



HOW THE AMERICAN RESCUE PLAN'S TEMPORARY EITC EXPANSION IMPACTED WORKERS WITHOUT CHILDREN

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The American Rescue Plan Act of 2021 (ARP) temporarily expanded the earned income tax credit (EITC) for workers without children at home, sometimes called the “childless” EITC. The maximum credit for these workers nearly tripled to just over \$1,500, and, for the first time, many workers between the ages of 19 and 24 and 65 and older became eligible. As a result of this temporary expansion, millions of childless EITC beneficiaries received a substantially larger credit, especially younger workers: 4.3 million young workers without children received an average credit of almost \$900 in 2021, a substantial boost in income that reduced hardship.

Many adults with low incomes who aren't raising children at home struggle financially.¹ Although many of them work, that work is often unstable and irregular, resulting in more volatile, less dependable incomes with few opportunities for long-term advancement (Bauer, Hardy, and Howard 2024; Hardy and Ziliak 2014; Hingtgen, Saenz, and Zippel 2021; Wimer et al. 2020). Low-paying jobs are also less likely to have benefits like paid leave and paid sick days that can buffer income losses because of illness or caring for a family member.² Housing costs are a particular challenge. In 2019, almost half (46 percent) of childless adults with low incomes (excluding the elderly) were “severely rent burdened,” meaning they spent more than half of their incomes on rent. And the majority of the homeless population (71 percent) are adults without children (Greenstein 2024).

Low-income childless adults also tend to be younger compared with all adults without children (Hingtgen, Saenz, and Zippel 2021). And younger adults are often subject to greater financial hardship, economic instability, and are less likely to be in the labor force today than in previous decades (Lee et al. 2024).^{3,4} Low-income adults without children are also more likely, than their higher-income peers, to be students, which can create additional financial hardships for them (Hingtgen, Saenz, and Zippel 2021). In recent years, college costs have risen much faster than household incomes, making completion difficult for low- and moderate-income students. Students who have left college without receiving a degree cite financial instability as the most common reason (Johnson et al. 2015), even though a large share of these

students work (NCES 2022). Failure to complete college can perpetuate a negative feedback loop, since younger workers with less education tend to have lower incomes than those who have a degree.⁵

Few federal benefits are available to help workers weather these hardships (Greenstein 2024). The federal tax code provides substantial benefits to low-income workers with children, but not those without (Gravelle 2020). Historically, the main income support for low-income workers—the earned income tax credit or EITC — went to families with children. Even though the EITC was extended to workers without children more than 30 years ago, it is small credit available only to workers with very low incomes. For most of those who are eligible for it, the credit is less than the federal payroll and income taxes they pay, resulting in nearly five million childless workers being taxed deeper into poverty each year.⁶ This helps explain why poor childless adults tend to be much poorer than those living with children after accounting for government benefits (Brady and Parolin 2020; Greenstein 2024).

In 2021, the EITC for workers without children at home—sometimes called the childless EITC—was temporarily increased and extended to include many workers younger than age 25 and older than 64. As this brief details, the expanded credit provided significantly larger benefits to more childless workers than in previous years, helping lessen hardships faced by these workers.

THE CHILDLESS EITC AND HOW IT WAS EXPANDED IN 2021

The childless EITC, like the EITC for workers with children, is a refundable tax credit available to workers with low incomes. We refer to the credit as the “childless” EITC for simplicity. Yet, while many recipients do not have children living at home, others may support, care for, or otherwise be connected to a child but cannot claim them for the credit because they do not live with them or are not related to them.⁷

By design, the EITC only benefits people who work. Workers receive a credit equal to a percentage of their earnings up to a maximum credit.⁸ As illustrated in **figure 1**, both the credit rate and the maximum credit vary by family size, with larger credits available to families with more children. After the credit reaches its maximum, it remains constant until earnings reach the phaseout point. Thereafter, it declines with each additional dollar of income until no credit is available.⁹ In addition to the earnings requirement, the EITC also cannot be claimed by taxpayers with investment income above certain levels. (EITC parameters, including the maximum credit amount, are adjusted annually for inflation.) Because the EITC is a refundable credit, a worker can receive the full amount of the credit, even if it exceeds what they owe in income taxes.

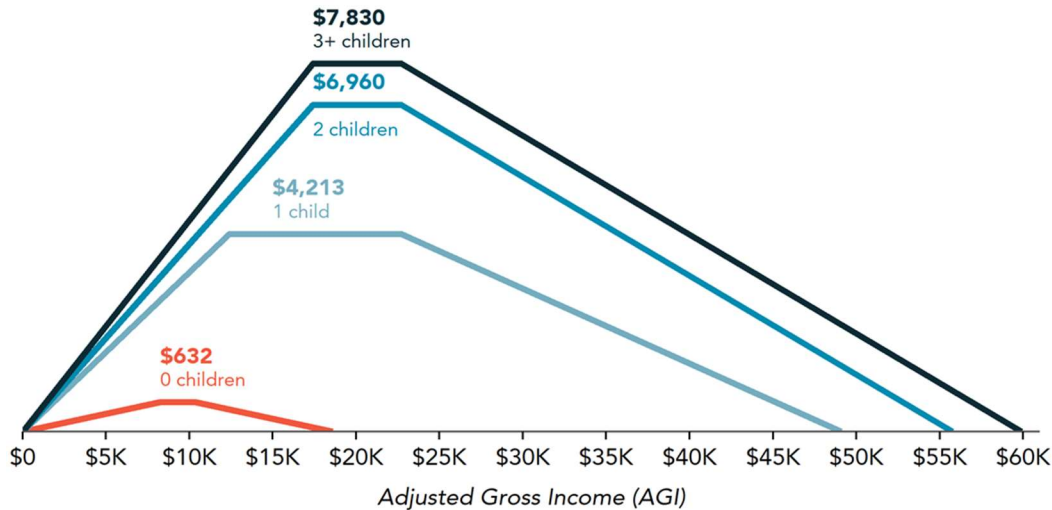
In contrast to the substantial credit for workers with children which can be worth up to nearly \$7,000 for families with two children, childless workers can only receive a maximum credit of slightly more than \$600 in 2024. Moreover, the credit for childless workers phases out at much lower incomes. In addition, childless workers must be at least age 25 and not older than 64 to qualify for the credit—restrictions that do not apply to workers with children. For married couples, at least one of the spouses has to be 25 to 64 years olds for the couple to be eligible for the credit.¹⁰ As a result of these tighter rules for the childless EITC, the vast majority of benefits from the credit—96 percent of all credit dollars—go to families with children. It’s perhaps unsurprising that participation rates for the childless EITC are also substantially lower compared to working families with children.¹¹

