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## About the Network

The EITC Funders Network brings together funders interested in the Earned Income Tax Credit, free- and low-cost tax preparation, and asset building. The Network seeks to increase awareness of EITC-related projects, foster collaboration, share information about the current status of EITC-related work, and help shape the future of the field.

### Visit our website at:

<http://www.eitcfunders.org>

## Resource Spotlight

Brookings Institution explores options for expanding the federal EITC. [http://www.brookings.edu/ports/2008/~//media/Files/rc/papers/2008/05\\_metro\\_raise\\_berube/metroraise\\_brief.pdf](http://www.brookings.edu/ports/2008/~//media/Files/rc/papers/2008/05_metro_raise_berube/metroraise_brief.pdf)

# eNewsletter Funders Network

Dear EITC Funders Network Members,

Recent data released by the U.S. Bureau of Census indicates that people across America are having a harder time making ends meet.

New Census data show:

- One-in-eight Americans—37.3 million people—lived in poverty in 2007.
- The poverty rate for Hispanics increased from 20.6 percent in 2006 to 21.5 percent in 2007.
- The poverty rate for children under 18 years old increased from 17.4 percent in 2006 to 18.0 percent in 2007.

Because so many working families are poor, the work that each of you do to help people secure the Earned Income Tax Credit (EITC) is more important than ever.

And, given the difficult economic times it is more important than ever that we share information about successful (and not so successful) funding strategies, emerging trends in the field, and new opportunities to ensure that the work you do is efficient and effective.

We hope that the EITC Funders Network can help you pursue excellence in grantmaking. We have many interesting and exciting opportunities to learn in the next few months (see *Upcoming Events* on page 2).

And, I encourage you to let me know the successes and challenges you would like to share with your colleagues. You can email me ([info@eitcfunders.org](mailto:info@eitcfunders.org)) or call me at 919-493-4393. I am always happy to talk, share ideas, and create linkages between you and funder or field resources.

Sincerely,

Ami Nagle  
Coordinator  
EITC Funders Network

PS. For more information on the new Census figures visit: <http://www.census.gov/prod/2008pubs/p60-235.pdf>

## Upcoming Events

**November 12, 2008**—Developments in Indian Country. A conference call sponsored by the EITC Funders Network, the Asset Funders Network, and the Microenterprise Funders Group

**December 2, 2008**—EITC Funders Network meeting in Washington, D.C.—This exciting program will offer 1) An opportunity to talk with IRS officials about reflections on opportunities and challenges in the field based on their recent grants to community-based organizations, and 2) A discussion with EITC experts about the proposals for EITC and Child Tax Credit expansion in the next administration.

**Please contact the EITC Funders Network for more information on these events**

**Email:  
info@eitcfunders.org**

## EITC Funder Spotlight: The Annie E. Casey Foundation



Mike Laracy, Coordinator for Public Policy

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### *Why does the Annie E. Casey Foundation support EITC-related work?*

There's a story that goes like this: Back in the 1930's the famous bank robber, Willie Sutton was asked "Why do you rob banks?" His response was simply, "Because that's where the money is." It's the same with EITC—if your goal is to get money into the hands of low income families, the EITC, and the Child Tax Credit are the best ways to go about it. I've been with the Casey Foundation for 14 years now, and one of the first grants I ever made was to the Center on Budget and Policy Priorities for an EITC outreach and tax preparation toolkit. Our EITC work has now grown into one of the largest components of the Foundation's portfolio.

### *What kind of EITC-related work does AECF support?*

Just about everything. We support federal policy work at places like the Tax Policy Center of the Brookings Institute and the Urban Institute. The Tax Policy Center does definitive, authoritative economic analysis of all tax proposals and policies. In addition to this tax policy work, we also support state-level analysis and advocacy through the States Fiscal Analysis Initiative, which has been pivotal in helping states enact new tax credits. As a result of the SFAI, in just the last year or so, four states, New Mexico, Louisiana, Washington, and North Carolina, have enacted new EITCs and at least 10 other states have expanded them. In addition, we support low-cost tax preparation and outreach across the board, and spend well over \$1 million a year helping expand access to tax credits for low-income families. The EITC is one of the best investments we make.

### *Why support EITC policy efforts at the national and state level?*

Here's an illustration why: In 2000, we saw that both presidential candidates, Bush and Gore, were promising big tax cuts (Bush \$1.5 trillion and Gore \$700 billion), but none of the money in either proposal would benefit low-income families. We brought together policy partners—the Brookings Institution, the Center on Budget

## EITC Funders Network Opportunities

### Help Shape the Future of the EITC Funders Network

In the next few weeks the EITC Funders Network will be sending you a survey to gather your reflections on:

- Perceptions of the EITC Funders Network activities
- Issues you would like the Network to discuss
- Opportunities and challenges in the field

This important survey will provide the EITC Funders Network with the kind of information necessary to ensure we are helping you connect to the information you are interested in.

