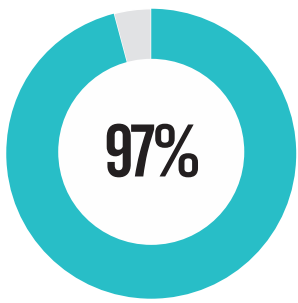


THE WORKING FAMILIES TAX CREDIT WILL HELP NEW MEXICO BOUNCE BACK

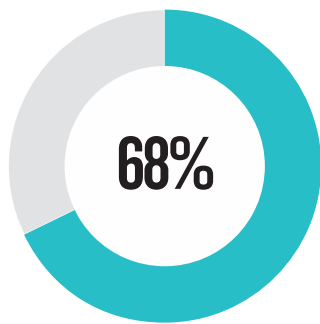
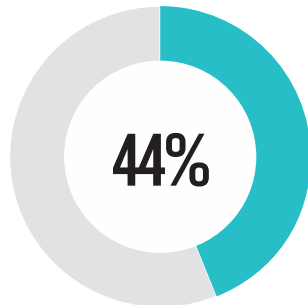


The COVID-19 pandemic has taken a heavy toll on New Mexico’s workers, families, and businesses. Expanding the Working Families Tax Credit (WFTC) is an investment in a healthier New Mexico that is also key to getting our economy back on track. It will help workers meet basic needs and put more money back into the hands of New Mexico’s hard-working families – and into the businesses where they will spend it.



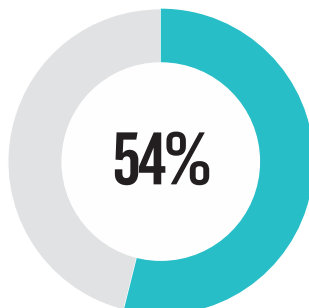
97% of the money returned from the credit goes to families with children

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

- Top beneficiaries include essential workers and people of color, who have been disproportionately harmed by COVID-19
- Proven to incentivize work
- Improves physical and mental health by reducing financial hardship and giving families more money to spend on food and other household necessities
- Businesses benefit too as the refunds are spent quickly and locally
- It’s a common-sense, bi-partisan solution to help New Mexico families survive through and thrive after the pandemic

Policy Recommendations

Benefits to Families

End exclusion of ITIN filers	\$4.6 million
End exclusion of young adult workers without children	\$1.9 million
Increase rate to 20% of federal EITC	\$16 million
Increase credit for parents of young children	(\$7 million–\$13 million)*

*20% of the federal EITC for families with children younger than 6 (\$7 million); 30% of EITC for families with children younger than 6 (\$13 million)

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. An expanded WFTC is a powerful economic stimulus that will promote health during the pandemic by helping families who are struggling meet their basic needs.



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

↑ PARENTAL HEALTH

- Better mental health among mothers
- Lower stress from reduced financial hardship
- 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

↑ CHILD 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