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Retooling the Childless EITC

to Better Support Young Adults

Lynneah Brown
Sophie Collyer
Megan Curran
Anastasia Koutavas
Jiwan Lee
Alexander Lundrigan
Danielle Wilson
Christopher Wimer

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Lynneah Brown*, Sophie Collyer, Megan Curran*, Anastasia Koutavas*, Jiwan Lee, Alexander Lundrigan*, Danielle Wilson, and Christopher Wimer[1]

Executive Summary

2025 marks the expiration of many of the individual and family tax provisions of the 2017 large-scale tax package, the Tax Cuts and Jobs Act (TCJA). The country is now engaged in a national debate on the future of tax policy. This tax debate offers an opportunity to consider how to design tax policy that better supports young adults. Young adults have been historically left out of important tax policies supporting workers earning lower wages – particularly the Earned Income Tax Credit (EITC) – despite facing similar financial challenges in meeting their basic needs and building savings as other low-wage workers, especially at a time of rising costs of living. A more permanent expansion of the childless EITC offers one way to support young adults' economic security, promote work, and help young adults in their journey toward economic opportunity and mobility in the labor market.

In this joint report by Young Invincibles and the Center on Poverty and Social Policy at Columbia University, we explore the current structure of the childless EITC; examine the financial profile of young adults currently left out; and identify the potential income and anti-poverty effects of expanding the childless EITC to both include childless adults aged 18 and older and increasing the value of the childless EITC itself.

Key findings:

- The EITC for families with children is one of the largest and most impactful anti-poverty programs in the United States (U.S.). However, the maximum EITC available to those without children – the 'childless EITC' – is valued at just 15% of the maximum EITC available for those with one child. The childless EITC also excludes both younger and older workers (i.e., those aged 18-24 and those aged 65 and over) with low wages, who would otherwise be eligible if they were in a tax unit with children.

- Across a range of financial indicators, young adults under age 35 face levels of economic insecurity similar to or greater than older adults. Among young adults under age 35, the financial pressures and challenges facing those aged 18-24 are similar to those of their slightly older peers (i.e., those aged 25-34). However, 18-24-year-olds are excluded from the financial support of the childless EITC. More specifically:
    - Childless 18-24-year-olds with low wages spend almost half of their income on basic needs, similar to childless 25-34-year-olds.
    - Childless 18-24-year-olds with low wages report the highest rates of rent burden – including severe rent burden – compared to all other age groups.
    - Childless 18-24-year-olds with low wages have low levels of cash reserves to cover

1. Authors are listed in alphabetical order. * Denotes the lead authors at each institution and organization.

their basic expenses – on average, they have just half of what they need to cover three months of housing and other essential bills available in cash on hand.

» Childless 18-24-year-olds with low wages, similar to their older peers, have a median debt-to-income ratio that is significantly higher than the recommended level to secure a loan or access new credit.

Two potential changes could enhance the childless EITC: an expansion of age eligibility and an expansion of age eligibility alongside an increase in the credit amount.

» An age expansion alone would rectify the current age inequity in the childless EITC. But because the childless EITC currently offers only a small benefit, an age expansion would only modestly boost incomes and reduce poverty:

» 3.8 million childless 18-24-year-olds could benefit from an age expansion, with an average income increase of $260. This could keep 28,000 childless young adults from poverty.

» Together, an age- and credit expansion of the childless EITC could provide more a meaningful boost to incomes and reduction in poverty:

» 5.2 million childless 18-24-year-olds could benefit from an age and credit expansion, with an average income increase of $970. This could keep nearly four times as many young adults from poverty than an age expansion alone – a projected 103,000 childless young adults.

Expanding the EITC to include 18-24-year-olds provides important support for this overlooked demographic. Including those currently left out and increasing the credit value overall would provide meaningful financial relief and improve economic stability for all childless workers on low wages. As policymakers consider the path forward, these findings underscore the urgency of acting decisively to create a more equitable and supportive tax system.

Introduction

Young adults experience some of the highest levels of poverty compared to other age groups – including older adults and children – with close to 1 in 5 young adults under the age of 25 living below the poverty line in recent years.[2] Yet this is not a recent development: historical poverty trends show that – in contrast to almost all other population groups – young adults have not seen their poverty rates decrease since the 1960s.[3] One of the many reasons for this is that young adults are often ineligible for or receive less support from important income and work support policies. They are too old to be eligible for programs targeted to children and are either too young, disqualified due to college student status, or do not possess long enough work histories to be eligible for programs targeted to working-age adults. They are also less likely to have children of their own who qualify them for family-related supports.

The COVID-19 pandemic marked a potential turning point. While some early pandemic economic relief efforts perpetuated this longstanding pattern of exclusion – for example, leaving many young adults out of the first round of Economic Impact Payments (EIPs, or stimulus checks) – policymakers moved to include them as the pandemic progressed. Unemployment benefits were expanded to include a broader set of job types and work histories (including gig and part-time work) to the benefit of young adult workers. The Supplemental Nutrition Assistance Program (SNAP) granted temporary student exemptions during the public health emergency to enable college students not traditionally eligible to gain access to food assistance. And notably, the Earned Income Tax Credit (EITC) for childless workers was tripled in value and expanded to include young adult workers from age 19 upwards for the first time. These changes were temporary, however, and coming out of the pandemic, young adults have been left out from important policy support once again.

Evidence shows that these temporary expansions of tax and safety net programs worked while they were in place. Recipients spent EIPs on basic expenses and saw their poverty rates decrease.[4] Unemployment benefits, as well as the expanded access to SNAP alongside increased SNAP benefit levels, reduced poverty and food insecurity.[5] So too did the expansion of the childless portion of the EITC. EITC benefits increased for all those eligible for the childless EITC in 2021, but childless 19-24-year-olds were made newly eligible and saw the largest relative benefit increases from the expansion.

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2. Wimer, C. & Curran, M. (2023) The Increased Antipoverty Effects of the Expanded Childless Earned Income Tax Credit in 2021. Poverty and Social Policy Fact Sheet. New York: Center on Poverty and Social Policy, Columbia University.
3. Vinh, R., Wimer, C., & Collyer, S. (2025) Young Adult Poverty Rates in Historical Perspective. New York: Center on Poverty and Social Policy, Columbia University.
4. Perez-Lopez, D. & Bee, C.A. (2020) Majority Who Received Stimulus Payments Spending Most of It on Household Expenses. Washington DC: US Census Bureau; Burns, K., Wilson, D., & Fox, L.E. (2021) Two Rounds of Stimulus Payments Lifted 11.7 Million People Out of Poverty During the Pandemic in 2020. Washington DC: US Census Bureau.
5. Wheaton, L. & Kwon, D. (2022) Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty. Washington DC: Urban Institute.

Prior Columbia University Center on Poverty and Social Policy analysis found that the 2021 expansion almost doubled the EITC's anti-poverty effects for childless 18-24-year-olds (from a 3% poverty reduction, pre-expansion, in 2019 to just over a 7% poverty reduction in 2021 while the expansion was in place).[6]

An analysis from researchers at the Center on Poverty and Social Policy and the University of Michigan also reveals that the 2021 childless EITC expansion helped reduce various forms of material hardship.[7] Under the temporary credit expansion, 19-24-year-olds saw a 28% reduction in housing hardship, and the results provide some indications that the credit expansion reduced food insufficiency and difficulty with expenses.

In prior work, Young Invincibles profiled the young adults newly eligible for the childless EITC in 2021, showing that it made a particular difference for young adults of color.[8] They also explored who might benefit if such an expansion were made permanent and how a long-term policy change of this kind could be further improved to include key populations still left out in 2021 (such as college students and young adults with moderate incomes just above the EITC's income phase-out thresholds). Young Invincibles also documented the various ways that credit delivery could be improved (such as through monthly advance payments) to help address more immediate needs.

These recent studies on the effects of the 2021 expansion of the childless EITC and the current tax debate prompted by the expiration of many of the individual and family tax provisions under TCJA help motivate this new research. This report examines the financial profiles of young adults and looks specifically at how a permanent expansion of the childless portion of the EITC could bolster their economic positions. The report:

- Describes the existing structure of the EITC and who is included and excluded from the childless EITC.

- Provides a financial profile of young adults who would be income-eligible for the childless EITC but are currently left out due to age restrictions. It examines the finances, needs, and expenditures of childless 18-24-year-olds to determine whether there are marked differences between their spending habits and financial difficulties compared to older childless adults who are fully eligible for the EITC.

- Explores the income and anti-poverty effects of expanding the childless EITC under two scenarios: one where age eligibility is expanded to include 18-24-year-olds currently left out, and another where an age expansion is coupled with a credit increase that could benefit both newly eligible 18-24-year-olds and existing eligible childless adults aged 25 and over.

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6. Wimer, C. & Curran, M.A. (2023) The increased antipoverty effects of the expanded childless Earned Income Tax Credit in 2021. Poverty and Social Policy Fact Sheet. New York: Center on Poverty and Social Policy, Columbia University.
7. Lee, J., Michelmore, K., Pilkauskas, N., & Wimer, C. (2024) Effects of the expansion of the Earned Income Tax Credit for childless young adults on material wellbeing. NBER Working Paper. Cambridge, MA: National Bureau of Economic Research.
8. Lundrigan, A., Eckel, M., & Taylor, S. (2023) Expanding EITC Efficacy: Permanently Expanding the EITC Will Benefit Millions of Young Adult Workers. Young Invincibles.

Policy Context:

The Childless Earned Income Tax Credit

Created in 1975 and expanded several times since,[9] the federal EITC is a refundable tax credit that delivers resources to working adults with low incomes. The EITC is delivered upon filing a federal tax return. It works first to reduce an individual or household's income tax liability. If the credit amount is greater than the amount of taxes owed, the balance of the credit is refunded as a cash payment; this is known as the refundable portion.

