What Could 2024 Child Poverty Rates Have Looked Like Had an Expanded Child Tax Credit Been in Place?

An Analysis of the American Family Act and "One Big Beautiful Bill Act" Child Tax Credits

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In 2021, child poverty fell to a historic low of 5.2% due in part to the substantial, but temporary, federal Child Tax Credit expansion under the 2021 American Rescue Plan Act (ARPA). Since the expiration of ARPA's Child Tax Credit expansion in 2022, the Child Tax Credit—which has since reflected the 2017 Tax Cuts and Jobs Act (TCJA) credit structure—has had a much more modest effect on child poverty. At the same time, child poverty has more than doubled since 2021, with the latest Census Bureau data showing that 13.3% of children lived in poverty in 2024.[1] Calls for a permanent Child Tax Credit expansion similar to 2021 have persisted amidst these continuing child poverty increases. Earlier this year, the 2025 budget reconciliation law—H.R.1, also known as the "One Big Beautiful Bill Act" (OBBBA)—made Child Tax Credit changes much more modest than the ARPA expansion. OBBBA increases the maximum Child Tax Credit to $2,200 per child, but leaves untouched the rest of the credit's central elements that affect eligibility for children in low- and moderate-income families. A proposed Child Tax Credit expansion, the 2025 American Family Act (AFA, H.R.2763), would make ARPA-like expansions permanent and include additional benefits for newborns. These two policy examples raise the question: what could child poverty rates in 2024 have been if an expanded Child Tax Credit had been in place? In this brief, we address this question by modeling both the 2025 OBBBA Child Tax Credit and the 2025 AFA in the latest available annual data for 2024.

KEY FINDINGS

- The child poverty rate was 13.3% in 2024, remaining significantly higher than the 2021 historic low of 5.2%. Approximately 5.9 million more children were living below the poverty line in 2024 than in 2021.
- In 2024, the Child Tax Credit reduced the child poverty rate from 16.6% to 13.3% (or by 19.6%) – keeping close to 2.4 million children above the poverty line.
- Had it been in place in 2024, the OBBBA Child Tax Credit would have had roughly the same impact, also resulting in a child poverty rate of approximately 13.3%, keeping just over 2.4 million children above the poverty line. This does not account for OBBBA's new Child Tax Credit restriction on children with immigrant parents or OBBBA's forthcoming cuts to health care and food assistance likely to impact children in poverty.
- Had it been in place in 2024, the AFA Child Tax Credit could have had a more substantial effect on child poverty, reducing the child poverty rate from 13.3% to 8.8% (or by 33.6%) and moving an additional 3.3 million children above the poverty line.
- Policy design matters: on its own the Child Tax Credit lowered the 2024 rate by 19.6%, while the AFA Child Tax Credit could have cut it nearly in half (or by 46.7%).
- The AFA Child Tax Credit's effect on poverty remains substantial under an array of potential employment responses.

[1] See Results section for more.

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POLICY CONTEXT

In this analysis, we examine the impact of the federal Child Tax Credit on child poverty in 2024, and how these effects might have differed if an expanded Child Tax Credit had been in place instead—looking specifically at the 2025 OBBBA Child Tax Credit that was recently signed into law and the 2025 AFA Child Tax Credit introduced earlier this year. We begin by describing the Child Tax Credit that was in effect in 2024 (as established under TCJA), its recent modifications under OBBBA, and its proposed expansion under the AFA.

The 2024 TCJA Child Tax Credit

The Child Tax Credit provides support to families through the tax system to help cover the cost of raising children. In 2024, the Child Tax Credit was worth up to $2,000 per child under age 17 and calculated according to policy established by TCJA in 2017. The TCJA Child Tax Credit first worked to reduce the amount of income tax a family owed by up to the value of the maximum credit. If the value of the maximum credit was larger than a family's tax bill, they may have been eligible to receive a cash refund for the remainder. However, the cash refund could only amount to a portion of the maximum credit. Three features of the credit's design limited this value: its minimum earnings requirement, phase-in rate, and refundability cap.

Children were only eligible for the refundable portion of the credit if their parents' earnings exceeded the credit's minimum earnings requirement of $2,500. After meeting the earnings requirement, the value of their credit increased by 15 cents for each additional dollar in a family's earnings (this is known as the phase-in rate) until the credit's refundability cap was reached. The refundability cap set the maximum credit amount families could receive as a cash refund. This cap was $1,700 per child in 2024.[2] The combination of these three policy elements tied the credit to family income and resulted in many children—particularly those in families with low and moderate incomes—receiving less than the full credit. In 2023, for example, 25% of children were left behind by the Child Tax Credit because their families did not earn enough to qualify for the full amount.[3] At the upper end of the income distribution, the maximum Child Tax Credit was available to single-parent families (filing as a head of household) with up to $200,000 in Adjusted Gross Income (AGI) and married-parent families (filing jointly) with up to $400,000 in AGI. The credit then phased out above these income thresholds. In 2023, just 5% of children were left out of the full credit because their family incomes were too high.

The 2025 OBBBA Child Tax Credit

The 2025 tax policy debate, prompted by the looming expiration of many of TCJA's personal income tax provisions, included proposals to change several elements of the Child Tax Credit. The changes Congress settled on under the 2025 budget reconciliation law (OBBBA), however, only modestly changed the credit by increasing the maximum credit value from $2,000 to $2,200 per child and permanently indexing the maximum value to inflation, while keeping the rest of the credit's parameters unchanged.[4] In prior analysis of the OBBBA Child Tax Credit, we found that these changes would ultimately *increase* the minimum amount of income required to qualify for

[2] The Child Tax Credit's refundability cap is determined by taking the refundability cap set in 2017 under TCJA (which was $1,400 per child) and adjusting for inflation to the relevant year.
[3] Collyer et al., 2024, Children left behind by the Child Tax Credit in 2023.
[4] For more details, see Collyer et al., 2025, Children left behind by the H.R.1 "One Big Beautiful Bill Act" Child Tax Credit.

the full credit and *increase* the share of children left behind.[5] The changes to the Child Tax Credit under OBBBA are set to take effect beginning in 2025.[6]

In this brief, we examine *only* the Child Tax Credit provisions of OBBBA. We note, however, that this poverty analysis does not include the effects on children who will be newly denied Child Tax Credit eligibility under OBBBA because they or their parent(s) do not hold Social Security Numbers.[7] It is also important to note that we do not estimate the effects of additional significant policy changes under OBBBA that have the potential to affect child poverty, particularly OBBBA's forthcoming changes to food assistance and health insurance. As such, our OBBBA Child Tax Credit child poverty rate estimates should not be interpreted as an estimate of child poverty when all of the provisions included in OBBBA are accounted for. Many of these provisions are projected to result in the loss of food assistance through the Supplemental Nutrition Assistance Program (SNAP) for some families entirely, reduced SNAP benefit amounts for all remaining recipients,[8] and the potential loss of free school meals,[9] as well as the loss of health coverage through Medicaid, the Children's Health Insurance Program (CHIP), and the Affordable Care Act (ACA) Marketplace.[10]

The 2025 AFA Child Tax Credit

In comparison to the modest changes to the Child Tax Credit enacted by OBBBA, other proposals consider more ambitious changes to the credit that would both increase the value of the credit and expand access to the credit for children in families with low and moderate incomes. One such proposed expansion is the 2025 American Family Act, (AFA, H.R.2763).

