

# Women of Color Use Their Advance Child Tax Credit to Cover Food Costs

By Sarah Javaid and Jasmine Tucker

The COVID-19 pandemic has highlighted and compounded structural racial and gender inequities in the U.S. economy. Women were already more likely to experience economic insecurity before the pandemic ever started,<sup>1</sup> all the while racial and gender wage gaps compound the issue, making it harder for women to weather the economic crisis.<sup>2</sup> Bearing the brunt of pandemic-related job losses, women account for 56.1% of net job loss between February 2020 and August 2021.<sup>3</sup> They also make up the majority of those who have left the labor force since the pandemic began: over 1.6 million fewer women were in the labor force in August 2021 compared to February 2020.<sup>4</sup> As another school year begins where parents question the safety of their children, child care providers are still recovering while critical federal assistance and protections expire. Many women continue to face impossible scenarios about balancing paid work and caregiving,<sup>5</sup> having a roof over their heads,<sup>6</sup> and feeding their families. New data shows women of color use their advance Child Tax Credit payments to pay for necessities, like food, child care, rent, or mortgage – and to pay down debt.

This factsheet provides an analysis of week 34 (July 21, 2021 – August 2, 2021) of the U.S. Census Bureau Household Pulse Survey measuring the social and economic impact of COVID-19 on households.<sup>7</sup> It shows:

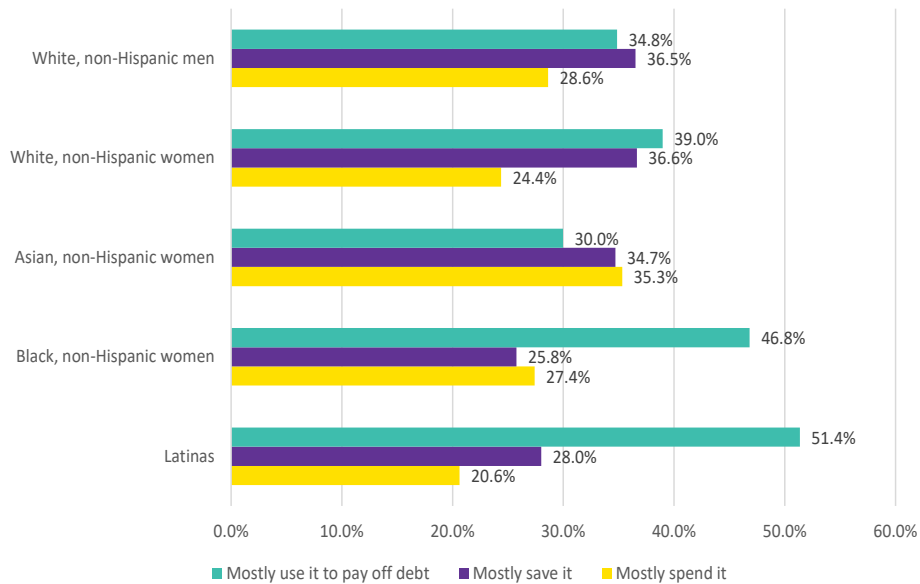
- Asian, non-Hispanic women, Black, non-Hispanic women, and Latinas were more likely than white, non-Hispanic men or women to be in households that received an advance Child Tax Credit payment.
- Black, non-Hispanic women and Latinas were more likely than white, non-Hispanic men or women to be in households facing food insufficiency.
- Asian, non-Hispanic women, Black, non-Hispanic women, and Latinas were more likely than white, non-Hispanic men or women to be in households that have lost employment income in the last four weeks.
- Black, non-Hispanic women and Latinas were more likely than white, non-Hispanic men or women to be behind on their rent and mortgage payments.<sup>8</sup>
- Among those in households with children under 12, Asian, non-Hispanic women, Black, non-Hispanic women, and Latinas were more likely than white, non-Hispanic men to report that children in the household did not have child care in the last four weeks.<sup>9</sup>

## Over half of Latinas and nearly half of Black, non-Hispanic women mostly used their advance Child Tax Credit payment to pay down debt.

