an ITIN and navigating the tax system is particularly burdensome.ⁿ

The ITIN application must be submitted by mail and accompanied by a tax return. Parents needing ITINs were never able to use the online filing tools. Moreover, many Volunteer Income Tax Assistance (VITA) programs are not equipped to support taxpayers needing ITINs, as they do not help taxpayers file the required W7 form, and few if any provided in-person services during the pandemic. When combined with the documented IRS backlog and limited customer service availability, the ITIN process becomes increasingly difficult for these families.^o

This cumbersome process is compounded by the fact that these families were the targets of discriminatory and racist rhetoric by the previous administration, making it even harder for them to trust government programs.^p Parents who need ITINs were the most difficult populations for community agencies to reach due to widespread fear and misinformation, and they had little access to the specialized assistance they needed. The Urban Institute and Brookings Institution Tax Policy Center has published research about this phenomenon, highlighting examples from families in Boston, Massachusetts.^q

Furthermore, ITIN holders are at a disadvantage when claiming the CTC due to **Section 205'** of the Protecting Americans from Tax Hikes (PATH) Act of 2015. **Section 205** (labeled "Prevention of retroactive claims of child tax credit") prohibits an individual from retroactively claiming the CTC by amending a return (or filing an original return if they failed to file by the April tax deadline) for any prior year in which the individual or a qualifying child for whom the credit is claimed did not have an ITIN issued. The provision applies to returns, as well as any amendment or supplement to a return, filed after the date of enactment. This means that if tax filers become aware that they qualify for the expanded 2021 CTC after the filing deadline and need to apply for an ITIN, they will not be able to claim the credit. By comparison, parents with an SSN with a U.S. citizen child as dependents would have up to three years to file their return and claim any credits that they may be owed. Involuntarily, this provision in our tax code excluded some U.S. citizen children from the most successful economic policy in reducing poverty during a global pandemic.

It is important to note that little is known about the reliability of survey questions that request self-report of using an ITIN to claim credits. Survey respondents may be hesitant to report using this mechanism, which may act to artificially lower estimates for how many parents did, in fact, use an ITIN to help receive the CTC benefit.

IMPACTS ON FAMILIES ONCE CTC PAYMENTS ENDED INCLUDED FINANCIAL AND FOOD HARDSHIP

Reduced Ability to Afford Food and Bills

Following the expiration of monthly CTC payments, parents reported more difficulty affording food and paying monthly bills. Sixty percent of parents who previously received the monthly payments stated it has been more difficult for their family to meet their expenses since the payments stopped. Among these parents, about two-thirds said they had trouble covering basic expenses, including food and groceries (66 percent) and paying the bills (65 percent). Parents also found it hard to meet other expenses—such as buying clothes and shoes and paying rent or mortgage—after the monthly payments ended.

Respondents with lower household incomes (those with incomes under \$50,000) reported having more difficulty covering these costs after the payments ended, compared to respondents with higher household incomes (those with incomes between \$50,000 and \$74,999, the highest incomes included in the survey sample). Hispanic respondents were more likely to report having difficulty meeting monthly expenses (69 percent) than white and Black respondents (55 percent and 54 percent, respectively). Respondents with disabilities were also more likely to report difficulty than respondents who did not report having a disability (75 percent vs. 57 percent for non-disabled respondents).

Some state and local governments included eligibility and enrollment information about the expanded CTC in letters they sent to notify families of payments they owed on utility bills. This is a useful outreach tactic given how many families reported spending their advance CTC payments on bills and then reported increased difficulty meeting those costs once the payments ended.

^m Dolores Acevedo-Garcia, Pamela K. Joshi, Emily Ruskin, Abigail N. Walters, and Nomi Sofer, “Restoring An Inclusionary Safety Net For Children In Immigrant Families: A Review Of Three Social Policies,” HEALTH AFFAIRS VOL. 40, NO. 7, JULY 2021, [HTTPS://DOI.ORG/10.1377/HLTHAFF.2021.00206](https://doi.org/10.1377/HLTHAFF.2021.00206).

ⁿ Dolores Acevedo-Garcia, Pamela K Joshi, Emily Ruskin, Abigail N Walters, Nomi Sofer, and Carlos A Guevara, “Including Children in Immigrant Families in Policy Approaches to Reduce Child Poverty”, Academic Pediatric VOLUME 21, ISSUE 8, SUPPLEMENT , S117-S125, NOVEMBER 2021, <https://doi.org/10.1016/j.acap.2021.06.016>.

^o National Taxpayer Advocate, “NTA Blog: Most Taxpayers Needing a New ITIN Are Prohibited From Filing Electronically, Causing Unnecessary Refund Delays” February 2023, <https://www.taxpayeradvocate.irs.gov/news/nta-blog-most-taxpayers-needing-a-new-itin-are-prohibited-from-filing-electronically-causing-unnecessary-refund-delays/>.

^p National Taxpayer Advocate, “National Taxpayer Advocate 2022 Report to Congress, Most Serious Problem #1,” <https://www.taxpayeradvocate.irs.gov/reports/2022-annual-report-to-congress/most-serious-problems/>.

^q Luisa Godinez-Puig, Aravind Boddupalli, and Livia Mucciolo, “Lessons Learned from Expanded Child Tax Credit Outreach to Immigrant Communities in Boston,” Tax Policy Center, October 2022, <https://www.taxpolicycenter.org/publications/lessons-learned-expanded-child-tax-credit-outreach-immigrant-communities-boston>.

^r *Ibid.*

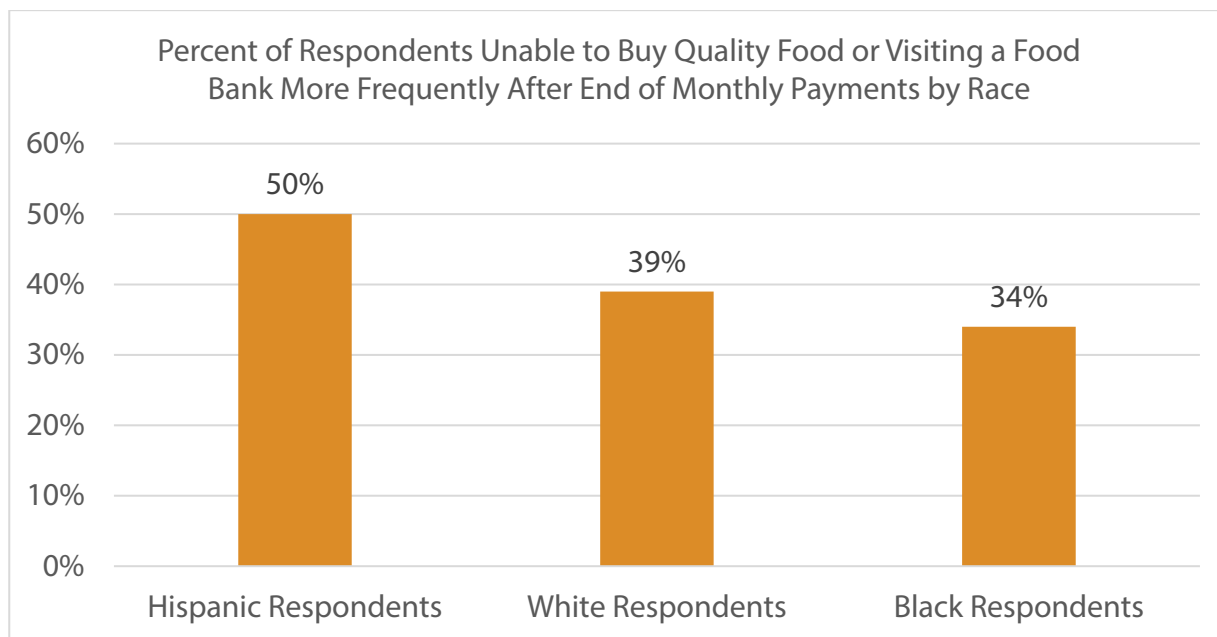
^s Senate Finance Committee Section-by-Section Summary of the Protecting Americans from Tax Hikes PATH Act, <https://www.finance.senate.gov/imo/media/doc/Summary%20of%20the%20Protecting%20Americans%20from%20Tax%20Hikes%20PATH%20Act%20of%202015.pdf>.