[5] Collyer et al., 2025, Children left behind by the H.R.1 "One Big Beautiful Bill Act" Child Tax Credit.
[6] When referring to the credit that children and families are eligible for in 2025 under OBBBA and other proposals, we are referring to the Child Tax Credit that families are eligible for based on their income in calendar year (January to December) 2025. When families file their taxes in the spring of 2026 for income received in calendar year 2025, the value of their 2025 Child Tax Credit is calculated and accounted for when determining their tax liabilities and credits.
[7] Since TCJA, children have been eligible for the credit only if they hold a Social Security Number (SSN). OBBBA added further restrictions so that now children are only eligible for the credit if both they and at least one of their parents holds an SSN. Independent estimates indicate close to 2.7 million U.S. citizen and legal permanent resident children are in families where no parent has an SSN; for more information, see Lisiecki et al., 2025, What will deportations mean for the child welfare system?
[8] Aussenberg, 2025, Supplemental Nutrition Assistance Program (SNAP) and related nutrition programs in P.L. 119-21: An overview.
[9] Gutierrez, 2025, Changes to SNAP and Medicaid would have implications for student access to school meals.
[10] Congressional Budget Office, 2025, Estimated budgetary effects of public law 119-21, to provide for reconciliation pursuant to Title II of H. Con. Res. 14, relative to CBO's January 2025 baseline. Park, 2025, Medicaid, CHIP, and Affordable Care Act Marketplace Cuts and Other Health Provisions in the Budget Reconciliation Law, Explained.

The 2025 AFA would make a set of changes to the Child Tax Credit similar to the temporary changes made in 2021 under ARPA, including:[11]

1) Making the credit fully refundable by removing the Child Tax Credit's earnings requirement and phase-in, thus ensuring that children in families with low and moderate incomes receive the full credit;

2) Increasing the qualifying age to include 17 year olds;

3) Increasing the maximum credit amounts to $300 per month ($3,600 per year) for children ages 6 to 17 and to $360 per month ($4,320 per year) for children under age 6,[12] as well as indexing these values to inflation; and,

4) Allowing for monthly delivery of Child Tax Credit payments.

The AFA also provides a one-time initial payment of $2,400 to be delivered to families with a newborn child in the month of the child's birth, followed by monthly payments of up to $360 for young children thereafter. This additional payment is intended to correct inequities in the CTC under TCJA and ensure that all babies—no matter what point in the year they are born—receive the same total Child Tax Credit amount within the first 12 months of their life. For more details on the structure and motivation for this policy design, see Curran et al. (2024), *Equalizing the Child Tax Credit for Babies*.[13]

[11] Similar to the 2021 American Rescue Plan, the 2025 AFA would also phase the credit out in two stages, with the higher credit amounts ($3,600/$4,320) beginning to phase out at a rate of 5% once a family's Adjusted Gross Income (AGI) reaches $150,000 for married joint filers (or $112,500 for head of household filers) until the credit is reduced to a maximum of $2,000 per child. Families would then be eligible for the $2,000 per child credit amount until family incomes reach the maximum income threshold: $400,000 for married joint filers (or $300,000 for head of household filers). After this point, the credit phases out again at a rate of 5% until it reaches $0.

[12] These are the credit values that the AFA introduces for the 2025 Child Tax Credit. They are based on the inflation-adjusted values of the ARPA CTC ($250 per month for older children and $300 per month for children under age 6).

[13] Curran et al. details how the 2023 AFA (118th Congress, H.R.3899) introduced an initial $2,000 lump-sum payment at the time of birth for newborns. The policy proposal is carried forward in the 2025 AFA, with the value of the initial payment increased to $2,400 to account for inflation.

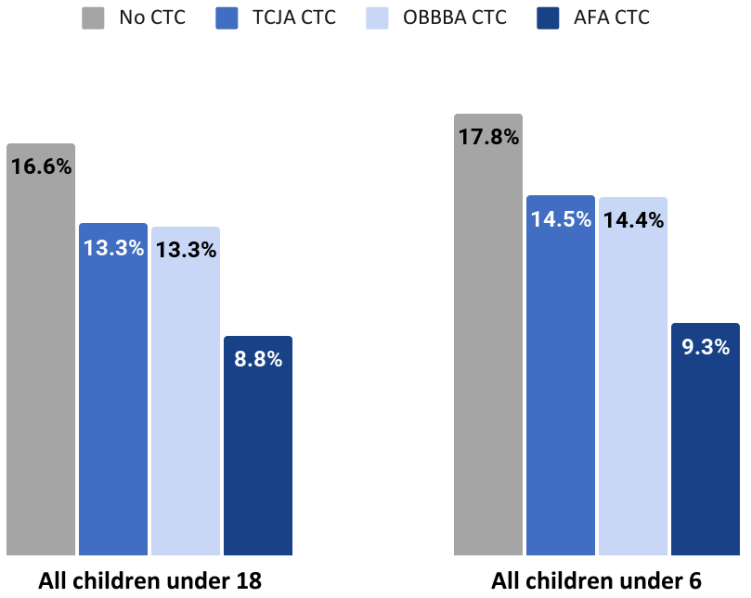
RESULTS

Our analysis looks at 2024 child poverty rates under four scenarios:

1. **No Child Tax Credit**: before counting income from the TCJA Child Tax Credit in effect in 2024;
2. **TCJA Child Tax Credit**: after counting income from the Child Tax Credit—both the nonrefundable and refundable portions of the credit together—under the TCJA policy in effect in 2024;
3. **OBBBA Child Tax Credit**: after counting income families could have received if the 2025 OBBBA Child Tax Credit had been in place in 2024 instead of the TCJA Child Tax Credit; and,
4. **AFA Child Tax Credit**: after counting income families could have received if the 2025 AFA Child Tax Credit had been in place in 2024 instead of the TCJA Child Tax Credit.[14]

The results in **Figure 1** show that the 2024 child poverty rate *before* counting any income from the TCJA Child Tax Credit was 16.6%, but 13.3% when counting the credit that families were eligible for.[15] The 2024 child poverty rate would have been the same (13.3%) had the OBBBA Child Tax Credit been in place that year. If instead, the AFA Child Tax Credit had been in effect in 2024, the child poverty rate could have been 8.8%.

Figure 1. 2024 SPM child poverty rates under the TCJA Child Tax Credit versus the OBBBA Child Tax Credit and the AFA Child Tax Credit



Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau.
Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. The model used to produce these results does not account for any possible behavioral responses to the reform. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. See Appendix A for more details of our methodology. The OBBBA Child Tax Credit estimates do not account for new restrictions on eligibility for children with immigrant parents and do not account for any other OBBBA changes likely to affect poverty, such as forthcoming food assistance and healthcare cuts.

