

## KEY FACTS ON CHILD TAX CREDIT RECEIPT IN DETROIT

FOR IMMEDIATE RELEASE - Jan. 31, 2022

Today Detroit Mayor Mike Duggan, joined by Accounting Aid Society, United Way for Southeastern Michigan, Wayne Metropolitan Community Action Agency, University of Michigan's Poverty Solutions, and Community Development Advocates of Detroit, kicked off the 2022 income tax season and outlined efforts to urge residents to claim their tax credits.

This report draws on data from the University of Michigan's Detroit Metro Area Communities Study (DMACS) to look at tax filing patterns, awareness of the Child Tax Credit (CTC), and receipt of the Child Tax Credit among Detroit residents who are estimated to be eligible for the Child Tax Credit. These are residents who are: 1) the custodial parent or guardian of someone younger than 18, and 2) living in a household that earns \$100,000 or less in annual income. More families are likely eligible for the Child Tax Credit, but these data offer insight into who the Child Tax Credit is reaching among many eligible Detroit residents.

- **About 83% of Detroiters estimated to be eligible for the Child Tax Credit have already received it or expect to receive it soon.** Among these households, 72% have received monthly Child Tax Credits payments and an additional 11% expect to receive payments sometime in the future.
  - **Many residents estimated to be CTC-eligible did not believe they were eligible.** More than 1 in 10 (11%) Detroit residents estimated to be eligible for the Child Tax Credit reported that they did not believe their family was eligible for CTC payments. While this may be due to a variety of circumstances (including arrangements in which one parent decides the other parent will claim the Child Tax Credit), many parents may falsely believe they are not eligible.
  - **Black parents (12%) estimated to be eligible for the Child Tax Credit were particularly likely to report they did not think they were eligible.** This compares to 2% of White Detroiters and 3% of Latino Detroiters who were estimated to be eligible for CTC payments.
  - **Among Detroit residents estimated to be eligible for the Child Tax Credit, 5% said they did not know why they did not receive the credit.**

- **Child Tax Credit outreach has been strong.** Ninety-three percent of Detroiters estimated to be eligible for the Child Tax Credit said they were aware of it.
  - **More outreach is needed to reach parents and guardians with lower educational attainment.** Among Detroiters estimated to be CTC-eligible, those with less than a high school diploma/GED were least likely to be aware of the tax credit (85%). Among Detroit residents estimated to be CTC-eligible with a high school degree, 93% were aware of the Child Tax Credit. Nearly all Detroit residents who had some college education or more and were estimated to be CTC-eligible (98%) were aware of the Child Tax Credit.
  - **Additional outreach is also needed to reach parents who speak languages other than English at home.** Among Detroiters estimated to be CTC-eligible, 95% of those who spoke English at home were aware of the CTC. In comparison, only 87% of households that speak languages other than English at home were aware.
  
- **About 8 out of 10 CTC-eligible Detroiters filed their 2020 taxes.** Seventy-nine percent of CTC-eligible Detroiters said they filed taxes in 2020, compared to 70% of the general Detroit population. This suggests tax credits may be serving as an incentive to file taxes.

[DMACS](#) has been surveying representative samples of Detroit households since 2016. This latest wave of the survey was open from Nov. 3 to Dec. 15, 2021, and captures the views of 1,900 residents. To represent the views of the city as a whole, survey responses are weighted to match Detroit's population demographics.

For more information, contact Mara Ostfeld at [mostfeld@umich.edu](mailto:mostfeld@umich.edu).