

Supporting families with a child tax credit



Background

Child tax credits and earned income tax credits are strategies used by the federal and some state governments to financially support families with children. These tax benefits provide much-needed financial relief, with well-demonstrated positive impacts on poverty, food insecurity, and health. First established in 1997, the federal tax credit was significantly expanded during the pandemic via the American Rescue Plan Act. (National Conference of State Legislatures). In 2025, Connecticut legislators introduced proposals to establish a state child tax credit of \$600 per child, but the new biennial budget included a \$250 flat payment for eligible households.

What is the problem?

At Connecticut Children's, many of the programs of our Office for Community Child Health (OCCH) provide support to members of our community who have been traditionally underserved, or who have faced additional structural barriers to care and/or services. Many of these families are facing extreme economic barriers. In recent years, the percentage of households with children experiencing economic security (defined as a home environment where basic needs are met including income, stable living conditions, and the ability to save and plan for the future) increased, from 58.4% in 2021 to 62.4% in 2022. However, childhood poverty in the US is still common, with 16% of all children living in poverty (Kids Count). In Connecticut, the rates are slightly better, with 12% of children living in poverty, representing about 90,000 children in the state. Unfortunately, these rates differ significantly by race, with fewer than 10% of white and Asian residents living in poverty while 17.3% of Black and 21.4% of Hispanic residents are living in poverty (Connecticut Commission on Racial Equity).



**Investing in families' economic security
can reduce racial disparities in Connecticut
and their impact on health**



US kids living in poverty: 16%

Annual cost of poverty in the US?

\$1 trillion

CT kids living in poverty: 12%

What is behind those costs?

White & Asian families: 10%

**Poor health, crime, homelessness,
child maltreatment**

Black families: 17%

Latino families: 21%

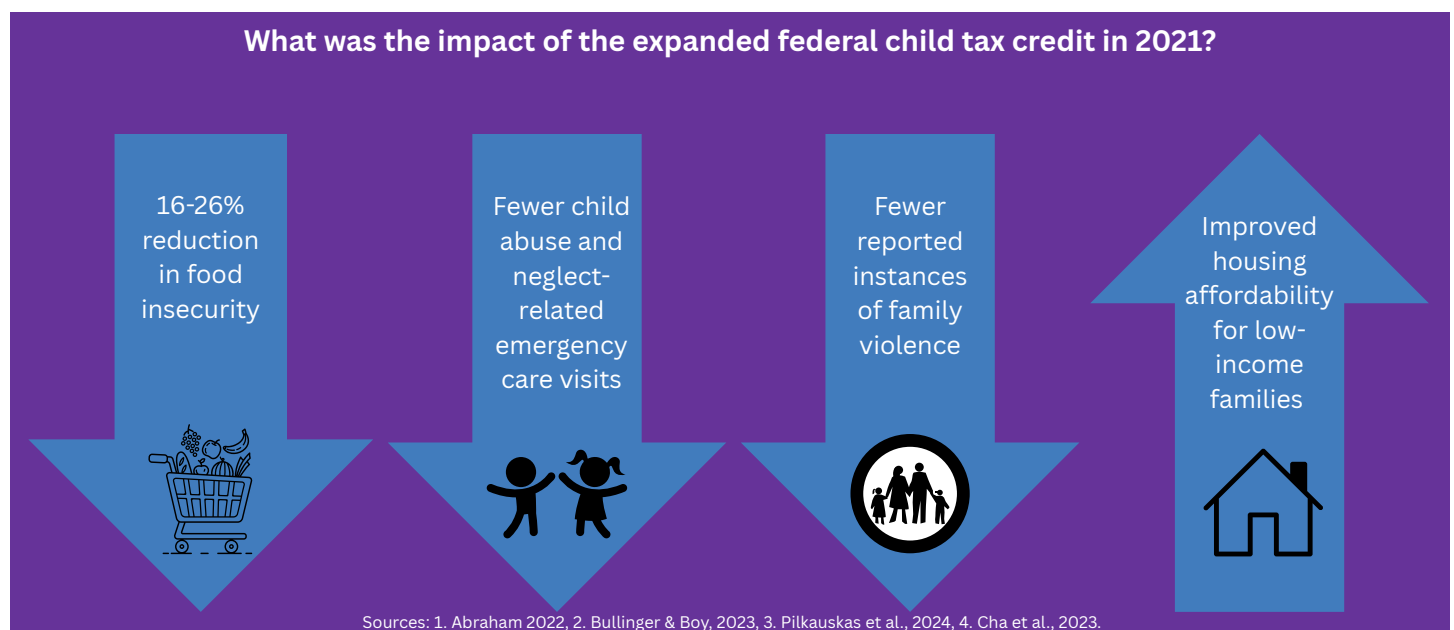
Every \$1 spent on ending child poverty yields \$7 in savings

What is the impact of childhood poverty?

We at Connecticut Children's are well aware of the profound link between poverty and children's health. In OCCH, much of our work addresses the social drivers of health, from our Start Childhood Off Right program to address food insecurity, to our Healthy Homes work to improve access to safe and stable housing, and our Injury

Prevention Center, to prevent intentional and unintentional injuries. We know that financial distress is a driver of many forms of community violence. For instance, when we talk to people who are living in violent relationships, they tell us that lack of access to money, housing, and childcare are the biggest barriers they face. Strengthening economic stability for parents experiencing violence is associated with improved outcomes for them and their children, and can ultimately lead to safer communities.

