

IN BRIEF: RESTORING EITC ELIGIBILITY FOR FAMILIES WITHOUT SOCIAL SECURITY NUMBERS

A SIMPLE POLICY CHANGE TO LIFT MORE THAN HALF A MILLION CHILDREN OUT OF POVERTY AND IMPROVE RACIAL/ETHNIC EQUITY

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Children in immigrant families and Hispanic children have some of the highest child poverty rates in the United States. The Earned Income Tax Credit (EITC) is one of our country's largest and most effective anti-poverty programs, but it is denied to many of these children when their parents pay taxes without a Social Security number. Specifically, children in immigrant families with an undocumented family member—who make-up 18% of children in poverty—are ineligible for the EITC, even if their families work, pay taxes and qualify based on income. This restriction has disproportionate negative effects on Hispanic children, who are more likely to live in families with an undocumented member.

Building on our April 2022 report [A Policy Equity Analysis of the Earned Income Tax Credit](#), this brief offers new simulations of the poverty reduction effects of extending EITC benefits to families without Social Security numbers while maintaining the current benefit schedule. Expansions of anti-poverty programs that combine more inclusive eligibility with higher benefits can lift significant proportions of the child population out of poverty. However, with federal legislation on such proposals stalled, this new analysis provides policymakers with a simple and equitable policy change that will reduce child poverty. This change is also in line with the widely shared policy goal of reducing child poverty and with the 2021 Executive Order on Advancing Racial Equity in federal policy. We find that even without an increase in the EITC benefit amount, restoring EITC eligibility to families without Social Security numbers would have the following benefits:

- *Lift over half a million children out of poverty;*
- *Reduce poverty by 31% for U.S. citizen children in families with an undocumented member;*
- *Reduce poverty by 13% for Hispanic children;*
- *Remedy an injustice in the tax code;*
- *Correct unequal treatment of U.S. citizen children in families with an undocumented member;*
- *Foster social inclusion of children in immigrant families; and*
- *Reward the work of immigrant families, in the same way we reward the work of other families.*

More than 9.12 million children in the United States (more than 12% of the U.S. child population) live in poverty, which harms their experiences during childhood, health, education and prospects as adults (National Academies of Sciences, 2019). The Biden administration has established goals to reduce child poverty (The White House, 2021) and to improve federal policies to advance racial equity (U.S. President, 2021). Both of these goals are achievable; the temporary expansion of the Child Tax Credit (CTC) in 2021 demonstrated how quickly millions of children can be lifted out of poverty when a policy is improved by both increasing its generosity and making its eligibility more inclusive. In the case of the CTC, this meant larger benefit amounts and extending the credit to families with little or no earnings. Regrettably, at the time of this writing, there is insufficient support in Congress for social policy expansions that pair higher benefits with more inclusive eligibility. However, the federal government can still make important strides in alleviating child poverty equitably by correcting an injustice in the tax code. Even without increasing the benefit amounts of social safety net programs, policymakers can reduce child poverty for some of the poorest and most underserved children in the United States by extending eligibility for the Earned Income Tax Credit (EITC) to families without Social Security numbers (SSNs). More inclusive eligibility of parents without SSNs would align EITC eligibility with current eligibility rules for the CTC. More inclusive eligibility of parents and children without SSNs would restore the EITC eligibility rules that were in place until the 1996 welfare reform legislation.

For decades, the federal EITC has been one of our nation’s most effective anti-poverty programs, with wide support across the ideological spectrum. The Executive Order on Advancing Racial Equity recognized that “the Federal Government should pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality” (U.S. President, 2021).¹ As policymakers consider improvements to reduce child poverty and long-standing inequities, it is essential to examine how to make the EITC more effective and equitable.

Restoring EITC Eligibility for Families Without SSNs

Key Takeaways

- Poverty affects 9.12 million children in the United States, with deep inequities by citizenship/mixed-status and race/ethnicity. Children in families with undocumented members and Hispanic children are more likely to live in poverty.
- The EITC is one of our most effective anti-poverty programs, but its Social Security number (SSN) eligibility requirement bars children in working families with undocumented members from receiving any benefit, even if the children themselves are U.S. citizens.
- Removing the SSN requirement from the EITC would lift over half a million children out of poverty, reducing overall child poverty by 6%, with particularly large effects for citizen children in families with undocumented members (31% reduction) and for Hispanic children (13% reduction).
- Expanding EITC eligibility to families without SSNs would correct an injustice in the tax code, ensuring that working, taxpaying immigrant families receive the same benefits as nonimmigrant families and helping grant citizen children the full benefits of citizenship.
- Meeting widely shared policy goals of cutting child poverty in half will require improvements to multiple safety net programs and pairing more inclusive eligibility with larger benefits. However, while Congress lacks support to pass such expansions, removing SSN requirements from the EITC is a simple way to reduce child poverty equitably.
- Removing SSN requirements from the EITC has precedent in recent U.S. social policy. Removing SSN requirements for parents would align EITC eligibility with current eligibility rules for the CTC. Removing SSN requirements for both parents and children would align EITC eligibility with the eligibility rules for the CTC that were in place until 2017.

¹ In the Executive Order on Advancing Racial Equity, “the term ‘equity’ means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality” (U.S. President, 2021).

INEQUITIES IN CHILD POVERTY

A large body of rigorous research evidence has demonstrated that living in poverty during childhood has detrimental effects on health and education outcomes and limits employment and income in adulthood (National Academies of Sciences, 2019). While poverty and its consequences are difficult for any child to endure, some groups of children are much more likely to experience poverty. For example, deep inequities in child poverty exist by citizenship/mixed-status and race/ethnicity.² Children in families with undocumented members and Hispanic children are more likely to grow up without the basic economic resources they need to thrive. U.S. citizen children in families with undocumented members have a poverty rate of 31.1%, compared to 9.5% for children in all-citizen families, and Hispanic children have a poverty rate of 20.0%, compared to 7.3% for White children. More than one in three (34.3%) Hispanic children in families with undocumented members live in poverty.³⁴ To reduce child poverty effectively and fairly, it is essential that the social safety net provide benefits to these children, who have some of the highest poverty rates.

THE EARNED INCOME TAX CREDIT: DESIGN AND EFFECTIVENESS

For decades, the federal Earned Income Tax Credit (EITC) has been one of the nation's most effective and largest anti-poverty programs, with proven positive long-term effects on children. The EITC is a refundable earnings-based credit for low- to moderate-income working families, providing a family with two children with up to \$5,980 in refundable tax credits. The EITC requires that its recipients work: to qualify for the federal credit, families with children must show proof of earned income, have investment income below \$10,000, claim a certain filing status and have a valid Social Security number (SSN). The credit amount a family receives depends on their earnings, tax filing status and number of qualifying dependent children (National Academies of Sciences, 2019; IRS, 2021).⁵ Causal research evidence shows that the federal EITC improves outcomes in childhood and beyond, from maternal health (Evans & Garthwaite, 2014) to infant health (Baker, 2008, Hoynes et al., 2015; Strully et al., 2010) to education (Chetty et al., 2011; Dahl & Lochner, 2012; Maxfield, 2015; Manoli & Turner, 2018).

INEQUITIES IN ACCESS TO THE EITC

Paradoxically and unfairly, this powerful anti-poverty tool is denied to many children in poverty. More than 1.6 million U.S. citizen children in poverty living with undocumented family members cannot receive the federal EITC—even if their families work and pay taxes. These children make up 18% of U.S. children in poverty.

This exclusion has been in place since 1996, when the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) required all family members to have Social Security numbers (SSNs) to receive the credit. While the explicit intent of this change was to deny the credit to undocumented workers, who typically pay taxes using Individual Tax Identification Numbers (ITINs), it was structured to disqualify the entire family of an undocumented worker, including legal immigrants and U.S. citizens (Acevedo-Garcia, Joshi, Ruskin, Walters, & Sofer, 2021; Acevedo-Garcia, Joshi, Ruskin, Walters, Sofer, et al., 2021; Minoff et al., 2021).

² For definitions of citizenship/mixed-status categories, see Appendix A.

³ We define poverty using the Supplemental Poverty Measure (SPM). Unlike the Official Poverty Measure (OPM) threshold, the SPM threshold is based on expenditures for food, clothing, shelter and utilities. It is calculated based on a family's cash income and noncash benefits (like government nutrition assistance) and subtracts necessary expenses such as taxes, health care and child care.

⁴ Appendix B provides supplemental information on child poverty from our [original report](#).

