Chart Book:
The Earned Income Tax Credit and Child Tax Credit

Introduction

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are successful federal tax credits for low- and moderate-income working people that encourage work, help offset the cost of raising children, and lift millions of people out of poverty.

Recent research suggests that income from these credits leads to benefits at virtually every stage of life, including improved school performance, higher college enrollment, and increased work effort and earnings in adulthood.

The bipartisan tax bill that policymakers enacted in December included a major anti-poverty achievement in making permanent critical CTC and EITC improvements set to expire at the end of 2017. The improvements will continue to raise roughly 16 million people, including up to 8 million children, out of poverty or closer to the poverty line in 2018 and beyond.

Policymakers should now fill a glaring gap in the EITC for “childless workers” — that is, adults without children and non-custodial parents. Largely because these workers are either completely ineligible for the EITC or receive only a small EITC, they are the lone group that the federal tax code taxes into or deeper into poverty. President Obama, House Speaker Paul Ryan (when he was House Budget Committee Chairman), and other members of Congress — including Senate Finance Committee member Sherrod Brown (D-OH) and House Ways and Means Committee member Richard Neal (D-MA) — have proposed to make the credit more adequate for this largely left-out group.

This chart book provides basic information about these working-family tax credits and outlines priorities for making them more effective.

I. What Are the EITC and CTC?
II. Credits Promote Work, Reduce Poverty, and Support Children’s Development
III. Congress Saved Key CTC and EITC Provisions at the End of 2015
IV. Fixing the Glaring Gap in the EITC for “Childless Workers”
V. Learn More about the EITC and CTC
I: What Are the EITC and CTC?

What is the EITC? The Earned Income Tax Credit (EITC) is a federal tax credit for low- and moderate-income working people that encourages and rewards work and offsets federal payroll and income taxes.

The amount of the EITC depends on a recipient’s income, marital status, and number of children. As the figure below shows, the credit rises with earned income until reaching a maximum level and then gradually phases out at higher income levels. The EITC is “refundable,” meaning that if it exceeds a low-wage worker’s income tax liability, the IRS will refund the balance.

Twenty-six states plus the District of Columbia also offer a state EITC, typically set at a percentage of the federal EITC.

For more information on EITC and its parameters, see our EITC Policy Basic.
What is the CTC? The Child Tax Credit (CTC) helps working families offset the cost of raising children. It is worth up to $1,000 per eligible child (under age 17 at the end of the tax year).

The CTC includes a refundable component, the Additional Child Tax Credit. Like the EITC, the CTC increases with earnings, but unlike the EITC, the first $3,000 in earnings does not count when determining the CTC. Families receive a refund equal to 15 percent of their earnings above $3,000, up to the credit’s full $1,000-per-child value. For example, a mother with two children who works full time at the federal minimum wage — earning $14,500 in 2016 — will receive a refund of $1,725 (15 percent of $11,500). As the figure below shows, the credit phases out at higher income levels.

For more, see our CTC Policy Basic.
II. Credits Promote Work, Reduce Poverty, and Support Children’s Development

Recent ground-breaking research suggests that the EITC and CTC help families at virtually every stage of life. These working-family tax credits reward and boost employment among parents and lower children’s poverty today. Studies also find evidence that the credits improve children’s academic performance in elementary and middle school.

In fact, starting from infancy — when higher tax credits have been linked with more prenatal care, less maternal stress, and signs of better infant health — children who benefit from tax-credit expansions have been found to do better throughout childhood than similar children who don’t benefit; they also have higher odds of finishing high school and therefore going on to college. The added income from these credits also has been linked with significant increases in college attendance by making college more affordable for families with high-school seniors.

The education and skill gains associated with the CTC and EITC are likely to keep paying off, researchers say, through higher earnings and employment for many years into the future.

The CTC is newer than the EITC and has not been studied to the same extent, but like the EITC it is available only to working families and phases in as earnings increase. Research strongly suggests that low-income families don’t understand how much of their tax refund comes from the EITC or the CTC, but they do understand that if they work they can qualify for significant tax-based benefits.

Moreover, research shows that boosting working families’ incomes is associated with improvements in children’s educational (and other) outcomes, strongly suggesting that both credits improve opportunities for children.