FIGURE 1

The Childless EITC Is Much Smaller than the EITC for Workers with Children



EITC amounts by income and number of children for unmarried taxpayers in 2024



Source: Authors' calculations based on Internal Revenue Code Section 32 and Internal Revenue Procedure 2023-34.

Notes: Assumes all income comes from earned income. 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 \$6,920 higher than shown.

ARP temporarily increased the size of the credit and made it available to workers with somewhat higher incomes. As illustrated in **figure 2**, these changes almost tripled the maximum credit amount from \$543 to \$1,502 for 2021 and increased the maximum income a person could have and remain eligible for the credit from \$15,980 to \$21,430 if single. (For married couples, the income limit was increased from \$21,920 to \$27,380). ARP permanently allowed all workers, both those with and without children, to have more investment income and still qualify for the credit.¹²

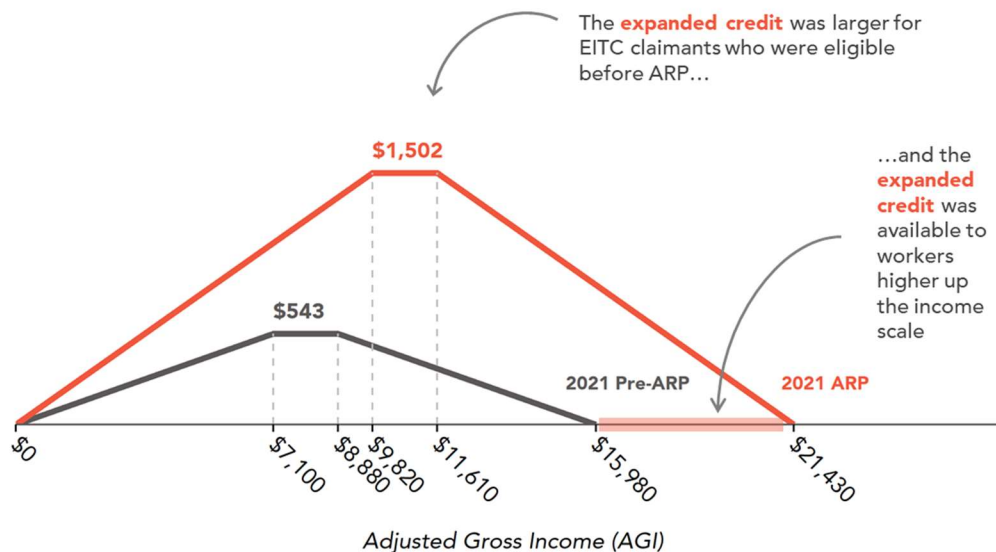
ARP also temporarily expanded eligibility to workers ages 19–24 and 65 years and older. For workers attending college at least part-time, the minimum eligibility age was reduced from 25 years old to 24 years old.¹³ For former foster youth and homeless youth, the minimum eligibility age was reduced to 18 years old. More details on all these changes can be found in **appendix table 1a**.

FIGURE 2

The Expanded Childless EITC Was Larger and Available to Workers at Higher Incomes in 2021



Childless EITC amounts by income in 2021 before and after ARP



Source: Authors' calculations based on Internal Revenue Code Section 32 and Internal Revenue Procedures 2020-45 and RP-21-23.

Note: ARP=American Rescue Plan Act. Assumes all income comes from earned income. Amounts are for taxpayers filing as single or head of household. For married couples filing a joint tax return, the credit begins to phase out at income \$6,920 higher than shown.

THE CHILDLESS EITC HELPED MILLIONS OF LOW-INCOME WORKERS IN 2021

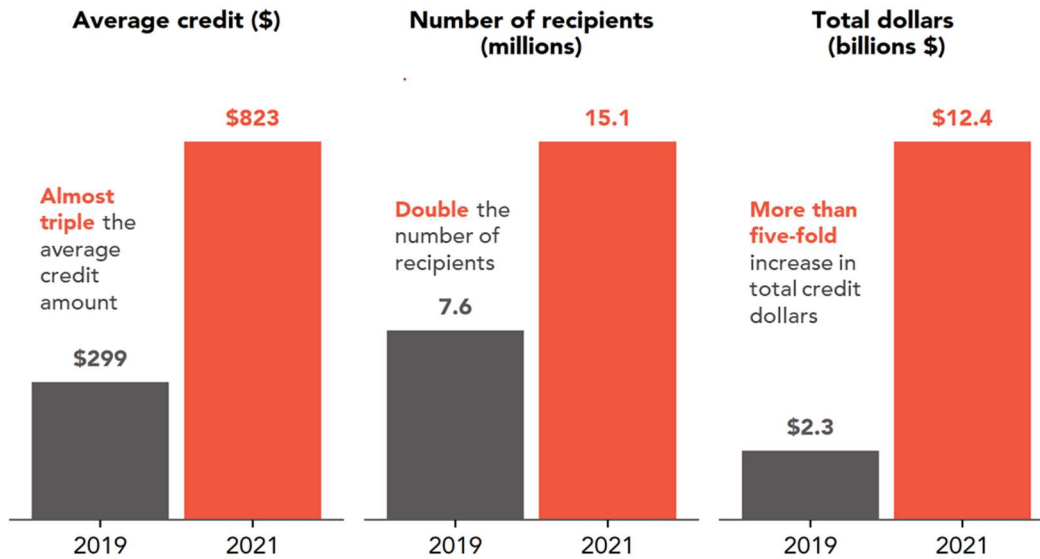
Administrative data from the Internal Revenue Service (IRS) illustrates how the ARP changes to the childless EITC in 2021 increased the credit amount and number of recipients. To highlight the impact of these changes, the 2021 data on credit receipt is compared to 2019 data, which represents the most recent "typical year" for which data is available.

