



# Earned Income Tax Credits and Health: From Evidence to Action



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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)

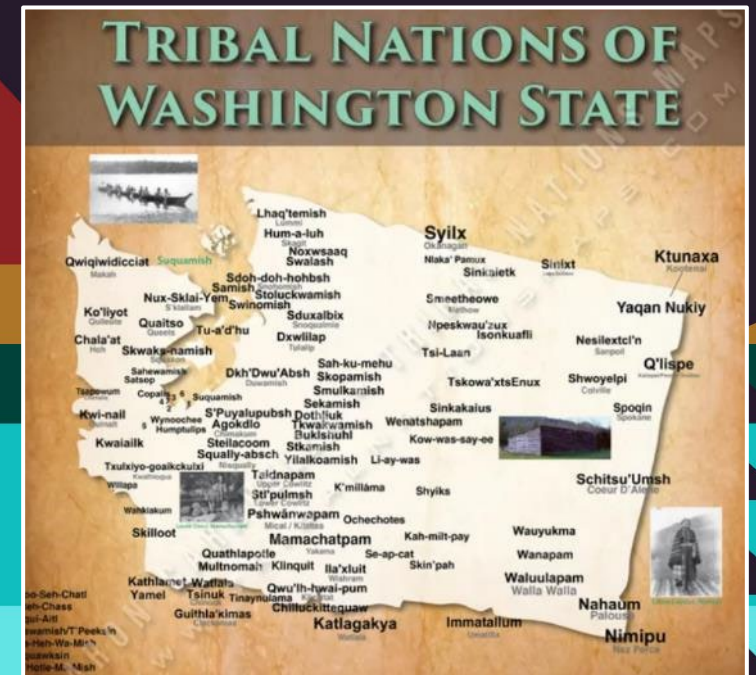
# Honoring the Coast Salish People

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.





# WASHINGTON PHYSICIANS FOR — SOCIAL RESPONSIBILITY



**Nuclear Weapons  
Abolition**



**Economic Inequity  
& Health**



**Climate &  
Health**

## Health and Wealth: Setting the Stage

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## Earned Income Tax Credits: An Overview

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## Taking Action: The Role of Public Health

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# Health and Wealth: Setting the Stage

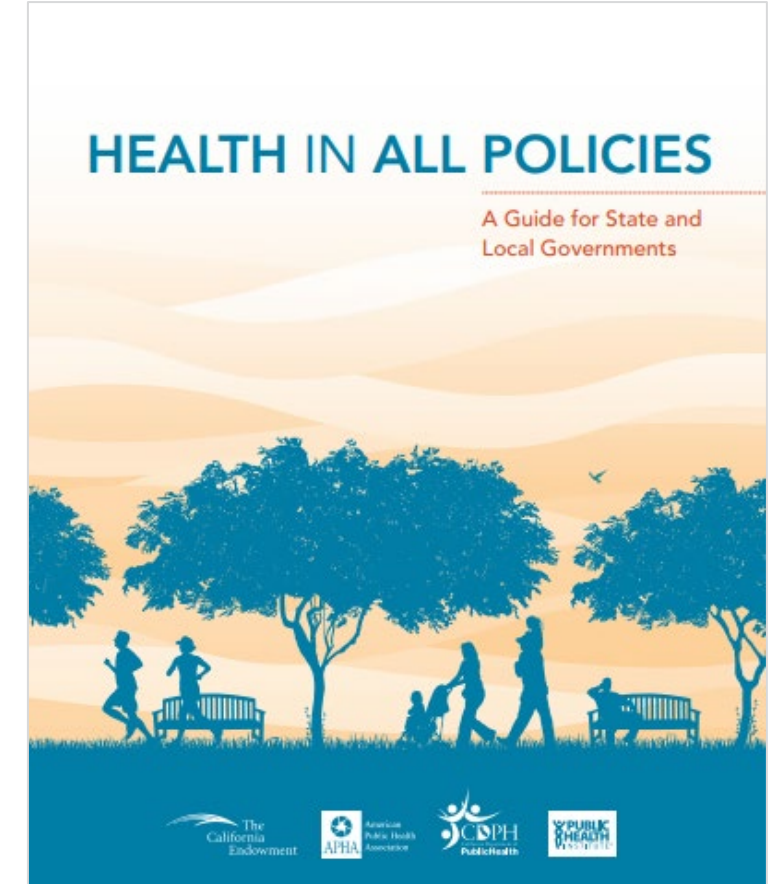
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# Social Determinants of Health

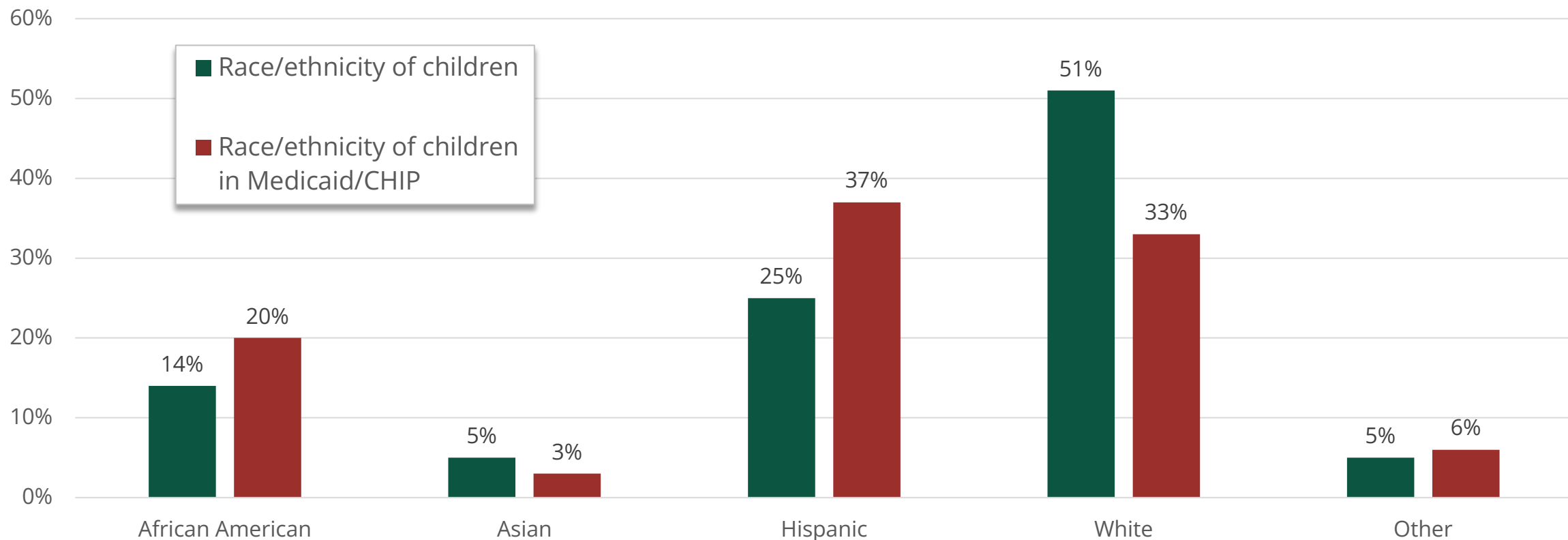
Economic Stability	Neighborhood and Physical Environment	Education	Food	Community and Social Context	Health Care System
Employment	Housing	Literacy	Hunger	Social integration	Health coverage
Income	Transportation	Language	Access to healthy options	Support systems	Provider availability
Expenses	Safety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

