

# Are Black and Latine Families with Babies Feeling Relief from the Child Tax Credit?



Equity Coalition Rescue Plan Microbrief Series 21-006 | August 2022

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## Introduction

The COVID-19 pandemic continues to have a lasting impact on people of all ages. More than one million Americans have lost their lives since 2020.<sup>i</sup> There has been a disproportionate impact of COVID-19 based on income, race and ethnicity. Black Americans are three times more likely to die due to the pandemic than white Americans.<sup>ii</sup> According to CDC, 16% of U.S. COVID-19 deaths are among Latine people.<sup>iii</sup> These inequities stem from structural barriers and preexisting health conditions, like diabetes and heart disease which heighten susceptibility to this virus, that minority populations with low income experience.<sup>iv</sup>



As a result of unemployment and job losses, many Americans have been out of work leading to labor and economic vulnerability. Housing insecurity, food insecurity, school closures, and financial strain have gravely impacted American families, especially those with low income.<sup>iv</sup> In such a situation, social protection programs like income supports play an important role in mitigating some of the adverse impacts of the pandemic. Implemented as part of the American Rescue Plan, the Child Tax Credit (CTC) has provided eligible families with monthly payments of \$250 - \$300 per child. The cash payments were made each month between July – December 2021.<sup>v</sup> The CTC reached 61.2 million children across 36 million households by December.<sup>vi</sup>

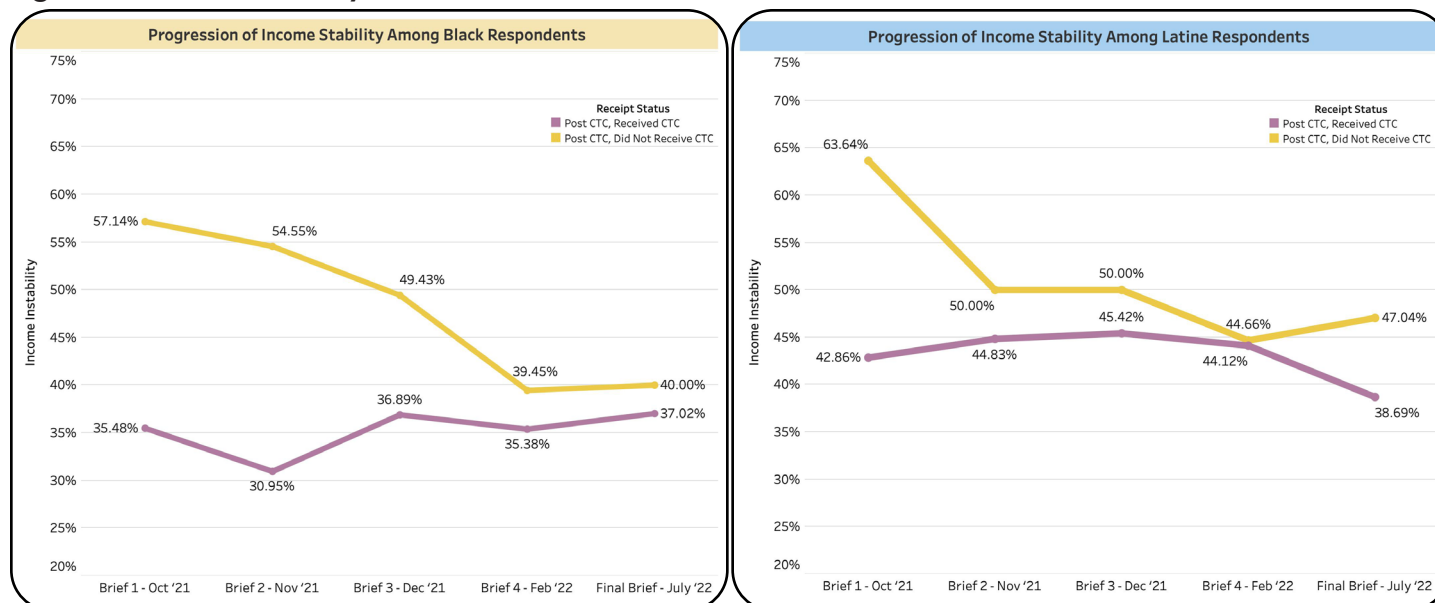
The purpose of this brief is to assess the impact of the CTC on economic security and well being of Black and Latine families with low income with babies. In this brief, we are using the RAPID-EC dataset – a national survey of households with children between ages 0-5 years. In this microbrief we discuss the experiences of 456 Black families with low income with babies, 1650 Latine families with low income with babies and 1781 Other families with low income with babies.

