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

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Abstract

The Earned Income Tax Credit (EITC) is a refundable tax credit that targets low-income workers and their families. This paper 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 distribution of income and wealth among households with and without children, and how the EITC affects these distributions. We find that the EITC has a significant positive impact on the economic well-being of low-income households, particularly those with children. The impact is largest for households with children in the lowest income quartile, where the EITC increases income by approximately 15% and wealth by approximately 10%. For households with children in the second and third income quartiles, the impact is smaller, with income increasing by approximately 5% and wealth by approximately 2%. For households with children in the highest income quartile, the impact is negligible. For households without children, the impact of the EITC is also smaller, with income increasing by approximately 5% and wealth by approximately 2% for households in the lowest income quartile. The impact is smaller for households without children in the second and third income quartiles, and negligible for households without children in the highest income quartile. Our findings suggest that the EITC is an effective policy tool for improving the economic well-being of low-income households, particularly those with children.

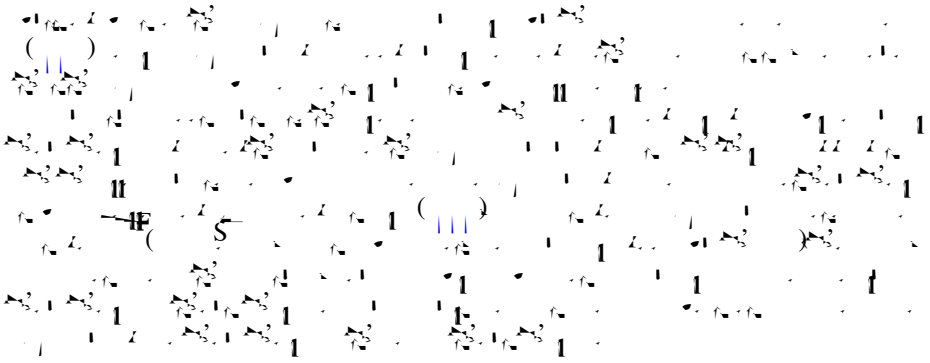
Keywords

Earned Income Tax Credit (EITC), Economic Well-Being, Household Types, Income Distribution, Wealth Distribution