[14] When producing these estimates, we deflate the OBBBA Child Tax Credit and AFA Child Tax Credit from their respective value in 2025 to 2024 dollars. See Appendix A for more detailed methodology.
[15] The 2024 child poverty rate is reported by the U.S. Census Bureau as 13.4% in Shrider and Bijou, 2025, Poverty in the United States: 2024. Estimates here use public-use data. As a result, they do not exactly match the Census Bureau's estimates, which are based on internal CPS ASEC data.

Table 1 shows child poverty rates (top panel) and counts of children in poverty (bottom panel) under each scenario. Table 1 also shows the reductions in poverty associated with the credit under each scenario relative to both the poverty rate before counting income from the Child Tax Credit (i.e., "Relative to no CTC") and after counting the TCJA CTC (i.e., "Relative to TCJA CTC").

In 2024, the TCJA Child Tax Credit reduced the child poverty rate by 19.6%, keeping roughly 2.4 million children above the poverty line. Table 1 shows that the OBBBA version of the Child Tax Credit would have had virtually the same effect, had it been in place, reducing the child poverty rate by 20.1% and keeping just over 2.4 million children above the poverty line. These figures represent the *total* potential effect of the Child Tax Credit (i.e., relative to the child poverty rate in the "no CTC" scenario). When compared to the child poverty rate after counting the TCJA Child Tax Credit in effect in 2024, the OBBBA Child Tax Credit would have only kept an additional 57,000 children above the poverty line in 2024.

In comparison, the AFA Child Tax Credit could have, in full, cut child poverty nearly in half (by 46.7%) and kept more than 5.6 million children out of poverty in 2024. When compared to the child poverty rate after counting the TCJA Child Tax Credit in effect, the AFA could have reduced the child poverty rate by an additional 33.6%. **That is, nearly 3.3 million more children could have been lifted out of poverty in 2024 had the AFA been in effect rather than the TCJA Child Tax Credit.**

Table 1. Child poverty rates and estimated reduction associated with the Child Tax Credit under TCJA, OBBBA, and AFA (2024)

		No CTC	TCJA CTC	OBBBA CTC	AFA CTC
SPM Poverty Rate					
All children < 18	**SPM Poverty Rate**	**16.6%**	**13.3%**	**13.3%**	**8.8%**
Percent Reduction in Poverty Rate	Relative to no CTC		*19.6%*	*20.1%*	*46.7%*
	Relative to TCJA CTC			*0.6%*	*33.6%*
All children < 6	**SPM Poverty Rate**	**17.8%**	**14.5%**	**14.4%**	**9.3%**
Percent Reduction in Poverty Rate	Relative to no CTC		*18.6%*	*18.8%*	*47.5%*
	Relative to TCJA CTC			*0.3%*	*35.6%*
Number of Children in Poverty					
All children < 18	**Number of Children in Poverty**	**12,103,000**	**9,727,000**	**9,670,000**	**6,457,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*2,376,000*	*2,433,000*	*5,646,000*
	Relative to TCJA CTC			*57,000*	*3,270,000*
All children < 6	**Number of Children in Poverty**	**3,979,000**	**3,239,000**	**3,229,000**	**2,087,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*740,000*	*750,000*	*1,892,000*
	Relative to TCJA CTC			*10,000*	*1,152,000*

Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau. Poverty results use the Supplemental Poverty Measure (SPM).
Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. The model used to produce these results does not account for any possible behavioral responses to the reform. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. See Appendix A for more details of our methodology. The OBBBA Child Tax Credit estimates do not account for new restrictions on eligibility for children with immigrant parents and do not account for any other OBBBA changes likely to affect poverty, such as forthcoming food assistance and healthcare cuts. Population counts are rounded to the nearest thousand. Due to rounding, some totals may not correspond with separate figures.

Table 2 provides child poverty rates and the poverty reduction under each scenario by children's race and ethnicity and their family characteristics. Similar to the results for the whole population, the potential effect of the OBBBA Child Tax Credit on 2024 child poverty rates across all demographic groups is roughly the same as the TCJA Child Tax Credit. However, when looking at the AFA Child Tax Credit, its total effects could have cut the 2024 child poverty rate by:

- Close to half for Black (49.8%), Latino (45.0%), and White children (46.3%), and more than one-third for Asian children (38.8%);
- Close to half for children in 1-parent families (46.6%) and 2-parent families (49.5%);
- More than one-third for children in smaller families (34.1%) and close to two-thirds for children in larger families (62.2%);
- Close to half for children in urban areas (45.7%) and more than half for children in rural areas (55.0%); and,
- Almost half for children in families where an individual has a disability (47.2%).

Table 3 shows the corresponding counts of children in poverty and the estimated number of children moved out of poverty under each scenario by race and ethnicity and family characteristics.

Additional poverty estimates can be found in Appendix B. Table B.1. shows rates of deep poverty, near poverty, and low-income (i.e., below 50%, 150%, and 200% SPM poverty threshold, respectively) under each scenario for children under age 18 or under age 6. Table B.2. shows rates of deep poverty for children under 18 by race and ethnicity and family characteristics.

The models underlying the results presented in Tables 1, 2, and 3, and those presented in Appendix B, do not incorporate the possible changes in employment that parents may make in response to the AFA Child Tax Credit expansion. There is considerable debate as to whether, and to what extent, a permanent expansion to the Child Tax Credit could affect parental employment. In Appendix C, we present alternative results from a model that incorporates such a potential effect. When results are adjusted for an array of potential employment responses, the poverty reduction associated with the AFA Child Tax Credit is modestly smaller, but remains substantial—ranging from a 45.9% to a 39.4% reduction in child poverty (versus 46.7% without an employment response) (see Appendix Table C.1).

Table 2. Child poverty rates and estimated reduction associated with Child Tax Credit, by demographic (2024)