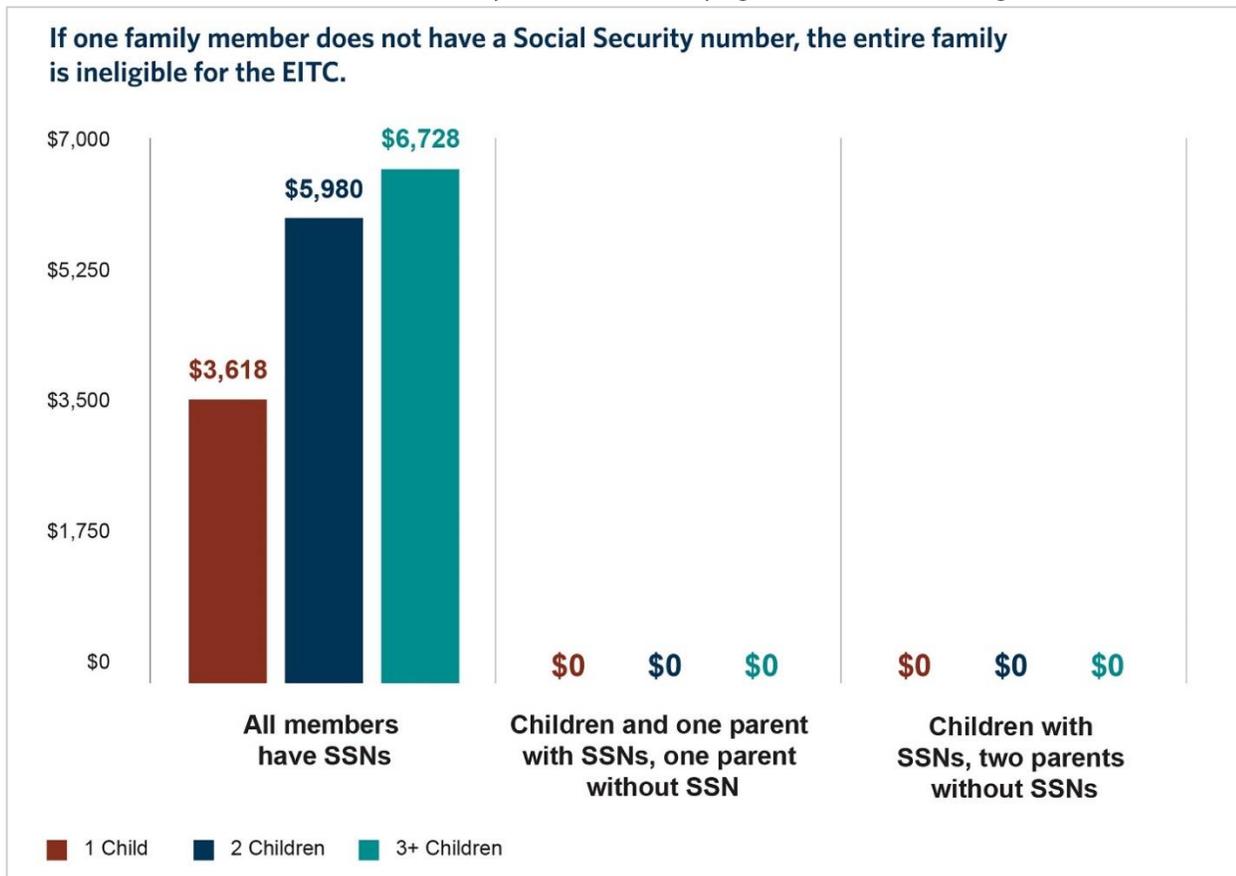
⁵ For a family with one child, the maximum EITC benefit is \$3,618, and for a family with three or more children, the maximum benefit is \$6,728. Families' final refund amount, if any, will depend on their individual tax liability.

More than 25 years later, the EITC continues to be exclusionary of mixed-status families and inequitable by design. If just one member included in the tax return does not have an SSN, the entire family becomes ineligible for the EITC; their credit amount is \$0. Each year at tax time, children living in poverty in families without Social Security numbers, 86% of whom are U.S. citizens, lose thousands of dollars in federal tax credits that their working parents could use to meet their needs and invest in their healthy development—simply because at least one of their parents pays taxes using an ITIN instead of an SSN (Exhibit 1).

These restrictions are even more unjust when we consider that over the past two years, the Covid-19 pandemic has worsened these families’ socioeconomic and health vulnerabilities (Kerwin & Warren, 2020; Zallman et al., 2019; ERS, USDA, 2020) and shed light on how many immigrant families are essential workers at the front lines of our economy.

The eligibility exclusion in the EITC has deep consequences for racial/ethnic equity. On its face, the restriction appears race neutral, but it has disproportionate negative effects on Hispanic children, who are much more likely than other children both to live in poverty and to live in families with undocumented members. While fewer than one in five (18%) of citizen children in poverty live with an undocumented family member, more than one in three (38%) of Hispanic citizen children in poverty live with an undocumented family member. This means that the EITC’s SSN requirement actually exacerbates poverty rates by race/ethnicity, leaving poor Hispanic children disproportionately without access to anti-poverty programs.

EXHIBIT 1. Maximum Federal EITC Benefit by Number of Qualifying Children and Tax Filing Identification Number, 2021



Source: Authors’ calculations using IRS EITC tables (IRS, 2021).

A PROPOSAL FOR A MORE EFFECTIVE, EQUITABLE AND INCLUSIVE EITC

In April, we published *A Policy Equity Analysis of the EITC: Fully including children in immigrant families and Hispanic children in this key anti-poverty program*, which offered a comprehensive analysis on how to improve the EITC and lower child poverty substantially and equitably by ensuring that children in immigrant families, many of whom are Hispanic, can fully access the program. Central to our report were three new simulations, which we called Scenarios 1-3. Building on findings in the 2019 National Academies of Sciences, Engineering and Medicine (NASEM) landmark study *A Road to Reducing Child Poverty* and the recent success of the temporary expansion of the Child Tax Credit, we simulated expansions of the EITC that modeled: 1) more inclusive eligibility of families without SSNs with 2) improved generosity in the form of a 40% increase in EITC benefits. We found that extending eligibility to families with parents and children without Social Security numbers and increasing benefits by 40% (Scenario 3 in the report) would lift 2.09 million children out of poverty—mostly Hispanic children and children in families with undocumented members.

Several studies have shown that the most powerful anti-poverty policy proposals take precisely this form, combining inclusive eligibility rules with increased generosity of program benefits (National Academies of Sciences, 2019; Parolin et al., 2022; Acevedo-Garcia et al., 2022). We recently experienced these effects in 2021, when the temporary expansion of the Child Tax Credit, which combined extended eligibility to families with no or very little earnings with a larger benefit amount, reduced monthly child poverty rates by nearly 30% (Parolin et al., 2022). Similarly, as demonstrated in our recent report, expanding EITC eligibility to families without SSNs and increasing the benefit by 40% would go a long way towards reducing child poverty significantly and equitably.

While federal legislation on such social policy expansions is stalled, policymakers are looking for other strategies to begin to reduce child poverty equitably. With this brief, we present new simulations of the poverty reducing effects of expanding EITC benefits to families without Social Security numbers, while maintaining the current benefit amounts. We title our simulations:

Scenario 4: Eliminate Social Security number eligibility requirements for the EITC for parents but not for children

Scenario 5: Eliminate Social Security number eligibility requirements for the EITC for both parents and children

These changes meet the criteria laid out by the NASEM committee in selecting policy options to reduce child poverty, which included strength of the research evidence, reducing poverty overall, reducing poverty for high-risk groups and promoting work and social inclusion. These policy changes also are in line with the Executive Order on Advancing Racial Equity because they advance equity for all people, including people adversely affected by persistent poverty and inequality (U.S. President, 2021).

FINDINGS

We find that restoring EITC eligibility for families without Social Security numbers who otherwise meet all other EITC eligibility criteria would greatly reduce child poverty for U.S. citizen and noncitizen children in families with an undocumented family member and for Hispanic children (Exhibit 2 displays the number of children lifted out of poverty; Exhibit 3 displays the percent change in poverty rates by citizenship/mixed status; Exhibit 4 displays the percent change in poverty rates race/ethnicity).⁶ No group of children would be negatively affected by expanding eligibility to

⁶ Appendix C contains full results for both of these scenarios by poverty rates, percent poverty reduction and absolute numbers of children lifted out of poverty. Appendix C also shows inequities in child poverty measured by the ratio of poverty rates and the

families without SSNs. Accordingly, these changes would further reduce overall child poverty. We note that our results show the effects of a more inclusive EITC using pre-pandemic estimates of poverty rates. Since 2020, higher poverty rates, particularly for Hispanic children (Chen and Thomson, 2021), mean that poverty reductions from this policy change could be even larger.

Scenario 4: Eliminate SSN eligibility requirements in the EITC for parents but not children

This policy change would lift 510,410 children out of poverty, reducing the overall child poverty rate by 6%. It has large effects for citizen children in mixed-status families with an undocumented family member, lifting 497,470 such children out of poverty (30% poverty reduction), and for Hispanic children, lifting 462,990 out of poverty (12% poverty reduction). Because children in all-citizen families are already eligible for the EITC, their poverty rates do not change. White and Black children benefit slightly; 21,990 and 17,050, respectively, are lifted out of poverty (1% poverty reduction for each group).