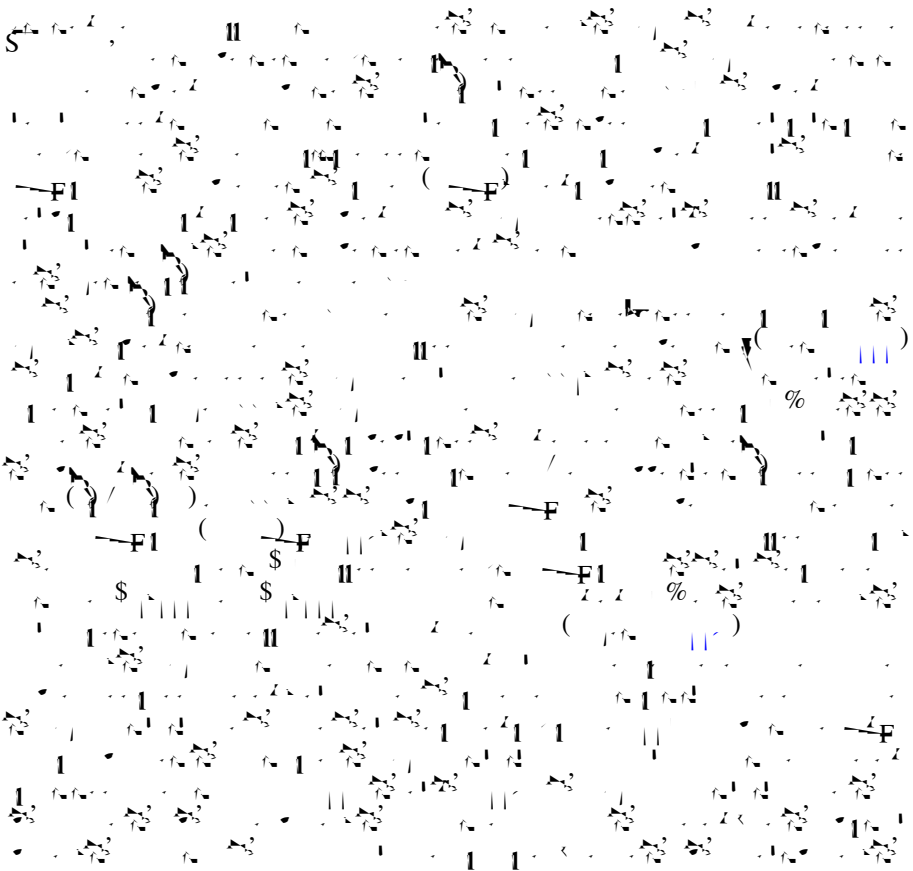
Introduction

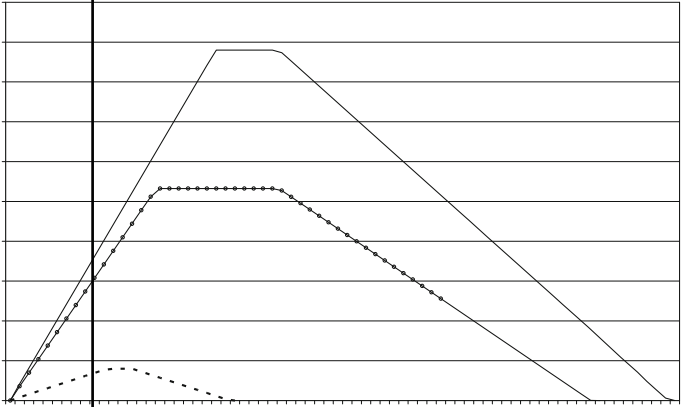
1. The first part of the document discusses the importance of maintaining accurate records of all transactions.

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Overview of the EITC





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

| Line Style | Start (x, y) | Peak (x, y) | End (x, y) |
|------------|--------------|-------------|------------|
| Solid | (0, 0) | (4, 9) | (10, 0) |
| Dotted | (0, 0) | (4, 5) | (10, 0) |
| Dashed | (0, 0) | (2, 2) | (4, 0) |

The graph illustrates the relationship between three variables over a range of 10 units. The solid line represents the highest values, peaking at 9. The dotted line represents intermediate values, peaking at 5. The dashed line represents the lowest values, peaking at 2. All lines start at the origin (0,0) and end at the x-axis.

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Data

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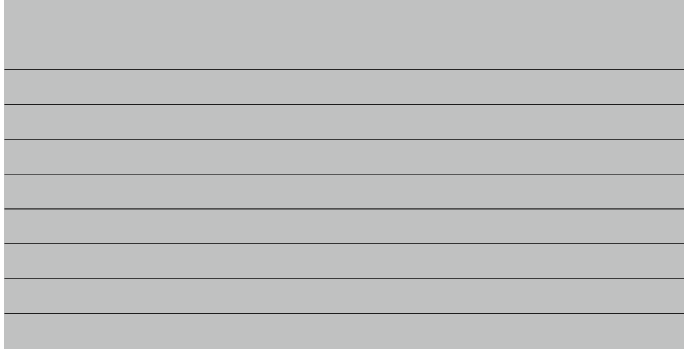
96

97

98

99

100



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.
- Accents and dynamic markings.
- Percent signs (%) interspersed throughout the score.
- Large, stylized symbols that resemble the letter 'S' or '5'.
- Handwritten annotations and markings.

Table 2. ... (continued)

| | | | N |
|---------------------|----|----|---|
| % \rightarrow F 1 | % | % | |
| % | % | % | |
| % | % | % | |
| % | % | % | |
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Descriptive Statistics

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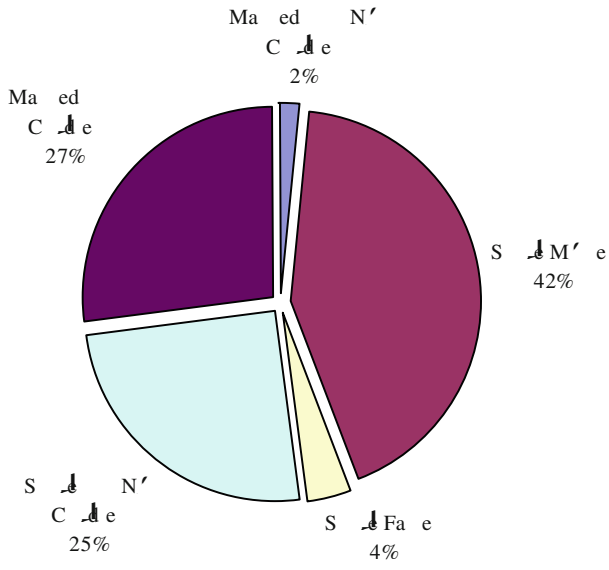


