



# News Release

33 Whitney Avenue  
New Haven, CT 06510  
Voice: 203-498-4240  
Fax: 203-498-4242  
www.ctvoices.org

MAY 25, 2017

Contact: Roger Senserrich  
Communications Director  
203-498-4240 x117  
rsenserrich@ctvoices.org

## **Connecticut's Earned Income Tax Credit Eased poverty for More Than 100,000 People Last Year**

*New Report Highlights Program's Effectiveness, Warns Against Cuts*

NEW HAVEN – Connecticut's Earned Income Tax Credit (EITC), which has boosted 6,600 individuals above the poverty line and eased poverty for another 99,000, is under threat. While the state EITC, layered on top of the federal credit, is amongst the state's most sensible and effective tools for helping working families in low-wage jobs, it is slated for reduction in all four budget proposals under consideration at the statehouse. According to a new report by Connecticut Voices for Children, this approach hurts EITC recipients, their children, and the communities in which they live.

"The EITC helps struggling families by making work pay," says Derek Thomas, Fiscal Policy Fellow at Connecticut Voices for Children. "This support is more important now than in years past as low-wage work is on the rise. Over the last fifteen years, the share of jobs in low-wage industries has increased by 20 percent in Connecticut."

The report indicates that the EITC benefits go far beyond poverty: the credit rewards work, creating a powerful incentive to join the labor force; it lowers the tax burden of low-income families; and it has a positive, long-term impact on children's health, education and later employment. More than 193,000 households claimed the EITC last year, with recipients residing in every single town in the state. The average credit was \$565.

Despite its proven effectiveness, the budget proposal put forward by the Governor and Democratic leadership reduce credit payments. The House Republican proposal would make the credit non-refundable, cutting the program benefits by 93 percent. According to Ellen Shemitz, Executive Director of Connecticut Voices for Children, the EITC provides a key support for low-income workers, helping them provide food, shelter and financial security for their families. "Cutting the EITC to raise revenue hurts children and families in the short run, and the entire state in the long run. We should be investing in the healthy development of tomorrow's workforce, not undermining family stability and security."

The report includes recommendations to make the program more effective through early refund or other advance payments, enabling workers to access a portion of their EITC earlier in the year.

*About Connecticut Voices for Children: Connecticut Voices for Children is a research-based child advocacy organization working to ensure that all Connecticut children have an equitable opportunity to achieve their full potential. In furtherance of its mission, Connecticut Voices for Children produces high-quality research and analysis, promotes citizen education, advocates for policy change at the state and local level, and works to develop the next generation of leaders.*