The first advance Child Tax Credit payments enacted by the American Rescue Plan Act were issued on July 15. Women (24.5%) were more likely than men (19.5%) to report being in households that received advance payments of the Child Tax Credit in July. About one in three Latinas (33.4%), over three in ten Black, non-Hispanic women (31.9%), and more than a quarter of Asian, non-Hispanic women (26.1%) reported that their household received an advance payment, compared to 17.8% of white, non-Hispanic men and 20.7% of white, non-Hispanic women.

In 2019, almost 40 percent of households lacked enough cash to cover a \$400 emergency expense,<sup>10</sup> meaning that many families had little or no financial cushion when the pandemic hit. Of those who were in households that received advance payments, 27.2% spent most of the payment, 32.4% saved most of their payment, and 40.3% used them mostly to pay down debt. However, there are stark disparities in how groups by race and gender used their payments. Of those who received advance payments, more than half of Latinas (51.4%) and nearly half of Black, non-Hispanic women (46.8%) mostly used their payments to pay off debt. Meanwhile, more white, non-Hispanic men mostly saved their advance payment than to used it to pay down debt or to spend it.

Share Who Mostly Spent, Saved, or Used on Debt Their Advance Child Tax Credit by Selected Demographics (July 21 - August 2)



Source: NWLC calculations based on U.S. Census Bureau, 2020-2021 Household Pulse Survey, using data from week 34 (July 21 – August 2). Survey respondents self-identified as male, female, transgender, or none and self-identified their race and whether they were of Hispanic, Latino, or Spanish origin.

## Over six in ten Asian, non-Hispanic women, nearly six in ten Latinas, and over half of Black, non-Hispanic women used some of their Child Tax Credit to buy food.

More than six in ten Asian, non-Hispanic women (61.7%), nearly six in ten Latinas (59.0%), and over half of Black, non-Hispanic women (51.1%) used some of their Child Tax Credit payment to purchase food, compared to 32.1% of white, non-Hispanic men and 41.6% white, non-Hispanic women. More Black, non-Hispanic women (26.1%) and Latinas (29.6%) used their Child Tax Credit to pay rent than white, non-Hispanic men (5.4%) or women (8.8%).

## How Those Who Received an Advance Child Tax Credit Spent Their Payment by Selected Demographics and Selected Options (July 21 - August 2)

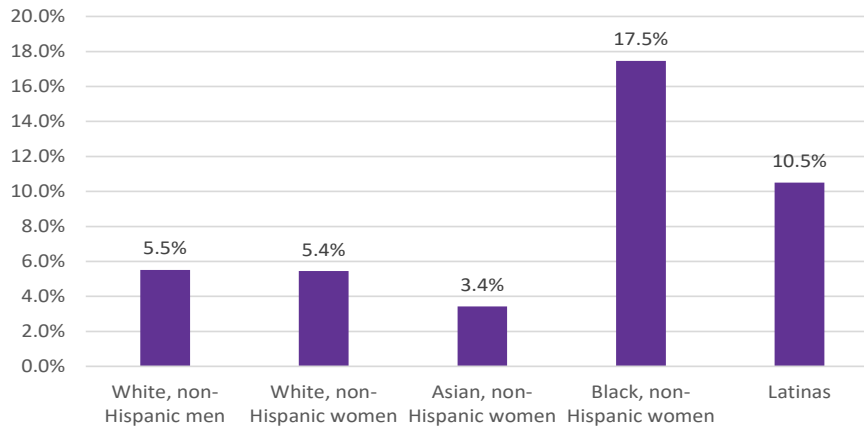
	FOOD	CHILD CARE	RENT	MORTGAGE
<b>White, non-Hispanic men</b>	32.1%	7.8%	5.4%	10.5%
<b>White, non-Hispanic women</b>	41.6%	9.3%	8.8%	12.8%
<b>Asian, non-Hispanic women</b>	61.7%	10.1%	9.4%	12.4%
<b>Black, non-Hispanic women</b>	51.1%	11.9%	26.1%	6.9%
<b>Latinas</b>	59.0%	9.4%	29.6%	9.9%

Source: NWLC calculations based on U.S. Census Bureau, 2020-2021 Household Pulse Survey, using data from week 34 (July 21 – August 2). Survey respondents self-identified as male, female, transgender, or none and self-identified their race and whether they were of Hispanic, Latino, or Spanish origin.

