Economic Hardship Declined in Households With Children as Child Tax Credit Payments Arrived



Household Pulse Survey Collected Responses Just Before and Just After the Arrival of the First CTC Checks

August 11, 2021
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This story was updated at 5:15 EST. Some of the content on school-related expenses was removed due to a data error.

A drop in the number of households with children that reported food insufficiency and trouble paying household expenses may be linked to the child tax credit checks issued last month, according to new Household Pulse Survey [https://www.census.gov/programs-surveys/household-pulse-survey.html] (HPS) results.

The Internal Revenue Service last month (July 15) began issuing a monthly Advance Child Tax Credit (CTC) to families with children. About 35 million eligible families
[https://www.irs.gov/newsroom/irs-monthly-child-tax-credit-payments-begin]
received the first monthly payment of up to $300 for each child age 5 and under and up to $250 for each child ages 6 to 17. Payments will continue monthly through December.

Even though adults in households with children are more likely to experience food insufficiency, those households saw a 3 percentage point decline between the surveys conducted before and after the CTC payments.

The U.S. Census Bureau's experimental HPS collected survey responses just before and just after the arrival of the first checks.

The survey shows introduction of the CTC coincided with a drop in food insufficiency in households with children. It also showed that in those households, there was a drop in difficulty paying weekly expenses.

Several changes were made to the child tax credit as part of the American Rescue Plan
[https://www.congress.gov/bill/117th-congress/house-bill/1319/text]
, signed in March 2021.

The program provides the tax credit to all families with children, including those who are not required to file a federal tax return.

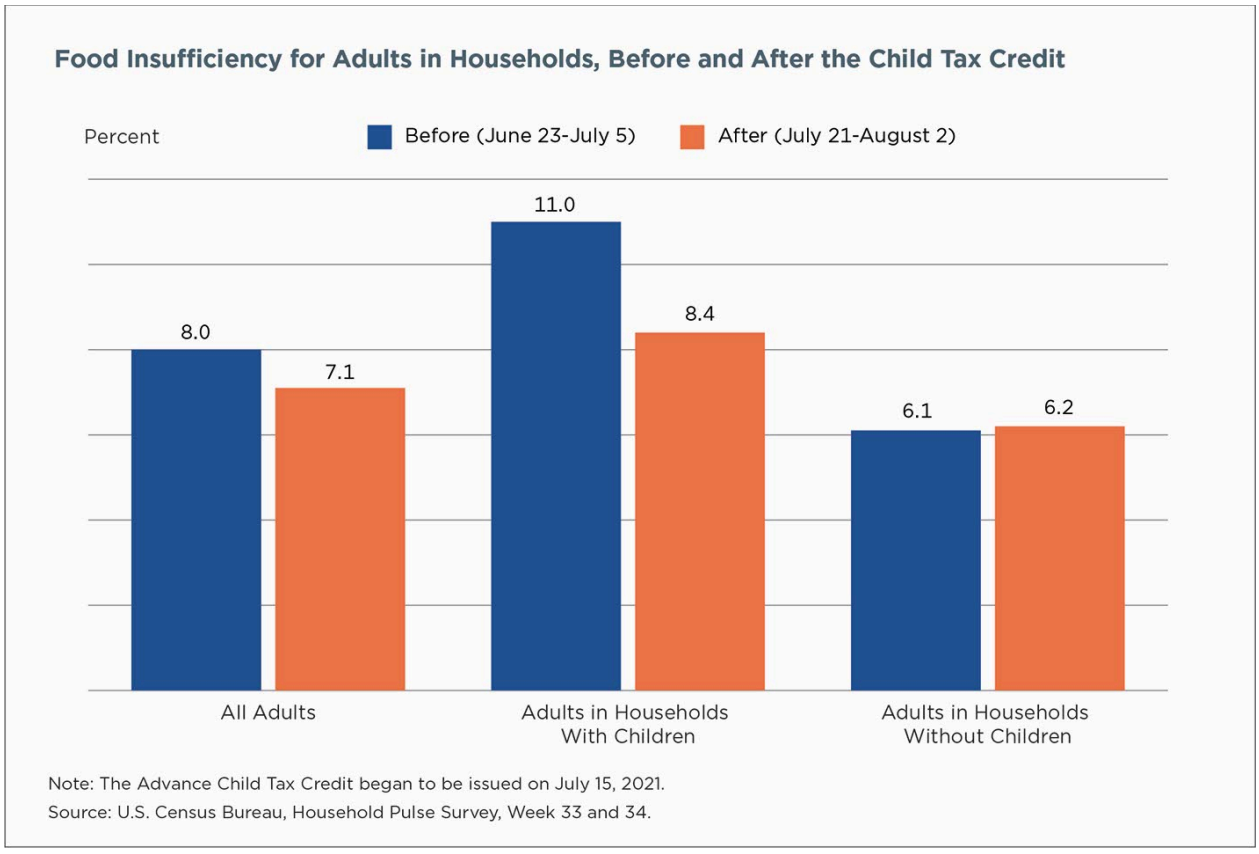
In addition, the credit was increased
[https://www.irs.gov/credits-deductions/2021-child-tax-credit-and-advance-child-tax-credit-payments-topic-c-calculation-of-the-2021-child-tax-credit]
— up to $3,600 per year for children ages 5 and under at the end of this year on a sliding scale based on income; and up to $3,000 a year for those ages 6 to 17. Half of the annual credit amount is being paid out in advance in monthly checks that began on July 15.

