Sage Journals

Urban Affairs Review

Impact Factor: **2.2**
5-Year Impact Factor:

By clicking “Accept Non-Essential Cookies”, you agree to the storing of cookies on your device to enhance site navigation, analyze site usage, and assist in our marketing efforts. **Privacy Policy** **Cookie Policy**

Manage Cookies

Accept Non-Essential Cookies

Reject Non-Essential Cookies

Contents

More

# Abstract

The Earned Income Tax[illegible]. The EITC is distributed annually at tax time; however, past research suggests that lump-sum disbursements leave households with a lack of funds to deal with financial emergencies throughout the year. Drawing upon the data from a pilot program conducted in 2014–2015 in Chicago, this study analyzes how advanced periodic payments help mitigate financial instability for EITC recipients. Interview participants relate that advanced periodic payments result in a reduction in perceived stress, lower levels of debt, fewer unpaid bills, and the ability to engage youth in extracurricular activities. The findings provide a unique perspective on the ways in which low-income households cope with financial instability and stress and suggest that payment frequency options can play a small but important role in the way in which the EITC operates as a support mechanism.

Get full access to this article

View all access and purchase options for this article.

Get Access

# References

Andrade Flavia C.D., Kramer Karen Z., Monk J. Kale, Greenlee Andrew J., Mendenhall Ruby 2017. “Financial Stress and Depressive Symptoms: The Impact of an Intervention of the Chicago Earned Income Tax Periodic Payment.” *Public Health* 153 (Suppl. C): 99–102.

Crossref

Web of Science

Google Scholar

Aneshensel Carol S. 1992. “Social Stress: Theory and Research.” *Annual Review of Sociology* 18: 15–38.

Crossref

Web of Science

Google Scholar

Armstrong David, Gosling Ann, Weinman John, Marteau Theresa. 1997. “The Place of Inter-rater Reliability in Qualitative Research: An Empirical Study.” *Sociology* 31 (3): 597–606.

Crossref

Web of Science

Google Scholar

Austin Michael J., Chow Julian, Hastings Julia, Taylor Sarah, Johnson Michelle, Lemon Kathy, Leer Ericka. 2004. “Serving Low-Income Families in Poverty Neighborhoods Using Promising Programs and Practices: Building a Foundation for Redesigning Public and Nonprofit Social Services.” Accessed April 11, 2020. http://cssr.berkeley.edu/pdfs/lowIncomeFam.pdf.

Google Scholar

Barker Joel, Frederick Chadrick. 2016. “Billions Lost Yearly to Earned Income Tax Credit: Errors Or Fraud?” *Journal of Business & Economics Research* 14(4): 145-52.

Crossref

Google Scholar

Barr Michael S., Dokko Jane. 2006. “Tax Filing Experiences and Withholding Preferences of Low- and Moderate-Income Households Preliminary Evidence from a New Survey.” IRS Research Bulletin, Publication 1500. In Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2006 IRS Research Conference, Department of the Treasury, Internal Revenue Service, Washington, DC. Accessed April 11, 2020. http://repository.law.umich.edu/cgi/viewcontent.cgi?article=1020&context=other.

Google Scholar

Berube Alan. 2006. “Using the Earned Income Tax Credit to Stimulate Local Economies.” Living Cities Policy Series. Accessed April 11, 2020. https://www.brookings.edu/wp-content/uploads/2016/06/Berube20061101eitc.pdf.

Google Scholar

Beverly Sandra, McBride Amanda M., Schreiner Mark. 2003. “A Framework of Asset-Accumulation Stages and Strategies.” *Journal of Family and Economic Issues* 24: 143–56.

Crossref

Google Scholar

Bhargava Saurabh, Manoli Day. 2012. "Why Are Benefits Left on the Table? Assessing the Role of Information, Complexity, and Stigma on Take-Up with an Irs Field Experiment." *NA—Advances in Consumer Research* 40. Accessed April 11, 2020. http://acrwebsite.org/volumes/1012975/volumes/v40/NA-40.

Google Scholar

Bickel Gary, Carlson S., Nord Mark. 1999. "Household Food Security in the United States 1995–1998: Advance Report." USDA Food and Nutrition Service, Alexandria.

Google Scholar

Boushey Heather, Brocht Chauna, Gundersen Bethney, Bernstein Jared. 2001. "Hardships in America: The Real Story of Working Families." The State of Working American 2000-01. Economic Policy Institute, Washington, DC. https://files.eric.ed.gov/fulltext/ED456966.pdf.

Google Scholar

Broussard C. Anne. 2010. "Research Regarding Low-Income Single Mothers' Mental and Physical Health: A Decade in Review." *Journal of Poverty* 14 (4): 443–51.

