
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 provides financial support to 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 receiving the EITC, comparing them to those not receiving the credit. We find that the EITC significantly increases the income of low-income households, particularly for single-parent families and households with children. However, the impact on wealth is more limited, with the EITC having a smaller effect on the accumulation of assets over time. Our findings suggest that while the EITC is an effective tool for reducing income poverty, it may have a limited impact on long-term economic well-being, particularly for households with children and single parents. Further research is needed to explore the long-term effects of the EITC on wealth accumulation and economic mobility.

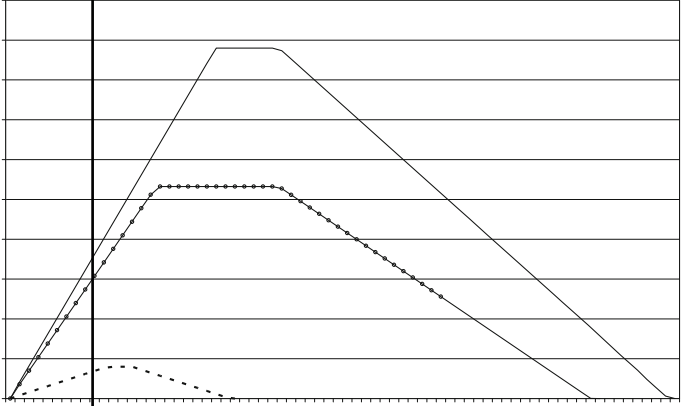
Keywords

Earned Income Tax Credit (EITC), Economic Well-Being, Household Types, Income Distribution, Wealth Accumulation, Single-Parent Families, Children, Low-Income Households, Survey of Consumer Finances, Refundable Tax Credit, Income Poverty, Economic Mobility, Long-Term Effects, Financial Support, Income Support, Wealth Accumulation, Economic Mobility, Long-Term Effects, Financial Support, Income Support.

Introduction

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

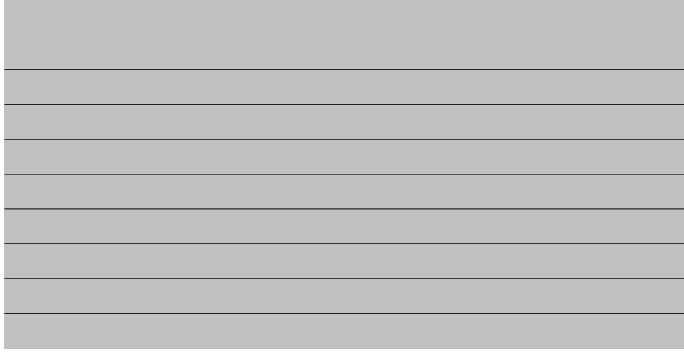
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The following table summarizes the data points from the graph above:

| X-axis | Solid Line | Dotted Line | Dashed Line |
|--------|------------|-------------|-------------|
| 0 | 0 | 0 | 0 |
| 1 | 2 | 1 | 0.5 |
| 2 | 4 | 2 | 1 |
| 3 | 6 | 3 | 0.5 |
| 4 | 8 | 4 | 0 |
| 5 | 8 | 4 | 0 |
| 6 | 6 | 3 | 0 |
| 7 | 4 | 2 | 0 |
| 8 | 2 | 1 | 0 |
| 9 | 0 | 0 | 0 |
| 10 | 0 | 0 | 0 |

The graph illustrates the relationship between three variables over a range of 10 units. The solid line represents the highest values, peaking at 8. The dotted line represents intermediate values, peaking at 4. The dashed line represents the lowest values, peaking at 1. All series start at zero and return to zero by the end of the range.



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.

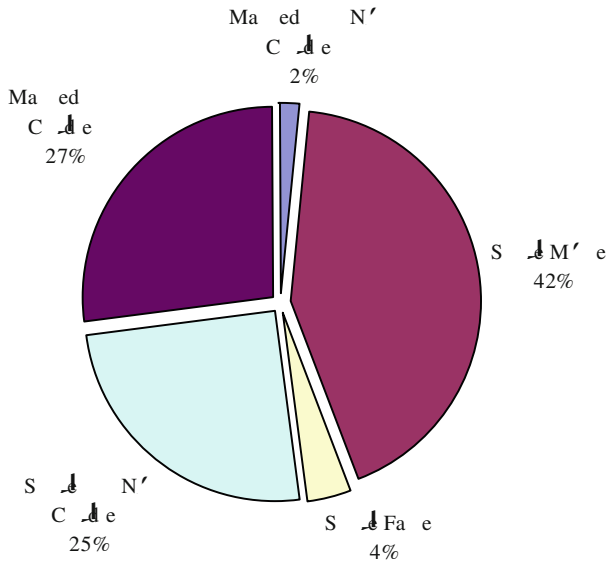


Fig. 3

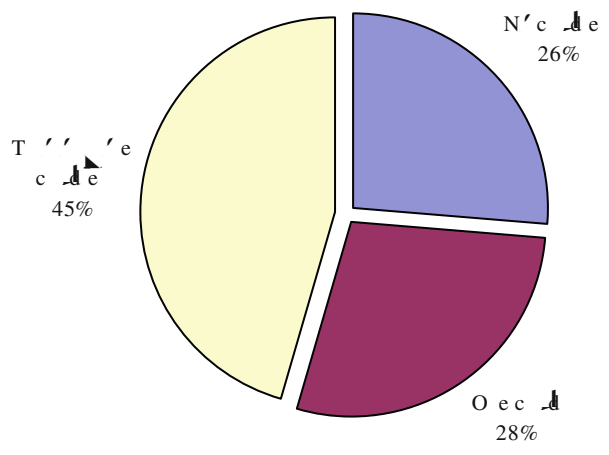


Fig. 4

Table 1. Distribution of categories in the sample.

Category: S M' e (42%), Ma ed C' e (27%), S N' C' e (25%), S Fa e (4%), Ma ed N' C' e (2%), T c' e (45%), N' c' e (26%), O e (28%).

1. () % ()
 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.

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()
 National Tax Journal, 53()
 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()