

Small Business Survey: Child Tax Credit Boosts Consumer Spending





Key Findings

A man and a woman, both wearing blue and white striped aprons, are seated at a wooden table. The man is holding a tablet and pointing at the screen, while the woman looks on. There are papers and a small white cup on the table. The background is slightly blurred, showing what appears to be a kitchen or office setting.

Small Business Owners: Child Tax Credit is Good for Businesses & Employees

On July 15, 2021, the Treasury Department began making advance payments on the expanded Child Tax Credit of up to \$300 a month per child to most families with children. This national survey of 1,259 of small business owners, fielded between September 17-27, asked small business owners about the impacts the expanded CTC payments have had on their businesses.

Small Business Owners: Child Tax Credit Benefits Both Businesses and Employees

The survey results show small business owners are familiar with and support the enhanced Child Tax Credit (CTC) payments and believe the payments increase consumer spending that helps Main Street Businesses.

- 60% of small business owners surveyed say they know someone who has received CTC payments, whether it be a family member, friend, employee, or other personal or professional acquaintance. **Nearly one in four** small business owners (23%) say they have received a CTC payment themselves.
- 61% of small business owners surveyed support the expanded child tax credit
- 64% say the expanded CTC payments put money into the pockets of families, which allows them to spend more money in their communities and at small businesses
- 62% say the flexibility and predictability of monthly cash payments allows parents to increase expenditures on home- and family-based child care, which benefits small businesses that need workers with stable schedules

Small Business Owners: Child Tax Credit Benefits Both Businesses and Employees

Small business owners say the Child Tax Credits increase the spending power of families, which benefits small businesses, and they support legislation to extend the payments

- **77%** of small business owners surveyed say the CTC payments have been economically beneficial to those receiving them
- **59%** say that increasing the spending power of families through the expanded Child Tax Credit will benefit Main Street small businesses
- **52%** support passing legislation to extend the enhanced CTC payments, which are set to end in December
- **52%** say the expanded CTC payments make it easier for working parents to get back to work

Small Business Owners Responding to Survey Represent a Diversity of Views

Survey respondents represent a diversity of backgrounds and political viewpoints

- 22% are Black, African or African American; 8% are Hispanic or Latino; 6% are Asian American or Pacific Islander; 3% are multi-racial; and 2% are Native American
- More than **one in four** respondents is female
- 27% identify as Democrats, 25% as Republicans, 22% as independent, and 23% declined to say/don't know
 - Of those respondents who identify as independent, 32% said they most often vote Republican, 26% most often vote Democrat, and 42% said neither
- This is a geographically diverse survey, with respondents from across the country

A man with short dark hair, wearing a plaid shirt and a blue apron, is seated at a wooden workbench in a workshop. He is looking down at a silver laptop. The workshop is filled with various tools, including a blue vise, pencils, and a notebook on the table. The background shows more workbenches and tools, creating a busy, industrial atmosphere. The text "Survey Results" is overlaid in white on the man's chest.

Survey Results

Q1: Are you a small business owner?

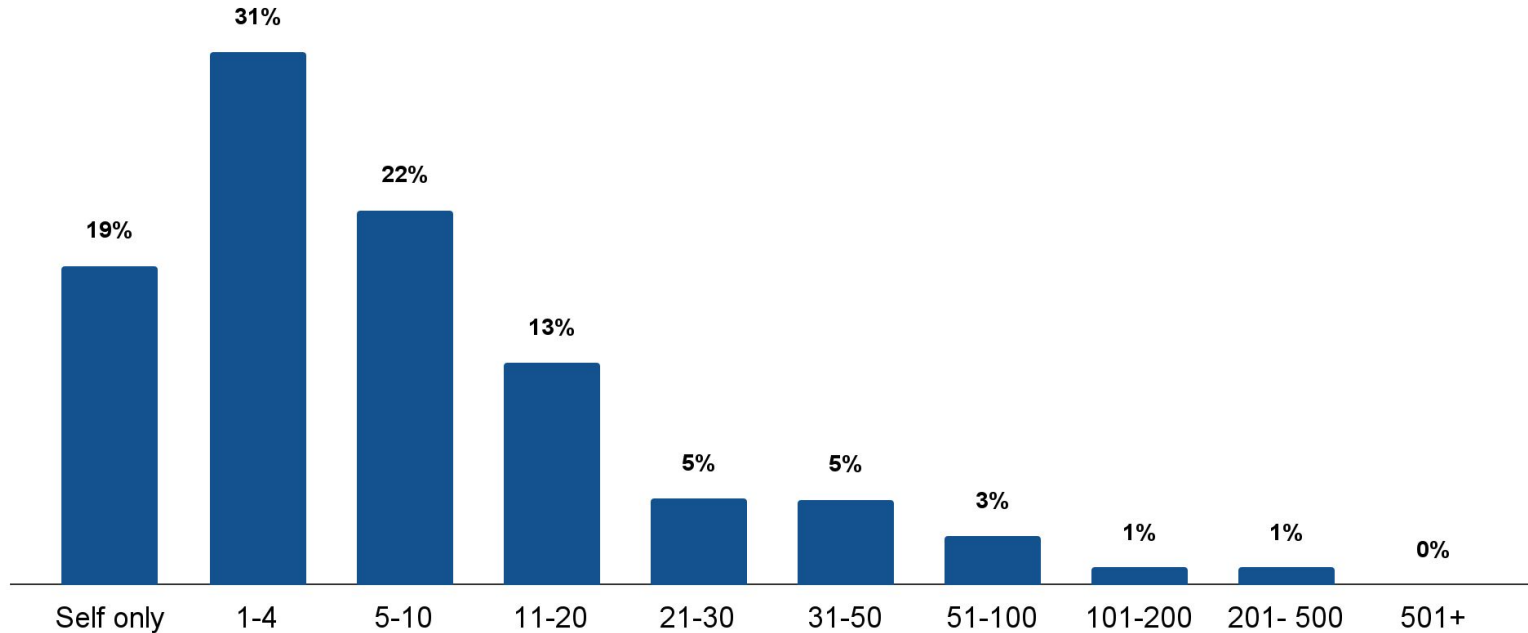
(n= 1,259)

