

EITC: Building Family Economic Security & Opportunity

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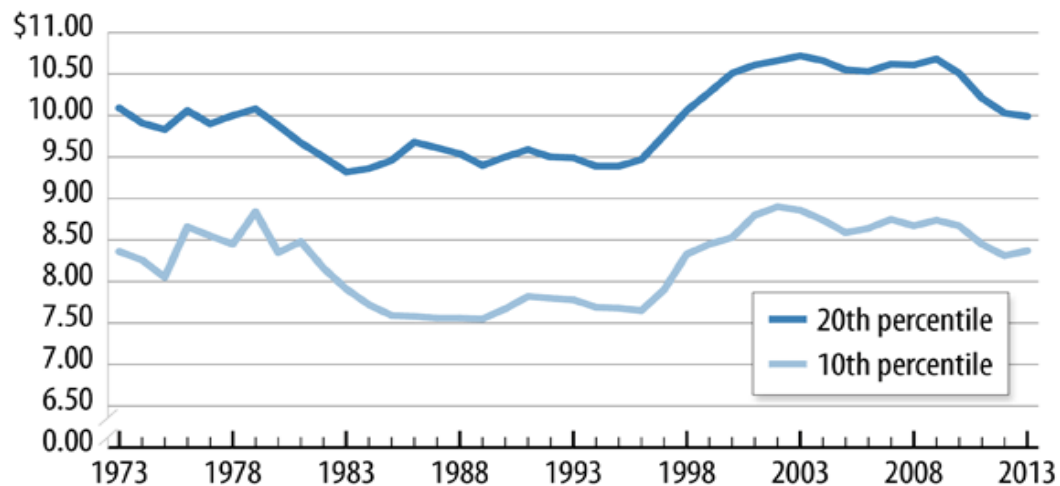
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Charting A Path: Ensuring Economic Opportunities For Georgia's Families
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Wages Largely Stagnant at Bottom

Wages for Low-Paid Workers Same as 40 Years Ago

Hourly wages for workers at the 10th and 20th percentiles,* adjusted for inflation



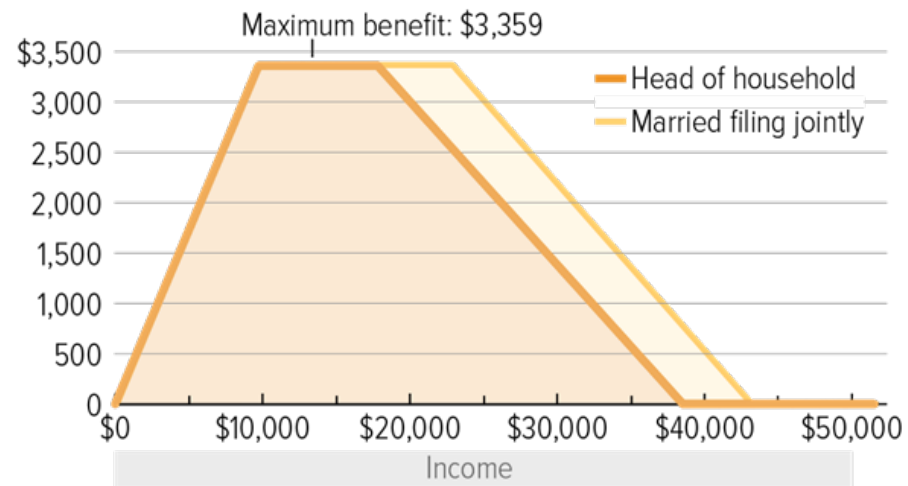
*At the 10% and 20% levels of wages in America

Source: Based on data from Josh Bivens, Elise Gould, Lawrence Mishel, and Heidi Shierholz, "Raising America's Pay: Why It's Our Central Economic Policy Challenge," Economic Policy Institute, <http://www.epi.org/publication/raising-americas-pay/>.

