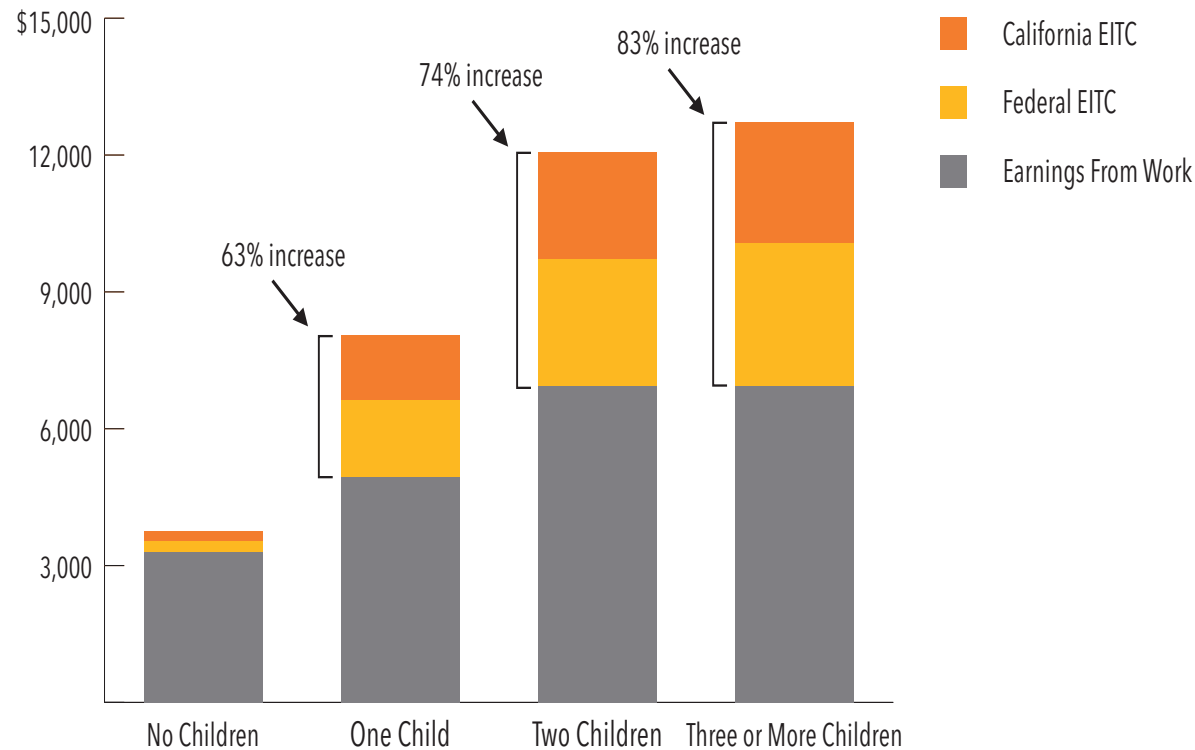




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The California and Federal EITCs Could Significantly Boost the Incomes of Working Families With Children

Maximum Increase in Income From the State and Federal Earned Income Tax Credits, 2015



- **California's new state Earned Income Tax Credit (EITC) will provide a substantial boost to certain low-earning families,** particularly when combined with the federal EITC. Families with three or more children could see their incomes rise by as much as 83%, and families with two children could see as much as a 74% increase.

- **California's EITC will reduce severe economic hardship among working families and individuals.** By targeting households with extremely low earnings from work, the state credit will help people better afford the basics, but it is unlikely – on its own – to lift many out of poverty.

- **The state EITC is a critical – but insufficient – tool for broadening economic security.** More people would share in our state's prosperity if California expanded the state EITC to additional workers and increased other public investments that provide security and opportunities to advance.

CALIFORNIA BUDGET & POLICY CENTER

calbudgetcenter.org

Source: Budget Center analysis of the California and federal Earned Income Tax Credits