

# The Child Tax Credit Families Really Need



All children deserve to live a purposeful and happy life with hope for the future. Policies such as the Child Tax Credit (CTC) have evidence of reducing the stressors of poverty that can overload families, promote safe and nurturing family environments, and ultimately build more prosperous communities. The CTC is a critical policy option that increases family financial stability, reduces child poverty, and prevents child abuse and neglect.

## Why the CTC?

Our interest at PCA America is generated by the evidence that shows the impact that the CTC, and other economic and concrete supports, has on preventing child abuse and neglect and involvement in child welfare.<sup>1</sup> Even small amounts of cash can have a significant positive impact on children's lives. The income from tax credits like the CTC has lasting impacts and support children throughout their life as its impact has been linked to better childhood nutrition, higher school enrollment rates, higher graduation rates, increased rates of college entry, and greater earnings into young adulthood.<sup>2</sup> By bolstering families' incomes, the CTC also boosts local communities and state economies.

## What is the status of the CTC across states?

The CTC's impact on supporting families has gained interest from policymakers at both the federal and state levels. Currently, Congressional leaders are considering a tax deal that would enhance the CTC, including expanding access for lower-income families and increasing the benefit due to inflation. State legislators are exploring the CTC as an effective tool to bolster the economic security of low- and middle-income families with the number of states with their own permanent CTC doubling since the expanded federal CTC in 2021.

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Key features of a child tax credit with the greatest impact to families include:

- A credit for all children under age 18 and a larger credit for children under age six.
- The credit can be adjusted for inflation over time so that it maintains its value.
- A refundable credit which ensures the CTC is fully available to all families, including those with low to no income.
- Expansive income eligibility considerations to better address poverty, particularly to address children that are left behind because their parents do not earn enough to qualify.

## Take Action

**Contact your US Senators** and urge them to take-up and pass the bipartisan House-passed tax package that would support 16 million lower-income children and their families and lift 500,000 kids out of poverty.

[Explore our Federal Policy Priorities](#) to learn more about how we advocate for evidence-informed, equitable, and family-centered policies. With our nationwide network of chapters and widely implemented home visiting program, Healthy Families America, we are committed to preventing child abuse and neglect.

<sup>1</sup> Cox, K., Marr, C., Calame, S., Hingtgen, S., Fenton, G., & Sherman, A. Updated January 22, 2024. *About 16 Million Children in Low-Income Families Would Gain in First Year of Bipartisan Child Tax Credit Expansion*. Center on Budget and Policy Priorities.

<sup>2</sup> Kovski, N. L., et al. (2022). Short-Term Effects of Tax Credits on Rates of Child Maltreatment Reports in the United States. *Pediatrics* 150, no. 1: e2021054939, <https://doi.org/10.1542/peds.2021-054939>