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



# Disparities in Children's Coverage

Child Population of the Nation Compared to Child Population Covered by Medicaid/CHIP, by Race/Ethnicity, 2016

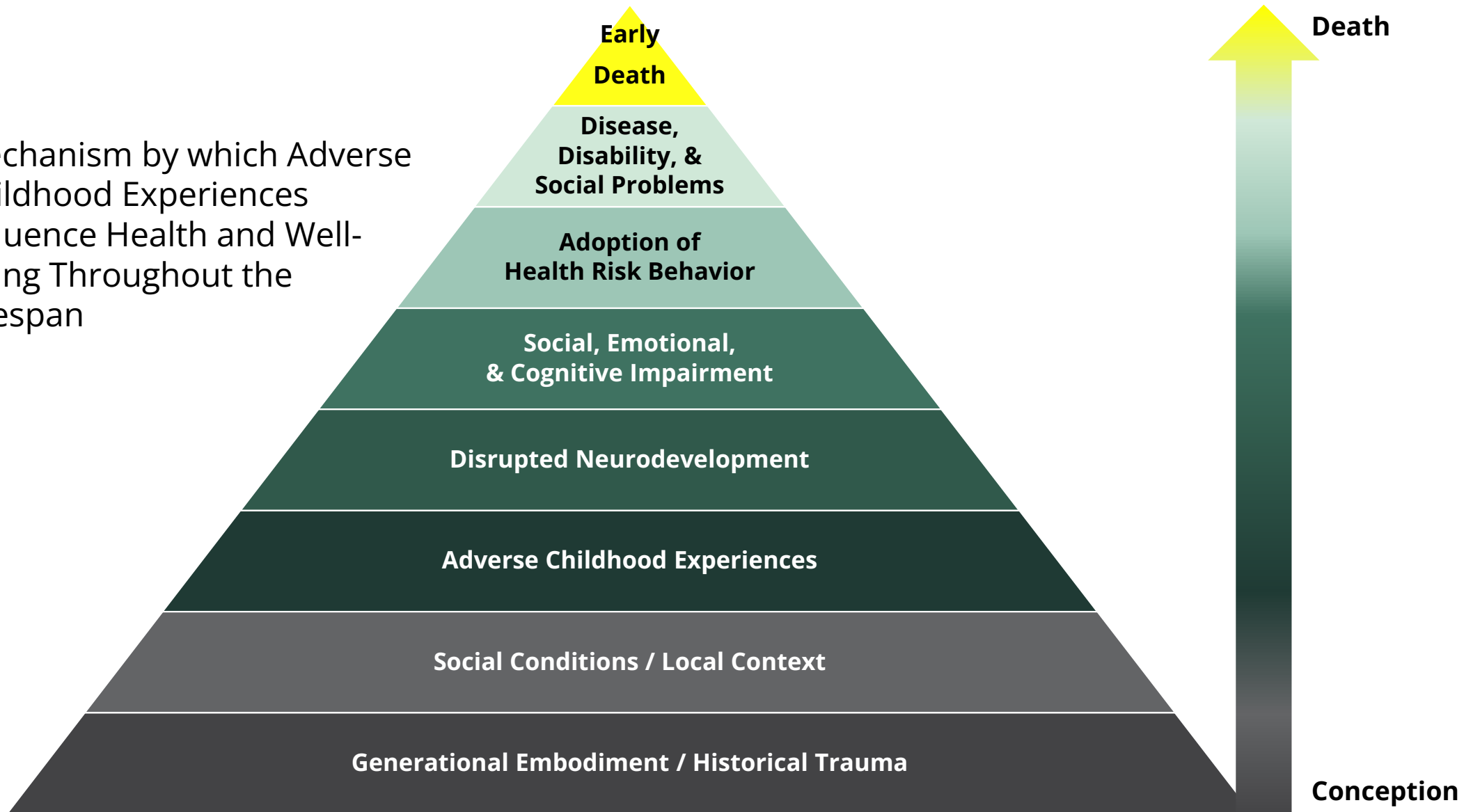


Disparities exist in children's coverage by race/ethnicity and income



# Impact of Adverse Childhood Experiences on Health

Mechanism by which Adverse Childhood Experiences Influence Health and Well-Being Throughout the Lifespan



# Food Insecurity in Washington State



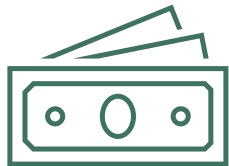
1 in 7 children in Washington state face hunger



1 in 10 people in our state are food insecure, which means they may not know where their next meal is coming from