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EITC is a Powerful Tool

Earned Income Tax Credit for Households with One Child, 2015

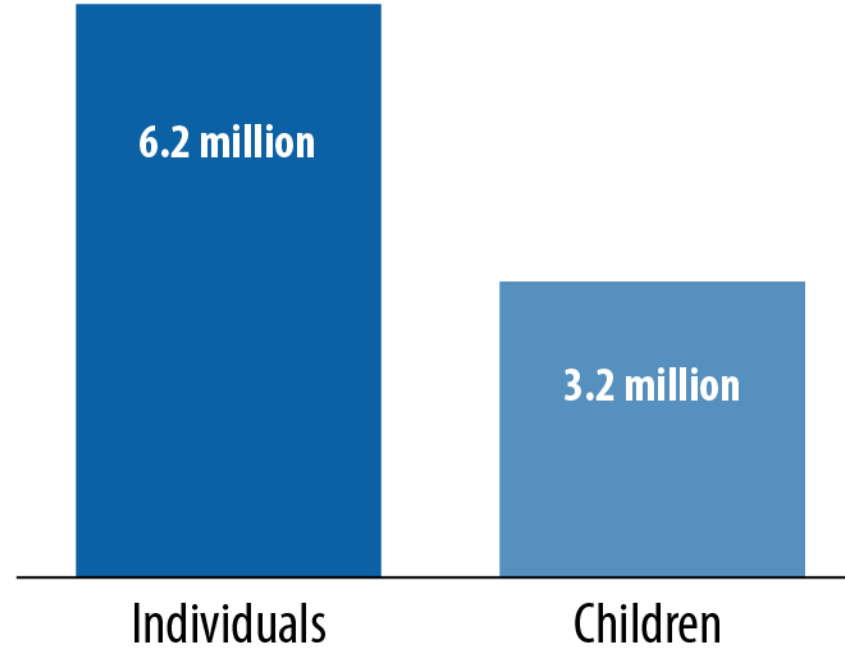


Note: Assumes all income is from earnings (as opposed to investments, for example).

Source: Internal Revenue Service

EITC is a Powerful Tool

People Lifted Out of Poverty by EITC in 2013

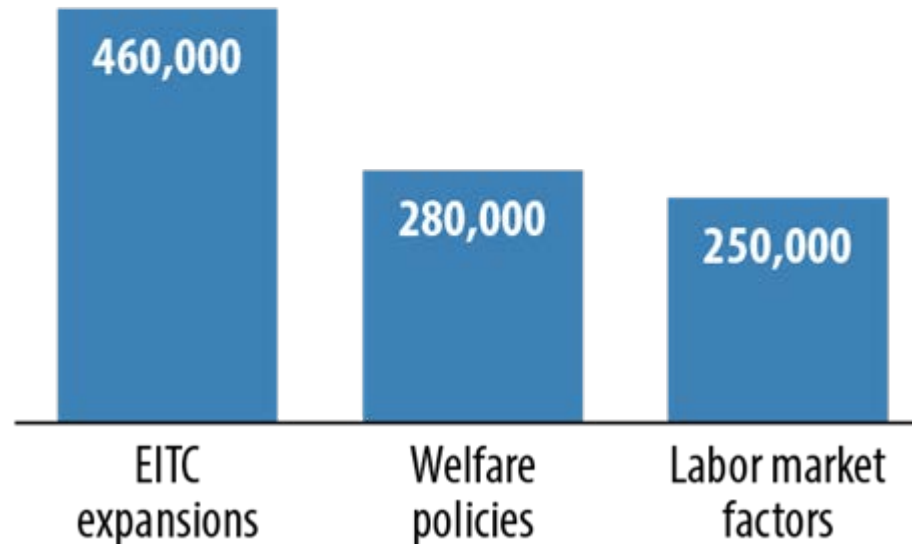


Source: CBPP analysis

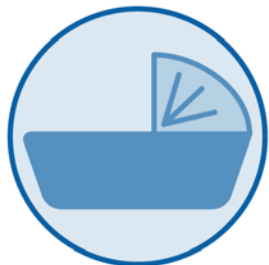
EITC is a Powerful Tool

EITC Biggest Factor Boosting Single Mothers' Employment, Research Finds

Increase in employed female heads of households in 1999 due to changes since 1993



EITC Benefits Span the Life Cycle



Improved infant and maternal health: Researchers have found links between increased EITCs and improvements in infant health indicators such as birth weight and premature birth. Research also suggests receiving an expanded EITC may improve maternal health.



Better school performance: Elementary and middle-school students whose families receive larger refundable credits (such as the EITC and CTC) tend to have higher test scores in the year of receipt.



Greater college enrollment: Young children in low-income families that benefit from expanded state or federal EITCs are more likely to go to college, research finds. Researchers attribute this to lasting academic gains from higher EITCs in middle school and earlier. Increased tax refunds also boost college attendance by making college more affordable for families with high-school seniors, research finds.

