

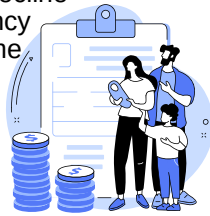
Expanded Child Tax Credit Improves Adult Mental Health

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THE CTC EXPANSION by the numbers

- Over 36 million families with more than 61 million children received monthly payments in 2021.²
- The CTC lifted 5.3 million people—including 2.9 million children—out of poverty in 2021.²
- The initial monthly payments led to a 25 percent decline in food insufficiency among low-income households with children.³



Background

In response to financial hardship during the COVID-19 pandemic, Congress temporarily expanded the Child Tax Credit (CTC) to \$3,600 per child from July - December 2021 (up from \$2000 per child). The expansion also allowed families to receive the CTC through automatic monthly payments rather than in one lump sum after taxes had been filed.

Using data from the Census Bureau's Household Pulse Survey, UCSF researchers looked at the effects of the expanded CTC on the mental health of low-income adults with children and members of racial/ethnic minority groups.¹

Findings: The Expanded CTC Improved Adult Mental Health

- **Fewer Symptoms of Anxiety and Depression**
People with low income reported fewer symptoms of anxiety and depression after the CTC expansion. Notably, anxiety symptoms were reduced by 13.3 percent from baseline.
- **Biggest Benefits to Racial and Ethnic Minority Groups**
The mental health benefits were largest among adults of Black, Hispanic, and other (non-Asian) racial and ethnic minority backgrounds.
- **Positive Changes in Short Time Frame**
Anxiety symptoms decreased within a month after the monthly CTC payments began. Depressive symptoms were reduced a few months later.



Policy Implications

The expanded CTC expired in December 2021 and was not renewed by Congress. This study's findings are important for federal and state legislators as they consider making the expanded CTC and other similar tax credits permanent to support economically disadvantaged families.

¹ Batra, A., Jackson, K., & Hamad, R. (2023). Effects Of The 2021 Expanded Child Tax Credit On Adults' Mental Health: A Quasi-Experimental Study. *Health Affairs*, 42(1), 74–82. <https://doi.org/10.1377/hlthaff.2022.00733>

² Joint Economic Committee. Accessed February 21, 2023. <https://www.jec.senate.gov/public/index.cfm/democrats/2022/11/the-expanded-child-tax-credit-dramatically-reduced-child-poverty-in-2021>

³ Parolin, P., Ananat E., Collyer, S., Curran, M., & Wimer, C (2021). The Initial Effects of the Expanded Child Tax Credit on Material Hardship, NBER Working Papers 29285, National Bureau of Economic Research. <https://www.nber.org/papers/w29285>