The following charts summarize the research; for more detail, see this paper.
Working-Family Tax Credits Help at Every Stage of Life

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) not only reward work and reduce poverty for low- and moderate-income working families with children, but a growing body of research shows that they help families at virtually every stage of life:

**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.

**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.)

Note: For further details on the research see Chuck Marr, Chye-Ching Huang, Arloc Sherman, and Brandon DeBot, “EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children’s Development, Research Finds,” CBPP

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG
**Encouraging work.** Extensive research concludes that the EITC encourages work, especially in a strong labor market. During the 1990s, EITC expansions did more to raise employment among single mothers with children than either welfare reform or the strong economy.

As noted, the refundable CTC is a newer credit and has not been studied to the same extent as the EITC, but the two working-family tax credits share key design features.

---

**EITC Biggest Factor Boosting Single Mothers’ Employment, Research Finds**

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

<table>
<thead>
<tr>
<th>EITC expansions</th>
<th>Welfare policies</th>
<th>Labor market factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>460,000</td>
<td>280,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

EITC=Earned Income Tax Credit

Note: Categories from study were combined for simplicity. Categories “time limits,” “other reforms,” and “maximum benefits” were combined into “welfare policies.” Categories “minimum wage” and “unemployment rate” were combined into “labor market factors.”

Reducing poverty. The EITC and CTC together lifted more than 10 million people out of poverty and lifted 21 million others closer to the poverty line in 2014 (the latest year for which we have these data). They lifted more than 5 million children out of poverty, more than any other program.

These figures don’t count an additional way that the EITC and CTC may reduce poverty: by encouraging work. Analyzing the 1990s EITC expansions for working-age single mothers without a college degree, researchers found that the number of people in such families that the EITC lifted out of poverty nearly doubled when the EITC’s employment and earnings effects are taken into account. Based on the anti-poverty impacts they find with respect to the mothers and children they examined, they suggest that the standard estimate of the total number of people the EITC lifts out of poverty may understate the true number by “as much as 50 percent.”
Improving infant and maternal health. The most notable evidence of the EITC’s positive impact on maternal and infant health comes from a study comparing mothers in the demographic and income group targeted for the largest EITC increases in the 1990s with mothers who likely received the smallest increases. Infants born to mothers who likely received the largest EITC increases had greater improvements in low-weight birth, premature birth, and other birth indicators than infants born to mothers who likely received the smallest EITC increases.

In addition, studies show mothers receiving the largest EITC increases were more likely than mothers receiving the smallest increases to receive prenatal care, including care before the critical third trimester. They also had lower stress levels and smoked and drank less during pregnancy.

Boosting school performance and college enrollment. Income support from the EITC and CTC has been linked to better academic achievement for elementary and middle-school students. Studies have found that when low-income families receive larger state or federal EITCs, their children tend to score better on tests of reading and (particularly) math, compared with children from largely similar families not targeted for large credit expansions. They also are more likely to finish high school and go on to college.

In addition, larger tax refunds make college more affordable for low-income families with high-school seniors and are associated with significant increases in their college attendance.
**Boosting earnings in adulthood.** More income for a young child in a low-income family not only improves the child’s immediate well-being but is associated with increased work and earnings in adulthood. Larger refundable credits, in particular, are projected to lift future earnings significantly.

---

**Higher Earned Income Tax Credit or Other Income for Poor Children Expected to Boost Work and Earnings Later in Life**

$3,000 annual increase in income to poor children before age 6 associated with increase in work hours when they become adults

+ $3,000 a year

+ 135 working hours a year

For each $3,000 a year in added income that children in a poor family receive before age 6...

...their working hours rise by 135 hours a year between ages 25 and 37, and their annual earnings rise by 17%.*

* Note: The published paper uses a 19% figure, but the authors have indicated that this is a typographical error and 17 percent is correct.


---

**Raising Social Security income in retirement.** Research finds that the EITC boosts the employment and earnings of working-age women. By doing so, it should also boost their Social Security retirement benefits, which are based on a person’s work history. Higher Social Security benefits, in turn, reduce the extent and severity of poverty among seniors.
III: Congress Saved Key CTC and EITC Provisions at the End of 2015

In 2009, policymakers enacted several key CTC and EITC improvements. The provisions lowered the earnings needed to qualify for a partial CTC, thereby making the credit more adequate for millions of low-income working families and making other families newly eligible for a partial credit. They also raised the income level at which the EITC begins to phase down for married couples to reduce the marriage penalty some two-earner families face in the EITC. And they boosted the maximum EITC for families with more than two children.

