Child Tax Credit Message Guide - Common Attacks and Responses

Implementation issues (glitches, delay in payments, confusion, etc.)

- The implementation of the expanded CTC has been a tremendous success and is unprecedented for a public support program. Fully 88% of eligible children received their checks automatically without having to take any action.
- The IRS has been working expeditiously to correct glitches that led to a delay in payments for some families or led some families to receive checks instead of direct deposits.
- Families who have filed tax returns for 2019 or 2020, or have signed up to receive a stimulus check from the IRS will receive CTC payments automatically.
- Families who did not make enough to be required to file taxes in 2019 or 2020 can still receive these benefits by using the CTC Non-filer Sign-up Tool set up by the IRS.

Cost (too expensive, driving inflation, etc.)

- The CTC is a tax cut for families to help ease the burden of rising costs.
- The cost of living has been rising for years, but most American families have gotten no help. The CTC is offering this critically-needed support to millions of families every month.
- The CTC lets almost every family with children in America keep more of what they earn at work.
- No one making less than $400,000 a year will pay a dime more in taxes as a result of the expanded CTC.
- The CTC's extension will be paid for by making sure huge corporations and those making over $400,000 a year pay their fair share in taxes.
- The CTC lowers taxes for families but if we let it expire, more than six million families could see their taxes go up at the end of the year - many by thousands of dollars. That will hurt families just as they're beginning to recover and mean less food on the table for kids -- we can't let that happen.
- An analysis from the Niskanen Center recently found that the CTC will enable $27.6 billion in new household spending, generate $1.9 billion in state & local sales tax revenue, support over half a million new jobs, and boost the economies of rural America in particular.

Parents are wasting the money (spending on alcohol, drugs, gambling, etc.)

- Data from the Census Household Pulse survey shows that families mostly spent their recent CTC payments on basic needs, including food, utilities, clothing, school supplies, paying down debt, and boosting savings.
- As the conservative-leaning Niskanen Center recently highlighted:
    - Recent research has instead shown that cash transfers tend to reduce household expenditures on alcohol and tobacco significantly.
    - First, the amount of money consumers spend on alcohol and tobacco does not necessarily increase with income. Instead, demand for temptation goods typically goes up when household incomes go down, as families experiencing financial hardship are more likely to spend money on alcohol and tobacco to relieve their stress.
        - *A single CTC payment reduced financial anxiety for 56% of families.*
    - In a meta-analysis of eleven studies that tracked transfer programs across eight countries, cash transfers were found to reduce spending on alcohol and tobacco on average, and the total budget spent on temptation goods across all households was a negligible 0.5%.

Handout (free money with no string attached, encourages people to stay home rather than work, etc.)

- As the Center on Budget and Policy Priorities (CBPP) notes: "While some have raised the concern that an expanded Child Tax Credit would discourage work, the evidence suggests that those arguments are overstated and misguided. The NAS (National Academy of Sciences, Engineering and Medicine) expert panel found that almost all employed people in low- and moderate-income families with children (99.5 percent) would continue to work after the implementation of a $3,000-per-child [tax credit]."
- Based on previous estimates, it is likely that less than 1.2% of CTC recipients have no earnings.
- While the overwhelming majority of households receiving CTC payments include a working parent, CBPP points out there are many reasons that people are not working: "In 2019, before the pandemic, 1 million parents listed attending school as their primary reason for not working some or all of the year and over 2 million listed illness or disability — not all of whom receive federal disability benefits.Others were in between jobs, taking care of a very young child, or caring for a family member who has an illness or disability."
- The CTC helps make our communities and the economy stronger by putting parents and kids on a solid financial footing to build a better future, which helps local economies, small businesses, and whole communities thrive.

- The CTC is helping families get back to work, complete job training, or get a better job by helping them cover child care costs.

Those most in need are not getting the payments

- Both the government and a wide array of advocacy organizations are engaged in efforts to enroll as many people as possible, including the lowest-income families. That includes outreach in their communities, outreach in the language they speak at home, and much more.
- Between July and August an additional 1.6 million children received payments, showing that outreach efforts are working.

The CTC only benefits *certain* people (racist stereotypes, welfare, etc.)

- More than 90% of families with children are eligible for this benefit.
- The CTC benefits families in every community in America. As an analysis from the Niskanen Center recently found, the CTC will boost the economies of rural America in particular.

Fraud (scams, etc.)

- There have been very limited instances of fraud and scams related to the CTC.
- CTC eligibility is based on your income and tax information, making it difficult to falsify eligibility or otherwise fraudulently claim payments.
- To protect against scams, the public should be alert to and wary of requests by phone, email, text, or social media to verify personal information.
- Families who have filed tax returns for 2019 or 2020, or have signed up to receive a stimulus check from the IRS do not need to take any additional action and will receive CTC payments automatically.
- Families who did not make enough to be required to file taxes in 2019 or 2020 can still receive these benefits by using the CTC Non-filer Sign-up Tool set up by the IRS.

Opting out (giving money back, etc.)

- For a small percentage of recipients, primarily families whose household circumstances have changed or whose incomes have risen significantly in the last year, there may be some tax implications, but for nearly all families with children, the CTC is providing much needed relief.
- For affected families, the IRS makes it easy to unenroll from payments through their website.