Use of food assistance and food banks rose significantly in the state during the COVID-19 pandemic



30% of Washington households that receive SNAP benefits (food stamps) have children



1 in 5 military families are food insecure



Hunger disproportionately affects communities of color, especially black families

# Why Taxes

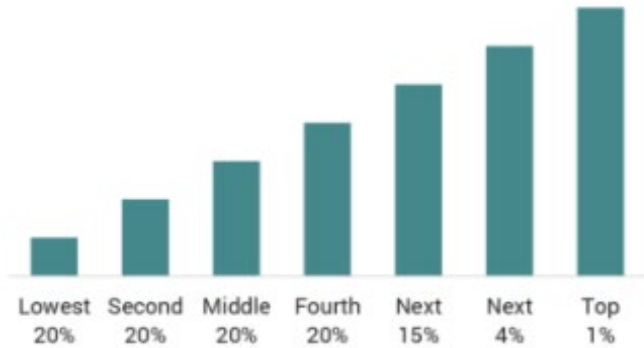


Fund social services



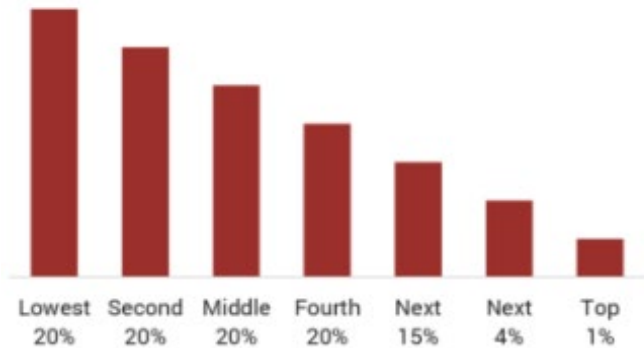
Can improve or worsen  
economic equity

# Progressive vs. Regressive Taxation



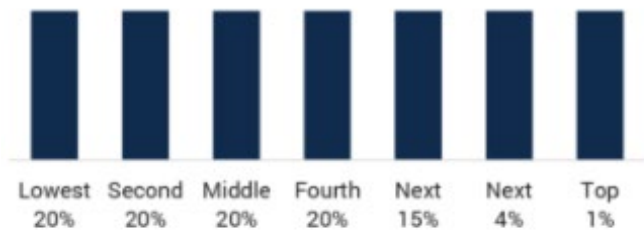
## Progressive Tax

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

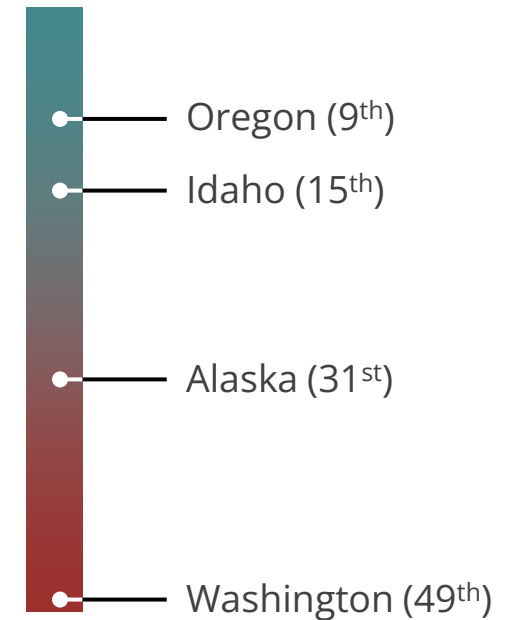
A regressive tax requires poor and middle-income families to pay a larger share of their incomes in tax than upper-income families.



## Proportional Tax

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

## Progressive

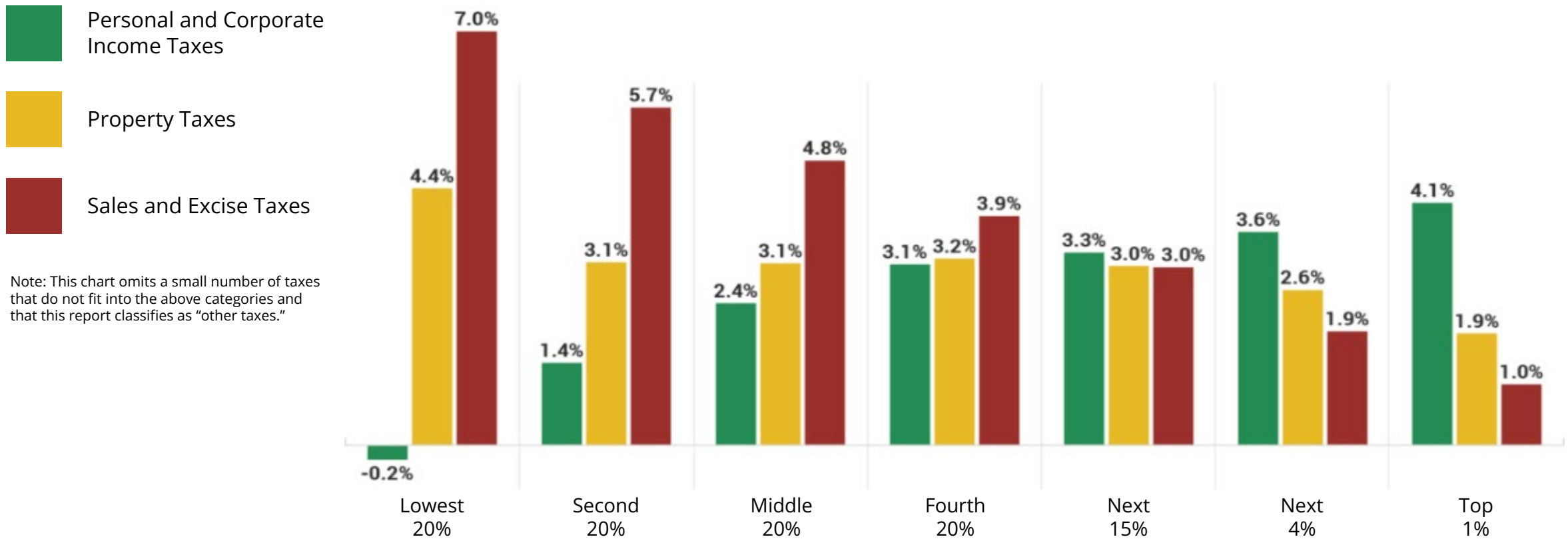


## Regressive

# Progressive or Regressive? Depends on Tax Types

## Comparing Tax Types

Average effective tax rates for all states, by tax category, across income groups



Note: This chart omits a small number of taxes that do not fit into the above categories and that this report classifies as "other taxes."





