The situation is urgent. Since 2021, the ALICE Essentials Index shows 18% inflation in the cost of household basics. This blow is combined with the loss of pandemic-era federal benefits that supported ALICE families.

- A 100% refundable credit means that families who do not have a tax liability would receive the full value of the credit.
- Eligibility: up to $100,000 annual income for a single filer, $200,000 for joint filers.
- Estimated cost of a child tax credit of $600 per child up to three children: $300 million per year (*individual family benefits and total policy cost depend on income phaseout schedule*).

A permanent CT CTC of $600/child would provide dependable, flexible income to approximately 250,000 CT households and 350,000+ children.

- A permanent CTC fills a critical gap for working families to ease the financial burden of raising children.
- A permanent CTC gives families what they need: flexible income to meet their most pressing needs, including child care, rent, food, transportation and medical expenses.
- For every CTC dollar CT residents earn, they return $1.38 to the economy, supporting their families, local economies and communities.
Creating a state CTC would bring CT tax policy in line with the vast majority of states AND help offset the cost of raising children.

Connecticut is the only high-cost-of-living state with a broad-based personal income tax that does not adjust for the number of children or child care expenses.

Connecticut United Way’s 2023 ALICE Report is a data-driven, comprehensive research report that provides a look at financial hardship for households across Connecticut that are ALICE – Asset Limited, Income Constrained, Employed.

The report shows that the total number of households living paycheck to paycheck or falling behind rose by 11% between 2019 and 2021.

The ALICE Essentials Index, which measures change over time in the cost of household essentials, projects an 18.2% increase statewide in basic costs from 2021 to 2023.

For the average Connecticut household, depending on available tax credits, basic costs could be as high as $39,000 annually for a single adult and $126,000 for a family with two adults and two young children.

If you have questions or would like to discuss this policy agenda, please contact: Amy Casavina Hall | United Way of Connecticut | (860) 541-5828 or Amy.CasavinaHall@ctunitedway.org