
The EITC & State-Level Labor Market Interventions

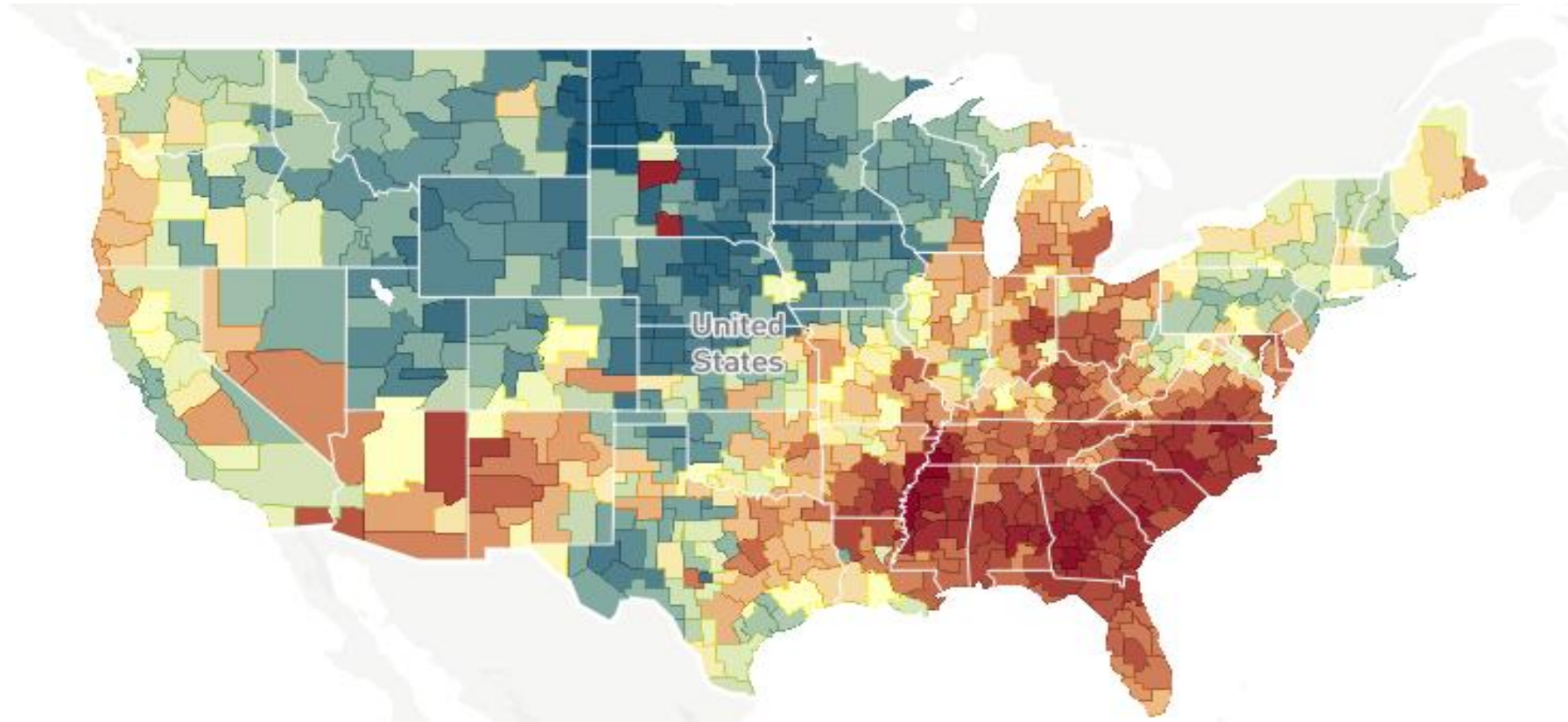
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National Governors Association
Making Work Count: Strategies for Promoting Economic Mobility

There are differences in social & economic mobility across the U.S.

