

# The earned income tax credit and marriage penalties: Does a childless worker expansion make them worse?

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## KEY POINTS

- *The earned income tax credit (EITC) is an effective tool to reduce poverty, but it penalizes marriage. Existing research primarily relies on hypothetical situations to document EITC marriage penalties, with little empirical work exploring penalties based on real-life situations.*
- *This paper analyzes survey data from low-income parents with young children in urban areas and finds that EITC marriage penalties are more prevalent and larger than marriage bonuses. Expanding the childless worker EITC, as some have proposed, would worsen marriage penalties but by fairly small amounts.*
- *If enacted, policymakers should at least match the childless worker EITC expansion with a married family expansion and consider additional steps to reduce the overall EITC marriage penalty.*

The earned income tax credit (EITC) is one of the largest government transfers for low-income families in the United States. In tax year 2013, \$68.1 billion was distributed to more than 28 million tax filers.<sup>1</sup> As an antipoverty tool, the program has proved quite effective. The EITC lifted more than six million people out of poverty in 2014.<sup>2</sup>

However, a frequently cited concern about the EITC is that it penalizes marriage. Because of its structure, some low-income couples who share a child can receive a much larger benefit if they are unmarried than if they were to marry. As a result, efforts to reduce the EITC marriage penalty have been incorporated into the federal income tax code since 2002, with the most recent expansion in 2009.

Existing research suggests that concerns about marriage penalties in the EITC may be overly cautious, but more empirical work is needed to identify whether penalties exist when actual—rather than hypothetical—situations are considered. In addition, with proposals to expand the childless worker EITC gaining attention, a better understanding of how an expansion might affect marriage penalties is important. This paper analyzes survey data from a cohort of unmarried parents

with young children in urban areas to assess the extent to which EITC marriage penalties are real and the implications of increasing the childless worker EITC for potential marriage penalties.

## Background on Marriage Penalties in the EITC

The benefits of marriage for children are well documented. Married households tend to have higher incomes than unmarried households, and this income advantage is associated with better outcomes for children.<sup>3</sup> However, even when controlling for income, children in married families do better. A comprehensive review of the literature in the *Annual Review of Sociology* in 2013 concluded a causal link between children growing up without a father and adult mental health problems, lower high school graduation rates, and more child social adjustment problems.<sup>4</sup>

Yet, according to the Pew Research Center, more than one-third of children lived with a single parent or with unmarried, cohabitating parents in 2013.<sup>5</sup> This is almost two times the rate of children living outside of marriage in 1980 and four times that of 1960.<sup>6</sup> Because

the benefits of marriage are clear, reversing these trends should be an important public policy objective. Reducing marriage penalties in social welfare programs may be part of the solution.<sup>7</sup>

It is no secret that the United States federal income tax system treats married couples differently than unmarried couples, even when they share children.<sup>8</sup> In some ways, the income tax system is more favorable to married couples than unmarried couples, but in other ways it penalizes marriage. The EITC is often cited as a tax expenditure that penalizes marriage.<sup>9</sup>

The EITC provides a refundable tax credit based on the earnings of a tax filing unit. The credit phases in and out at different earnings levels and is more generous for families with children. Married families must file a joint tax return to be eligible for the EITC, and combined spousal income is used to calculate the credit, whereas the earnings of unmarried parents are considered separately in calculating the EITC. Recognizing that this penalizes marriage, Congress changed the EITC in 2002 so it phases out more gradually at higher income levels for married couples, which partially offsets but does not eliminate the penalty.

A childless worker EITC is also available to workers who do not have a resident child. It is much smaller than the family EITC and phases out at lower earnings levels. But it means that unmarried parents can receive both the family EITC and the childless worker EITC depending on the earnings of each parent, whereas married parents cannot.

Proposals to expand the childless worker EITC have received attention in recent years as a way to shore up low wages for workers without dependent children. Most recently, versions of an expansion were included in President Barack Obama's Fiscal Year 2016 Budget and in House Ways and Means Committee Chairman Paul Ryan's antipoverty blueprint, which roughly doubles the EITC for childless workers and extends it to higher income levels. While certainly not the goal, the implication of the proposed expansion is that it will likely increase the marriage penalty.

Research has shown that the EITC's structure can both penalize and subsidize marriage. Unmarried couples who earn similar incomes likely face an EITC penalty if they were to marry. But unmarried couples with disparate incomes might get an EITC bonus for marrying because of the more gradual phase out at higher income levels for married families.

In examining hypothetical situations, Kyle Pomerleau of the Tax Foundation found in 2015 that low-income

couples with similar incomes who marry can face tax penalties of up to 12 percent of their income, largely driven by EITC penalties.<sup>10</sup> But couples in which only one person works or one person earns much more than the other can face marriage tax bonuses of up to 20 percent of their income.<sup>11</sup> Others have similarly explored hypothetical EITC marriage penalties based on different income scenarios, typically finding that penalties can be quite substantial.<sup>12</sup>

While marriage penalties based on hypothetical scenarios are helpful to know, better estimates of marriage penalties for real low-income families are also important. In 2005 Gregory Acs and Elaine Maag from the Urban Institute used data from the 2002 National Survey of the American Family to examine unmarried, cohabitating couples. They found that more low-income couples (couples who are under 200 percent of the federal poverty level) would receive tax bonuses if they were to marry than would be penalized, because many couples only had one earner.<sup>13</sup> Although their research examined the tax and transfer system as a whole and not just the EITC, it included marriage penalties and bonuses associated with the EITC. The results suggested that concerns about EITC marriage penalties based on hypothetical scenarios may be overly cautious.

