

## Macro Roundup Article

**Headline:** [The Short-Term Labor Supply Response to the Expanded Child Tax Credit](#)

**Article Link:** <https://www.nber.org/papers/w31110>

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**Summary:** We compare labor market outcomes—labor force participation and hours worked—for families who qualified for smaller and larger Child Tax Credit (CTC) transfers, before and after the credit was paid out. Using a difference-in-differences and triple difference approach, we do not detect significant labor supply differences in response to variation in the size of the CTC. When framed as an increase in cash-on-hand, our confidence intervals rule out a labor force participation rate decline of 0.3 percentage points in response to a 10 percentile increase in CTC relative to income, or when cast as a change in the return to entering employment, we rule out an extensive labor supply elasticity of 0.005.

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**Primary Topic:** Unemployment/Participation

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