Scenario 5: Eliminate SSN eligibility requirements in the EITC for both parents and children

This policy change would lift 546,440 children out of poverty. Only a relatively small number of children benefit under Scenario 5 but not under Scenario 4 because the majority of children in immigrant families are U.S. citizens with SSNs. As a result, most of the poverty reduction is achieved by extending eligibility just to parents without SSNs. Compared to Scenario 4, Scenario 5 reduces poverty rates only slightly more for citizen children in families with undocumented members (31% poverty reduction) as well as for Hispanic children (13% poverty reduction). However, Scenario 5 has large positive effects on noncitizen children in families with undocumented members (14% poverty reduction).

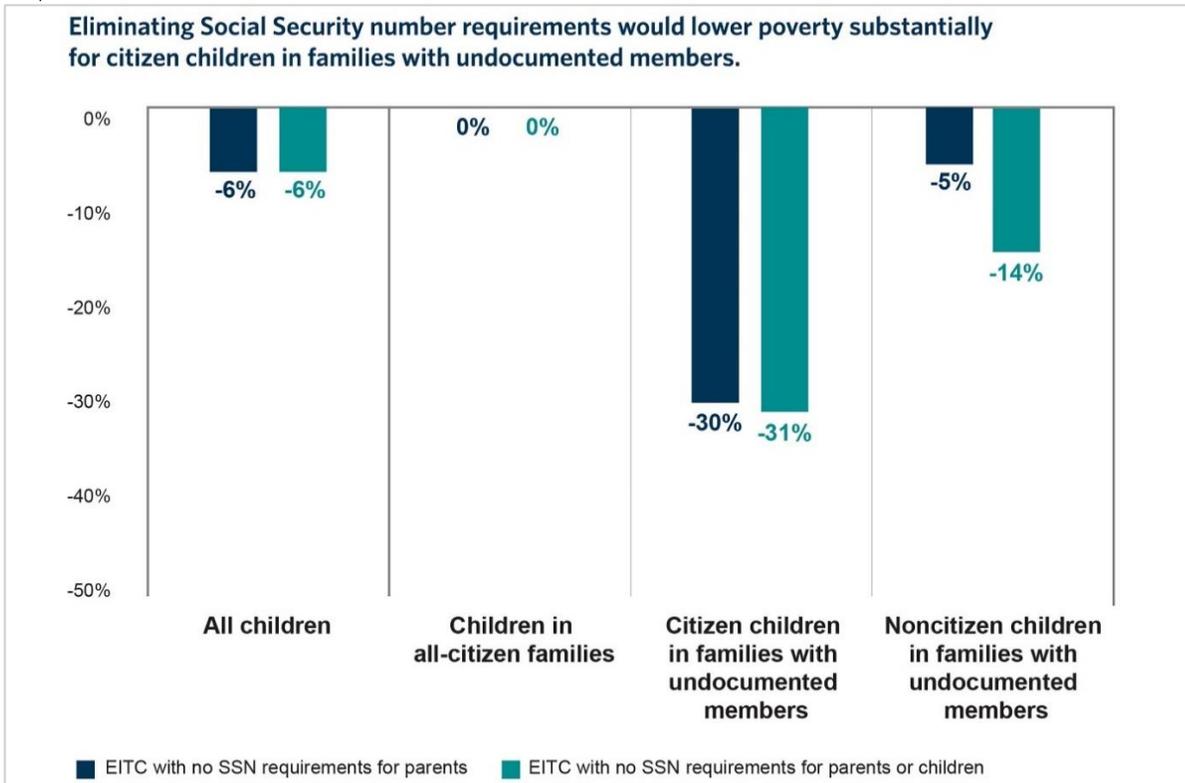
EXHIBIT 2. Reduction in the Number of Children in Poverty by Citizenship/Mixed-Status and Race/Ethnicity from Changes in SSN Eligibility Requirements for the EITC, 2017

Characteristics	Baseline SPM poverty count	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All Children	9,118,180	-510,410	-546,440
Citizenship/Mixed-Status			
Children in all-citizen families	5,693,590	0	0
Citizen children in families with undocumented member	1,632,810	-497,470	-506,750
Noncitizen children in families with undocumented member	256,063	-12,939	-36,559
Race/Ethnicity			
White children	2,729,640	-21,990	-21,990
Black children	1,828,270	-17,050	-23,940
Hispanic children	3,749,130	-462,990	-483,230

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Findings for Asian or Pacific Islander children and other race children can be found in Appendix C.
 Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

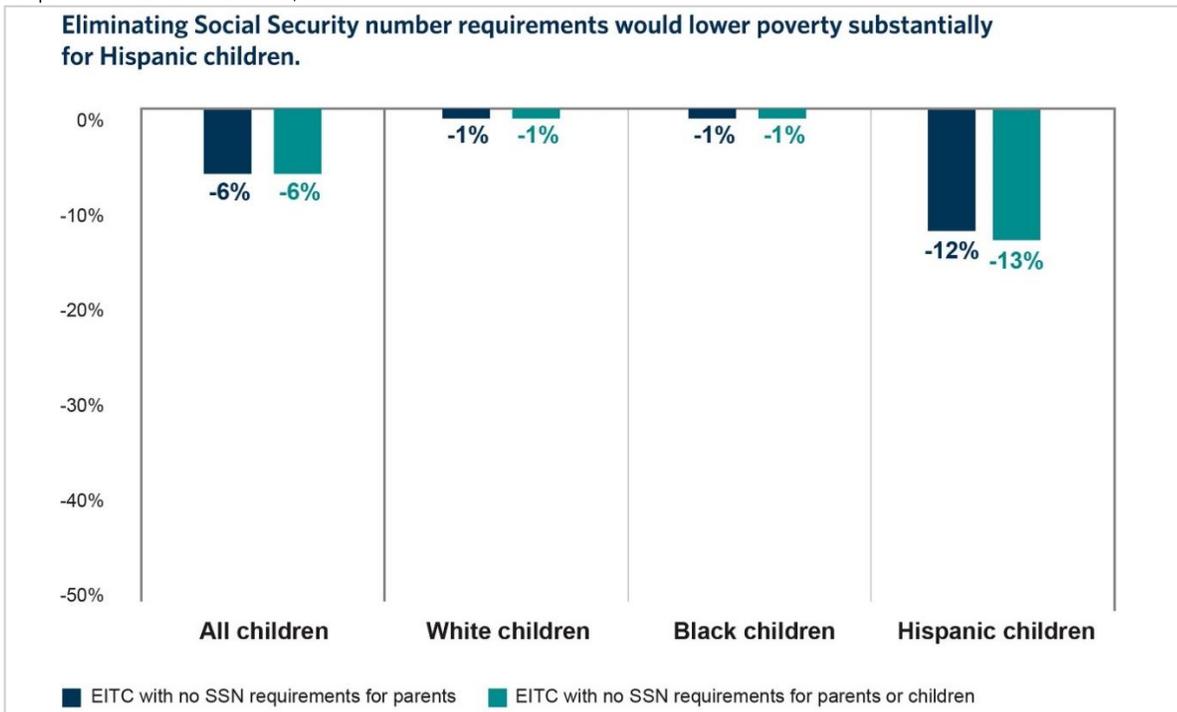
percentage point gap in poverty rates. Appendix D provides the full simulation results for Scenarios 1-3 from our [original report](#), which combine extending eligibility to families without SSNs with a 40% increase in EITC benefits.

EXHIBIT 3. Percent Reduction in Child Poverty Rates by Citizenship/Mixed-Status from Changes in SSN Eligibility Requirements for the EITC, 2017



Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT 4. Percent Reduction in the Number of Children in Poverty by Race/Ethnicity from Changes in SSN Eligibility Requirements for the EITC, 2017



Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Findings for Asian or Pacific Islander children and other race children can be found in Appendix C.

Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

IMPROVE EQUITY AND FISCAL FAIRNESS

Creating a more inclusive EITC by extending eligibility to families without SSNs lessens inequities in child poverty by citizenship/mixed-status and race/ethnicity. This policy change reduces the poverty rate for citizen children in families with undocumented members from 31.1% to 21.4%, shrinking the gap in poverty rates between these children and children in all-citizen families from 21.6 percentage points to 11.9 percentage points (see Appendix C4). For Hispanic children, the percentage-point gap in the poverty rate compared to White children declines from 12.7 percentage points to 10.2 percentage points. While due to small sample sizes, our analysis does not include the intersection of citizenship/mixed-status and race/ethnicity, we can safely assume that Hispanic children in families with undocumented members would benefit significantly from this change.

The current denial of the EITC to families without SSNs also adds to unequal treatment of U.S. citizen children in families with undocumented members. Compared to their counterparts in families with SSNs, these children forego the EITC and consequently have lower family income, which likely translates into lower wellbeing and fewer opportunities. Restoring EITC eligibility for families without SSNs would grant the newly eligible citizen children in these families more of the benefits of citizenship—alleviating undue hardship and fostering feelings of fairness, belonging and deservingness.