Adding to the debate over the importance of EITC marriage penalties is the extent to which couples actually factor tax benefits or penalties into their decisions around marriage. Qualitative research by Laura Tach and Sarah Halpern-Meehin in 2014 suggested that penalties associated with the EITC factor little into decisions around marriage.<sup>14</sup> Of the individuals they interviewed, few identified the EITC as a reason to marry or stay unmarried, with many citing the idea that the EITC might influence marriage decisions as impractical. However, many identified ways that they manipulate their tax filings to maximize their refunds, suggesting that they are aware of how marriage affects their taxes.

Conversely, Hayley Fisher in 2011 examined the impact of the tax system (not just the EITC) on marriage using data from the Current Population Survey and found that marriage penalties decreased the probability of marriage among cohabitating couples and that low-educated workers were most affected.<sup>15</sup> This suggests that decisions around marriage might well be influenced by the tax system.

But the existing research is far from conclusive. The Acs and Maag study did not focus exclusively on the EITC, and it included only cohabitating couples

because it argued that cohabitating couples are more likely to marry than unmarried parents not living together. The authors also included couples with children of different ages. But understanding the EITC marriage penalty for noncohabitating parents and understanding the dynamics of the EITC marriage penalty early after the birth of a child may also be important.

For these reasons, this study explores how the EITC marriage penalty may affect the finances of low-income couples based on their actual reported earnings rather than hypothetical situations. Although this exercise remains speculative, it provides a more complete picture of how marriage penalties associated with the EITC might affect actual low-income parents.

In addition, this study makes two additional contributions to the existing literature. First, it factors in changes to the EITC since 2009 that have reduced the marriage penalty, even though these provisions are set to expire in 2017 unless Congress acts.<sup>16</sup> Second, this study explores implications of the proposed EITC expansion for workers without qualifying children (known as childless workers) on the marriage penalty. These expansion efforts might increase marriage penalties at the same time as provisions to reduce marriage penalties are expiring.

## Data and Methods

Data from the Fragile Families and Child Wellbeing Study were used to estimate the impact of marriage on the EITC for low-income couples with young children in urban areas. The Fragile Families and Child Wellbeing Study is a longitudinal survey of births between 1998 and 2000 in 20 large US cities. The survey data consists of telephone interviews with both mothers and fathers at their children’s birth and again when the children were one, three, five, and nine. The study oversampled unmarried mothers, and income levels at baseline were low, with 73 percent of unmarried mothers under 200 percent of the federal poverty level.<sup>17</sup> The original baseline sample included 4,868 mothers, of which 3,682 were unmarried.

The sample used for this analysis includes records with nonmissing data from both the mother and the father at wave two (when the focal child was one) and wave

**Table 1. Study Sample**

	One Child	Two or More Children	Total
<b>Year 1</b>			
Married	378	787	1,165
Unmarried, Cohabiting	334	703	1,037
Unmarried, Not Living Together	313	738	1,051
Total	1,025	2,228	3,253
<b>Year 5</b>			
Married	162	983	1,145
Unmarried, Cohabiting	96	370	466
Unmarried, Not Living Together	306	1,006	1,312
Total	564	2,359	2,923

Note: Study sample equaled 67 percent of the wave two (year one) sample and 60 percent of the wave four (year five) sample.

Source: Author’s calculations using data from the Fragile Families study, wave two and wave five.

four (when the focal child was five). Because fathers, especially those not cohabitating with the mother, were more difficult to interview, the year one sample was limited to approximately 67 percent of the original baseline sample and the year five sample to 60 percent of the original baseline sample. This resulted in a sample of 3,253 records for the year one analysis and 2,923 records for the year five analysis (table 1).

The sample included parents who were married already, unmarried and cohabitating, and unmarried and not living together to assess the EITC marriage penalty on each group. For each set of parents, EITC provisions for the interview year were applied to actual earnings data for both the mother and the father to calculate what the EITC would be if the couple was married (married EITC) or unmarried (unmarried EITC). The calculated married EITC was compared to the calculated unmarried EITC to assess penalties and bonuses.

For calculation of the unmarried EITC for cohabitating couples, the maximum combined EITC was used, meaning that it was assumed that the cohabitating couple would claim qualifying children in a way that would be most beneficial to them in terms of the EITC. For families with two or more children, it was assumed that one parent claimed all children as qualifying children for the EITC and the other parent claimed the childless worker EITC in a way that maximized their combined EITC.<sup>18</sup> For parents not living together, the calculated EITC was based on the number of children in the focal child’s household, typically the mother’s household.

Results are presented by marital/living situation and number of children. Although a larger EITC is currently provided for families with three or more children, it was not provided when these families would have received it, and the sample of families fitting these criteria was small. Therefore, only two categories were used: one child and two or more children.

To assess the implications of a proposed childless worker EITC expansion, an unmarried EITC expansion was calculated, which assumed a doubling of the childless worker EITC and expanded eligibility to higher income levels, in line with what have been separately proposed by Obama and Ryan. The marriage penalties/bonuses of an expanded childless worker EITC were compared to those under current law.

