

PAYMENTS TO PARENTS AND CAREGIVERS WITH THE NEW CHILD TAX CREDIT

THE ANNIE E. CASEY FOUNDATION

JUNE 21, 2021, CHILD TAX CREDIT AWARENESS DAY — If you are a parent or caregiver who has filed taxes before, you may already be familiar with the child tax credit, which most parents claim on their annual income tax return. For years, it has provided an after-the-fact credit for families with children.

What's new is that beginning in July 2021, for most parents, **half of your credit will be advanced to you during the year** in the form of direct bank account payments, so you don't have to wait until it's time to file your taxes to make use of these resources to provide for you and your family. This is the "advance" child tax credit you might have heard about in the news. You'll still get the other half of your credit the usual way, as part of filing your federal taxes next April. The Annie E. Casey Foundation has a 20-year history of bipartisan advocacy for expanding the credit to help families meet basic needs for their kids.

WHEN DO PAYMENTS START? HOW MUCH ARE THEY FOR?

The payments begin **July 15**. You'll receive one per month. For each of your qualifying children age 5 or younger, most parents will receive \$300 per month in July, August, September, October, November and December for a total of \$1,800. For each of your qualifying children ages 6 to 17, most parents will receive \$250 each month for a total of \$1,500. The benefit is time-limited, but in its *KIDS COUNT Data Book* released today, the Foundation urges policymakers to make the credit permanent.

HOW DO I RECEIVE THESE PAYMENTS TO PROVIDE FOR MY FAMILY?

Most parents and caregivers won't have to do anything. Eligibility is based on last year's tax information and almost all parents are eligible. If the IRS already has your information on file from when you've received tax refunds or stimulus payments, the advance child tax credit should appear in your account automatically. If it doesn't, visit childtaxcredit.gov to find out what to do next.

There's a special website for parents and caregivers who are eligible, but who did not file taxes last year. It's called the [Non-filer Sign-up Tool](#).

WHY ARE THESE PAYMENTS BEING MADE?

It costs **almost a quarter million dollars** to raise one child in the United States from birth to age 18. And the COVID-19 pandemic brought new uncertainty and instability to parents trying to make ends meet. America doesn't recover unless American families recover, so the advance child tax credit was included in the American Rescue Plan as one tool to provide families with the support they need to care for their children and to power an equitable economic recovery.

WHERE CAN I LEARN MORE?

Visit the U.S. government's official child tax credit site for more information: childtaxcredit.gov.

WHAT ELSE CAN I LEARN ABOUT CHILDREN AND FAMILIES FROM THE ANNIE E. CASEY FOUNDATION?

THE 2021 KIDS COUNT DATA BOOK

The Annie E. Casey Foundation is a Baltimore-based national foundation that creates a brighter future for the nation's young people by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow.

- On June 21, the same day as Child Tax Credit Awareness Day, the Foundation released the *2021 KIDS COUNT Data Book*, a 32nd annual comprehensive report on child well-being nationally and in the states. As usual, this year's report ranks each state on how well children are doing there in terms of economic well-being, education, health and family-and-community factors. This year's report is based on 2019 data, so it shows how states were doing immediately before of the pandemic.

Top-Ranked States

1. Massachusetts
2. New Hampshire
3. Minnesota
4. Vermont
5. Utah

Bottom-Ranked States

46. Texas
47. Alabama
48. Louisiana
49. New Mexico
50. Mississippi

- This year's *Data Book* also includes data on how kids and families fared *during* the pandemic. These figures show that many families have struggled with hunger, mental health concerns and a lack of health insurance. Parents and caregivers have been anxious about making rent or mortgage payments, children have not always had the technology they have needed for remote learning and high school graduates have put off postsecondary education plans.
- In addition to recommending that Congress make permanent the expanded child tax credit, the Foundation's *2021 Data Book* also encourages state and local governments to prioritize the recovery of hard-hit communities of color; urges states to expand income support, such as extending unemployment insurance eligibility to contract, gig and other workers and expanding state tax credits that would benefit parents and children; calls on states that have not yet done so to expand Medicaid under the Affordable Care Act; and encourages leaders to strengthen public schools and pathways to postsecondary education and training.

MORE INFORMATION ABOUT THE CHILD TAX CREDIT

The Annie E. Casey Foundation has [strongly advocated for decades](#) for the federal child tax credit as a policy tool to ensure children and families can thrive. The Foundation has discussed the benefits of the child tax credit in [previous editions of the *Data Book*](#) and included the expansion of the credit as its first recommendation in a [keystone report](#) on two-generation approaches to combating child poverty.