



Voices
for Vermont's Children



Refundable Child Tax Credits

Centering child wellbeing for a thriving Vermont future.

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Voices for Vermont's Children



Economic Security is the foundation for kids' future health and wellbeing.

Children who experience material hardship are more likely to have worse outcomes in both the short and long term, as compared to their more affluent peers. Studies of child allowances and basic income experiments have found that even modest income transfers can improve:

- Child health & longevity
- Parent-child relationships
- Crime rates
- Graduation rates
- Future employment and earnings

What's more, [an analysis](#) by the Center on Poverty and Social Policy at Columbia University estimated that **the return on investment for the expanded federal CTC was 8:1.**

Full Refundability is Key

Equity demands a fully refundable CTC

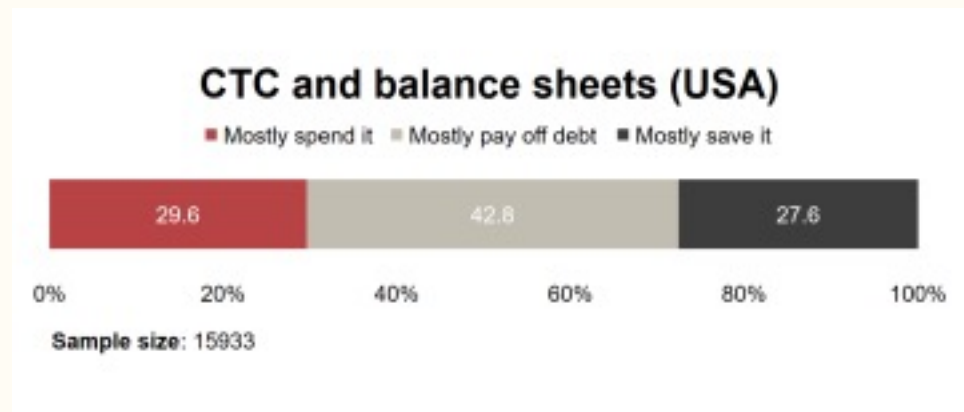
Due to historic inequities, women, Black and Latinx people, and people with disabilities make up a disproportionate share of the low-income population. A fully refundable CTC targets this family income support where it's needed most.

Refundable Tax credits are powerful anti-poverty tools

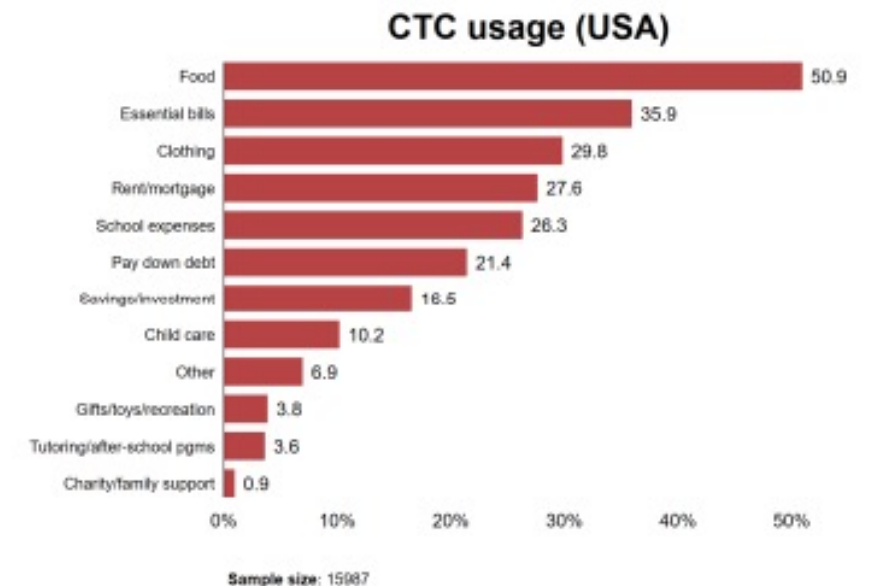
The Center on Budget and Policy Priorities estimates that 87% of the anti-poverty impact of the now-ended expansion of the federal CTC was due to the full availability of the credit to low-income families.

How Families Use the Refundable CTC

Researchers from the Center for Social Policy at Washington University in St. Louis and Appalachian State University analyzed Census Household Pulse survey during the period in which the first two federal CTC payments were distributed. The most common use was paying down debt, followed by spending, then saving.