## I. Income Stability

### *Income stability increased due to CTC, reduced once CTC ended.*

Many American families experienced fluctuations in their income during the pandemic due to unemployment, furloughs and reduced work hours. Respondents in the survey were asked if their income during the pandemic increased, stayed the same or decreased. Among those who had received the CTC, 35.48% respondents said after initial payments that they experienced a decrease in income, or income instability, whereas 37.02% reported income instability during the summer of 2022 (see Figure 1). Among Black families who did not receive the CTC after it had been disbursed, 57.14% respondents reported income instability during the summer of 2021 while 40% reported income instability during the summer of 2022 (when all CTC payments have been disbursed).

**Figure 1: Income Stability**



Among Latine respondents with low income who had received the CTC, 42.86% Latine respondents said in October '21 that they experienced income instability whereas 38.69% said their income was unstable during the summer of 2022. Among Latine families who did not receive the CTC even after it had been disbursed, 63.64% respondents said in October '21 that their income was unstable, and 47.04% respondents reported that they experienced income instability in the summer of 2022.

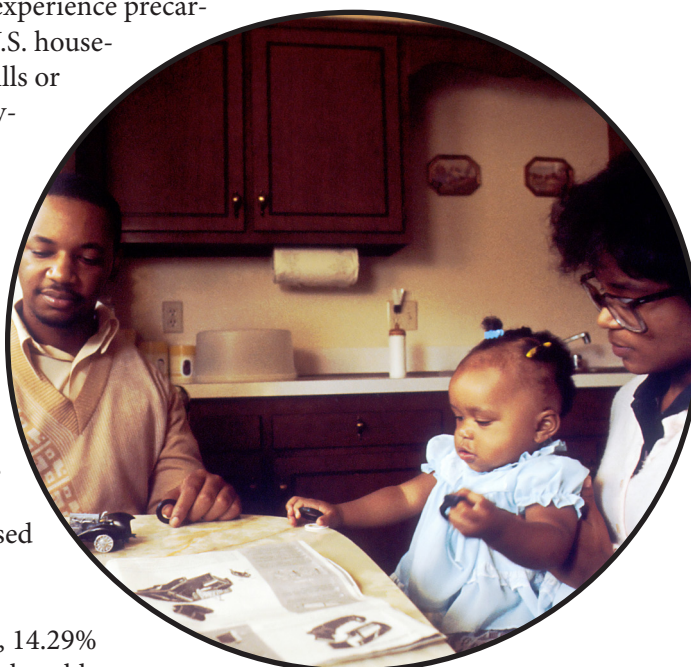
## II. Financial Problems

*Families without CTC faced more financial problems than those who received CTC.*

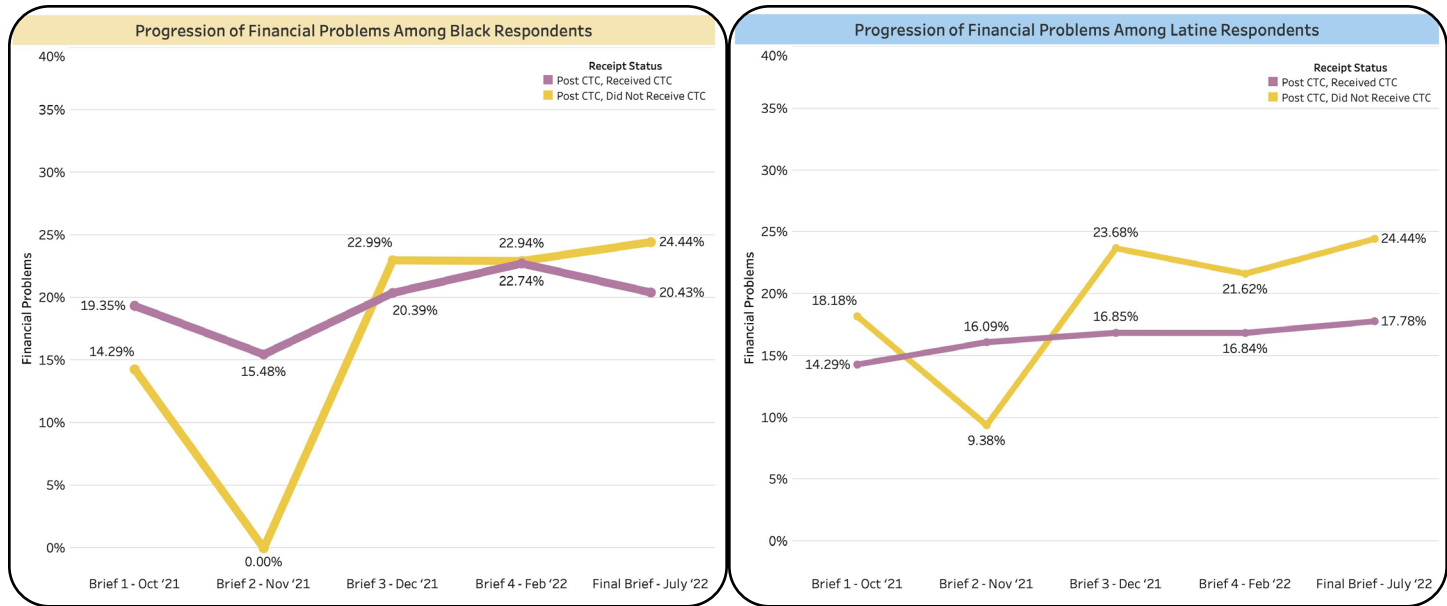
The coronavirus pandemic caused many American families to experience precarious financial situations. Estimates suggest that nearly 40% of U.S. households faced serious financial difficulties such as paying utility bills or credit card debt. About one-fifth report depleting all of their savings<sup>vii</sup>.