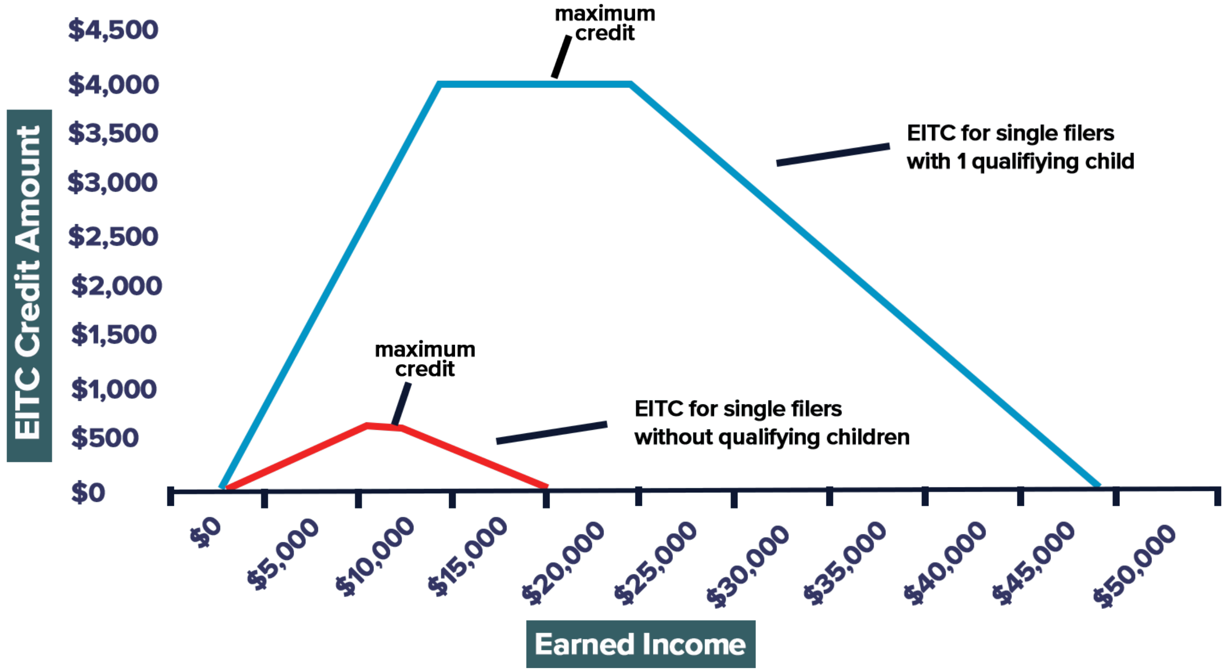
Originally, the EITC was only available to families with children. The 'childless' EITC – here, the credit available to adults without qualifying children[10] – was established later, in 1993, following expansions that first adjusted the EITC for a number of children and increased the maximum credit value for adults with two or more children. Legislative histories detailing the evolution of the EITC over time note that, in contrast to the intention behind the expanded benefits for adults with children, the "main rationale for this 'childless EITC' was not poverty reduction. Instead, the credit was intended to partly offset a gasoline tax increase" enacted simultaneously in 1993.[11]

The childless EITC differs from the EITC available to families with children in a number of key respects. While the EITC for those with children is open to adults of any age with earned income, the childless EITC has historically been restricted to adults between the ages of 25 and 64. The childless EITC also provides a much smaller maximum credit value than the EITC for those with children. In 2023, the maximum credit for a worker with no children ($600) was valued at just 15% of the maximum credit for a worker with one child ($3,995).

Figure 1 compares the 2023 structure of the childless EITC with the EITC for one adult with one child. It is important to note that because the credit phases in and phases out with earnings, only a small proportion of adults receive the maximum credit amount. Most EITC-eligible adults receive less than the maximum amount. Adults without children have the narrowest ability to receive the maximum credit amount – in 2023, the $600 maximum childless EITC credit was only available to those earning between $7,840 and $9,800 if a single tax filer (or between $7,840 and $16,370 if married and filing jointly).

9. Crandall-Hollick, M. (2018) The Earned Income Tax Credit (EITC): Legislative History. CRS Report R44825. Washington DC: Congressional Research Service.
10. The distinction around 'qualifying children' is important to note here, given that workers who qualify for the childless portion of the EITC may potentially be non-custodial parents or guardians, whereby their children do not live with them for the purposes of custody or tax filing.
11. Crandall-Hollick, M. (2018) The Earned Income Tax Credit (EITC): Legislative History. CRS Report R44825. Washington DC: Congressional Research Service, pg. 7

Figure 1. Earned Income Tax Credit (EITC) structure for single childless filers and single filers with one child, 2023



Source: Figure produced by the Center on Poverty and Social Policy at Columbia University. EITC parameters obtained from the Internal Revenue Service for tax year 2023.

The 2021 temporary expansion to the childless EITC addressed some of the age-eligibility and credit level discrepancies between the childless EITC and the EITC. For one year, younger and older workers without qualifying children became eligible for the childless EITC[12] – the minimum age was lowered to 19 and the maximum age cap was lifted from 64, thereby including childless 19-24-year-olds and those aged 65 and older historically left out. In addition, the maximum childless EITC credit amount was also increased to a value of $1,502 (up from $538 in 2020, the year prior, as seen below in Table 1).

Table 1. Maximum EITC credit amounts, by household size and tax year

Household Size	Tax Year			
	2020	2021	*2022*	*2023*
No qualifying children	$538	*$1,502*	$560	$600
1 qualifying child	$3,584	$3,618	$3,733	$3,995
2 qualifying children	$5,920	$5,980	$6,164	$6,604
3 or more qualifying children	$6,660	$6,728	$6,935	$7,430

Source: Internal Revenue Service (2024) Earned Income Tax Credit (EITC) tables. Washington DC. All amounts in nominal dollars.

12. Students (those enrolled at least part-time) were not fully included in the 2021 age expansion; their age limit was temporarily shifted from age 25 down to age 24. The minimum age for young adults formerly in the foster care system or who are homeless was temporarily lowered from age 25 down to age 18.

After 2021, the temporary expansion of the childless EITC expired and the credit reverted back to its pre-pandemic parameters. As a result, childless 19-24-year-olds in work receiving low wages (as well as childless older workers aged 65 and over) became ineligible for the EITC once again. Those aged 25-64 who retained their childless EITC eligibility were also affected by the expiration of the expansion, as they saw their EITC credit values shrink back down to a lower level (in 2022, a maximum of $560, compared to a maximum of $1,502 in 2021), adjusted in subsequent years only for inflation.

The 2025 tax debate offers an opportunity to reconsider how individuals earning low wages might be better supported through tax policy. The childless EITC can be enhanced to not only offer more meaningful support to those already eligible, but can also be expanded to include young adults with low wages currently left out.

The next section takes a closer look at who is currently left out of the childless EITC, with a particular focus on young adults. It examines how childless young adults who are EITC income-eligible fare financially today, highlighting the ways in which their expenses and economic pressures are not that different from their slightly older counterparts – the only difference being whether or not they are eligible for financial support from the childless EITC.

The Financial Profile of Young Adults Who Could Benefit from Childless EITC Reform

Policymakers may assume 18-24-year-olds have less need for the EITC if they do not have the same basic spending needs of older people, or that they are largely in college and have the financial support of their family.[13] This section examines the finances and expenditures of 18-24-year-olds to understand whether or not that holds true in the data. We explore the degree to which the financial profiles of younger childless adults with low and moderate incomes, who are currently excluded from the EITC because of their age, differ from older childless adults with low and moderate incomes who are currently included in the EITC. We compare expenditures on basic needs,[14] average spending profiles overall,[15] rent burden, cash reserves,[16] and debt-to-income ratios.[17]

13. Coffey, A., Adams, G., & Hahn, H. (2021) Young people and tax credits: The earned income tax credit and the child tax credit. Washington DC: Urban Institute.
14. Basic needs include housing, food, health, and hygiene.
15. Spending profiles include education, housing, food, transportation, health, entertainment, and hygiene.
16. Average cash reserves metric determined through summing liquid savings, checking, and retirement accounts and then averaging among different age groups.
17. The debt-to-income ratio is the monthly debt payments divided by one's gross monthly income (Consumer Financial Protection Bureau, 2023).

Utilizing public data available through the Bureau of Labor Statistics and their Consumer Expenditure Survey, as well as the American Community Survey, our analysis explores these financial indicators among the different age groups of childless adults who are EITC income-eligible (see Appendix A for Methodology).

We find that:

- Childless young adults under age 35 face the highest levels of financial insecurity across age groups. Within this group, the financial pressures and challenges facing 18-24-year-olds are similar to childless 25-34-year-olds, but 18-24-year-olds cannot access the financial support of the childless EITC.

- EITC income-eligible childless 18-24-year-olds dedicate almost half (47%) of their spending to basic needs, such as housing, food, hygiene, and health. This is almost identical to the share of overall spending that goes to basic needs (46%) among childless 25-34-year-olds.

- EITC income-eligible childless 18-24-year-olds face the most significant levels of rent burden across all age groups, making it difficult to meet a central basic need. Three-quarters are rent burdened, with just over half (51%) experiencing severe rent burden.

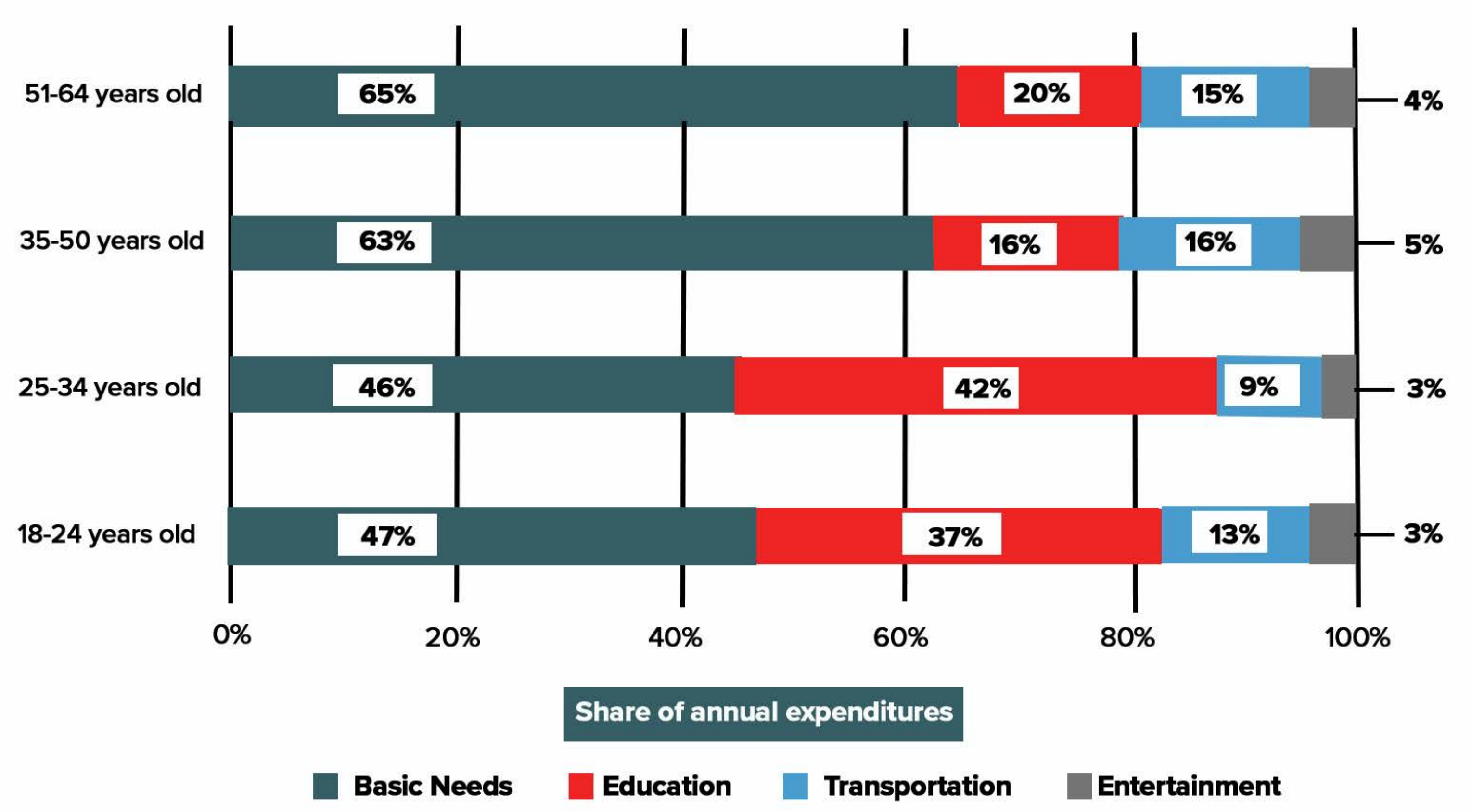
- EITC income-eligible childless 18-24-year-olds have a low level of cash reserves to cover basic expenses: on average, in recent years, they would need $8,200 to cover basic needs for three months but have only half that amount (about $4,000) in cash reserves. This level of cash reserves is similar to childless 25-34-year-olds, while older childless adults have greater cash reserves.