Earnings were adjusted for inflation so year one data reflects 2001 dollars and year five data reflects 2005 dollars.<sup>19</sup> The EITC was calculated by applying the provisions of the EITC in those years, with the exception of the married EITC, which reflects the higher levels for married couples that exist in the current tax code in constant dollars. As a result, the analysis presents the EITC marriage penalty or bonus in constant dollars, assuming couples faced the current EITC structure, not the structure in place in 2001 and 2005.

A few limitations must be noted. Prior research shows that the fathers who were not interviewed were different from those who were interviewed, suggesting that this study's results are biased because of missing data.<sup>20</sup> The missing fathers were slightly less educated, less likely to provide support to the mother during pregnancy, and much less likely to express an interest in marrying the mother. Although the missing data limits the ability to extrapolate the findings to the broader Fragile Families cohort, the findings are likely consistent with parents who had a higher chance of marrying because the parents had expressed as much.

Another limitation is that the sample reflects the earning patterns of a cohort from the early 2000s. The earning patterns and marital/living arrangements of parents of young children in urban areas may have changed since then. Therefore, the results of this study may not reflect current couples and their EITC marriage penalties.

Additionally, including married couples in the analysis might have misrepresented the actual marriage penalty/bonus, because it does not account for changes to earnings behavior that might have occurred because of the marriage. Including unmarried, noncohabitating couples also means that EITCs for children from other partners that do not reside with the focal child are not

reflected. It also means that children in the focal child's household from other parents are considered in the analysis.

These limitations suggest that the results remain speculative even though they are based on actual survey data. Nevertheless, they are still useful in better understanding the potential marriage penalties associated with the EITC.

## Results

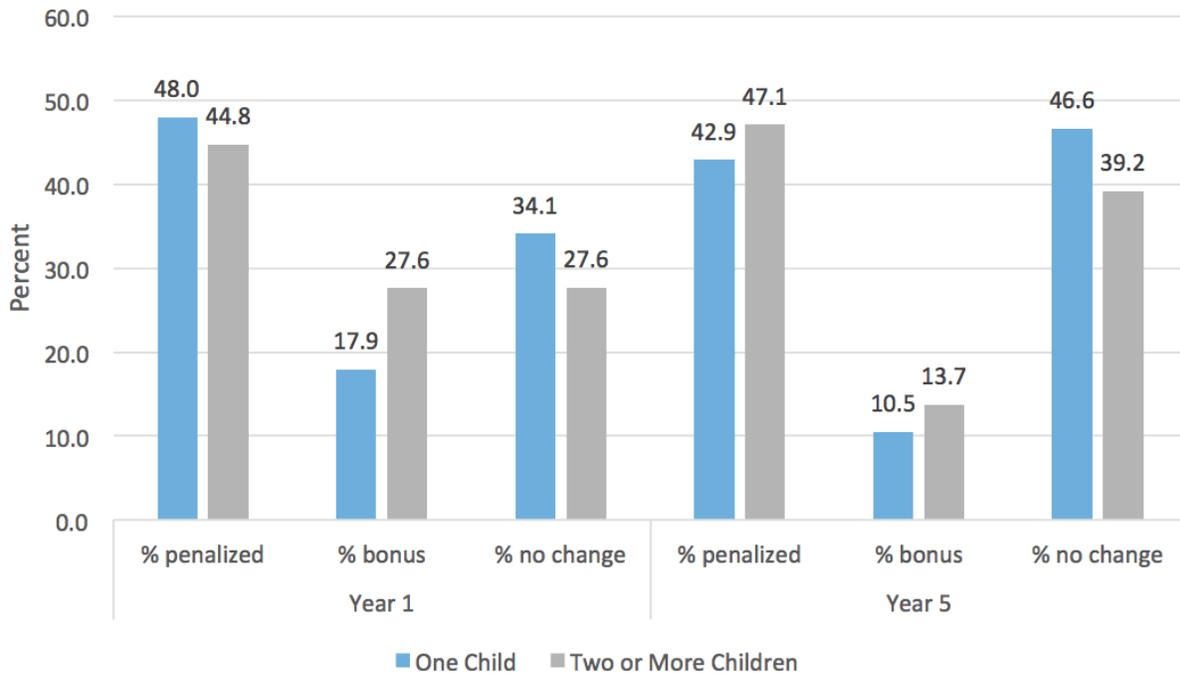
Figure 1 shows that more couples with a one-year-old child would be penalized by marriage than would receive a bonus. This was true for couples with just one child and those with two or more children. In the first year after their child's birth, 48.0 percent of those with one child would be penalized if married, and 44.8 percent of those with two or more children would be penalized. Conversely, 17.9 percent of couples with one child would receive a bonus, as would 27.6 percent of couples with two or more children. The remaining experienced no change.

By the time the focal child was five, marriage penalties were still more common than bonuses (figure 1). Of those with one child, 42.9 percent would be penalized if married, as would 47.1 percent of those with two or more children. A much smaller percentage of couples would receive a marriage bonus when the child was five: only 10.5 percent of parents with one child and 13.7 percent of couples with two or more children. This was primarily because by the time the focal child was five, more couples had both parents working, and more individuals earned above the EITC maximum income limits.

Table 2 shows marriage penalties and bonuses by the marital and living status of the parents at the time of the interview. The percentage who faced a penalty differs by marital/living status, but the overall pattern remains of more parents facing a marriage penalty compared to a bonus. For example, when the child was one, 39.7 percent of married couples with only one child faced a penalty because they were married, while 54.5 percent of cohabitating couples and 50.8 percent of couples not living together faced a penalty if they married. This pattern was similar for couples with one child when the child was five (table 2).