“WE HAD CAUGHT COVID IN NOVEMBER AND HAD \$6,000 DUE IN RENT. I WAS STRUGGLING BECAUSE WE DIDN’T HAVE THE MONEY. THOSE PAYMENTS HELPED ME WITH RENT. THEN RENT ASSISTANCE HELPED US OUT AND COVERED THE LEASE UNTIL MAY. MY GOODNESS, WHAT WERE WE GOING DO? THOSE PAYMENTS STOPPED IN JANUARY; HOW WERE WE GOING TO PAY?” –TIFFANY

Loss of the Monthly CTC Caused Food Hardship and Other Impacts

The end of the monthly CTC payments led to food hardship for many parents, especially for those with low incomes and Hispanic parents. Many respondents who had previously received monthly payments reported an increased difficulty affording more or higher quality foods, forcing them to visit food banks or pantries more frequently after monthly payments stopped. Fifty percent of Hispanic respondents reported being unable to buy quality food and/or visiting a food bank more frequently, compared to 39 percent of white respondents and 34 percent of Black respondents. (See Figure 3.) These figures are striking considering that at the time of the survey, most states were continuing to provide enhanced food assistance benefits (Emergency Allotments) to participants in the Supplemental Nutrition Assistance Program (SNAP).

Figure 3: How End of Monthly Payments Increased Food Insecurity, By Race



Note: Only respondents who reported receiving the monthly CTC payments responded to this question – totaling 712 respondents. These percentages represent people who responded that since the monthly CTC payments stopped, they faced increased difficulty affording more or higher quality food, or that they had visited food banks or food pantries to access food more frequently.

“I’M BUYING LESS EXPENSIVE FOOD AND NOT AS MUCH. TRY TO KEEP ENOUGH IN THE HOUSE, SO THERE IS A DECENT AMOUNT.” – JENNIFER

The end of the monthly CTC payments resulted in other hardships for parents. Respondents who received monthly payments reported facing increased financial stress since the end of the monthly payments, and a reduced ability to buy toys and gifts, and pay for desired activities for their children. These hardships could hurt children’s social and educational outcomes, parents’ health outcomes, and the economy.

“I HAD GOTTEN USED TO IT, SO WHEN IT STOPPED, I WAS LIKE, NOW I HAVE TO REALLY BUDGET. I JUST TRIED SPENDING LESS ON STUFF THAT I DIDN’T NEED. LIKE ENTERTAINMENT, LIKE GOING OUT, STUFF LIKE THAT. MOVIES FOR THE KIDS.” – MARSHA

“WE USED IT [MONTHLY CTC PAYMENTS] TO PAY OFF BILLS. IT WENT FOR MY SON’S BIRTHDAY PARTIES... WE HADN’T BEEN ABLE TO DO THAT IN EARLIER YEARS.” – VIRGINIA

In the October 2021 survey, parents reported that receiving the monthly payments helped to reduce their financial stress, and also helped them afford more toys, gifts, and desired outcomes for their children. So, perhaps it is not surprising to see a reversal in these positive gains once the monthly payments ended. Other research has found an association with food insecurity rates increasing among households with children since the end of the monthly payments.³⁹ Conversely, mental health outcomes improved for parents during the distribution of the monthly payments. For example, adults with low incomes reported fewer depressive and anxiety symptoms.⁴⁰

See Table 2 for other reported impacts on families once the monthly payments ended:

Table 2: Harms to Families Once Monthly Payments Ended

Since monthly Child Tax Credit payments stopped, have you experienced any of the following events? You may check more than one response.	Percent of Respondents who Received the Question
Increased my financial stress overall	41%
Increased difficulty paying the bills, rent or mortgage, and utilities	41%
Reduced my ability to buy toys, gifts, or activities for my children	37%
Increased difficulty affording more or higher quality food	34%
Increased my need to work more hours	25%
Visited food banks or food pantries to access food more frequently	17%

Decreased time that I can spend with my children	15%
Increased conflict with partner/spouse and/or children	13%
Worsened my relationships with spouse, friends, or family	9%
Made it harder for me to pursue my own education or training	8%
Made it harder for me to engage in paid work	5%
Other	9%
Refused	17%

Note: 712 total respondents reported receiving the monthly CTC payments and answered these questions. Respondents could select multiple options.

Single Parents and Mothers Struggled After Monthly Payments Ended

The expiration of monthly payments disproportionately impacted single parents and mothers. Among those who reported receiving the monthly payments, about two in five parents who had never been married (41 percent) say it has been much more difficult for their families to meet monthly expenses after the payments ended, compared with just over one in five married parents (22 percent). Single mothers make up the majority of single parents,⁴¹ suggesting a gender disparity in the impact of the payments' expiration.

Additionally, among respondents who reported receiving the monthly payments, a greater proportion of those from households in which women made their family's financial decisions (33 percent) reported that it had been much more difficult to meet expenses than those from households with male financial decision-makers (24 percent). A greater share of the former group also had difficulty meeting their rent or mortgage payments (44 percent versus 41 percent with male decision-makers). Our survey data show that respondents from households with female decision-makers tend to be lower-income, have lower educational attainment, and are disproportionately Black and single parents.

Families Generally Had Awareness that the CTC Monthly Payments Would End

A large majority of respondents (80 percent) who received the advance monthly payments reported knowing that they were not going to receive any more monthly payments in January 2022. This suggests that community outreach efforts, media reporting on the topic, and tax credit awareness campaigns all helped to promote information among CTC recipients about the expiration of the temporary monthly payments.

Payment Preferences of the CTC

The survey asked respondents about their preferences for how frequently they preferred to receive the CTC payment, between monthly payments and a one-time payment. While lump sum payments can be used for bigger purchases, like a major car repair or to pay off credit card debt, monthly payments are available throughout the year as smaller expenses arise and are more reliable as families budget their expenses. The survey asked this question with the option of providing write-in responses and through phone interviews to allow the opportunity to dig deeper into the nuances of both options.

The temporary CTC expansion allowed families to receive the monthly payments or to opt out of the monthly payments using an online portal. This allowed families to pick the distribution schedule for their payments that best met the needs of their households and finances.

Respondents who Received the Monthly CTC Payments Largely Supported the Program

Respondents who reported receiving at least one monthly payment in 2021 were largely supportive of the monthly CTC program when they were receiving the payments. Nearly three-quarters (74 percent) of respondents who received the monthly payments either strongly or somewhat supported the monthly CTC program. Only 7 percent of the respondents either somewhat or strongly disagreed with the monthly payments, and 20 percent were neutral on it. Families who received the monthly advance payments largely supported the monthly CTC payments, even after the expiration of the payments.

A majority of those respondents reported that their feelings about the program have remained unchanged since the payments expired. Sixty-three percent of respondents said they experienced no change in their feelings toward the program. Only 11 percent of these respondents reported being somewhat or much less supportive of the program after the expiration of the monthly payments.

Preference for Monthly Payments versus Lump Sum Payments Varied Among Parents

Respondents who received monthly payments in 2021 were just about evenly split on their preferences for the frequency of receiving the CTC payments in the future, with a slight preference for at least some monthly payments provided. The survey asked those respondents the following question: *“Based on your experience receiving both monthly Child Tax Credit payments and a larger one-time payment in your tax refund, how would you prefer to receive the Child Tax Credit in the future?”* Respondents could select from the following options:

- Year-round monthly payments with no one-time payment at tax time
- No monthly payments with one large one-time payment at tax time
- Half paid out in monthly payments with the second half as a one-time payment at tax time
- Other (write in response option)
- I don't know / I have no preference

Almost one-third (32 percent) of respondents who received the monthly payments and who had filed their tax return preferred year-round monthly payments. About three in ten (28 percent) preferred half of the payments being monthly and half being a lump-sum payment, and only 22 percent preferred receiving just one lump-sum payment. Sixteen percent responded that they have no preference. Interviews with respondents who prefer the monthly payments suggest that the payments allow families to put money

toward their most pressing expenses and to more easily meet financial emergencies.

Families who hadn't filed for the CTC yet and hadn't received the monthly payments were more likely to say that they prefer receiving just one lump-sum payment (45 percent) compared to year-round monthly payments (22 percent) and compared to half monthly payments and half lump sum payments (13 percent). About one-fifth (21 percent) of respondents who had not filed for the CTC and received the monthly payments had no preference. This isn't surprising, given that these respondents didn't experience receiving the monthly payments in 2021. Prior analysis of distributing tax credits on a periodic basis rather than as a single payment at tax time showed people were more favorable to periodic payment after experiencing it.⁴²

Preferences for monthly payments were similar to those reported elsewhere. In separate research, when families were asked whether they preferred monthly payments or receiving a single payment at tax time, 45 percent favored monthly payments, 28 percent had no preference, and 27 percent preferred a single payment.⁴³

Families in Puerto Rico did not have the option to receive the advance monthly payments of the CTC. The implications of this will be expanded on in the section below about the Puerto Rico survey findings.