- EITC income-eligible childless 18-24-year-olds have a median debt-to-income ratio of 53%, well above the recommended level from major banks and lenders to secure a loan or credit and a barrier to their ability to save money.

Expenditures

All of the following results specifically reflect the population of childless adults who are income-eligible for the childless EITC. Figure 2 shows, by age group, the share of expenditures that childless workers who are income-eligible for the EITC allocate to basic needs, education, transportation, and entertainment. On average, basic needs make up nearly half of total expenditures (47%) among childless 18-24-year-olds who would qualify for the childless EITC due to their low incomes (but are excluded due to age eligibility). Basic needs makes up nearly the exact same share (46%) of total expenditures of childless 25-34-year-olds. The next largest category of spending for childless 18-24-year-olds with low wages is education, at 37%. Smaller shares go towards transportation (13%) and entertainment (3%). Basic needs comprise a somewhat larger share of total expenditures among older childless adults (age 35 and older) – likely because education is no longer a major expense – but the key point here is that young adults currently excluded have similar levels of needs and expenditures as their slightly older counterparts, making exclusion from the childless EITC hard to justify on these grounds.

Figure 2. Expenditure profiles for EITC income-eligible childless adults, by percent



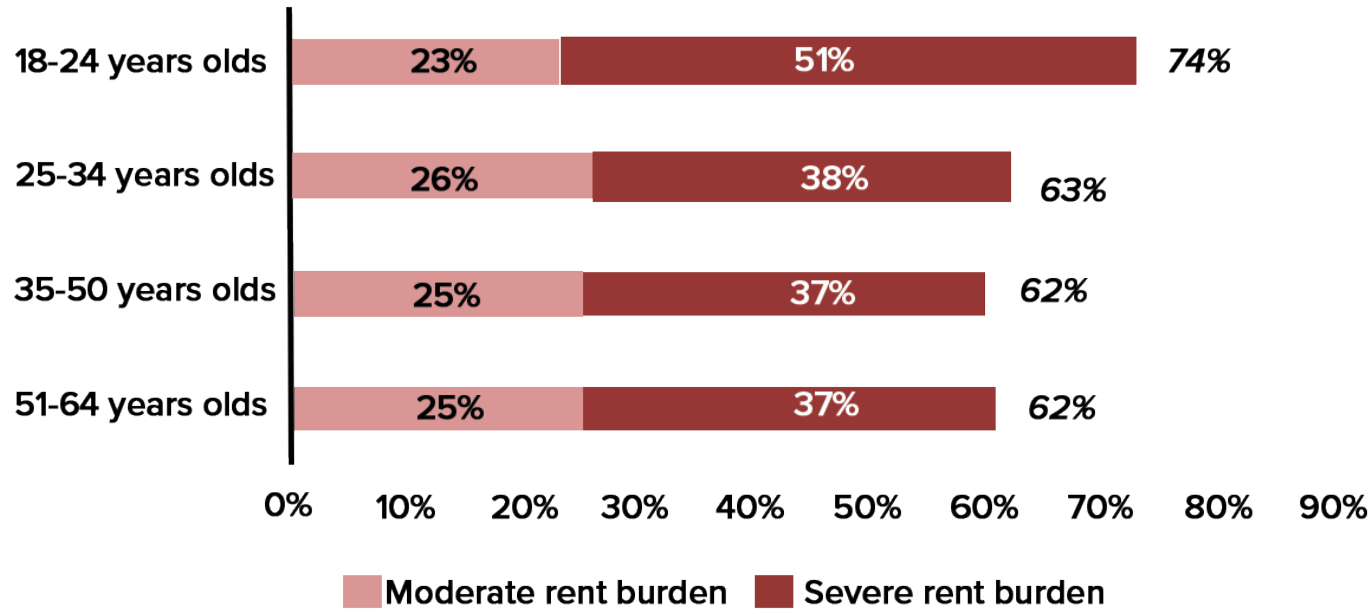
Source: Estimated using the Consumer Expenditure Survey administered by the Bureau of Labor Statistics with interview samples from 2015-2021.
Note: Basic needs expenses are defined as those for food, housing, health, and personal hygiene.

Appendix A shows that the patterns established in Figure 2 are stable over time.[18] Young adults, like their peers aged 25-34, are spending a similar portion of their budgets on basic needs.

Figure 3 depicts levels of rent burden by age group, or the share of renters paying more than 30% of their income towards housing costs. Rent burden is considered severe when renters are paying more than 50% of their income towards housing costs. As Figure 3 indicates, childless 18-24-year-olds who are EITC income-eligible are the most likely age group to experience rent burden. Almost three out of four (74%) childless 18-24-year-olds are rent burdened, with just over half (51%) experiencing severe rent burden.

18. High peaks on this graph - similar to frequencies, indicated the data was more dispersed around the mean or that there was a higher percentage of fluctuations.

Figure 3. Rent burden rates among EITC income-eligible childless adults, by age



Source: Estimates produced using the 2018, 2019, and 2022 American Community Survey (ACS) Public Use Microdata Sample (PUMS) and ACS Supplemental Poverty Measure (SPM) Research Files, produced by the U.S. Census Bureau's Poverty Branch within the Social, Economic, and Housing Statistics Division.
Note: Estimates compare household gross rent to total household resources, as defined by the SPM. Moderate rent burden occurs when rent exceeds 30% of household resources (but less than 50%), and severe rent burden occurs when rent exceeds 50%. Person-level weights are applied.

Cash reserves

Given that young adults spend similar proportions of their budgets on basic needs and have higher rent burdens than older adults, we would hope that they had similar levels of cash reserves to help them meet potential disruptions to their incomes. Instead, we find stark differences in cash reserves among those who are income-eligible for the EITC by age.

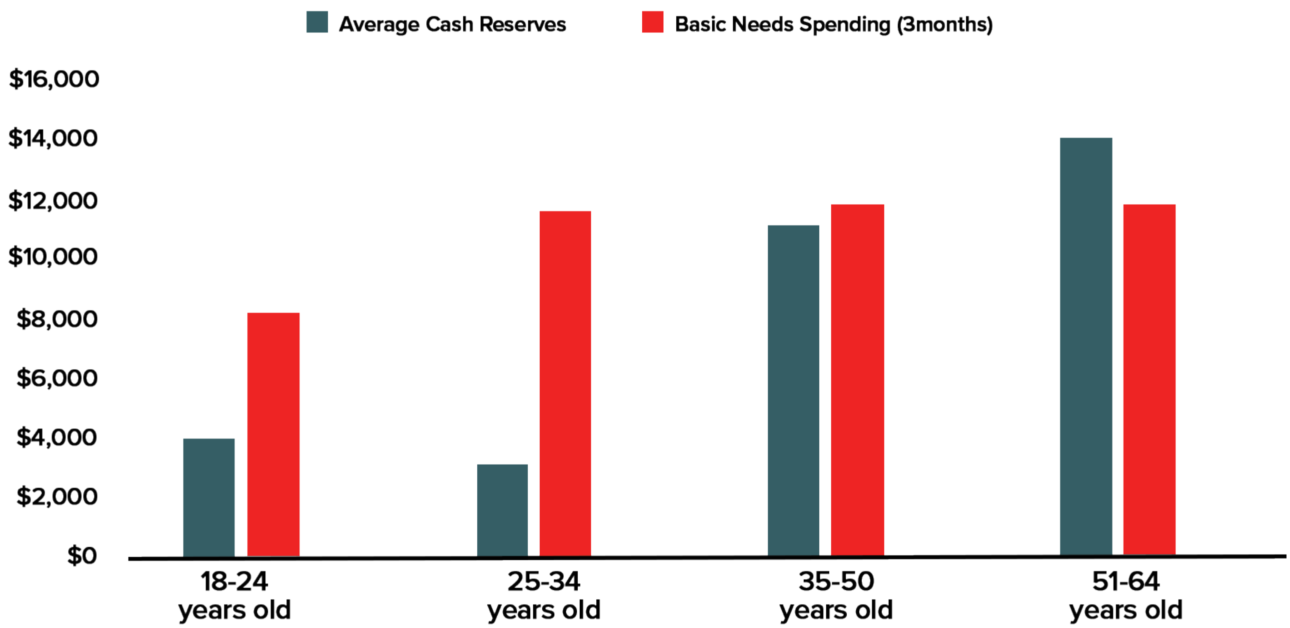
According to financial industry experts, an individual should have enough cash reserves to cover three months of spending on necessities during emergencies.[19] To determine this amount, we calculated the average expenditure on basic needs among EITC income-eligible childless workers . We then looked at whether people had enough cash on hand to meet that level of basic needs for a period of 3 months – for example, if they had an unemployment spell.