We find it especially significant that this policy change would reduce poverty for Hispanic children. Not only is it disingenuous to ignore that the exclusion of families without SSNs has a disproportionate negative impact on Hispanic children—it is also a failure to address a serious racial and ethnic inequity. Correcting this inequity is a matter of fairness and of sound social policy. And, if our intention is to alleviate child poverty, then we must focus on supporting Hispanic children, who represent more than one-fourth of our child population, have very high poverty rates and are the largest group of children in poverty. Our social policy should address this reality by rectifying anti-immigrant and anti-Hispanic animus embedded in the social safety net. Doing so would answer the call from President Biden’s Executive Order to Advance Equity, particularly by race/ethnicity.

Beyond substantial and more equitable poverty reduction effects, this change to the EITC would improve fiscal fairness in the tax code, ensuring that families with the same earnings and similar family circumstances pay taxes at the same rate. Presently, low-income working immigrant families without SSNs face a higher effective tax rate than their counterparts with SSNs (Lipman, 2006). Restoring EITC eligibility for families without SSNs would help correct this glaring unfairness in our fiscal system.

Granting EITC eligibility to families with parents and children without SSNs (Scenario 5) has precedent in recent U.S. policymaking. Until very recently (2018), all children living in the U.S., even noncitizen children without SSNs, were eligible for the Child Tax Credit. These young children came to the U.S. with their families and will likely stay for their whole lives. Making equitable investments in their wellbeing is helpful for them and for our nation’s collective future. All tax credits should be available to all children whose families meet income eligibility criteria.

ADDITIONAL BENEFITS OF AN INCLUSIVE EITC

Removing SSN requirements from the EITC has other wide-ranging benefits. It is aligned with the shared goal in policy circles to cut child poverty in half (National Academies of Science, 2019), as it would reduce child poverty by 6% overall

and by 31% for U.S. citizen children in families with undocumented members, lifting over half a million children out of poverty. It would also lead to improved health, education and socioeconomic outcomes for these children, which would benefit society. An inclusive EITC would furthermore stimulate the economy by providing families without SSNs with additional income and buying power. This policy change would encourage work, with a net increase of 31,000 people who would start working, and boost earned income by about \$405 million.⁷ Finally, this shift would reward the work of immigrants—many of whom are essential workers who power our economy, as the Covid-19 pandemic made even more evident, and who make-up a large proportion of health care, long-term care, agricultural and grocery workers. Because U.S. social policy increasingly ties work to receiving public benefits, an inclusive EITC would justly reward immigrant families for their work. Immigrant families have higher work effort than other families, but they hold jobs with lower wages and benefits. Denying them the EITC contradicts the work promotion principles of this tax credit and compounds the economic vulnerabilities immigrant working families face (Acevedo Garcia et al., 2022; Joshi et al., 2022).

All of these benefits would come at a modest cost, while helping millions of children in low-income families with undocumented members and lifting some of the most vulnerable children out of poverty. Government spending for many safety net programs would *decline* by over \$127 million due to higher employment and earnings associated with a more inclusive EITC.⁸ Total net government spending would increase by about \$6 billion, after accounting for the difference between the change in benefit program spending and the change in revenue (payroll, federal and state taxes, including the cost of tax credits).

THE WHOLE PACKAGE: EXPAND ELIGIBILITY AND INCREASE GENEROSITY

As shown in the landmark NASEM report *A Roadmap to Reducing Child Poverty* and our report *A Policy Equity Analysis of the EITC*, the most effective anti-poverty proposals incorporate improvements to multiple programs, and for any given program, improve both the generosity of benefits and the inclusiveness of eligibility rules. Appendix C compares the effects of an inclusive EITC that extends eligibility to families without SSNs with and without a 40% increase in benefits. Overall, only expanding eligibility to families without SSNs reduces child poverty by 6%. In contrast, expanding eligibility to families without SSNs *and* increasing benefits by 40% reduces child poverty by 23%.

These differences are even starker for certain groups of children. While overall child poverty would decrease under both scenarios, the children who stand to gain more from these changes are citizen children in families with undocumented members. For these children, poverty decreases by 31% if only SSN requirements are eliminated—and by 44% if SSN requirements are eliminated *and* EITC benefits increase. Because these children presently do not have any access to the EITC at all, granting eligibility to their families leads to significant numbers lifted out of poverty. At the same time, making the EITC benefit larger reduces their poverty rates—and that of children overall—much further. Our policy options should therefore continue to include an ambitious change to the EITC that combines inclusive eligibility rules with higher benefits. In the interim, however, just expanding eligibility to families without SSNs would go a long way towards reducing child poverty for some of the most vulnerable children, reducing inequities in child poverty by citizenship/mixed status and race/ethnicity, and improving social inclusion.

⁷ Some married mothers are estimated to stop working. The aggregate net increase in employment is over 31,000 people who start working. See Appendix C9 for details on employment and earnings effects and cost.

⁸ Programs with an estimated decline include in-kind benefits like child care subsidies, housing subsidies, Low-Income Home Energy Assistance Program (LIHEAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and Supplemental Nutritional Assistance Program (SNAP), and cash benefit programs like Temporary Assistance for Needy Families (TANF) and Supplemental Security Income.

POLICY RECOMMENDATIONS

The following recommended policy changes offer specific and necessary steps to reduce child poverty significantly and equitably, correct injustices in the tax code and strengthen our social contract.

Extend EITC eligibility to low-income working families without Social Security numbers. This simple change would lift over 546,000 children out of poverty. Restoring eligibility to parents without SSNs would make the EITC match current eligibility rules for the Child Tax Credit and the eligibility rules of the EITC prior to 1996. Extending eligibility to both parents and children without SSNs would make the EITC match the eligibility rules of the Child Tax Credit prior to the Tax Cuts and Jobs Act of 2017. Either of these expansions would also reduce racial/ethnic inequities in child poverty, with particularly large effects on Hispanic children, and it would be a step in the right direction towards granting citizen children in families with undocumented members the full benefits of citizenship.

Increase the EITC benefit by 40% in combination with more inclusive eligibility. As shown in our April 2022 report, eliminating the SSN requirement for parents and children alongside a 40% increase in benefits would lift 2.09 million children out of poverty, including nearly 1 million citizen children in mixed-status families and over 1 million Hispanic children.

Reduce administrative burden. This effort will involve examining the relevance and accessibility of IRS marketing tools for immigrant and Hispanic families; offering more affordable tax preparation services in multiple languages; implementing changes that facilitate EITC take-up; and conducting additional research on the effects of behavioral nudges on EITC participation among immigrant families. There will also be an opportunity to improve administrative aspects of the EITC by applying lessons from the ongoing state EITC expansions that include families without SSNs in state EITCs.

Improve the ITIN system. Undocumented workers typically file taxes with Individual Tax Identification Numbers (ITINs), but the process to apply for and keep an ITIN is more onerous than for obtaining an SSN. To improve incentives for immigrants to pay taxes and ensure that all taxpaying immigrants receive the social and tax benefits to which they are entitled, the ITIN system must be improved. Key changes include allowing ITIN applications to be filed electronically and throughout the year; allowing tax filers to apply with notarized copies of documents, instead of original documents like passports; restoring the permanency of ITINs, instead of letting them expire after three years if not used; funding the IRS to support an expanded ITIN program that processes applications in a timely manner; and undertaking a national campaign to encourage ITIN use (Suro and Findling, 2021). We must also address data gaps in identifying and measuring the potential ITIN population.

Learn from recent EITC expansions at the state level. Eight states out of thirty with EITCs have expanded their state-level programs to families who file taxes with ITINs. The pandemic helped fuel this shift, shedding light on the jarring unfairness of excluding immigrant essential workers without SSNs and their spouses and children from pandemic relief. In the absence of federal changes, reforms at the state level will not only help immigrant families, but also serve as a policy laboratory to demonstrate the feasibility and positive effects of this reform, as well as provide a roadmap for a more inclusive federal EITC and state EITCs.

CONCLUSION

While federal safety net expansions remain stalled, millions of children in the United States do not have the basic economic resources they need to live safely and healthily, and the deep inequities in child poverty by citizenship/mixed-status and race/ethnicity only grow worse. Our recent report *A Policy Equity Analysis of the EITC* demonstrated a large policy reform that would reduce child poverty significantly and equitably: expand eligibility to families without Social Security numbers and increase the EITC by 40%. However, in the absence of sweeping changes to the social safety net such as this one, a simple way to begin to reduce child poverty equitably is to restore EITC eligibility to families without SSNs. This small change would boost low-income working and taxpaying families' income, improve the health and education of children in immigrant families—the vast majority of whom are U.S. citizens—and advance racial equity and fiscal fairness in the tax code. Over half a million children would be lifted out of poverty, with particularly large effects for U.S. citizen children in families with undocumented members and for Hispanic children.