# Earned Income Tax Credits: An Overview

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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

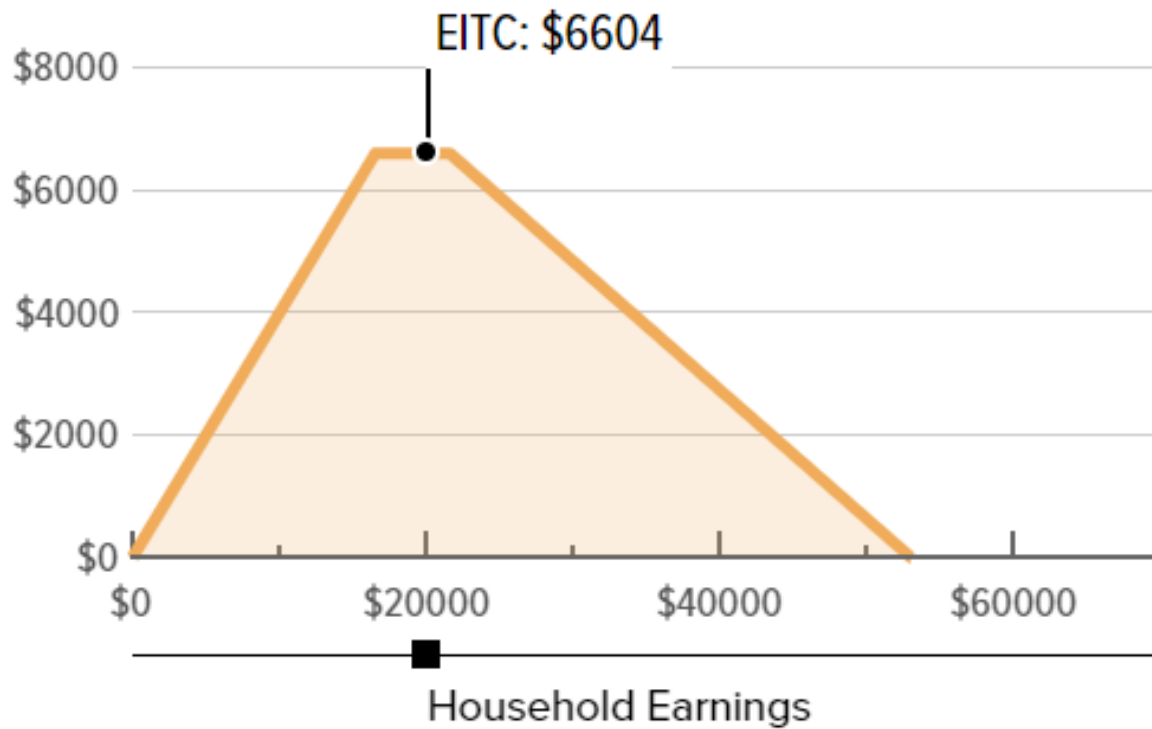


# EITC by the Numbers

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

# 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).

# Cash Assistance



## Unrestricted Cash Assistance

Recipient may spend  
as they see fit

**Example: COVID  
stipends**

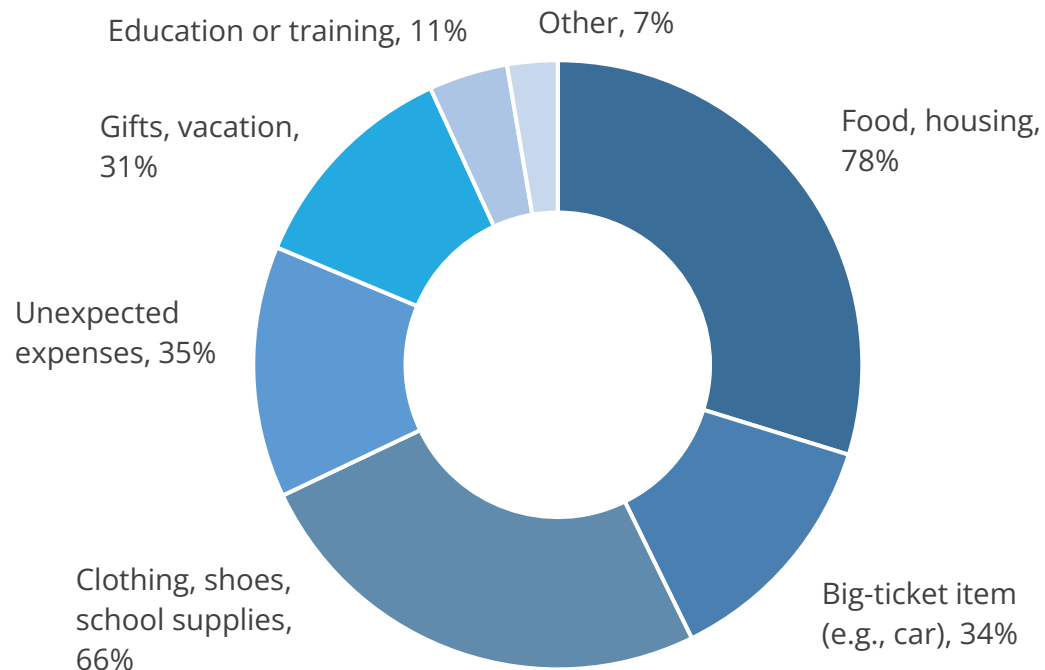


## Restricted Cash Assistance

Recipient must spend  
in a certain way

**Example:  
SNAP**

# How Do People Spend Their EITC?



Despard, M. R., Perantie, D. C., Oliphant, J., & Grinstein-Weiss, M. (2015)