Figure 4 shows that the average amount spent on basic needs for a three-month period among EITC income-eligible childless 18-24-year-olds was $8,200. The average amount of liquid cash reserves for this same group was approximately $4,000. Adults over the age of 35 had much greater levels of cash reserves relative to their assumed needs.

19. Payne, K. (2022) Best Places to Keep Your Emergency Fund. Forbes.

Thus, despite spending a similar proportion of their resources on basic needs, young EITC-eligible adults have fewer cash reserves on hand to meet a potential disruption to their ability to meet basic needs.

Figure 4. EITC income-eligible childless adults available cash reserves, by age



Source: Estimated using the Consumer Expenditure Survey 2015-2021.
Note: 'Average Cash Reserves' represents the mean amount of liquid cash individuals reported having available at the time of their interview, offering insight into their immediate financial resources. 'Basic Needs Spending (3 months)' calculates the average cost of essential living expenses over a three-month period, derived from Consumer Expenditure Survey data in recent years.

Debt

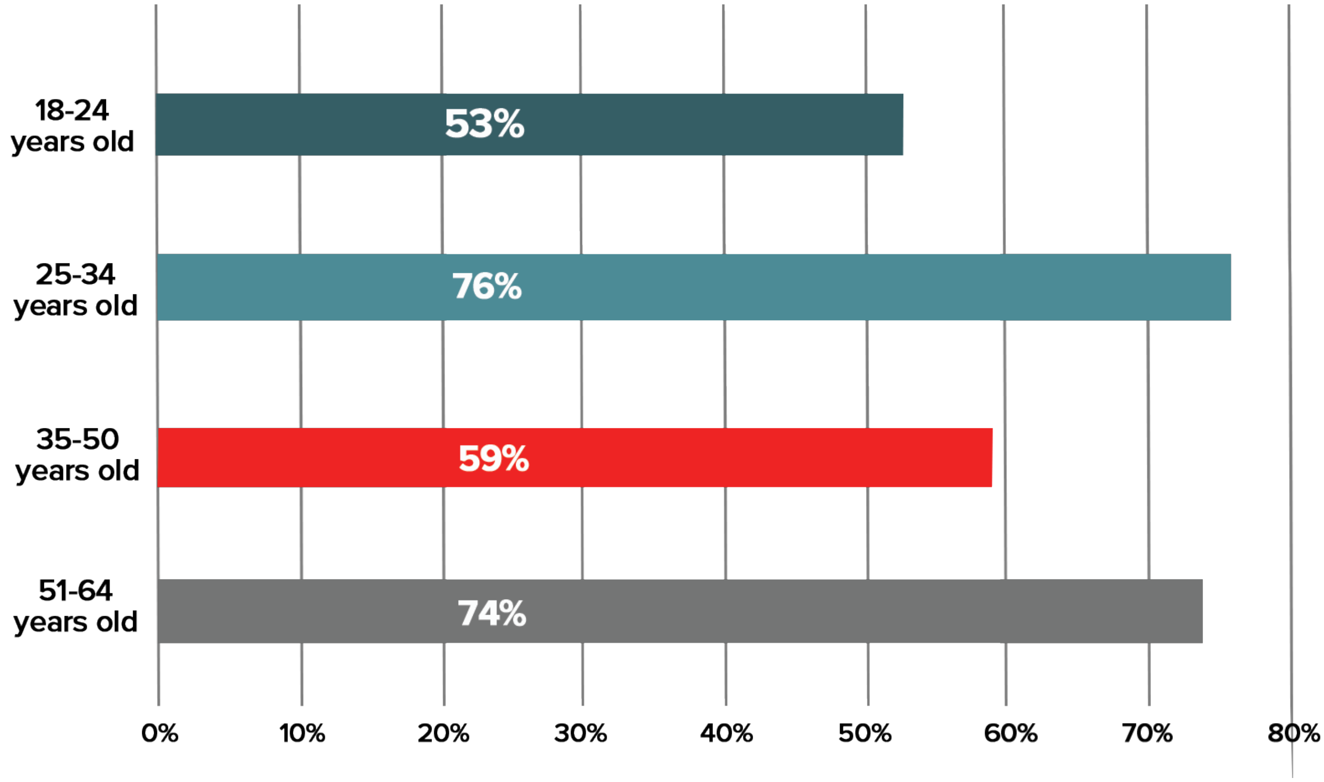
In addition to routine expenses like housing and other basic needs, debt and the payments that it takes to repay that debt are also important markers of economic well-being. We examine debt among childless adults using a measure of the "debt-to-income ratio," which represents the amount of debt (credit cards, expenses, loans, etc.) a person holds compared to their income (wages, interest, and income from assets and other sources). The debt-to-income ratio is a common financial benchmark for lenders to determine eligibility for a mortgage or other loans. It is also a good metric for determining one's ability to save money for the future.

Figure 5 provides the median debt-to-income ratios of childless adults who are income-eligible for the EITC.[20] The medians for all groups are considered high by bank and lender standards, which considers any ration over 35% to be suboptimal.[21] The median ratio for childless 18-24-year-olds was 53%.

Though the lowest of all the age groups shown in Figure 5, debt burden among excluded young adults is well above recommended levels.

20. There were a significant number of outliers in the data set, so the median was considered the best representation for each age group.
21. Luthi, B. (2024) What Is Debt-to-Income Ratio? Experian.

Figure 5. Median debt-to-income ratios of EITC income-eligible childless adults, by percent



Source: Medians determined using the Consumer Expenditure Survey 2015-2021.
Note: 'Debt-to-income' was calculated using the formula outlined in Appendix A. The median was chosen as the most accurate metric due to the dataset containing a significant number of outliers when it came to debts and incomes. The variables included in the calculation include income, assets, debt, and expenses. To reference a standard debt-to-income ratio, financial and lending institutions set the suboptimal benchmark at 35%.

Taken together, the financial portrait of young adults shown above indicate two important facts. Childless 18-24-year-olds who have incomes that could qualify for the EITC are financially insecure, just like their older peers. They dedicate close to half of their spending to basic needs, but do not have ample cash reserves to cover these needs. Three-quarters are rent burdened, with over half experiencing rent burden that is severe. In addition, this age group has a high debt-to-income ratio compared to recommended levels, posing a challenge to credit access and savings. In the next section, we explore the ways in which policy changes to the childless EITC can better support 18-24-year-olds historically left out of the credit's current design.

How an Expanded Childless EITC Can Help: Income and Anti-Poverty Effects of Including Young Adults and Enhancing the Credit

While the childless EITC provides necessary income support to working adults with low wages, the maximum childless EITC credit is low compared to the EITC for those with children. The childless EITC also currently excludes working adults under age 25 and age 65 and over entirely. In this section, we seek to understand how an expanded childless EITC can enhance incomes and reduce poverty among young adults.

More specifically, we model two approaches for expanding the childless EITC, by increasing **eligibility** and **credit amounts:**

1. Expanding coverage to all working age adults ages 18 and over;[22]
2. Covering all working age adults and roughly tripling the maximum credit amount (from $600 to $1,660 in 2023 dollars).[23]

We find that:

- Roughly 3.8 million childless 18-24-year-olds (14% of this age group) would benefit if the EITC's minimum age requirement were lowered from 25 to 18 years old. This could raise the incomes of young adults who would become EITC-eligible by $260, on average.

- An additional 1.4 million childless 18-24-year-olds (for a total of 5.2 million, or 19% of this age group) would benefit if the age requirement were lowered and the credit's value was raised. This could raise the incomes of young adults who would become EITC-eligible by $970, on average.

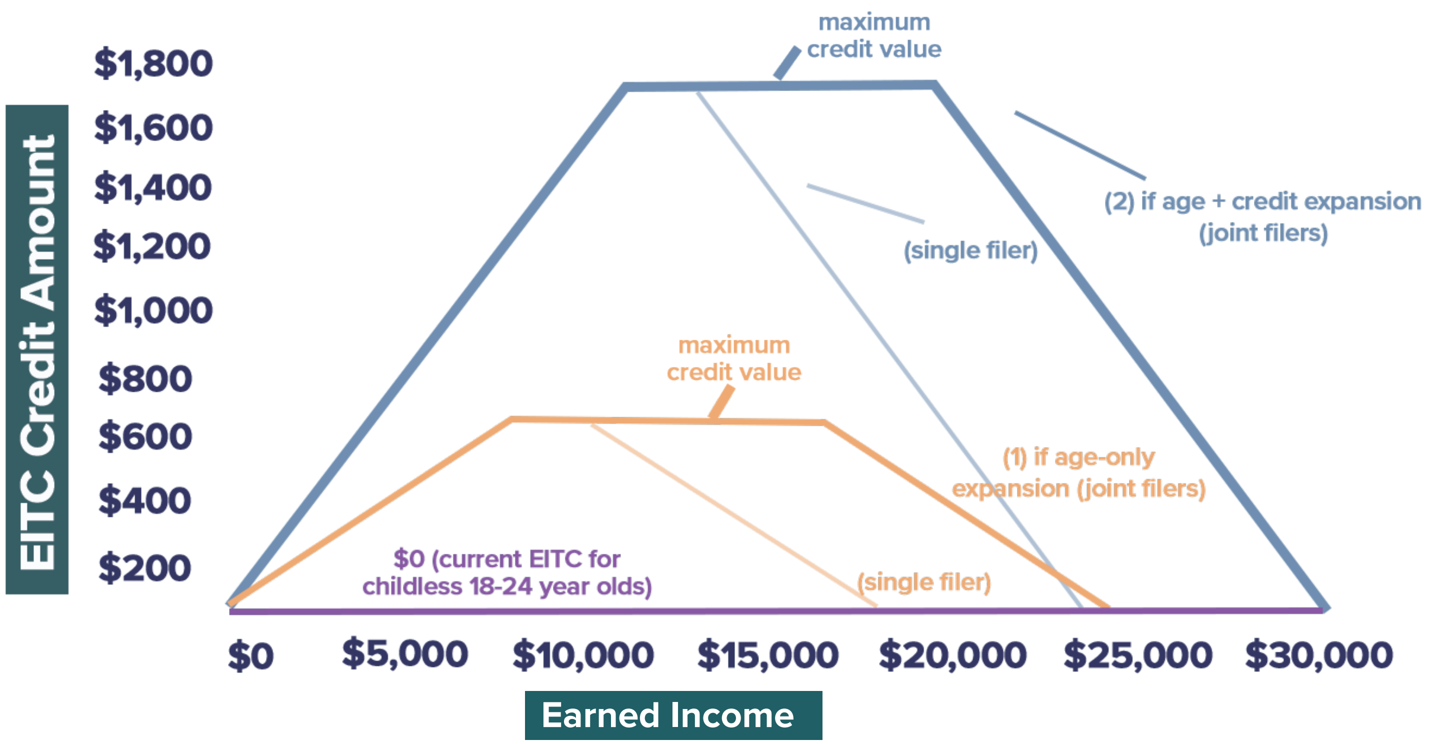
- Adjusting the EITC age eligibility on its own would have a minimal effect on the young adult poverty rate. Lowering the age requirement and raising the credit value together would have a greater anti-poverty effect.
    - » Lowering the credit's age requirement to 18 would reduce the poverty rate of EITC-eligible childless 18-24-year-olds by close to 2% – equal to 28,000 young adults kept out of poverty.
    - » Lowering the age requirement and raising the credit value would reduce the poverty rate of EITC-eligible childless 18-24-year-olds by 8.5% – equal to 103,000 young adults kept out of poverty.