Based on these findings, lawmakers should continue to make monthly payments the default payment frequency with the option to instead receive a lump sum payment in any future expansions of the CTC. However, it is important that policymakers consider keeping many features of the advanced payments that likely increased their popularity. Between 1979 and 2010, families had the option to receive a portion of another tax credit, the EITC, as an advanced payment, delivered in their paycheck. Participation was extremely low, which studies have attributed to poor administration (employers were responsible for administering the program), low awareness, and fear of needing to repay the credit.⁴⁴ The 2021 advance CTC payments had a relatively generous "hold harmless" provision that allowed families with low incomes to not risk credit repayment.⁴⁵ Further, the payments were administered fully by the IRS and did not involve employers, making the administration less burdensome.

"WE LIKED THE MONTH TO MONTH BECAUSE THEN YOU KNEW THAT IF IT HAPPENS TO BE A TOUGHER MONTH, YOU HAVE THAT MONEY TO LOOK FORWARD TO AND IT'S GOING TO HELP OUT WITH WHATEVER YOU'RE STRUGGLING WITH THAT MONTH. I MEAN, IT'S HELPFUL TO GET THE LUMP SUM TOO, BUT THE MONTH TO MONTH IS MORE HELPFUL. I WOULD JUST LIKE THEM TO BRING IT BACK." – ATIDAH

Receipt of Monthly Payments Improved Perceptions of Government Caring About Families

The survey asked respondents about how their experiences with the expanded CTC impacted their perceptions of whether the government cares about their family and communities. Overwhelmingly, respondents who received the monthly payments reported positive perceptions of the government.

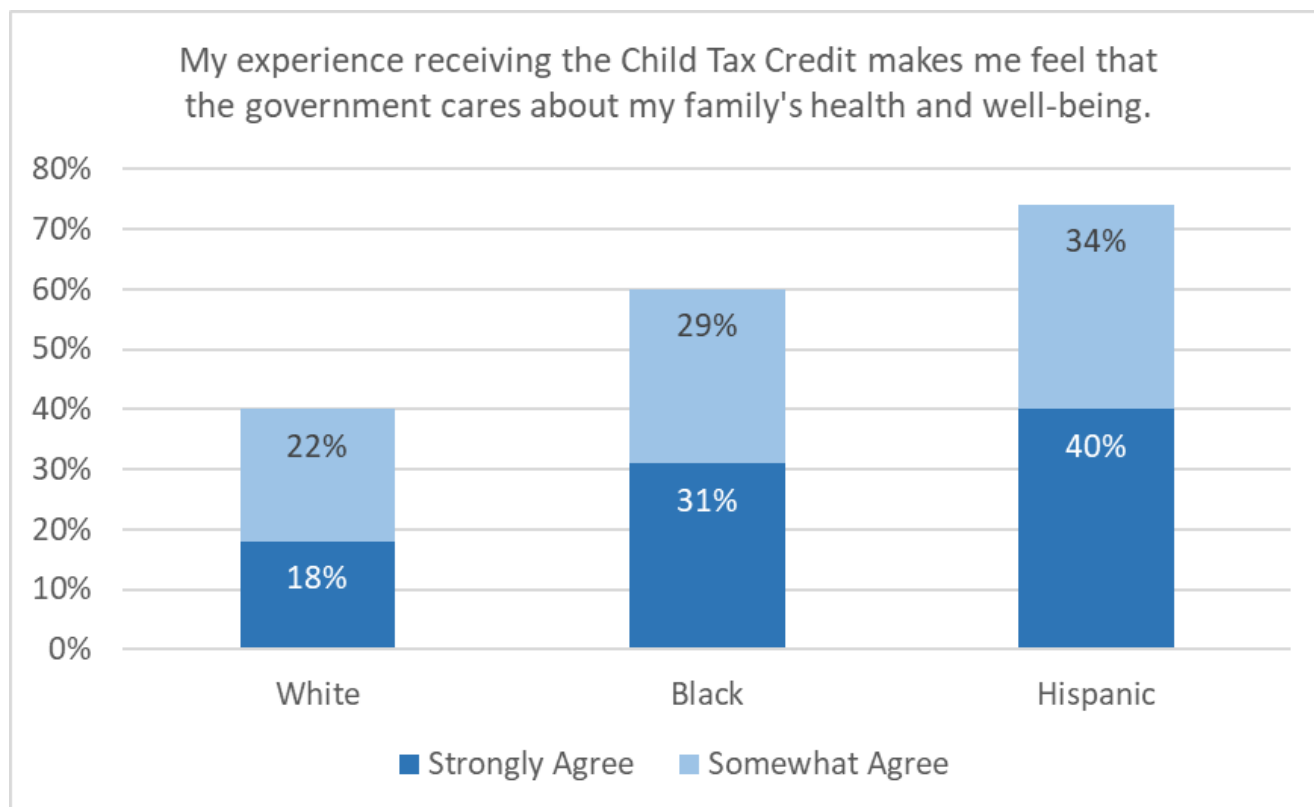
Over half (56 percent) of respondents who received the monthly payments and have filed a tax return reported that they either somewhat or strongly agree that "my experience receiving the Child Tax Credit makes me feel that the government cares about my family's health and wellbeing." Over one-quarter (28

percent) of these respondents neither agreed nor disagreed with the statement. Only 15 percent of these respondents either somewhat or strongly disagreed with the statement.

Among the same group of respondents, the same share either somewhat or strongly agreed with the statement “my experience receiving the Child Tax Credit makes me feel that the government is responsive to the needs of my community” (56 percent). The same share neither agreed nor disagreed (28 percent) and either somewhat or strongly disagreed (15 percent).

When assessing these responses based on income, respondents with lower household incomes (under \$50,000) who received the monthly payments and have filed a tax return were more likely to respond that their experiences with the CTC made them feel like the government cares about their family’s health and wellbeing than those making between \$50,000 and \$74,999 annually (representing the highest income bracket of the survey sample.) Hispanic and Black respondents who received the monthly payments and have filed a tax return were more likely to say their experiences with the CTC made them feel like the government cares (74 percent and 60 percent) than white respondents (40 percent). (See Figure 4.)

Figure 4: How Experiences with the CTC Impacted Perceptions of the Government Caring about Family



Note: Only respondents who reported receiving the monthly CTC payments and who have filed their tax return responded to this question – totaling 584 respondents.

Our survey administered in October 2021, three months after the monthly CTC payments had begun, also asked the same question about how families' experiences with the CTC impacted their perceptions of the government caring about their family's health and wellbeing. The rates of respondents saying that their experiences make them feel like the government cares were higher in the July 2022 survey than in the October 2021 survey.

Nearly half (46 percent) of all respondents in the October 2021 survey who received at least one tax credit (including the CTC and also the Earned Income Tax Credit and the Child and Dependent Care Tax Credit) reported their experiences yielded a feeling that the government cares, less than the 56 percent of respondents who received the monthly payments and filed a tax return in the July 2022 survey.

Other polling research about voters' perceptions of the expanded CTC has garnered results that reflect a desire to see Congress make the expanded CTC permanent. For example, a survey of Latino voters administered by UnidosUS and Mi Familia Vota found that 70 percent of respondents supported Congress making the increased and expanded CTC permanent. The survey was administered in July through August of 2022.⁴⁶ Similarly, Lake Research Partners administered a national survey in August 2022 about perceptions of the expanded CTC policy, which also reported high levels of support. According to the Lake Research Partners survey, 75 percent of voters favor the expanded CTC, and over half strongly favor it. This support crossed party lines. Black and Latinx voters were more likely to favor the CTC, according to their research.⁴⁷

FINDINGS ON THE CTC ACCESS AND AWARENESS IN PUERTO RICO

Background Context of the CTC in Puerto Rico

The expanded CTC increased the economic security of hundreds of thousands of families with children in Puerto Rico. In 2021, the Puerto Rico child poverty rate was estimated at 56 percent using the official poverty measure (OPM).⁴⁸ By this measure, almost 6 out of every 10 children on the island faced the consequences of living in poverty that are associated with poorer health, exposure to crime and violence, toxic stress, and fewer opportunities to succeed. Moreover, the societal cost to Puerto Rico's economy of having such high poverty rates is estimated at \$4.4 billion every year.⁴⁹ Given the recent challenges on the island from catastrophic hurricanes, earthquakes, and the impact of the COVID-19 pandemic, the CTC offered an opportunity to jumpstart the economic dynamism among families with children.⁵⁰

The official poverty measure (OPM) of child poverty for 2022 will not capture the impact of the expanded CTC on reducing child poverty on the island since the OPM does not count tax credits as income and the Census Bureau does not estimate a supplemental poverty measure for Puerto Rico. However, evidence from this survey and other research suggests that the impact of the CTC has been positive. Researchers estimate that for the first time since the 1990s, the adjusted child poverty rate counting CTC payments as income in Puerto Rico could shrink from 55 percent to as low as 39 percent due to the expansion of the CTC. This decrease of 16 percentage points is a historic, unprecedented reduction of child poverty in Puerto Rico and sets the island on the right economic path.⁵¹

The findings of our survey confirm there was high awareness of the CTC amid changing eligibility rules, suggesting that the CTC reached a majority of families with children in Puerto Rico.⁵² However, we lack important background information to better interpret the results of our survey.

