America's best child poverty-fighting program? It's spelled EITC

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New research from UC Berkeley shows that the Earned Income Tax Credit is the most effective poverty-fighting program for children in the U.S, and encourages families to work more because it rewards additional

earnings.

The work by Berkeley professor of economics and public policy Hilary Hoynes and others, which assesses the impacts of anti-poverty programs, is highlighted in a policy brief for the Institute for Research on Labor and Employment.

"This is the first assessment of both the direct and indirect impact of the EITC on poverty. We show that the true anti-poverty effects of the EITC have been underestimated by up to 50 percent," said Hoynes.

The brief shows how the EITC is improving maternal health, leading to fewer high school dropouts, and has dramatically increased employment among single mothers.

"The gains in income for poor families lead to improvements seen in the longer term, including child cognitive and educational outcomes," said Hoynes.

The EITC, a federal tax credit for low-and middle-income working people that rewards work and offsets payroll and income taxes, along with the Child Tax Credit, lifted 9.2 million Americans—including 4.8 million children—out of poverty in 2015.

More information: The Earned Income Tax Credit: a key policy to support families facing wage stagnation. irle.berkeley.edu/the-earned-i … ing-wage-stagnation/

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