Treasury and IRS Disburse Fourth Month of Advance Child Tax Credit Payments

October 15, 2021

Since July, Treasury and the IRS have delivered over $61 billion dollars in direct payments to families

WASHINGTON — The U.S. Department of the Treasury and the Internal Revenue Service announced today that more than $15 billion dollars in payments were made to families that include roughly 61 million eligible children. This is the fourth monthly payment of the expanded and advanceable Child Tax Credit provided in the American Rescue Plan. Since the first payments were sent in July, Treasury and the IRS have delivered more than $61 billion dollars to families across the country. Eligible families received a payment of up to $300 per month for each child under age 6 and up to $250 per month for each child age 6 to 17.

“Since July, the advance Child Tax Credit has provided monthly direct assistance to families to help them cover basic household essentials like food and childcare,” said Deputy Secretary Adewale Adeyemo. “It’s clear this tax relief is meaningfully improving the lives of children in every corner of the country, which is why Congress must act to extend it so these monthly payments don’t end after December.”

Within weeks of the first payments going out, the Census Bureau’s Household Pulse Survey data showed that 55% of middle-income families spent their Child Tax Credit payments on food, 26 percent spent it on clothes, and 23 percent spend it on costs related to school and afterschool. A recent national survey from researchers at the Social Policy Institute found that 42% planned to use at least some of the credit to start or grow a college fund for their child and 24% planned to use their Child Tax Credit payments for childcare expenses. Researchers at the Columbia Center on Poverty and Social Policy found that the initial payments were associated with 25 percent decline in food insufficiency among low-income families with children.

Unless Congress acts to extend the advance Child Tax Credit, Treasury and the IRS will deliver the final monthly payments on December 15th. Absent an extension, the families of roughly 61 million children currently benefiting from this reliable relief will face tighter
monthly budgets and difficult choices to make ends meet. And the families of 26 million lower-income children who are now receiving the full credit for the first time would once again receive less than the full credit because their incomes are too low. In the meantime, non-filer families can continue to sign-up for advance Child Tax Credit payments until November 15, 2021 through Code for America's bilingual, mobile-friendly tool. Families who successfully sign-up between now and mid-November will either receive their payments distributed between November and December, or in December as a lump sum. After November 15th, non-filer families that haven’t signed up yet can still claim their full Child Tax Credit during next year's tax season.

Over the past few months, Treasury and the White House have partnered with federal agencies, state and local governments, national organizations, and community groups to train thousands of people across the country to serve as navigators. These navigators are trusted messengers within their communities, providing approachable, hands-on expertise to non-filers. The White House and Treasury have conducted more than 40 navigator trainings to date, which provided training for more than 7,000 potential Child Tax Credit navigators in English and Spanish. The IRS also embarked on an extensive communications and education effort to reach non-filers, with a special focus on reaching underserved and non-English speaking communities. As part of this ongoing effort, the IRS hosted free tax preparation days in nearly 30 cities across the country in June and July, has participated in more than 250 partner events on CTC, developed online materials and toolkits, and in recent weeks sent letters to potential non-filers detailing how to sign up for advance payments of the Child Tax Credit and the 3rd round of Economic Impact Payments.

For a state-by-stake breakdown of Child Tax Credit payments, visit https://home.treasury.gov/system/files/131/Advance-CTC-Payments-Disbursed-October-2021-by-State-10142021.xlsx