

Earned Income Tax Credits and Health: From Evidence to Action

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hot topics in practice
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Northwest Center
FOR PUBLIC HEALTH PRACTICE

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Question for the Viewers

How familiar are you with the cash assistance programs, such as the Earned Income Tax Credit, in your state?

- A. Very familiar
- B. Somewhat familiar
- C. Not familiar
- D. Other (please type in chat)

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Honoring the Coast Salish People

Coast Salish
American Museum of Natural History, NYC

New Course: Land Acknowledgements at the University of Washington

- Share gratitude and honor for the Coast Salish peoples of this land where we gather, and which touches the shared waters of all tribes and sits within the Suquamish, Tulalip, and Muckleshoot nations.
- Take a moment to learn more about the indigenous people of Washington state and the Coast Salish people.

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**WASHINGTON PHYSICIANS
FOR SOCIAL RESPONSIBILITY**



**Nuclear Weapons
Abolition**






**Economic Inequity
& Health**



**Climate &
Health**

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<p>Health and Wealth: Setting the Stage</p>	<p>Earned Income Tax Credits: An Overview</p>	<p>Taking Action: The Role of Public Health</p>
		

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**Health and Wealth:
Setting the Stage**

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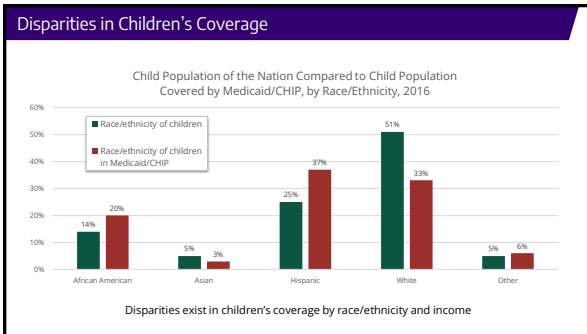
Social Determinants of Health

Economic Stability	Neighborhood and Physical Environment	Education	Food	Community and Social Context	Health Care System
Employment Income Expenses Debt Medical bills Support	Housing Transportation Safety Parks Playgrounds Walkability Zip code / geography	Literacy Language Early childhood education Vocational training Higher education	Hunger Access to healthy options	Social integration Support systems Language Community engagement Discrimination Stress	Health coverage Provider availability Provider linguistic and cultural competency Quality of care

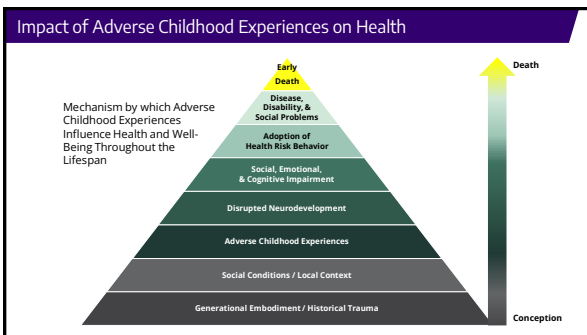
Health Outcomes
Mortality, Morbidity, Life Expectancy, Health Care Expenditures, Health Status, Functional Limitations

<https://www.kff.org/racial-equity-and-health-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/>

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Food Insecurity in Washington State

 <p>1 in 7 children in Washington state face hunger</p>	 <p>1 in 10 people in our state are food insecure, which means they may not know where their next meal is coming from</p>	 <p>Use of food assistance and food banks rose significantly in the state during the COVID-19 pandemic</p>
 <p>30% of Washington households that receive SNAP benefits (food stamps) have children</p>	 <p>1 in 5 military families are food insecure</p>	 <p>Hunger disproportionately affects communities of color, especially black families</p>

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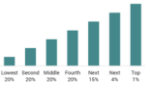
Why Taxes

 <p>Fund social services</p>	 <p>Can improve or worsen economic equity</p>
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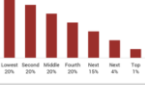
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Progressive vs. Regressive Taxation


Progressive Tax
A progressive tax is one in which upper-income families pay a larger share of their incomes in tax than do those with lower incomes.



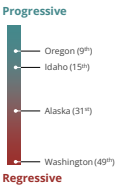
Regressive Tax
A regressive tax requires poor and middle-income families to pay a larger share of their incomes in tax than upper-income families.



