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# The Impact of the Earned Income Tax Credit on Economic Well-Being: A Comparison Across Household Types

Nicole B. Simpson Jill Tiefenthaler Jameson Hyde

## Abstract

The Earned Income Tax Credit (EITC) is a refundable tax credit that provides financial support to low-income workers. This study examines the impact of the EITC on economic well-being across different household types. Using data from the Survey of Consumer Finances, we analyze the relationship between EITC receipt and various indicators of economic well-being, including income, wealth, and financial health. The results show that EITC receipt is associated with higher income and wealth, particularly for single-parent households and households with children. However, the impact on financial health is more mixed, with some evidence of improved financial health for certain household types. The findings suggest that the EITC plays a significant role in supporting the economic well-being of low-income households, particularly those with children and single parents.

## Keywords

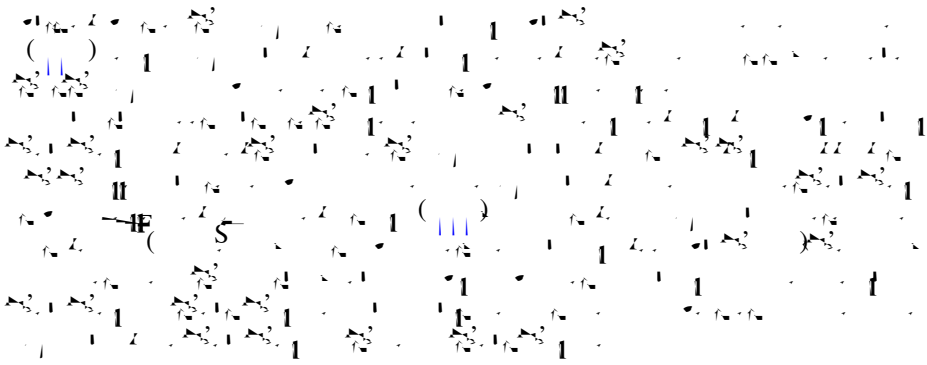
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Earned Income Tax Credit (EITC), Economic Well-Being, Household Types, Income, Wealth, Financial Health, Single-Parent Households, Households with Children.