Food Insufficiency Dropped Quickly After Checks Arrived

Although HPS data show an overall decline in the share of adults in households experiencing food insufficiency (*sometimes* or *often* not having enough to eat), the drop was largely driven by adults in households with children.

Even though adults in households with children are more likely to experience food insufficiency, those households saw a 3 percentage point decline between the surveys conducted before and after the CTC payments.

Adults in households without children did not see a change in food insufficiency during the same period.



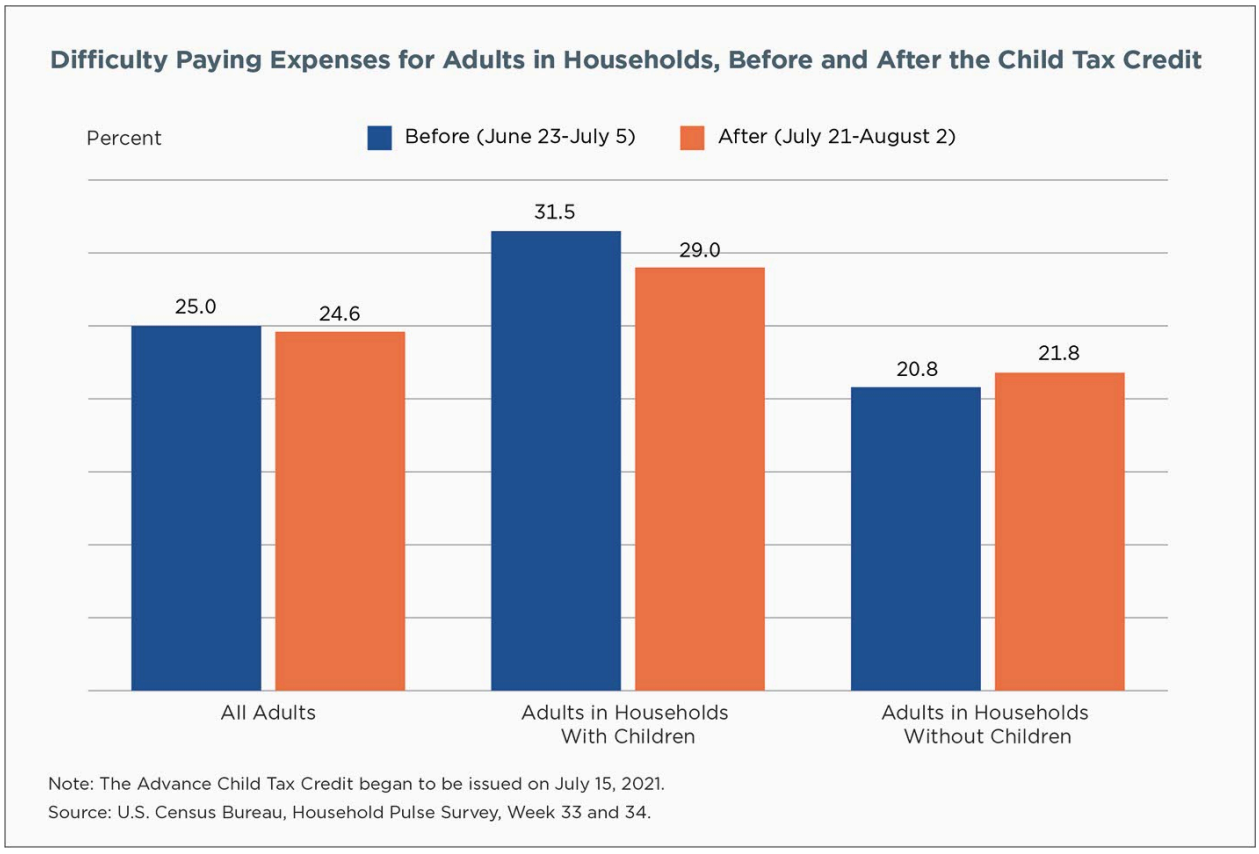
[https://www.census.gov/content/dam/Census/library/stories/2021/08/economic-hardship-declined-in-households-with-children-as-child-tax-credit-payments-arrived-figure-1.jpg]