The data summarized in **figure 3** shows:

- The average credit amount almost tripled from \$299 to \$823.
- The number of childless EITC recipients nearly doubled from 7.6 to 15.1 million taxpayers
- A five-fold increase in total credit dollars were sent to childless EITC recipients, increasing from \$2.3 billion in 2019 to \$12.3 billion in 2021.

FIGURE 3

In 2021, the Expanded Childless EITC Was Larger and Received by More Taxpayers than in a Typical Year



Source: IRS Statistics of Income (SOI).

Note: Data is for tax years 2019 and 2021. Number of recipients includes the number of tax returns which included the childless EITC.

These changes resulted in a surge of households without children receiving the credit, so much so that they comprised nearly half (47 percent) of all EITC recipients and 20 percent of all EITC dollars, up from about a quarter of recipients and 4 percent of all credit dollars in 2019.

MILLIONS OF PREVIOUSLY INELIGIBLE YOUNGER AND OLDER WORKERS RECEIVED THE LARGER CHILDLESS EITC IN 2021

Of the 15.1 million taxpayers who received the childless EITC in 2021, 4.3 million were under age 25 and 1.6 million were 65 years old and older (appendix table 2a). While the number of taxpayers who received the expanded credit in 2021 increased across all age groups, the largest increase was among younger workers ages 19–24 years old as illustrated in **figure 4**. After the ARP changes expired, these younger and older workers again became ineligible for the credit.¹⁴

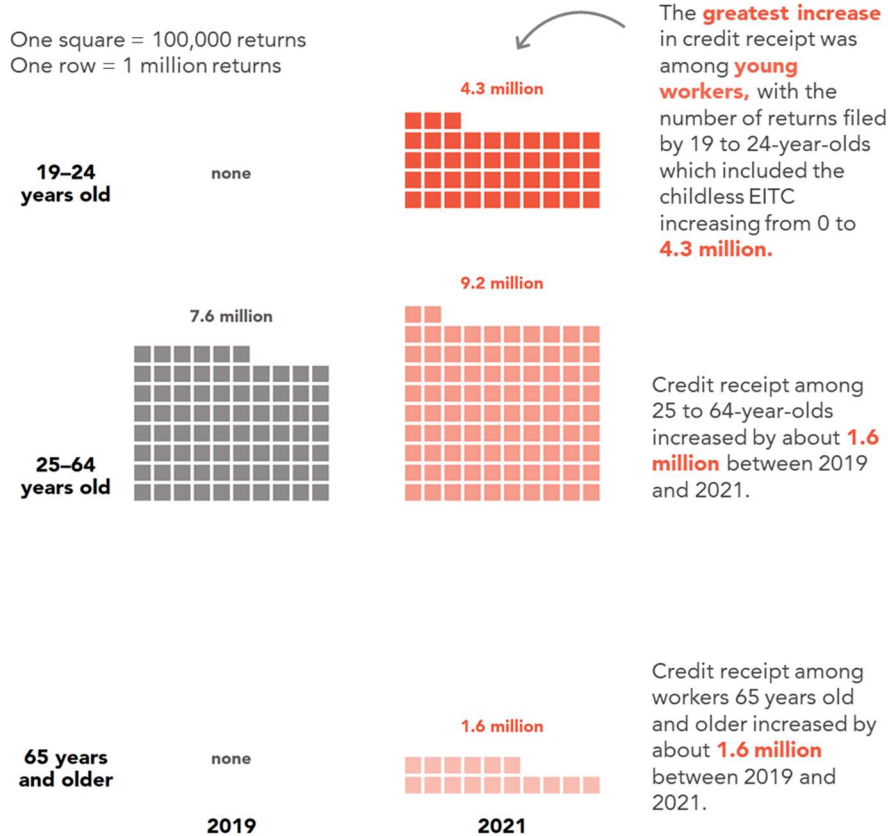
The large increase in credit receipt among younger workers should not be surprising. Research shows that low-income adults who aren't raising children at home tend to be younger compared to all adults without children (Hingtgen, Saenz, and Zippel 2021). And data from the IRS suggest that even in a typical year, a significant number of young workers have low incomes that would make them eligible for the credit if they were older. In 2019, for example, even when the childless EITC was smaller and the income threshold to be eligible was lower, 4 million taxpayers 19–24 years old had levels of earnings that would have made them eligible for the childless EITC (data not shown).