Lawmakers made these critical provisions permanent in a bipartisan tax deal at the end of 2015. The deal marked a significant anti-poverty accomplishment:

- Up to 50 million Americans will benefit from making the provisions permanent, including up to 25 million children.
- The improvements will continue to raise roughly 16 million people above or closer to the poverty line in 2018 and beyond, including up to 8 million children.

For more detail on these provisions and the workers and families they help, see Tax Deal Makes Permanent Key Improvements to Working-Family Tax Credits.
IV: Fixing the Glaring Gap in the EITC for “Childless Workers”

Many “childless workers” — including adults without children as well as non-custodial parents not claiming dependents for purposes of the EITC — receive little or nothing from the EITC. Largely as a result, they are the sole group that the federal tax system taxes into (or deeper into) poverty. President Obama, House Speaker Paul Ryan, and other members of Congress including Senator Sherrod Brown and Representative Richard Neal have proposed to make the EITC more adequate for this largely left-out group. Making more childless workers eligible for the EITC and boosting the very small credit for childless workers now eligible hold strong promise of increasing employment and reducing poverty.

For more detail, see:

- [Childless Adults Are Lone Group Taxed Into Poverty](#)
- [Strengthening the EITC for Childless Workers Would Promote Work and Reduce Poverty](#)
Childless workers are the lone group the federal government taxes into poverty. Federal taxes pushed 7.5 million childless workers below — or further below—the poverty line in 2014, in large part because they receive little if any EITC.

Childless workers receive very small EITCs. The maximum EITC for a childless worker between ages 25 and 64 is just over $500. Most workers receive far less — the average credit for eligible workers was $281 in 2013, the latest year for which data are available. This was less than one-tenth the average $3,100 EITC for tax filers with children that year.

Also, childless adults become ineligible for the EITC at far lower earnings levels than families with children. Single childless workers earning around $14,800 in 2015 earn too much to qualify for any EITC. By contrast, a single parent with two children remains eligible until her earnings reach about $44,500.

**Childless Workers Receive Much Smaller Average Earned Income Tax Credit**

Average EITC benefit, 2013

![Graph showing EITC benefits](source: Internal Revenue Service)
The EITC for childless workers with poverty-level earnings offsets only a small part of their federal taxes. Their EITC reduces their combined federal payroll and income taxes of $1,170 in 2016 by just $184, less than their income tax bill alone.

<table>
<thead>
<tr>
<th>Federal income and payroll taxes</th>
<th>EITC</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,170</td>
<td>$184</td>
</tr>
<tr>
<td>Income tax</td>
<td>$214</td>
</tr>
<tr>
<td>Employee share of payroll tax</td>
<td>$956</td>
</tr>
</tbody>
</table>

Note: Estimated poverty line of $12,494 is produced using the 2015 Census poverty line, adjusted for inflation as estimated by the Congressional Budget Office. Economists generally concur that workers also pay the employer share of payroll taxes in the form of lower wages.

Source: CBPP estimate based on IRS data
The EITC lifts about 1 percent of childless households out of poverty. In contrast, it lifts about 15 percent of households with children out of poverty.

**Earned Income Tax Credit Lifts Few Childless Workers out of Poverty**

Percentage of otherwise-poor families that the EITC lifts out of poverty by family type and number of children under 18, 2012

Source: Congressional Research Service
Filling the hole in the EITC for childless workers could boost employment rates. Labor-force participation has fallen among less-educated young adults who aren’t raising children, making them a prime candidate for a more adequate EITC.

![Employment Rates Have Fallen Among Young, Low-Skilled Men and Women Without Children](source: CBPP analysis of Current Population Survey)

Increasing employment rates among less educated childless adults could have positive spillover effects as well, possibly including lower crime rates. Although the relationship between wage rates and crime is difficult to disentangle (due to the many factors that affect crime rates), researchers have found that lower wages for less-educated people are associated with higher crime rates. Based on this relationship, several leading analysts, such as the Urban Institute’s Harry Holzer and the University of Wisconsin’s Karl Scholz, argue that expanding the childless EITC would likely reduce crime rates among young, disadvantaged men by raising the wages of low-skilled workers.