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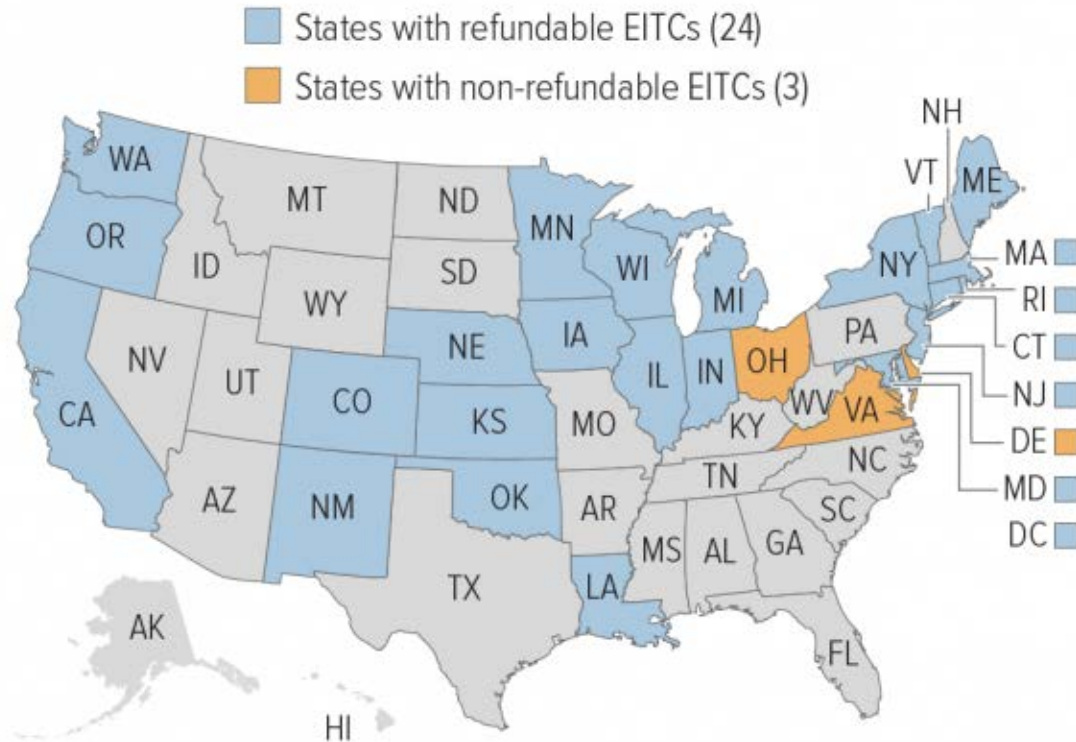
Increased work and earnings in the next generation: For each \$3,000 a year in added income that children in a working-poor family receive before age 6, they work an average of 135 more hours a year between ages 25 and 37 and their average annual earnings increase by 17 percent, leading researchers have found.



Social Security retirement benefits: Research suggests that by boosting the employment and earnings of working-age women, the EITC boosts their Social Security retirement benefits, which should reduce poverty in old age. (Social Security benefits are based on how much one works and earns.)

States Can Build on Federal EITC

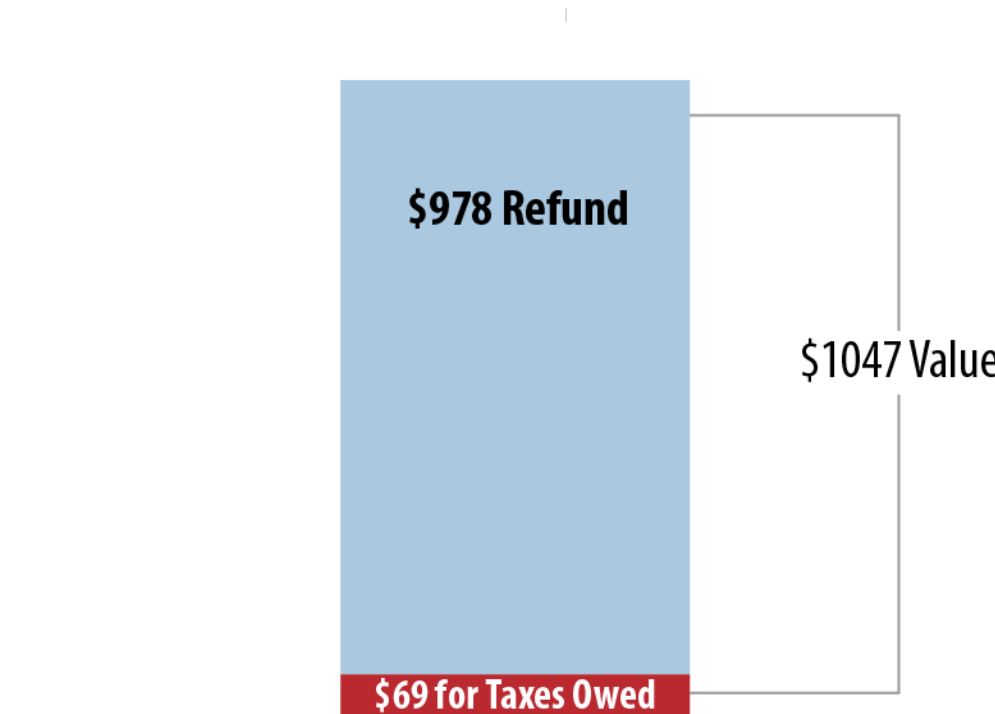
Twenty-six States and DC Have Enacted EITCs, 2015



