



## Estimates of Advance Child Tax Credit Distribution by Congressional District, Alabama

### National Data

In November, as part of the fifth round of advanced Child Tax Credit (CTC) payments, the Treasury Department [distributed](#) nearly \$16 billion to the families of over 61 million children. The average payment amount was \$435. In just five months, the Treasury Department has delivered \$77 billion to families across the country.

The expanded CTC, included in the American Rescue Plan, is one of the largest-ever single-year tax cuts for families with children. It puts money in the pockets of low- and middle-income families in real time to pay for household expenses like food, rent, utilities and child care. Research has found that increasing families' incomes when children are young has benefits not just in the immediate term, but also in the future in the form of [increased earnings](#) when children grow up.

### State Data

In Alabama, 935,000 children qualified for advance CTC payments in November, according to [data](#) from the Treasury Department. Households in the state received 563,000 payments, totaling \$243.5 million. The average payment per household was \$433.

### Congressional District Data

The table below shows the Joint Economic Committee's estimates of the number of qualifying children, total number of payments, and total payment amount by congressional district in Alabama in November 2021.

District	Number of Qualifying Children	Total Number of Payments	Total Payment Amount (In Millions)
01	138,000	78,000	\$35.8
02	132,000	78,000	\$34.5
03	136,000	84,000	\$35.5
04	138,000	80,000	\$35.9
05	137,000	84,000	\$35.7
06	131,000	84,000	\$34.2
07	123,000	76,000	\$32.0

District	Number of Qualifying Children	Total Number of Payments	Total Payment Amount (In Millions)
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Note: Congressional district estimates are apportioned from state-level Treasury data using 2020 ACS and IRS SOI data and rounded.

## Impact of Advance CTC Payments

- The expanded CTC is expected to reduce childhood poverty by [over 40%](#), lifting nearly 4 million children out of poverty. [More than 80%](#) of that poverty reduction comes from making the credit fully refundable for families with little or no income.
- Advance CTC payments have provided an immediate boost to family finances. They have precipitated [significant declines](#) in the share of households with children reporting financial hardship and food insufficiency.
- Families are using the advance CTC payments to meet the needs of their household in real time. According to the latest Census Bureau data, 56% of families spent their CTC payment on food, 33% spent it on internet and other utilities, 30% spent it on mortgage/rent, 30% spent it on clothing and 11% spent it on child care.
- Over the long term, research has found that an extra \$3,000 in a family's annual income when a child is younger than five leads to [19% higher future earnings](#), and a growing body of academic research finds that public investments in children yield significant long-term returns with economy-wide benefits, as healthier, more-educated kids grow up to be more productive workers with higher earnings. This, in turn, also generates higher future revenues.