

October 2021 Child Tax Credit payment kept 3.6 million children from poverty

Data Update Nov 30, 2021

The fourth monthly payment of the expanded Child Tax Credit kept 3.6 million children from poverty in October 2021. The Child Tax Credit reached 61.1 million children in October and, on its own, contributed to a 4.9 percentage point (28 percent) reduction in child poverty compared to what the monthly poverty rate in October would have been in its absence. Estimates are available by children's race and ethnicity in the table below.

Effect of Child Tax Credit on Monthly Poverty Rate in October 2021 by Children's Race and Ethnicity

SPM POVERTY RATE (%)

Children	Pre-COVID Relief	With COVID Relief/ No CTC	With COVID Relief +CTC	Percentage Pt. Reduction (CTC only)	Percent Reduction (CTC only)	Percentage Pt. Reduction (COVID Relief +CTC)	Percent Reduction (COVID Relief + CTC)
All	19.6%	17.7%	12.8%	-4.9%	-27.5%	-6.7%	-34.4%
White	12.8%	11.5%	7.9%	-3.6%	-31.2%	-4.8%	-37.8%
Black	31.4%	28.1%	21.9%	-6.2%	-22.1%	-9.5%	-30.2%
Latino	26.6%	24.1%	17.1%	-6.9%	-28.9%	-9.4%	-35.5%
Asian	17.2%	16.0%	12.3%	-3.7%	-23.4%	-4.9%	-28.7%

NUMBER OF CHILDREN IN POVERTY

Children	Pre-COVID Relief	With COVID Relief/ No CTC	With COVID Relief +CTC	Number Moved Out of Poverty (CTC only)	Number Moved Out of Poverty (COVID Relief + CTC)
All	14,444,000	13,076,000	9,477,000	3,599,000	4,967,000
White	4,700,000	4,250,000	2,925,000	1,325,000	1,775,000
Black	3,505,000	3,137,000	2,445,000	692,000	1,060,000
Latino	5,014,000	4,545,000	3,234,000	1,311,000	1,780,000
Asian	747,000	695,000	533,000	162,000	214,000

*Numbers rounded to the nearest thousand.

**According to the IRS, families who missed earlier payments and began in October will have the remainder of their advance payments spread equally over a three-month period rather than a six-month period, making each monthly payment larger.

The overall monthly child poverty rate decreased between September and October, from 13.2 percent to 12.8 percent. Continuing forms of COVID-19 economic relief (including the Child Tax Credit available nationwide and Supplemental Nutrition Assistance Program (SNAP) emergency allotments still in place in many states) altogether kept 5 million children from poverty, resulting in an October monthly poverty rate for children that was 7 percentage points, or 34 percent, lower than it would have been without these policy items. As of October 1, 2021, recipients of the Supplemental Nutrition Assistance Program (SNAP) also saw an increase in their SNAP benefits with the [new adjustments to the Thrifty Food Plan](#); our analysis accounts for these new additional benefits as part of the permanent social safety net, rather than as part of temporary COVID-19-related relief.

In prior work, we found the first Child Tax Credit payment kept [3 million children from poverty in July 2021](#); the second payment kept [3.5 million children from poverty in August 2021](#); the third payment kept [3.4 million children from poverty in September 2021](#); and the fourth payment kept [3.6 million children from poverty in October 2021](#). Our research has also shown that the payments have reduced food insufficiency among low income families with children. The US Department of Treasury reports that the first Child Tax Credit payment reached 59.3 million children in July, the second payment reached 60.9 million children in August, the third payment reached 60 million children in September.

Measuring Monthly Poverty

In 2020, we established a novel method of forecasting poverty to provide monthly projections of poverty using the Supplemental Poverty Measure. Using a monthly framework, we are able to track poverty amidst changing economic circumstances as the COVID-19 pandemic and federal policy responses continue to unfold. Visit our [data page](#) to see monthly poverty trends for the US population as a whole, as well as by race/ethnicity and age groups.

[ACCESS MONTHLY DATA](#)

Suggested Citation:

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