Figure 4. Expenditures of refunds by percentages of EITC recipients in the 2013 HFS who reported spending any of the refund ( $n = 2,572$ ). Note: EITC = Earned Income Tax Credit; HFS = Household Financial 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)
Vehicles	91 (37.8)
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., Yeb, J., Jackson, K., Gosliner W., & Fernald, L. C.H. (2023)

N = 241. Sample drawn from the Assessing California Communities' Experiences with Safety Net Supports (ACCESS) Study, which interviewed economically disadvantaged California families with young children and verified receipt of the earned income tax credit via tax returns. Recipients could report spending on more than one category. Details are spending categories are included in the Supplement.

# 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

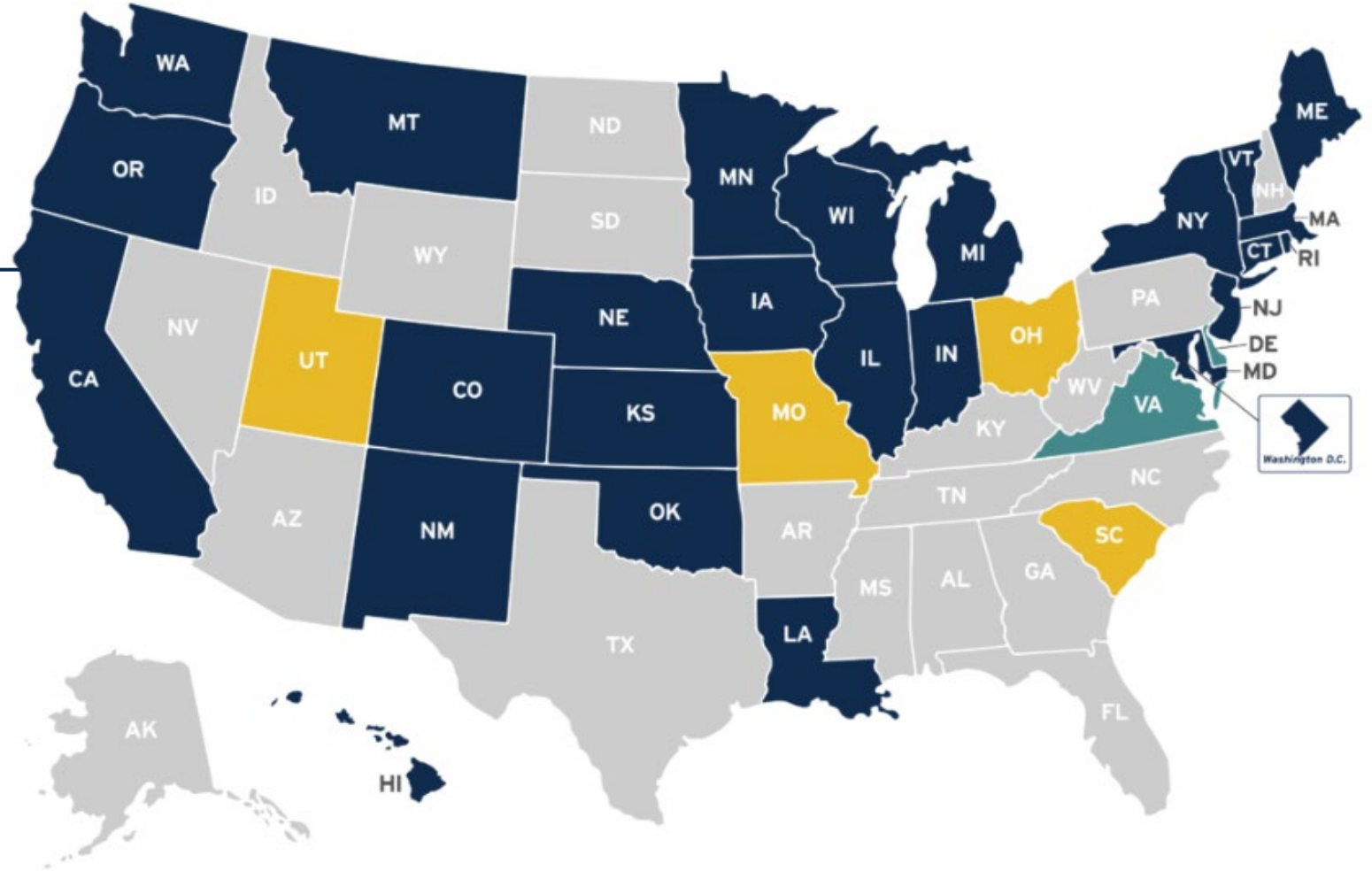


- Government-funded trust funds
- Can reduce the racial and geographic wealth gap
- Implemented in Connecticut and DC, limited program in California