Also, some experts believe that improving employment rates among male workers could raise marriage rates by increasing their financial stability and, thus, their perceived suitability as a spouse.
Bipartisan proposals would improve the EITC for childless workers. Policymakers from both parties increasingly recognize the problems of taxing childless adults into poverty and excluding them from the robust work incentives that parents raising children receive from the EITC. President Obama, House Speaker Ryan, Senator Sherrod Brown, and Rep. Richard Neal have advanced proposals to address this. All of their plans lower the eligibility age, increase the phase-in rate, boost the maximum credit, and modestly increase the income levels at which it phases down and then out for childless workers.

### Proposals Would Substantially Expand Childless Workers’ EITC

**Earned Income Tax Credit amount, 2016**

<table>
<thead>
<tr>
<th>Recipient’s pre-tax Income(^c)</th>
<th>Current law</th>
<th>President Obama and Speaker Ryan proposals(^b)</th>
<th>Senator Brown and Rep. Neal proposals(^a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>300</td>
<td>600</td>
</tr>
<tr>
<td>$5,000</td>
<td>300</td>
<td>600</td>
<td>1,200</td>
</tr>
<tr>
<td>$10,000</td>
<td>900</td>
<td>1,200</td>
<td>1,500</td>
</tr>
<tr>
<td>$15,000</td>
<td>900</td>
<td>1,200</td>
<td>1,500</td>
</tr>
<tr>
<td>$20,000</td>
<td>1,200</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>$25,000</td>
<td>1,200</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>$30,000</td>
<td>1,200</td>
<td>1,500</td>
<td>1,500</td>
</tr>
</tbody>
</table>

\(^a\) Working Families Tax Relief Act of 2015 (S. 1012), Earned Income Tax Credit Improvement and Simplification Act of 2015 (H.R. 902) assuming same inflation adjustment as S. 1012

\(^b\) President’s FY2016 budget; Speaker Ryan’s “Expanding Opportunity in America” discussion draft

\(^c\) Assumes all income is from earnings (as opposed to investments, for example)

Note: All proposals include age eligibility adjustments to lower the age floor to 21 from the current eligibility age of 25, and President Obama’s proposal raises the maximum age from 64 to 66.
These proposals would deliver a tangible EITC to workers who are now largely excluded. This includes workers with poverty-level wages and those who work full time at the minimum wage.

### Proposals Would Boost Earned Income Tax Credit (EITC) for Childless Workers

<table>
<thead>
<tr>
<th></th>
<th>EITC in 2016 under current law</th>
<th>Under Obama and Ryan proposals</th>
<th>Under Brown and Neal proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Worker at estimated poverty line ($12,494)</strong></td>
<td>$184</td>
<td>$870</td>
<td>$1,226</td>
</tr>
<tr>
<td><strong>Full-time, minimum-wage worker ($14,500)</strong></td>
<td>$27</td>
<td>$556</td>
<td>$913</td>
</tr>
</tbody>
</table>

Note: Assumes Neal proposal uses same inflation adjustment as Brown proposal. Estimated poverty line of $12,494 is produced using 2015 Census poverty line, adjusted for inflation as estimated by the Congressional Budget Office. Calculation assumes 2,000 hours per year at federal minimum wage for full-time workers.

Source: CBPP analysis of Internal Revenue Code, President’s 2016 budget, Speaker Ryan’s “Expanding Opportunity In America” discussion draft, Working Families Tax Relief Act of 2015 (S. 1912), and Earned Income Tax Credit Improvement and Simplification Act 2015 (H.R.902).
Strengthening EITC would have strong anti-poverty effects. The Obama and Ryan proposals would reduce the number of childless workers taxed into or deeper into poverty by about 5.8 million. Under the Brown-Neal proposal, essentially none eligible childless wage-earners aged 21 through 64 would be taxed into or deeper into poverty by federal income and payroll taxes.

Childless Adults Taxed Into Poverty; Earned Income Tax Credit (EITC) Proposals Would Help Address Problem

A single childless adult with poverty-level wages in 2016 ($12,494) owes $1,170 in income taxes and payroll taxes (employee share).