● Yes



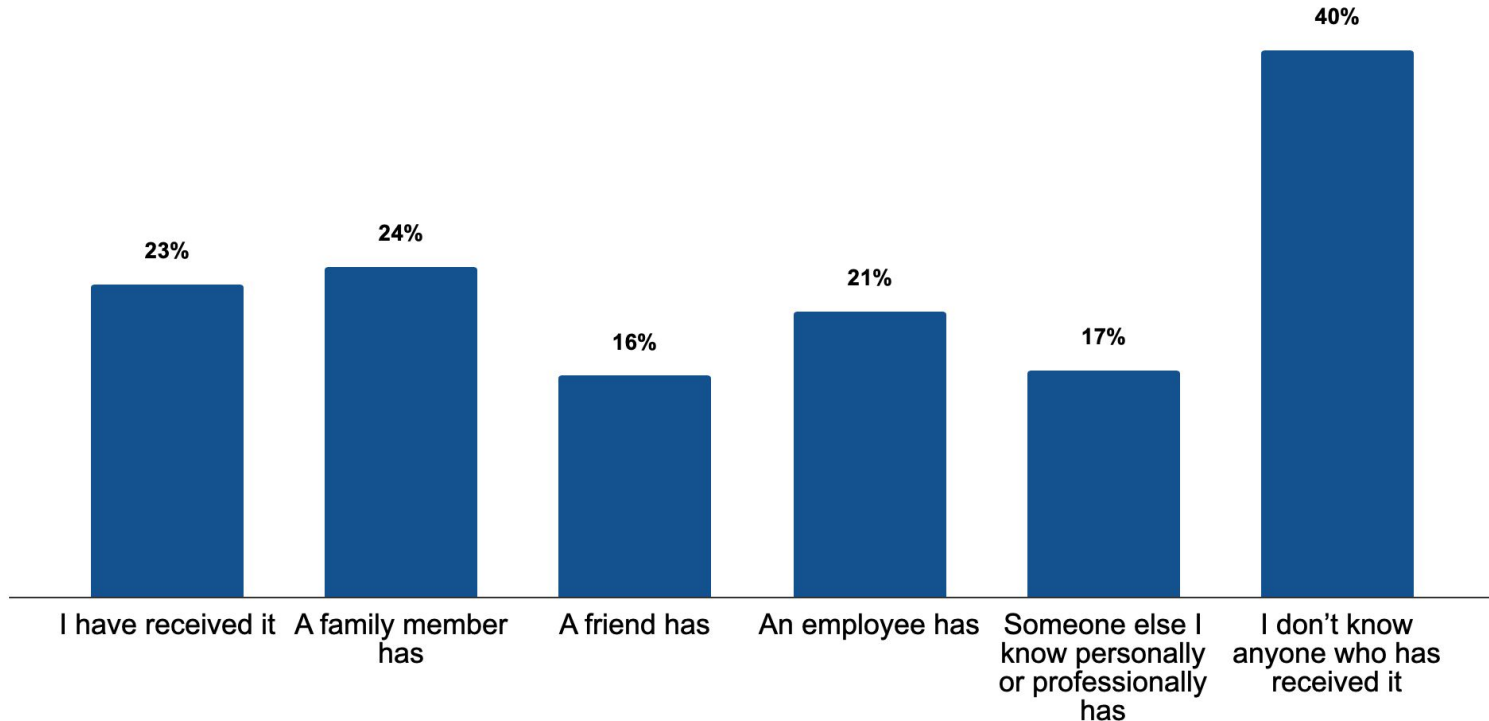
Q2: Not including yourself, how many employees do you have?