# Over Half of States Have Their Own EITC Programs

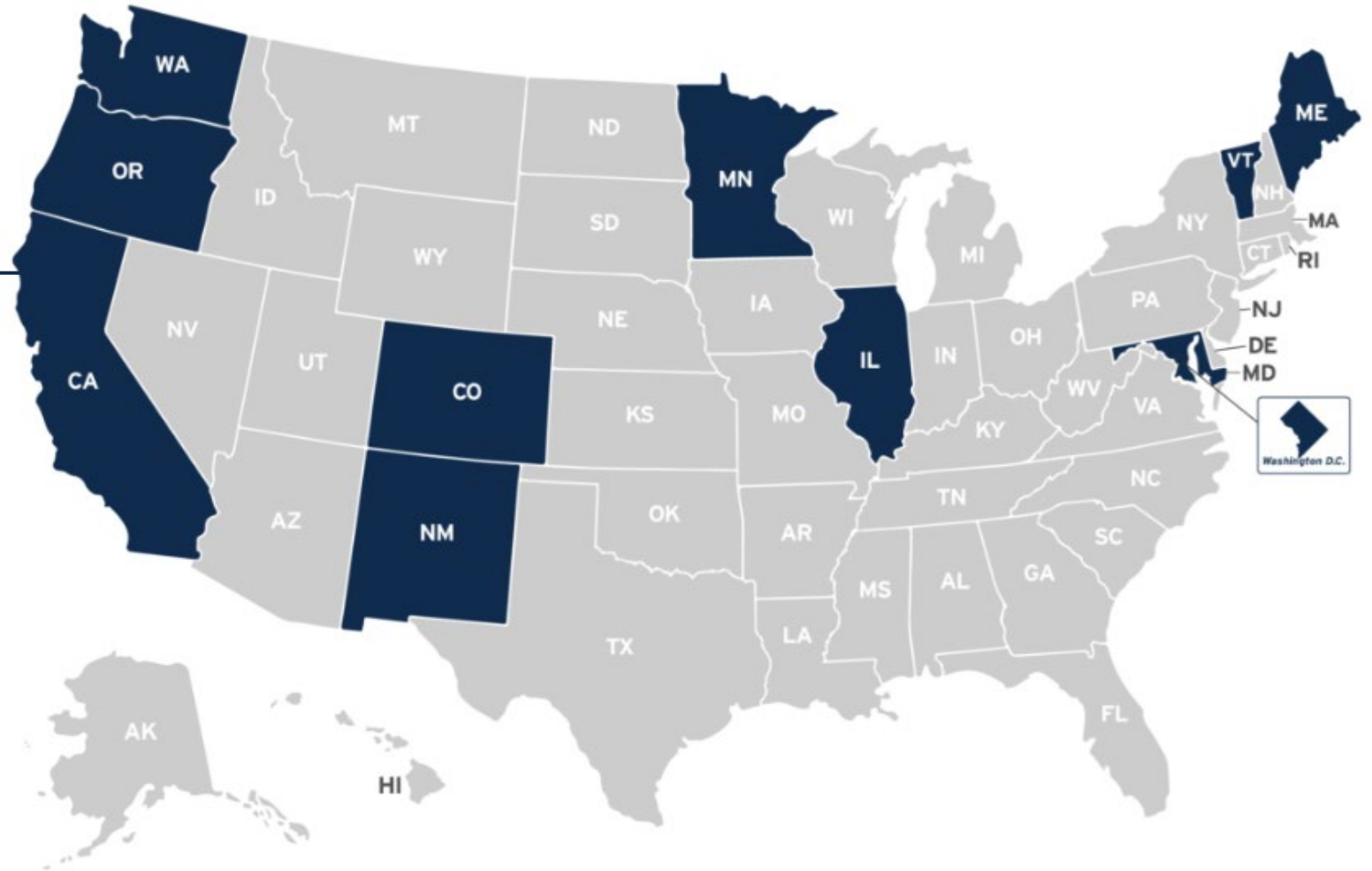
## State EITCs in 2023

-  Refundable
-  Partial Refundability
-  Nonrefundable



# The Majority of EITC Programs Exclude ITIN Filers

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





# 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

# Earned Income Tax Credits: Washington 2023

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

# 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.



# EITC Lifts Millions of Families Out of Poverty



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

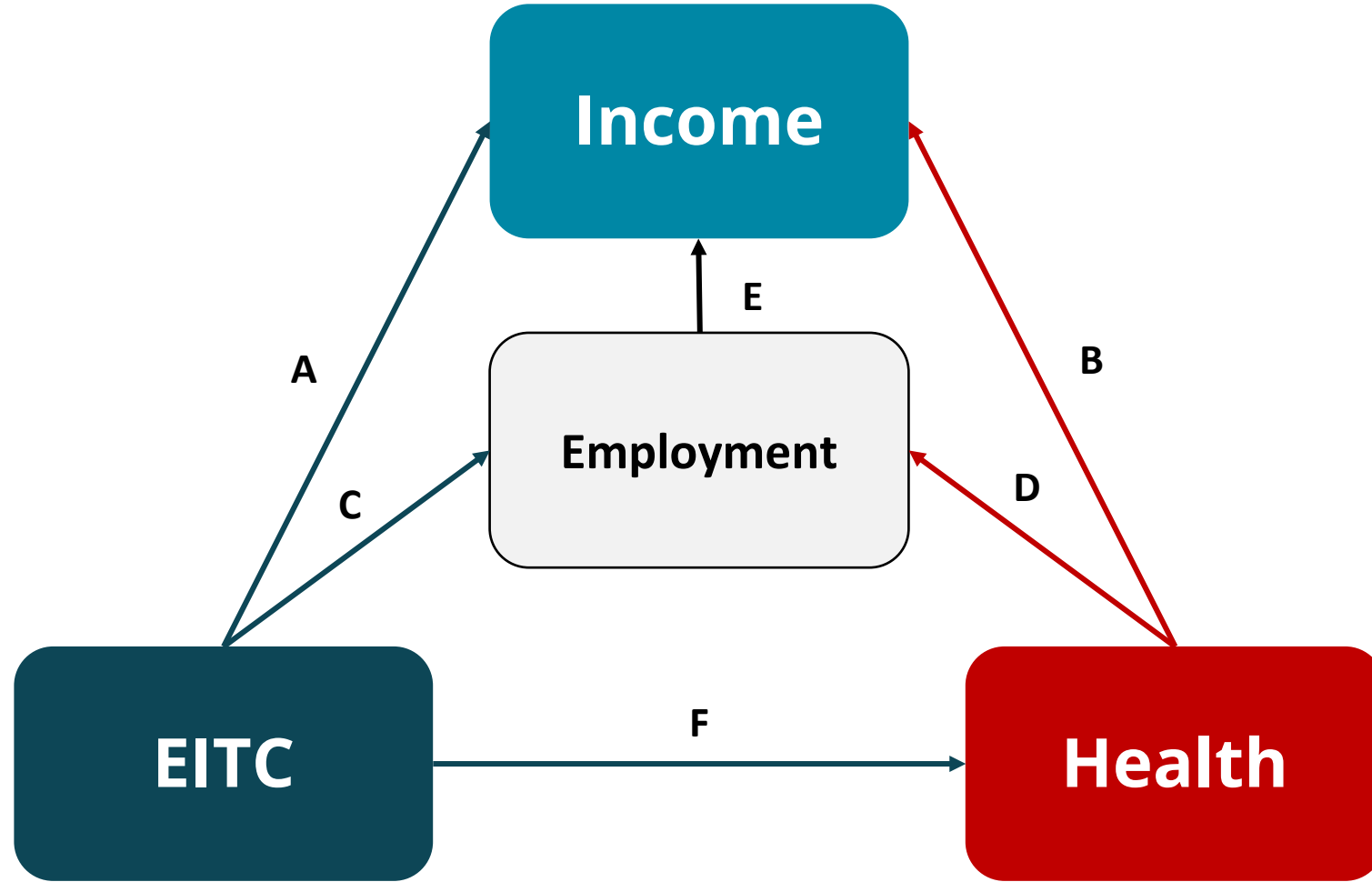


Reduced poverty severity for another 16.5 million people, 6 million of whom were children