FIGURE 4

More Taxpayers, Especially Younger Taxpayers, Received the Expanded Childless EITC in 2021 Than in a Typical Year



Number of returns with childless EITC



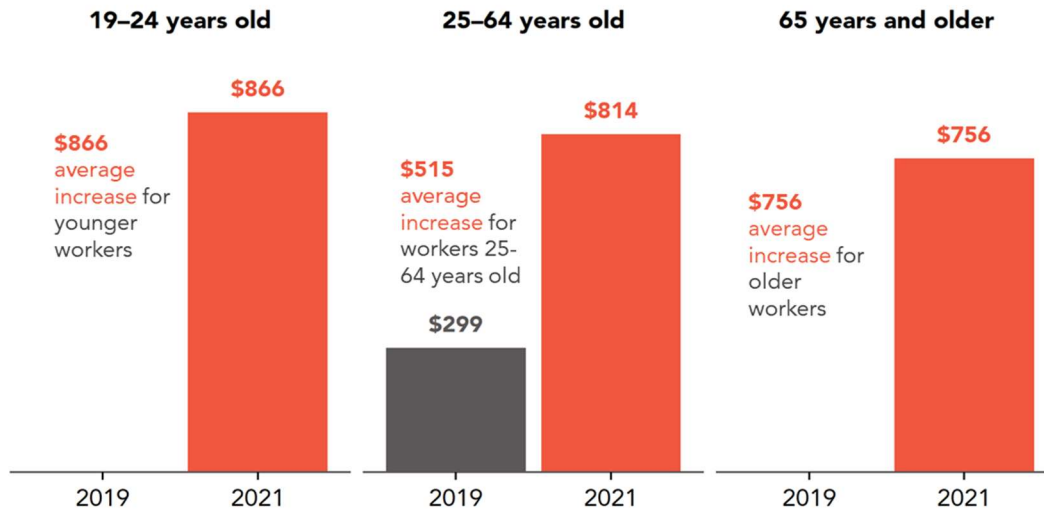
Source: IRS Statistics of Income (SOI).

Note: Data is for tax years 2019 and 2021. Married taxpayers 19-24 years old are those returns where the older spouse is 19-24 years old; for those 25-64 years old it includes those where either spouse is 25-64 years old; for those 65 years and older, it includes those where the youngest spouse is 65 or older. Former foster youth and homeless youth who were 18 years old were also eligible but are not included in this data.

Younger workers not only saw the largest gains in the number of credit recipients, but they also received on average the largest credit. In 2021, the average credit amount received by workers ages 19-24 years old, was \$866, and the average credit amount for workers ages 65 years and older was \$756. In every other year except 2021, when the age restriction on the childless EITC was in place, these workers would have received no credit.

FIGURE 5

The Average Childless EITC Was Largest and Increased the Most for Younger Workers in 2021



Source: IRS Statistics of Income (SOI).

Note: Data is for tax years 2019 and 2021. Married taxpayers 19–24 years old are those returns where the older spouse is 19–24 years old; for those 25–64 years old it includes those where either spouse is 25–64 years old; for those 65 years and older, it includes those where the youngest spouse is 65 or older. Former foster youth and homeless youth who were 18 years old were also eligible but are not included in this data.

Many young childless workers who filed a tax return in 2021 had incomes that made them eligible for the credit but did not claim it. Some may have been eligible. Others may have been excluded from the credit because they were students. Overall, there were about 6.4 million young workers who filed a tax return and appeared eligible for the credit in 2021 based on their income and age (data not shown). Of these, 4.3 million actually claimed the credit. This is much lower than the share of income and age eligible workers 25–64 years old or 65 or older (data not shown) who filed a tax return and claimed the credit.

THE LARGEST SHARE OF CREDIT RECIPIENTS WERE IN THE SOUTH, AS BEFORE THE 2021 EITC EXPANSION

More low-income workers across the country received the expanded credit in 2021, with the number of recipients more than doubling in the Midwest (114 percent) and the South (108 percent) and the smallest increases among workers in the Northeast (70 percent), as illustrated in **appendix tables 3a and 3b**. Nonetheless, the largest share of childless EITC recipients remained in the South. More than 40 percent of childless EITC recipients lived in the South before and during the 2021 expansion (see **appendix tables 3a and 3b**), even though this region includes slightly more than one-third of childless workers (36 percent).¹⁵ This parallels the same regional trend in EITC receipt among those with children and could reflect, in part, a greater likelihood of eligible households claiming the credit in the South (Crandall-Hollick, Falk, Boyle 2023).

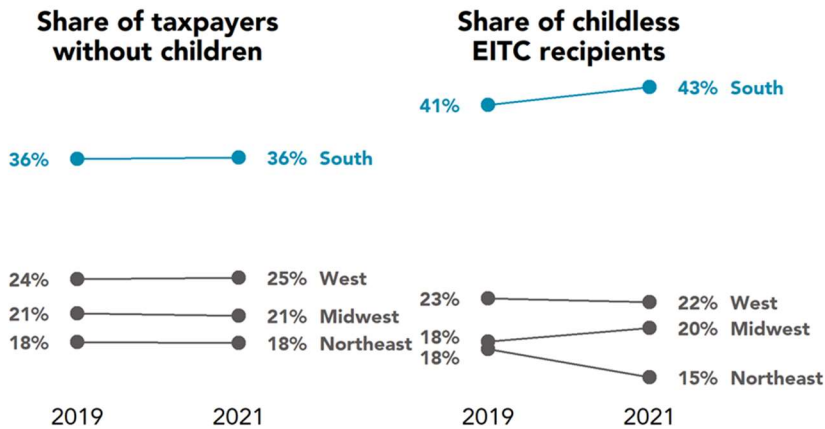
The large proportion of childless EITC recipients from the South—43% of all childless EITC recipients in 2021—may also reflect that a larger share of workers in Southern states are paid low wages that make them eligible for the credit. More than one in five (22 percent) workers in the South were paid less than \$15 dollars an hour in 2021, compared to between 9.7 percent to 16.6 percent of workers in other parts of the country (Childers 2024). Even under the expanded credit in 2021, a childless worker working full-time year-round and making \$15 dollars per hour would be ineligible for the childless EITC because they earned too much.¹⁶

FIGURE 6

The Highest Share of Childless EITC Claims Are from the South



Share of taxpayers without children and share of childless EITC recipients by region in 2019 and 2021



In 2021, **36%** of taxpayers without children lived in the South, while **43%** of childless EITC recipients did.