(n= 1,259)



Q3: Do you know anyone who has received the Child Tax Credit payments? (check all that apply)

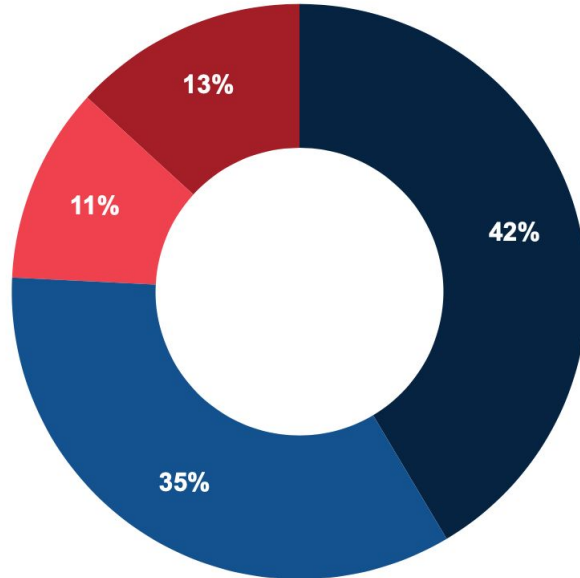
(n= 1,259)



Q4: How beneficial economically would you say the additional payments have been to the people receiving them?

(n= 761)

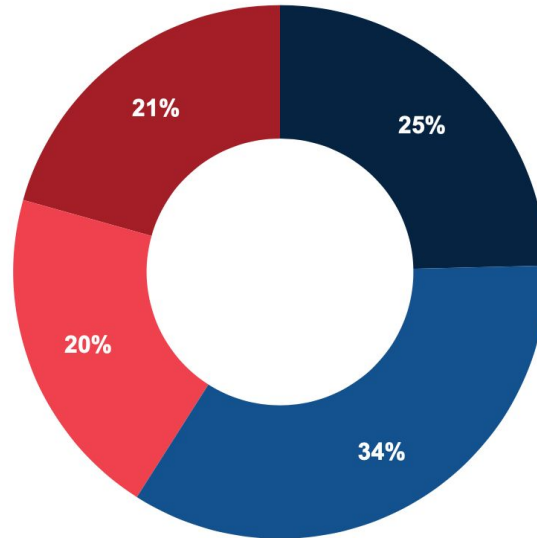
● Very beneficial ● Somewhat beneficial ● Somewhat unhelpful ● Hasn't helped at all



Q5: A recent financial study by the Niskanen Center estimates the Child Tax Credit expansion will boost national consumer spending by \$27 billion in 12 months, with rural areas seeing a particular benefit. Do you think that increasing the spending power of families through expanded Child Tax Credit will benefit Main Street small businesses?

(n= 1,259)

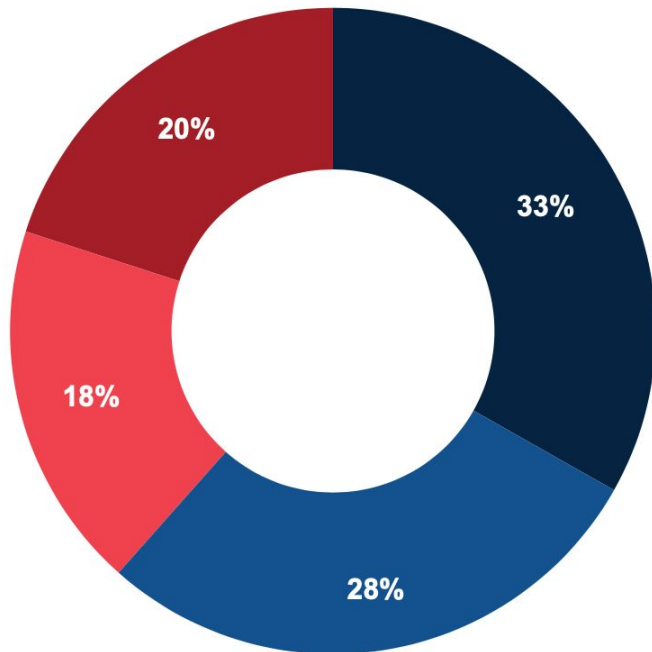
● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree



Q6: Do you support or oppose the expanded child tax credit?

