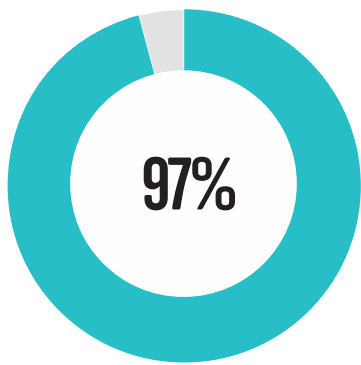


# THE WORKING FAMILIES TAX CREDIT IS A SMART INVESTMENT IN A HEALTHIER NEW MEXICO

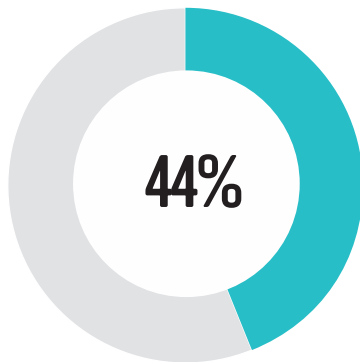


Improving the Working Families Tax Credit would put more money back into the hands of New Mexico's hard-working families – and the businesses where they will spend it.

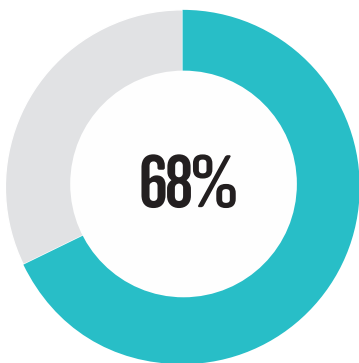


97% of the money returned from the two credits goes to families with children

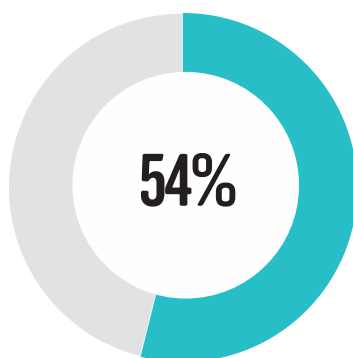
Nearly 225,000 children benefit – that's about 44% of all NM kids



68% of claimants are people of color



54% of claimants have at least some college education -- they simply aren't earning family-sustaining wages



## BENEFITS OF THE WFTC

- Proven to incentivize work and allow families to purchase necessities
- Businesses benefit too as the refunds are spent quickly and locally
- It's a common sense, bi-partisan solution to improve health and well-being for New Mexico families

## POLICY RECOMMENDATIONS

- Increase rate to 20% of EITC
- Increase credit for parents of young children
- End exclusion of ITIN filers
- End exclusion of young adult workers

A growing body of research shows that tax policies like the Earned Income Tax Credit (EITC) and Working Families Tax Credit (WFTC) improve the health and well-being of the families and children who receive them. By expanding the WFTC, we could further improve health, address disparities, and help families thrive.



## CREDITS LIKE THE EITC AND THE WFTC ARE LINKED TO IMPROVEMENTS IN:

### ↑ PARENTS' HEALTH

- Better mental health among mothers
- Better overall health and decreased physical and mental stress among mothers with a high school diploma or less
- Better physical health among men and women (ages 21 to 50) due to increased fruit consumption, decreased meat consumption, improved cholesterol, fewer colds, and more

### ↑ MATERNAL AND INFANT HEALTH

- Better pre- and post-pregnancy health
- Fewer babies born at an unhealthy low weight

### ↑ CHILDREN'S HEALTH

- Increased insurance coverage rates among children (ages 6 to 14)
- Better child health status as reported by mothers
- Children have access to more regular meals

### ↑ SCHOOL PERFORMANCE

- Improved test scores, particularly in math
- Boosted high school graduation rates
- Improved academic achievement that's equivalent to getting two extra months of schooling

### ↑ COLLEGE ATTENDANCE

- Boosted college enrollment rates
- Increased college graduation rates as well as total years of education completed

### ↑ EARNINGS IN WORKFORCE

- Higher long-term growth in earnings for single mothers (a mean increase of 17 percent in average annual earnings)
- Increased hours worked and wages earned in women with children

### ↑ RETIREMENT BENEFITS

- Increased retirement benefits earned through social security