

# Centering Equity in EITC Advocacy



## Background

The United States' long history of systemic racism has created significant barriers for communities of color and Black communities. Advocates and policy experts are continuously examining how existing policies can be improved or modified to break down barriers and move the needle for these communities.

There is a growing body of research examining how federal and state tax codes can be leveraged as vehicles of racial equity. Prosperity Now's "[From Upside Down to Right-Side Up: Turning the Tax Code into An Engine for Economic and Racial Equality](#)" report highlighted how the events of 2020, such as the pandemic and the murders of unarmed Black Americans, brought systemic racism and the economic insecurity facing communities of color into the national spotlight. Research showed that Black communities and communities of color have been hit hardest by the pandemic because it exacerbated existing racial disparities in wealth, income, and health. The report explained how, while communities of color tend to struggle to build wealth, most government programs designed to help build wealth do not target them, perpetuating racial economic inequality.

While there is no silver bullet to end economic racial disparities, the Earned Income Tax Credit (EITC) is one of many critical tools in the policy toolbox to help families of color overcome longstanding barriers to financial security. Currently, the EITC is one of the most successful anti-poverty programs in the tax code. [According to the Center on Budget and Policy Priorities \(CBPP\)](#), the federal EITC lifted 5.6 million people out of poverty, including 3 million children. Currently, the EITC benefits a significant number of households of color. Data from the Institute on Taxation and Economic Policy [found](#) that households of color account for 40.1 percent of tax returns claiming the EITC. However, exclusions of key groups such as immigrant families, younger and older workers, and workers without

dependent children minimize the credit's effectiveness for families, according to Prosperity Now's report.

While changes to the EITC are slow-moving at the federal level, states can fill in the gaps and ensure their state-level credits are benefiting all workers. [In a recent report](#), CBPP listed the EITC as a critical component of an anti-racist state COVID-19 response. In addition to boosting incomes, CBPP emphasized that the credit also helps address the racial impact of regressive taxes. This year alone, [several states](#) took steps to make their EITCs more equitable for communities of color and workers with the lowest wages. As of this year, nine states expanded the age of eligibility to include young workers ages 18 to 24 or younger and older workers. Six states have temporarily or permanently expanded their credit to filers using Individual Taxpayer Identification Numbers (ITINs).

## State-Level Advocacy

State advocates across the country have used several tactics to center communities of color in their EITC campaigns. Below are some examples of what states have done this year to center equity in their work.

### Highlighting Racial Equity Data

Data is an important component of any campaign to show the effect of the credit on workers and families. Data broken down by race can be instrumental in highlighting the EITC's impact in specific communities. It can also be useful in building coalitions and cultivating allies among community groups and policymakers.

[New Mexico](#) leveraged qualitative and quantitative data to emphasize immigrants' impact on [the state](#) economy in its campaign to make the EITC more inclusive of ITIN filers. One of the campaign's key messages was that immigrant workers are "essential but excluded," highlighting that immigrant workers are overrepresented

in essential, typically low-wage jobs, but are not eligible for many state benefits.

In [Maryland](#), advocates used data to tell a story about the demographics of who would benefit from an expanded state EITC at a district level. This helped them to appeal to policymakers by emphasizing the credit's impact among their constituents. Because Maryland's expansion was part of a larger COVID-19 response bill, they highlighted data on the pandemic's disparate effect on Latino workers, which helped bolster their argument that they should be included in the state's COVID-19 response.

### **Building Partnerships and Diverse Coalitions for Outreach**

Building relationships with organizations across the state to create a strong, diverse coalition can be instrumental in securing an EITC victory. While many racial justice or immigrants' rights groups may not initially consider the EITC in their policy agenda, they are likely allies and extremely valuable partners for ensuring campaigns are centering communities of color.

This year, [Oklahoma](#) secured a victory for families with the lowest wages by restoring refundability to its state-level EITC. During their 2020 Census campaign, Oklahoma Policy Institute (OK Policy) built strong partnerships with Black churches, the NAACP, and indigenous advocacy groups throughout the state to target hard-to-count populations. OK Policy was able to leverage that coalition during their EITC campaign this year to fight for refundability and against tax cuts for the wealthy. Given the significant indigenous population in the state, OK Policy is also introducing a tribal fellowship to do more effective policy outreach with tribes throughout the state.

New Mexico Voices for Children started working with community-based organizations in 2020. In New Mexico, 1 in 10 residents are immigrants, according to New Mexico Voices for Children. For their campaign to expand EITC eligibility to ITIN filers, New Mexico Voices for Children shifted their focus and priorities to what community-based organizations needed. Their partnership with these groups allowed them to do qualitative research throughout the state and gain a better understanding of the economic struggles facing immigrant families. That partnership helped them create messaging and materials that placed immigrant families at the forefront.

For their EITC/ITIN campaign, CASH Campaign of Maryland worked closely with CASA, an immigrants' rights organization. Maryland advocates emphasized the importance of maintaining relationships with coalition partners over time and across issue areas.

### **Storytelling**

Storytelling helps humanize the EITC and show policymakers how their decisions have a direct impact on their constituents' daily lives.

By engaging directly with community-based organizations in the state, New Mexico Voices for Children leveraged storytelling and put the lived experience of community members at the forefront. With the help of their partners, they were able to infuse the campaign with specific stories about what the EITC expansion would mean to families.



### **State Spotlight: New Mexico**

In 2021, New Mexico expanded its state EITC, known as the Working Families Tax Credit, to ITIN filers and lowered the age of eligibility for its state EITC to 18. The campaign emphasized “Tax justice is racial justice” at every turn.

New Mexico's ITIN fight began in 2020 when the campaign started engaging with community-based organizations in the state. Their key partners in the state were El Centro de Derechos y Igualdad, New Mexico Communities in Action and Faith, and Somos Un Pueblo Unido. According to New Mexico Voices for Children, power sharing with grassroots organizations in the state was critical to their EITC victory. The data-driven policy organization leaned heavily on



their community partners to ensure equity was infused into every component of their campaign.

New Mexico Voices for Children's work provided in-depth research on immigrant families' contributions to the state economy and the pandemic's effect on their financial security. Their partners gave them access to more qualitative research on how families were faring across the state. This research provided the foundation for their ITIN campaign.

Their public awareness campaign put communities of color at the forefront. New Mexico Voices created materials in English and Spanish, produced several reports on [the contributions of immigrants](#) and [how the state tax code could be more equitable](#), and created fact sheets, infographics, and social media toolkits to build public awareness. They also hosted a virtual rally on Immigrant Day of Action that highlighted the policy priorities of their coalition.

Thanks to their efforts to share power and lead with equity, New Mexico Voices for Children and partners secured a victory for immigrant families. The expansion will benefit

over 10,000 ITIN filers and 41,000 young workers, and over 75 percent of those who will benefit are people of color.

## Conclusion

As many advocates emphasized in their campaigns, tax justice is racial justice. The EITC is one of many policies in our tax code that helps communities of color overcome systemic barriers to wealth and economic security. State advocates have utilized tactics such as emphasizing data, power sharing and relationship building with racial justice and grassroots organizations, and centering the stories of communities of color. Due to their efforts, their state tax codes are one step closer to being tools of racial justice.

2022 is another year to invest in communities that have been marginalized. The EITC is an opportunity at the state level to do so and help close racial wealth divides. If you are interested in discussing these tactics or need help executing an EITC campaign, please contact TCWF Director Devin Simpson at 301.485.4367 or at [dsimpson@thehatchergroup.com](mailto:dsimpson@thehatchergroup.com).