- Role of “place” as a determinant of socioeconomic outcomes in America
 - A land of opportunity suggests
 - future success \neq family background
 - What role can labor market policies like EITCs play?
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Low Parental Income & Adult Child Incomes



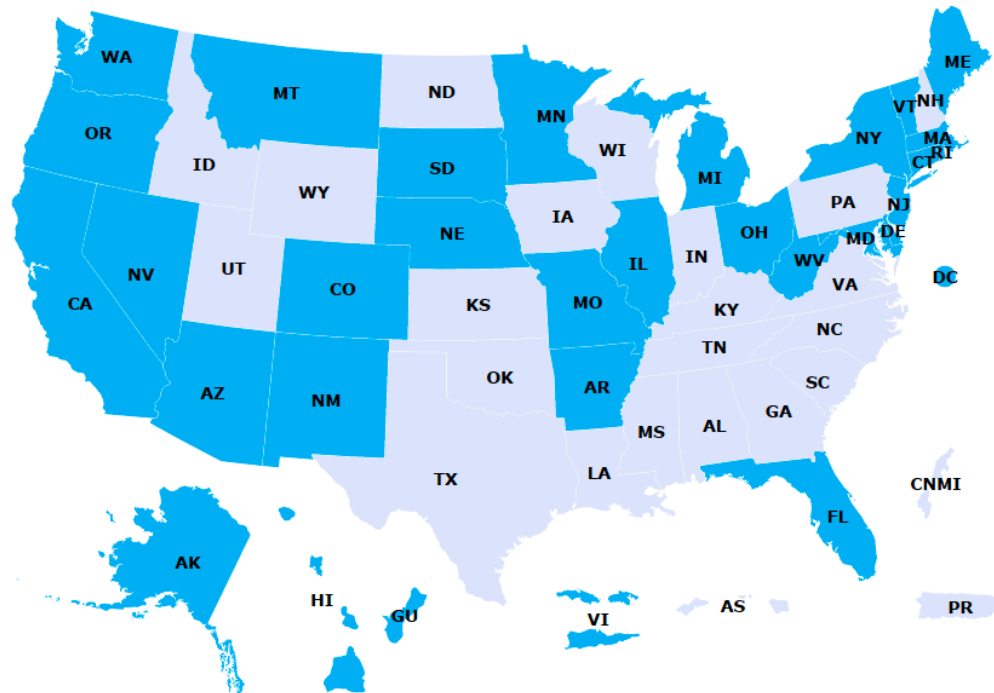
Chetty et al. (2018). Opportunity Atlas

What other factors potentially influence these observed outcomes?

- Do these contemporary outcomes have structural, historical determinants?
- State & local policy choices – current & past?
 - EITC, TANF, min. wages, economic development
 - Race & policy (Hardy et al. 2018): historical policies & impacts

