

New Analysis: Poverty Impacts of the ARPA's Child Tax Credit Limited Without More Robust Enrollment of Non-filers

The brief provides results of a range of scenarios for CTC take-up rates among eligible children, showing poverty reduction depends on enrollment of millions accessing other benefits.

Press Release

New York, NY, September 8, 2021 — [A new analysis](#) by JFI guaranteed income researchers Jack Landry and Stephen Nuñez finds that the American Rescue Plan Act's expanded Child Tax Credit may have its poverty impacts diminished significantly if an estimated 6.4 million non-filer children do not receive the benefit. While full enrollment could reduce poverty up to 40 percent, reduced enrollment could mean 11 to 18 percent reductions instead. However, the report also finds that at least 71% of non-filers receive other government benefits, indicating that better data sharing among federal and state benefits agencies could substantially close this enrollment gap.

Greater than 60 million children have benefited from the Biden Administration's expanded Child Tax Credit, and early [reports](#) documented the largest drop in child poverty in recorded history. Still, early estimates of an anticipated 40% reduction in child poverty relied on higher take-up rates. Its greatest impact depends on more robust efforts to enroll.

Key findings from this report include:

- Data sharing between benefits agencies could dramatically improve enrollment; at least 71% of non-filers receive one or more other safety net benefits.
- Conservative estimates indicate upwards of 6.4 million eligible children are not receiving the expanded CTC benefit, a participation rate of 92 percent.
- Provided varying scenarios to estimate the number of eligible non-filer households with children, the reduction in child poverty

from the CTC is between 11 and 18 percent, with 40 percent reduction possible through full take-up.

- Estimates of non-filers are not precise, and data is even less clear on *who* those non-filers are, presenting major enrollment hurdles.

[Read the full report here.](#)

JFI's ongoing series on "[Getting to Guaranteed Income](#)," led by JFI Lead Researcher Stephen Nuñez, has covered topics such as targeting and disbursement challenges for federal cash programs, and where regular cash transfers can fit into an expanded safety net. JFI researchers similarly [published](#) guidance on the trade-offs of the proposals that led to the CARES Act, a [response](#) to the immediate shortfalls of those stimulus checks in *The Hill*, [analysis](#) of proposed Child Tax Credit expansions, and [results](#) of the series of stimulus checks of the 2020-21 COVID-19 response.

About the Jain Family Institute:

The Jain Family Institute (JFI) is a nonpartisan applied research organization in the social sciences that works to bring research and policy from conception in theory to implementation in society. Founded in 2014 by Robert Jain, JFI focuses on building evidence around the most pressing social problems. The *Phenomenal World* is JFI's independent publication of theory and commentary on the social sciences.

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