		No CTC	TCJA CTC	OBBBA CTC	AFA CTC
All children < 18					
Child's race and ethnicity					
Asian American or Pacific Islander*	**SPM Poverty Rate**	**14.4%**	**11.4%**	**11.3%**	**8.8%**
Percent Reduction in Poverty Rate	Relative to no CTC		*21.1%*	*21.6%*	*38.8%*
	Relative to TCJA CTC			*0.6%*	*22.4%*
Black	**SPM Poverty Rate**	**27.7%**	**23.0%**	**22.7%**	**13.9%**
Percent Reduction in Poverty Rate	Relative to no CTC		*16.9%*	*18.0%*	*49.8%*
	Relative to TCJA CTC			*1.3%*	*39.6%*
Latino	**SPM Poverty Rate**	**26.0%**	**21.4%**	**21.3%**	**14.3%**
Percent Reduction in Poverty Rate	Relative to no CTC		*17.8%*	*18.1%*	*45.0%*
	Relative to TCJA CTC			*0.4%*	*33.1%*
White	**SPM Poverty Rate**	**8.7%**	**6.6%**	**6.6%**	**4.7%**
Percent Reduction in Poverty Rate	Relative to no CTC		*23.6%*	*23.9%*	*46.3%*
	Relative to TCJA CTC			*0.4%*	*29.8%*
Family characteristics					
1-parent household	**SPM Poverty Rate**	**30.4%**	**25.6%**	**25.5%**	**16.2%**
Percent Reduction in Poverty Rate	Relative to no CTC		*15.6%*	*16.1%*	*46.6%*
	Relative to TCJA CTC			*0.5%*	*36.8%*
2-parent household	**SPM Poverty Rate**	**11.0%**	**8.2%**	**8.2%**	**5.5%**
Percent Reduction in Poverty Rate	Relative to no CTC		*25.0%*	*25.5%*	*49.5%*
	Relative to TCJA CTC			*0.7%*	*32.7%*
1-2 children	**SPM Poverty Rate**	**13.7%**	**11.7%**	**11.7%**	**9.0%**
Percent Reduction in Poverty Rate	Relative to no CTC		*14.4%*	*14.9%*	*34.1%*
	Relative to TCJA CTC			*0.6%*	*23.0%*
3+ children	**SPM Poverty Rate**	**21.4%**	**15.8%**	**15.7%**	**8.1%**
Percent Reduction in Poverty Rate	Relative to no CTC		*25.9%*	*26.4%*	*62.2%*
	Relative to TCJA CTC			*0.7%*	*48.9%*
Urban	**SPM Poverty Rate**	**17.0%**	**13.6%**	**13.5%**	**9.2%**
Percent Reduction in Poverty Rate	Relative to no CTC		*19.8%*	*20.3%*	*45.7%*
	Relative to TCJA CTC			*0.7%*	*32.3%*
Rural	**SPM Poverty Rate**	**14.3%**	**11.8%**	**11.8%**	**6.4%**
Percent Reduction in Poverty Rate	Relative to no CTC		*17.8%*	*17.8%*	*55.0%*
	Relative to TCJA CTC			*0.0%*	*45.3%*
In family with an individual with a disability*	**SPM Poverty Rate**	**15.3%**	**14.2%**	**14.2%**	**8.1%**
Percent Reduction in Poverty Rate	Relative to no CTC		*7.2%*	*7.3%*	*47.2%*
	Relative to TCJA CTC			*0.1%*	*43.1%*

Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau. Poverty results use the Supplemental Poverty Measure (SPM).

*Results for individuals identifying as Asian American or Pacific Islander, or residing in a family with an individual with a disability are calculated using 2 years of CPS ASEC data (2024 and 2025) and should be interpreted with caution due to sample size constraints.

Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. The model used to produce these results does not account for any possible behavioral responses to the reform. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. See Appendix A for more details of our methodology. The OBBBA Child Tax Credit estimates do not account for new restrictions on eligibility for children with immigrant parents and do not account for any other OBBBA changes likely to affect poverty, such as forthcoming food assistance and healthcare cuts. Racial and ethnic groups are mutually exclusive. Results for individuals identifying as American Indian & Alaska Native or Multiracial and another race/ethnicity are not included due to sample size constraints. Due to rounding, some totals may not correspond with separate figures.

Table 3. Number of children in poverty and estimated reduction associated with Child Tax Credit, by demographic (2024)

		No CTC	TCJA CTC	OBBBA CTC	AFA CTC
All children < 18					
Child's race and ethnicity					
Asian American or Pacific Islander*	**Number of Children in Poverty**	**639,000**	**504,000**	**501,000**	**391,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*135,000*	*138,000*	*248,000*
	Relative to TCJA CTC			*3,000*	*113,000*
Black	**Number of Children in Poverty**	**2,823,000**	**2,347,000**	**2,316,000**	**1,417,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*476,000*	*507,000*	*1,406,000*
	Relative to TCJA CTC			*31,000*	*930,000*
Latino	**Number of Children in Poverty**	**5,130,000**	**4,219,000**	**4,201,000**	**2,821,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*911,000*	*929,000*	*2,309,000*
	Relative to TCJA CTC			*18,000*	*1,398,000*
White	**Number of Children in Poverty**	**2,987,000**	**2,283,000**	**2,275,000**	**1,603,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*704,000*	*712,000*	*1,384,000*
	Relative to TCJA CTC			*8,000*	*680,000*
Family characteristics					
1-parent household	**Number of Children in Poverty**	**5,698,000**	**4,809,000**	**4,783,000**	**3,041,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*889,000*	*915,000*	*2,657,000*
	Relative to TCJA CTC			*26,000*	*1,768,000*
2-parent household	**Number of Children in Poverty**	**5,615,000**	**4,211,000**	**4,180,000**	**2,835,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*1,404,000*	*1,435,000*	*2,780,000*
	Relative to TCJA CTC			*31,000*	*1,376,000*
1-2 children	**Number of Children in Poverty**	**6,294,000**	**5,387,000**	**5,356,000**	**4,150,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*907,000*	*938,000*	*2,144,000*
	Relative to TCJA CTC			*31,000*	*0*
3+ children	**Number of Children in Poverty**	**5,402,000**	**4,001,000**	**3,975,000**	**2,044,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*1,401,000*	*1,427,000*	*3,358,000*
	Relative to TCJA CTC			*26,000*	*1,957,000*
Urban	**Number of Children in Poverty**	**10,819,000**	**8,680,000**	**8,623,000**	**5,880,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*2,139,000*	*2,196,000*	*4,939,000*
	Relative to TCJA CTC			*57,000*	*2,800,000*
Rural	**Number of Children in Poverty**	**1,220,000**	**1,003,000**	**1,003,000**	**549,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*217,000*	*217,000*	*671,000*
	Relative to TCJA CTC			*0*	*454,000*
In family with an individual with a disability*	**Number of Children in Poverty**	**736,000**	**683,000**	**682,000**	**389,000**
Number of Children Moved Out of Poverty	Relative to no CTC		*53,000*	*54,000*	*347,000*
	Relative to TCJA CTC			*1,000*	*294,000*

Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau. Poverty results use the Supplemental Poverty Measure (SPM).

*Results for individuals identifying as Asian American or Pacific Islander, or residing in a family with an individual with a disability are calculated using 2 years of CPS ASEC data (2024 and 2025) and should be interpreted with caution due to sample size constraints.

Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. The model used to produce these results does not account for any possible behavioral responses to the reform. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. See Appendix A for more details of our methodology. The OBBBA Child Tax Credit estimates do not account for new restrictions on eligibility for children with immigrant parents and do not account for any other OBBBA changes likely to affect poverty, such as forthcoming food assistance and healthcare cuts. Population counts are rounded to the nearest thousand. Due to rounding, some totals may not correspond with separate figures. Racial and ethnic groups are mutually exclusive. Results for individuals identifying as American Indian & Alaska Native or Multiracial and another race/ethnicity are not included due to sample size constraints.