22. Our model of an age expansion to the childless EITC for workers over age 18 also includes adults ages 65+. Young adults are the particular focus on this report, but income and poverty results for older workers can be found in Appendix C.
23. We model an increase to the childless EITC that is equivalent in magnitude to the 2021 expansion of the childless EITC (a rough tripling of the maximum credit value, from $543 to $1,502). The exact parameters of the implemented expansion and our modeling differ, as explained below.

How to Adjust the Childless EITC

Figure 6 illustrates how these two potential scenarios change the childless EITC for 18-24-year-olds compared to current policy, where young adults receive nothing from the policy (as seen in the bottom line).

Figure 6. Two potential EITC reforms for childless 18-24-year-olds, 2023 dollars



Source: Figure produced by the Center on Poverty and Social Policy at Columbia University.
Note: The alternate EITC scenarios above apply to all childless adults; here, we focus on the structure specifically for childless 18-24-year-olds, given that they are currently eligible for $0 under EITC current policy.

In scenario (1), if the age restriction was lifted, childless 18-to-24-year-olds would become eligible for a maximum credit amount of $600 – the same as childless 25-to-64-year-olds currently are. Here, the maximum credit of $600 is available if a childless adult's earned income is between $7,840 and $9,800, as a single filer, or between $7,840 and $16,370, if they are a joint filer, all in 2023 dollars.

In scenario (2), if the age restriction is lifted alongside a credit expansion, childless 18-24-year-olds would become eligible for a maximum credit amount of $1,660 – with workers over the age of 25 also newly eligible for this higher maximum credit as well. Because the credit phases in with earnings, a higher credit amount must phase in faster in order to make the maximum credit available to workers with low wages. In this scenario, it phases in at a rate of 15.3%, which is approximately double its current phase-in rate of 7.65%.[24]

24. The phase-in rate is the rate at which the credit amount reaches its maximum value, relative to earned income. The EITC currently has a phase-in rate of 7.65%. A childless adult with earned income of $1,000, for example, would receive an EITC of $76.50, or (0.0765*1000).

Here, the maximum credit of $1,660 is available if a childless adult's earned income is between $10,848 and $12,812 as a single filer, or between $10,848 and $19,385 if they are a joint filer, again all in 2023 dollars. Appendix Table C2 provides a more detailed list of the income bands under which childless 18-24-year-olds could receive either the partial or maximum credit under both policy scenarios.

We note that, though there are some similarities, neither scenario is identical to the temporary 2021 reform. The 2021 childless EITC expansion lowered the minimum age eligibility down to 19 and continued to age-restrict students (they were eligible from age 24 upwards). Here, we model the effects of lowering the minimum age eligibility down to age 18, rather than age 19, and do not restrict student eligibility by age. The 2021 change also roughly tripled the maximum credit (and, in doing so, simultaneously doubled the credit phase-in and phase-out rates). Here, we adjust the new maximum credit amount by the same magnitude by which it increased in 2021.[25]

Next, we quantify how many childless 18-24-year-olds could benefit from these potential changes to the childless EITC, the income gains they could realize, and how their risk of poverty might be lowered under each.[26] In Appendix B, we provide the detailed methodology for how we modeled the current EITC and the potential expansion scenarios. In Appendix C, we provide additional results for adults of different age groups.

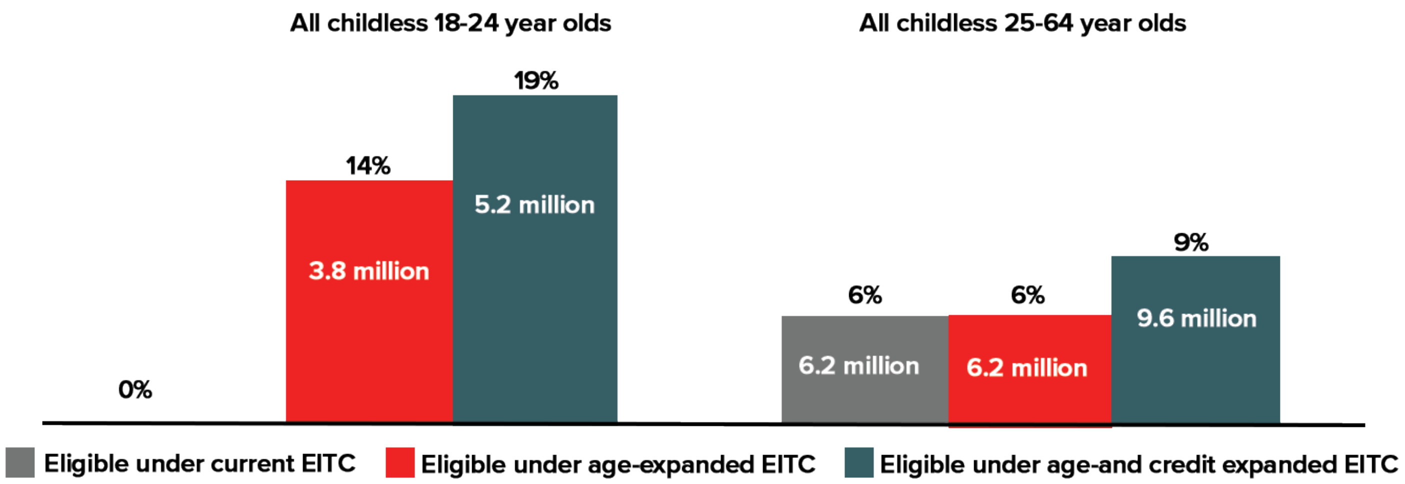
What share of childless adults would be eligible for the EITC under these possible reforms?

Under current policy, childless 18-24-year-olds are entirely ineligible for the EITC. As seen in Figure 7 (left panel), if the age requirement was lowered to 18, the credit could newly benefit approximately 3.8 million childless 18-24-year-olds, or roughly 14% of this age group. If the age requirement were lowered and the credit amount was increased, the credit would newly benefit 5.2 million childless 18-24-year-olds, or 19% of this age group (Figure 7, left panel). Roughly 25% of newly eligible childless 18-24-year-olds are students, either part-time or full-time, and we discuss how they would be affected by the credit expansion later in this section (see text box later in this section).

When the age requirement change is coupled with the credit increase, the share of workers aged 25 and over reached by the childless EITC would also increase as a result of expanded income eligibility. Under current policy, roughly 6.2 million, or 6% of childless 25-64-year-olds, are EITC-eligible; if the credit increase occurred alongside an age requirement change, roughly 9.6 million childless 24-64-year-olds, or 9% of that population, would be EITC-eligible (Figure 7, right panel).

25. In 2021, the maximum credit amount was set to be $543, before the temporary expansion to $1,502. We apply this magnitude increase ($1,502/$543 = 2.77) to the maximum EITC in each year of data utilized for this analysis.
26. With respect to the following results, it is also important to note that many states have state-level EITCs where the credit amounts are dependent on the credit amounts received from the federal credit. Thus, an expansion of this type to the federal childless EITC may affect state-level EITC eligibility and/or credit amounts that could further affect the total income and poverty changes for childless adults in some parts of the country. We do not adjust for any state-level credit changes in this analysis; as such, our results may understate the potential total effect of this policy reform.

Figure 7. Share of childless adults eligible for the EITC under current policy and potential expansions



Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC).
Note: Removing the age requirement would also increase eligibility for childless adults aged 65+, who are currently ineligible for the credit. Expanding the age requirement on its own would lead to 3% of childless adults aged 65+ becoming eligible for the EITC (roughly 1.9 million adults); expanding income eligibility as described above would lead to 5% of childless adults aged 65+ becoming eligible (roughly 2.6 million adults).

The income boost provided by an expanded childless EITC can help reduce poverty for childless young adults currently excluded from the policy. But it is important to note that the actual income gains from an EITC expansion will often be less than the maximum credit amounts.

Under an age-expansion of the childless EITC, only approximately **1 in 10 EITC-income eligible 18-24-year-olds (11%) would ultimately qualify for the maximum amount.** The remaining close to 90% of eligible childless 18-24-year-olds would qualify for only a partial credit amount.

And because most would receive a partial amount, newly eligible childless 18-24-year-olds would gain, on average, $260 in income from an age-expanded childless EITC; only a very small share of this group would gain the maximum $600. (see Appendix C for more).

A childless EITC age-expansion alone would not directly affect the incomes of childless 25-64-year-olds because they are already eligible. But it is important to note that under current policy, a similarly small proportion of those eligible for the childless EITC receive the maximum credit. Currently, 7% of EITC income-eligible childless 25-64-year-olds can receive the maximum credit ($600 in 2023); the rest receive just a partial amount.

If an age expansion is combined with the credit expansion modeled here, the share of newly eligible childless 18-24-year-olds who would qualify for the new maximum credit of $1,660 is even smaller; just 8% of this group would receive the full credit amount (roughly 5% of childless 25-64-year-olds would also qualify for the new maximum credit).[27] Newly eligible childless 18-24-year-olds would gain, on average, $970 in income from an age- and credit-expansion combination. Childless 25-64-year-olds would gain, on average, $600 more, on top of the EITC they are already eligible for.[28]

27. Note that a slightly smaller proportion of childless adults eligible for the EITC would receive the maximum credit under an age-and-credit expansion, as opposed to just an age expansion. In the credit expansion modeled here, a larger maximum credit value coupled with an increased phase-out rate leads to childless adults with higher incomes qualifying for the credit in general, though not the maximum credit.
28. Income gains estimated in 2023 dollars. In Appendix C, Table C4 we provide estimates of income gains for additional age groups.

How might these possible reforms boost income and reduce poverty among childless adults?

To understand how these potential income gains affect poverty, Table 2 compares poverty rates under four scenarios:

- with current EITC policy (column 1);
- with current EITC policy plus an age-expanded childless EITC (column 2); and
- with current EITC policy plus an age-expanded childless EITC with an increase to the maximum credit (column 3).