Crossref

Web of Science

Google Scholar

Center on Budget and Policy Priorities. 2009. "Policy Basics: The Earned Income Tax Credit." Center on Budget and Policy Priorities, February 5. Accessed April 11, 2020. https://www.cbpp.org/research/federal-tax/policy-basics-the-earned-income-tax-credit.

Google Scholar

Clifton Kelly J. 2004. "Mobility Strategies and Food Shopping for Low-Income Families: A Case Study." *Journal of Planning Education and Research* 23 (4): 402–13.

Crossref

Web of Science

Google Scholar

Creswell John W., Clark Vicki L. Plano. 2010. *Designing and Conducting Mixed Methods Research*. 2nd ed. Los Angeles: SAGE.

Google Scholar

Edin Katharine, Tach Laura, Halpern-Meekin Sarah. 2014. "Tax Code Knowledge and Behavioral Responses Among EITC Recipients: Policy Insights from Qualitative Data." *Journal of Policy Analysis and Management* 33 (2): 413–39.

Crossref

Web of Science

Google Scholar

Edin Kathryn, Lein Laura. 1997. *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*. New York: Russell Sage Foundation.

Google Scholar

Greene Sara Sternberg. 2013. "The Broken Safety Net: A Study of Earned Income Tax Credit Recipients and a Proposal for Repair." *New York University Law Review* 88: 515–88.

Web of Science

Google Scholar

Grzywacz Joseph G., Almeida David M., Neupert Shevaun D., Ettner Susan L. 2004. "Socioeconomic Status and Health: A Micro-Level Analysis o Exposure and Vulnerability to Daily Stressors." *Journal of Health and Social Behavior* 45 (1): 1–16.

Crossref

PubMed

Web of Science

Google Scholar

Guzman Tatyana, Pirog Maureen, Seefeldt Kristin. 2013. "Social Policy: What Have We Learned?" *The Policy Studies Journal* 41 (S1): S53–69.

Crossref

Web of Science

Google Scholar

Hacker Jacob S., Huber Gregory A., Nichols Austin, Rehm Philipp, Craig Stuart. 2011. "Economic Insecurity and the Great Recession: Findings from the Economic Security Index." The Rockefeller Foundation. Accessed April 11, 2020. http://economicsecurityindex.org/assets/ESI%20Full%20Report%202011.pdf.

Google Scholar

Halpern-Meekin Sarah, Edin Kathryn, Tach Laura, Sykes Jennifer. 2015. "It's Not Like I'm Poor." Accessed April 11, 2020. http://www.ucpress.edu/book.php?isbn=9780520275355.

Google Scholar

Henly Julia R., Lambert Susan J. 2014. "Unpredictable Work Timing in Retail Jobs: Implications for Employee Work–Life Conflict." *ILR Review* 67 (3): 986–1016.

Crossref

Web of Science

Google Scholar

Holt Stephen D. 2008. “Periodic Payment of the Earned Income Tax Credit.” *Brookings (Blog)*, June 5. Accessed April 11, 2020. https://www.brookings.edu/research/periodic-payment-of-the-earned-income-tax-credit/.

Google Scholar

Holt Steve. 2015. “Periodic Payment of the Earned Income Tax Credit Revisited.” Metropolitan Policy Program, Brookings Institution. Accessed April 11, 2020. https://www.brookings.edu/wp-content/uploads/2016/07/HoltPeriodicPaymentEITC121515.pdf.

Google Scholar

Hungerford Thomas L., Thiess Rebecca. 2013. “The Earned Income Tax Credit and the Child Tax Credit: History, Purpose, Goals, and Effectiveness.” *Economic Policy Institute (Blog)*, September 25. Accessed March 15, 2017. http://www.epi.org/publication/ib370-earned-income-tax-credit-and-the-child-tax-credit-history-purpose-goals-and-effectiveness/.

Google Scholar

Internal Revenue Service. 2016a. “Statistics for Tax Returns with EITC.” https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-2016-tax-returns-with-eitc.

Google Scholar

Internal Revenue Service. 2016b. “Statistics of Income (SOI) Bulletin Historical Table 1.” https://www.irs.gov/statistics/soi-tax-stats-soi-bulletin-historical-tables-and-appendix.

Google Scholar

Jacobs David, Myers Lindsey. 2014. “Union Strength, Neoliberalism, and Inequality: Contingent Political Analyses of U.S. Income Differences Since 1950.” *American Sociological Review* 79 (4): 752–74.

Crossref

Web of Science

Google Scholar

Jones Damon. 2010. “Information, Preferences, and Public Benefit Participation: Experimental Evidence from the Advance EITC and 401(k) Savings.” *American Economic Journal: Applied Economics* 2 (2): 147–63.

Crossref

Web of Science

Google Scholar

Jones Lauren, Michelmore Katherine. 2016. “Timing Is Money: Does Lump-Sum Payment of Tax Credits Induce High-Cost Borrowing?” SSRN Scholarly Paper ID 2712849. Social Science Research Network, Rochester. Accessed April 11, 2020. https://papers.ssrn.com/abstract=2712849.