Source: IRS Statistics of Income (SOI).

Note: Data is for tax years 2019 and 2021. Items may not sum due to rounding. Returns without children include individual income tax returns where there is no claim of an exemption for a child at home or away from home or no claim of a child for the EITC. For a list of states included in each region, see appendix tables 3a and 3b.

AN EXPANDED CHILDLESS EITC IMPROVES THE WELL-BEING OF WORKERS

Existing studies on the 2021 expanded childless EITC or similar programs, while limited, indicate that a larger credit can reduce materials hardships and may increase labor force participation of childless workers, improving their financial situations. Research also suggests a larger credit can benefit society more broadly, including improving the well-being of children.

For example, a recent study found that the expanded credit had a significant impact on reducing the share of low-income young adults who were not current on rent or mortgage payments (Lee et al. 2024). The authors found that the ARP expanded credit resulted in a 28 percent decline in the share of the lowest-income young adults struggling with rent and mortgage payments.¹⁷ And when people can afford a place to live, they are less likely to postpone needed medical care and more likely to be able to afford sufficient food and necessary medication, improving health outcomes (Taylor 2018).

Research also suggests that a larger childless EITC could boost the labor force participation of childless workers. Analysis of a pilot program in New York City similar to the expanded childless EITC, called Paycheck Plus, showed that it modestly increased employment rates, with larger effects among women and more disadvantaged men.¹⁸ (In this study, more disadvantaged men included those who had been incarcerated as well as those who owed child support.) These findings are important, because as previously mentioned, the labor force participation of younger childless workers has declined over time. Increasing their labor force participation not only provides workers with income, but it can also help build skills that lead to more income and financial security over time (Burman 2019).

Research also indicates that an expanded childless EITC could benefit children indirectly. As previously mentioned, workers often characterized as “childless” may indeed have or support children but may not be able to claim them for tax benefits like the EITC. For example, some childless workers are noncustodial parents who generally do not live with

their children. One study found that an expanded childless EITC would more than double the number of noncustodial parents receiving the credit (Maag, Werner, Wheaton 2019).

Another study noted that by increasing the returns to work, an expanded childless EITC could lead to reduced unemployment rates, reduced incarceration rates and increased marriage rates, increasing the chances that a child is raised in a two-parent household (Scholz 2007). And encouraging these parents to work and increasing their incomes makes them more likely to pay child support and stay connected with their kids, which is good for their children's long-term prospects (Edelman, Holzer, and Offner 2006). Finally, an expanded childless EITC would likely have a lower rate of improper payments than the EITC overall since a major cause of improper payments is incorrect claims of children (IRS 2014).

CONCLUSIONS

The expanded EITC boosted the incomes of low-income workers without children in 2021 compared to a typical year, providing valuable assistance to low-income workers without children. Since the expansion expired, there have been numerous proposals to reinstate it including as part of the Working Families Tax Relief Act, the Biden Administration's budget and the domestic economic policy proposals of Vice President Harris.¹⁹

Another suggested reform is expanding the childless EITC to students who are supporting themselves and are not dependents of another taxpayer (Maag and Airi 2021). Even under the 2021 expansion, students who were at least part-time for five months of the year could only claim the credit if they were age 24 years or older. For many of these students, federal financial aid is not enough to cover their expenses requiring them to work while in school (Maag et al. 2020). Expanding eligibility to young working students would help many of them move closer to financial stability while they invest in their education and themselves. Research indicates more financial resources increase the chances a student graduates with a degree (Anderson 2020).²⁰

More broadly, a larger EITC for childless workers would buffer fluctuations in income that can occur in many low-wage jobs that make it difficult to meet ongoing needs and unexpected expenses. It would also provide a work incentive to a population whose labor force participation has declined over time and that has historically received limited benefits from social safety net programs. And such investments earlier in adulthood could help more workers, especially younger workers, move towards greater financial stability.

In turn, having greater financial stability could help provide young adults with a firmer foundation for important life events like marriage and children. This is particularly relevant since many people are delaying or forgoing marriage entirely and having fewer children later in life, often, although not exclusively, because of financial considerations (Bauer, Hardy, Howard 2024; Kearney 2023; Martin 2021).²¹