Financial Hardship of Families With Children Also Dropped

The HPS asks respondents how difficult it was to pay their usual household expenses in the previous week. Adults in households with children were more likely to say that it was *somewhat difficult* or *very difficult* in both time periods.

However, when we compare households with children before and after the arrival of the CTC payments, we see a decline in the share of adults in households struggling to pay expenses.

In contrast, the share of adults in households *without* children that had difficulty paying expenses increased slightly during this period.



[https://www.census.gov/content/dam/Census/library/stories/2021/08/economic-hardship-declined-in-households-with-children-as-child-tax-credit-payments-arrived-figure-2.jpg]

How Families Spent Their CTC

Many HPS respondents reported spending their CTC payments on more than one thing. About 47% reported spending it on food.

Nearly 10% of adults in households that received the CTC — and 17% of those with at least one child under age 5 — spent their CTC on child care.

About HPS

The HPS is designed to provide near real-time data on how the pandemic has affected people's lives. Information on the methodology and reliability of these estimates can be found in the source and accuracy statements [https://www.census.gov/programs-surveys/household-pulse-survey/technical-documentation.html] for each data release.

Data users interested in state-level sample sizes, the number of respondents, weighted response rates and occupied housing unit coverage ratios, can consult the quality measures file available at the same location.

The data were collected from July 21-August 2 during week 34 of the survey. The Census Bureau sent invitations to 1,042,642 households and received a total of 64,562 responses, for a weighted response rate of 6.1%.

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America Counts Story

Census Survey Now Asks How COVID Vaccines Impact Recipients' Behavior

May 04, 2021

The new phase of the Census Bureau's Household Pulse Survey digs deeper into vaccine hesitancy and other topics from mental health to use of telehealth.

[https://www.census.gov/library/stories/2021/05/household-pulse-survey-now-asks-how-covid-vaccines-affect-recipients-behavior.html]

America Counts Story

Homeschooling on the Rise During COVID-19 Pandemic

March 22, 2021

The U.S. Census Bureau's Household Pulse Survey shows a substantial increase in homeschooling during COVID-19.

[https://www.census.gov/library/stories/2021/03/homeschooling-on-the-rise-during-covid-19-pandemic.html]

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Taxation

Fundamental Shifts in State Taxes in Past Century

June 17, 2026

Income and sales taxes have largely replaced property taxes, once the lion's share of state tax revenue.

[https://www.census.gov/library/stories/2026/06/big-changes-in-nations-taxes.html]

Housing

Helping You Decide Where to Buy a Home

June 10, 2026

Census Bureau resources help homebuyers find the best locations for their needs.

[https://www.census.gov/library/stories/2026/06/where-to-buy-a-home.html]

Population

2026 World Cup Teams Will Have Home Crowds Among U.S. Foreign-Born

June 09, 2026

Census data show which of the 48 countries in the World Cup have the largest foreign-born fan bases in the United States and where they live.

[https://www.census.gov/library/stories/2026/06/2026-world-cup.html]

Population

America Counts 250 Years

June 04, 2026

The decennial census, mandated by the framers of the Constitution, has evolved along with our nation over the course of their shared history.

[https://www.census.gov/library/stories/2026/06/america-counts-250-years.html]

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