Georgia Work Credit: A Tool to Improve Health and Promote Equity

August 28, 2018
EARNED INCOME TAX CREDIT (EITC)

- Federal tax credit for families with low and moderate wages

- 1 million Georgia households claimed the federal EITC in 2015 – 2.6 million individuals, including 1.2 million children

- Lifts about a quarter-million Georgians out of poverty each year

- Helps working Georgians afford the basics and work their way into the middle class
EITC’s Unique Structure Rewards, Encourages Work

Federal EITC value by income, marriage status and number of children, 2016

- Single
- Married Filing Jointly

- 3+ Children
- 2 Children
- 1 Child
- No Children

Size of Federal EITC vs. Household Income

Household Income: $1,500 to $53,500
29 states and D.C. have their own EITCs - providing a limited credit against state and local taxes

Georgia Work Credit would provide a bottom-up tax cut, saving families up to $630 a year

$303 Million could go into the state economy from a Georgia Work Credit
Jane is a single mother of one in Macon who works fulltime as a cashier, making minimum wage.

Earns $14,500 annually before taxes

Owes about $154 a year in Georgia state income taxes

A refundable Georgia Work Credit at 10 percent of the federal credit comes out to $337 for Jane, delivering her an estimated state refund of $183.
HOW CAN THE GEORGIA WORK CREDIT SUPPORT HEALTH?
HEALTH BENEFITS DOCUMENTED BY EXTENSIVE RESEARCH

- Maternal Health
- Infant and Child Health
- Mental Health
MATERNAL HEALTH
HIGHER EITCS CAN HELP MORE MOTHERS RECEIVE PRENATAL CARE

Georgia Mothers with Less Education Are Less Likely to Receive Prenatal Care

% of Georgia Births in Which Mother Reports Receiving No Prenatal Care, 2016

- Less than HS: 7.7%
- High school graduate: 4.0%
- Some college or associate degree: 2.3%
- Bachelor's degree or higher: 1.1%

Following EITC expansion, mothers with two or more children receiving higher EITC payments increased likelihood of reporting “excellent” or “very good” health by:

1.35 percentage points

BLACK & HISPANIC GEORGIA MOTHERS LESS LIKELY TO REPORT EXCELLENT OR VERY GOOD HEALTH

% of Georgia women with 2 or more children reporting either “excellent” or “very good” health, 2016

- White, Non-Hispanic: 60.9%
- Black, Non-Hispanic: 43.2%
- Hispanic: 27.1%

Georgia ranks:

5th highest in share of newborns with low birthweights

5th highest in rates of infant mortality

A refundable EITC set at 10 percent of the federal credit is estimated to reduce low birthweight in Georgia by 8.4 percent.

1,047 fewer low birthweight babies each year

LOW BIRTHWEIGHT MUCH HIGHER AMONG BIRTHS TO BLACK MOTHERS

% of low birthweight babies born to mothers with high school education or less, 2017

Source: Georgia Department of Public Health OASIS, 2017.
EITC CAN RESULT IN GREATER IMPROVEMENTS FOR BLACK MOTHERS

For every $1,000 increase in the EITC:

5.6% decline in low birthweight among ALL mothers

7.2% decline in low birthweight among BLACK mothers

STATE EITCS AND CHILD HEALTH

Mother-reported health

A $100 increase in value of state EITC associated with:

1.2 percentage point decline in mother reporting child to be in fair or poor health status

3.4 percentage point increase in mother reporting child to be in excellent health

Childhood obesity

After the adoption of a state EITC, children in non-metropolitan areas experienced larger reductions in obesity.

Obesity rate in non-metropolitan areas of Georgia: 31%

Obesity rate in metropolitan areas of Georgia: 28.8%


GEORGIANS WITH LOWER WAGES REPORT MORE POOR MENTAL HEALTH DAYS

Mean # of days in the past 30 days adults reported their mental health was not good, 2016

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Days of Poor Mental Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25K</td>
<td>5.6</td>
</tr>
<tr>
<td>$25-$49,999</td>
<td>3.7</td>
</tr>
<tr>
<td>$50-$74,999</td>
<td>3.0</td>
</tr>
<tr>
<td>$75K or more</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: America’s Health Rankings, 2016.
$500 increase in EITC payments reduced the number of poor mental health days by 19 percent for low-income mothers with two or more children.

One poor mental health day is associated with:

- **2.3% reduction in per-capita income growth** in poorer (more rural) counties
- **0.87% reduction in per-capita income growth** in wealthier (more urban) counties

EITC ASSOCIATED WITH IMPROVEMENTS IN CHILDREN’S BEHAVIORAL HEALTH

Larger EITC payments are associated with higher scores for children on a behavioral index that includes measures such as peer conflict, hyperactivity, anxiousness and depression.

Younger Georgians More Likely to Have a Major Depressive Episode in the Past Year

Mean # of days in the past 30 days adults reported their mental health was not good, 2016

- Ages 12-17: 10.1%
- Ages 18-25: 8.9%
- Age 26 or Older: 6.1%

Source: National Survey on Drug Use and Health, 2014-2016

GEORGIA WORK CREDIT: A TOOL TO BOOST INCOME AND HEALTH
A WIN-WIN POLICY

• 29 states and D.C. have a state EITC

• Improve economic security AND promote health equity and improved well-being for families

• Provide economic benefits to Georgia through money injected into local economies AND savings from health improvements

Nearly 2 in 3 Georgians support a Georgia Work Credit, according to a July 2018 poll
FOR MORE INFORMATION & TO STAY INVOLVED, VISIT:
WWW.GBPI.ORG
AND
GEORGIAWORKCREDIT.ORG

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