NOTES

- ¹ The term low-income is often defined as having income below 200% of the official federal poverty guideline, which varies by family size. For 2021, 200% of the official poverty line equaled \$25,760 for one individual and \$34,840 for a married couple. See 2021 Poverty Guidelines <https://aspe.hhs.gov/2021-poverty-guidelines>. In addition, adults who are not raising children at home are often referred to as “childless” or “without children,” but these terms can be misleading since some of these adults support, care for, or are otherwise connected to a child but do not live with them, including noncustodial parents. According to research by Bauer et al. 2024, about 5 percent of low-income adults of working age (18 to 64 years old) without dependents are noncustodial parents of children under 21 years old.
- ² “Table 6. Selected Paid Leave Benefits: Access,” US Bureau of Labor Statistics, September 21, 2023, <https://www.bls.gov/news.release/ebs2.t06.htm>.
- ³ According to data from the Bureau of Labor Statistics, in 1995, 76.6 percent of workers 20–24 years older were in the labor force; in 2023, the share in the labor force had declined to 71.3 percent. See Bureau of Labor Statistics, “Employment Status of the Civilian Noninstitutional Population by Age, Sex, and Race,” BLS, 2023, <https://www.bls.gov/cps/cpsaat03.htm> and Bureau of Labor Statistics, “Employment Status of the Civilian Noninstitutional Population by Age, Sex, and Race,” BLS, 1995, <https://www.bls.gov/cps/aa1995/aat3.txt>.
- ⁴ See also Emily Wiemers and Michael Carr, “Earnings Instability and Mobility over Our Working Lives: Improving Short- and Long-Term Economic Well-Being for US Workers” (Washington, DC: Washington Center for Equitable Growth, 2023), <https://equitablegrowth.org/earnings-instability-and-mobility-over-our-working-lives-improving-short-and-long-term-economic-well-being-for-u-s-workers/>.
- ⁵ Richard Fry, “For Millennials, a Bachelor’s Degree Continues to Pay Off, but a Master’s Earns Even More” (Washington, DC: Pew Research Center, 2014), <https://www.pewresearch.org/short-reads/2014/02/28/for-millennials-a-bachelors-degree-continues-to-pay-off-but-a-masters-earns-even-more/>.
- ⁶ Chuck Marr, “A Clear Policy Choice: Repeat Success by Expanding the EITC for Adults Without Children” (Washington, DC: Center on Budget and Policy Priorities, 2023), <https://www.cbpp.org/blog/a-clear-policy-choice-repeat-success-by-expanding-the-eitc-for-adults-without-children>.
- ⁷ For the purposes of the EITC, a child must meet various requirements to be considered a qualifying child for the credit. These include that the child must be related to the taxpayer claiming them, the child must live with the taxpayer for more than half the year in the United States, and the child must be under the age of 19 (or age 24, if a full-time student) or be permanently and totally disabled. For more information, see Internal Revenue Code section 32(c)(3). Because of these rules, a worker who supports a child that does not live with them for more than half the year, like a noncustodial parent, cannot claim the child for the credit.
- ⁸ For the purposes of the EITC, earnings are defined as wages, tips, and other compensation included in gross income. It also includes net self-employment income (self-employment income after deduction of one-half of Social Security payroll taxes paid by a self-employed individual). Other types of income, including nontaxable combat pay and certain nontaxable Medicaid waiver payments, may also be included in earnings for the purposes of the EITC. Certain forms of income are not considered earnings for the purpose of the EITC. These include pension and annuity income, income of nonresident aliens not from a U.S. business, income earned while incarcerated for work in a prison, and TANF benefits paid in exchange for participation in work experience or community service activities. Finally, taxpayers who claim the foreign earned income exclusion (i.e., they file Form 2555 or Form 2555EZ with their federal income tax return) are ineligible to claim the EITC.
- ⁹ The EITC is phased out based on earnings or adjusted gross income, whichever is larger. Parameters of the credit are annually adjusted for inflation. For parameters shown in figure 1, see (IRS) Internal Revenue Service. “Revenue Procedure 2023–34,” November 9, 2023. https://www.irs.gov/irb/2023-48_IRB#REV-PROC-2023-34.
- ¹⁰ Most childless EITC recipients are unmarried. Data provided by the IRS indicated that in 2019, 89 percent of childless EITC recipients were unmarried, while in 2021 this share was 90 percent.
- ¹¹ According to data from the National Taxpayer Advocate, about 65 percent of eligible taxpayers claimed the childless EITC for 2017 compared to participation rates of 82–86 percent for EITC claimants with children. For more information, see Appendix Figure A.7 in National Taxpayer Advocate. “Earned Income Tax Credit: Making the EITC Work for Taxpayers and the Government” (Washington, DC: Internal Revenue Service, n.d.), https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2020/08/JRC20_Volume3.pdf.
- ¹² ARPA permanently increased the amount of investment income a taxpayer could have and remain eligible for the credit (this change to investment income applied to all EITC recipients, including those with children). As a result of this change, taxpayers with investment income of \$10,000 or less were eligible for the EITC in 2021, whereas prior to this change that amount would have been \$3,650 in 2021. This \$10,000 amount is annually indexed for inflation and equals \$11,600 in 2024.
- ¹³ Under Internal Revenue Code section 32(n)(1)(C), the age limit was reduced to 24 for “specified students” who were defined in statute as “an individual who is an eligible student (as defined in section 25A(b)(3)) during at least 5 calendar months during the taxable year.” An eligible student under IRC section 25A(b)(3) is one who is “carrying at least ½ the normal full-time workload for

the course of study the student is pursuing.” Hence individuals who are at least half time for 5 calendar months would be specified students. For former foster youth and homeless youth, the eligibility age was temporarily lowered to include 18-year-olds in 2021. There are no age limits for EITC recipients with children.