(n= 1,259)

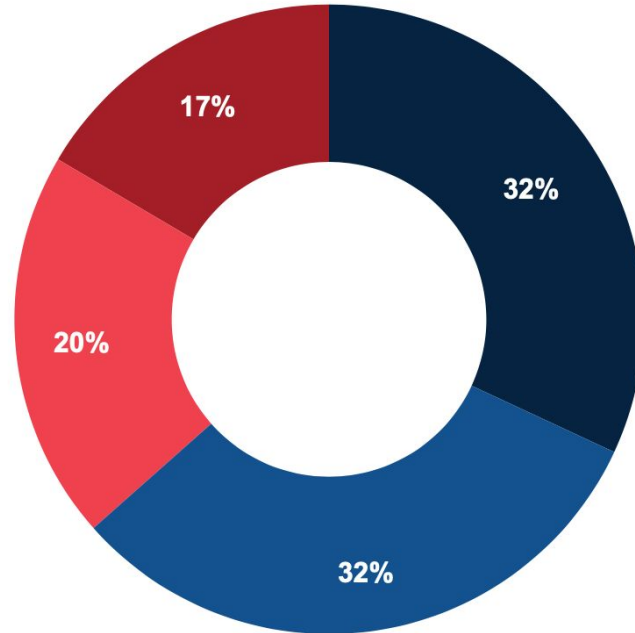
● Strongly support ● Somewhat support ● Somewhat oppose ● Strongly oppose



Q7: Do you agree or disagree with the following statement: The expanded Child Tax Credit puts money into the pockets of families, which allows them to spend more money in their communities and at small businesses?

(n= 1,259)

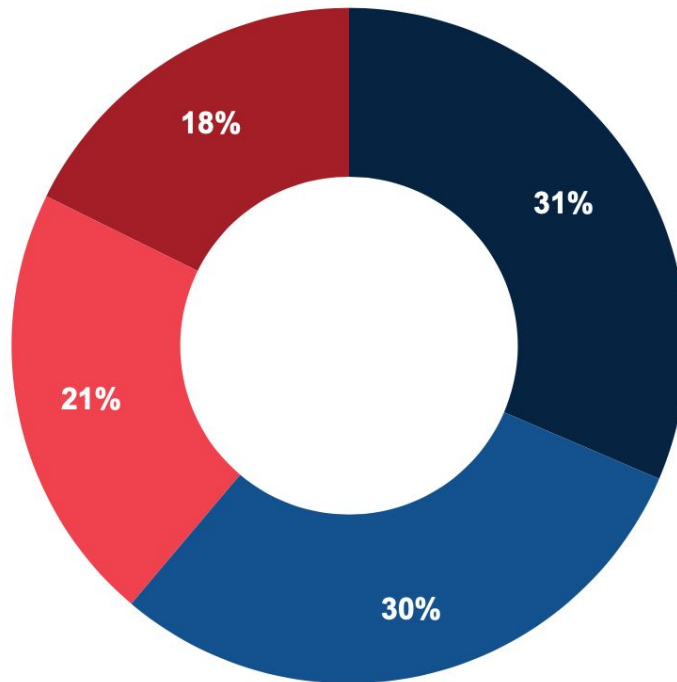
● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree



Q8: This is a benefit American families receive that makes their family stronger and better able to contribute to our economy

(n= 1,259)

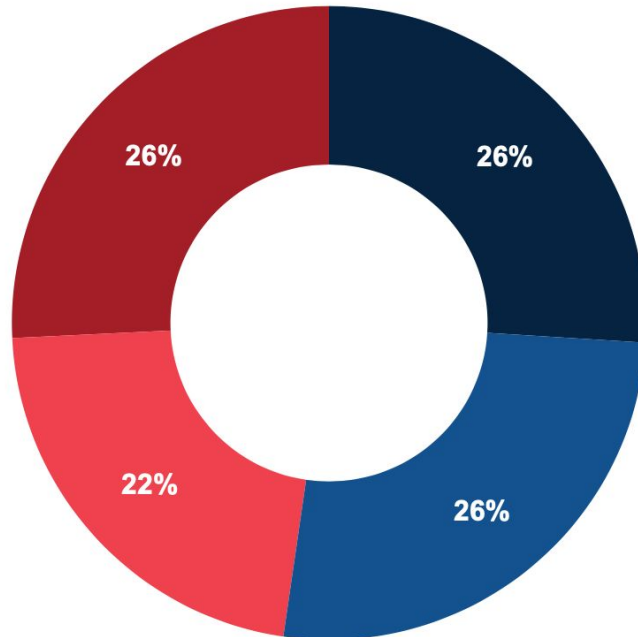
● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree



Q9: The expanded Child Tax Credit makes it easier for working parents to get back to work

(n= 1,258)