Proportional Tax
A proportional tax requires the same percentage of income from everyone, regardless of how much or how little they earn.

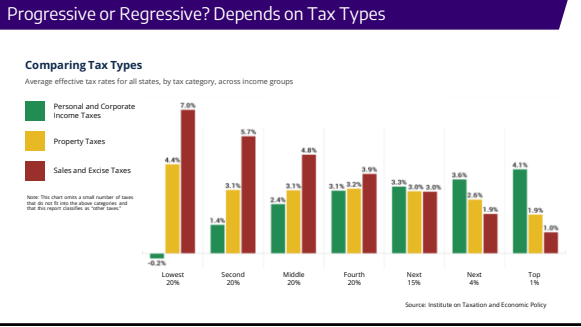


Progressive

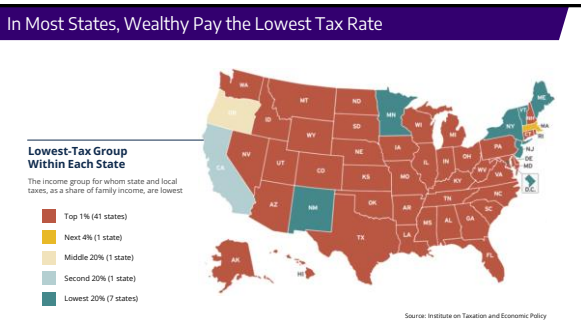


Regressive

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What is an Earned Income Tax Credit (EITC)?

- A yearly tax credit based on income
- Direct cash
- Wide-reaching anti-poverty program with bipartisan support
- Doesn't affect other benefits

Shortcomings:

- Federal version has a citizenship requirement
- Little support for people without dependents

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EITC by the Numbers

Average Credit Amount	\$2,541
Credit Range	\$0 - \$6,935
# of Recipients	~23 Million People
Total EITC Distributed	~\$57 Billion

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The EITC Benefits Some More Than Others

Value of Federal Earned Income Tax Credit, 2023




Filing Status: Single/Head of Household
 Number of Children: Two
 Household Earnings: \$20,000

Note: Assumes all income is from earnings (as opposed to investments, for example).


Source: Center on Budget and Policy Priorities, Internal Revenue Service

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Cash Assistance



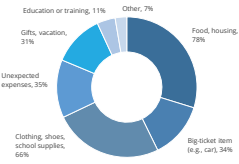
Unrestricted Cash Assistance
Recipient may spend as they see fit
Example: COVID stipends



Restricted Cash Assistance
Recipient must spend in a certain way
Example: SNAP

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How Do People Spend Their EITC?




Deegan, M. R., Perante, D. C., Olfendick, J., & Grinstein-Weiss, M. (2015). Figure 4. Expenditures of adults by percentage of EITC recipients in the 2013-2015 who reported spending any of the following in 2015. Note: EITC = Earned Income Tax Credit; IRS = Internal Revenue Service Survey. Percentages do not round to 100% as recipients could state more than one type of expenditure.

Spending Categories	N (%)
Bills and debt	126 (52.3)
Housing	119 (49.4)
Utilities	51 (27.2)
Retail consumption	62 (25.7)
Food	57 (23.7)
Children's needs	29 (12.0)
Home repairs and improvements	29 (12.0)
Savings and investments	25 (10.4)
Education	13 (5.4)
Healthcare and health insurance	11 (4.6)
Miscellaneous	8 (3.3)


Hamad, R., Yab, J., Jackson, K., Goldner W., & Fernald, J. CH. (2023). In - JAIL. Sample drawn from the Assisting California Communities with Safety Net Support (ACCS) Study, which represents non-metropolitan disadvantaged California counties with young children and verified receipt of the annual income tax credit for the parents. Recipients could report spending on more than one category. Details are spending categories are included in the Supplement.