Among couples with two or more children, the percentage who faced a penalty was more similar across marital/living status. For example, 45.9 percent of married couples with two or more children faced a penalty because they were married when their child was

**Figure 1. What Happens to the EITC If the Parents Are Married? Child Aged One and Five**



Source: Author's calculations of Fragile Families data, wave two and wave four. Includes all couples, no matter marital/living status. For year one, n = 3,253 and for year five, n = 2,923.

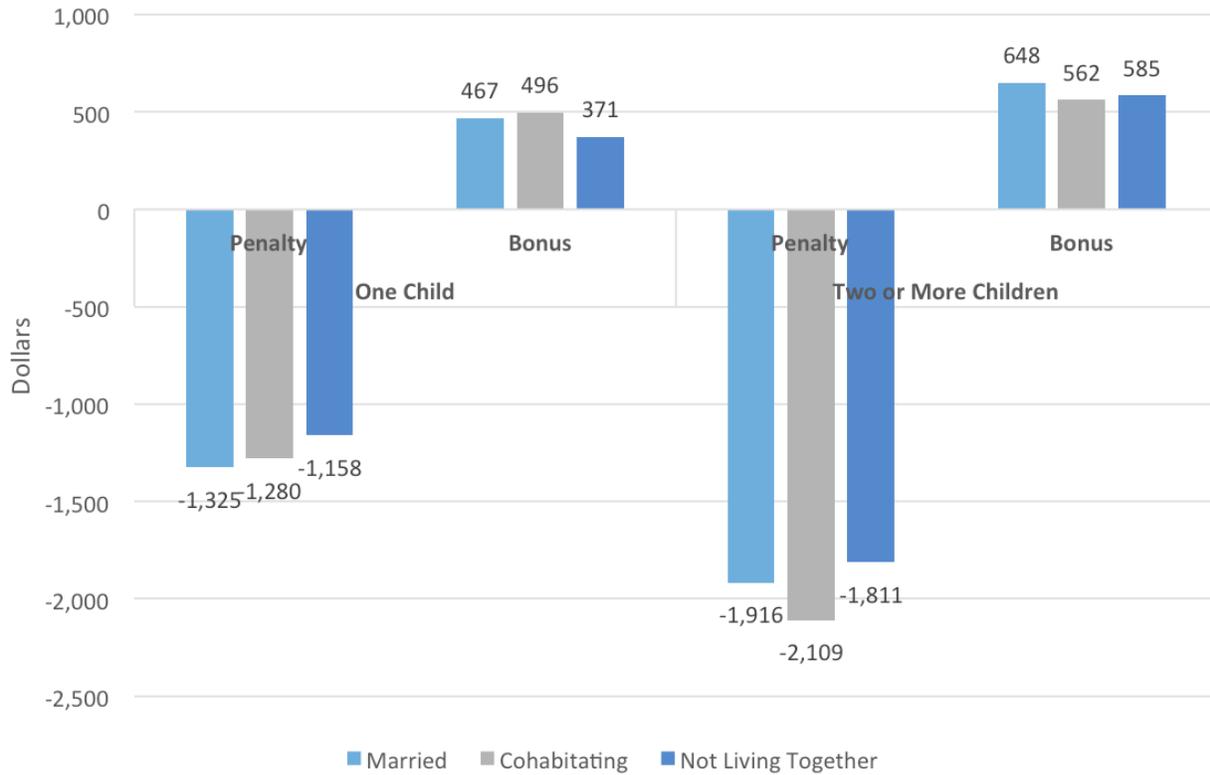
**Table 2. Percentage of Couples with EITC Marriage Penalty/Bonus by Marital/Living Status**

	One Child				Two or More Children			
	Penalty		Bonus		Penalty		Bonus	
	#	%	#	%	#	%	#	%
<b>Child Aged One</b>								
Married	150	39.7	47	12.4	361	45.9	153	19.4
Cohabiting	182	54.5	71	21.3	328	46.7	236	33.6
Not Living Together	159	50.8	65	20.8	313	42.4	218	29.5
<b>Child Aged Five</b>								
Married	56	34.6	8	4.9	395	40.2	86	8.7
Cohabiting	52	54.2	10	10.4	186	50.3	60	16.2
Not Living Together	139	45.4	39	12.7	532	52.9	176	17.5

Note: Couples with no change not shown.

Source: Author's calculations using data from the Fragile Families study, wave two and four.

**Figure 2. Average EITC Penalty/Bonus When Focal Child Was One (in 2001 Dollars)**



Source: Author's calculations of Fragile Families data, wave two.

one, which was similar to the 46.7 percent of cohabitating couples and 42.4 percent of couples not living together who faced a penalty if they were to marry.

It is also interesting to note that among cohabitating couples with two or more children when the child was one, the percentage that faced a bonus (33.6 percent) was closer to the percentage that faced a penalty (46.7 percent) than any of the other groups. Nevertheless, even among this group, a higher percentage faced a penalty than would receive a bonus for marrying.

**Average Size of Marriage Penalty/Bonus.** The analysis shows that among this cohort of urban parents, more would lose EITC dollars if they were married than if they were unmarried. This section shows that the average EITC amount lost or gained could be substantial.

