Child Tax Credits Could Help Fight Hunger in the United States

Population Health Sciences

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Editor's Note: This blog post is part of a series recognizing National Family Caregivers Month, which takes place in November. The posts in this series explore research, policy, and programs that can support the health and well-being of caregivers and children so families can thrive. For more on this topic, check out our Intergenerational Family Services research portfolio.

The White House recently announced an ambitious plan to end hunger in the U.S. by 2030. Among many important policy commitments, the Biden administration identified a permanent expansion of the Child Tax Credit as a key legislative priority to help reduce food insecurity.

Specifically, the new National Strategy on Hunger, Nutrition, and Health calls for a permanently expanded Child Tax Credit, citing prior research showing that the temporary 2021 Child Tax Credit expansion was linked with a substantial reduction in food insufficiency among households with children.

In this post, we will share results from our new *JAMA Health Forum* study investigating what happened when the expanded Child Tax Credit expired. We found that when monthly Child Tax Credit payments ended in December 2021, significantly more lower-income U.S. households with children had difficulty putting enough food on the table.

Our results further underscore the potential of an expanded Child Tax Credit to reduce food insecurity for families with children.

What is the Expanded Child Tax Credit?

Many U.S households experienced significant financial hardship during the COVID-19 pandemic. The federal government introduced several policies aimed at providing economic support to these households as part of the 2021 American Rescue Plan Act (ARPA), including a temporary one-year expansion of the Child Tax Credit to deliver direct cash assistance to families with children.

The 2021 expanded Child Tax Credit included three major reforms:

1. **An increase in the credit size** from $2,000 per child to $3,600 per child less than 6 years of age and $3,000 per child aged 6-17
2. **Expanded eligibility** for full credit to low- and no-income families
3. **Advanced monthly payments** of a portion of the credit from July to December 2021, with the remainder delivered in a lump sum in spring 2022

Collectively, these reforms were associated with a substantial reduction in both child poverty and economic hardship for families with children.

The Connection Between the Expanded Child Tax Credit and Food Insufficiency

Beyond its impact on poverty, early research also suggested that the expanded Child Tax Credit helped families afford enough food. In fact, a 2022 study found that the first payment in July 2021 was associated with a 26% relative reduction in food insufficiency among households with children. Several subsequent studies have also supported and expanded on this finding.

Despite these findings, Congress did not extend the expanded Child Tax Credit when the ARPA provision expired. As a result, the enhanced monthly payments ended in December 2021.

What Happened When the Expanded Child Tax Credit Expired?

In a recently published study, our team explored trends in food insufficiency among lower-income U.S. households after the monthly Child Tax Credit went away.

We found that when the payments ended in December 2021, there was a significant increase in food insufficiency among U.S. households with children with incomes less than $50,000 per year:

- Among households making **less than $50,000** per year, there was an over **16%** relative increase in food insufficiency.
- Among households making **less than $35,000** per year, there was an over **20%** relative increase in food insufficiency.
- Among households in the lowest income bracket making **less than $25,000** per year, there was an over **23%** relative increase in food insufficiency.

We estimate that among households with children making less than $50,000 per year, the expiration of monthly Child Tax Credit payments translated to nearly **one-quarter of a million additional households with children experiencing food insufficiency** in early 2022.

What are the Policy Implications?

When monthly federal expanded Child Tax Credit payments ended in December 2021, more low-income U.S. households with children had difficulty putting enough food on the table. This finding has two important policy implications.

First, our results bolster the Biden administration's plan to pursue an expanded Child Tax Credit as a policy lever in the fight against hunger. While the Child Tax Credit was temporarily expanded to help families afford food during the acute period of the pandemic, there is still a need to support families (particularly those with lower incomes) in affording adequate food. It is encouraging that 12 states have enacted state-level child tax credits intended to supplement the existing federal credit. However, the amount disbursed through these state programs is significantly lower. Alongside expanding these efforts, a permanent expansion of the federal Child Tax Credit could play a critical role in reducing food insecurity and improving financial well-being for children and families in all states, especially those like Pennsylvania that do not have a state Child Tax Credit.

Second, our findings suggest that a permanently expanded Child Tax Credit may be a useful supplement to existing federal nutrition programs. While the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the National School Lunch Program are vital resources for children and families with low incomes, burdensome enrollment processes and restrictions on eligible products often limit their uptake. In contrast, unrestricted cash transfer programs (like an expanded Child Tax Credit) allow families to access financial resources without an onerous application process and to direct the cash support toward their most pressing needs. The expanded Child Tax Credit, therefore, represents a valuable additional strategy for addressing food insecurity, particularly for low-income families with children.

The renewed federal effort to tackle hunger is much needed and long overdue. Our study results lend further support to pursuing a permanent expansion of the federal Child Tax Credit as part of a comprehensive national strategy to reduce hunger and improve child nutrition by 2030.

For more on this topic, check out a recent episode of JAMA Health Forum's Editor's Summary podcast featuring Dr. Bouchelle.

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