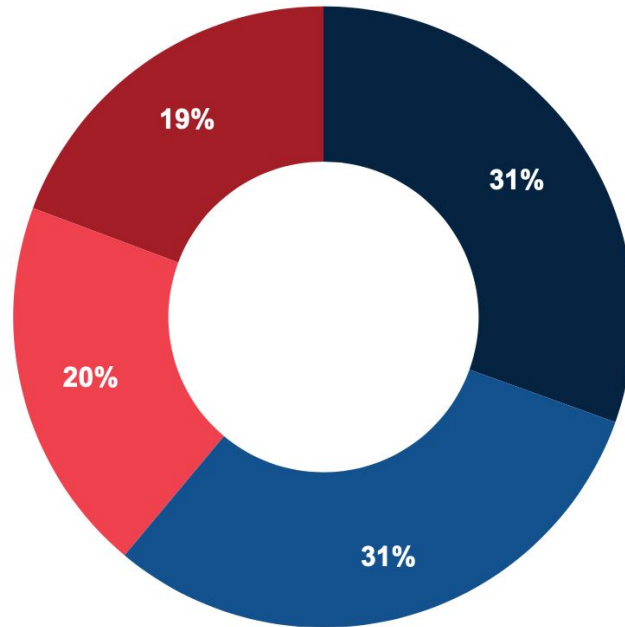
● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree



Q10: The flexibility and predictability of monthly cash payments allows parents to increase expenditures on home- and family-based child care, which benefits small businesses that need workers with stable schedules

(n= 1,259)

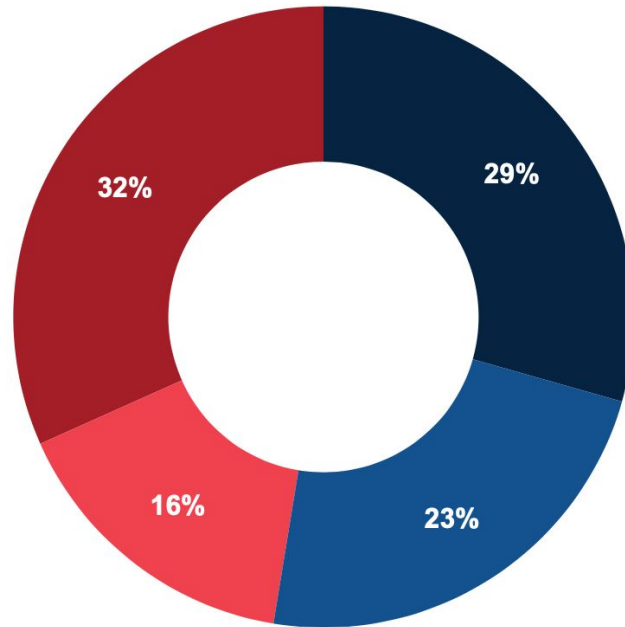
● Strongly agree ● Somewhat agree ● Somewhat disagree ● Strongly disagree



Q11: The expanded Child Tax Credit monthly cash payments will end in December. Do you support or oppose lawmakers passing legislation to extend the Child Tax Credit?

(n= 1,259)