DATA AND METHODS

This report uses data from the 2025 U.S. Census Bureau's Annual Social and Economic Supplement to the Current Population Survey, or CPS ASEC, reflective of 2024. Due to sample size constraints, poverty estimates for Asian American or Pacific Islander children and children who live with a family member with a disability were obtained using two years of data from the 2024 and 2025 CPS ASEC. Details on our methodology are presented in Appendix A. The poverty results reported here are based on the Supplemental Poverty Measure (SPM), which accounts for cash and noncash government benefits, necessary expenses like taxes, health care, commuting, and child care, and adjusts for family size and local housing costs. For a two-parent, two-child family in rental housing, the SPM poverty threshold was approximately $41,200, on average in 2024. The SPM is reported annually along with the official poverty measure (OPM) by the U.S. Census Bureau.

DEFINITION OF TERMS

- 'Child' represents a tax dependent under the age of 18.
- 'Latino' represents anyone who is of Hispanic, Latino, or Spanish origin, regardless of racial identity. Individuals identifying as Asian American & Pacific Islander, Black, and White are all 'non-Latino.'
- Urban areas represent metropolitan areas and rural areas represent non-metropolitan areas, as defined by the U.S. Census Bureau.

SUGGESTED CITATION

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APPENDIX A. METHODOLOGY

Data

Results presented in this brief were prepared using the 2025 Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC). The CPS ASEC is a large, representative survey conducted by the Census Bureau and used to produce poverty statistics for the calendar year preceding survey administration (2024, in this case). We retrieved the person- and household-level 2025 CPS ASEC files from the Census website for this study. The poverty results reported here are based on the Supplemental Poverty Measure (SPM), which accounts for cash and noncash government benefits, necessary expenses like taxes, health care, commuting, and child care, and adjusts for family size and local housing costs. For a two-parent, two-child family in rental housing, the SPM poverty threshold was approximately $41,200, on average in 2024. The SPM is reported annually along with the official poverty measure (OPM) by the U.S. Census Bureau. Due to sample size constraints, poverty estimates for Asian American or Pacific Islander children and children residing with an individual with a disability were obtained using two years of data from the 2024 and 2025 CPS ASEC.

Note that all parameters for the Child Tax Credit expansions modeled were deflated to 2024 dollars using the Monthly Consumer Price Index for All Urban Consumers, retrieved from FRED, Federal Reserve Bank of St. Louis.[16] Results were approximately the same when using the Monthly Chained Consumer Price Index for All Urban Consumers.

Approach to modeling the OBBBA Child Tax Credit

The 2025 budget reconciliation law, OBBBA, made changes to the Child Tax Credit which are set to take effect in 2025.[17] OBBBA increased the maximum value of the Child Tax Credit from $2,000 to $2,200 per child under age 17 and permanently indexed the maximum value to inflation, while keeping the rest of the credit's design unchanged (i.e., the credit's earnings requirement, refundability cap, and phase-in structure). Since TCJA, children have been eligible for the credit only if they hold a Social Security Number. OBBBA added further restrictions so that now children are only eligible for the credit if both they and at least one of their parents holds a Social Security Number. OBBBA also makes permanent the $500 Credit for Other Dependents for dependent children ineligible for the Child Tax Credit.

To model the OBBBA Child Tax Credit in 2024, we first use the 2025 CPS ASEC's variables identifying tax units and dependents to identify dependent children eligible for the credit.[18] We

[16] U.S. Bureau of Labor Statistics (2025), Consumer Price Index for All Urban Consumers: All items in U.S. city average [CPIAUCSL].

[17] When referring to the credit that children and families are eligible for in 2025 under OBBBA and other proposals, we are referring to the Child Tax Credit that families are eligible for based on their income in calendar year (January to December) 2025. When families file their taxes in the spring of 2026 for income received in calendar year 2025, the value of their 2025 Child Tax Credit is calculated and accounted for when determining their tax liabilities and credits.

[18] More information about how the CPS ASEC identifies tax units and dependents can be found in pgs. 4-6 of Lin (2022), Methods and Assumptions of the CPS ASEC Tax Model. We also perform a slight adjustment to tax units within multi-generational households. In some cases, the youngest generations of these households may be placed in their own tax unit composed entirely of dependent minors. In the 2025 CPS ASEC, 170 children were placed in tax units comprised solely

then calculate the value of the nonrefundable and refundable portions of the Child Tax Credit each tax unit would receive in 2024 under OBBBA. As our analysis uses income data from 2024, we deflate the credit's parameters—the maximum credit value, refundability cap, earnings requirement, and phaseout thresholds—from 2025 dollars to 2024 dollars using the Consumer Price Index. When calculating the nonrefundable portion of the Child Tax Credit, we include both the value of the credit for children under age 17 *and* those ages 17 or older who could have received the Credit for Older Dependents. Tax units with AGIs over the phaseout thresholds (i.e., $400,000 in AGI for married joint filers and $200,000 in AGI for head of household filers, in 2025 dollars) have their credit amount reduced (but not below zero). We combine the calculated values of the nonrefundable and refundable portions of the Child Tax Credit to determine the total credit that each tax unit in the data is estimated to be eligible for.

We then replaced SPM units' 2024 TCJA Child Tax Credit value (included in the CPS ASEC data) with the OBBBA Child Tax Credit calculated above to estimate the poverty impacts of the OBBBA credit. The new poverty rate was calculated by determining each SPM unit's poverty status with the new credit, with an SPM unit considered as being "in poverty" if the value of their SPM resources with the OBBBA Child Tax Credit was less than their SPM poverty threshold. As noted in the body of this brief, this poverty analysis does not include the effects on children who will be newly denied Child Tax Credit eligibility under OBBBA because they or their parent(s) do not hold SSNs. We also do not estimate the effects of additional significant policy changes under OBBBA that have the potential to affect child poverty, particularly OBBBA's forthcoming changes to food assistance and health insurance.

Approach to modeling the American Family Act Child Tax Credit

The 2025 American Family Act (AFA, H.R.2763) implements many of the reforms made to the Child Tax Credit under the 2021 American Rescue Plan Act (ARPA), including making the credit fully refundable, eliminating the earnings requirement, increasing the credit values, and allowing for monthly delivery of the credit. The 2025 AFA expansion inflation adjusts the maximum monthly ARPA Child Tax Credit values from their value in 2021 to 2025 dollars. The AFA, thus, sets maximum Child Tax Credit values of $300 per month ($3,600 per year) for children ages 6 to 17, $360 per month ($4,320 per year) for children under age 6, and introduces a new $2,400 payment after the birth of a child.[19] Like the ARPA Child Tax Credit, dependents ages 18 and older can receive a credit worth up to $500 under the AFA.

Below, we describe the steps we took to estimate how family income in 2024 could have been different if the AFA Child Tax Credit had been in effect in 2024:

of dependents. In order to appropriately calculate the Child Tax Credit benefit for these children, we regroup dependents into the same tax unit as those who may claim them, recalculate their taxes using NBER's TAXSIM, and then conduct our simulation of the OBBBA Child Tax Credit and AFA Child Tax Credit. More information on TAXSIM available at https://www.nber.org/taxsim/.

[19] For more detailed information on how this element of the policy works, see Curran et al., 2024, Equalizing the Child Tax Credit for Babies: How the 2023 American Family Act Treats Infants.