First, respondents who completed the survey were most likely newly eligible families for the CTC. ARPA permanently expanded CTC eligibility for all Puerto Rico residents. Under prior law, Puerto Rican families were only eligible for the CTC if they had three or more qualifying children; this represented only 11 percent of all families with children on the island – and excluded families with one or two children from the credit. Second, child poverty is pervasive in Puerto Rico, where close to 6 out of 10 children live under the federal poverty line, a statistic that has remained virtually the same since the mid-90s.⁵³

Third, the residents of Puerto Rico generally don't pay income taxes to the federal government, only payroll taxes, and do not have to file federal income tax returns. Hence, their interaction with the IRS during the 2022 tax season was a new experience for many families on the island. Fourth, Puerto Rican families did not have the same access to customer service that the IRS offers people in the U.S. During the 2022 tax season, only one Taxpayer Assistance Center covered the whole island, and most of the phone and online customer service availability was provided in English, which poses a barrier for Puerto Rican families whose primary language is Spanish.

Fifth, navigating digital tools was difficult for families in Puerto Rico. The online tools, like GetCTC.org, were only made available toward the end of the summer of 2022. Many filers were required to go through an ID verification process, which could only be completed online through an external vendor, not an official government website, and required individuals to share personal information through online calls. We discuss this ID verification process in greater detail below. In addition, the software used by the vendor had a particular difficulty scanning IDs for individuals who have darker skin. Lastly, different treatment of families in Puerto Rico for the CTC generated confusion around the eligibility rules. Residents of Puerto Rico were not eligible to get the CTC payments monthly; however, qualifying parents received the full payment as a lump sum after filing their tax returns in 2022.

Given the unique challenges of implementing the CTC in Puerto Rico, the positive findings in our survey are a testament to the strategic impact of many groups that helped the federal government navigate the daunting task of rolling out a new program for thousands of families in Puerto Rico.

Puerto Rico Survey Findings

Our survey covered a sample of Puerto Rican parents eligible to receive the Child Tax Credit (CTC) if they filed a federal tax return. CLASP collaborated with Ipsos to survey 505 adults in Puerto Rico with at least 1 child in the household in July 2022. Statistically weighted results from the survey yield a representative sample of parents eligible for the CTC in Puerto Rico. The following discussion incorporates the main findings from the survey.

High Levels of CTC Awareness in Puerto Rico

Puerto Rican parents reported hearing about the CTC prior to the survey. Nearly 9 in 10 survey respondents (88 percent) had already heard about the CTC in July 2022. A previous survey conducted by UnidosUS in March 2022 indicated that 68 percent of parents knew about the CTC.⁵⁴ This may demonstrate the success

of public education campaigns about the credit led by local leaders across the island.

The most common way respondents reported hearing about the CTC was through friends or family (46 percent), TV or in the news (46 percent), and on social media (36 percent) (See Table 3). This stresses the importance of education campaigns that seek to generate trusted messengers among various communities. Marketing campaigns that only focus on broad communications efforts through traditional media outlets may be missing out on leveraging community voice and trust.

Table 3: How Puerto Rican Respondents Heard about the CTC

How did you hear about the Child Tax Credit? You may check more than one response.	Percent of Respondents who Reported Hearing of the CTC Prior to Survey
Friends or family members	46%
Saw on TV or in the news	46%
Social media (e.g., Facebook, Twitter, Instagram, TikTok)	36%
Radio	19%
My tax preparation person or company told me	15%
IRS sent me a letter	8%

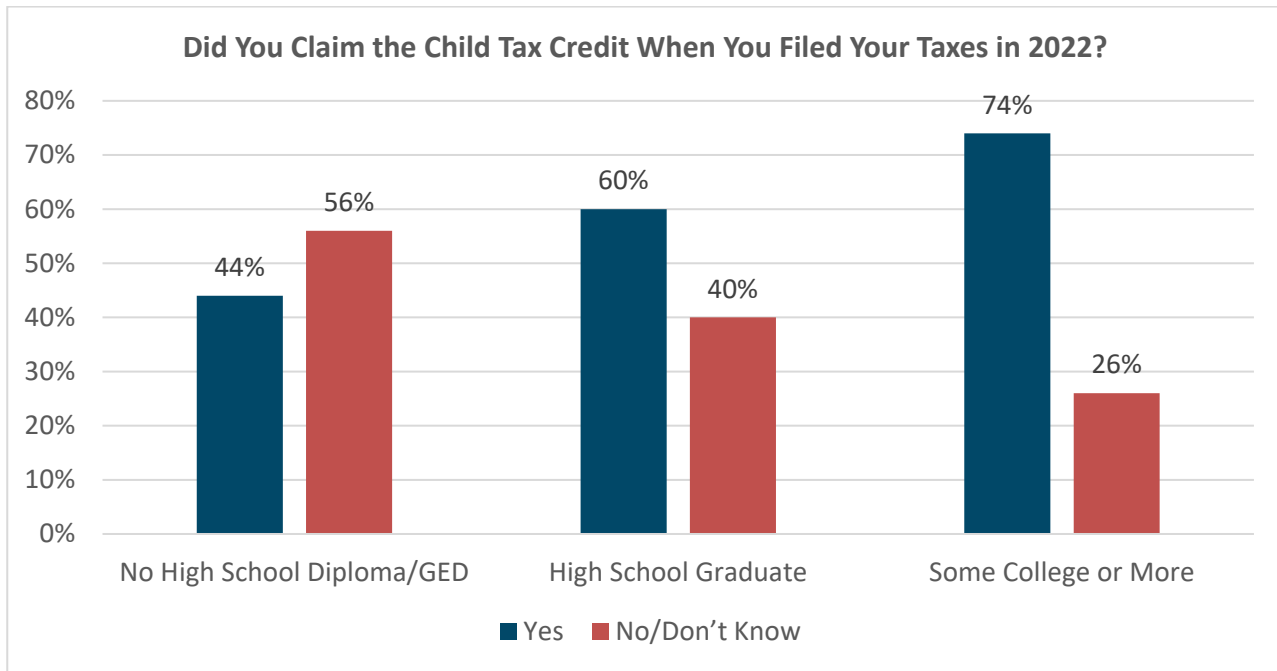
Note: Respondents could select multiple options. Only respondents who reported hearing about the CTC prior to the survey received the question – totaling 445 respondents. Other responses included seeing the tax credit on the tax form (7 percent), a health clinic (3 percent), a grocery or retail store (3 percent), from my child’s school (3 percent), a local library (2 percent), a local social service office (2 percent), from a community group (1 percent), and from a child care provider or center (1 percent.)

Married Couples and College Educated Parents had Higher Take-Up Rates in Puerto Rico

Despite high levels of awareness about the CTC, take up of the credit varied among eligible families. Most respondents – nearly 7 in 10 (68 percent) – claimed the CTC when they filed their tax return in 2022. This is consistent with the March 2022 UnidosUS survey findings.⁵⁵ Parents with some college education or more were more likely to claim the CTC than parents with only a high school diploma or with no high school diploma. (See Figure 5.) Married parents were more likely to claim the CTC than parents who have never married and who are widowed, divorced, or separated.

Respondents who did not claim the CTC and who did not plan to do so most commonly reported that they did not believe they were eligible for the credit and that they did not know about the CTC as the reasons why, prompting the need for continued education efforts on the island.

Figure 5: Rates of Claiming the CTC Varied by Educational Attainment in Puerto Rico



Note: All respondents received this question, representing 505 respondents.

ID Verification Proved to be a Difficult Barrier to Overcome in Puerto Rico

Nearly 4 in 10 respondents who claimed the CTC on their tax return had to complete an identity verification process. Thirty-eight (38) percent of respondents who claimed the CTC received letter 5071(C/SP) or letter 6331C asking them to complete an additional identity verification process. The problem was common among some Puerto Rican families because the IRS had no administrative records for most taxpayers in Puerto Rico. In addition, the necessary third-party data-sharing agreements were not established ahead of time. In-person services for families needing assistance to complete this identity verification step was limited due to the availability of only one Taxpayer Assistance Center on the Island. Moreover, the software available to complete the ID verification had problems reading Puerto Rico-issued ID documents, which created long wait times for families looking to complete the process. The software was unable to conduct a face recognition analysis if the skin tone of the taxpayer was dark. Most of these issues were addressed during the tax season, but this additional security protection step increased the burden for parents filing their taxes.