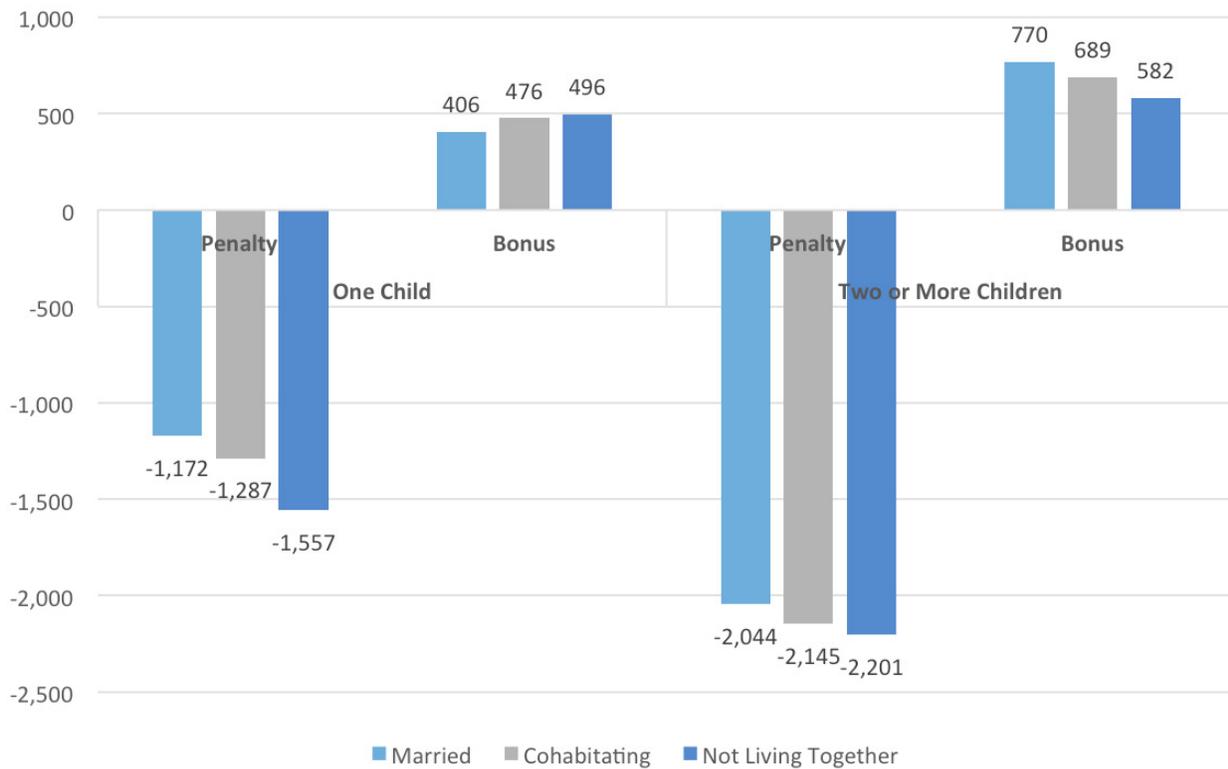
Figure 2 shows the average size of the penalty or bonus depending on marital/living status when the focal child was one. On average, for married couples with one child who faced a penalty, they would have received \$1,325 more in the EITC had they not been married (in

2001 dollars). For cohabitating couples with one child who faced a penalty, they would lose \$1,280 on average if they married, and couples not living together faced a penalty of \$1,158 (in 2001 dollars).

For those with two or more children, the average penalties and bonuses were even larger. Among those who would experience a marriage penalty, cohabitating couples faced the largest average penalty (\$2,109), but already married couples and couples not living together faced large penalties as well (\$1,916 and \$1,811, respectively). Among those with two or more children who would receive a bonus, already married couples received the largest average bonus (\$648), but average bonuses were less than half of average penalties (figure 2).

A similar pattern was found for couples when the focal child was five. Figure 3 shows that among couples with one child who faced a penalty, the average penalty for marriage (in 2005 dollars) was highest among those who did not live together (\$1,557), followed by those who were unmarried and cohabitating (\$1,287). Those who were already married lost on average \$1,172

**Figure 3. Average EITC Penalty/Bonus When Child Was Five (in 2005 Dollars)**



Source: Author's calculations of Fragile Families data, wave four.

because they married. Among those with two or more children who faced a penalty, the penalties were even larger, with averages for each group of more than \$2,000 lost because of marriage (figure 3).