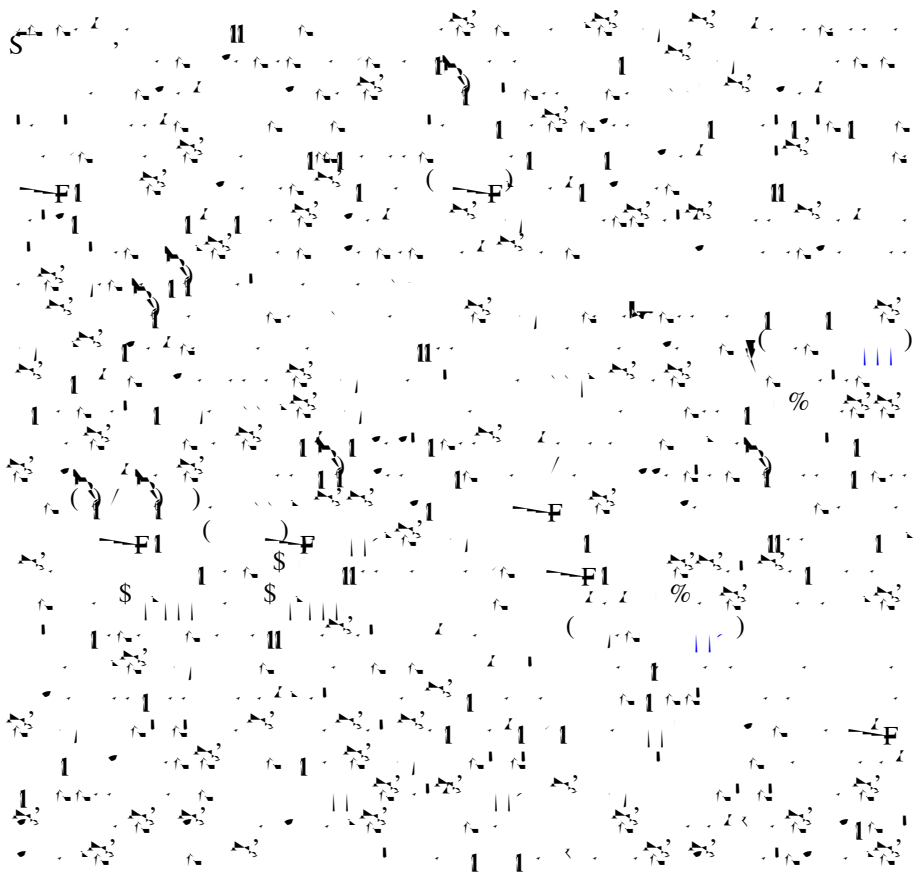
## Introduction

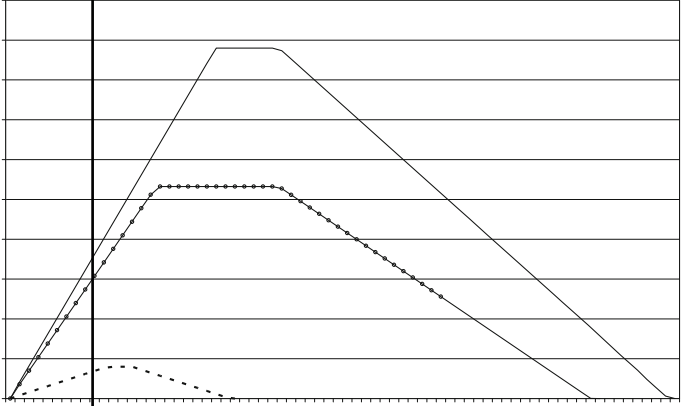
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## Overview of the EITC



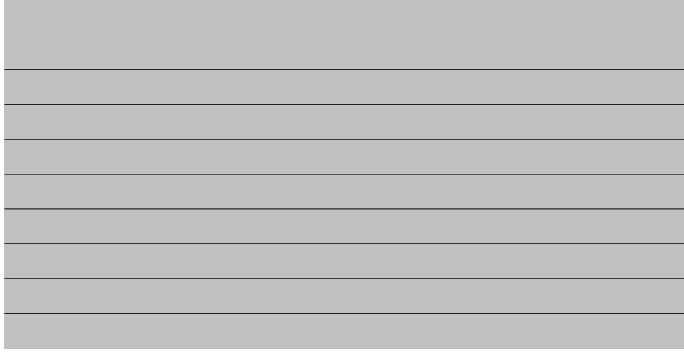


The following table summarizes the data points from the graph above:

| Series | Line Style | Peak Value | Peak X-Coordinate | End X-Coordinate |
|--------|------------|------------|-------------------|------------------|
| Solid  | Solid      | 8          | 4                 | 10               |
| Dotted | Dotted     | 4          | 4                 | 10               |
| Dashed | Dashed     | 1          | 2                 | 4                |

The graph illustrates the relationship between the three series, showing how the solid and dotted lines reach their maximum values at the same x-coordinate but at different levels, while the dashed line reaches its maximum at an earlier x-coordinate.





Handwritten musical notation on a page, featuring various notes, rests, and symbols. The notation is dense and appears to be a score for a piece of music. Key elements include:

- Multiple staves of music.
- Notes with stems and beams.
- Rests and bar lines.
- Percent signs (%) interspersed throughout the notation.
- Some notes are enclosed in parentheses.
- Vertical lines and other markings that suggest a complex rhythmic or melodic structure.