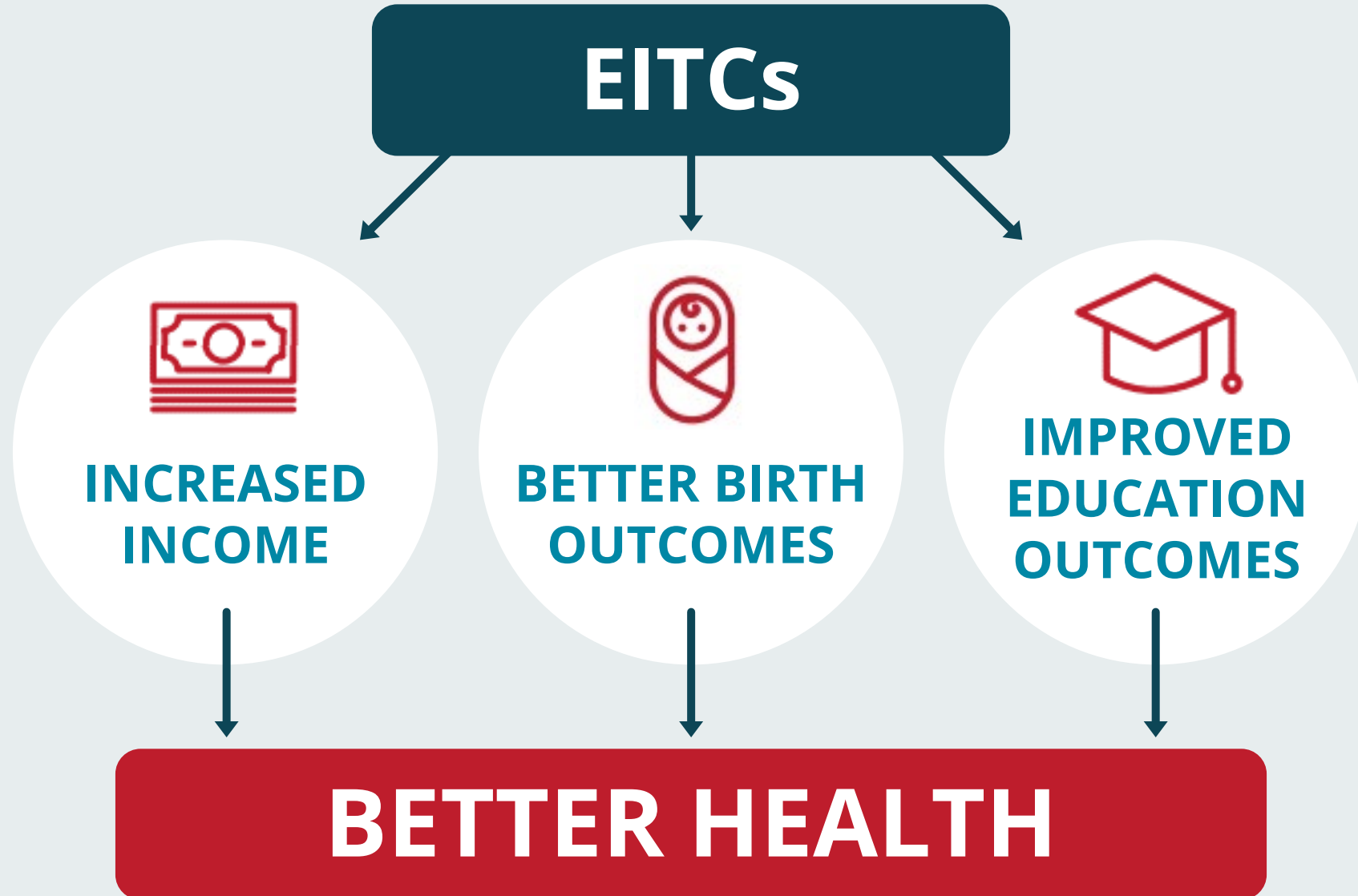
However, >6 million eligible households (1 in 5) did not receive it



# The Relationship Between in-Work Tax Credit and Health



# EITC's Impact on Health Through Several Pathways



# 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

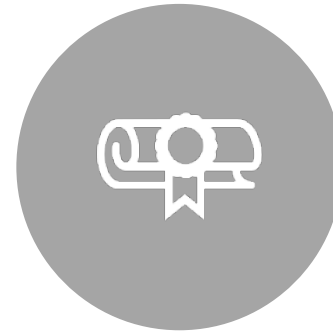
Savings →

- Housing deposit
- Money for emergencies

# 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



# 2013 Cochrane Review: EITC Impact on Adult Health and SDoH

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

# 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

# Question for the Viewers

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

Please type your answer in the chat!