Ending child poverty in the United States will require improvements to multiple safety net programs, with expansions of both eligibility and benefits for each program. The most effective and equitable anti-poverty policy proposals follow these tenets, and the temporary expansion of the Child Tax Credit under the American Rescue Plan Act illustrates that these policy changes are possible and effective. As the nation works toward these fundamental changes, we can still do incremental and important work to reduce child poverty equitably. Restoring eligibility for the EITC for families who pay taxes without SSNs is an essential next step.

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LEARN MORE

This report is part of our series on making the Earned Income Tax Credit more equitable and effective in order to significantly reduce child poverty in the United States. Our April 2022 report *A Policy Equity Analysis of the Earned Income Tax Credit* details inequities in child poverty in the United States; a history of immigrant exclusions in the EITC; simulations of the poverty reducing effects of removing Social Security number requirements from the EITC and increasing the benefit amount by 40%; full benefits of a more inclusive and equitable EITC; and policy recommendations. Read the full report at: <https://www.diversitydatakids.org/research-library/policy-equity-assessment/policy-equity-analysis-eitc>.

Questions? Contact us at info@diversitydatakids.org.

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ABOUT DIVERSITYDATAKIDS.ORG

[diversitydatakids.org](https://www.diversitydatakids.org) is a project of the Institute for Child, Youth and Family Policy at the Heller School for Social Policy and Management at Brandeis University. Established in 2014 with support from the W.K. Kellogg Foundation and the Robert Wood Johnson Foundation, [diversitydatakids.org](https://www.diversitydatakids.org) fills an urgent need for a rigorous, equity-focused research program with a mission to help improve child wellbeing and increase racial and ethnic equity in opportunities for children. Today, we have a thriving community of users of our research and data. We provide them with the information they need to make a positive impact through further research, community conversations about equity, and actions to change policy and allocate resources to increase equitable access to opportunity for all children.

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APPENDIX A KEY NATIVITY AND CITIZENSHIP/MIXED-STATUS TERMS

Key term	Definition
Nativity	
Nonimmigrant family	All parents (biological, adoptive or step) are born in the U.S. (or one of its territories like Puerto Rico or Guam) or were a U.S. citizen at birth. Nonimmigrant families do not include foreign nationals temporarily admitted to the U.S. as defined in section 101(a)(15) of the Immigration National Act (INA).
Immigrant family	At least one parent (biological, adoptive or step) is born outside of the United States (or one of its territories like Puerto Rico) and was not a U.S. citizen at birth.
Citizenship/mixed-status	
Children in all-citizen families	All family members are U.S. citizens either through birth or naturalization.
Children in mixed-status families	At least one member of the family is not a U.S. citizen.
Citizen child in mixed-status family	U.S. citizen children, either through birth or naturalization, in families where at least one family member is not a U.S. citizen. Noncitizens include legal, temporary or undocumented immigrants.
Noncitizen child in mixed-status family	Children who are not U.S. citizens and live in families where at least one member is not a U.S. citizen. Noncitizens include legal, temporary and undocumented immigrants.
Citizen child in mixed-status family with undocumented member	Children who are U.S. citizens either through birth or naturalization and who live in families where least one family member is an undocumented immigrant. These children are a subset of U.S. citizen children in mixed-status families. Our estimates assume that undocumented immigrants do not have Social Security numbers and are ineligible for the EITC.
Noncitizen child in mixed-status family with undocumented member	Children who are not U.S. citizens who live in families where at least one family member is an undocumented immigrant. These children are a subset of noncitizen children in mixed-status families. Our estimates assume that undocumented immigrants do not have Social Security numbers and are ineligible for the EITC.

APPENDIX B SUPPLEMENTAL INFORMATION ON CHILD POVERTY

EXHIBIT B1. Differences in the Official (OPM) and Supplemental (SPM) Poverty Measures

Concept	Official poverty measure	Supplemental poverty measure
Measurement unit	Families (individuals related by birth, marriage or adoption) or unrelated individuals	Resource units (official family definition plus any co-resident unrelated children, foster children and unmarried partners and their relatives) or unrelated individuals (who are not otherwise included in the family definition).
Poverty threshold	Three times the cost of a minimum food diet in 1963, as updated by CPI-U	Based on expenditures of food, clothing, shelter and utilities (FCSU).
Threshold adjustments	Vary by family size, composition and age of householder	Vary by family size, composition and housing tenure, with geographic adjustments for differences in housing costs.
Updating thresholds	Consumer Price Index for all Urban Consumers: all items	Five-year moving average of expenditures on FCSU, lagged one year.
Resource measure	Gross before-tax cash income	Sum of cash income, plus noncash benefits that families can use to meet their FCSU needs, minus taxes (or plus tax credits), work expenses, medical expenses and child support paid to another household.

Source: Adapted from "The Supplemental Poverty Measure: 2020" (Fox & Burns, 2021).

EXHIBIT B2. Estimates of Poverty, Deep Poverty, and Poverty or Near Poverty Rates by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, 2017

Demographic group	Poverty	Deep poverty	Poverty or near poverty
All children	12.3%	2.7%	32.0%
Nativity			
Children in nonimmigrant families	9.3%	2.0%	26.8%
Children in immigrant families	20.1%	4.5%	45.7%
Citizenship/mixed-status			
Children in all-citizen families	9.5%	2.2%	27.1%
Children in mixed-status families	24.3%	5.0%	52.7%
Citizen children in mixed-status families	23.2%	4.0%	52.4%
Noncitizen children in mixed-status families	30.6%	10.5%	54.8%
Citizen children in mixed-status families with undocumented member	31.1%	5.9%	58.8%
Noncitizen children in mixed-status families with undocumented member	28.6%	10.3%	52.2%
Race/ethnicity			
White children	7.3%	1.8%	19.9%
Black children	18.0%	3.9%	48.2%
Hispanic children	20.0%	4.2%	47.1%
Asian or Pacific Islander children	11.0%	3.4%	29.8%
Other race children	9.8%	1.6%	32.3%

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Poverty is <100% of the SPM, deep poverty is <50% of the SPM, and poverty and near poverty is <150% of the SPM.
 Source: Estimates from TRIM3, commissioned by authors.

EXHIBIT B3. Number of Children Living in Poverty by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, 2017

Demographic group	Poverty	Deep poverty	Poverty or near poverty
All children	9,118,180	2,021,060	23,639,100
Nativity			
Children in nonimmigrant families	5,040,010	1,062,910	14,478,000
Children in immigrant families	3,991,475	886,215	9,069,939
Citizenship/mixed-status			
Children in all-citizen families	5,693,590	1,320,370	16,208,400
Children in mixed-status families	3,424,591	700,689	7,430,754
Citizen children in mixed-status families	2,789,993	483,055	6,296,466
Noncitizen children in mixed-status families	634,598	217,634	1,134,288
Citizen children in mixed-status families with undocumented member	1,632,810	307,968	3,088,860
Noncitizen children in mixed-status families with undocumented member	256,063	92,166	466,414
Race/ethnicity			
White children	2,729,640	673,136	7,430,330
Black children	1,828,270	426,261	4,774,140
Hispanic children	3,749,130	724,765	9,029,420
Asian or Pacific Islander children	453,796	140,025	1,227,820
Other race children	357,338	56,875	1,177,390

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Poverty is <100% of the SPM, deep poverty is <50% of the SPM, and poverty and near poverty is <150% of the SPM.

Source: Estimates from TRIM3, commissioned by authors.

EXHIBIT B4. Estimates of Poverty, Deep Poverty, and Poverty or Near Poverty Rates for Hispanic children by Nativity and Citizenship/Mixed-Status, 2017, 2015-2017

Characteristic of Hispanic children	Poverty	Deep poverty	Poverty or near poverty
All Hispanic children	20.0%	4.2%	47.1%
Nativity			
Children in nonimmigrant families	12.8%	2.1%	40.6%
Children in immigrant families	27.0%	4.9%	60.2%
Citizenship/mixed-status			
Children in all-citizen families	13.3%	2.6%	40.0%
Children in mixed-status families	28.8%	5.0%	64.0%
Citizen children in mixed-status families	28.3%	4.5%	63.5%
Noncitizen children in mixed-status families	33.2%	9.4%	67.9%
Citizen children in mixed-status families with undocumented member	34.3%	6.0%	66.7%
Noncitizen children in mixed-status families with undocumented member	37.4%	14.4%	68.1%

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Poverty is <100% of the SPM, deep poverty is <50% of the SPM, and poverty and near poverty is <150% of the SPM. Estimates for poverty rates of all Hispanic children use 2017 data while estimates for Hispanic children by nativity and citizenship/mixed-status pool 2015-2017 data.

Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT B5. Composition of Child Population and Children in Poverty by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, 2017

Demographic group	All children	Children in poverty	All Hispanic children	Hispanic children in poverty
Nativity				
Nonimmigrant family	73%	55%	43%	26%
Immigrant family	27%	44%	57%	74%
Citizenship/mixed-status				
Children in all-citizen families	81%	62%	51%	32%
Children in mixed-status families	19%	38%	49%	68%
Citizen children in mixed-status families	16%	31%	44%	60%
Noncitizen children in mixed-status families	3%	7%	5%	8%
Citizen children in mixed-status families with undocumented member	7%	18%	23%	38%
Noncitizen children in mixed-status families with undocumented member	1%	3%	2%	4%
Race/ethnicity				
White children	50%	30%		
Black children	14%	20%		
Hispanic children	25%	41%	100%	100%
Asian or Pacific Islander children	6%	5%		
Other race children	5%	4%		

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic.
 Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

APPENDIX C SUPPLEMENTARY SIMULATION RESULTS FOR SCENARIOS 4-5

EXHIBIT C1. SPM Poverty Rates by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility, 2017

Characteristics	Baseline SPM poverty rate	EITC benefit amount unchanged	
		EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All Children	12.3%	11.6%	11.6%
Nativity			
Children in nonimmigrant families	9.3%	9.3%	9.3%
Children in immigrant families	20.1%	17.5%	17.4%
Citizenship/Mixed-Status			
Children in all-citizen families	9.5%	9.5%	9.5%
Children in mixed-status families	24.3%	20.7%	20.4%
Citizen children in mixed-status families	23.2%	19.1%	19.0%
Noncitizen children in mixed-status families	30.6%	30.0%	28.7%
Citizen children in mixed-status families with undocumented member	31.1%	21.6%	21.4%
Noncitizen children in mixed-status families with undocumented member	28.6%	27.2%	24.6%
Race/Ethnicity			
White children	7.3%	7.3%	7.3%
Black children	18.0%	17.9%	17.8%
Hispanic children	20.0%	17.5%	17.4%
Asian or Pacific Islander children	11.0%	10.8%	10.6%
Other race children	9.8%	9.8%	9.8%

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT C2. Percent Reduction in SPM Poverty Rate by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility, 2017

Characteristics	Baseline SPM poverty rate	EITC benefit amount unchanged	
		EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All Children	12.3%	-6.0%	-6%
Nativity			
Children in nonimmigrant families	9.3%	0%	0%
Children in immigrant families	20.1%	-13%	-14%
Citizenship/Mixed-Status			
Children in all-citizen families	9.5%	0%	0%
Children in mixed-status families	24.3%	-15%	-16%
Citizen children in mixed-status families	23.2%	-18%	-18%
Noncitizen children in mixed-status families	30.6%	-2%	-6%
Citizen children in mixed-status families with undocumented member	31.1%	-30%	-31%
Noncitizen children in mixed-status families with undocumented member	28.6%	-5%	-14%
Race/Ethnicity			
White children	7.3%	-1%	-1%
Black children	18.0%	-1%	-1%
Hispanic children	20.0%	-12%	-13%
Asian or Pacific Islander children	11.0%	-4%	-4%
Other race children	9.8%	0%	0%

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic.
 Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT C3. Reduction in the Number of Children in Poverty Rate by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility, 2017

Characteristics	Baseline SPM poverty count	EITC benefit amount unchanged	
		EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All Children	9,118,180	-510,410	-546,440
Nativity			
Children in nonimmigrant families	5,040,010	-3,090	-3,090
Children in immigrant families	3,991,475	-507,330	-543,357
Citizenship/Mixed-Status			
Children in all-citizen families	5,693,590	0	0
Children in mixed-status families	3,424,591	-510,409	-546,437
Citizen children in mixed-status families	2,789,993	-497,470	-506,750
Noncitizen children in mixed-status families	634,598	-12,939	-39,687
Citizen children in mixed-status families with undocumented member	1,632,810	-497,470	-506,750
Noncitizen children in mixed-status families with undocumented member	256,063	-12,939	-36,559
Race/Ethnicity			
White children	2,729,640	-21,990	-21,990
Black children	1,828,270	-17,050	-23,940
Hispanic children	3,749,130	-462,990	-483,230
Asian or Pacific Islander children	453,796	-8,370	-17,270
Other race children	357,338	0	0

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT C4. Percentage-Point Gap in Child Poverty by Characteristics, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility, 2017

Characteristics	Baseline SPM percentage-point poverty gap	EITC benefit amount unchanged	
		EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All Children	-	-	-
Nativity			
Children in nonimmigrant families	-	-	-
Children in immigrant families	10.8	8.2	8.0
Citizenship/Mixed-Status			
Children in all-citizen families	-	-	-
Children in mixed-status families	14.8	11.2	10.9
Citizen children in mixed-status families	13.7	9.6	9.5
Noncitizen children in mixed-status families	21.1	20.5	19.2
Citizen children in mixed-status families with undocumented member	21.6	12.1	11.9
Noncitizen children in mixed-status families with undocumented member	19.1	17.7	15.0
Race/Ethnicity			
White children	-	-	-
Black children	10.7	10.6	10.6
Hispanic children	12.7	10.3	10.2
Asian or Pacific Islander children	3.7	3.6	3.4
Other race children	2.5	2.5	2.5

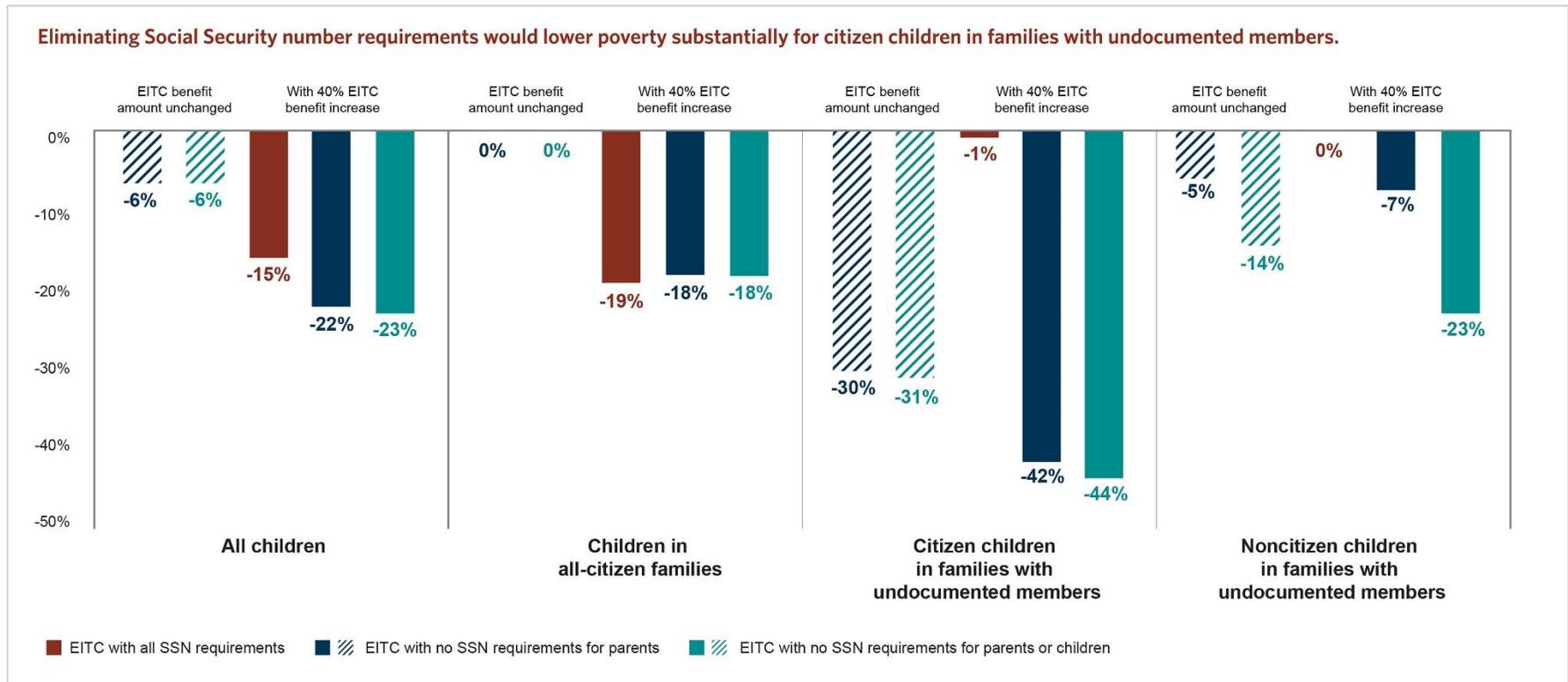
Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT C5. Ratio of SPM Poverty Rate by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility, 2017

Characteristics	Baseline ratio of SPM poverty rate	EITC benefit amount unchanged	
		EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All Children	-	-	-
Nativity			
Children in nonimmigrant families	-	-	-
Children in immigrant families	2.2	1.9	1.9
Citizenship/Mixed-Status			
Children in all-citizen families	-	-	-
Children in mixed-status families	2.6	2.2	2.1
Citizen children in mixed-status families	2.4	2.0	2.0
Noncitizen children in mixed-status families	3.2	3.2	3.0
Citizen children in mixed-status families with undocumented member	3.3	2.3	2.3
Noncitizen children in mixed-status families with undocumented member	3.0	2.9	2.6
Race/Ethnicity			
White children	-	-	-
Black children	2.5	2.5	2.5
Hispanic children	2.7	2.4	2.4
Asian or Pacific Islander children	1.5	1.5	1.5
Other race children	1.3	1.4	1.4