● Strongly support ● Somewhat support ● Somewhat oppose ● Strongly oppose

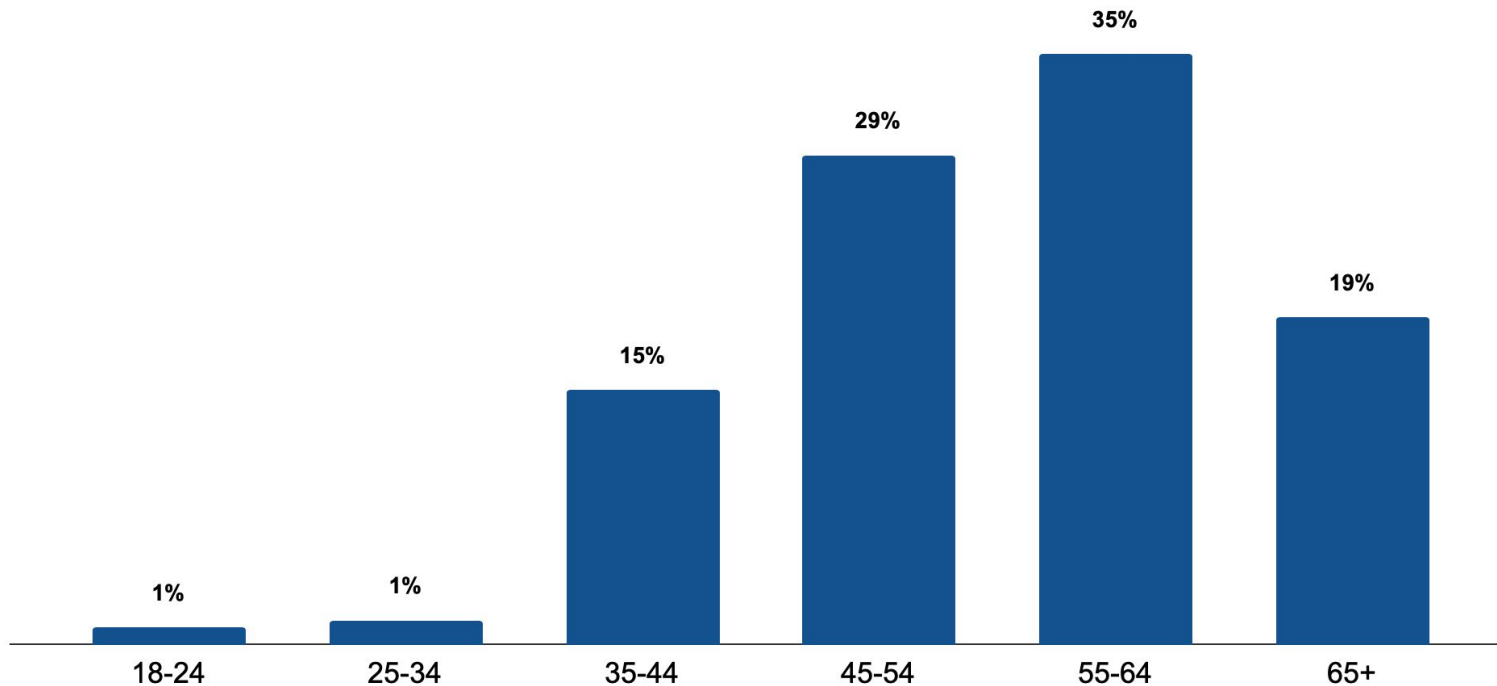


An aerial, high-angle photograph of a wide, paved pedestrian walkway. The ground is composed of large, light-colored rectangular tiles. Several people are walking in various directions, some in groups and some alone. The overall scene is captured in a cool, blue-toned color palette. The text 'Demographic Data' is overlaid in the center in a white, sans-serif font.

Demographic Data

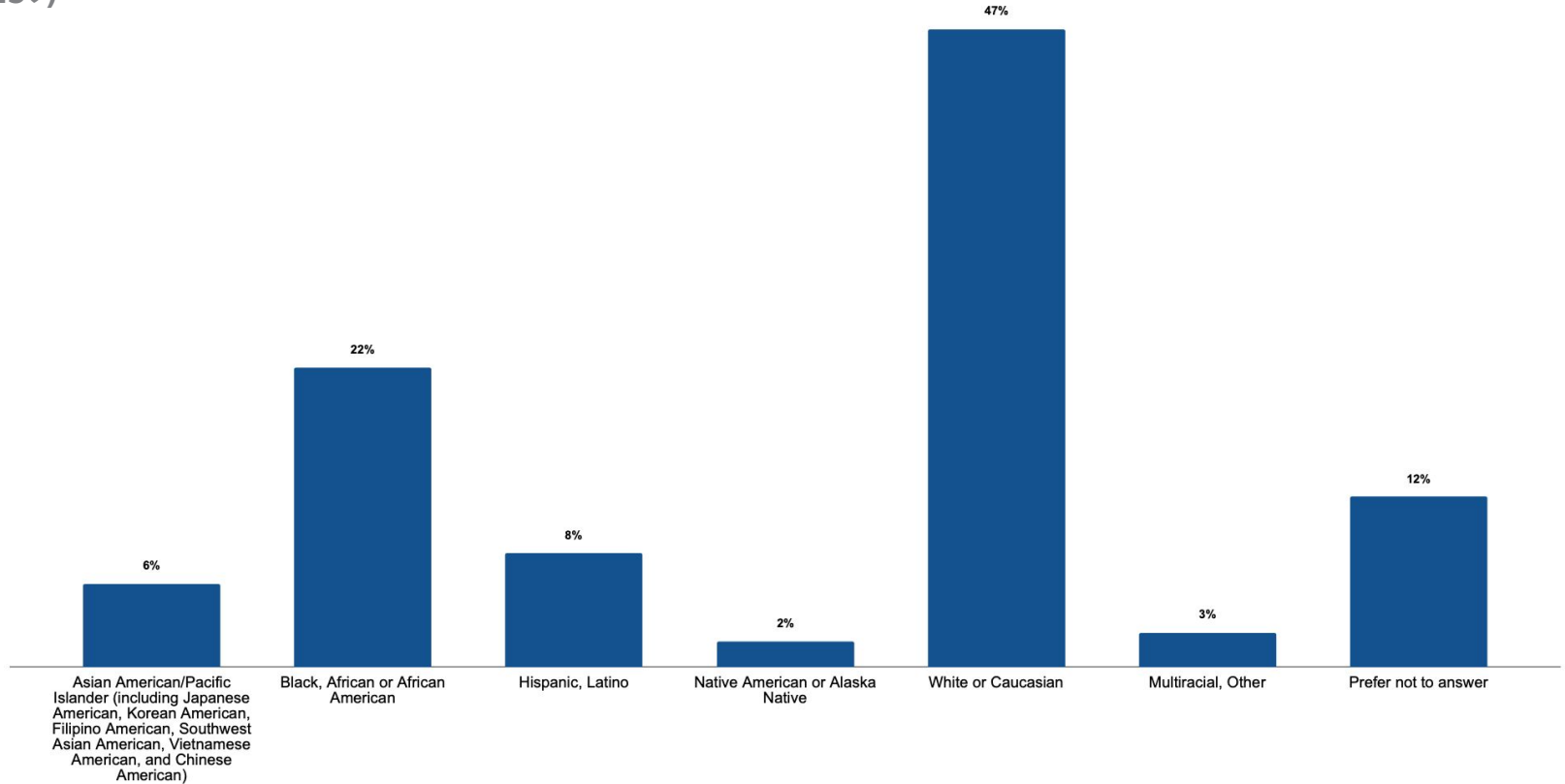
Q12: What is your age?

