

Child Tax Credit Webinar

November 2021

The North Carolina Office of Strategic Partnerships (OSP) Philanthropy Liaison invited speakers to discuss the impact of federal COVID-relief policy, which expanded tax credits for families and workers on child poverty reduction in the U.S.; and opportunities for philanthropy to support continued expanded application of these tax credits after the federal relief funds expire.

Speakers

- **Joy Vermillion Heinsohn (moderator)**, Philanthropy Liaison, OSP
- **Hannah Hogwood**, Public Health Communications Manager, North Carolina Department of Health and Human Services (NCDHHS)
- **Lee Lilley**, Director of Economic and Pandemic Recovery, Office of the Governor
- **Brian Myers**, Senior Advisor, Strategic Projects, Dogwood Health Trust
- **Amy Nagle**, Co-director, Economic Opportunity Funders and Earned Income Tax Credit Funders Network

Key Terms*

- The federal Child Tax Credit (CTC) started in 1998 to help families manage the costs of having children. It provides families with children 17 years and younger a direct reduction in the amount of federal taxes owed.
- The Earned Income Tax Credit (EITC), launched in 1975, provides low- and moderate-income workers between the ages of 25 and 65 a direct reduction in the amount of federal taxes owed. The amount of credit received varies by marital status and number of children.
- The American Rescue Plan Act (ARPA), a \$1.9 trillion economic stimulus bill, was enacted in 2021 to help accelerate the country's recovery from the impacts of the COVID-19 pandemic.

**As defined in presentations.*

Key Takeaways

- ARPA temporarily expanded CTC and EITC eligibility to previously excluded categories of families and workers. ARPA also expanded the amount of CTC families could receive.
- According to an [analysis from the Center on Budget and Policy Priorities](#) (CBPP), between 2018 and 2019, the CTC combined with the EITC lifted 10.6 of 28.1 million people out of poverty, including 5.5 of 11.9 million children. Note that for this analysis, the CBPP used the Supplemental Poverty Measure, which counts the effect of non-cash government programs (e.g., housing and food assistance) and tax credits.
- Research shows families receiving tax credits also experienced other positive impacts including:
 - Improved infant and maternal health;
 - Better school performance for elementary and middle school children during the time their families receive credits;
 - Increased college enrollment among children of families receiving credits;
 - Increased work and earnings among children of families receiving credits; and
 - Receipt of social security retirement benefits, particularly for working-aged women.
- Opportunities for philanthropy to enhance the impact of the expanded tax credits include:

- Funding community partners who are best able to connect with families most needing the CTC and EITC tax credits;
- Funding navigators to assist people file taxes;
- Supporting data and story collection efforts to communicate the impact of tax credits;
- Supporting capacity of free and non-predatory tax preparation sites to serve filers; and
- Supporting capacity for advocacy for federal expansions and modernizations of tax credits.

Resources

The following resources were shared or elevated during the program. This is not intended to be a comprehensive list of information or resources.

[Dogwood Health Trust](#)

The Dogwood Health Trust exists to dramatically improve the health and well-being of all people and communities in Western North Carolina's 18 counties and Qualla Boundary. Established in 2020, Dogwood focuses a large portion of its work on four key strategic areas: housing, education, economic opportunity, and health and wellness.

[Economic Opportunity Funders](#)

Established in 1992, the Economic Opportunity Funders is an informal network of nearly 500 funders at the national, regional, and local level working to advance economic equity and opportunity in the U.S.

[Tax Equity Funders Network \(formerly the EITC Funders Network\)](#)

The Tax Equity Funders Network brings together national, regional, and local-level funders working to improve equity and economic security by reducing the tax burden on lower-income workers and modernizing state and federal tax systems.

[NC Department of Health and Human Services \(NCDHHS\)](#)

NCDHHS manages the delivery of health- and human-related services for all North Carolinians. The agency works closely with health care professionals, community leaders, and advocacy groups; local, state, and federal entities; and many other stakeholders to make this happen.

[NC Pandemic Recovery Office \(NCPRO\)](#)

The North Carolina Pandemic Recovery Office (NCPRO) was established in May 2020 to oversee and coordinate the fiscal response to the Covid-19 pandemic and ensure North Carolina recovers from the pandemic stronger, more resolved, and more resilient.