

EITC



One of the most effective public health interventions you've never heard of.

PROBLEM When working families struggle to make ends meet on low wages, that can lead to poor health outcomes such as increased risk for disease and premature death.¹ If only public health practitioners could find an intervention that would put more money in people's pockets, enabling them to buy healthier foods, pay bills, or afford dependable transportation!

SOLUTION For some working families, there is an intervention: the **Earned Income Tax Credit (EITC)**.

RESULTS Research shows EITCs can significantly improve health outcomes in five years or less, especially maternal and child health.² Black mothers historically have higher risk for worse birth outcomes. State EITCs are one policy option that helps address this disparity.³

EITCs are one of the best public health interventions available, and public health can play a key role increasing EITC availability, size, and participation.

What is an EITC?



The earned income tax credit helps eligible low- to moderate-income working people keep more of the money they earn by reducing the taxes they owe.⁴



The EITC provides a financial boost for households based on their income and family size.

Many states and the federal government offer a refundable EITC, which may be larger than what a household owes in taxes, resulting in extra income for the family.



How can EITCs help reduce poverty and improve health outcomes?



PEOPLE
Put money back in the pockets of working people

- Reduce food insecurity
- Free up money for childcare expenses, medical care, and healthy food

COMMUNITIES
Put more money back in local economies

- Reduce healthcare costs
- Improve maternal and child health outcomes



Mothers who receive the largest EITC increases have greater improvements in their own health, including high blood pressure and inflammation.⁶



EITCs lift people of all races and ethnic groups out of poverty.

1 IN 5 people who could get the credit doesn't claim it.⁴



Children in families receiving the EITC showed fewer behavioral health problems, including anxiety and depression.⁵

Babies born to mothers eligible to receive the largest EITC increases had the greatest improvements in birth outcomes.⁷



Frequently Asked Questions About the EITCs and Public Health

What's the evidence behind EITC's impact on health?

The Centers for Disease Control & Prevention (CDC) has identified EITCs as one of **14 key evidence-based interventions** that can improve health in five years or less and has been shown to be cost effective. Direct health benefits include improved infant and maternal health, such as increased birth weight and reduced risk for death and poor childhood health.⁸ Indirect effects may include increased test scores, graduation rates, and college enrollment, with subsequent impact on future employment rates and earnings, all associated with improved health outcomes across the lifespan.

Why should public health take on EITC?

EITCs can accelerate every other goal you have for reducing health disparities. Putting money back into people's pockets can directly improve numerous social determinants of health. EITCs benefit people of all racial/ethnic backgrounds by decreasing poverty and improving health outcomes, particularly for infants and mothers. Public health often works with the very populations who would benefit from EITCs, so you can raise awareness, refer people to tax assistance resources, and find people to share EITC success stories.

Why is EITC such an effective poverty intervention?

EITCs adjust for earning: They gradually increase with earnings, and then taper off, which boosts earnings from work.

EITCs are a win-win for states and municipalities:

- EITCs are good for the economy.
- EITC dollars can have large multiplier effects and increase tax revenues.

For example, in San Antonio, Texas, it is estimated that \$1.00 of EITC spending results in \$1.58 in local economy activity.⁹

Make the case to people eligible for EITC to use it:

Use EITC outreach materials: Raise awareness among families with free materials from www.eitcoutreach.org.

Build trust in EITCs: People may think that EITCs are too good to be true. Help them understand there's no catch.

Refer people you serve to free, high-quality tax help: Internal Revenue Service locator for Volunteer Income Tax Assistance (VITA) sites | Free File Alliance offers free online tax prep software to low-income taxpayers

What role can public health play?

EITCs require key players across different sectors including public health. Public health can:

Raise awareness among key medical and public health officials and state and local agencies such as public health associations, boards of health, and WIC offices.

Refer people to free tax assistance for low-income working families via Volunteer Income Tax Assistance (VITA) programs.

Provide EITC-related health data to build evidence for partners, community groups, legislators, and others working to pass EITCs.

7.5 MILLION

families lived in poverty in 2018, according to the U.S. Census Bureau.¹⁰



In 2018, EITCs kept

5.6 MILLION

people — over half of them children — out of poverty.¹¹



★ EITC SUCCESS STORY

MASSACHUSETTS Public Health Success

Massachusetts adopted an EITC in 2015 by convening a statewide coalition of community action agencies, anti-poverty agencies, and sectors including housing, education, and public health. Massachusetts recognized the need to message health and EITC together, framing EITC as a medicine that can improve health and reduce stress. Following initial success, Massachusetts expanded its EITC in 2018.

How much of a difference does the EITC make for a family?

Average amount per tax filer in 2017⁴

\$2,488

THIS COULD PAY FOR



★ EITC SUCCESS STORY

JASMINE'S STORY

Small Boost, Big Impact

Thanks to their \$2,800 EITC refund, Jasmine and her husband were finally able to repair their car, enabling Jasmine to drive between her two part-time jobs. Able to get to prenatal visits and to the grocery store for healthy food options without having to constantly rely on friends and family, she managed her high blood pressure better than in her first two pregnancies, and their son was born full-term, at a healthy weight.

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Actions for Public Health Practitioners to Increase EITC Participation

Identify action steps you can take to increase EITC participation in the communities you work with.

