



**Connecticut
Public Health
Association**

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**TESTIMONY OF CONNECTICUT PUBLIC HEALTH ASSOCIATION
REGARDING
S.B. 843 AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE
GOVERNOR'S BUDGET**

**Finance, Revenue and Bonding Committee
March 4, 2013**

Senator Fonfara, Representative Widlitz and esteemed members of the Finance Committee, my name is Colleen O'Connor and I serve as Advocacy Chair and as a member of the Board of Directors of the Connecticut Public Health Association (CPHA). CPHA represents over 300 public health professionals, committed to improving the health of all Connecticut residents through evidence-based policy and programs. **CPHA opposes the proposed reduction in the Earned Income Tax Credit (EITC) contained in SB 843, An Act Concerning Revenue Items to Implement the Governor's Budget**, on the grounds that state EITC programs have been shown to be effective at bringing families out of poverty and to have positive impacts on the health of recipients and their children.

The EITC is a tax incentive aimed at bringing low-income, working families out of poverty [1]. Considerable research over the past few decades has shown that the EITC is very effective in reducing poverty and encouraging employment for working-poor families [1,2,3]. The EITC is particularly successful in promoting work for single mothers and is responsible for increased employment and decreased cash welfare assistance among these women [3]. Single working mothers with young children and those with low education experience the greatest increase in employment attributable to the EITC [3]. The EITC has also been shown to be extremely effective at bringing children out of poverty; by some estimates it raises "more children out of poverty than any other single program or category of programs" [3].

There is substantial scientific evidence that there is a strong correlation between income and health status [4,5,6,7]. Poverty impacts the health of individuals throughout the lifespan, beginning in pregnancy. Studies have shown a relationship between low socio-economic status of pregnant women and adverse birth outcomes for their children, such as preterm birth, low birth weight, and infant mortality [8]. A recent study analyzed the impact of federal and state EITC policies on infant health outcomes for pregnant recipients, finding that increased EITC income reduces the incidence of low birth weight by 7% for every \$1000

of EITC, with even greater reductions for African American women [9,10]. Birth weight is standard indicator of infant health and an “effective predictor of adult health” [10]. This study also found that additional measures of newborn health, such as average birth weight, rate of pre-term births, weight-for-age and APGAR scores were substantially improved for pregnant women receiving EITCs [10].

Poverty and low socioeconomic status continue to influence health in the childhood years. Poor children experience higher rates of chronic conditions, obesity, disability, mental health problems and hospitalizations than non-poor children [4,6,7]. In addition, these children are 1.5 times more likely to die in childhood and twice as likely to have stunted growth as non-poor children [7]. According to a Robert Wood Johnson Foundation 2009 report on health, children in poor families are 4.7 times less likely to be in “very good” or “excellent” health according to their parents than children in families with higher incomes [4]. Most concerning, the health impacts of poverty and low income on children are cumulative, having lasting effects on a child’s health well into adulthood [5, 6].

The cycle of low socioeconomic status and poor health continues into adulthood—adults at lower ends of the socioeconomic ladder face health inequities, such as reduced life expectancy, greater risk of premature mortality, and increased risk of chronic disease and disability [4,5,7]. Furthermore, adults experience chronic stress from financial insecurity which leads to chronic diseases and overall poor physical and mental health [4,11]. A recent study on the EITC shows that single mothers with two or more children and those who have low levels of education experience better self-reported health, less “poor mental health days” and decreased biomarkers that measure stress and predict chronic disease after receiving EITCs [11].

There is widespread support in the public health community for tax policies such as state EITCs as a means to improve health by reducing poverty [4,5]. The evidence clearly shows improvements in health for children and adults in working families due to increases in income and as a direct result of income from state and federal EITCs. Furthermore, the upfront cost of the state EITC will substantially reduce the future healthcare costs of treating poverty-related chronic disease and disability over the course of an individual’s life. CPHA respectfully opposes any cuts to the Connecticut EITC as it would be poor public health policy.

Thank you for your consideration.

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Chair of Advocacy and Board of Directors
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