

What are the pros and cons of expanding the EITC for workers without children?

Jonathan Meer

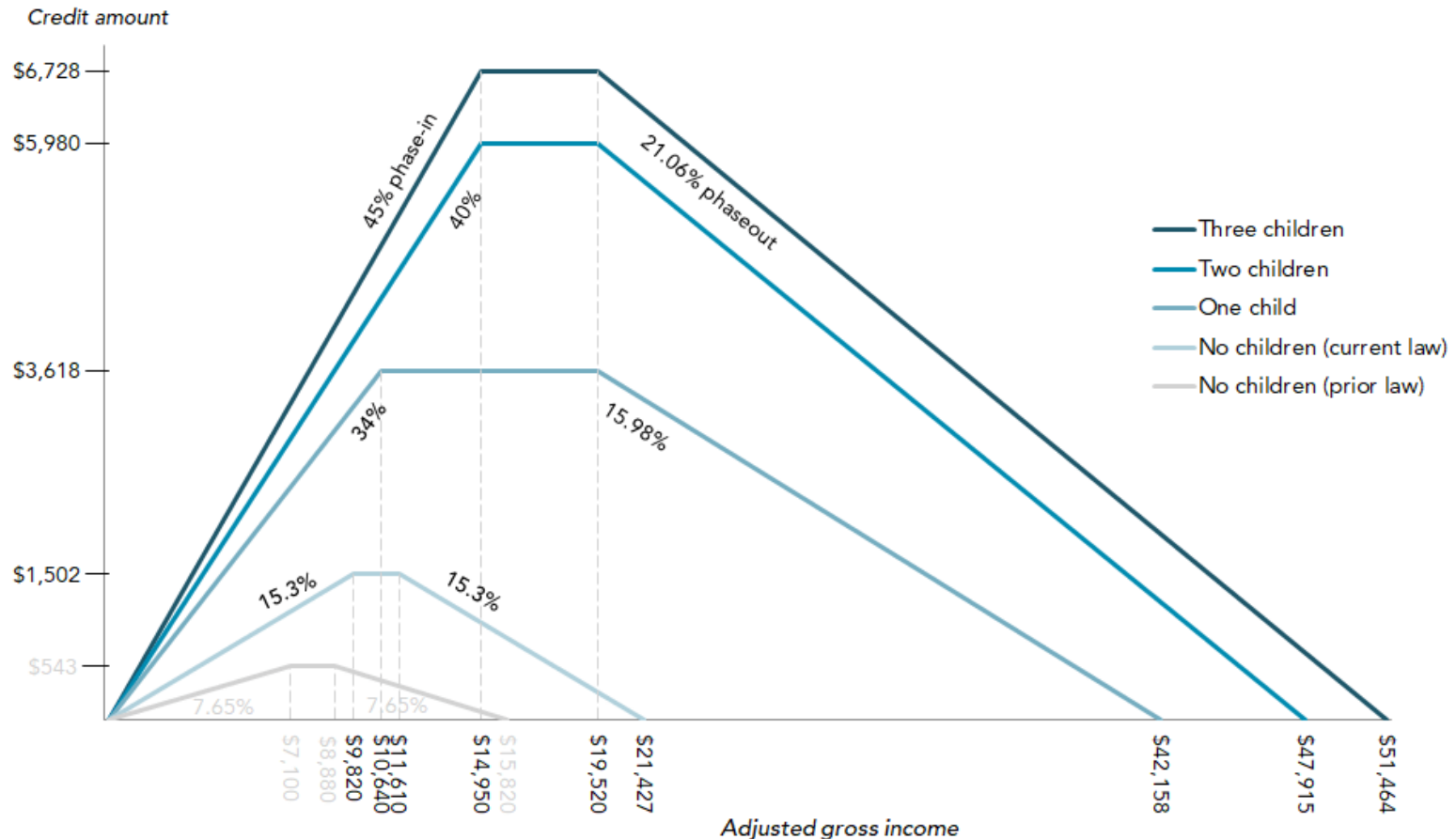
Texas A&M University & NBER

- Expanded to childless adults in 1994
 - No real expansion since (\$306 in 1994 -> \$649 in 2025)
 - Ages 25-64 (or spouse)
 - Childless: no children; noncustodial parent; empty-nester
 - Childless adults are a quarter of EITC recipients but only 3% of payments with an average claimed credit of \$302 (Crandall-Hollick, 2021).
 - Lower take-up rates (64% in 2017, Jones (2020))
 - LFP tends to be high for this group
- State-level EITCs
- ARPA expansion in 2021: maximum amount nearly tripled, income range nearly doubled, 19-24 and 65+ eligible

A Brief Overview

FIGURE 1

Earned Income Tax Credit 2021



Source: Urban-Brookings Tax Policy Center (2021); Internal Revenue Procedure 2020-45, Internal Revenue Service; and H.R. 1319, "American Rescue Plan Act of 2021," 117th Cong. (2021.)

Notes: Assumes all income comes from earnings. Amounts are for taxpayers filing a single or head-of-household tax return. For married couples filing a joint tax return, the credit begins to phase out at income \$5,940 higher than shown, or \$5,950 if the couple has children.

