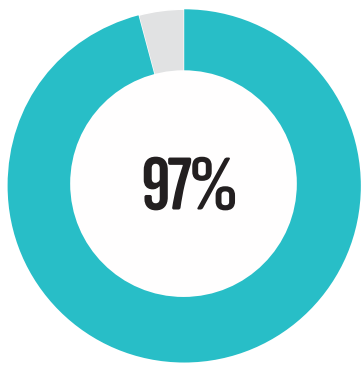


THE WORKING FAMILIES TAX CREDIT IS A SMART INVESTMENT IN A HEALTHIER NEW MEXICO

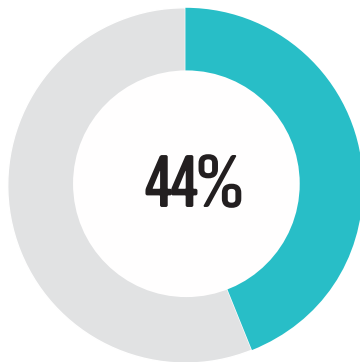


Improving the Working Families Tax Credit would put more money back into the hands of New Mexico's hard-working families – and the businesses where they will spend it.

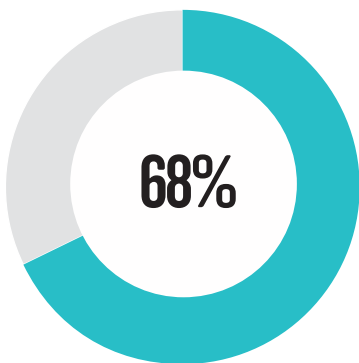


97% of the money returned from the two credits goes to families with children

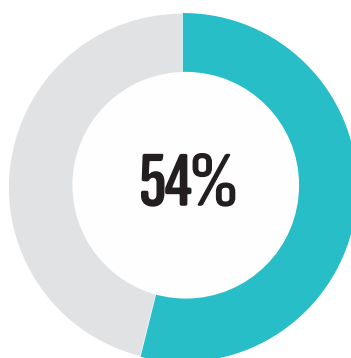
Nearly 225,000 children benefit – that's about 44% of all NM kids



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 (\$15 million)
- Increase credit for parents of young children (\$7-29 million)*
- End exclusion of ITIN filers (\$5-9 million)
- End exclusion of young adult workers (\$3 million)

*20% of EITC for families with children under 6 (\$7m); 30% of EITC for families with children under 6 (\$29m);

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