(n= 1,259)



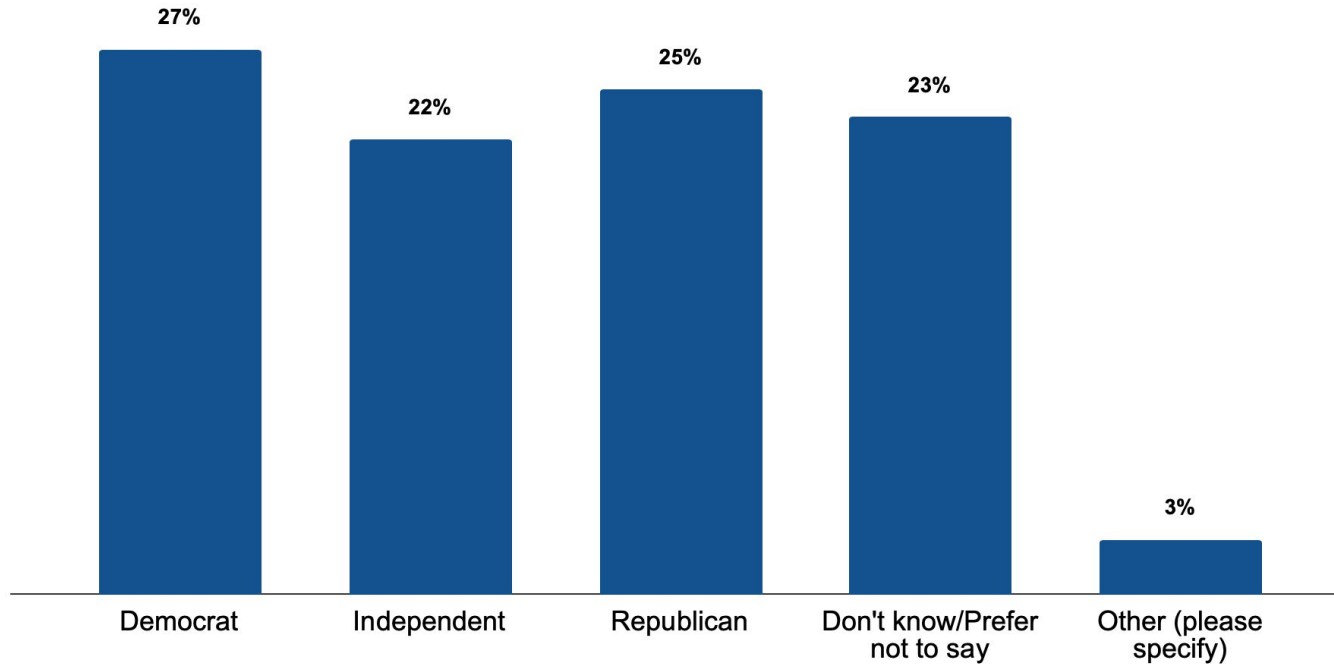
Q13: How do you identify yourself?

(n= 1,259)



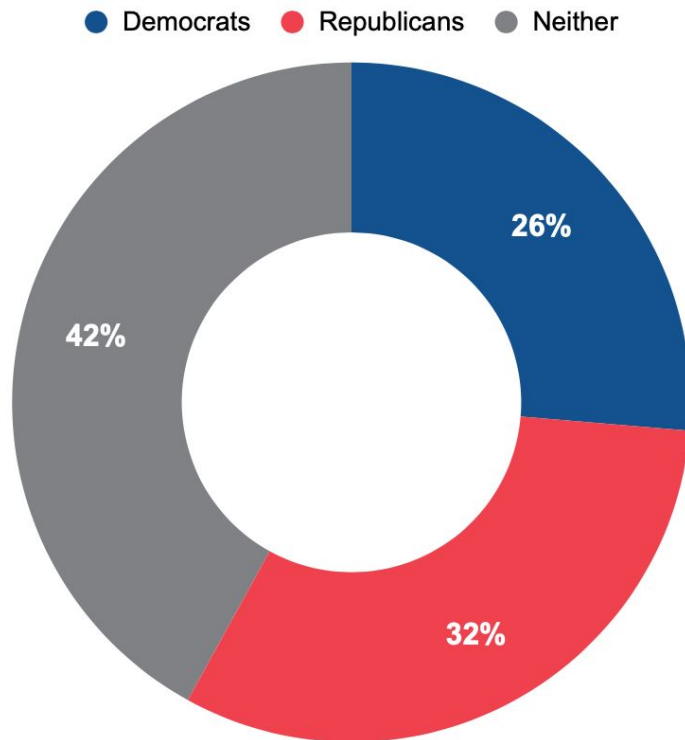
Q14: Which best represents how you typically vote in elections?

