

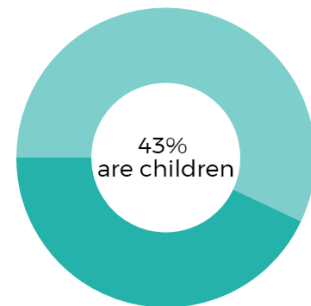
Characteristics of Hawai‘i’s Earned Income Tax Credit-Eligible Population

The federal Earned Income Tax Credit (EITC) has long been recognized as one of the nation’s most effective anti-poverty measures, lifting millions of Americans out of poverty each year by allowing them to keep more of what they earn. In addition to its effectiveness in reducing poverty, the EITC boosts work effort and is associated with better outcomes for children and families. Many states have leveraged the associated benefits of the federal credit with state level EITCs. State EITCs typically “piggyback” on the federal EITC meaning that, for the most part, they have the same eligibility requirements and are set at a fixed percentage of the federal credit.

As Hawai‘i considers this working family tax credit, here are some recent data on the characteristics of the state’s EITC-eligible units.¹

- There are nearly 128,000 qualifying children² in these households, comprising 43% of the population in EITC-eligible units.
- 53% filed as *head of household*, meaning the tax filer is unmarried or legally separated and resides with one or more dependents.
- The mean adjusted gross income was a little over \$18,000.
- Over half (54%) of EITC-eligible tax filers have “some college” or a degree.

Population in
EITC-Eligible Units



¹ The Brookings Institution (n.d.). *Characteristics of EITC-Eligible Tax Units in 2015*. Downloaded from Earned Income Tax Credit (EITC) Interactive and Resources (<https://www.brookings.edu/interactives/earned-income-tax-credit-eitc-interactive-and-resources/>) on February 14, 2017.

² To be deemed a *qualifying child* for the purpose of claiming the EITC, the child must be the son, daughter, stepchild, or foster child of the claimant; or sibling/step-sibling of the claimant; and, be under 19, or under 24 and a student, or totally/permanently disabled.



For questions about the information presented, please contact the Hawaii KIDS COUNT project at the UHM – Center on the Family at 808-956-3760.