Fig. 3

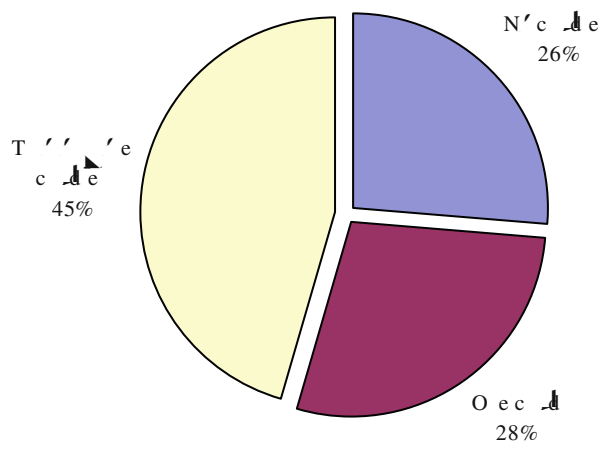


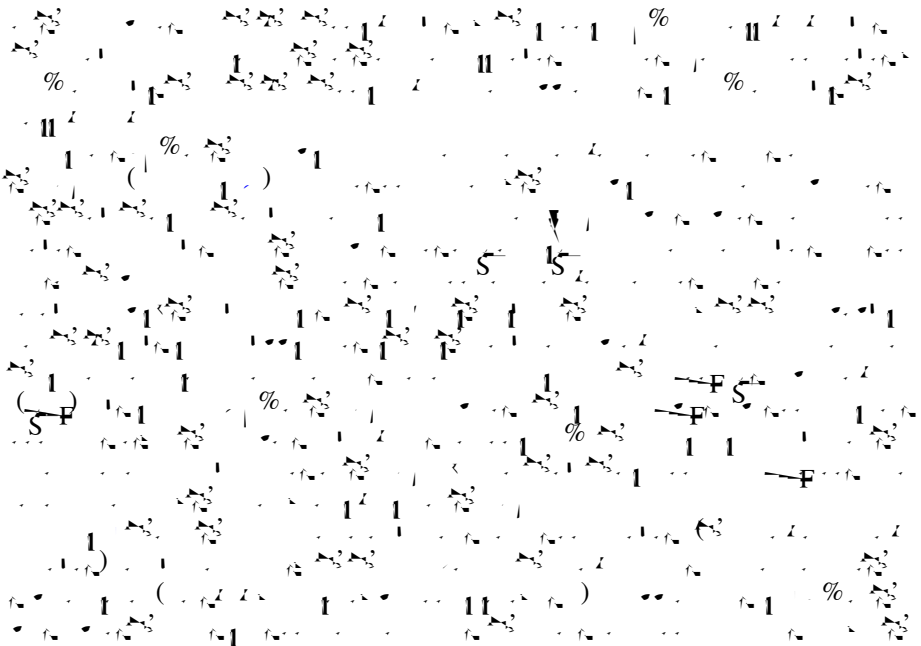
Fig. 4

The first part of the analysis is based on the results of the first survey. The results are presented in Figure 3. The most frequent category is S M' e (42%), followed by Ma ed C' e (27%), S N' C' e (25%), S Fa e (4%), and Ma ed N' C' e (2%).

The second part of the analysis is based on the results of the second survey. The results are presented in Figure 4. The most frequent category is T c' e (45%), followed by N' c' e (26%), and O e (28%).

Table 4

| | 1 | (%) | S ⁺
(%) | N |
|---|---|-----|-----------------------|---|
| % | | | | |
| % | | | | |
| % | | | | |
| % | | | | |



5. The Company is not aware of any pending or threatened litigation or any other claims that could reasonably be expected to have a material effect on the Company's financial condition.

6. The Company's capital resources are sufficient to meet its requirements.

7. The Company's financial condition is stable.

8. The Company's operating performance is satisfactory.

9. The Company's cash resources are adequate.

10. The Company's management is qualified.

11. The Company's business plan is realistic.

12. The Company's financial projections are reasonable.

13. The Company's risks are acceptable.

14. The Company's market is favorable.

15. The Company's competitive position is strong.

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 2. () % ()
 3. () % ()
 4. () % ()
 5. () % ()
 6. () % ()
 7. () % ()
 8. () % ()
 9. () % ()
 10. () % ()

This image shows a handwritten musical score on a page with a vertical margin line on the right. The score is written in black ink and consists of several staves of music. The notation includes various clefs (treble and bass), notes, rests, and other musical symbols. 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 number '11' is written at the bottom right corner.