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Guaranteed Basic Income



- Provides regular, unconditional, unrestricted cash payments
- Targeted to households experiencing greatest barriers to economic security
- Successful pilots nationwide, and right here in Washington!
 - Growing Resilience In Tacoma (GRIT)
 - The Nest



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Baby Bonds



- Government-funded trust funds
- Can reduce the racial and geographic wealth gap
- Implemented in Connecticut and DC, limited program in California

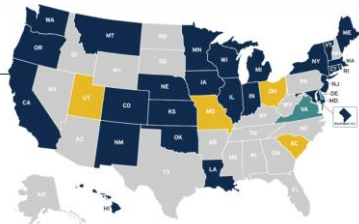


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Over Half of States Have Their Own EITC Programs

State EITCs in 2023

- Refundable
- Partial Refundability
- Nonrefundable

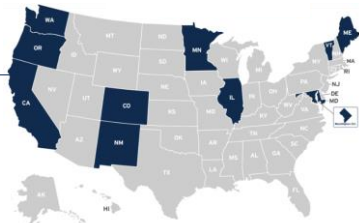


Source: Institute on Taxation and Economic Policy, September 2023

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The Majority of EITC Programs Exclude ITIN Filers

Ten States Plus D.C. Extend EITC Benefits to Immigrant ITIN Filers



Source: Institute on Taxation and Economic Policy, September 2023

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Working Families Tax Credit



- Tax credit for working low-income families
- Offers up to \$1255 back for a family with 3 children
- Includes ITIN filers
- 3-year window to apply
- Over \$116M refunded to families in first year, reaching over 250,000 children



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Earned Income Tax Credits: Washington 2023

Washington	Dollar Amount
No children in household	\$315
One child	\$625
Two children	\$940
Three or more children	\$1,255
U.S. National Average	\$2,541

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Earned Income Tax Credit: Oregon

Rates (Fully-Refundable):

- 9% of the federal credit
- 12% for families with dependents under the age of three


Eligibility Requirements:

All Oregon taxpayers who qualify for the federal credit are automatically eligible.




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EITC Lifts Millions of Families Out of Poverty




Lifted 5.6 million people out of poverty, including 3 million children

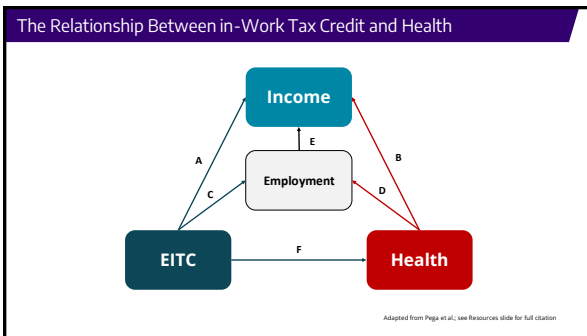


Reduced poverty severity for another 16.5 million people, 6 million of whom were children

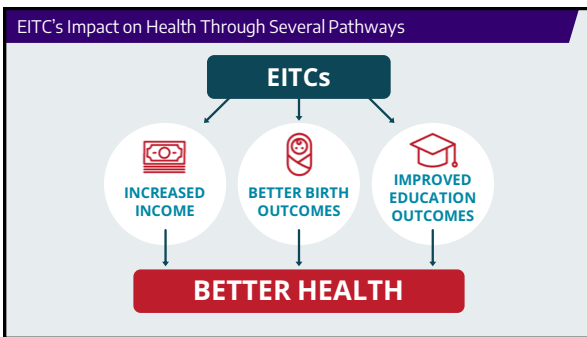
However, >6 million eligible households (1 in 5) did not receive it



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How Much of a Difference Does EITC Make for a Family?

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

Average amount per tax filer in 2017

\$2,488

THIS COULD PAY FOR

- Almost \$50 of healthy groceries every week
- \$200 a month to apply across transportation, utilities, or childcare
- Security deposit on an apartment

- Healthy groceries →
 - Better health
 - Improved educational outcomes
- Transportation, utilities, childcare →
 - Stable employment
 - Access to water and electricity
 - Safe environments for children
- Savings →
 - Housing deposit
 - Money for emergencies

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Impact on Children and Education

- Improved math and reading achievement scores
- Higher rates of high school graduation and college attendance
- Also, boosts employment among single mothers
- Reductions in behavior problems

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2013 Cochrane Review: EITC Impact on Adult Health and SDoH

Outcomes	Relative effect (95% CI)	No. of participants/observations (studies)
Tobacco use: Current smoking	Risk difference -0.11 (-0.21, -0.01)	1,961 participants (1 study)
Tobacco use: Smoking during pregnancy	Odds ratio 0.95 (0.94, 0.96)	5.26 million participants (1 study)
Change in income: Logged wages/salary	Risk ratio 0.32 (0.10, 0.53)	66,542 participants (1 study)
Current employment	Odds ratio 1.19 (1.02, 1.37)	66,542 participants (1 study)