<table>
<thead>
<tr>
<th>Current law</th>
<th>Federal taxes push her $986 into poverty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under current law, she receives an EITC worth just $184.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Obama and Ryan proposals</th>
<th>Better, though federal taxes would still push her $300 into poverty.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under nearly identical EITC expansions from President Obama and House Speaker Ryan, her EITC would rise to $870.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brown and Neal proposals</th>
<th>After taxes, she would be $56 above the poverty line.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under proposals from Sen. Sherrod Brown and Rep. Richard Neal, her EITC would rise to $1,226, more than offsetting her federal tax liability.</td>
<td></td>
</tr>
</tbody>
</table>


These figures don’t take state and local income taxes into account, which can tax some workers back into poverty. States and localities can address such issues, with state EITCs being a prime way to do so. Some 26 states and the District of Columbia now have state EITCs.
Filling the hole in the EITC for childless workers would benefit a diverse range of people. These proposals would reward the hard work of a broad swath of people in every state — young and older, male and female, and across all races — who do important low-paid jobs in hospitals, schools, office buildings, and construction sites, for example. Of the 13 million workers who would benefit from the Obama and Ryan proposals, roughly 35 percent are at least 45 years old, and 1.5 million or more are non-custodial parents. About 6 million are women. Some 630,000 are veterans or military service members. Workers in a diverse range of occupations and demographic groups would benefit.

An additional 3 million workers — 16.2 million overall — would benefit from the Brown and Neal proposals. Roughly 32 percent of the workers who would benefit are at least 45 years old, and 7.2 million are women.

### Workers in Range of Jobs Would Benefit from Filling Gap in Earned Income Tax Credit for Childless Workers

<table>
<thead>
<tr>
<th>Occupational impact of proposed EITC expansions, 2017</th>
<th>Workers helped by Obama, Ryan plans</th>
<th>Workers helped by Brown, Neal plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management, business, financial</td>
<td>631,000</td>
<td>740,000</td>
</tr>
<tr>
<td>Professional, related occupations</td>
<td>1,329,000</td>
<td>1,698,000</td>
</tr>
<tr>
<td>Service occupations</td>
<td>3,814,000</td>
<td>4,679,000</td>
</tr>
<tr>
<td>Sales and related occupations</td>
<td>1,682,000</td>
<td>2,059,000</td>
</tr>
<tr>
<td>Office and administrative support</td>
<td>1,354,000</td>
<td>1,778,000</td>
</tr>
<tr>
<td>Farming, fishing, forestry</td>
<td>165,000</td>
<td>222,000</td>
</tr>
<tr>
<td>Construction and extraction</td>
<td>723,000</td>
<td>996,000</td>
</tr>
<tr>
<td>Installation, maintenance, repair</td>
<td>307,000</td>
<td>413,000</td>
</tr>
<tr>
<td>Production occupations</td>
<td>664,000</td>
<td>934,000</td>
</tr>
<tr>
<td>Transportation, material moving</td>
<td>1,106,000</td>
<td>1,347,000</td>
</tr>
</tbody>
</table>


* Numbers helped by Ryan plan may be smaller than listed for some groups because Ryan proposal does not extend eligibility to workers age 65 and 66, as Obama plan does.
Diverse Group Would Benefit from Filling Gap in Earned Income Tax Credit for Childless Workers

Demographic impact of proposed EITC expansions, 2017

<table>
<thead>
<tr>
<th>Demographic Group</th>
<th>Workers helped under Obama, Ryan* plans</th>
<th>Workers helped under Brown, Neal plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans and military members</td>
<td>630,000</td>
<td>716,000</td>
</tr>
<tr>
<td>Workers with disabilities*</td>
<td>908,000</td>
<td>971,000</td>
</tr>
<tr>
<td>Millennials (ages 18–34)</td>
<td>7,072,000</td>
<td>8,974,000</td>
</tr>
<tr>
<td>Black (non-Latino)</td>
<td>2,119,000</td>
<td>2,611,000</td>
</tr>
<tr>
<td>Latinos</td>
<td>2,914,000</td>
<td>3,851,000</td>
</tr>
<tr>
<td>White (non-Latino)</td>
<td>6,926,000</td>
<td>8,393,000</td>
</tr>
<tr>
<td>Asian Americans</td>
<td>670,000</td>
<td>812,000</td>
</tr>
<tr>
<td>American Indians and Alaskan Natives</td>
<td>357,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Women</td>
<td>6,017,000</td>
<td>7,249,000</td>
</tr>
<tr>
<td>Men</td>
<td>6,987,000</td>
<td>8,932,000</td>
</tr>
<tr>
<td>Rural</td>
<td>1,900,000</td>
<td>2,239,000</td>
</tr>
<tr>
<td>Under 25</td>
<td>3,686,000</td>
<td>4,433,000</td>
</tr>
<tr>
<td>25-34</td>
<td>3,386,000</td>
<td>4,540,000</td>
</tr>
<tr>
<td>35-44</td>
<td>1,444,000</td>
<td>1,969,000</td>
</tr>
<tr>
<td>45-54</td>
<td>1,925,000</td>
<td>2,478,000</td>
</tr>
<tr>
<td>55+</td>
<td>2,563,000</td>
<td>2,761,000</td>
</tr>
</tbody>
</table>