Key Finding 3: Families' most common uses of the CTC payments were purchasing food for their family (51%), followed by paying essential bills (36%), and paying for clothing and other essentials for their children (30%).

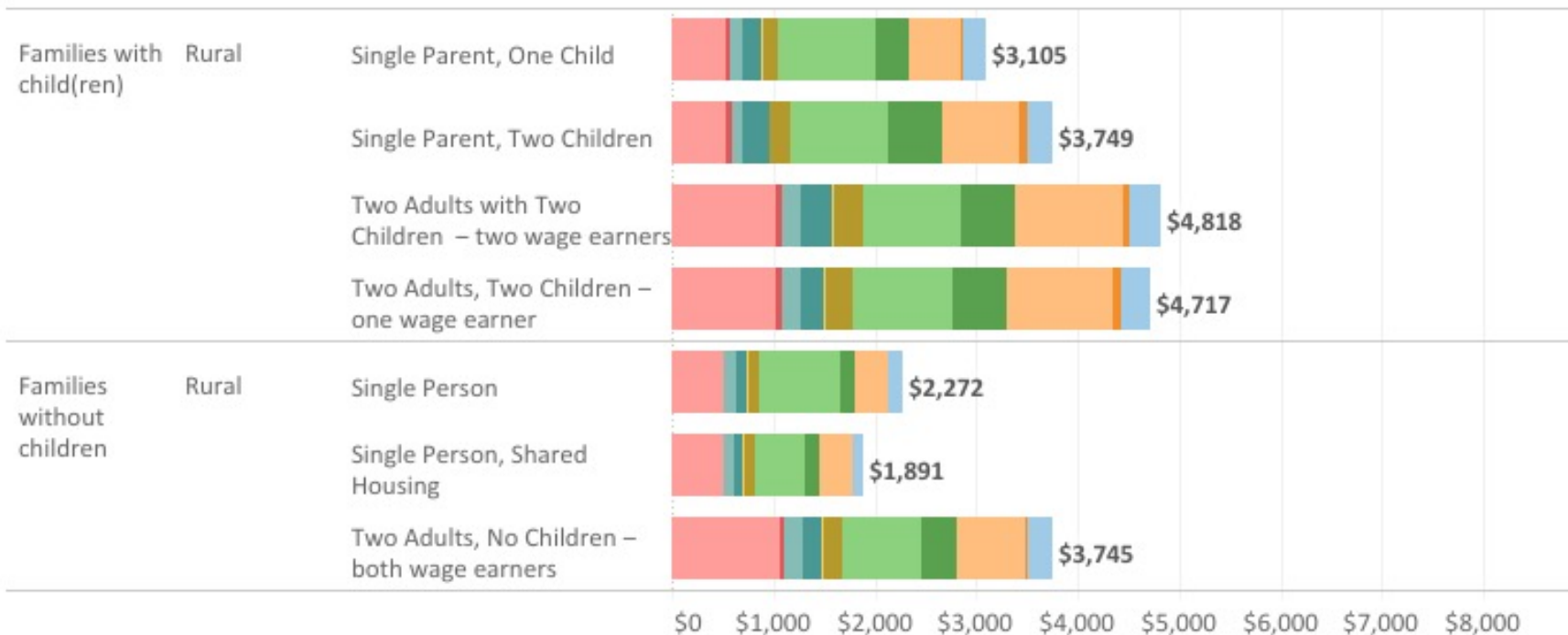


Explore Vermont's Basic Needs Budget

Every two years Vermont's Legislative Joint Fiscal Office calculates the cost of living in Vermont. See what the *Basic Need's Budget and Livable Wage Report* estimates was the real cost of supporting a family in Vermont in 2020.



Sum of selected expenses, per month



[Interact with this data here](#)



Considerations for Discussion

Expand the age of children covered

A tiered benefit (similar to the expanded federal CTC which establishes a baseline for all children with an additional benefit for younger children) could help families maintain a secure economic foothold throughout their children's development.

Outreach to non-filers

To fully realize the potential of this program we recommend guidance directing the Tax Department to conduct robust outreach to non-filers, possibly with the (funded) assistance of community partners who interact with this population.