Google Scholar

Kaushal Neeraj, Gao Qin, Waldfogel Jane. 2007. “Welfare Reform and Family Expenditures: How Are Single Mothers Adapting to the New Welfare and Work Regime?” *Social Service Review* 81 (3): 369–96.

Crossref

Web of Science

Google Scholar

Kramer Karen Z., Cristina Flavia, Andrade Drumond, Greenlee Andrew J., Mendenhall Ruby, Bellisle Dylan, Blanks Renee Lemons. 2019. “Periodic Earned Income Tax Credit (EITC) Payment, Financial Stress and Wellbeing: A Longitudinal Study.” *Journal of Family and Economic Issues* 40: 511–23.

Crossref

Web of Science

Google Scholar

Lazarus Richard S. 1966. *Psychological Stress and the Coping Process*. New York: McGraw-Hill.

Google Scholar

Littwin Angela. 2007. “Beyond Usury: A Study of Credit-Card Use and Preference Among Low-Income Consumers.” *Texas Law Review* 86: 451–506.

Google Scholar

Marr Chuck, Huang Chye-Ching, Sherman Arloc, DeBot Brandon. 2015. “EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children’s Development, Research Finds.” Center on Budget and Policy Priorities, October 1. Accessed April 11, 2020. http://www.cbpp.org/research/federal-tax/eitc-and-child-tax-credit-promote-work-reduce-poverty-and-support-childrens.

Google Scholar

Mendenhall Ruby, Edin Kathryn, Crowley Susan, Sykes Jennifer, Tach Laura, Kriz Katrin, Kling Jeffrey R. 2012. “The Role of Earned Income Tax Credit in the Budgets of Low-Income Households.” *Social Service Review* 86 (3): 367–400.

Crossref

Google Scholar

Mendenhall Ruby, Kramer Karen Z., Akresh Ilana R. 2014. “Asset Accumulation and Housing Cost Burden: Pathways to (Not) Saving.” *Housing Policy Debate* 24 (2): 387–414.

Crossref

Web of Science

Google Scholar

Mullainathan Sendhil, Shafir Eldar. 2013. *Scarcity: Why Having Too Little Means So Much*. New York: Macmillan.

Google Scholar

Orthner Dennis, Jones-Sanpei Hinckley, Williamson Sabrina A. 2003. “Family Strength and Income in Households with Children.” *Journal of Family Social Work* 7 (2): 5–23.

Crossref

Google Scholar

Pearlin Leonard I. 1983. “Role Strains and Personal Stress.” In *Psychosocial Stress: Trends in Theory and Research*, edited by Kaplan Howard B., 3–32. New York: Academic Press.

Crossref

Google Scholar

Pearlin Leonard I., Bierman Alex. 2013. “Current Issues and Future Directions in Research into the Stress Process.” In *Handbook of the Sociology of Mental Health*, edited by Aneshensel Carol S., Phelan Jo C., Bierman Alex, 325–40. Handbooks of Sociology and Social Research. Dordrecht: Springer.

Crossref

Google Scholar

Pucher J., Renne J. L. 2004. “Urban-Rural Differences in Mobility and Mode Choice: Evidence from the 2001 NHTS.” April. Accessed April 11, 2020. https://trid.trb.org/view.aspx?id=748081.

Google Scholar

Romich Jennifer L., Weisner Thomas. 2000. “How Families View and Use the EITC: Advance Payment Versus Lump Sum Delivery.” *National Tax Journal* 53 (4, Pt. 2): 1245–66.

Crossref

Web of Science

Google Scholar

Roy Kevin M., Tubbs Carolyn Y., Burton Linda M. 2004. “Don’t Have No Time: Daily Rhythms and the Organization of Time for Low-Income Families.” *Family Relations* 53 (2): 168–78.

Crossref

Web of Science

Google Scholar

Shaefer H. Luke, Song Xiaoqing, R. Trina, Shanks Williams. 2013. “Do Single Mothers in the United States Use the Earned Income Tax Credit to Reduce Unsecured Debt?” *Review of Economics of the Household* 11 (4): 659–80.

Crossref

Web of Science

Google Scholar

Shah Anuj K., Mullainathan Sendhil, Shafir Eldar. 2012. “Some Consequences of Having Too Little.” *Science* 338 (6107): 682–85.

Crossref

PubMed

Web of Science

Google Scholar

Shefrin Hersh M., Thaler Richard H. 1988. “The Behavioral Life-Cycle Hypothesis.” *Economic Inquiry* 26: 609–43.