Of those who went through the identity verification process at the time of the survey, nearly half (47 percent) did it by themselves with no help. About one-quarter (24 percent) went to a tax professional for help. These high rates of individuals going through the process without help might explain why 27 percent of respondents who claimed the CTC indicated that they had not received their tax refund at the time of the survey, even though nearly all respondents reported filing their taxes in April 2022 or earlier. Recent data from the IRS has shown improvement, but some taxpayers still have open cases of ID verification.⁵⁶

CTC Investments Supported Families' Immediate Needs in Puerto Rico

Respondents from Puerto Rico who claimed the CTC planned to spend their refund on necessities and school supplies. They most commonly reported using it to pay bills, buy school supplies, purchase food and groceries, buy clothing and shoes, and pay some of the costs of school or college. This largely mirrors the findings from the U.S. CTC survey.

These findings demonstrate the importance of lawmakers extending a fully refundable, expanded CTC to residents of Puerto Rico and the United States and continuing tax outreach for Puerto Rico residents.

Working Group Model for Implementation of Tax Credits

The expansion of the CTC and EITC for families in Puerto Rico presented an opportunity to drive forward economic equity through our tax system. However, a proven policy like these tax credits still faced myriad implementation challenges that required the dedicated monitoring of a multisector group of stakeholders. UnidosUS, in partnership with the American Rescue Plan team at the White House, helped convene the EITC/CTC Puerto Rico working group. This group gathered officials from the Department of the Treasury, the IRS, Puerto Rico Tax Administration Agency (Hacienda), senior advisors to the Governor of Puerto Rico, and national nonprofit organizations and Puerto Rico community-based organization leaders to meet regularly and monitor the rollout of the tax credit programs.

ARPA expanded eligibility for the CTC from only 11 percent of all families with children to nearly 100 percent of all families on the island. For the EITC, the law provided \$600 million for the Puerto Rico government to enhance the local EITC program and expand the eligibility of workers who could claim the enhanced credit. ARPA's federal supplement represents the first-ever appropriation of federal EITC dollars for the territory since the credit was established nearly half a century ago.⁵

This working group model provided a dedicated forum where people from Puerto Rico would have a direct line to relevant stakeholders who could expedite the resolution of implementation issues along the way. Some of the main accomplishments of this working group included:

1. Data sharing for targeted outreach efforts,
2. Coordination of resources and joint outreach events,
3. Surfacing of technical issues in order to direct attention to resolutions,
4. Increased capacity of IRS resources for taxpayers on the island, and
5. Successful levels of awareness and take up for the CTC and EITC.

While we need more analysis to fully capture the impact of these two tax credits on the island's economy, what is evident is that the credits were generally an incredible success for families. The amount disbursed as of May 2, 2022, for the EITC is \$863,871,584 according to the Puerto Rico Department of the Treasury, exceeding the amount budgeted by 7 percent.⁶ This has made the experience with the EITC in Puerto Rico one of the most successful of all U.S. jurisdictions, resulting in an increase in uptake of 107 percent compared to claims of the EITC in previous years. In the case of the CTC, an estimated 75–80 percent of the 305,000 families who could claim the CTC did so during the 2022 tax year.¹¹

This is a policy win that should be attributed to hard-working leaders across government and among private and public sector organizations. The working group model serves as an example of collaboration across government and community actors that is worth exploring for additional implementation efforts to reach vulnerable groups that are often overlooked such as communities of color, immigrant groups, disabled individuals, rural communities, and others.

CONCLUSION

The expansion of the CTC in 2021 gave us a real-world example of what a monthly child benefit could look like in the U.S. These survey findings provide context on the performance and effectiveness of this policy. What is clear from our findings is that: 1) the lives of many children and families were greatly improved by receiving the increased, monthly payments, 2) families faced hardship when the payments stopped, and 3) monthly CTC payments were a popular policy that made parents feel like the government cares about their families.

Child allowance payments are effective at reducing child poverty, reducing food insecurity, reducing stress, and improving general health outcomes. These payments are also good economic policy as they brought billions of dollars into local economies, helping families catch up with bills, access food and other basic needs, and afford clothes and shoes. All these purchases drive economic growth. The expanded payments also inspire families to feel like the government cares about their families, showing parents how public policy can benefit their day-to-day lives and helping develop much-needed trust in government programs and services.

Following the conclusion of the monthly payments, we observed families reporting increased struggles. This suggests that benefits should not be contingent on an economic downturn caused by a pandemic or other disasters, but rather, they should be part of a continuous economic strategy and permanent investment that supports families and children. The stability of the payments is important for both the successful administration of the program and for the wellbeing of families as they try to meet their ongoing needs. If the program were available for an extended period, we would likely see even more dramatic improvement in awareness of the credit, just as we saw over the course of the payments. This can improve take-up among those families facing the most barriers to claiming the credit.

As opportunities to expand the CTC on a permanent basis are proposed in upcoming years, we must reflect on the learnings from this experience. Below we include a set of policy recommendations for different stakeholders, based on the learnings from our surveys and other research:

Federal Child Tax Credit Design Recommendations:

The success of the temporary program expansions in ARPA created momentum at the federal level to further expand the CTC. Members of Congress have introduced standalone legislation to permanently expand the CTC in ways similar to ARPA. In addition, President Biden has included CTC expansions in his budget, demonstrating support for an expanded CTC from the executive branch. The Tax Cuts and Jobs Act of 2017 (TCJA) legislative changes to the CTC will expire in 2025, along with other personal income tax

^t Javier Balmaceda, "The Credit Expansions Expected to Significantly Reduce Poverty in Puerto Rico," Center on Budget and Policy Priorities, March 2022, <https://www.cbpp.org/blog/tax-credit-expansions-expected-to-significantly-reduce-poverty-in-puerto-rico>.

^u Daniel Santamaria, "Our Dollars and Their Data: A Look At The 2021 Earned Income Tax Credit And Child Tax Credit" Espacios Abiertos San Juan Puerto Rico November 2022, <https://drive.google.com/file/d/1-Wrh84XkLiJnmFGiklVeWvLGC6frOnNu/view>.

^v María E. Enchautegui, Christopher García Sánchez, Vallerie Blakely-Vallecillo, Liana E. Carrasquillo Vázquez, Carmen I. Rodríguez, and Caridad A. Arroyo Quijano, "The Child Tax Credit in Puerto Rico: Impacts on Poverty and the Lives of Families," San Juan: Instituto del Desarrollo de la Juventud, December 2022, https://assets-global.website-files.com/60f311e9e2e57d523d28bba2/63a10a6284987416b04c05eb_CTC2022-IDJ_web.pdf.

provisions. This may present an opportunity to make CTC improvements over the next several years.

Below are recommendations of what federal lawmakers should consider when expanding the CTC in future legislation. These recommendations also apply at the state level for states implementing state CTCs:

- A fully refundable CTC without a work requirement provides a consistent benefit to families and has a powerful antipoverty effect, particularly among Black and Hispanic families who have often been marginalized in the labor force.
- Many families preferred to have a monthly option available, and they used the advance payments to meet basic needs. Allowing families to opt out of monthly payments will allow the credit design to honor all families' preferences. Important context for the advanced monthly CTC payments is that most families with low incomes were not required to repay advance payments that had been sent in error. Not including some level of "hold harmless" provision for errant payments could undermine the success of the monthly payments.⁵⁷
- Some families utilized a simplified filing tool to claim the CTC, likely increasing participation in the credit. Having this option is critical for families who do not typically file a tax return.
- Participation in the program increased over time. The CTC expansions should be implemented permanently to improve the design of the program, increase awareness and outreach opportunities, and allow families to plan for the future.

Recommendations for Federal Tax Outreach and Implementation:

The IRS plays a critical role in promoting tax credit outreach and administration, and our analysis shows improved uptake of the credit from when the payments began in 2021 to 2022 when families filed their tax return to claim the credit. The Inflation Reduction Act included a nearly \$80 billion investment in the IRS to enhance operations support, taxpayer services, and business system modernization, among other needed areas. This funding provides an opportunity to devote resources toward best practices that have proven to be effective when implementing tax credit expansions and conducting outreach to hard-to-reach communities.

Below are recommendations for promoting equitable tax outreach and implementation at the federal level. These actions were in place over the course of our survey analysis and likely helped increase participation in the CTC:

- Develop and maintain a multisector working group approach for monitoring the implementation of the tax credits. This working group would include administration officials and state and federal nonprofit partners. This working group should also include CTC recipients and parents. The success of this approach in Puerto Rico, when the ARPA CTC expansions were being implemented, demonstrates its value.
- The IRS was successful at reaching most families eligible for the CTC by relying on existing data on families who had been eligible for the credit in the past. Our research suggests that those left out of advanced payments initially were more likely to be Hispanic. This gap closed over the course of our analysis, suggesting that the targeted outreach efforts aimed at improving participation were effective. This type of work should start as early as possible to avoid gaps in who benefits from future programs.
- Leverage federal data to focus tax outreach efforts. If automatic enrollment is not possible, at a

minimum, people who are known to the Social Security Administration or Medicaid and who have not filed taxes should receive targeted outreach and enrollment assistance. In addition, outreach programs should seek to measure their effectiveness at reducing participation gaps across race and ethnicity to better target outreach and customer service efforts to groups whose participation is relatively low.