Our work in the community has shown us that people and communities living in concentrated poverty have worse health outcomes (Ahmad et al., 2019, Goldberg et al., 2021, Norris & Beech, 2021), poorer educational outcomes and fewer educational resources (Rutkowski et al., 2017, Lacour & Tissington, 2011), higher exposure to crime, violence, and the criminal justice system (Ellyson et al., 2022, Harrell et al., 2014, Reiman & Leighton, 2020), and higher rates of unemployment (Pew Charitable Trusts, 2016). Children who grow up in concentrated poverty sustain lasting effects on their health, educational outcomes, and future economic stability. The annual cost of child poverty in the United States is upwards of \$1 trillion. This accounts for loss of economic productivity, and costs associated with poor health, crime, homelessness, and child maltreatment. The good news: when we choose to invest in ending child poverty, we save at least seven dollars for every one dollar spent (McLaughlin & Rank, 2018).



Recommended Action Steps

- 1) State governments should take meaningful action to promote financial independence of families supported in part by a child tax credit.
- 2) Advocacy organizations and social service agencies should articulate their own support for child tax credits based on their own specific areas of expertise.
- 3) Any adoption of child tax credit policy should be accompanied by rigorous evaluation plan to determine impact and efficacy.

Sources

Abraham, M. (2022, Sept. 16). DataHaven survey finds food insecurity nearly doubled in Connecticut in 2022. DataHaven. Accessed December 2024. Available from <https://www.ctdatahaven.org/blog/datahaven-survey-finds-food-insecurity-nearly-doubled-connecticut-2022>

Ahmad K, Chen EW, Nazir U, Cotts W, Andrade A, Trivedi AN, Erqou S, Wu WC. Regional Variation in the Association of Poverty and Heart Failure mortality in the 3135 Counties of the United States. J Am Heart Assoc. 2019;8(18). [org/10.1161/JAHA.119.012422](https://doi.org/10.1161/JAHA.119.012422)

The Annie E. Casey Foundation, KIDS COUNT Data Center. 2024. [Aecf-2024kidscountdatabook-2024.pdf](https://www.aecf.org/research/kids-count-data-book-2024).

Bullinger LR, Boy A. (2023). Association of Expanded Child Tax Credit Payments With Child Abuse and Neglect Emergency Department Visits. *JAMA Netw Open*. 6(2):e2255639. doi:10.1001/jamanetworkopen.2022.55639

Cha, E., Lee, J., & Tao, S. (2023). Impact of the expanded child tax credit and its expiration on adult psychological well-being. *Social Science & Medicine*, 332, 116101.

Connecticut Commission on Racial Equity in Public Health. Understanding Racial Inequities Through Data. June 2023. [2023-Data-Report-Binder-Updated-June-2023.pdf](#).

Ellyson, A.M., Rivara, F. P., & Rowhani-Rahbar, A. (2022). Poverty and firearm-related deaths among U.S. Youth. *Jama Pediatrics*, 176(2). <https://doi.org/10.1001/jamapediatrics.2021.4819>.

Futures Without Violence. (2021). Policy brief: the child tax credit and domestic violence. Accessed January 2025. <https://futureswithoutviolence.org/wp-content/uploads/2025/02/FUTURES-CTC-and-DV-Policy-Brief-September-2021.pdf>

Goldberg D, Ross-Driscoll K, Lynch R. County Differences in Liver Mortality in the United States: Impact of Sociodemographics, Disease Risk Factors, and Access to Care. *Gastroenterology*. 2021;160(4):1140-1150.e1. doi:10.1053/j.gastro.2020.11.016

Harrell, E., Langton, L., Berzofsky, M., Couzens, L., & Smiley-McDonald, H. (2014). Household poverty and nonfatal violent victimization. The Bureau of Justice Statistics, 1-18. <https://bjs.ojp.gov/content/pub/pdf/hpnvv0812.pdf>.

Lacour, M., & Tissington, L. (2011). The effects of poverty on academic achievement. *Educational Research and Reviews*, 6(7), 55-527.

McLaughlin, M., & Rank, M. (2018). Estimating the Economic Cost of Childhood Poverty in the United States, *Social Work Research*, 42(2), 73–83, <https://doi.org/10.1093/swr/svy007>

National Conference of State Legislatures. Issue briefs accessed in June 2025 and available at [Child Tax Credit Overview](#) and [Earned Income Tax Credit Overview](#)

Norris KC, Beech BM. Social Determinants of Kidney Health: Focus on Poverty. *Clin J Am Soc Nephrol*. 2021;16(5):809-811. doi:10.2215/CJN.12710820

O'Brien, PR. (2024). Supporting the Economic Well-Being of Connecticut's Families and Children: An Overview of the CT Child Tax Credit. Connecticut Voices for Children, https://ctvoices.org/wp-content/uploads/2024/01/CT-CTC-Final_23rd-TBF.pdf.

Pew Charitable Trusts. (2016). Neighborhood Poverty and Household Financial Security. www.pewtrusts.org/-/media/assets/2016/01/chartbook--neighborhood-poverty-and-household-financial-security_v3.pdf

Pilkauskas, NV., Micheltore, K., & Kovski, N. (2024). The Effects of the 2021 Child Tax Credit on Housing Affordability and the Living Arrangements of Families With Low Incomes. *Demography* 61 (4): 1069–1096. doi: <https://doi.org/10.1215/00703370-11458327>

Reiman, J., & Leighton, P. (2020). *The Rich Get Richer and the Poor Get Prison: Thinking Critically About Class and Criminal Justice* (12th ed.). Routledge. <https://doi.org/10.4324/9780429278679>

Rutkowski, D., Rutkowski, L., Wild, J., & Burroughs, N. (2017). Poverty and educational achievement in the US: A less-biased estimate using PISA 2012 data. *Journal of Children and Poverty*, 24(1), 47–67. <https://doi.org/10.1080/10796126.2017.1401898>