- ¹⁴ Some younger (under 25 years old) and older (65 years and older) workers may still receive the credit even after ARP expired, but only if they are married to a worker who is 25–64 years old and they meet all the remaining eligibility requirements.
- ¹⁵ Regions consist of the following states: Midwest: IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI; Northeast: CT, ME, MA, NH, NJ, NY, PA, RI, VT; South: AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV; West: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY.
- ¹⁶ If a worker was paid \$15 per hour and worked 40 hours a week for 50 weeks a year, their earned income of \$30,000 would have made them ineligible for the childless EITC in 2021. Thirty states plus the District of Columbia have minimum wages that are higher than the federal minimum wage of \$7.25 an hour. For more information, see US Department of Labor, Consolidated Minimum Wage Table, July 1, 2024, <https://www.dol.gov/agencies/whd/mw-consolidated>
- ¹⁷ The share of the lowest-income young adults being behind on rent and mortgage payments declined from 11.1 percent to 7.9 percent, a 3.2 percentage point or 28 percent drop.
- ¹⁸ Over the three-year life of the pilot program, the overall employment rates increased by 1.9 percentage points 75.4 percent to 77.3 percent. For women and disadvantaged men, these increases were 3.2 percentage points and 2.8 percentage points, respectively (Miller et al. 2018, Table ES.2). Cynthia Miller, Lawrence Katz, Gilda Azurdia, Adam Isen, Caroline Schultz, and Kali Aloisi, “Boosting the Earned Income Tax Credit for Singles” (New York: MDRC, 2018), https://www.mdrc.org/sites/default/files/PaycheckPlus_FinalReport_0.pdf.
- ¹⁹ For more information, see Working Families Tax Relief Act of 2023 (S. 1992), <https://www.congress.gov/bill/118th-congress/senate-bill/1992>. The Biden Administration’s tax proposals can be found at <https://home.treasury.gov/policy-issues/tax-policy/revenue-proposals>. Vice Presidential Harris’s domestic economic policies can be found at <https://mailchi.mp/press.kamalaharris.com/vice-president-harris-lays-out-agenda-to-lower-costs-for-american-families>.
- ²⁰ See also Kim Parker, “What’s Behind the Growing Gap between Men and Women in College Completion?” Pew Research Center, November 8, 2021, <https://www.pewresearch.org/short-reads/2021/11/08/whats-behind-the-growing-gap-between-men-and-women-in-college-completion/>. See also Bryce McKibben and Atif Qarni, 2022, “Helping Students Meet Basic Needs to Support Their Success.” College Completion Strategy Guide, MDRC, June 2022, <https://www.mdrc.org/work/publications/helping-students-meet-basic-needs-support-their-success>.
- ²¹ See also Jeff Chapman, “The Long-Term Decline in Fertility—and What It Means for State Budgets.” Issue Brief, Pew Trusts, December 5, 2022, <https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/12/the-long-term-decline-in-fertility-and-what-it-means-for-state-budgets>.

APPENDIX

TABLE 1A

Childless EITC Parameters for Tax Years 2021, 2020, and 2019

	2021	2021*	2020	2019
Maximum Credit	\$1,502	\$543	\$538	\$529
Phase-in Rate				
The rate at which the credit increases in value over the phase-in range	15.3%	7.65%	7.65%	7.65%
Phase-in Range				
The range of earnings over which the credit increases in value by the phase-in rate	\$0–\$9,819	\$0–7,099	\$0–\$7,029	\$0–6,919
Plateau				
The range of earnings where credit is at the maximum amount	\$9,820–\$11,610 \$9,820–\$17,560 <i>married joint filers</i>	\$7,100–\$8,880 \$7,100–\$14,820 <i>married joint filers</i>	\$7,030–\$8,790 \$7,030–\$14,680 <i>married joint filers</i>	\$6,920–\$8,650 \$6,920–\$14,450 <i>married joint filers</i>
Phaseout Range				
The range of earnings or AGI (whichever is greater) over which the credit decreases in value by the phaseout rate	\$11,611–\$21,430 \$17,561–\$27,380 <i>married joint filers</i>	\$8,881–\$15,980 \$14,821–\$21,920 <i>married joint filers</i>	\$8,791–\$15,820 \$14,681–\$21,710 <i>married joint filers</i>	\$8,651–\$15,570 \$14,451–\$21,370 <i>married joint filers</i>
Phaseout Rate				
The rate at which the credit declines in value in the phaseout range.	15.3%	7.65%	7.65%	7.65%
Maximum Investment Income				
The maximum amount of investment income a claimant (per return) can have and remain eligible for the EITC	\$10,000	\$3,650	\$3,650	\$3,600
Age Eligibility				
The age a taxpayer must be (or at least one spouse among a married couple must be) to be eligible for the childless EITC	19 years old and older; 18 years and older if former foster or homeless youth; 24 years and older if at least a half-time student	25–64	25–64	25–64

Source: Internal Revenue Code Section 32, P.L. 117-2, IRS Revenue Procedure (RP) 2018-57; RP 2019-44; RP 2020-45; RP-21-23.

Note: *If ARP had not been enacted.

TABLE 2A**EITC Claims Among Returns with No EITC Qualifying Children, 2021**

By filer income and age

	Returns with EITC with No Qualifying Children ("Childless EITC")		
	Number of returns	Total EITC (thousands of \$)	Average EITC (\$)
All ages ^a			
Total ^b	15,108,515	\$12,427,886	\$823
Phase-in ^c	5,344,608	\$4,231,207	\$792
Plateau ^d	1,496,776	\$2,200,684	\$1,470
Phase-out ^e	8,267,131	\$5,995,994	\$725
Ages 19–24			
Total ^b	4,277,903	\$3,705,461	\$866
Phase-in ^c	1,440,739	\$1,290,805	\$896
Plateau ^d	383,336	\$575,771	\$1,502
Phase-out ^e	2,453,828	\$1,838,885	\$749
Ages 25–64			
Total ^b	9,227,345	\$7,510,578	\$814
Phase-in ^c	3,215,903	\$2,493,221	\$775
Plateau ^d	959,971	\$1,394,402	\$1,453
Phase-out ^e	5,051,471	\$3,622,955	\$717
Ages 65 and over			
Total ^b	1,603,267	\$1,211,847	\$756
Phase-in ^c	687,965	\$447,182	\$650
Plateau ^d	153,469	\$230,511	\$1,502
Phase-out ^e	761,833	\$534,155	\$701

Source: Data provided by Internal Revenue Service, Statistics of Income (SOI).**Notes:** Items may not sum due to rounding.

(a) This data includes returns with childless EITC for taxpayers who file as single, head of household (unmarried) or married filing jointly (married).