& Policy Priorities, the Urban Institute and others—to explore what we could possibly propose that would help low-income families. My boss, Doug Nelson, proposed making Child Tax Credit partially refundable. The working group agreed, mobilized, did the necessary analysis, and advocacy, and, ultimately, the provision was included in the final bill that Bush signed. It put billions of dollars into the hands of low-income families and cost the Foundation about \$200,000. That's a huge return on our investment.

#### *Given the upcoming change in the Administration, what do you consider to be the opportunities for EITC?*

There's an exciting move to expand the EITC for childless workers. At present, the childless worker EITC benefit is only about \$380 annually. The idea here is that the EITC and the Child Tax Credit worked because they helped move women into the labor force. But if a single guy (or non-custodial parent) is out there trying to get a job and the best they can find pays \$10 an hour—an EITC of just \$380 is not much of an incentive. We just haven't done a good job of incentivizing work for workers without kids. We only really reward work for people with kids. If we increase, significantly, the EITC for the childless, we'll do for them what has been done for working parents with kids, and move them further toward the mainstream culture. Barack Obama Congressman Charlie Rangel, Hillary Clinton, and NYC Mayor Bloomberg are all supporting it. This could be one of the first things approved by the next Congress, and could mean billions of dollars for low-income workers. The other idea to focus on is reforming the Child Tax Credit, by decreasing the income threshold at which the credit is activated. In 2001, this threshold was set at \$10,000; you had to earn at least that much to get the CTC. Now, because of indexing for inflation, it's gone up significantly, to over \$12,000. So, it's no longer really helping the lowest-income workers. We need to bring this threshold number down and keep it there. I expect that would happen under either Obama or McCain.

#### *Are there any EITC issues that you've been struggling with that you'd be interested to hear your colleagues in the field address?*

I'd really like to know what folks think of the two ideas that are being considered: expanding the EITC for childless workers and lowering the threshold for the Child Tax Credit. I'd like to know the extent to which other funders agree with them and whether they'd like to engage in helping those reforms pass Congress.

## EITC Funders Network Opportunities (Continued)

### Join the Rural Networking Group

In December 2007, the EITC Funders Network hosted a conversation about challenges and opportunities in rural communities. A new paper which brings together information prepared in advance of the meeting and results of that conversation can be found at: [www.eitcfunders.org](http://www.eitcfunders.org).

This dynamic conversation brought together large national foundations and community foundations interested in the same goal: helping more rural families obtain economic security through the EITC.

We would like to continue this conversation by starting a Rural EITC Networking Group. This Networking Group—the first of its kind for the EITC Funders Network—would provide a “table” around which funders interested in rural economic opportunity issues could regularly share information and strategies.

If you are interested in joining the Rural EITC Networking Group, please email [info@eitcfunders.org](mailto:info@eitcfunders.org).

## Promoting the EITC and Educating Students— Historically Black College and Universities

There are currently 110 Historically Black Colleges and Universities (HBCUs) across the United States and US. Virgin Islands. Some of these institutions are expanding their role, taking on economic security for their students and community members directly by working to promote the Earned Income Tax Credit and free tax preparation.

In August 2008 the EITC Funders Network staff was invited to participate in a meeting of Historically Black Colleges and Universities (HBCU) engaged in EITC and free tax preparation. This meeting, sponsored by the Internal Revenue Service and the W.K. Kellogg Foundation, sought to bring HCBUs together to share information and strategies.

Typically the HBCUs engaged in free tax preparation and EITC outreach connect these efforts to the education of their students. In some institutions, accounting majors are required to learn how to prepare taxes and volunteer in free tax preparation efforts. These students receive class credit and valuable real-life experience. And, students and community members receive valuable free tax preparation services. For example:

- **Dillard University**—Staff and students at Dillard University have been preparing taxes for 13 years. Nearly 800 returns were filed last year.
- **St. Phillips College**—Staff and students at St. Phillips have been preparing taxes for the past 11 years. They organize 20 volunteers, and prepare 1,800 returns every year.
- **Miles College**—Staff and students at Miles College have prepared taxes for 15 years, organizing between 15 and 20 student volunteers. Last year they prepared 1,000 tax returns.

Some HBCUs also find EITC work to be a good way to link to partners working to improve their communities. As one participant said:

*“This is hard work. It takes a lot of time. But all the partners in the community come together—government, business, school, students—to make a difference. You can’t buy that.”*

The HBCU participants were excited by this first opportunity to share information and strategies, and hope to find additional ways to learn from each other and exchange information.

For more information on this meeting and the efforts of HBCUs, please contact Ami Nagle at [info@eitcfunders.org](mailto:info@eitcfunders.org).