The Effects of Anti-Poverty Tax Policy on Child and Adolescent BMI and Obesity

Strong Foundations

Federal Reserve System Community Development Research Conference
March 24, 2017

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Figure 5.2: The full obesity system map with thematic clusters (see main text 5.1.2 for discussion). Variables are represented by boxes, positive causal relationships are represented by solid arrows and negative relationships by dotted lines. The central engine is highlighted in orange at the centre of the map.
The cost of healthy food

(Drenowski 2004)
The Earned Income Tax Credit

• In 2008 the Earned Income Tax Credit resulted in a transfer of 48 billion dollars to U.S. families.

• Lifted 3.3 million children out of poverty.

• Neoliberal policy tied to work.

• Usually dispersed as a tax refund.

• January 27, 2017 – the last EITC awareness day
Non-linear changes in EITC over time.

Maximum (blue) and mean (red) among those qualifying for benefits from the Earned Income tax Credit over time among households with 2 or more dependents (solid line) or 1 dependent (dashed line), NLSY analysis sample based on income, 1990-2006, in year 2000 dollars.
Twenty-four States Have Enacted EITCs, June 2009

- States with Refundable EITCs (22)
- States with Non-refundable EITCs (2)
The Federal Earned Income Tax Credit in Tax Year 2009

EITC Credit Amount

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<th>Income ($)</th>
<th>Max. Credit: $457</th>
<th>Max. Credit: $3,043</th>
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Note: Married couples with income in the phaseout range qualify for a higher credit than singles—shown by dashed lines.
Income, the Earned Income Tax Credit, and Infant Health†

By Hilary Hoynes, Doug Miller, and David Simon®

This paper uses quasi-experimental variation from federal tax reform to evaluate the effect of the EITC on infant health outcomes. We find that the EITC reduces the incidence of low birth weight and increases mean birth weight: a $1,000 treatment-on-the-treated leads to a 2 to 3 percent decline in low birth weight. Our results suggest that the candidate mechanisms include more prenatal care and less negative health behaviors (smoking). Additionally, we find a shift from public to private insurance coverage, and for some a reduction in insurance overall, indicating a potential change in the quality and perhaps quantity of care.

HEALTH ECONOMICS
Health Econ. 18: 1277–1294 (2009)
Published online 13 January 2009 in Wiley InterScience (www.interscience.wiley.com). DOI: 10.1002/hec.1430

EXPANDING WALLETS AND WAISTLINES: THE IMPACT OF FAMILY INCOME ON THE BMI OF WOMEN AND MEN ELIGIBLE FOR THE Earned Income TAX CREDIT

MAXIMILIAN D. SCHMEISER®
Department of Consumer Science and Institute for Research on Poverty, University of Wisconsin–Madison, Madison, WI, USA

Giving Mom a Break:
The Impact of Higher EITC Payments on Maternal Health

By William N. Evans and Craig L. Garthwaite®

The 1993 expansions of the Earned Income Tax Credit created the first meaningful separation in benefits between families containing two or more children and those with only one child. If income is protective of health, we should see improvements over time in the health of these higher EITC benefits. Using data from Risk Factors Surveillance Survey, we find improved health for affected mothers. Using data from Health and Nutrition Examination Survey, we find the probability of having risky levels of biomarkers for women. (JEL H24, I12, I14, J16)

Effects of Prenatal Poverty on Infant Health: State Earned Income Tax Credits and Birth Weight

Kate W. Strully, a David H. Rehkopf, b and Ziming Xuan c

The short-term impacts of Earned Income Tax Credit disbursement on health

David H Rehkopf, a Kate W Strully b and William H Dow c

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Identification strategy: Lagged benefits

Control for all factors that determine benefits: income, dependents, year.

Identify off of changes in benefits.

“The goal is to measure the impact of a change in the tax schedule on income...if no behavioral responses...”

(Gruber and Saez, 2002)
Data, exposure, outcomes

Data: Children of the National Longitudinal Survey of Youth 1979 (moms age 14-22 in 1979)

Observations: 26,291 observations among 5,906 individuals in 2,693 households for the total population

Exposure: EITC calculated using IRS Tax tables (Taxsim), based upon total household earnings, number of dependents, years of earning, state of filing

Difference in EITC benefits between current year and 2 years prior based on 2 years prior earnings and household characteristics (Gruber approach)

Outcome: Body mass index, overweight, obesity
Thank you.

Funding: RWJF H&SS (2006-2008), RWJF Healthy Eating (68704); NIA (2014-present) (K01 AG047280)

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