

EITC:

Tax Policy for an Equitable Economy

The Earned Income Tax Credit (EITC) for low-wage workers is a highly effective way that the federal government lifts people out of poverty and increases employment. Workers who receive it see an average increase in income of \$2,200.

The EITC Helps the Economy

It lifts **6.5 million people** out of poverty every year, including about **3.3 million children**.

6.5 million people is equivalent to the population of the state of Massachusetts.



3.3 million people is equivalent to the population of the Seattle metro area.



Children of EITC recipients do better in school, are more likely to attend college, and work and earn more as adults.

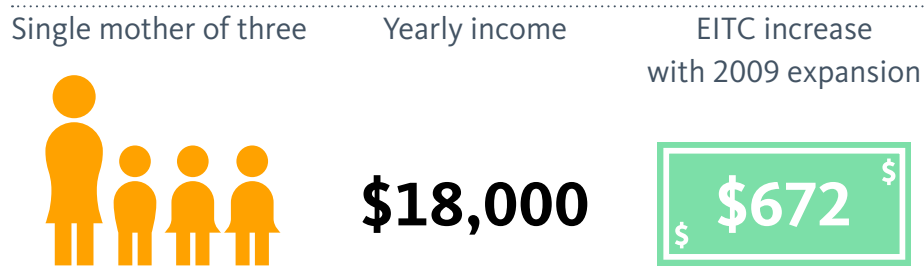


Strengthen the EITC

1 Don't cut the EITC for working families.

Six million families either become eligible for an EITC or get a larger EITC because of a temporary expansion passed in 2009. They will lose this important benefit if the expansion is not made permanent.

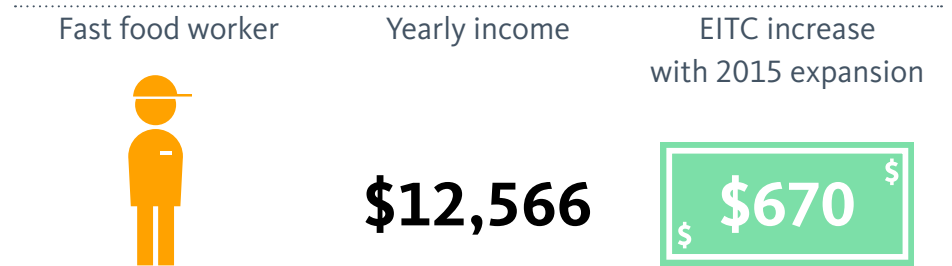
A single mother of three who earns **\$18,000** a year as a home health aide saw her EITC increase by **\$672** because of the 2009 expansion. Now, she's at risk of losing this income boost unless the expansion is made permanent.



2 Expand the EITC to new workers and workers without children.

Childless workers are the only group that are currently being taxed into poverty. Expanding the EITC for these workers and workers younger than 25 would reduce poverty for more than 10 million people—including young men of color, women, and older workers, too.

A fast food worker who earns **minimum wage**, making barely above the poverty line, would see his EITC increase by **\$670**.



These improvements, if implemented, would lift about a million people out of poverty, and reduce poverty for many millions more. Here's how you can help:

Support EITC reform.

There are several federal bills and a new proposal from the President that would strengthen the EITC, and twenty-five states and D.C. have enacted state EITCs. [Find out](#) more information and how you can help: www.cbpp.org

Share your experience.

How has the EITC helped your family prosper? Tweet using #EITC and #talkpoverty.

Claim the credit!

You can help to make sure that working people have earned their credits claim them! Visit <http://eitcoutreach.org> to find out more.