UNH Research Finds Earned Income Tax Credit is Helping Americans Avoid Poverty

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DURHAM, N.H. – Absent the federal Earned Income Tax credit (EITC) two percent more of the population would be poor, according to new research out of the Carsey School of Public Policy at the University of New Hampshire.

“The EITC is one of a number of important tools in the fight against poverty,” the researchers said. “Without this federal assistance our children especially would suffer, with more than four percent of children nationwide at risk of becoming poor absent the federal EITC.”

The research was conducted by Douglas Gagnon, a vulnerable families research associate at Carsey, Beth Mattingly, director of research on vulnerable families at Carsey and a research assistant professor of sociology, and Andrew Schaefer, a vulnerable families research associate at Carsey.

The key findings are as follows:

- The proportion of people who are poor in the U.S. (as measured by the Supplemental Poverty Measure) would increase by one-eighth without federal dollars.
- Children are especially at risk, with one out of every 25 becoming poor without the EITC. In the South rates of child poverty would increase by nearly a third.
- In the states of Texas, North Carolina and Arizona, at least three percent more of the overall population would become poor without federal EITC benefits. This contrasts considerably with the states of Minnesota, New Hampshire and North Dakota, where one percent or less of the population would change poverty status.
- Differences among states are more dramatic when looking at children. Four states—Arizona, Kentucky, North Carolina and Texas—would see at least a six percent increase, nearly three times those in Minnesota, New Hampshire, North Dakota and South Dakota.

The complete Carsey Institute report about this research is available at https://carsey.unh.edu/publication/federal-eitc.

The Carsey School of Public Policy conducts research, leadership development, and engaged scholarship relevant to public policy. They address pressing challenges, striving for innovative, responsive, and equitable solutions at all levels of government and in the for-profit and nonprofit sectors.

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