A Brief Overview

- Many in-depth proposals to expand the childless EITC
- 2016 Ryan-Obama: roughly double the credit and income range, lower eligibility to 21

**Fixing the Meager EITC for Workers
Not Raising Children**  CBPP

**Tax Reform 2.0 Should Expand
Childless EITC To Reduce Poverty**
Elaine Maag TPC

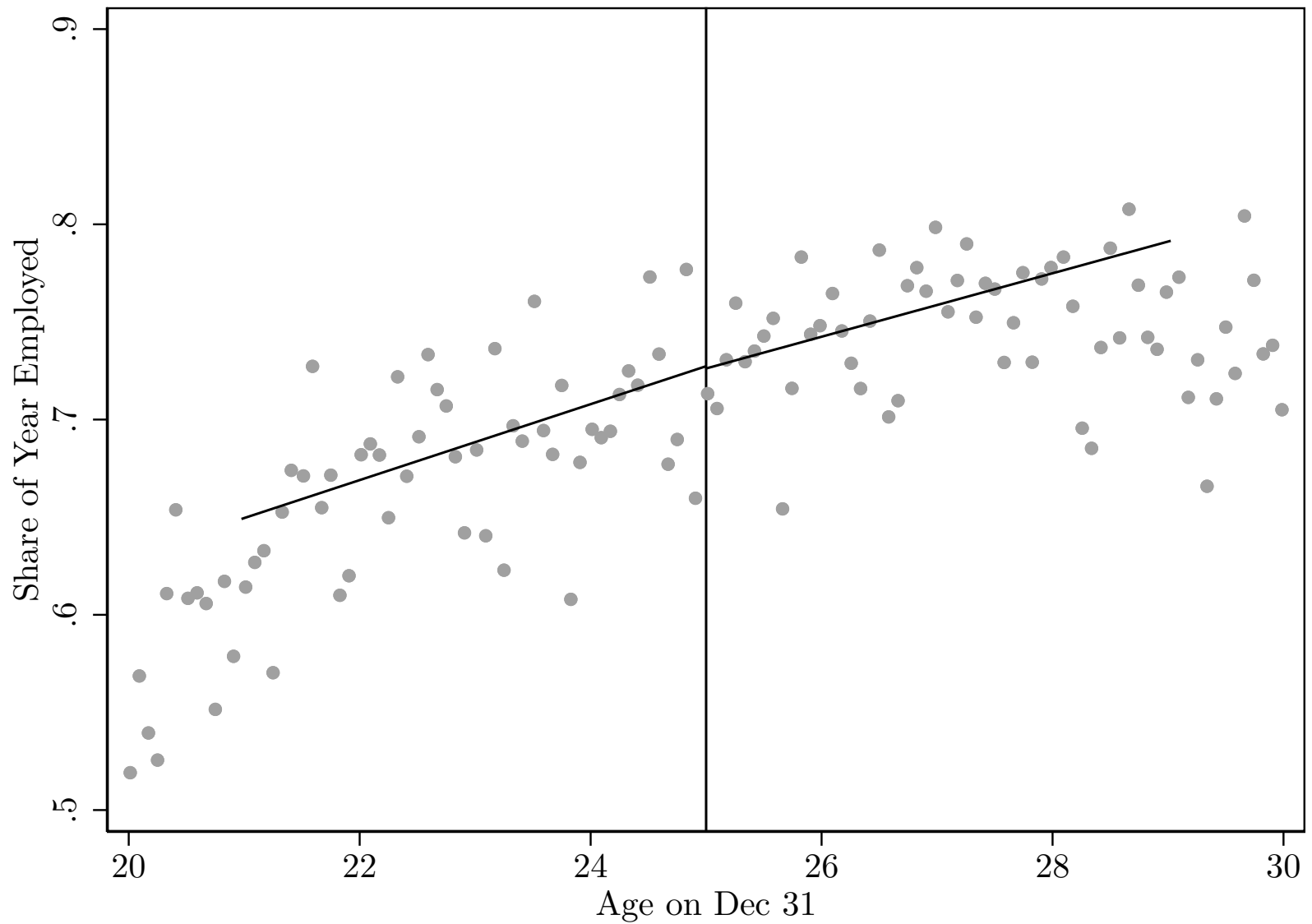
**Bi-Partisan Support for
Expanding the EITC for
Childless Workers**
Center for Law and Social Policy

**Retooling the Childless EITC to Better Support
Young Adults**
Center on Poverty and Social Policy

**Paul Ryan and Obama support the same
proposal — and it's still not going to pass**

By Dylan Matthews | dylan@vox.com | Jul 25, 2014, 10:30am EDT

- Evidence on the childless EITC
 - Witter (2020)
 - State EITC expansions increased LFP/emp/hours for younger women but decreased for old men
 - Similar pattern from “large” 2015 DC childless-only EITC expansion
 - Meer & Witter (2022)
 - Use age-25 discontinuity
 - No impact on LFP, employment, or hours in first or second year of eligibility
 - No difference in states with their own EITC
 - 90% baseline annual LFP
 - Lee *et al.* (2024)
 - ARPA expansion: compare 19-24 year olds to 25-34 year olds
 - Reduction in self-reported “housing hardship” but only suggestive evidence on food/expenses
 - No evidence on employment/earnings... but anyway, COVID
- Non-EITC
 - NY Paycheck Plus (Miller *et al.*, 2017; Miller *et al.* 2022)
 - Experimental EITC-like program
 - Somewhat higher employment (mostly for women) but no effect on earnings
 - More results forthcoming
 - WOTC (Jain *et al.*, 2025)
 - Employer subsidy for certain workers is pure transfer to employers



The Big Questions

- Do the (non) incentives matter?
- How much support should go to families vs the childless?
- Should we worry about the marriage penalty?
- How much support should go to childless people in their early 20s? To older people?
- How should the EITC be delivered?