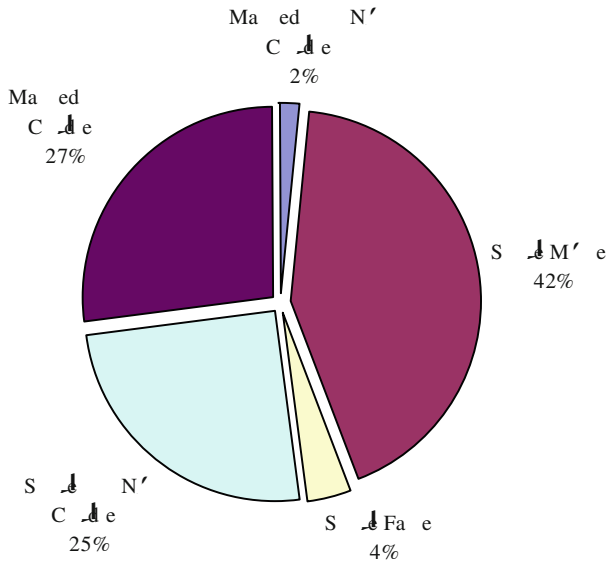


Fig. 3

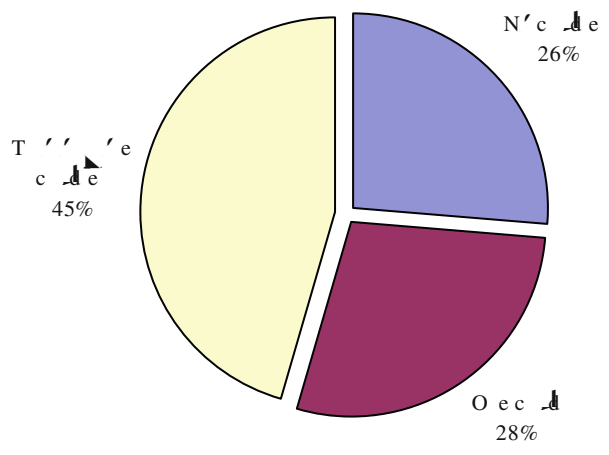


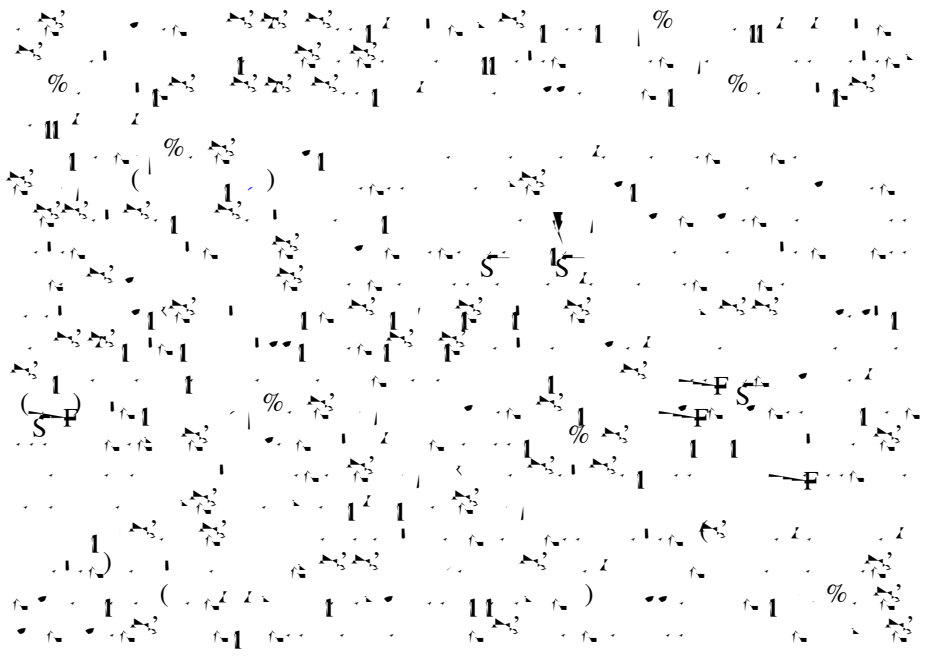
Fig. 4

Table 1. The distribution of the sample companies according to the size of the company (in thousands of dollars) and the type of company (in thousands of dollars). The sample consists of 100 companies. The data are presented in the following table:

| Company Size (thousands of dollars) | Company Type (thousands of dollars) | Percentage |
|-------------------------------------|-------------------------------------|------------|
| 100-200                             | Manufacturing                       | 10%        |
| 100-200                             | Service                             | 10%        |
| 100-200                             | Other                               | 10%        |
| 200-300                             | Manufacturing                       | 10%        |
| 200-300                             | Service                             | 10%        |
| 200-300                             | Other                               | 10%        |
| 300-400                             | Manufacturing                       | 10%        |
| 300-400                             | Service                             | 10%        |
| 300-400                             | Other                               | 10%        |
| 400-500                             | Manufacturing                       | 10%        |
| 400-500                             | Service                             | 10%        |
| 400-500                             | Other                               | 10%        |
| 500-600                             | Manufacturing                       | 10%        |
| 500-600                             | Service                             | 10%        |
| 500-600                             | Other                               | 10%        |
| 600-700                             | Manufacturing                       | 10%        |
| 600-700                             | Service                             | 10%        |
| 600-700                             | Other                               | 10%        |
| 700-800                             | Manufacturing                       | 10%        |
| 700-800                             | Service                             | 10%        |
| 700-800                             | Other                               | 10%        |
| 800-900                             | Manufacturing                       | 10%        |
| 800-900                             | Service                             | 10%        |
| 800-900                             | Other                               | 10%        |
| 900-1000                            | Manufacturing                       | 10%        |
| 900-1000                            | Service                             | 10%        |
| 900-1000                            | Other                               | 10%        |

Table 4

|   | 1 | (%) | S <sup>2</sup> | N |
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This image shows a handwritten musical score on a page. The score is written in black ink on white paper. It consists of several staves of music, each beginning with a clef (likely a soprano or alto clef). The notation includes various note values, rests, and bar lines. There are several instances of a percentage sign (%) and a double bar line (||) interspersed throughout the score. The handwriting is somewhat cursive and appears to be a personal or working draft. The page is numbered '11' at the bottom right corner.



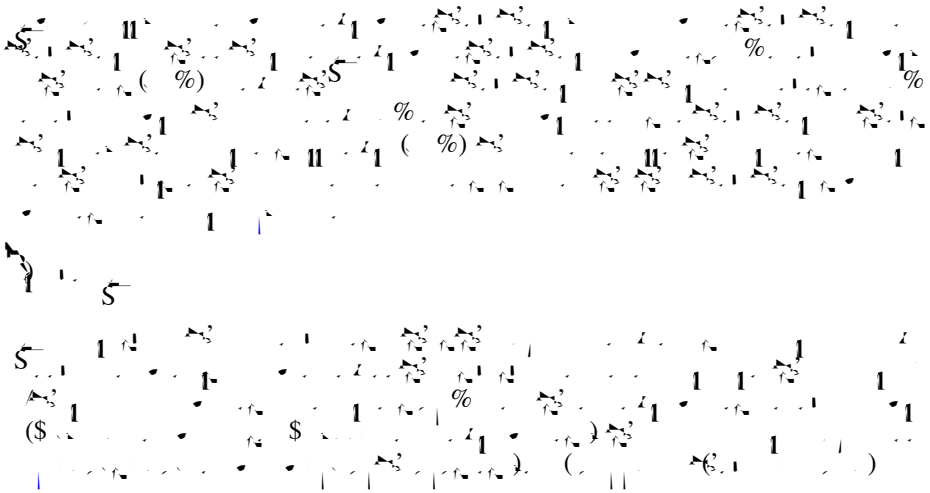






Table 11

|     | 2010 | 2011 | 2012 | 2013 |
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Note

Table 12

|   | 2010 | 2011 | 2012 | 2013 |
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| 1 | %    | %    | %    |      |
| 2 | %    | %    | %    |      |
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| 5 | %    | %    | %    |      |

Note

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(11) S

The image displays a page of a musical score, likely for a vocal and piano piece. It consists of several staves of music. The top staff appears to be a vocal line, with lyrics written below it. The lower staves represent the piano accompaniment. The score includes various musical notations, such as notes, rests, and dynamic markings like 'p' (piano) and 'f' (forte). There are also some performance instructions and symbols like a percentage sign (%) and a double bar line with repeat dots. The overall layout is typical of a printed musical score.







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