Crossref

Web of Science

Google Scholar

Smeeding Timothy M. 2005. “The EITC and USAs/IDAs: Maybe a Marriage Made in Heaven?” In *Inclusion in the American Dream: Assets, Poverty, and Public Policy*, edited by Sherraden Michael, 323–51. Oxford: Oxford Univ. Press.

Google Scholar

Smeeding Timothy M., Phillips Katherin Ross, O’Connor Michael A. 2000. “The EITC: Expectation, Knowledge, Use, and Economic and Social Mobility.” SSRN Scholarly Paper ID 1807997. Social Science Research Network, Rochester. Accessed April 11, 2020. https://papers.ssrn.com/abstract=1807997.

Google Scholar

Spencer James H. 2007. “Neighborhood Economic Development Effects of the Earned Income Tax Credit in Los Angeles: Poor Places and Policies for the Working Poor.” *Urban Affairs Review* 42 (6): 851–73.

Crossref

Web of Science

Google Scholar

Strauss Anselm, Corbin Juliet. 1998. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. 2nd ed. Thousand Oaks: SAGE.

Google Scholar

Sykes Jennifer, Križ Katrin, Edin Kathryn, Halpern-Meekin Sarah. 2015. “Dignity and Dreams: What the Earned Income Tax Credit (EITC) Means to Low-Income Families.” *American Sociological Review* 80 (2): 243–67.

Crossref

Google Scholar

Tach Laura M., Greene Sara Sternberg. 2014. "'Robbing Peter to Pay Paul': Economic and Cultural Explanations for How Lower-Income Families Manage Debt." *Social Problems* 61 (1): 1–21.

Crossref

Web of Science

Google Scholar

Thomas David R. 2006. "A General Inductive Approach for Analyzing Qualitative Evaluation Data." *American Journal of Evaluation* 27 (2): 237–46.

Crossref

Web of Science

Google Scholar

Turner R. Jay, Avison William R. 2003. "Status Variations in Stress Exposure: Implications for the Interpretation of Research on Race, Socioeconomic Status, and Gender." *Journal of Health and Social Behavior* 44 (4): 488–505.

Crossref

PubMed

Web of Science

Google Scholar

U.S. Government Accountability Office. 2007. "Advance Earned Income Tax Credit: Low Use and Small Dollars Paid Impede IRS's Efforts to Reduce High Noncompliance." No. GAO-07-1110, August. Accessed April 11, 2020. https://www.gao.gov/products/GAO-07-1110.

Google Scholar

Vallas Rebecca, Boteach Melissa, West Rachel. 2014. "Harnessing the EITC and Other Tax Credits to Promote Financial Stability and Economic Mobility." Accessed April 11, 2020. https://www.americanprogress.org/issues/poverty/reports/2014/10/07/98452/harnessing-the-eitc-and-other-tax-credits-to-promote-financial-stability-and-economic-mobility/.

Google Scholar

Wilson George, Mossakowski Krysia. 2009. "FEAR OF JOB LOSS: Racial/Ethnic Differences in Privileged Occupations." *Du Bois Review: Social Science Research on Race* 6 (2): 357–74.

Crossref

Google Scholar

Zelizer Viviana A. 1989. “The Social Meaning of Money: ‘Special Monies’.” *American Journal of Sociology* 95 (2): 342–77.

Crossref

Web of Science

Google Scholar

Zelizer Viviana A. 1996. “Payments and Social Ties.” *Sociological Forum* 11: 481–95.

Crossref

Web of Science

Google Scholar

Zelizer Viviana A. 1997. *The Social Meaning of Money: Pin Money, Paychecks, Poor Relief, and Other Currencies*. Princeton: Princeton University Press.

Google Scholar

# Biographies

**Andrew Greenlee** is an associate professor in the Department of Urban and Regional Planning at University of Illinois at Urbana–Champaign.
**Karen Kramer** is an assistant professor in the Department of Human and Community Development at University of Illinois at Urbana–Champaign.
**Flavia Andrade** is an associate professor in the School of Social Work at University of Illinois at Urbana–Champaign.
**Dylan Bellisle** is a doctoral candidate in the School of Social Service Administration at University of Chicago.
**Renee Blanks** is a Chicago Public School Teacher. She has a master’s degree in education from Florida A&M University.
**Ruby Mendenhall** is an associate professor in the Departments of Sociology, African American Studies, Urban and Regional Planning, and Social Work, and assistant dean for Diversity and Democratization of Health and Innovation at the Carle Illinois College of Medicine at University of Illinois at Urbana–Champaign.

You currently have no access to this content. Visit the access options page to authenticate.

View full text | Download PDF

## Also from Sage

### CQ Library

Elevating debate

### Sage Data

Uncovering insight

### Sage Business Cases

Shaping futures

### Sage Campus

Unleashing potential

### Sage Knowledge

Multimedia learning resources

### Sage Research Methods

Supercharging research

### Sage Video

Streaming knowledge

### Technology from Sage

Library digital services