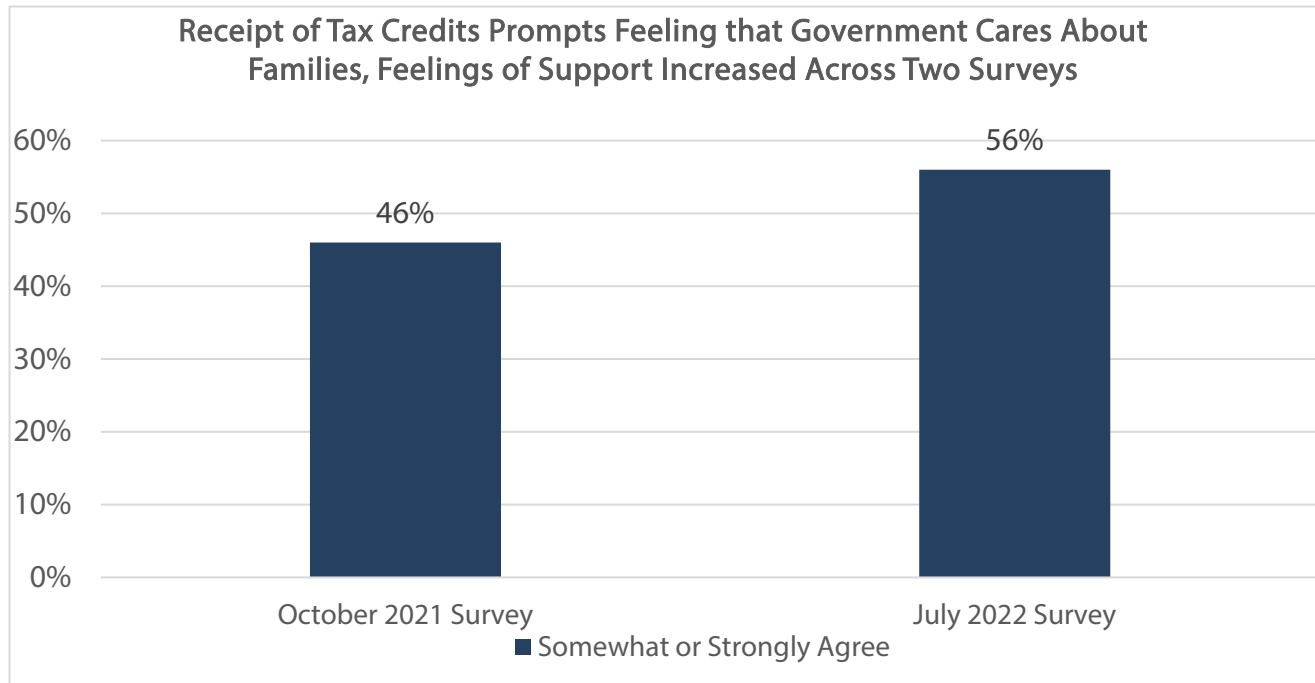
- Improve the identity verification process and experiment with allowing public agencies and community-based organizations to provide in-person verification services as an alternative to online third-party vendors like ID.me, which can reduce barriers while maintaining privacy in access to personal data.
- Develop a free online filing tool administered by the IRS to support taxpayers attempting to complete a federal tax return.

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APPENDIX A:

Figure 6: Receipt of Tax Credits Prompt a Feeling that Government Cares about Families



Notes: In the October 2021 CTC survey, the question provided to respondents was: "Do these tax credits or payments make you feel that the government cares about your family's health and wellbeing?" The question was asked to respondents who reported either claiming the CTC, claiming the EITC, claiming the CDCTC, or receiving the monthly CTC payments in July, August, or September. In the July 2022 CTC survey, the question provided to respondents was: "My experience receiving the CTC makes me feel that the government cares about my family's health and well-being." Only respondents who reported receiving the CTC monthly payments and who have filed their tax returns received the question. The graph represents respondents who either strongly or somewhat agreed with the statement.

APPENDIX B: SURVEY QUESTIONS FOR THE U.S. SURVEY (ENGLISH VERSION)

CTC Polling Round 3 Questionnaire

Section 0: Preliminary Tax Questions

Q1_1 Did you or a member of your household file a federal tax return this year or last year?

1. Yes
2. No
3. Don't Know

Base: if Q1_1=1 (Yes)

Q1_2 In early 2021, the federal government temporarily expanded the existing Child Tax Credit. Did you claim the Child Tax Credit when you filed your tax return?

1. Yes
2. No
3. Don't Know

Base: if Q1_1=2 (No) or 3 (Don't Know)

Q1_3 Did you successfully claim the Child Tax Credit last year in 2021 by applying for it using an online tool such as the Economic Impact Payment (stimulus payment) non-filer portal or the Child Tax Credit online tool?

1. Yes
2. No
3. Don't Know

Base: if Q1_3=1 (Yes) or Q1_2=1 (Yes)

Q1_4 Between July and December 2021, parents were eligible to receive \$300 per month for each child age 0-5 and \$250 per month for each child age 6-17. Did you receive any monthly Child Tax Credit payments between July and December 2021?

1. Yes
2. No
3. Don't Know

Section 2: Families Who Received Monthly Payments in 2021

Base: if Q1_4=1 (Yes)

Q2_1 Families were eligible to receive up to six monthly Child Tax Credit payments during the second half of 2021. How many monthly payments did you receive between July and December 2021?

1. I got all six payments
2. I got fewer than six payments
3. Don't know

Base: if Q2_1=2 (I got fewer than six payments)

Q2_1_followup [Number box, range: 0-6] How many payments did you receive?

[Number box]

Base: if Q1_4=1 (Yes)

Q2_2 Monthly Child Tax Credit payments stopped at the end of 2021. Did you know that you were not going to receive payments in January 2022?

1. Yes
2. No
3. Don't Know

Base: if Q1_4=1 (Yes)

Q2_3 Since monthly Child Tax Credit payments stopped, has it been more difficult for your family to meet its monthly expenses?

1. Much More Difficult
2. Much More Difficult
3. Somewhat More Difficult
4. About the Same
5. Don't Know

Base: if Q2_3=1 or 2 ("Much More Difficult" or "Somewhat More Difficult" proceed to Q2.3.1)

Q2_3_1 Since monthly Child Tax Credit payments stopped, which expenses were more difficult to cover? You may check more than one response.

1. Pay bills
2. Pay down credit cards or other debt
3. Cover car expenses
4. Save or invest money
5. Make home improvements
6. Cover child care
7. Help pay rent or mortgage
8. Buy clothing, shoes
9. Buy school supplies
10. Costs of school or college
11. Recreation, vacation
12. After-school activities, lessons
13. Food and groceries
14. Move to different housing
15. Helping family or friends
16. Other [Write In]

Base: if Q1_4=1 (Yes)

Q2_3_2 Since monthly Child Tax Credit payments stopped, have you experienced any of the following events? You may check more than one response.

1. Increased difficulty paying the bills, rent or mortgage, and utilities

2. Increased difficulty affording more or higher quality food
3. Visited food banks or food pantries to access food more frequently
4. Worsened my relationships with spouse, friends, or family
5. Decreased time that I can spend with my child(ren)
6. Made it harder for me to pursue my own education or training
7. Reduced my ability to buy toys, gifts, or activities for my children
8. Increased conflict with partner/spouse and/or children
9. Increased my financial stress overall
10. Made it harder for me to engage in paid work
11. Increased my need to work more hours
12. Other [Write In]

Base: if Q1_4=1 (Yes)

Q2_4 When you were receiving monthly payments in 2021, were you supportive of the monthly Child Tax Credit program?

1. Strongly supportive
2. Somewhat supportive
3. Neutral
4. Somewhat against
5. Strongly against

Base: if Q1_4=1 (Yes)

Q2_4_1 Since monthly Child Tax Credit payments expired in January 2022, how have your feelings about the program changed?

1. I am much less supportive of the program
2. I am somewhat less supportive of the program
3. No change
4. I am somewhat more supportive of the program
5. I am much more supportive of the program
6. Don't Know

Base: if Q1_4=1 (Yes)

Q2_5 Even though you received advance monthly payments from the Child Tax Credit, you are still eligible to receive the remaining portion of the credit if you file a tax return. Has your household filed a tax return this year in 2022?

1. Yes
2. No
3. Don't Know

Base: if Q2_5=1 (Yes)

Q2_6 Have you received your tax refund yet?