### More than one in six Black, non-Hispanic women and Latinas did not have enough to eat.

In July 2021, over 8.6 million women (7.9% of women overall) reported sometimes or often not having enough food to eat in the prior seven days. More than one in six Black, non-Hispanic women (17.5%) and over one in ten Latinas (10.5%) reported not having enough food in the past week, compared to 5.5% of white, non-Hispanic men and 5.4% of white, non-Hispanic women.

Share Who Reported Experiencing Food Insufficiency in the Previous Seven Days by Selected Demographics (July 21 - August 2)

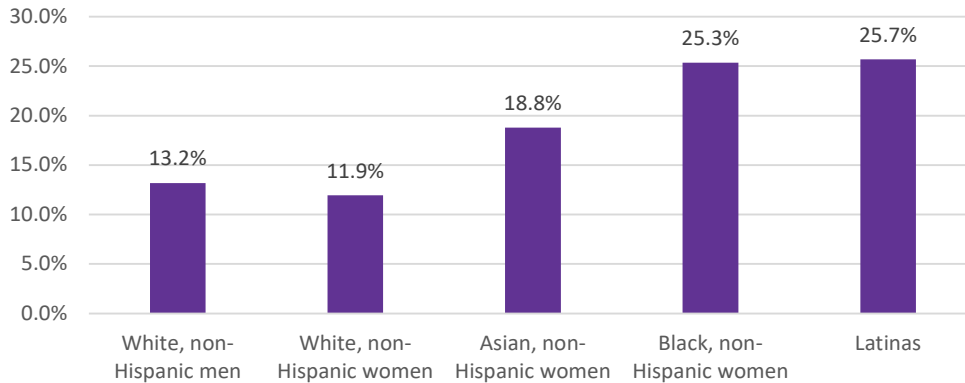


Source: NWLC calculations based on U.S. Census Bureau, 2020-2021 Household Pulse Survey, using data from week 26 (May 12 – 24). Survey respondents self-identified their sex as either male or female and self-identified their race and whether they were of Hispanic, Latino, or Spanish origin.

## More than one in four Latinas and Black, non-Hispanic women were in households that lost employment income in the last month.

Nearly 20.4 million women (16.8% of women overall) reported that their household had lost employment income in the last four weeks. Over one in four Latinas (25.7%) and Black, non-Hispanic women (25.3%), and over one in six Asian, non-Hispanic women (18.8%) reported lost household income in the past month, compared to 13.2% of white, non-Hispanic men and 11.9% of white, non-Hispanic women.

Share Who Reported Loss of Employment Income in Last Four Weeks by Selected Demographics (July 21 - August 2)



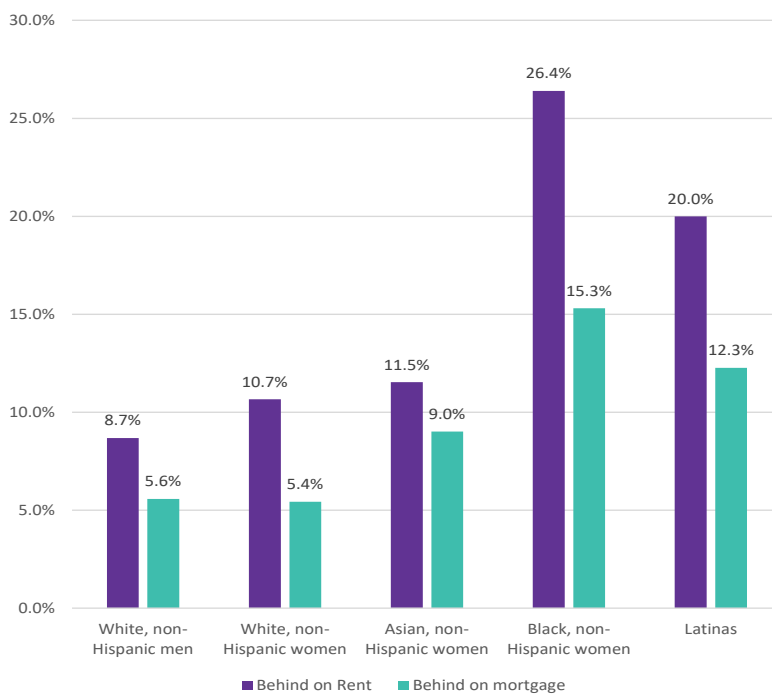
Source: NWLC calculations based on U.S. Census Bureau, 2020-2021 Household Pulse Survey, using data from week 34 (July 21 – August 2). Survey respondents self-identified as male, female, transgender, or none and self-identified their race and whether they were of Hispanic, Latino, or Spanish origin.