In the RAPID-EC survey, respondents were asked about their family's financial situation. Among Black families with low income who had received the CTC, 19.35% said that in the early phase of the program they experienced financial problems whereas the number increased slightly in the middle of this year - 20.43% of respondents said they faced financial problems (see Figure 2). Among Black families who did not receive the CTC, even after CTC payments had been disbursed, 14.29% respondents said their families experienced financial difficulty during the early phase of the program and this increased to 24.44% respondents by the middle of this year.

Among Latine families with low income who received the CTC, 14.29% said in the middle of 2021 that their family experienced financial problems whereas 17.78% of respondents said their family faced financial problems in the middle of 2022. Among Latine families who did not receive the CTC even after it had been disbursed, 18.18% of respondents said that after the first couple of disbursements they experienced financial difficulty and this increased to 24.44% of respondents six months after the program ended.



**Figure 2: Financial Problems**

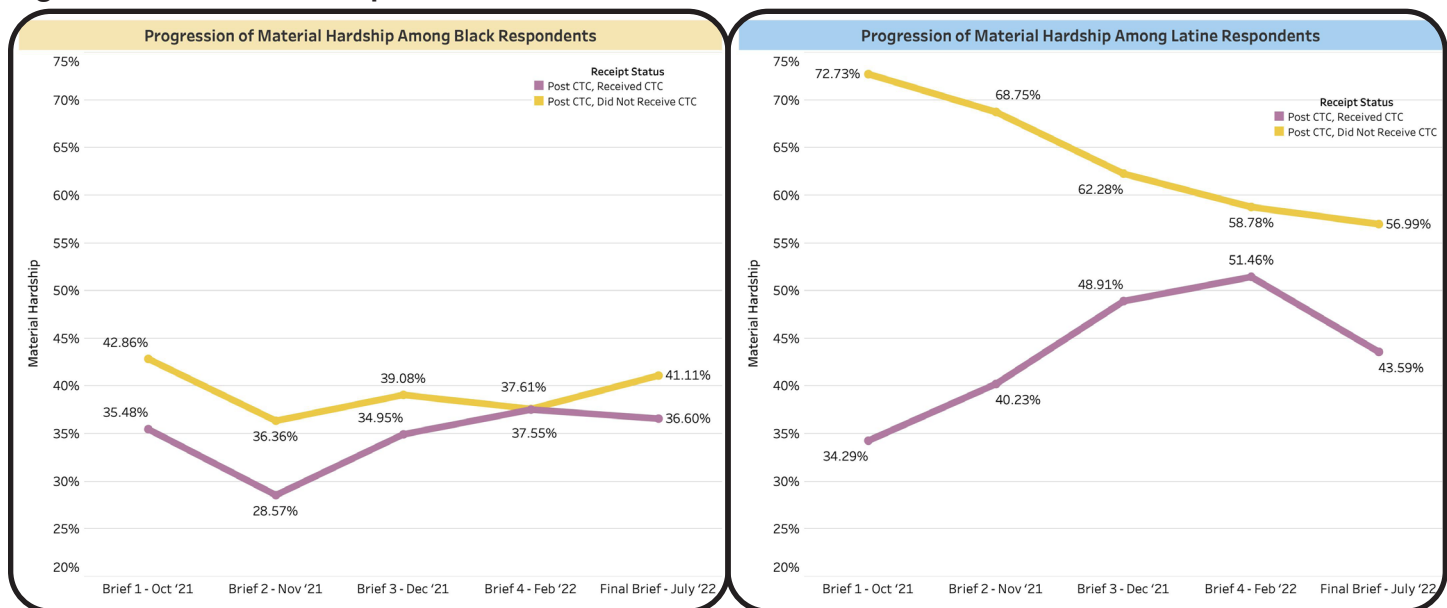


### III. Material Hardship

*Families who received CTC faced less material hardship compared to those who didn't.*

As a result of job losses and unemployment, many families faced material hardship during the pandemic. In the RAPID-EC survey, respondents were asked about material hardships that their family experienced. Among Black families with low income who received the CTC, 35.48% Black families said during the early phase of the program that they experienced material hardships whereas 36.60% respondents said their families faced material hardships by the middle of this year (see Figure 3). Among Black families who did not receive the CTC even after it had been disbursed, 42.86% respondents said during that the early phase of the program their family experienced material hardships and 41.11% respondents said by middle of this year that their families experienced material hardships.

**Figure 3: Material Hardship**



Among Latine families with low income who had received the CTC, 34.29% of Latine families said in the early phase of the program that they experienced material hardships whereas 43.59% respondents said their families faced material hardships

even after the program ended. Among Latine families who had not yet received the CTC, even after it had been disbursed, 72.73% respondents said after first couple of disbursements that their family experienced material hardships and 56.99% respondents said after the program ended that their families experienced material hardships.