Figures rounded to the nearest 1,000. Estimates from CBPP analysis of the Census Bureau’s March 2015 Current Population Survey and Office of Tax Analysis estimates of the Obama proposal. These figures do not count working spouses who are not part of the relevant demographic group, or spouses who are part of the relevant demographic group but who do not work. For example, an alternative measure of people with disabilities who are helped under the Obama proposal would count workers with disabilities and on-workers with disabilities married to workers. Under this measure, about 1.5 million people with a disability would be helped by the Obama proposal, and about 1.6 million would be helped by the Brown and Neal plans.

* Numbers helped by the Ryan plan may be slightly smaller than listed for some groups because the Ryan proposal does not extend eligibility to workers age 65 and 66, as the Obama plan does.

** Disabled workers include workers with a self-reported disability and those who receive Social Security or Supplemental Security Income due to a disability.

For more detail on each group that would benefit, see:

- Pro-Work Tax Credits Help 4.8 Million Rural Households
- Pro-Work Tax Credits Help 2 Million Veteran and Military Households
- 14 Million Millennials Benefit From Pro-Work Tax Credits
Fixing the gap in the EITC for childless workers would also help children. Here are three reasons why:

1. **Many childless workers are non-custodial parents with financial and parenting obligations to their children.** The Obama proposal would benefit about 1.5 million noncustodial parents, the Treasury Department estimates. By helping them succeed in the labor market, a larger EITC can also help them meet these other responsibilities, including serving as a role model to their children.

2. **Many childless workers are future parents.** The Obama, Ryan, Brown, and Neal proposals extend the EITC to younger workers (ages 21-24), many of them future parents. The better a foothold young workers gain in the labor market, the more likely they will succeed over time and provide for their children when they start families.

3. **Childless workers are part of the community.** Children’s success also depends on their extended families and communities. A stronger EITC for childless adults can support a child's siblings, uncles, aunts, or grandparents who may be considered “childless” for tax purposes but live in the same home as their younger relatives. In addition, as noted, a stronger EITC for young childless workers could strengthen their labor-force participation and marriage prospects and reduce crime, which improve the communities in which children are growing up.
V. Learn More about the EITC and CTC

For more, see:

State Fact Sheets: The Earned Income and Child Tax Credits

How the EITC and CTC Work

- Policy Basic: EITC
- Policy Basic: CTC

Research on the Impacts of the EITC

- EITC and CTC Promote Work, Reduce Poverty, and Support Children’s Development, Research Finds
- New Research: EITC Boosts Employment; Lifts Many More Out of Poverty ThanPreviously Thought

The 2015 Bipartisan Tax Deal

- Tax Deal Makes Permanent Key Improvements to Working-Family Tax Credits

Who Benefits from the Credits

- Pro-Work Tax Credits Help 4.8 Million Rural Households
- Pro-Work Tax Credits Help 2 Million Veteran and Military Households
- 14 Million Millennials Benefit From Pro-Work Tax Credits
- Fact Sheet: 21 Million Mothers Benefit From Tax Credits for Lower-Income Working Families
- Fact Sheet: 13 Million Fathers Benefit From Tax Credits for Lower-Income Working Families

Filling the Hole in the EITC for Childless Workers

- Childless Adults Are Lone Group Taxed Into Poverty
- Strengthening the EITC for Childless Workers Would Promote Work and Reduce Poverty

How State EITCs Can Help Working Families and Strengthen State Economies

- Policy Basic: State EITCs
- State Earned Income Tax Credits and Minimum Wages Work Best Together
- States Can Adopt or Expand Earned Income Tax Credits to Build a Stronger Future Economy
- How Much Would a State Earned Income Tax Credit Cost in Fiscal Year 2016?

Help Low-Income Families Claim the Credits They’ve Earned

- National Earned Income Tax Credit Outreach Campaign