

# The Recovery Rebate is an investment in Washington's kids

Flexible cash through an updated Working Families Tax Credit would reach 1 in 4 Washington kids – and an outsized share of children of color

Children thrive when they grow up with their basic needs met. However, long before the pandemic, households with low and moderate incomes struggled to afford the basics for their kids, and this has only worsened during COVID-19's economic fallout. At the same time, existing racist barriers like a lack of access to healthcare and the ramifications of historically racist policies like redlining make Black, Indigenous, and other communities of color – including many immigrant communities – more likely to experience poverty and less able to build wealth.

A Recovery Rebate in the form of an updated Working Families Tax Credit (our state-level Earned Income Tax Credit, or EITC) provides a cash infusion to the families of one in four kids, supporting these households in affording essential needs, like rent and groceries.

The Recovery Rebate would have a far-reaching impact on Washington state's kids



### 1 in 4 WA Kids

573,000 Washington children live in households that would receive support.



### Outsized eligibility for BIPOC households

Black, Indigenous, and people of color make up 36% of eligible households in comparison to making up 25% of the population.

## Direct cash – like the Recovery Rebate – is proven to support the wellbeing of kids



**Promotes healthy childhood development:** Children in families that receive the EITC are healthier overall than their counterparts<sup>1</sup> in families that do not receive the credit. The credit correlates with fewer babies with low birthweights<sup>2</sup> - especially for Black mothers<sup>3</sup> - and meaningful improvements in child development.<sup>4</sup>



**Contributes to stronger families and homes:** The Working Families Tax Credit would put Washington's children on a path to success by supporting families with low incomes to meet their kids' basic needs. The flexibility offered by the Recovery Rebate allows families to make decisions about what is best for them – from accessing safe and stable housing<sup>5</sup> to buying technology to help in school.



**Strengthens children's long-term educational success:** When children have their needs met, they do better in school. Tax credit increases are linked to higher math and reading scores<sup>6</sup> among elementary and middle school students. Children in families that receive these credits are also more likely to graduate high school on time.<sup>7</sup> The impacts are stronger in families with young children and for families with the lowest incomes.<sup>8</sup>

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