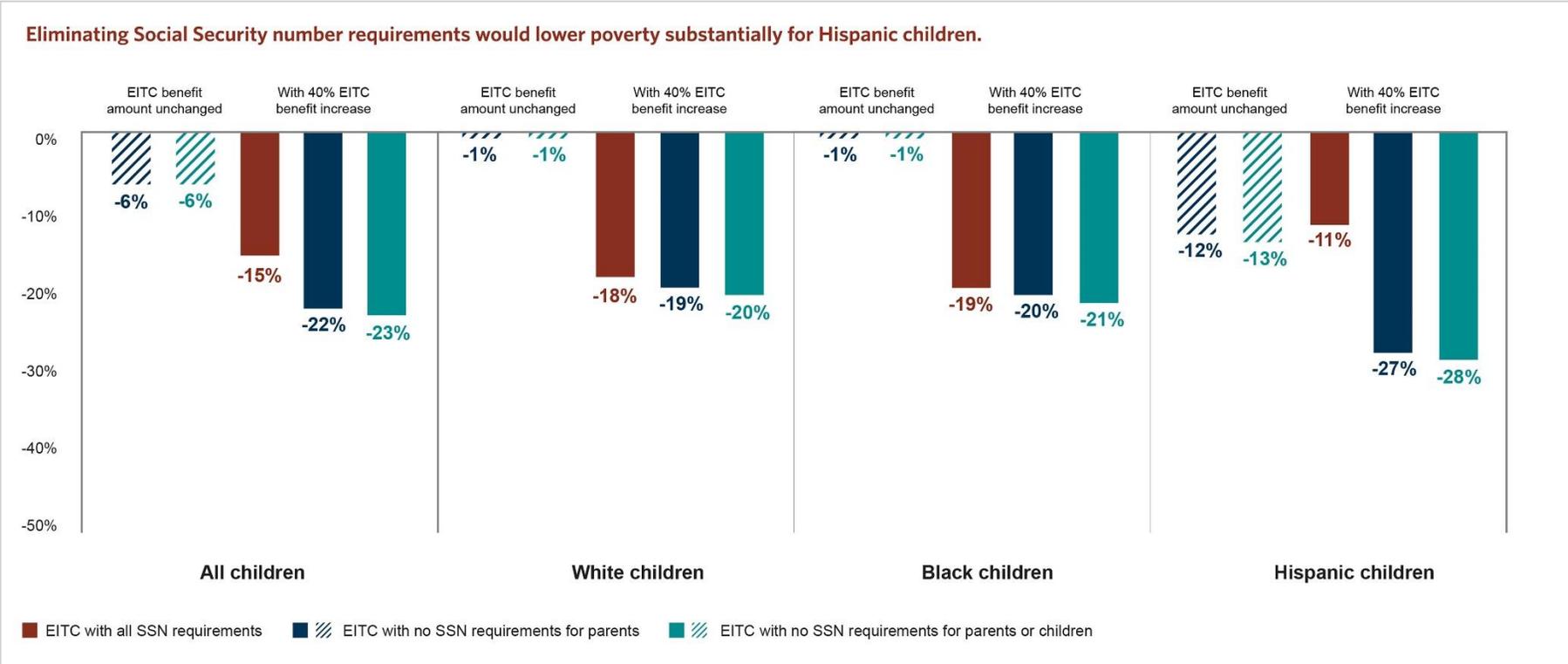
Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT C6. Estimates of Reduction in Child Poverty Rates from a 40% Increase in the EITC Benefit and More Inclusive EITC Eligibility of Families Without SSNs, by Citizenship/Mixed-Status, 2017



Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT C7. Estimates of Reduction in Child Poverty Rates from a 40% Increase in the EITC Benefit and More Inclusive EITC Eligibility of Families Without SSNs, by Race/Ethnicity, 2017



Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

Poverty Gap

While this report focuses on children brought above 100% of the SPM poverty line, the proposed expansion of EITC eligibility would also narrow the “poverty gap.” The poverty gap is the difference between the aggregate income of poor families and their income if they were all at 100% of the poverty line. The inclusive EITC narrows the poverty gap by raising a family’s income even when the increase is not enough to lift them above the poverty line. Similar to the findings of children lifted out of poverty, the EITC with inclusive eligibility rules for parents and children would lower the poverty gap by over 7%—meaning that poor families are closer to having incomes above the poverty line.

EXHIBIT C8. Change to SPM Poverty Gap After Simulated Changes in SSN Requirements for EITC Eligibility, 2017 (in millions)

SPM poverty gap	Baseline	EITC benefit amount unchanged	
		EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
SPM poverty gap (millions)	\$37,777	\$35,432	\$35,090
Total change in SPM poverty gap		-\$2,345	-\$2,687
Percentage change		-6.2%	-7.1%

Source: Estimates from TRIM3, commissioned by authors.

Employment and Earning Effects and Cost of EITC Policy Changes

A goal of the EITC is to encourage people to enter the labor force (Committee on Finance, 1975). Similar to the simulations offered in *A Roadmap to Reducing Poverty*, the simulations in this brief assume that an inclusive EITC without SSN requirements would increase the employment rate for unmarried mothers and reduce the employment rate and hours of work for married mothers. Exhibit C9 shows that about 50,000 unmarried mothers would start work and 19,000 married mothers would stop work in response to an inclusive EITC with the benefit amount unchanged. This policy change would encourage work with a net increase by over 31,000 people who start working.

Net earnings are the simulated earnings of new workers minus any reduction in earnings from married mothers. Eliminating SSN requirements for EITC eligibility would increase earnings by about \$405 million. The poverty reducing effects of increased employment for unmarried women more than offset the potential poverty-increasing impacts of married women’s reduction in employment and hours.

With the EITC benefits unchanged and without SSN requirements for parents or children, government spending would increase by \$5 billion to \$6 billion. In this scenario, benefit programs like Temporary Assistance for Needy Families, Supplemental Security Income and unemployment insurance would decrease by about \$127 million due to higher employment and earnings associated with more inclusive EITC eligibility.

EXHIBIT C9. Employment and Earnings Effects and Cost of Simulated Changes in SSN Requirements for EITC Eligibility, 2017

Effect	EITC benefit amount unchanged	
	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
Employment		
People who start working	48,471	50,780
People with decreased earnings	258,049	298,029
People who stop working	19,411	19,411
Aggregate net change of people employed	29,060	31,369
Net change in total earnings (in thousands)	\$404,000	\$405,000
Government spending (in thousands)		
Change in cost of benefit programs	-\$127,767	-\$127,627
Total change in government spending	\$5,156,352	\$6,038,850

Note: All estimates account for employment effects. At baseline, estimations assume 166,296,000 employed persons (including self-employed) and \$8,790,487,024 aggregate earnings (in thousands). Benefit programs included in these figures include unemployment, Supplemental Security Income, Temporary Assistance for Needy Families, child care subsidies, housing subsidies, Supplemental Nutrition Assistance Program, Low Income Home Energy Assistance Program and the Special Supplemental Nutrition Program for Women, Infants and Children. Total change in government spending excludes administrative costs.

Source: Estimates from TRIM3, commissioned by authors.

APPENDIX D SUPPLEMENTARY POVERTY RESULTS FOR SCENARIOS 1-3

EXHIBIT D1. SPM Poverty Rates by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017

Demographic group	Baseline SPM poverty rate	With 40% EITC benefits increase		
		EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All children	12.3%	10.5%	9.6%	9.5%
Nativity				
Children in nonimmigrant families	9.3%	7.5%	7.5%	7.5%
Children in immigrant families	20.1%	18.4%	14.9%	14.6%
Citizenship/mixed-status				
Children in all-citizen families	9.5%	7.7%	7.8%	7.8%
Children in mixed-status families	24.3%	22.4%	17.4%	16.9%
Citizen children in mixed-status families	23.2%	21.3%	15.6%	15.4%
Noncitizen children in mixed-status families	30.6%	28.8%	28.0%	25.8%
Citizen children in mixed-status families with undocumented member	31.1%	30.9%	18.0%	17.5%
Noncitizen children in mixed-status families with undocumented member	28.6%	28.6%	26.8%	22.0%
Race/ethnicity				
White children	7.3%	6.0%	5.9%	5.9%
Black children	18.0%	14.6%	14.4%	14.3%
Hispanic children	20.0%	17.9%	14.6%	14.4%
Asian or Pacific Islander children	11.0%	10.1%	9.7%	9.6%
Other race children	9.8%	8.0%	8.3%	8.3%

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT D2. Percent Reduction in SPM Poverty Rate by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017