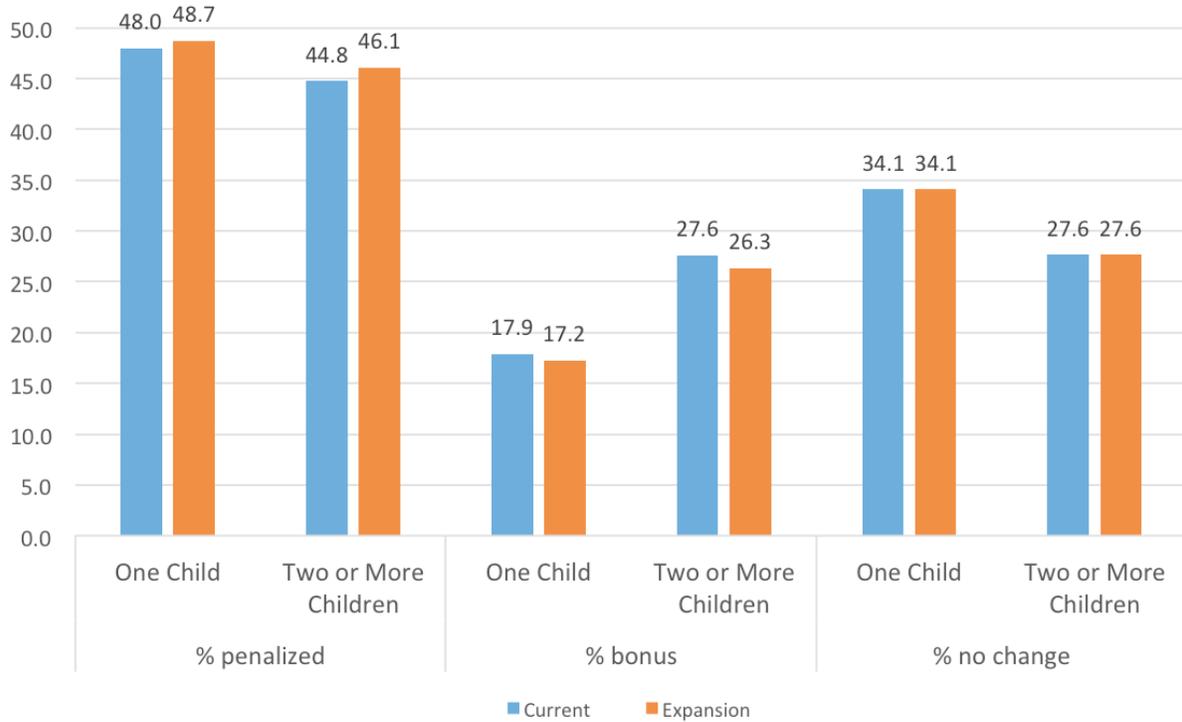
Marriage bonuses among those with a bonus averaged much less than the penalties. For those with one child who faced a bonus, the average was between \$400 and \$500, and for those with two or more children, the average bonus was higher and ranged from \$582 for those not living together to \$770 for those already married (figure 3).

Overall, the average EITC penalties from marriage were much larger than the average bonuses, no matter the number of children, the child's age, and the couples' living/marital situation. As the previous section showed, almost twice as many couples faced a penalty for marrying as faced a bonus, suggesting that the EITC financial implications of marriage for this cohort of urban couples are quite negative.

**Childless Worker EITC Expansion.** Several proposals to expand the EITC for workers without dependent children (childless worker EITC) have been introduced in the past several years. Most recently, versions of an expansion were included in Obama's Fiscal Year 2016 Budget and in Ryan's antipoverty blueprint. Both proposed to double the maximum credit to \$1,000 and expand it to higher income levels. While the proposals may have some merit, expanding the childless worker EITC might further penalize marriage.

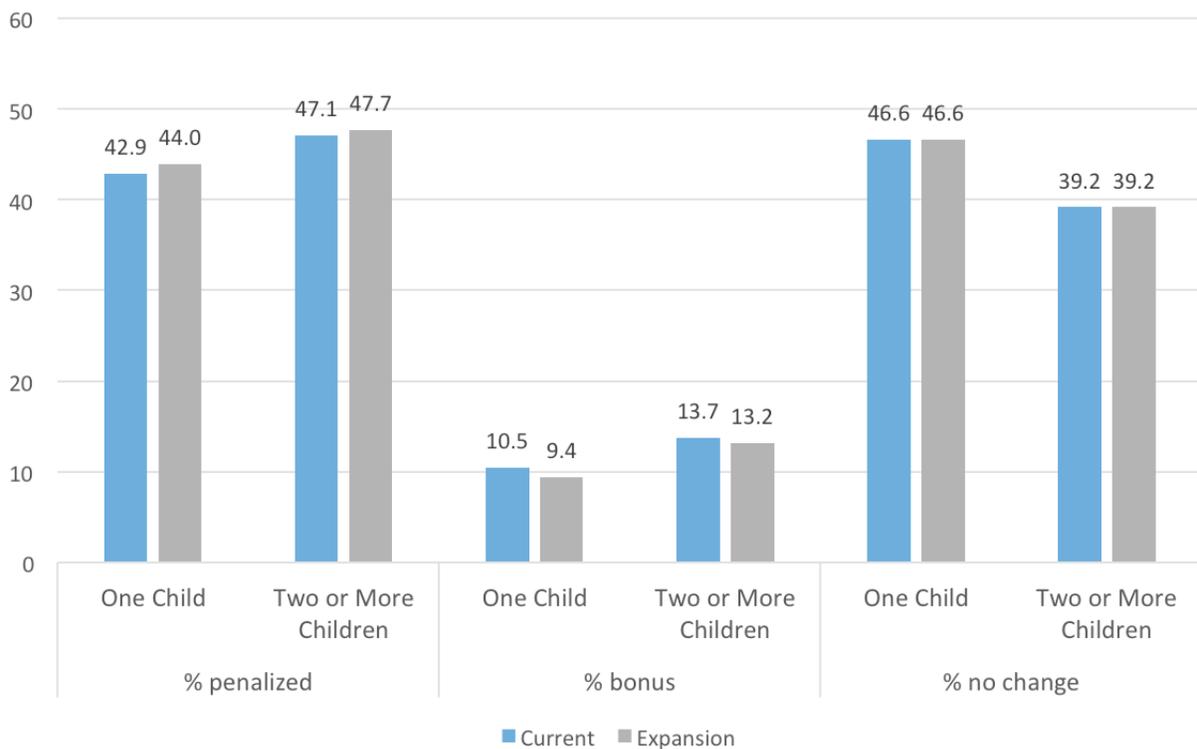
As expected, the analysis showed that the proposed expansion to the childless worker EITC made the EITC marriage penalty worse, but in real terms the impacts were quite small. This was primarily because the proposed expansion increases the childless worker EITC by only marginal amounts. Figure 4 shows that under the expansion the percentage of parents who faced an EITC marriage penalty when the child was one would increase by only 0.7 percentage points for those with one child and 1.3 points for those with two or more children.

