

WTNS Radio OSU Extension Update for March 15, 2021
Healthy People. Healthy Finances. Healthy Relationships.

On today's OSU Extension update for Healthy People, Healthy Finances, & Healthy Relationships we'll talk about the Child Tax Credit and look at some upcoming programs from OSU Extension.

It is official. The Child Tax Credit for 2021 will be larger and administered differently than it has been in past years. And this is additional to the third round of stimulus checks that have been passed.

At the end of last week, President Biden signed into law H.R. 1319, the "American Rescue Plan Act of 2021." This is a \$1.9 trillion coronavirus relief bill. One part of this bill is another round of economic impact payments. This will be a \$1,400 payment to those with an adjusted gross income less than \$80,000 for those who file as individuals or \$120,000 for heads of household or \$160,000 for those who file jointly. There is also a \$1,400 payment for more categories of dependents.

Another component of this bill is a change to the Child Tax Credit. The Child Tax Credit has been around since the 90s. If you have had any dependent children since then, you'll remember this coming up when you filed your taxes. Currently this is \$2,000 per child under age 17. There are adjusted gross income limits for this as well.

It is just what it says— a tax credit. This bill has raised that amount to \$3,000 per child ages 6-17 and \$3,600 per child under age 6. It also has changed the timing on receiving this credit. Instead of waiting until you file your taxes in 2022, you can start receiving half of this payment in 2021. In fact, it will come as monthly payments July through December.

One concern I have is that many families are used to receiving that payment as part of their tax refund each year. This year they will receive the 2020 Child Tax Credit as soon as tax refunds are received. Now they will also receive money this year they would have normally expected to get in 2022. A check will be deposited each month July through December. But come January 2022, that money will stop.

For some Americans, circumstances from the last year have them in very strenuous financial situations. Any money received from this third stimulus payment and Child Tax Credit should be

used for immediate needs like food, prescriptions, utilities, mortgage or rent, and transportation. These are the essentials, and that is the intent behind much of this legislation.

However, many people receiving this money can meet basic needs right now without it. What is human tendency when a windfall arrives? A few weeks ago, I talked about all the biases that we have that make saving money difficult. It may seem good for the US economy to immediately spend this money, but it is not advantageous for the financial health of American families to spend without a plan.

The “average” American family of four will get \$5,600 plus an additional \$500 a month from July through December. That’s \$8,600. That’s a lot of money. As a Family and Consumer Sciences educator, I feel like it is my duty to encourage people to think about what is best for their families and beware of their consumer habits. Decide right now. How much will you save?

If you do not currently have an emergency savings fund, then this is a tremendous gift to get you started. Many financial experts recommend saving enough to cover your expenses for three to six months. Think about your future self and the future you want for your kids, then make the wisest decisions for how to save, spend, and give this money you will be receiving.

Today I’ll leave you with this quote from Joe Moore: “A simple fact that is hard to learn is that the time to save money is when you have some.”

The “East Ohio Women in Agriculture Program Series” continues next Thursday with a fruit tree pruning webinar. I know that a lot of people have been looking forward to this one! A total of 10 webinars and 3 field days are being held through May on a variety of financial, production, and home-related topics to help women in agriculture. Some of these upcoming topics include farm stress, raising livestock on 5 acres or less and much more. Visit our website to register for one or more of these free programs.

In closing, at OSU Extension, we are proud to work for Coshocton County to help improve our families, farms, and businesses. Please feel free to contact OSU Extension for more information at 740-622-2265 or visit our website at coshocton.osu.edu. Make it a healthy day!