Handwritten musical notation on a page, featuring a staff with a treble clef and a key signature of one sharp (F#). The notation includes various notes, rests, and dynamic markings such as p (piano), f (forte), and mf (mezzo-forte). There are also several instances of the percentage symbol $\%$ interspersed with the notes. The handwriting is in black ink on a white background. At the bottom right of the page, there is a handwritten page number $(1-1)$.

|| % .. . % .. . % .. .

Table 11

| | 2011 | 2012 | 2013 | 2014 |
|-----|------|------|------|------|
| 1 | % | % | % | |
| 2 | % | % | % | |
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Note

Table 12

| | 2011 | 2012 | 2013 | 2014 |
|---|------|------|------|------|
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Note

%

(11) S

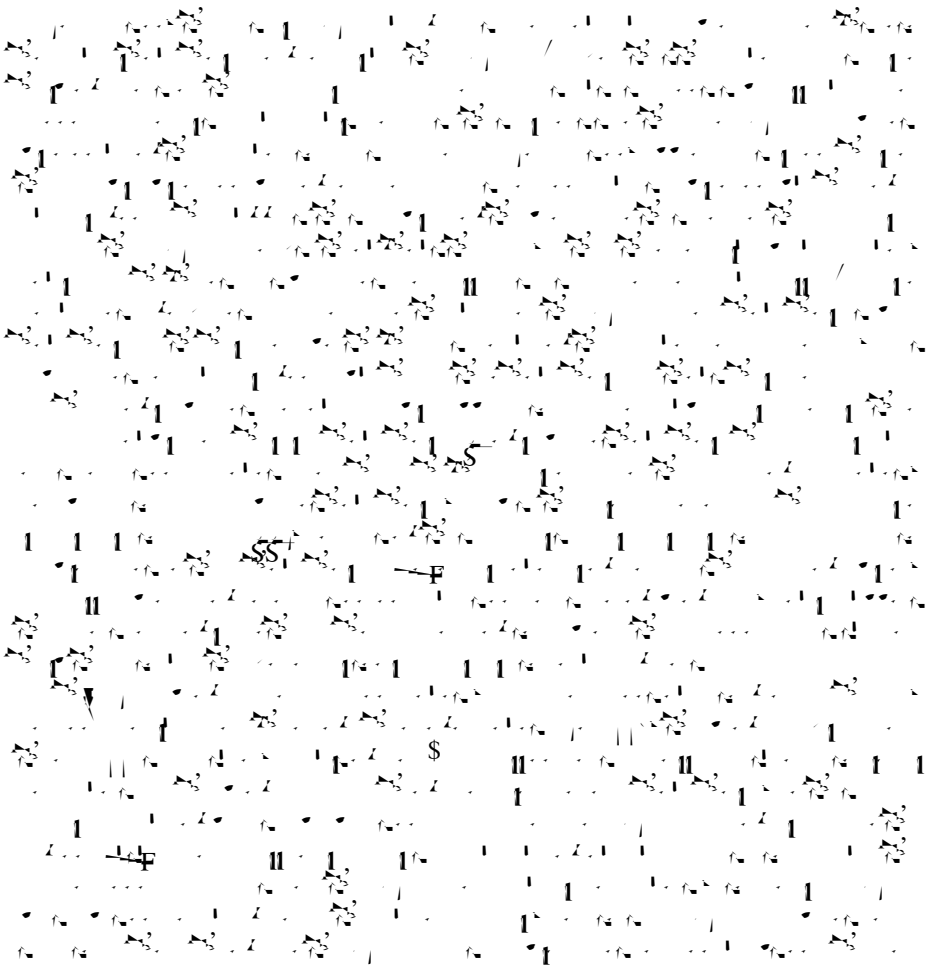
The image displays a page of a musical score, likely for a vocal and piano ensemble. The score is written on multiple staves. At the top, there are some markings that appear to be '9' and '1'. The music includes various note values, rests, and dynamic markings such as 'p' (piano) and 'f' (forte). There are also some markings that look like percentages or symbols, possibly indicating performance instructions or editing. The notation is dense and covers most of the page.

II

1 (%)

2 (%)

11



Acknowledgements

National Tax Journal, 53()

Journal of Policy Analysis and Management, 23()

Helping working families: The earned income tax credit
Economic Inquiry, 40()

OECD Economic Studies, 31
Journal of Economic Perspectives, 20()

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Bridging the gap: Refundable tax credits in metropolitan and rural America
Financial Counseling and Planning, 17()

The earned income tax credit and rural families: Differences between participants and non-participants
American Prospect Online

National Tax Journal, 54()

National Tax Journal, 53()

National Tax Journal, 53()