

# SESSION TWO: Who benefits most from EITC? Looking beyond the labor market incentives to health, well-being, and future earnings of recipients and their children

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# Downstream benefits of the EITC

- Recent and growing literature quantifying the short, medium and long term benefits of the EITC
- Dimensions of this work
  - First generation (e.g. recipient) and second generation (children)
  - Wide range of outcomes: health, human capital, earnings, criminal justice involvement, child maltreatment

# Top Level Findings – *EITC for families with children*

- Positive impacts on children:
  - Higher birthweight (Hoynes et al 2015, Strully et al. 2010), improved child health (Averett & Wang 2018, Baughman & Duchovny 2016) and lower child maltreatment (Rittenhouse 2022, Berger et al 2017)
  - Improved test scores (Dahl and Lochner 2012, Chetty et al 2011, Barr et al 2022)
  - Improved education, earnings, poverty in adulthood (Bastian and Micheltmore 2018, Manoli and Turner 2018, Barr et al 2022, McInnis et al 2024)
  - Better health in adulthood (Braga et al 2020)
- Some evidence of improvements for recipients
  - Improvement in health, mental health, and risky biomarkers for mothers (Evans and Garthwaite 2014, Schmidt et al 2023)
  - Reduction in housing insecurity / doubling up (Pilkauskas & Micheltmore 2019)
  - Reduction in non-drug suicides (Dow et al 2019), intimate partner violence (Cesur et al 2022), recidivism for female offenders (Agan and Makowsy 2018)
- Limited evidence on family formation and fertility (of either generation)

# Top Level Findings – *EITC for those without children*

- Much less work, smaller credit
- COVID era temporary expansion led to reductions in material hardship among young adults (Lee et al 2024)

# What we still need to learn

- For children
  - role of maternal employment versus family income
  - Sensitive periods: does age of treatment matter?
- More on mechanisms –
  - what is the money spent on?
  - Some evidence of more childcare (Pilkauskas & Micheltore 2023) and less maternal time on children's leisure (Bastian & Lochner 2021)
- Impacts on wages (incidence)