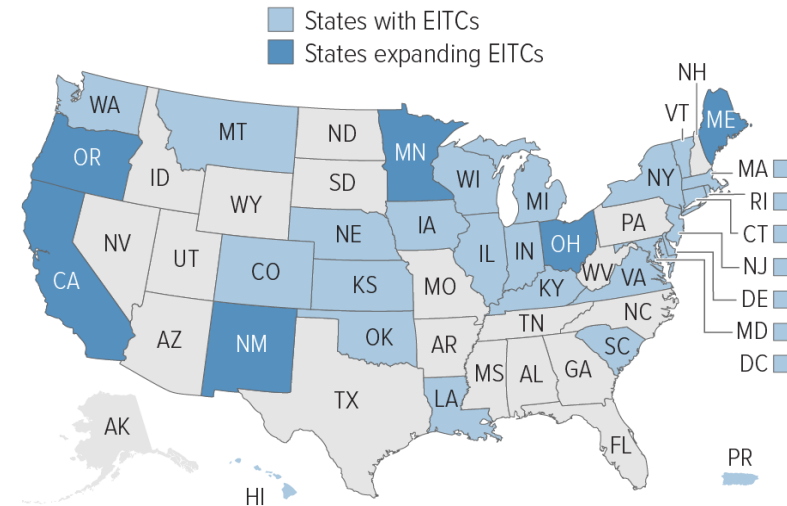
State Labor Market Policy Differences

2019 State Minimum Wages (DOL)



2019 State EITC (CBPP)

Six States Expanded Their Earned Income Tax Credits in 2019

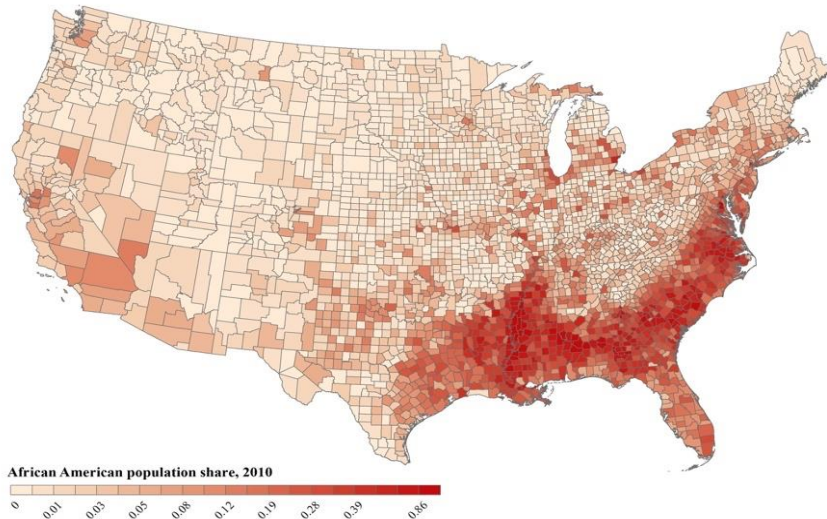


Note: EITCs in 25 states are refundable, meaning households receive the full value of the credit they earn even if it exceeds their income tax liability. States with non-refundable EITCs are Delaware, Hawaii, Ohio, Oklahoma, South Carolina, and Virginia.

Source: CBPP analysis

Race, Mobility, & Historical Poverty in the U.S.

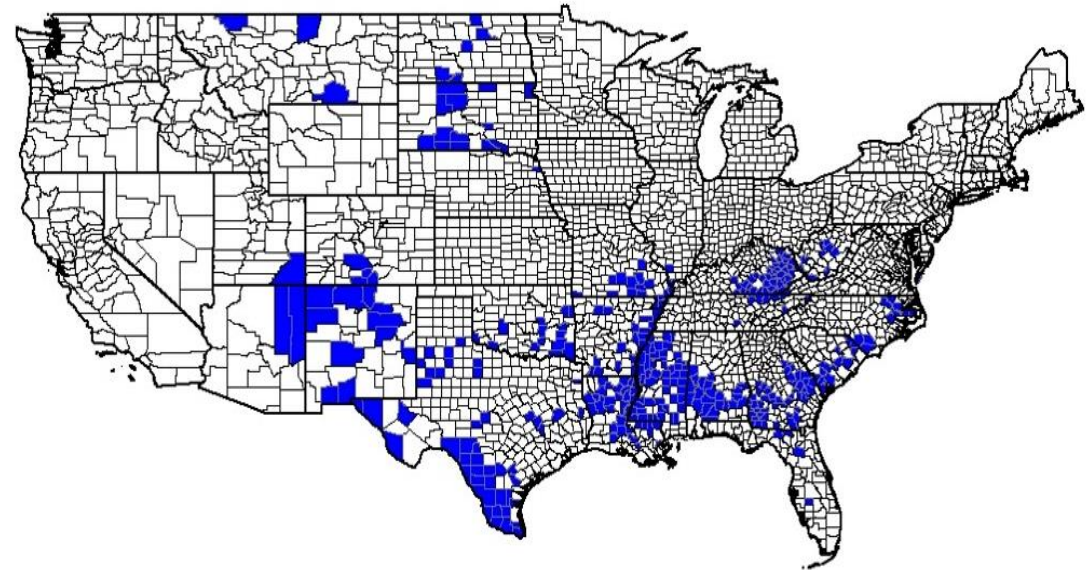
2010 Black Population
(U.S. Census)



Hardy et al. (2018)

Historical Factors &
Persistent Poverty

Figure 1: U.S. Counties with Persistent Poverty from 1959 - 1999



Islam, Minier, & Ziliak (2015)

The EITC

- Refundable EITCs: States follow & supplement the federal EITC
 - A maximum of \$9000 for DC claimants
 - Promotes work + associated benefits (health insurance, retirement, etc.)
 - Used for expenses, deferred maintenance, repairs, debt & bills, etc.
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Combining the EITC w/ other Supports

- EITCs provide liquidity for families w/ limited resources
 - Community college opportunities—can workers find the credentials they seek?
 - Information
 - Partnerships w/ industry
 - Public-private (industry) partnerships to connect workers to training & employment opportunities
 - Ex. National Fund for Workforce Solutions
 - Apprenticeships
 - Housing-**TANF**-SNAP interactions
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Thank You

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