1. Yes
2. No
3. Don't Know

Base: if Q2_5=1 (Yes)

Q2_7 How have you used or will you use your Child Tax Credit refund? You may check more than one response.

1. Pay bills
2. Pay down credit cards or other debt
3. Cover car expenses
4. Save or invest money
5. Make home improvements
6. Cover child care
7. Help pay rent or mortgage
8. Buy clothing, shoes
9. Buy school supplies
10. Costs of school or college
11. Recreation, vacation
12. After-school activities, lessons
13. Food and groceries
14. Move to different housing
15. Helping family or friends
16. Other [Write In]

Base: if Q2_5=1 (Yes)

Q2_8 You received both monthly Child Tax Credit payments and a larger one-time payment in your tax refund. Which do you feel better helped your family meet its needs?

1. Receiving monthly payments
2. Receiving a larger one-time payment at tax time
3. They were about the same
4. Don't know

Base: if Q2_5=1 (Yes)

Q2_9 Based on your experience receiving both monthly Child Tax Credit payments and a larger one-time payment in your tax refund, how would you prefer to receive the Child Tax Credit in the future?

1. Year-round monthly payments with no one-time payment at tax time
2. No monthly payments with one large one-time payment at tax time
3. Half paid out in monthly payments with the second half as a one-time payment at tax time
4. Other [Write In]
5. Don't know/No Preference

Base: if Q2_5=1 (Yes)

Q2_10 On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience receiving the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 1. Strongly agree

2. Somewhat agree
3. Neither agree nor disagree
4. Somewhat disagree
5. Strongly disagree

b. My experience receiving the Child Tax Credit makes me feel that the government is responsive to the needs of my community.

1. Strongly agree
2. Somewhat agree
3. Neither agree nor disagree
4. Somewhat disagree
5. Strongly disagree

Section 3: Families Who Filed Taxes But Received No Monthly Payments

Base: if Q1_4=2 or 3

Q3_1 Which best describes the reason you did not receive monthly Child Tax Credit payments? Please check one response.

1. I intentionally opted out of monthly payments
2. Another parent or caregiver claimed the child/children on their taxes
3. I expected to receive Child Tax Credit payments because I had recently filed my taxes, but I never received the payments
4. I signed up for monthly Child Tax Credit payments using an online tool, but I never received the payments
5. I have not filed taxes recently and I did not sign up for monthly Child Tax Credit payments using the simplified filing tool
6. I tried to sign up using the simplified filing tool but could not get it to work
7. The IRS denied my Child Tax Credit claim
8. I filed to receive or renew an ITIN and did not receive it in time
9. I'm not sure
10. Other [Write In]

Base: if Q3_1=1 (If the respondent intentionally opted out of monthly payments [Option 1])

proceed to Q3_1_followup. Otherwise, proceed to Q3_2.

Q3_1_followup Why did you choose to opt out of monthly payments?

1. I prefer receiving a lump sum when I file my taxes
2. Another caregiver of my child should receive the payments
3. Fear of owing money back to the IRS later
4. Concerns about immigration status
5. Other [Write In]

Base: if Q1_4=2 or 3

Q3_2 Even though you didn't receive any monthly Child Tax Credit payments, you are still eligible to receive the full Child Tax Credit as a lump sum if you file your taxes. Have you or a member of your

household filed a tax return this year in 2022?

1. Yes
2. No
3. Don't Know

Base: if Q3_2=1

Q3_3 The remaining portion of your Child Tax Credit will be included in your tax refund. Have you received your tax refund yet?

1. Yes
2. No
3. Don't Know

Base: if Q3_2=1 (Yes)

Q3_4 How will you use your Child Tax Credit refund? You may check more than one response.

1. Pay bills
2. Pay down credit cards or other debt
3. Cover car expenses
4. Save or invest money
5. Make home improvements
6. Cover child care
7. Help pay rent or mortgage
8. Buy clothing, shoes
9. Buy school supplies
10. Costs of school or college
11. Recreation, vacation
12. After-school activities, lessons
13. Food and groceries
14. Move to different housing
15. Helping family or friends
16. Other [Write In]

Base: if Base: if Q3_2=1 (Yes)

Q3_5 Based on your experience receiving your Child Tax Credit as a one-time payment in your tax refund, how would you prefer to receive the Child Tax Credit in the future?

1. Year-round monthly payments with no one-time payment at tax time
2. No monthly payments with one large one-time payment at tax time
3. Half paid out in monthly payments with the second half as a larger one-time payment at tax time
4. Don't know/No Preference

Base: if Base: if Q3_2=1 (Yes)

Q3_6 On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience receiving the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

- b. My experience receiving the Child Tax Credit makes me feel that the government is responsive to the needs of my community.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

Section 4: Families Who Have Not Yet Filed/Claimed CTC

Base: if Q1_2=2 or 3 or Q1_3=2 or 3 or if Q2_5=2 or 3 or Q3_2=2 or 3

Q4_1 Are you planning to file a tax return this year to claim the Child Tax Credit?

1. Yes
2. No
3. Don't know

Base: if Q4_1=2 or 3

Q4_2 Are you planning to claim the Child Tax Credit using the simplified filing tool later this year?

1. Yes
2. No
3. Don't Know

Base: if Q4_1=1 (Yes) or Q4_2=1 (Yes)

Q4_3 How will you use your Child Tax Credit refund? You may check more than one response.

1. Pay bills
2. Pay down credit cards or other debt
3. Cover car expenses
4. Save or invest money
5. Make home improvements
6. Cover child care
7. Help pay rent or mortgage
8. Buy clothing, shoes
9. Buy school supplies
10. Costs of school or college
11. Recreation, vacation

12. After-school activities, lessons
13. Food and groceries
14. Move to different housing
15. Helping family or friends
16. Other [Write In]

Base: if Q4_1=1 (Yes) or Q4_2=1 (Yes)

Q4_4 Based on your experience receiving your Child Tax Credit as a one-time payment in your tax refund, how would you prefer to receive the Child Tax Credit in the future?

1. Year-round monthly payments with no one-time payment at tax time
2. No monthly payments with one large one-time payment at tax time
3. Half paid out in monthly payments with the second half as a larger one-time payment at tax time
4. Don't know/No Preference

Base: if Q4_1=1 (Yes) or Q4_2=1 (Yes)

Q4_5 On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience receiving the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree
- b. My experience receiving the Child Tax Credit makes me feel that the government is responsive to the needs of my community.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

Section 5: Families who have not filed and do not intend to claim the CTC

Base: if Q4_2=2 or 3

Q5_1 Which best describes why you did not claim the Child Tax Credit.

1. I didn't know about the program
2. I didn't know how to sign up
3. I tried to sign up but could not
4. I didn't think I was eligible
5. Concerns about losing other benefits
6. Concerns about dealing with the IRS
7. Concerns about immigration status

8. I don't have a social security number
9. Other: [Write In]

Base: if Q4_2=2 or 3

Q5_2 On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience with the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree
- b. My experience with the Child Tax Credit makes me feel that the government is responsive to the needs of my community.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

Additional Demographic Questions (All Respondents)

Base: all respondents

DemoQ1 Are you living with a partner/spouse?

1. Yes
2. No

Base: all respondents

DemoQ2 Who provides child care for your child in your household?

1. I am the only caregiver.
2. I am the primary caregiver, but others help.
3. Someone else is the primary caregiver, but I help.

Base: if DemoQ2=2 or 3

DemoQ2_1 Who else provides child care in your household? Check all that apply.

1. Spouse
2. Parent or parent-in-law
3. Sibling or sibling-in-law
4. Older child or child-in-law
5. Grandparent
6. Other relatives

7. Partner (not married)
8. Friend
9. Visitor
10. Other non-relatives

Base: all respondents

DemoQ3 A household's primary financial decision-maker is the person responsible for things like filing your family's taxes and deciding how to use your family's tax refund. Are you the primary financial decision-maker in your household?

1. Yes
2. No
3. Responsibilities are shared equally between me and another person(s) in my household

Base: all respondents

DemoQ4 Are you or any members of your household living with a disability?

1. Yes
2. No

Base: all respondents

DemoQ5 An Individual Taxpayer Identification Number (ITIN) is a tax number issued by the Internal Revenue Service. It helps people without a Social Security number file taxes. Do you use an ITIN to file your taxes?

1. Yes
2. No

Base: all respondents

DemoQ6 Does anyone in your household use an ITIN number when filing for taxes?

1. Yes
2. No

Base: all respondents

DemoQ7 How many children are you raising between 0 and 5 years of age?

