Carsey Institute: Earned Income Tax Credit Program Promotes Healthier Children

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DURHAM, N.H. – New Research from the Carsey Institute at the University of New Hampshire shows that access to state-level Earned Income Tax Credits (EITCs) results in healthier children.

The research was conducted by Reagan Baughman, associate professor of economics at the UNH Whittemore School of Business and Economics, and is presented in the new Carsey brief “Child Health Effects of State Earned Income Tax Credits.”

The EITC is the nation’s largest federal income support program, with 27 million working households receiving credits in the 2009 tax year. Over the past 20 years, 24 states have implemented their own EITCs. One of the primary goals of the credit is to increase the family incomes of low-wage workers and to lift the children in these families out of poverty.

The key research findings are as follows:

- Expansion of state EITCs is associated with fewer children covered by public health insurance programs and more children covered by private health insurance.

- State EITCs are associated with improvements in mothers’ reports of child health status.

- Children in metropolitan areas are more likely than their more rural peers to have higher medical care utilization after a state EITC is adopted.

- Nonmetropolitan areas see larger reductions in obesity rates than do metropolitan places following state EITC adoption.

Researchers relied on data from the National Longitudinal Survey of Youth 1979 (NLSY79) cohort, attached to the Child and Young Adult (CYA) supplement. The NLSY79 is a multiyear survey of a nationally representative sample of 12,686 individuals who were ages 14 to 21 in 1979. The first interview took place in 1979, and respondents have been followed with annual interviews until 1994 and interviews every two years thereafter. The sample used in this analysis includes data from 1992 to 2006 and consists only of children ages 14 and under whose mothers have less than a college education.

The complete Carsey Institute report about this research is available at http://www.carseyinstitute.unh.edu/CarseySearch/search.php?id=194.

The Carsey Institute conducts policy research on vulnerable children, youth, and families and on sustainable community development. The institute gives policy makers and practitioners the timely, independent resources they need to effect change in their communities. For more information about the Carsey Institute, go to www.carseyinstitute.unh.edu.

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

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