# Taking Action: The Role of Public Health

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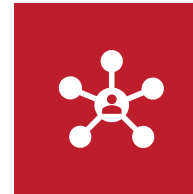
# Incorporating EITC into Your Daily Practice



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

# 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

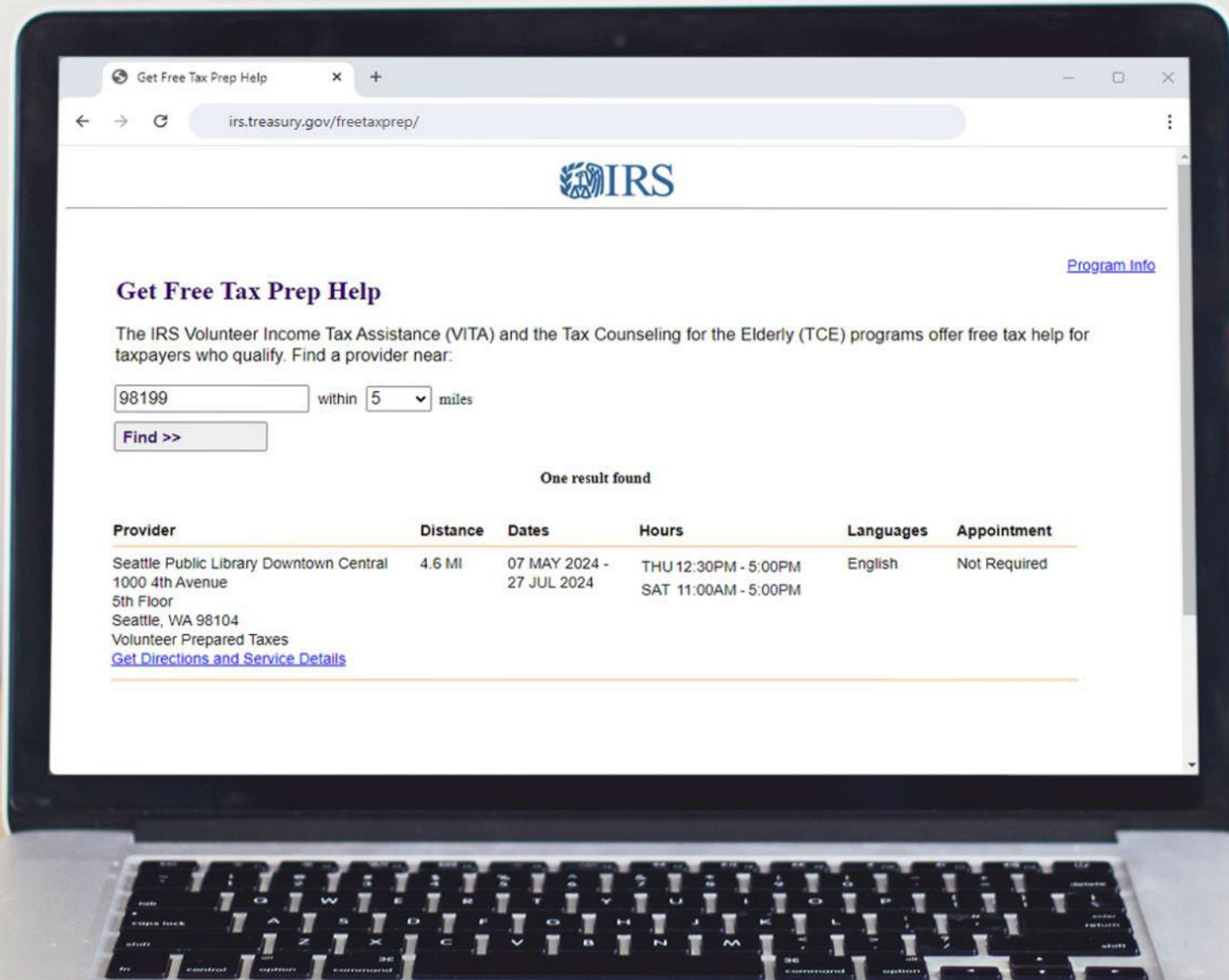


Refer people to free tax assistance for low-income working families via Volunteer Income Tax Assistance (VITA) programs (interpretation services available)



Provide EITC-related health data to build evidence for partners and other policy makers

# 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/](https://irs.treasury.gov/freetaxprep/)



### United Way of King County

- Virtually
- In-person



### AARP Foundation

- All ages
- Tax assistance

# Ways You Can Take Political Action



Contact your  
legislators



Engage in  
hearings



Newspapers,  
social media, etc.



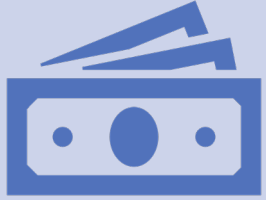
Talk with others in  
your community

**Reach out** if you want to get more involved: [wpsr@wpsr.org](mailto:wpsr@wpsr.org)

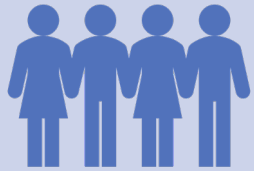
**Sign up** for action alerts: [wpsr.org/signup](https://wpsr.org/signup)



# 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

# A Chat with Lilly and Esther



Sue Grinnell



Lilly Deerwater



Esther K. Chung

# QUESTIONS?

To ask a question, please click the



icon in the Zoom toolbar to open your Q&A Pod.

# Thank You!

Feel free to reach out!

[wpsr@wpsr.org](mailto:wpsr@wpsr.org)

## Relevant Publications

- CDC Foundation. Public Health Action Guide: EITC. [https://www.cdcfoundation.org/sites/default/files/files/EITC\\_PublicHealthActionGuide.pdf](https://www.cdcfoundation.org/sites/default/files/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, Blakely 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](https://wpsr.org/signup)
- Join a task force: [wpsr.org/volunteer](https://wpsr.org/volunteer)
- Become a member: [wpsr.org/membership](https://wpsr.org/membership)
- Email us: [wpsr@wpsr.org](mailto:wpsr@wpsr.org)