

# The Earned Income Tax Credit

**The Earned Income Tax Credit (EITC)** is a refundable, cash-back credit. The EITC's power to uplift working families is backed by decades of research.

A cash-back credit to help workers boost their economic power and reduce income disparity.

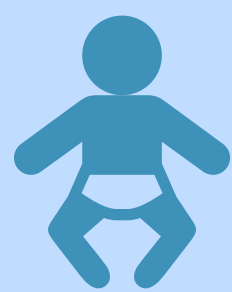
**287,000**

CO families claimed the EITC in 2022.

**\$2,213**

Average EITC amount for CO filers in 2022.

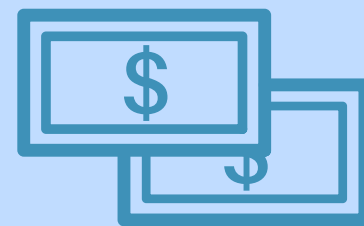
## EITCs lead to:



Better Health at Birth



Improved Education Outcomes



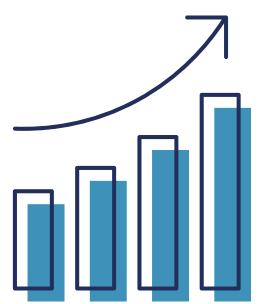
Increased Lifetime Earnings

**for Colorado kids**

## Evidence-based health impacts of the EITC:

Research by the Centers for Disease Control and Prevention (CDC) identified **the EITC** as one of 14 evidence-based interventions that can **significantly improve health outcomes in five years or less**, specifically maternal and child health.

## Why is the EITC an effective poverty intervention?



**EITCs adjust for earnings:** As earnings increase, the EITC increases then tapers off, effectively combating the cliff effect.



**EITCs help the economy:** EITC puts money in the pockets of people who are most likely to spend it in their communities. Every \$1.00 spent by a family that receives EITC creates an economic impact of \$1.50 to \$2.00.

## A TOOL FOR RACIAL JUSTICE

**Tax policy has been shaped by historical racism.**

Because of this legacy and ongoing racial discrimination and bias, people of color have less wealth and income on average.

**The EITC pushes back against this racial wealth disparity.** The EITC helps to boost incomes and is proven to pull people of color, especially women of color, out of poverty.

In 2019, the EITC boosted the incomes of **9 MILLION** women of color.