**Figure 4. Implications of the Childless Worker EITC Expansion When Focal Child Was One**



Source: Author's calculations of Fragile Families data, wave two. For one child, n = 1,025 and for two or more children, n = 2,228.

**Figure 5. Implications of the Childless Worker EITC Expansion When Focal Child Was Five**



Source: Author's calculations of Fragile Families data, wave four. For one child, n = 564 and for two or more children, n = 2,359.

**Table 3. EITC Penalty/Bonus Associated with Getting Married under Current Childless EITC and Proposed Expansion (in 2001 Dollars), Focal Child Aged One**

	Current		Expansion		Difference	
	Freq	Avg	Freq	Avg	\$	%
<b>One Child</b>						
Penalty						
Married	150	-\$1,325	151	-\$1,347	\$22	1.7%
Cohabiting	182	-\$1,280	189	-\$1,320	\$40	3.1%
Not Living Together	159	-\$1,158	165	-\$1,222	\$64	5.5%
<b>Bonus</b>						
Married	47	\$467	46	\$448	-\$19	-4.0%
Cohabiting	71	\$496	64	\$445	-\$51	-10.2%
Not Living Together	65	\$371	59	\$326	-\$45	-11.9%
<b>Two or More Children</b>						
Penalty						
Married	361	-\$1,916	369	-\$1,903	-\$13	-0.7%
Cohabiting	328	-\$2,109	337	-\$2,132	\$23	1.1%
Not Living Together	313	-\$1,811	324	-\$1,852	\$41	2.2%
<b>Bonus</b>						
Married	153	\$648	145	\$655	\$7	1.0%
Cohabiting	236	\$562	227	\$516	-\$46	-8.1%
Not Living Together	218	\$585	207	\$528	-\$57	-9.7%

Note: Couples with no change not shown. Difference may not add because of rounding.  
Source: Author's calculations of the Fragile Families and Child Wellbeing data, wave two.

Figure 5 shows the same change when the child was five. Again, the expansion resulted in only marginal increases in the percentage of parents who faced a marriage penalty. Under the expansion, 44.0 percent of parents with one child would face a marriage penalty compared to 42.9 percent under the current EITC. For those with two or more children, 47.7 percent faced a marriage penalty under the expansion compared to 47.1 percent under the current EITC.

Table 3 shows changes in the average amount of the penalty or bonus based on the proposed expansion for parents when the child was one. The amount of the change differed depending on the marital/living situation of the parents and the number of children. For example, among parents with one child who faced a penalty, the expansion would result in an increase in the average marriage penalty of \$64 for those not living together, \$40 for those cohabitating, and \$22 for those already married (in 2001 dollars).

For those with two or more children, the expansion would increase the married penalty by \$56 for those not living together and \$46 for those cohabitating. But the average penalty was actually reduced by \$13 for married couples. More married couples faced a penalty under the expansion, but the penalty for those “newly” penalized parents brought the average down.

Table 4 shows the same for parents when the child was five. The patterns are similar, but the impacts of the expansion are slightly smaller when the child was five than when the child was one. The impact on parents of one child facing a penalty is very small, and the number of parents with one child who receive a bonus is also very small. But for parents with two or more children who faced a marriage penalty, the average penalty increased by \$4 for married couples, \$28 for cohabitating couples, and \$10 for parents not living together (in 2005 dollars) (table 3). Among those receiving a bonus, the bonus was reduced by larger amounts.

**Table 4. EITC Penalty/Bonus Associated with Getting Married under Current Childless EITC and Proposed Expansion (in 2005 Dollars), Focal Child Aged Five**

	Current		Expansion		Difference	
	Freq	Avg	Freq	Avg	\$	%
<b>One Child</b>						
Penalty						
Married	56	-\$1,172	57	-\$1,162	-\$10	-0.8%
Cohabiting	52	-\$1,287	52	-\$1,311	\$23	1.8%
Not Living Together	139	-\$1,557	144	-\$1,560	\$2	0.1%
<b>Bonus</b>						
Married	8	\$406	7	\$425	\$18	4.5%
Cohabiting	10	\$476	10	\$457	-\$19	-4.1%
Not Living Together	39	\$496	34	\$406	-\$90	-18.1%
<b>Two or More Children</b>						
Penalty						
Married	395	-\$2,044	399	-\$2,048	\$4	0.2%
Cohabiting	186	-\$2,145	187	-\$2,173	\$28	1.3%
Not Living Together	532	-\$2,201	547	-\$2,210	\$10	0.4%
<b>Bonus</b>						
Married	86	\$770	82	\$727	-\$44	-5.7%
Cohabiting	60	\$689	59	\$655	-\$33	-4.8%
Not Living Together	176	\$582	161	\$543	-\$39	-6.7%

Note: Couples with no change not shown. Difference may not add because of rounding.  
Source: Author's calculations of the Fragile Families and Child Wellbeing data, wave four.