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Earned Income Tax Credits Improve Health

- ✓ Increased use of prenatal care
- ✓ Improved self-reported maternal physical and mental health and child health
- ✓ Reductions in:
 - Preterm birth — prediction models
 - Low birthweight (<2500 g) — by 7% overall; 8.2% among African Americans
 - Infant mortality
 - Rates of child maltreatment and neglect — some mixed results
 - Hospital admission for pediatric abusive head trauma
 - Child protective service involvement
 - Entry into foster care — by 7.4%/year
 - Maternal stress
 - Food insecurity among children and adults

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Question for the Viewers

How will you advocate for and/or help connect families with EITC and other cash assistance programs?

Please type your answer in the chat!

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**Taking Action:
The Role of
Public Health**

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Incorporating EITC into Your Daily Practice

- Collaborate with others working to address poverty
- Provide EITC-related public health data to lawmakers
- Focus your organization on social determinants of health
- Work within your state's policy environment
- Increase your state's level of EITC participation

Adapted from <https://www.irs.gov/charities-philanthropy/publications/2023-07-01-what-can-you-do-to-increase-eitc-participation-in-your-state>

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Ways Public Health Professionals Can Help

- Raise awareness among key medical and public health officials and state and local agencies:
 - Public health associations
 - Boards of health
 - WIC (Special Supplemental Nutrition Program for Women, Infants and Children) offices
- Refer people to free tax assistance for low-income working families via Volunteer Income Tax Assistance (VITA) programs (interpretation services available)
- Provide EITC-related health data to build evidence for partners and other policy makers

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Resources for Free Tax Help

VITA/TCE Locator Tool

IRS VITA/TCE (Tax Counseling for the Elderly)

- Find a provider online (left)
- irs.treasury.gov/freetaxprep/

United Way
We're Here For You

United Way of King County

- Virtually
- In-person





AARP Foundation
For a future without senior poverty.

AARP Foundation

- All ages
- Tax assistance

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Ways You Can Take Political Action

 Contact your legislators	 Engage in hearings	 Newspapers, social media, etc.	 Talk with others in your community
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Reach out if you want to get more involved: wpsr@wpsr.org
Sign up for action alerts: wpsr.org/signup




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Key Takeaways

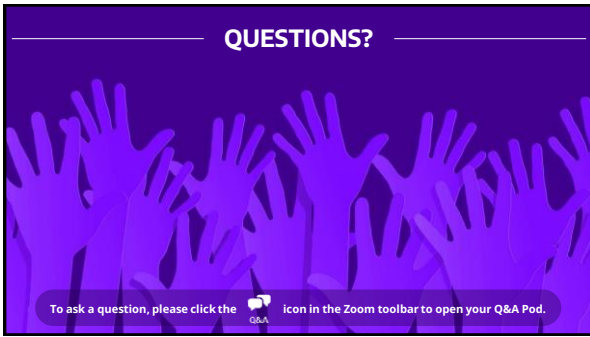
-  Earned Income Tax Credits and other cash assistance programs have proven health benefits
-  While the EITC helps many people living in poverty, there are many who do not benefit from EITC due to program limitations
-  You can help to expand and improve access to these programs

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A Chat with Lilly and Esther

 Sue Grinnell	 Lilly Deerwater	 Esther K. Chung
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Resources

Relevant Publications

- CDC Foundation. Public Health Action Guide: EITC. https://www.cdcfoundation.org/sites/default/files/EITC_PublicHealthActionGuide.pdf. Accessed June 10, 2024.
- Davis C, et al. Who Pays? 7th Edition. ITEP: Institution on Taxation and Economic Policy, January 2024.
- Pega F, Carter K, Blakeley T, Lucas PJ. In-work tax credits for families and their impact on health status in adults. *Cochrane Database of Systematic Reviews* 2013, Issue 8. Art. No.: CD009963, DOI: 10.1002/14651858.CD009963.pub2.

Free Tax Help

- <https://irs.treasury.gov/freetaxprep/>

Washington Physicians for Social Responsibility

- Sign up for action alerts: wpsr.org/signup
- Join a task force: wpsr.org/volunteer
- Become a member: wpsr.org/membership
- Email us: wpsr@wpsr.org

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