(n= 1,259)



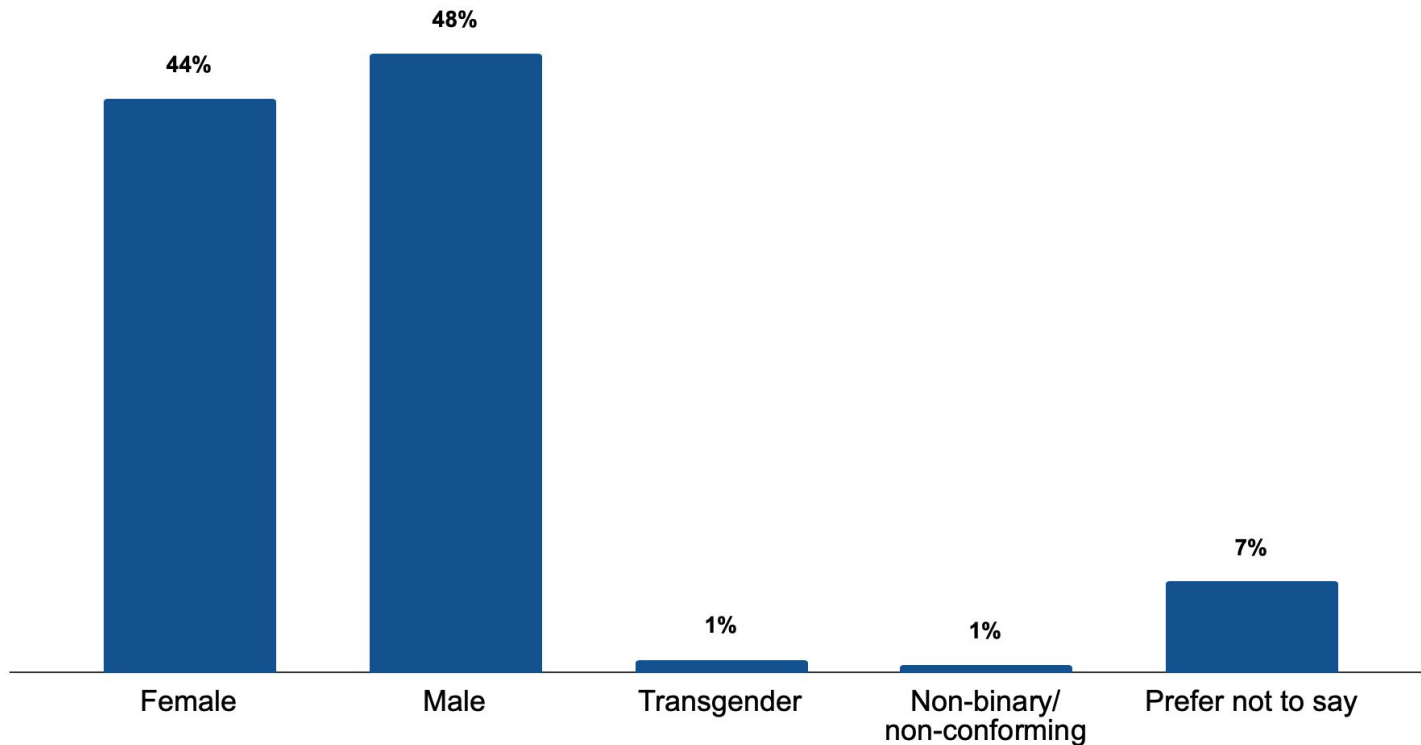
Q15: Do you more often vote for Democrats or Republicans?

(n= 281)



Q16: What is your gender identity?

(n= 1,259)





Survey Methodology

1,259 Total Responses

Methodology

This is a national Survey Monkey survey of small business owners in the networks of the National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship, National Association of Women Business Owners, Small Business for America's Future, U.S. Black Chambers, Inc., U.S. Hispanic Chamber of Commerce, & Women Impacting Public Policy. The survey was coordinated by the Public Private Strategies Institute and fielded between September 17-27 - 20, 2021



About the Public Private Strategies Institute

The Public Private Strategies Institute, which facilitated this small business survey, is an independent research and education organization. PPSI engages in educational activities concerning the public and private sectors' roles in advancing societal change. PPSI explores best practices and trends through research, publications, and educational events. Additionally, it produces educational and informational content that will educate public and private sector actors about their capacity to be agents of social change; and conduct research into the existing landscape of public and private social responsibility and the potential for the future.

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