(b) The total reflects all eligible taxpayers ages 19 years old and older. The age of an individual is based on their age of the last day of the calendar year. Among married taxpayers, they are considered in the 19–24 age range if the oldest spouse is 19–24 years old; they are considered in the 25–64 age range if either spouse is 25 through 64 years old; and they are considered in the 65 year and older age range if the youngest spouse is 65 years or older. While 18-year-olds who were former foster youth or eligible homeless youth were also eligible for the credit in 2021, they are not included in these tables.

(c) Earnings were between \$1–\$9,819 (unmarried and married). Earnings are wages, salaries, tips and other compensation included in gross income plus net self-employment income (self-employment income after deduction of one half of Social Security payroll taxes paid by a self-employed individual). For 2021, taxpayers could elect to use 2019 earnings to calculate their 2001 EITC. Hence these earnings amounts may include 2019 earnings amounts.

(d) Earnings were between \$9,820–\$11,610 (unmarried) / \$9,820–\$17,560 (married).

(e) AGI or earnings (whichever is greater) were between \$11,611–\$21,430 (unmarried) / \$17,561–\$27,380 (married).

TABLE 2B**EITC Claims Among Returns with No EITC Qualifying Children, 2019**

By filer income and age

	Returns with EITC with No Qualifying Children ("Childless EITC")		
	Number of returns	Total EITC (thousands of \$)	Average EITC (\$)
All ages ^a			
Total ^b	7,567,499	\$2,265,110	\$299
Phase-in ^c	2,966,859	\$796,956	\$269
Plateau ^d	966,121	\$510,319	\$528
Phase-out ^e	3,634,519	\$957,836	\$264
Ages 19–24			
Total ^b	0	\$0	\$0
Phase-in ^c	0	\$0	\$0
Plateau ^d	0	\$0	\$0
Phase-out ^e	0	\$0	\$0
Ages 25–64			
Total ^b	7,567,499	\$2,265,110	\$299
Phase-in ^c	2,966,859	\$796,956	\$269
Plateau ^d	966,121	\$510,319	\$528
Phase-out ^e	3,634,519	\$957,836	\$264
Ages 65 and over			
Total ^b	0	\$0	\$0
Phase-in ^c	0	\$0	\$0
Plateau ^d	0	\$0	\$0
Phase-out ^e	0	\$0	\$0

Source: Data provided by Internal Revenue Service, Statistics of Income (SOI).**Notes:** Items may not sum due to rounding.

(a) This data includes returns with childless EITC for taxpayers who file as single, head of household (unmarried) or married filing jointly (married).

(b) The age of an individual is based on their age on the last day of the calendar year. Among married taxpayers, they are considered in the 19–24 age range if the oldest spouse is 19–24 years old; they are considered in the 25–64 age range if either spouse is 25 through 64 years old; and they are considered in the 65 year and older age range if the youngest spouse is 65 years or older. While 18-year-olds who were former foster youth or eligible homeless youth were also eligible for the credit in 2021, they are not included in these tables. In 2019, unmarried workers younger than 25 years old or 65 years and older were ineligible for the credit. A married couple filing jointly could claim the credit if either of the spouses was between 25 and 64 years old, but if the oldest spouse was younger than 25 or the youngest spouse was 65 or older, they were ineligible.

(c) Earnings were between \$1–\$6,919 (unmarried and married). Earnings are wages, salaries, tips and other compensation included in gross income plus net self-employment income (self-employment income after deduction of one half of Social Security payroll taxes paid by a self-employed individual).

(d) Earnings were between \$6,920–\$8,650 (unmarried) / \$6,920–\$14,450 (married).

(e) AGI or earnings (whichever is greater) were between \$8,651–\$15,570 (unmarried) / \$14,451–\$21,370 (married).

TABLE 3A**Filers without EITC Qualifying Children and Filers with Childless EITC Claims by Region, 2021**

Region ^c	Number of Returns with Zero Children ^a	Returns with EITC with No Qualifying Children ^b		
		Number of returns	Total EITC (thousands of \$)	Avg. EITC (\$)
Total	135,737,917	15,108,515	\$12,427,886	\$823
Midwest	28,433,347	2,990,832	\$2,423,185	\$810
Northeast	24,924,654	2,282,620	\$1,825,867	\$800
South	48,998,518	6,470,954	\$5,451,138	\$842
West	33,381,398	3,364,110	\$2,727,697	\$811

TABLE 3B**Filers without EITC Qualifying Children and Filers with Childless EITC Claims by Region, 2019**

Region ^c	Number of Returns with Zero Children ^a	Returns with EITC with No Qualifying children ^b		
		Number of returns	Total EITC (thousands of \$)	Avg. EITC (\$)
Total	128,105,217	7,567,499	\$2,265,110	\$299
Midwest	27,130,034	1,398,264	\$406,597	\$291
Northeast	23,620,759	1,344,746	\$399,577	\$297
South	46,027,851	3,110,704	\$943,433	\$303
West	31,326,573	1,713,784	\$515,504	\$301

Source: Data provided by Internal Revenue Service, Statistics of Income (SOI).

(a) Returns with zero children are those individual income tax returns where there is no claim of an exemption for a child at home or away from home OR no claim of a child for the EITC. These returns exclude (1) returns filed by dependents, (2) returns where the primary (or primary and spouse if married) or any dependents use ITINs; (3) returns which include claims for the foreign earned income exclusion or any other tax benefit under IRC section 911; (4) returns filed by nonresident aliens.

(b) EITC claimed by taxpayers with no EITC qualifying children, sometimes called the 'childless' EITC.

(c) Regions consist of the following states: Midwest: IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI; Northeast: CT, ME, MA, NH, NJ, NY, PA, RI, VT; South: AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV; West: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

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