1) Identifying tax units with Child Tax Credit-qualifying dependents

The CPS ASEC is administered each year, primarily in March, and collects data on income, transfers, and expenses in the preceding calendar year, or "reference year." In the case of the 2025 CPS ASEC, the reference year covers January to December 2024. To calculate the annual credit that a tax unit might receive under the AFA Child Tax Credit, we first needed to determine the credit they would receive in each month of the reference year. A tax unit's monthly credit amount could vary month-to-month depending on the age of each of their dependent children. For example, a tax unit could have a 5-year-old at the beginning of the year who turns 6 in May; thus, they would receive the credit for dependents under age 6 between January and April, and the credit for dependents ages 6 to 17 for the remainder of the year. Similarly, tax units with a dependent who turns 18 in 2024 would see their credit value change across the reference year. For this reason, we needed to identify for each month in the reference year the number of dependents under age 6 and between ages 6 to 17 for each tax unit in the CPS ASEC. In addition, we needed to identify families with a newborn child in the reference year and the birth month of that child. These families would have received the AFA's initial $2,400 payment after the birth of a child, but would only receive monthly credits in the months after birth. The age variable in the CPS ASEC is, however, only specific to ages reported for each person in the household at the time of the survey. Thus, we developed a method to impute ages in different months of the reference year. Our method is described below.

Identifying tax units with a child under age 18 for all or part of the reference year

In the CPS ASEC file, we can identify children's ages at the time of the survey month (March) in the year of the survey's administration (2025). All children under age 18 at the time of survey administration were under age 18 throughout the reference year. In addition, all 18-year-olds were 17 for at least part of the reference year, as were some 19-year-olds observed at the time of the CPS ASEC. We assume that birth months are evenly distributed, such that 25% of 18-year-olds were under 17 for all of the reference year and the remaining 75% were 17 for part of the reference year. We also assume that 17% of 19-year-olds had birthdays in the 2 months of 2023 prior to the survey administration, and would also have been 17 for part of the reference year.

We randomly assign 18- and 19-year-olds into the groups above based on the proportion of each age-group falling in each category. Next, we randomly assign them a birth month to more specifically calculate the length of time they were under age 18 in the reference year and the size of their credit.

Identifying tax units with a child under age 6 for all or part of the reference year

Under the AFA, tax units receive a larger monthly credit for children under age 6. We know that all children under age 6 at the time of the CPS ASEC were under age 6 in the reference year. In addition, all children observed at age 6 at the time of the CPS ASEC survey in March were under age 6 for all or part of the reference year. The same is true for roughly 17% of 7-year-olds who turned 7 between January and February of the survey year. We follow the same process outlined above for 18- and 19-year-olds to determine for how long children who were ages 6 or 7 at the

time of the CPS ASEC were under age 6 in the reference year, again assuming that birth months are evenly distributed.

Selecting tax units with a child born in the reference year

Under the AFA, children born in the reference year would receive an initial larger payment after birth and monthly credit payments for each month post birth. Again, the CPS ASEC does not have information to identify the number of children born in the reference year, but assuming births are evenly distributed across months, roughly 75% of 0-year-olds would have been born in the preceding calendar year (between April and January) and 25% would have been born in January to March of the survey year. We randomly select 75% of 0-year-olds to be born in 2024 and assume the remainder were born in 2025. We then randomly assign a birth month between April and December of the reference year (with an equal probability of being born in each month) to 0-year-olds born in 2024. Similarly, 25% of 1-year-olds in the 2025 CPS ASEC were born in 2025 (between January and March). We thus assume that a randomly selected 25% of 1-year-olds were born in the reference year and randomly assign them a birth month between January and March of 2025.

2) Calculating annual Child Tax Credit benefits under the AFA Child Tax Credit

The annual AFA Child Tax Credit that each tax unit could receive consists of their monthly Child Tax Credit payments for children under age 18, a Credit for Other Dependents they receive for children over age 17, and their initial payment after birth (if applicable). Below, we discuss the process for calculating each of these components of the AFA Child Tax Credit.

Monthly Child Tax Credit Payments

To calculate each tax unit's monthly Child Tax Credit, we first counted the number of dependents under age 6 and between ages 6 to 17 in each month of the reference year. We then deflated the monthly credit values under the AFA for children ages 6 to 17 (i.e., $300 per child) and children under age 6 (i.e., 120% of the credit for children ages 6 to 17, or $360 per child) from 2025 dollars to 2024 using the Consumer Price Index and calculated the total monthly credit for the tax unit according to the number of children in the tax unit falling in these age groups and the deflated monthly credit amounts. We then found the annual value of the credits received through the year by totalling the monthly credit amounts for each tax unit.

2025 AFA Child Tax Credit Initial Payment after Birth

All children whom we assume were born in the reference year (see previous step for a description of this assignment) are assigned an initial payment after birth of $2,400 in 2025 dollars (i.e., 800% of the monthly credit for children ages 6 to 17).

Credit for Other Dependents

The Child Tax Credit expansion modeled here also assumes a refundable Credit for Other Dependents for tax units with dependent children ages 18 or older, or "other dependents." To calculate the credit, we first determined the maximum credit a tax unit could receive based on the count of dependent children ages 18 and older in the reference year identified by the Census

Tax Model, with a maximum of $500 per "other dependent" (in 2025 dollars). For "other dependents" who were age 17 for part of the reference year, they receive a Credit for Other Dependents equal to $500 divided by the number of months they were over age 17 during the reference year (e.g., an "other dependent" who turned 18 and was 18 years old for 4 months of the reference period would receive a credit of $167, or $500 x 4 months / 12 months).

Credit Phaseout Thresholds

Under the AFA, the Child Tax Credit follows a two-tiered phaseout structure. The AFA credit is initially set to phase out for married joint filers with an AGI above $150,000 in 2025 dollars and head of household filers with an AGI above $112,500 in 2025 dollars, which we deflated to 2024 using the Consumer Price Index. For tax units with AGIs over the initial thresholds, the value of their annualized monthly Child Tax Credit was reduced at a rate of 5% of the tax unit's excess AGI over the threshold amount until the credit reaches a value of up to $2,000 (i.e., $166.67 per month, in 2025 dollars). The $2,400 initial payment after birth of a child is reduced at the same rate until reaching a value of $1,333 (i.e., 800% of $166.67 per month, in 2025 dollars).

The reduced credit amounts are then further phased out for tax units with AGIs above the secondary phaseout threshold. Married joint filers with an AGI above $400,000 in 2025 dollars and head of household filers with an AGI above $300,000 in 2025 dollars have their reduced annualized Child Tax Credit and reduced initial payment after birth of a child phased out at the same rate of 5% of the excess AGI over the threshold amount until reaching zero.

Tax units with dependent children ages 18 or older had the value of their Credit for Other Dependents phased out (but not below zero) at a rate of $50 for every $1,000 in excess AGI above $400,000 for married joint filers and $200,000 for head of household filers (in 2025 dollars).