Table 2 also presents the relative reductions in poverty associated with each change in the policy (columns 4-5). Appendix C, Table C3 presents additional estimates on the anti-poverty effects for childless adults of different age groups.

Table 2. Anti-poverty impact of expanding the childless EITC

	Poverty			Relative Reductions	
	(1) Current EITC	(2) Age-expanded EITC	(3) Age+ credit-expanded EITC	(4) Current EITC to Age-expanded EITC	(5) Current EITC to Age+ credit-expanded EITC
Childless 18-24 (all)	16.7%	16.6%	16.2%	0.7%	3.3%
Number in poverty	4,692,000	4,661,000	4,536,000	31,000	125,000
Childless 25-64 (all)	12%	12%	11.7%	0.1%	2.2%
Number in poverty	12,194,000	12,180,000	11,923,000	14,000	257,000
Childless 18-24 (EITC-eligible)*	29.6%	29.1%	27.1%	1.8%	8.5%
Number in poverty	1,546,000	1,518,000	1,415,000	28,000	103,000
Childless 25-64 (EITC-eligible)*	40.8%	40.8%	38.4%	0.1%	5.9%
Number in poverty	3,912,000	3,909,000	3,682,000	3,000	227,000

Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC). Current EITC calculated using the parameters associated with each respective year. Poverty measured using the Supplemental Poverty Measure. Population counts rounded to the nearest 1,000.
Note: EITC-eligible refers to the population eligible for either of the proposed reforms to the childless EITC, modeled in columns 3 and 4, not the current policy EITC.

Anti-poverty effects among all childless young adults

After expanding the age requirement, all childless 18-24-year-olds see their poverty rate drop slightly from 16.7% to 16.6%, or a 0.7% relative reduction equal to approximately 31,000 young adults kept out of poverty. Childless 25-64-year-olds, on the other hand, see virtually no change in their poverty rate when the age requirement of the credit is expanded, as they are not directly affected by the credit's expansion.

Overall, expanding the age requirement on its own has a minimal effect on the poverty rate, given the relatively small maximum benefit under current policy (just $600 in 2023) and the fact that the majority of young adults would ultimately qualify for a partial, rather than the full, credit. As these results do not account for adjustments to state-level EITCS, many of which are dependent on the federal credit, our results may understate the total potential effect of this policy reform.

The relatively small poverty reduction impact of expanding the childless EITC's age requirements suggests that further adjustments to the policy may be required to more meaningfully improve the economic circumstances and reduce poverty among currently excluded young adults. When looking at a reform that both relaxes the credit's age requirement and increases the credit value, we observe more notable effects on poverty.

Among young adults, this type of combined expansion would move the poverty rate for all childless 18-24-year-olds down from 16.7% to 16.2%, a 3.3% relative reduction equivalent to lifting roughly 125,000 additional childless young adults out of poverty compared to current policy. Childless 25-64-year-olds would also benefit from this expanded EITC: their poverty rate is estimated to fall from 12.0% to 11.7%, a 2.2% relative reduction equivalent to lifting an additional 257,000 childless 25-64-year-olds out of poverty compared to current policy.

Anti-poverty effects among EITC-eligible childless young adults

Greater anti-poverty impacts are seen among who would be EITC-eligible under either of these potential expansions than among the overall population.

Among childless 18-24-year-olds who would become newly eligible, **lowering the EITC's age requirement from 25 to 18 years old would** reduce their poverty rate from 29.6% to 29.1%, or a 1.8% reduction. This would **be equivalent to an additional 28,000 childless young adults being lifted out of poverty by the EITC,** compared to current policy.

Lowering the credit's age requirement from 25 to 18 years old and raising the credit value would reduce the poverty rate of newly eligible[29] childless 18-24-year-olds from 29.6% to 27.1%, or an 8.5% reduction. This would **be equivalent to an additional 103,000 childless young adults being lifted out of poverty by the EITC**, a nearly four-fold increase compared to current policy.

29. Note that the group of newly eligible young adults when expanding both the age requirement and the credit amount is larger than the group newly eligible for the EITC when just the age requirement is lowered (see Figure 7).

Childless 25-64-year-olds would not see any change in their poverty rate under an age-expansion only. However, they would benefit from the change in the credit value, as the mechanics of this policy change (noted earlier) would increase their credit value in general as well as effectively expand eligibility for the credit to those with higher incomes. Under the age- and credit-expansion combination, poverty among EITC-eligible 25-64-year-olds under this change would fall from 40.8% to 38.4%, or close to a 6% reduction (5.9%). This would be equivalent to an additional 227,000 EITC-eligible childless 25-64-year-olds being moved out of poverty compared to current policy.

In the text box, we present results for another key demographic to consider when examining the effects of childless EITC expansions: students.

Spotlight on Students: impact of potential EITC expansions on childless young adult students[30]

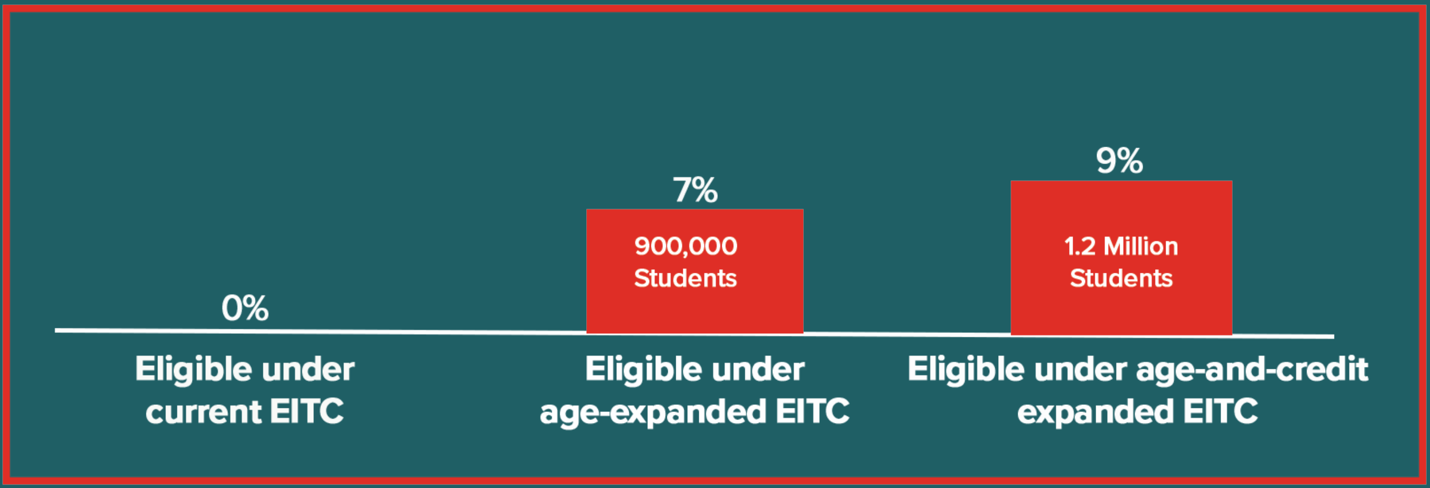
As noted in the financial profile, the largest expenditure for childless young adults today is basic needs, followed by education. Roughly half (48%) of childless 18-24-year-olds in the U.S., or 13.4 million young adults, are students. Over half (53%) of these young adult students have earned income. In 2021, the childless EITC was temporarily expanded to include adults ages 19 or older, but this expansion did leave in place one age restriction—if childless young adults were students, the minimum age requirement was set at 24. As a result, even during the recent temporary EITC expansion for childless adults, many young adults continued to be left out.

We estimate that an age-expansion of the childless EITC that moves the minimum age down to 18 for all childless adults and includes students would make 900,000 18-24-year-old students eligible for the EITC. This represents about 7% of the childless 18-24-year-old student population. If the age expansion was coupled with a credit expansion, approximately 1.2 million young adult students would newly benefit from the EITC. This would represent about 9% of childless 18-24-year-old students.[31]

Moving the minimum age down to 18 for all childless adults and including students would make 900,000 18-24-year-old students eligible for the EITC.

30. Students are defined here as adults attending high school or college, at least part-time.
31. An important consideration of the EITC is that, in order to be eligible, one cannot be claimed as a dependent by another tax filer. Many childless young adults, especially students, are often claimed as dependents of other tax filers, and as such, are excluded from receiving the EITC. While workers claimed as dependents might change their filing status in order to claim the EITC, especially in considering reforms to the credit that would increase its value, we do not model such behavioral changes in our analysis.

Figure 8. EITC eligibility among childless 18-24-year-old students under various proposed expansions



Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC).

Similar to the results for the broader population of childless adults, lowering the EITC age requirement on its own has a minimum impact on the poverty rate of students in this group (0.6% reduction, or 14,000 students). When the credit amount is increased alongside an age expansion, childless 18-24-year-old students would see a 2% relative reduction in their poverty rate, equivalent to roughly 44,000 students being lifted out of poverty.

Table 3. Anti-poverty effects of potential EITC expansions on childless 18-24-year-old students

	Poverty			Relative Reductions	
Group	(1) Current EITC	(2) Age-expanded EITC	(3) Age-+Credit expanded EITC	(4) Current EITC to Age-expanded EITC	(5) Current EITC to Age-+ Credit expanded EITC
Childless 18-24 year old students	17.5%	17.4%	17.2%	0.6%	1.9%
Number in poverty	*2,343,000*	*2,329,000*	*2,299,000*	*14,000*	*44,000*

Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC). Current EITC calculated using the parameters associated with each respective year. Poverty measured using the Supplemental Poverty Measure. Population counts rounded to the nearest 1,000.

While there are many ways to expand the childless EITC, the credit expansions modeled here are two options that could support working, childless young adults. Removing the credit's age requirement on adult workers could benefit 14% of childless 18-24-year-olds. Removing the credit's age requirement and enhancing the credit itself could benefit 19% of childless 18-24-year-olds. The income gains and poverty reduction effects of expanding the age requirement on its own, however, are modest – in part because the current childless EITC maximum credit ($600 in 2023) is small and in part because most working adults eligible for the childless EITC receive a partial, rather than the maximum credit value. The combined policy reform does more. Continuing to explore improvements to tax policy that include and support young adult workers is necessary for improving their financial well-being.