## Conclusions and Policy Implications

This study suggests that the EITC has real penalties for marriage that are more prevalent and greater in size than marriage bonuses, at least for the cohort of parents included in this study who were living in urban areas with young children. Proposals to expand the childless worker EITC appeared to make the marriage penalties worse but by fairly small amounts. This suggests the following policy implications.

Further efforts to reduce the EITC marriage penalty may be needed, especially because the current provisions that expanded the EITC for married couples are set to expire in 2017. Although it is unclear how much the EITC factors into decisions about marriage, marriage penalties send the wrong message and might contribute to a culture that minimizes the importance of marriage. This study shows that the average penalty in real terms can be almost \$1,200 for unmarried

parents with one child (or \$1,600 in today's dollars) and nearly \$2,000 (or \$2,600 in today's dollars) for unmarried parents with two or more children in the first year after a birth.

Similarly, if the childless worker EITC is expanded, expansions for married families should accompany it. At the very least, an expansion should not make marriage penalties worse. This study suggests that fairly small increases to the married EITC would be needed to match the childless worker EITC expansions because the proposed childless worker EITC expansion is quite modest. Alternatively, the marriage penalty could be completely eliminated by considering spousal income as individual income or lessened by increasing the income at which the phase out starts and more gradually phasing it out for married couples. However, these proposals have been estimated to be costly.<sup>21</sup>

The EITC is an important tool that helps reduce poverty and increase resources for working, low-income

families. But with the benefits of marriage for children well documented, the EITC should not, at the very least, favor unmarried parenthood. Policymakers should consider the implications of the childless worker EITC expansion on the marriage penalty and continue to work toward reducing the overall marriage penalty in the EITC.

## About the Author

**Angela Rachidi** is a research fellow in poverty studies at AEI, where she studies the effects of public policy and existing support programs on low-income families.

## Notes

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12. See Besharov and Gilbert, *Marriage Penalties in the Modern Social Welfare State*; and Elaine Maag and Gregory Acs, *The Financial Consequences of Marriage for Cohabiting Couples with Children*, Urban Institute, September 2015, [www.urban.org/sites/default/files/alfresco/publication-pdfs/2000366-The-Financial-Consequences-of-Marriage-for-Cohabiting-Couples-with-Children%20.pdf](http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000366-The-Financial-Consequences-of-Marriage-for-Cohabiting-Couples-with-Children%20.pdf).
13. Gregory Acs and Elaine Maag, “Irreconcilable Differences: The Conflict between Marriage Promotion Initiatives for Cohabiting Couples with Children and Marriage Penalties in Tax and Transfer Programs,” Urban Institute, New Federalism Series B, no. B-66, April 2005.
14. Laura Tach and Sarah Meekin-Halpern, “Tax Code Knowledge and Behavioral Responses among EITC Recipients, Policy Insights from Qualitative Data,” *Journal of Policy Analysis and Management* 33, no. 2 (2014): 413–39.
15. Fisher, “Marriage Penalties, Marriage, and Cohabitation.”
16. Tax Policy Center, “EITC Historical Parameters,” [www.taxpolicycenter.org/taxfacts/displayafact.cfm?Docid=36](http://www.taxpolicycenter.org/taxfacts/displayafact.cfm?Docid=36).
17. Sara McLanahan et al., “The Fragile Families and Child Wellbeing Study, Baseline National Report,” Bendheim-Thoman Center for Research on Child Wellbeing, 2003.
18. The rules around claiming a qualifying child for the purposes of the EITC are somewhat complex. It is possible for cohabitating, unmarried parents with two or more children to each claim a qualifying child depending on their living situation, although they must claim all child-related credits for that child. If unmarried parents with two or more children claimed qualifying children separately, this likely would increase the unmarried EITC even more than is estimated in this study and would make marriage penalties worse. But it would lessen the effect of childless worker EITC expansions on marriage penalties. See Internal Revenue Service, “Other EITC Issues,” [www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Earned-Income-Tax-Credit/Other-EITC-Issues/Other-EITC-Issues](http://www.irs.gov/Help-&-Resources/Tools-&-FAQs/FAQs-for-Individuals/Frequently-Asked-Tax-Questions-&-Answers/Earned-Income-Tax-Credit/Other-EITC-Issues/Other-EITC-Issues).
19. Interviews at each wave were conducted across two years.
20. Soma Roy, Sharon Stassler, and Elizabeth Stasny, *The Fragile Families and Child Wellbeing Study Dataset: Multiple Imputations for Missing Fathers*, ASA Section on Survey Research Methods, 2005, [www.amstat.org/sections/srms/proceedings/y2005/Files/JSM2005-000701.pdf](http://www.amstat.org/sections/srms/proceedings/y2005/Files/JSM2005-000701.pdf).
21. A proposal by Gordon Berlin, president of MDRC, in 2009 was estimated to cost \$33 billion per year to expand the childless worker EITC and eliminate the marriage penalty by considering individual rather than combined spousal income for the purposes of the EITC. See Gordon Berlin, “Transforming the EITC to Reduce Poverty and Inequality: Policies for the 21st-Century Labor Market,” *Pathways* (Winter 2009), [https://web.stanford.edu/group/scspi/\\_media/pdf/pathways/winter\\_2009/Berlin.pdf](https://web.stanford.edu/group/scspi/_media/pdf/pathways/winter_2009/Berlin.pdf).