3) **Replacing 2024 TCJA Child Tax Credit with AFA Child Tax Credit and re-calculating poverty statistics**

To calculate poverty rates with the expanded AFA Child Tax Credit**,** we replaced SPM units' 2024 TCJA Child Tax Credit value with the value calculated using the procedure described above. To estimate the poverty impacts of the proposal, we calculated the poverty rate again to account for the replacement of the Child Tax Credit values included in the CPS ASEC microdata with the Child Tax Credit values we calculated according to above parameters. The new poverty rate was calculated by determining each SPM unit's poverty status with the new credit, with an SPM unit considered as being "in poverty" if the value of their SPM resources with the AFA Child Tax Credit was less than their SPM poverty threshold.

APPENDIX B. SUPPLEMENTARY RESULTS

Table B.1. Share of children under 50%, 150%, and 200% of SPM poverty threshold and estimated reduction associated with the Child Tax Credit under TCJA, OBBBA, and AFA (2024)

		No CTC	TCJA CTC	OBBBA CTC	AFA CTC
Deep Poverty (50% poverty line)					
All children < 18	**SPM Deep Poverty Rate**	**3.5%**	**3.3%**	**3.3%**	**1.8%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*6.6%*	*6.8%*	*47.6%*
	Relative to TCJA CTC			*0.3%*	*43.9%*
All children < 6	**SPM Deep Poverty Rate**	**3.9%**	**3.7%**	**3.7%**	**2.0%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*4.9%*	*4.9%*	*48.2%*
	Relative to TCJA CTC			*0.0%*	*45.5%*
All children < 18	**Number of Children in Deep Poverty**	**2,565,000**	**2,396,000**	**2,390,000**	**1,345,000**
Number of Children Moved Out of Deep Poverty	Relative to no CTC		*169,000*	*175,000*	*1,220,000*
	Relative to TCJA CTC			*6,000*	*1,051,000*
All children < 6	**Number of Children in Deep Poverty**	**863,000**	**821,000**	**821,000**	**447,000**
Number of Children Moved Out of Deep Poverty	Relative to no CTC		*42,000*	*42,000*	*416,000*
	Relative to TCJA CTC			*0*	*374,000*
Near Poverty (150% poverty line)					
All children < 18	**SPM Near Poverty Rate**	**36.4%**	**32.8%**	**32.6%**	**27.6%**
Percent Reduction in Near Poverty Rate	Relative to no CTC		*9.9%*	*10.5%*	*24.1%*
	Relative to TCJA CTC			*0.7%*	*15.8%*
All children < 6	**SPM Near Poverty Rate**	**38.5%**	**34.5%**	**34.3%**	**28.7%**
Percent Reduction in Near Poverty Rate	Relative to no CTC		*10.5%*	*11.1%*	*25.7%*
	Relative to TCJA CTC			*0.7%*	*16.9%*
All children < 18	**Number of Children in Near Poverty**	**26,559,000**	**23,943,000**	**23,782,000**	**20,166,000**
Number of Children Moved Out of Near Poverty	Relative to no CTC		*2,616,000*	*2,777,000*	*6,393,000*
	Relative to TCJA CTC			*161,000*	*3,777,000*
All children < 6	**Number of Children in Near Poverty**	**8,626,000**	**7,717,000**	**7,665,000**	**6,412,000**
Number of Children Moved Out of Near Poverty	Relative to no CTC		*909,000*	*961,000*	*2,214,000*
	Relative to TCJA CTC			*52,000*	*1,305,000*
Low-income (200% poverty line)					
All children < 18	**SPM Low-Income Rate**	**51.2%**	**48.9%**	**48.8%**	**45.6%**
Percent Reduction in Low-Income Rate	Relative to no CTC		*4.4%*	*4.8%*	*11.0%*
	Relative to TCJA CTC			*0.4%*	*6.9%*
All children < 6	**SPM Low-Income Rate**	**53.2%**	**50.7%**	**50.5%**	**47.1%**
Percent Reduction in Low-Income Rate	Relative to no CTC		*4.8%*	*5.1%*	*11.4%*
	Relative to TCJA CTC			*0.3%*	*7.0%*
All children < 18	**Number of Children below Low-Income Threshold**	**37,379,000**	**35,721,000**	**35,581,000**	**33,272,000**
Number of Children Moved Above Low-Income Threshold	Relative to no CTC		*1,658,000*	*1,798,000*	*4,107,000*
	Relative to TCJA CTC			*140,000*	*2,449,000*
All children < 6	**Number of Children below Low-Income Threshold**	**11,912,000**	**11,340,000**	**11,301,000**	**10,552,000**
Number of Children Moved Above Low-Income Threshold	Relative to no CTC		*572,000*	*611,000*	*1,360,000*
	Relative to TCJA CTC			*39,000*	*788,000*

Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau. Poverty results use the Supplemental Poverty Measure (SPM).

Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. The model used to produce these results does not account for any possible behavioral responses to the reform. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. See Appendix A for more details of our methodology. OBBBA Child Tax Credit estimates do not account for new restrictions on eligibility for children with immigrant parents or any other OBBBA changes likely to affect poverty, such as forthcoming food assistance and healthcare cuts.Population counts are rounded to the nearest thousand. Due to rounding, some totals may not correspond with separate figures.

Table B.2. Deep poverty rates among children in 2024 and estimated reduction associated with Child Tax Credit, by demographic

		No CTC	TCJA CTC	OBBBA CTC	AFA CTC
All children < 18					
Child's race and ethnicity					
Asian American or Pacific Islander*	**SPM Deep Poverty Rate**	**3.5%**	**3.3%**	**3.3%**	**2.3%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*4.6%*	*4.6%*	*34.1%*
	Relative to TCJA CTC			*0.0%*	*30.9%*
Black	**SPM Deep Poverty Rate**	**6.6%**	**6.1%**	**6.1%**	**3.1%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*7.1%*	*7.1%*	*52.6%*
	Relative to TCJA CTC			*0.0%*	*49.0%*
Latino	**SPM Deep Poverty Rate**	**4.7%**	**4.5%**	**4.4%**	**2.5%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*5.5%*	*6.1%*	*46.5%*
	Relative to TCJA CTC			*0.7%*	*43.4%*
White	**SPM Deep Poverty Rate**	**2.2%**	**2.0%**	**2.0%**	**1.2%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*6.4%*	*6.4%*	*45.2%*
	Relative to TCJA CTC			*0.0%*	*41.4%*
Family characteristics					
1-parent household	**SPM Deep Poverty Rate**	**7.0%**	**6.7%**	**6.6%**	**3.3%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*5.3%*	*5.8%*	*52.9%*
	Relative to TCJA CTC			*0.5%*	*50.2%*
2-parent household	**SPM Deep Poverty Rate**	**2.0%**	**1.8%**	**1.8%**	**1.1%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*9.6%*	*9.6%*	*43.4%*
	Relative to TCJA CTC			*0.0%*	*37.4%*
1-2 children	**SPM Deep Poverty Rate**	**3.1%**	**2.9%**	**2.9%**	**1.8%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*5.6%*	*6.1%*	*40.6%*
	Relative to TCJA CTC			*0.5%*	*37.0%*
3+ children	**SPM Deep Poverty Rate**	**4.0%**	**3.7%**	**3.7%**	**1.7%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*7.9%*	*7.9%*	*58.2%*
	Relative to TCJA CTC			*0.0%*	*54.6%*
Urban	**SPM Deep Poverty Rate**	**3.5%**	**3.3%**	**3.3%**	**1.9%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*6.5%*	*6.8%*	*47.0%*
	Relative to TCJA CTC			*0.3%*	*43.3%*
Rural	**SPM Deep Poverty Rate**	**3.5%**	**3.2%**	**3.2%**	**1.6%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*7.4%*	*7.4%*	*52.5%*
	Relative to TCJA CTC			*0.0%*	*48.7%*
In family with an individual with a disability*	**SPM Deep Poverty Rate**	**2.2%**	**2.2%**	**2.2%**	**0.9%**
Percent Reduction in Deep Poverty Rate	Relative to no CTC		*0.0%*	*0.0%*	*58.7%*
	Relative to TCJA CTC			*0.0%*	*58.7%*

Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau. Poverty results use the Supplemental Poverty Measure (SPM).

*Results for individuals identifying as Asian American or Pacific Islander, or residing in a family with an individual with a disability are calculated using 2 years of CPS ASEC data (2024 and 2025) and should be interpreted with caution due to sample size constraints.

Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. The model used to produce these results does not account for any possible behavioral responses to the reform. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. See Appendix A for more details of our methodology. OBBBA Child Tax Credit estimates do not account for new restrictions on eligibility for children with immigrant parents or any other OBBBA changes likely to affect poverty, such as forthcoming food assistance and healthcare cuts. Population counts are rounded to the nearest thousand. Racial and ethnic groups are mutually exclusive. Results for individuals identifying as American Indian & Alaska Native or Multiracial and another race/ethnicity are not included due to sample size constraints. Due to rounding, some totals may not correspond with separate figures.

APPENDIX C. Accounting for Possible Employment Response

There is considerable debate as to whether and to what extent an expansion to the Child Tax Credit similar to that in the American Family Act could affect parents' employment, which is discussed in Ananat et al. (2024), Ananat & Garfinkel (2024), Bastian (2024), Corinth et al. (2021), Goldin et al. (2021), and Schanzenbach and Strain (2024).[20] The results presented in Tables 1, 2, and 3 in the main body of this brief and Appendix B assume no employment responses. We test the sensitivity of these results to potential changes in parental employment following the methodology outlined in the National Academy of Sciences (2019) report on reducing child poverty, as well as two approaches presented in Bastian (2024)'s study on the potential employment response to an expanded Child Tax Credit.[21]

The authors of the NAS report model the income effects associated with various Child Tax Credit expansions and the related changes in parental employment on both the intensive and extensive margins. To implement this approach, we first identify parents who might stop working and then identify the percent increase in income due to the policy change. We then apply a specified elasticity of employment (which varies across population sub groups) to this percent increase in order to determine the probability of that parent leaving employment. The elasticities of employment specified in NAS (2019) are -0.12 for married mothers, -0.085 for unmarried mothers, and 0 for fathers. To identify the parents who may reduce work hours, we first identify the total number of reduced hours worked among parent beneficiaries based on their percent change in income and the authors' specified elasticities for hours: -0.09 for married mothers, -0.07 for unmarried mothers, and -0.05 for fathers. Once identifying the target number of reduced hours, this approach randomly identifies parents who could stop working for 1 hour per week until meeting these targets.

Under the Bastian approach,[22] we first identify the change in the Return to Work (RTW) associated with the Child Tax Credit expansion for each parent and then estimate how many parents might stop working based on the combination of the change in their RTW and their labor supply elasticity. Bastian's preferred labor supply elasticities are 0.4 for unmarried mothers who are lower income (defined as Earned Income Tax Credit (EITC) recipients), 0.2 for other mothers, and 0.05 for fathers. He also produces estimates with a higher set of labor supply elasticities (0.75 for unmarried mothers who are low income and 0.25 for all other parents and guardians). We identified a target number of parents who could stop working based on these inputs (using both the preferred elasticities and the higher set cited in Bastian's paper), and we then identified a set of parents who could stop working to meet this target number based on the approach outlined in Bastian (2024). Under this method, those whose RTW declined the most and whose labor supply elasticity was higher were more likely to be identified as those who could stop working.

[20] Ananat et al., 2022, Effects of the expanded Child Tax Credit on employment outcomes; Ananat and Garfinkel, 2024, The potential long-run implications of a permanently-expanded CTC; Bastian, 2024, How would a permanent 2021 CTC expansion affect poverty and employment?; Corinth et al., 2021, Anti-poverty, targeting, and labor supply effects of replacing a CTC with a child allowance; Goldin et al., 2021, Estimating the net fiscal cost of a CTC expansion; Schanzenbach and Strain, 2024, Employment and labor responses to the CTC expansion.

[21] National Academies of Sciences, Engineering, and Medicine, 2019, A roadmap to reducing child poverty; Bastian, 2024, How would a permanent 2021 Child Tax Credit expansion affect poverty and employment?

[22] See Bastian (2024) for an illustration of how the Child Tax Credit expansion affects the return to work.

Table C.1 presents our estimates of the reduction in child poverty from the 2025 AFA Child Tax Credit expansion before and after accounting for the possible change in parents' employment based on the three approaches outlined above.

Table C.1. Child poverty rates in 2024 under Tax Cuts and Jobs Act versus American Family Act, with and without potential employment response

	SPM Poverty Rate			Percent Reduction Associated with CTC	
	No CTC	TCJA CTC	AFA CTC	AFA vs. no CTC	AFA vs. TCJA CTC
Without potential employment response					
All children under 18	16.6%	13.3%	8.8%	46.7%	33.7%
All children under 6	17.8%	14.5%	9.3%	47.5%	35.7%
With employment response model in NAS (2019)					
All children under 18	16.6%	13.3%	9.0%	45.9%	32.8%
All children under 6	17.8%	14.5%	9.4%	47.2%	35.2%
With employment response model and Bastian (2024)'s *preferred* elasticities					
All children under 18	16.6%	13.3%	9.3%	44.2%	30.7%
All children under 6	17.8%	14.5%	9.7%	45.3%	32.9%
With employment response model and Bastian (2024)'s *higher set* of elasticities					
All children under 18	16.6%	13.3%	10.0%	39.4%	24.7%
All children under 6	17.8%	14.5%	10.6%	40.3%	26.8%

Source: Center on Poverty and Social Policy at Columbia University, 2025. Calculated using the 2025 Current Population Survey (CPS), Annual Social and Economic Supplement (ASEC), retrieved from U.S. Census Bureau. Poverty results use the Supplemental Poverty Measure (SPM).

Note: Results assume 100% takeup of the Child Tax Credit, following standard practice in estimating taxes in the CPS ASEC. When evaluating the effects of the Child Tax Credit, we count both the nonrefundable and refundable portions of the credit. When estimating annual payments, we account for changes in children's ages throughout the year. Due to rounding, some totals may not correspond with separate figures.

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