Conclusion

This report takes a deep dive into the financial profile of young adults and identifies ways that the childless EITC can better support them. The results have shown that 18-24-year-olds who are income-eligible for the EITC – but left out of it due to age restrictions – are no financially better off than other adults eligible for the EITC. Indeed, on some financial metrics they may be faring worse. The data shows that younger workers are less equipped to handle unexpected expenses, as shown by lower cash reserves, and have high levels of housing burden and debt that make it difficult to save or access new credit. The data also debunks any misconception that young adults engage in frivolous spending, with entertainment accounting for only 3% of their expenditures, making it one of the smallest pieces of their spending profiles.

The EITC offers a vehicle to help bolster the economic security of young adults. Expanding the age eligibility of the childless portion of the EITC to include 18-24-year-olds currently left out could reach close to 14% of this population. An age expansion of the credit on its own would have a relatively small impact on young adult poverty, given that the maximum EITC childless credit remains modest (at $600 in 2023) and the majority of those eligible receive a partial, rather than the full, credit. But it would still represent an important first step in designing effective tax policy that supports young adults. Combining an age eligibility change with an overall increase in the childless EITC credit would result in a larger income boost and anti-poverty effect for newly eligible young adults, while also benefiting all existing childless adult EITC recipients by increasing the amount they receive.

The EITC aims to alleviate the federal tax burden on low-income workers. Policymakers must set aside outdated preconceptions and acknowledge the program's potential to provide meaningful support if both age eligibility and credit maximums are expanded. Poverty is not age-specific, but access to resources to navigate financial challenges often is, with younger workers too often left out. Reforming the childless EITC to include all low-income workers, regardless of age, and making it a more meaningful credit amount would be significant steps towards ensuring financial stability for those who need it.

Appendix A. Methodology:
Financial Profile of EITC Income-Eligible Adults

To address our hypotheses, we used publicly available survey data from the Current Employment Statistics (CES), administered by the Bureau of Labor Statistics (BLS). The survey data from 2014 to 2021 included variables such as yearly salary, tax filer identifiers, adjusted gross income, age, family type, and investment income.

Using these files, we subsetted observations into different age groups (e.g., 18-24, 25-34, 35-50, and 51-64) and created descriptive statistics on expenses and financials among EITC income-eligible groups.

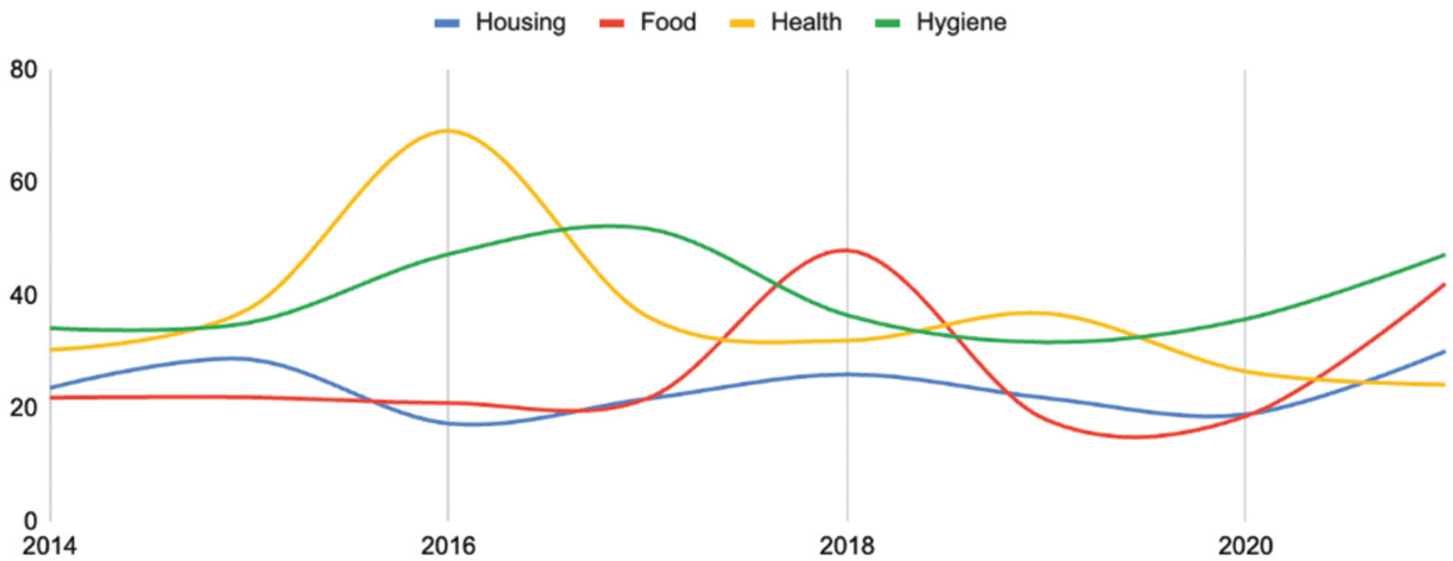
Expense Analysis
Utilizing the CES, we generated descriptive statistics on expenses using the following variables:

- Total Housing Costs
- Total Transportation Costs
- Total Food Costs
- Total Education Costs
- Total Health Costs
- Total Entertainment Costs
- Total Hygiene Costs (This variable was created by summing related expenditures, including clothing and personal care items for both men and women.)

To compare yearly expenditures, we multiplied the mean quarterly value by four to estimate annual spending. These yearly averages were used to calculate the coefficients of variation for childless taxpayers aged 18-24 who are income-eligible for the EITC. These coefficients are represented in the chart as horizontal lines. Categories with fewer fluctuations indicate more stable expenditures, meaning that childless taxpayers spent similar amounts year over year.

Among all expense categories, housing was the most stable, suggesting that spending on housing remained relatively consistent across individuals. This does not necessarily mean that housing costs were not rising, but rather that there was little variation in how much this group spent on housing over time.

Figure A1. Expenses Variability for Childless Taxpayers Aged 18-24 Income-Eligible for EITC



Note: This analysis uses microdata from the 2015-2021 Consumer Expenditure Survey (CES) to calculate the coefficient of variation (CV) across various expense categories for different childless taxpayer age groups. The CES data were processed using RStuido, applying standard statistical techniques to measure expenditure variability.

Financial Reserves Analysis

To analyze the cash reserves of childless taxpayers eligible for the EITC, we used Consumer Expenditure Survey (CES) data to calculate available liquid cash, income, retirement accounts, and debt, then compared these figures to basic needs expenditures. We created descriptive statistics using the following variables:

- Income or Wages
- Liquid Cash (Checking or Savings Accounts)
- Cash in Retirement Accounts (IRA, 401K, or Other Accounts)
- Debt (Including Credit Cards, Medical, Student Loans, and Other Liabilities)
- Basic Needs Expenses Over a Three-Month Period (Health, Housing, Food, and Hygiene)

For Figure 5, we calculated the median debt-to-income ratio for different age groups of childless taxpayers eligible for the EITC using the following equation:

(Income + Liquid Cash + Retirement Accounts) | (Debts + Expenses)

The median debt-to-income ratio was the most accurate measurement, as there were significant outliers in the financial data sets.

Appendix B. Methodology:

Income and Poverty Effects of Childless EITC Policy Alternatives

This analysis uses three years of data from the Current Population Survey's Annual Social and Economic Supplement (CPS-ASEC), reflective of 2019, 2022, and 2023.

We begin by identifying childless adults that are eligible for the EITC. EITC eligibility is based on tax filing status, age, number of dependents, and income. We note that adults claimed as dependents are not eligible to receive the EITC, as are adults without earnings; as such, they are excluded from our definitions of EITC eligibility. Additionally, filers with either earned incomes or adjusted gross incomes above an annually adjusted threshold, as well as investment incomes above a certain threshold, are not eligible to receive the credit. Table B1 below shares the parameters used to determine one's eligibility–and calculate their credit amount–in each respective year of analysis. According to the policy's structure, we calculate the EITC using both the adjusted gross income and earned income per tax unit, assigning the lesser of these two credit values to each unit.

Table B1. Parameters used to determine EITC amount

Year	Phase-in rate (%)	Maximum credit	Phase-out rate (%)	Phase-out threshold	Max. earned income/AGI to qualify	Phase-out threshold	Max. earned income/AGI to qualify
				Single filers/Head of household		*Joint filers*	
2023							
No children	7.65	600	7.65	$9,800	$17,640	$16,370	$24,210
1 child	34	3,995	15.98	$21,560	$46,560	$28,120	$53,120
2 children	40	6,604	21.06	$21,560	$52,918	$28,120	$59,478
3+ children	45	7,430	21.06	$21,560	$56,838	$28,120	$63,398
2022							
No children	7.65	560	7.65	$9,160	$16,480	$15,290	$22,610
1 child	34	3,733	15.98	$20,130	$43,492	$26,260	$49,622
2 children	40	6,164	21.06	$20,130	$49,399	$26,260	$55,529
3+ children	45	6,935	21.06	$20,130	$53,057	$26,260	$59,187
2019							
No children	7.65	529	7.65	$8,650	$15,570	$14,450	$21,370
1 child	34	3,526	15.98	$19,030	$41,094	$24,720	$46,884
2 children	40	5,828	21.06	$19,030	$46,703	$24,720	$52,493
3+ children	45	6,557	21.06	$19,030	$50,162	$24,720	$55,952

Source: EITC parameters obtained from the Tax Policy Center

When calculating the EITC with the adjusted age requirement, we calculate the credit for eligible workers in each year of data, but expand the pool of eligibility to include all adults (18+). When modeling an EITC with an expanded credit value structure, we base our calculations on the magnitude of the expansion that occurred under the 2021 American Rescue Plan Act (ARPA). We first identify the proportional increase in the EITC's parameters under the expansion, compared to the policy parameters had the expansion not been in place.

For example, the rates at which the credit approached its maximum value doubled in 2021 (from 7.65% to 15.3% of earned income), the maximum credit amount increased by a magnitude of 2.8 (from $543 to $1,502), and the income level where the credit's maximum value began to decrease increased by a magnitude of 1.3 (from $8,880 to $11,610) or 1.2 for joint filers (from $14,820 to $17,550). In addition to including all childless adults ages 18+, we apply these relative increases to each year's credit parameters, such that the magnitude of the credit expansion is equal across the years of data used in this analysis. We note that while our analysis is modeled off of the magnitude of the 2021 childless EITC expansion, it is not a model of the enacted policy change.