## Conclusion

The COVID-19 pandemic has differentially impacted low income Black and Latine families not only in terms of income insecurity but also other social determinants like health, housing, food and safety. Black and Hispanic adults fare worse than White adults across all measures of social determinants during the pandemic, due to systemic and interpersonal racism and injustice. Further, adults with children in their household fared worse compared to overall adults in several measures including loss of employment income in the household, and difficulty paying for household expenses. Adults in households with children were also more likely to report food insufficiency, symptoms of depression or anxiety, having no confidence in ability to make next month's housing payment than the general population, and borrowing from friends or family to meet household spending.<sup>vii</sup> The findings across this series of microbrief suggests that the cash payments or CTC had provided some temporary relief to the suffering families but that this relief may be deteriorating once again.

## Methodology

This series of briefs draws on data from the Rapid Assessment of Pandemic Impact on Development-Early Childhood (RAPID-EC). RAPID-EC is an ongoing national survey of households with children ages 5 and under, designed to gather valuable information on the needs and wellbeing of families during the COVID-19 pandemic. The RAPID-EC team collected the data in this brief between April 6, 2020 and May 24, 2022.

Families who identified as "Black/African American" are referred to as Black in this report; those who identified as "Hispanic, Latinx, or Spanish" are referred to as Latine in this report. Because an income of roughly twice the federal poverty threshold is necessary to meet a family's basic needs, low-income families are defined as families with incomes that were less than 200% of the federal poverty threshold. The average household income for Black families with low income with babies in this brief was \$26,369. Five percent also identify themselves as Latine, nearly all (98.5%) report that English is their primary language, and 4% report being first-generation immigrants born outside of the United States. Among Latine families with low income with babies in this brief, the average household income was \$31,698. Eighty-nine percent report that English is their primary language and 12% report being first-generation immigrants born outside of the United States. For Other families with low income with babies, the average household income was \$31,528. Nearly all (99%) report that English is their primary language, and 3% report being first-generation immigrants born outside of the United States.

## Endnotes

- i [COVID Data Tracker: Daily Updates for the United States | Center for Disease Control and Prevention](#)
- ii [Black Americans dying of COVID 19 at three times the rate of white people](#)
- iii [Provisional Death Counts for Coronavirus Disease 2019 \(COVID-19\) | CDC](#)
- iv [The COVID-19 pandemic: Adverse effects on the social determinants of health in children and families | Abrams et al](#)
- v [American Rescue Plan Fact Sheet | The White House](#)
- vi [The expanded child tax credit briefly slashed child poverty. Here's what else it did | NPR](#)
- vii [Tracking Social Determinants of Health During the COVID-19 Pandemic | Kaiser Family Foundation](#)

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