1. 0 children
2. 1 child
3. 2 children
4. 3 children
5. 4 children
6. 5 children
7. More than 5 children

Consent Language:

Base: all respondents

Consent Researchers from the University of California may want to contact you to hear more of your opinions about the topics asked about in this survey. If you are willing to be contacted by a researcher, we will need to pass along your name and phone number, as well as some of your responses connected to this survey. This information would be used by the researcher only to facilitate contacting you. If you elect to participate and are selected, you will receive **25,000 bonus points (worth \$25)** for your time.

If you would be willing to participate in an interview and feel comfortable with your information from this possible interview appearing in a public report, please check “yes” below. If not, please check “no.” Your information will not be shared without your consent.

1. Yes, I am willing to be interviewed
2. No, I am not willing to be interviewed

APPENDIX C: SURVEY QUESTIONS FOR THE PUERTO RICO SURVEY (ENGLISH VERSION)

CTC Polling Round 3 Questionnaire for Puerto Rico Respondents

Section 1: Preliminary Tax Questions

Q1B Did you or a member of your household file a federal tax return in 2020 or 2021?

1. Yes
2. No
3. Don't know

Q2B All Puerto Rican families can now claim the federal child tax credit when filing a federal tax return this year if eligible. Prior to this survey, have you heard about the child tax credit?

1. Yes
2. No
3. Don't Know

Base: if Q2B=1 (Yes)

Q2B_1 How did you hear about the Child Tax Credit? You may check more than one response.

1. Friends or family members
2. IRS sent me a letter
3. Saw the tax credit on the tax form
4. My tax preparation person or company told me
5. Health clinic
6. Local library
7. Grocery or retail store
8. Local social service office
9. Saw on TV or in the news
10. Heard about it at my church or place of worship
11. From community group
12. Child care provider or center
13. From my child's school
14. Social media (e.g., Facebook, Twitter, Instagram, TikTok)
15. Radio

Base: All respondents

Q3B Did you claim the Child Tax Credit when you filed your taxes in 2022?

1. Yes
2. No
3. Don't know

Base: if Q3B=1 (Yes)

Q4B [Drop down menu: January to June]

When did you file a tax return in 2022?

Base: if Q3B=1 (Yes)

Q4B_1 Have you received your tax refund yet?

1. Yes
2. No
3. Don't know

Base: if Q3B=1 (Yes)

Q4B_2 Did you receive letter 5071(C/SP) or letter 6331C asking you to go through an ID verification process?

1. Yes
2. No
3. Don't Know

Base: if Q4B_2=yes

Q4B_3 How did you go through the ID verification process?

1. I did it by myself
2. I asked a friend for help
3. I went to a tax professional for help
4. I asked for help from an IRS or government employee
5. Have not done it yet
6. Don't know how to do it

Base: if Q3B=1 (Yes)

Q4B_How will you use your Child Tax Credit refund? You may check more than one response.

1. Pay bills
2. Pay down credit cards or other debt
3. Cover car expenses
4. Save or invest money
5. Make home improvements
6. Cover child care
7. Help pay rent or mortgage
8. Buy clothing, shoes
9. Buy school supplies
10. Costs of school or college
11. Recreation, vacation
12. After-school activities, lessons
13. Food and groceries
14. Move to different housing
15. Helping family or friends
16. Other [Write In]

Base: if Q3B=1 (Yes)

Q5B For residents of continental US, half of their Child Tax Credit was disbursed on a monthly basis (payments of up to \$300 per child each month), the other half was paid in a one-time payment. If you had to choose an option, how would you prefer to receive the Child Tax Credit in the future?

1. Year-round monthly payments with no one-time payment at tax time
2. No monthly payments with one large one-time payment at tax time
3. Half paid out in monthly payments with the second half as a larger one-time payment at tax time
4. Don't know/No Preference

Base: if Q3B=1 (Yes)

Q6B On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience with the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree
- b. My experience with the Child Tax Credit makes me feel that the government is responsive to the needs of my community.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

Section 3: Families Who Have Not Yet Filed/Claimed CTC

Base: if Q3b=2 or 3

OPT_Q3B_1 Are you planning to file a tax return this year to claim the Child Tax Credit?

1. Yes
2. No
3. Don't know

Base: if OPT_Q3B_1=Yes

OPT_Q3B_2 How will you use your Child Tax Credit refund? You may check more than one response.

1. Pay bills
2. Pay down credit cards or other debt
3. Cover car expenses
4. Save or invest money

5. Make home improvements
6. Cover child care
7. Help pay rent or mortgage
8. Buy clothing, shoes
9. Buy school supplies
10. Costs of school or college
11. Recreation, vacation
12. After-school activities, lessons
13. Food and groceries
14. Move to different housing
15. Helping family or friends
16. Other [Write In]

Base: if Q3b_1=1 (Yes)

OPT_Q3B_3 For residents of continental US, half of their Child Tax Credit was disbursed on a monthly basis (payments of up to \$300 per child each month), the other half was paid in a one-time payment. Based on your experience receiving your Child Tax Credit as a one-time payment in your tax refund, if you had to choose an option, how would you prefer to receive the Child Tax Credit in the future?

1. Year-round monthly payments with no one-time payment at tax time
2. No monthly payments with one large one-time payment at tax time
3. Half paid out in monthly payments with the second half as a larger one-time payment at tax time
4. Don't know/No Preference

Base: if Q3b_1=1 (Yes)

OPT_Q3B_4 On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience with the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 - a. Strongly agree
 - b. Somewhat agree
 - c. Neither agree nor disagree
 - d. Somewhat disagree
 - e. Strongly disagree
- b. My experience with the Child Tax Credit makes me feel that the government is responsive to the needs of my community.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

Section 4: Families who have not filed and do not intend to claim the CTC

Base: if OPT_Q3B_1=2 or 3

OPT_Q7B [S] Which best describes why you did not claim the Child Tax Credit.

1. I didn't know about the program.
2. I didn't know how to sign up.
3. I tried to sign up but could not.
4. I didn't think I was eligible.
5. Concerns about losing other benefits.
6. Concerns about dealing with the IRS.
7. Concerns about immigration status.
8. I don't have a social security number
9. Other: [Write In]

Base: if OPT_Q3B_1=2 or 3

OPT_Q7B_1 On a scale of 1 (strongly agree) to 5 (strongly disagree), please respond to whether you agree with the following statements:

- a. My experience with the Child Tax Credit makes me feel that the government cares about my family's health and well-being.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree
- b. My experience with the Child Tax Credit makes me feel that the government is responsive to the needs of my community.
 1. Strongly agree
 2. Somewhat agree
 3. Neither agree nor disagree
 4. Somewhat disagree
 5. Strongly disagree

Additional Demographic Questions (All Respondents)

Base: all respondents

DemoQ1 Are you living with a partner/spouse?

1. Yes
2. No

Base: all respondents

DemoQ2 Who provides child care for your child in your household?

1. I am the only caregiver.
2. I am the primary caregiver, but others help.
3. Someone else is the primary caregiver, but I help.

Base: if DemoQ2=2 or 3

DemoQ2_1 Who else provides child care in your household? Check all that apply.

1. Spouse
2. Parent or parent-in-law
3. Sibling or sibling-in-law
4. Older child or child-in-law
5. Grandparent
6. Other relatives
7. Partner (not married)
8. Friend
9. Visitor
10. Other non-relatives

Base: all respondents

DemoQ3 A household's primary financial decision-maker is the person responsible for things like filing your family's taxes and deciding how to use your family's tax refund. Are you the primary financial decision-maker in your household?

1. Yes
2. No
3. Responsibilities are shared equally between me and another person(s) in my household

Base: all respondents

DemoQ4 Are you or any members of your household living with a disability?

1. Yes
2. No

Base: all respondents

DemoQ5 An Individual Taxpayer Identification Number (ITIN) is a tax number issued by the Internal Revenue Service. It helps people without a Social Security number file taxes. Do you use an ITIN to file your taxes?

1. Yes
2. No

Base: all respondents

DemoQ6 Does anyone in your household use an ITIN number when filing for taxes?

1. Yes
2. No

Base: all respondents

DemoQ7 How many children are you raising between 0 and 5 years of age?

1. 0 children
2. 1 child
3. 2 children
4. 3 children
5. 4 children
6. 5 children
7. More than 5 children

Consent Language:

Base: all respondents

Consent Researchers from the University of California may want to contact you to hear more of your opinions about the topics asked about in this survey. If you are willing to be contacted by a researcher, we will need to pass along your name and phone number, as well as some of your responses connected to this survey. This information would be used by the researcher only to facilitate contacting you. If you elect to participate and are selected, you will receive **25,000 bonus points (worth \$25)** for your time.

If you would be willing to participate in an interview and feel comfortable with your information from this possible interview appearing in a public report, please check “yes” below. If not, please check “no.” Your information will not be shared without your consent.

1. Yes, I am willing to be interviewed
2. No, I am not willing to be interviewed

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