Source: CBPP analysis

Allowing Full Value of Credit is Key

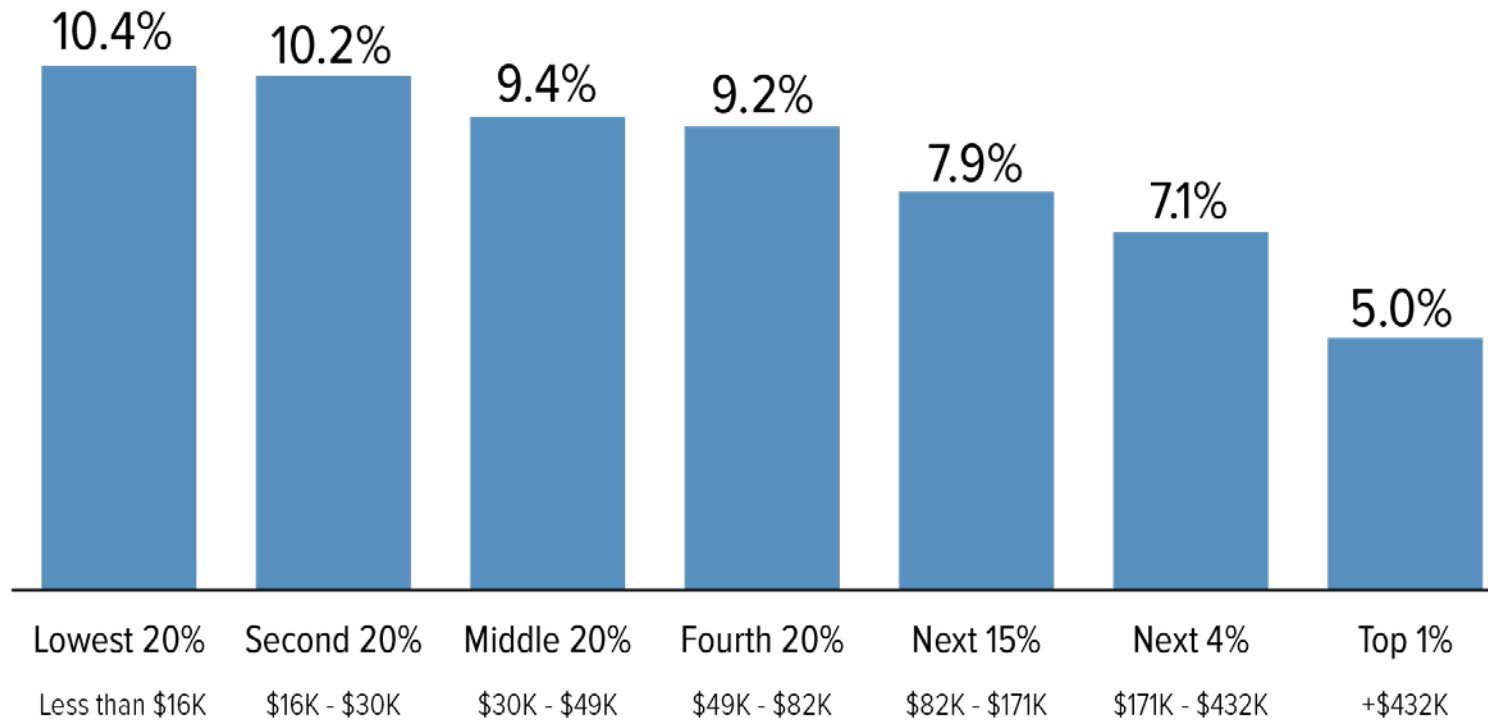
Delaware State EITC Value for a Single Mom with 2 Kids, Making Minimum Wage



Source: CBPP analysis

Georgia's Struggling Families Pay Largest Share of Income in State and Local Taxes

Total state and local taxes, as shares of income



Source: Institute on Taxation & Economic Policy

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