## More than one in four Black, non-Hispanic women and one in five Latinas were behind on rent.

More than 4.4 million women (16.1% of women who rent) reported being behind on their rent payment in July 2021. Among renters, more than one in four Black, non-Hispanic women (26.4%), one in five Latinas (20.0%), and more than one in nine Asian, non-Hispanic women (11.5%), reported being behind on their rent. By comparison, only 8.7% of white, non-Hispanic men and 10.7% of white, non-Hispanic women reported being behind on rent payments.

More than 3.3 million women (7.5% of women with mortgages) reported being behind on their mortgage payment in July 2021. Among homeowners with mortgages, more than one in seven Black, non-Hispanic women (15.3%), nearly one in eight Latinas (12.3%), and about one in eleven Asian, non-Hispanic women (9.0%) reported being behind on mortgage payments. By comparison, about one in nineteen white, non-Hispanic men (5.6%) and non-Hispanic women (5.4%) reported being behind on their mortgages.

Share Who Reported Being Behind on Rent or Mortgage Payments by Selected Demographics (July 21 - August 2)



Source: NWLC calculations based on U.S. Census Bureau, 2020-2021 Household Pulse Survey, using data from week 34 (July 21 – August 2). Survey respondents self-identified as male, female, transgender, or none and self-identified their race and whether they were of Hispanic, Latino, or Spanish origin.

## More than one in three Black, non-Hispanic women and nearly three in ten Latinas reported being in households that did not have child care for children under 12.

Data shows the U.S. economy has had seven straight months of job growth.<sup>11</sup> One continuing challenge for parents of young children in the pandemic has been and will likely continue to be the lack of predictable child care. Just under one in four (24.3%) people in households with children under 12 years old reported that, at some point in the last four weeks, children in their household were unable to attend child care because of the pandemic.<sup>12</sup> More than one in three Black, non-Hispanic women (33.8%), nearly three in ten Latinas (29.5%), and more than one in four Asian, non-Hispanic women (25.4%) in households with children under 12 reported not having child care in the past month due to the pandemic, compared to 15.1% of white, non-Hispanic men.

## Data shows need for continued relief for women and their families.

A year and a half into the COVID-19 pandemic, millions of workers are still without a job, many are without a job that pays a living wage, and still others have left the labor force entirely. Despite recent signs of economic recovery and the welcome respite provided by the American Rescue Plan Act enacted in March 2021, many women and their families still struggle. It is clear that more needs to be done to ensure an equitable recovery, including robust investments in our child care infrastructure; making permanent improvements to refundable tax credits, like the Child Tax Credit; long-term rental assistance so families do not spend a high portion of their income on rent; and improved child nutrition programs to counter widespread food insufficiency. We will continue tracking this data as agencies implement COVID-19 relief to make sure the recovery works for everyone – including the millions of women facing economic, housing, and food insecurity.