Appendix C.
Additional Results

Table C1. Rates of childless EITC eligibility by race/ethnicity

	Childless adults		
Race/ethnicity	Currently eligible	Eligible for Age-expanded EITC	Eligible for Age- + Credit-expanded EITC
All childless adults			
Overall	3%	6%	9%
Asian American / Pacific Islander	4%	6%	9%
Black, non-Latino	5%	8%	11%
Latino	6%	10%	15%
White, non-Latino	3%	5%	8%
Childless 18-24-year-olds			
Overall	0%	14%	19%
Asian American / Pacific Islander	0%	11%	14%
Black, non-Latino	0%	14%	19%
Latino	0%	14%	19%
White, non-Latino	0%	14%	19%
Childless 65+ -year-olds*			
Overall	0%	3%	5%
Asian American / Pacific Islander	1%	4%	5%
Black, non-Latino	1%	4%	5%
Latino	1%	6%	8%
White, non-Latino	0%	3%	4%

Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC). EITC eligibility calculated using the parameters associated with each respective year. Population counts rounded to the nearest 1,000.

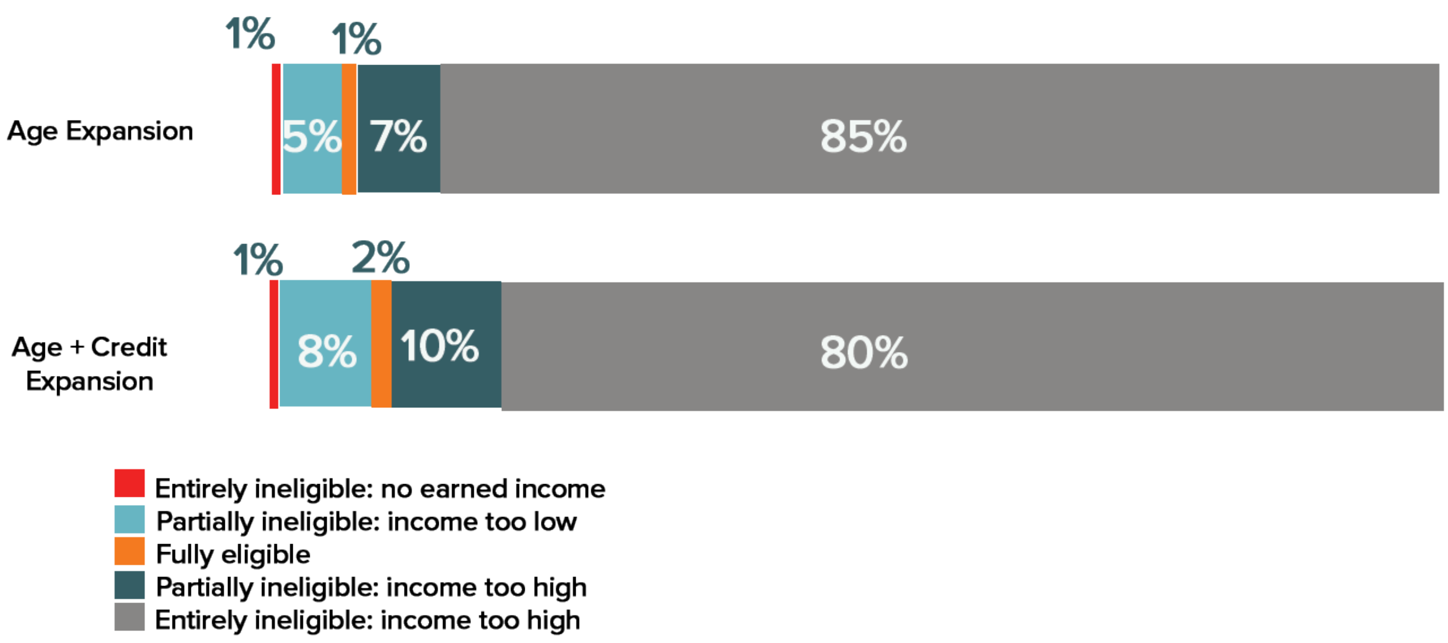
***Note:** Childless 65+-year-olds are currently ineligible for the EITC. However, some may be filing jointly with a tax filer under the age of 65. In this case, this tax unit is not restricted from receiving the EITC based on the credit's age requirement. For this reason, some rates of current eligibility for childless 65+-year-olds are greater than 0.

Table C2. Income eligibility for 18- to 24-year-olds to qualify for the childless EITC, under various modeled policy scenarios, 2023 dollars

	Income needed to qualify for:	Childless EITC Policy Scenarios: Current Policy (2023)	Alt (1): age expansion	Alt (2): age + credit expansion
Single filers	Partial credit *(phase-in)*	n/a*	$1 to $7,839	$1 to $10,849
	Maximum credit	n/a	$7,840 to $9,800	$10,850 to $12,812
	Partial credit *(phase-out)*	n/a	$9,801 to $17,639	$12,813 to $23,662
Joint filers	Partial credit *(phase-in)*	n/a	$1 to $7,839	$1 to $10,849
	Maximum credit	n/a	$7,840 to $16,370	$10,850 to $19,385
	Partial credit *(phase-out)*	n/a	$16,371 to $24,209	$19,386 to $30,235

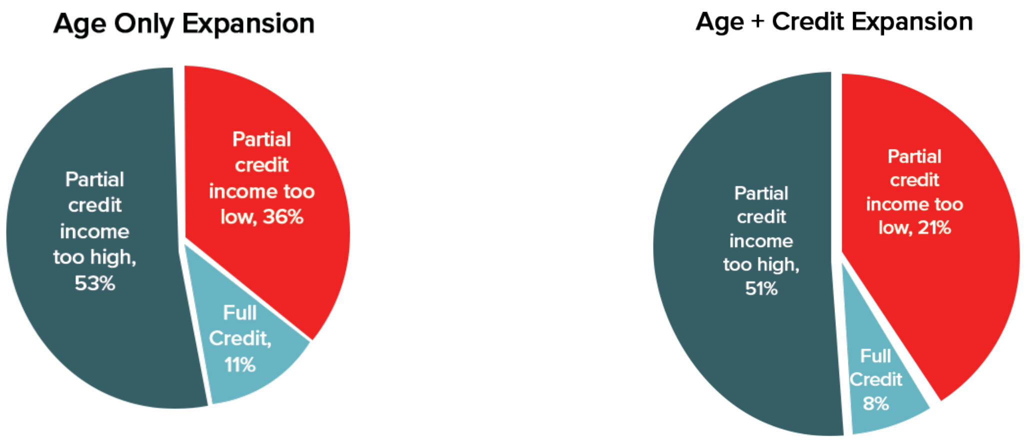
Source: Calculated by the Center on Poverty and Social Policy at Columbia University.
***Note:** Current EITC policy excludes 18- to 24-year-olds without qualifying children from the childless EITC. Under current policy, eligible 25 to 64 childless adults in 2023 had the same income bands for partial and full credits as seen under the Alt (1) age expansion scenario – as this scenario would simply make 18- to 24-year-old childless adults eligible under the same conditions as existing childless EITC recipients.

Figure C1. Childless EITC eligibility among all 18-24-year-olds



Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC).
Note: Due to rounding procedures, totals might not exact to 100%.

Figure C2. Childless EITC full vs. partial credit eligibility among EITC income-eligible childless 18-24-year-olds



Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC).

Table C3. Anti-poverty effects of expanding the EITC, by age-group

	Poverty			Relative Reductions	
Group	(1) Current EITC	(2) Age-expanded EITC	**(3) Age- + Credit-expanded EITC**	(4) Current EITC to Age-expanded EITC	**(5) Current EITC to Age- + Credit-expanded EITC**
All childless adults:					
18-24-year-olds	16.7%	16.6%	**16.2%**	0.7%	**3.3%**
Number in poverty	*4,692,000*	*4,661,000*	***4,536,000***	*31,000*	***156,000***
25-34-year-olds	10.7%	10.7%	**10.4%**	0.1%	**2.8%**
Number in poverty	*3,132,000*	*3,127,000*	***3,044,000***	*5,000*	***88,000***
35-50-year-olds	12.2%	12.2%	**12.0%**	0.2%	**2.2%**
Number in poverty	*3,295,000*	*3,289,000*	***3,222,000***	*6,000*	***73,000***
51-64-year-olds	12.7%	12.7%	**12.4%**	0.1%	**1.9%**
Number in poverty	*5,768,000*	*5,764,000*	***5,657,000***	*4,000*	***111,000***
65+ -year-olds	13.7%	13.7%	**13.6%**	0.3%	**1.2%**
Number in poverty	*7,657,000*	*7,635,000*	***7,564,000***	*22,000*	***93,000***
Childless adults eligible for either EITC reform					
18-24-year-olds	29.6%	29.1%	**27.1%**	1.8%	**8.5%**
Number in poverty	*1,546,000*	*1,518,000*	***1,415,000***	*28,000*	***131,000***
25-34-year-olds	34.5%	34.4%	**32.4%**	0.2%	**6.0%**
Number in poverty	*1,244,000*	*1,242,000*	***1,169,000***	*2,000*	***75,000***
35-50-year-olds	45.6%	45.6%	**43.4%**	0.0%	**4.7%**
Number in poverty	*1,174,000*	*1,174,000*	***1,119,000***	*0*	***55,000***
51-64-year-olds	43.9%	43.9%	**41.0%**	0.0%	**6.7%**
Number in poverty	*1,494,000*	*1,493,000*	***1,394,000***	*1,000*	***100,000***
65+ -year-olds	24.3%	23.4%	**21.5%**	3.3%	**11.4%**
Number in poverty	*620,000*	*599,000*	***549,000***	*21,000*	***71,000***

Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC). Current EITC calculated using the parameters associated with each respective year. Poverty measured using the Supplemental Poverty Measure. Population counts rounded to the nearest 1,000.

Table C4. Average income gains associated with proposed EITC reforms, among EITC eligible* adults (in 2023 dollars)

	Average individual income gain		Average SPM unit level income gain	
	Current EITC to Age-expanded EITC	Current EITC to Age + Credit-expanded EITC	Current EITC to Age-expanded EITC	Current EITC to Age + Credit-expanded EITC
Childless adults	$ 100	$ 720	$ 130	$ 930
Childless 18-24-year-olds	$ 260	$ 970	$ 290	$ 1,140
Childless 25-64-year-olds	$ -	$ 600	$ 20	$ 810
Childless 65+ -year-olds	$ 170	$ 660	$ 240	$ 970

Source: Estimated using the 2020, 2023, and 2024 Current Population Survey, Annual Social and Economic Supplement (CPS-ASEC). Current EITC calculated using the parameters associated with each respective year. Supplemental Poverty Measure (SPM) units are defined as family units that share resources, the total of which are used to calculate one's poverty status. Income gains are rounded to the nearest ten dollars.
*Note: EITC-eligible refers to the population eligible for either of the proposed reforms to the childless EITC, modeled in columns 3 and 4, not the current policy EITC.

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