Demographic group	Baseline SPM poverty rate	With 40% EITC benefits increase		
		EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All children	12.3%	-15%	-22%	-23%
Nativity				
Children in nonimmigrant families	9.3%	-20%	-20%	-20%
Children in immigrant families	20.1%	-9%	-26%	-27%
Citizenship/mixed-status				
Children in all-citizen families	9.5%	-19%	-18%	-18%
Children in mixed-status families	24.3%	-8%	-28%	-30%
Citizen children in mixed-status families	23.2%	-8%	-33%	-34%
Noncitizen children in mixed-status families	30.6%	-6%	-9%	-16%
Citizen children in mixed-status families with undocumented member	31.1%	-1%	-42%	-44%
Noncitizen children in mixed-status families with undocumented member	28.6%	0%	-7%	-23%
Race/ethnicity				
White children	7.3%	-18%	-19%	-20%
Black children	18.0%	-19%	-20%	-21%
Hispanic children	20.0%	-11%	-27%	-28%
Asian or Pacific Islander children	11.0%	-9%	-12%	-13%
Other race children	9.8%	-19%	-15%	-15%

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic.
 Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT D3. Reduction in the Number of Children in Poverty Rate by Nativity, Citizenship/Mixed-Status and Race/Ethnicity, Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017

Demographic group	Baseline SPM poverty count	With 40% EITC benefits increase		
		EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All children	9,118,180	-1,338,830	-2,022,300	-2,089,940
Nativity				
Children in nonimmigrant families	5,040,010	-983,850	-987,850	-987,850
Children in immigrant families	3,991,475	-345,685	-1,025,151	-1,092,790
Citizenship/mixed-status				
Children in all-citizen families	5,693,590	-1,066,410	-1,051,530	-1,051,530
Children in mixed-status families	3,424,591	-272,419	-970,770	-1,038,411
Citizen children in mixed-status families	2,789,993	-234,189	-915,749	-938,050
Noncitizen children in mixed-status families	634,598	-38,230	-55,021	-100,361
Citizen children in mixed-status families with undocumented member	1,632,810	-12,480	-688,980	-711,281
Noncitizen children in mixed-status families with undocumented member	256,063	-125	-16,916	-59,128
Race/ethnicity				
White children	2,729,640	-483,080	-531,700	-538,720
Black children	1,828,270	-353,370	-369,670	-380,870
Hispanic children	3,749,130	-396,390	-1,012,350	-1,056,140
Asian or Pacific Islander children	453,796	-38,880	-53,748	-59,385
Other race children	357,338	-67,103	-54,820	-54,820

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic.
 Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT D4. Percentage-Point Gap in Child Poverty by Characteristics and Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017

Demographic group	Baseline SPM percentage-point poverty gap	With 40% EITC benefits increase		
		EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All children	-	-	-	-
Nativity				
Children in nonimmigrant families	-	-	-	-
Children in immigrant families	10.8	10.8	7.4	7.1
Citizenship/mixed-status				
Children in all-citizen families	-	-	-	-
Children in mixed-status families	14.8	14.6	9.7	9.2
Citizen children in mixed-status families	13.7	13.5	7.8	7.6
Noncitizen children in mixed-status families	21.1	21.1	20.2	18.0
Citizen children in mixed-status families with undocumented member	21.6	23.1	10.2	9.8
Noncitizen children in mixed-status families with undocumented member	19.1	20.9	19.0	14.3
Race/ethnicity				
White children	-	-	-	-
Black children	10.7	8.5	8.5	8.4
Hispanic children	12.7	11.9	8.7	8.5
Asian or Pacific Islander children	3.7	4.1	3.8	3.7
Other race children	2.5	2.0	2.4	2.4

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

EXHIBIT D5. Ratio of SPM Poverty Rate by Nativity, Citizenship/Mixed-Status and Race/Ethnicity Baseline and After Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017

Demographic group	Baseline ratio of SPM poverty rate	With 40% EITC benefits increase		
		EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
All children	-	-	-	-
Nativity				
Children in nonimmigrant families	-	-	-	-
Children in immigrant families	2.2	2.4	2.0	1.9
Citizenship/mixed-status				
Children in all-citizen families	-	-	-	-
Children in mixed-status families	2.6	2.9	2.2	2.2
Citizen children in mixed-status families	2.4	2.7	2.0	2.0
Noncitizen children in mixed-status families	3.2	3.7	3.6	3.3
Citizen children in mixed-status families with undocumented member	3.3	4.0	2.3	2.3
Noncitizen children in mixed-status families with undocumented member	3.0	3.7	3.5	2.8
Race/ethnicity				
White children				
Black children	2.5	2.4	2.4	2.4
Hispanic children	2.7	3.0	2.5	2.4
Asian or Pacific Islander children	1.5	1.7	1.6	1.6
Other race children	1.3	1.3	1.4	1.4

Note: Hispanic children may be of any race. White, Black, Asian or Pacific Islander, and other race children are non-Hispanic. Source: Authors' calculations using estimates from TRIM3, commissioned by authors.

Poverty Gap

While this report focuses on children brought above 100% of the SPM poverty line, the proposed expansion of the EITC eligibility and benefits would also narrow the “poverty gap.” The poverty gap is the difference between the aggregate income of poor families and their income if they were all at 100% of the poverty line. The expanded EITC narrows the poverty gap by raising a family’s income even when the increase is not enough to lift them above the poverty line. Similar to the findings of children lifted out of poverty, expanding the EITC with inclusive eligibility rules for parents would lower the poverty gap by over 20%—meaning that poor families are closer to having incomes above the poverty line.

EXHIBIT D6. Change to SPM Poverty Gap After Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017 (in millions)

SPM poverty gap	Baseline	With 40% EITC benefits increase		
		EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
SPM poverty gap (millions)	\$37,777	\$32,751	\$29,718	\$29,301
Total change in SPM poverty gap		-\$5,026	-\$8,059	-\$8,476
Percentage change		-13.3%	-21.3%	-22.4%

Source: Estimates from TRIM3, commissioned by authors.

Employment and Earning Effects and Cost of EITC Policy Changes

A goal of the EITC is to encourage people to enter the labor force (Committee on Finance, 1975). Similar to the simulations offered in *A Roadmap to Reducing Poverty*, these simulations in this brief assume that a 40% increase in EITC benefits without SSN requirements would increase the employment rate for unmarried mothers and reduce the employment rate and hours of work for married mothers. Exhibit D7 shows that over 700,000 people are estimated to begin working if the EITC is increased by 40% without extending eligibility to families without SSNs (Scenario 1). If the EITC is increase by 40% and eligibility is extended to families without SSNs, nearly 800,000 people would enter the labor force (Scenarios 2 and 3). This increase in employment more than offsets the married mothers who are estimated to stop working—over 230,000 in scenarios 2 and 3. Still, this policy change would encourage work with a net increase by over 556,000 people who start working.

Net earnings are the simulated earnings of new workers minus any reduction in earnings from married mothers. When the EITC is increased with its current Social Security number requirements, the total increase of these earnings is about \$8.7 billion. When the SSN requirement for parents is eliminated, net earnings increase to \$9.1 billion. The poverty reducing effects of increased employment for unmarried women more than offset the potential poverty-increasing impacts of married women’s reduction in employment and hours.

When the EITC is increased by 40% without SSN requirements for parents or children, government spending increases by about \$28 billion. In this scenario, benefit programs like Temporary Assistance for Needy Families and Supplemental Security Income are estimated to decrease by over \$3 billion due to higher employment and earnings associated with an expanded and increased EITC.

EXHIBIT D7. Employment and Earnings Effects and Cost of Simulated Changes in SSN Requirements for EITC Eligibility and 40% Increase in Benefits, 2017

Effect	With 40% EITC benefits increase		
	EITC with all SSN requirements	EITC with no SSN requirements for parents	EITC with no SSN requirements for parents or children
Employment			
People who start working	727,756	791,764	794,074
People with decreased earnings	1,267,440	1,514,740	1,554,720
People who stop working	203,693	235,492	238,008
Aggregate net change of people employed	524,063	556,272	556,066
Net change in total earnings (in thousands)	\$8,689,000	\$9,128,000	\$9,034,000
Government spending (in thousands)			
Change in cost of benefit programs	-\$2,943,729	-\$3,047,849	-\$3,047,652
Total change in government spending	\$18,342,305	\$26,961,557	\$28,229,221

Note: All estimates account for employment effects. At baseline, estimations assume 166,296,000 employed persons (including self-employed) and \$8,790,487,024 aggregate earnings (in thousands). Benefit programs included in these figures include unemployment, Supplemental Security Income, Temporary Assistance for Needy Families, child care subsidies, housing subsidies, Supplemental Nutrition Assistance Program, Low Income Home Energy Assistance Program and the Special Supplemental Nutrition Program for Women, Infants and Children. Total change in government spending excludes administrative costs.

Source: Estimates from TRIM3, commissioned by authors.