- 1 Jasmine Tucker and Julie Vogtman, "When Hard Work is Not Enough: Women in Low Paid Jobs" (National Women's Law Center, April 2020), [https://nwlc.org/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report\\_pp04-FINAL-4.2.pdf](https://nwlc.org/wp-content/uploads/2020/04/Women-in-Low-Paid-Jobs-report_pp04-FINAL-4.2.pdf).
- 2 Jasmine Tucker, "The Wage Gap Has Robbed Women of Their Ability to Weather COVID-19" (National Women's Law Center, March 2021), <https://nwlc.org/resources/the-wage-gap-has-robbed-women-of-their-ability-to-weather-covid-19/>.
- 3 NWLC calculations using Bureau of Labor Statistics (BLS), historical data for Establishment Data Table B-1: Employees on nonfarm payrolls by industry sector and selected industry detail, available at <https://www.bls.gov/webapps/legacy/cesbtb1.htm> and historical data for Establishment data Table B-5: Employment of women on nonfarm payrolls by industry sector, seasonally adjusted, <https://www.bls.gov/webapps/legacy/cesbtb5.htm>.
- 4 Jasmine Tucker, "At August's Rate, It Will Take Women 9 Years to Regain The Jobs They Lost in The Pandemic," (National Women's Law Center, Aug. 2021), <https://nwlc.org/resources/at-augusts-rate-it-will-take-women-9-years-to-regain-the-jobs-they-lost-in-the-pandemic/>.
- 5 Claire Ewing-Nelson, "Four Times More Women Than Men Dropped Out of the Labor Force in September" (National Women's Law Center, Oct. 2020), <https://nwlc.org/resources/four-times-more-women-than-men-dropped-out-of-the-labor-force-in-september/>.
- 6 Kay O'Donnell, "Evictions to Hit 750,000 Households, Goldman Says," Politico, Aug. 30, 2021, <https://www.politico.com/news/2021/08/30/evictions-to-hit-750-000-households-goldman-says-507575>.
- 7 U.S. Census Bureau, "Measuring Household Experiences During the Coronavirus (COVID-19) Pandemic, 2020-2021 Household Pulse Survey," Census.gov, accessed June 21, 2021, <https://www.census.gov/data/experimental-data-products/household-pulse-survey.html>. The U.S. Census Bureau completed phase 1 of the Household Pulse Survey on July 31, 2020. Phase 2 of the Household Pulse Survey began on August 19. Phase 3 began on October 28. Phase 3.1 began on April 14. Phase 3.2 began on July 21. However, the questionnaire in phases 2, 3, 3.1, and 3.2 are different and longer than in phase 1. Some questions are phrased differently compared to previous phases, and questions have been asked in different orders. There are also higher nonresponse rates to questions in phase 2, 3, 3.1, and 3.2 compared to phase 1. Previous NWLC analyses of the Pulse Survey are available at <https://nwlc.org/resources/nwlc-analysis-of-u-s-census-bureau-covid-19-household-pulse-surveys/>. "Weeks" is the term used by the Census Bureau to define separate data collections in all phases, but "weeks" may be shorter or longer than a 7-day period. Refer to each data collection for more information.
- 8 Due to overlapping margins of error, Asian, non-Hispanic women were not necessarily more likely than white, non-Hispanic men and/or white, non-Hispanic women to be in households that are behind on rent or mortgage payments.
- 9 Previous versions of the Household Pulse Survey asked respondents whether they were male or female. Version 3.2 asked respondents whether they were male, female, transgender, or none of these. This likely raised confusion among respondents and means gender data in version 3.2 are not comparable to data in prior weeks.
- 10 Board of Governors of the Fed. Reserve Sys., Report on the Economic Well-Being of U.S. Households in 2019 (May 2020), <https://www.federalreserve.gov/publications/2020-economic-well-being-of-us-households-in-2019-dealing-with-unexpected-expenses.htm>.
- 11 NWLC calculations using Bureau of Labor Statistics (BLS), historical data for Establishment Data Table B-1: Employees on nonfarm payrolls by industry sector and selected industry detail, available at <https://www.bls.gov/webapps/legacy/cesbtb1.htm>.
- 12 The Household Pulse Survey asked respondents with children under 12 whether children in the household were not attending child care due to child care being closed, unavailable, unaffordable, or because parents were concerned about the child's safety.