

EITC eNewsletter Funders Network

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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.

The EITC Funders Network is generously supported by...

The Annie E. Casey Foundation

The W.K. Kellogg Foundation

A Note from the Coordinator

Dear EITC Funders Network Members,

According to the recently released 2011 KIDS COUNT report by the Annie E. Casey Foundation:

- Since 2001, the number of low-income children (children living in families with incomes of twice the official poverty level) climbed steadily from 27 million to 31 million in 2009, or 42 percent of children.
- The official child poverty rate, which is a conservative measure of economic hardship, reached 20 percent in 2009, essentially the same level as 1990.
- 31% of kids in the US live in a household where no parent works a full-time, year-round job.

(The KIDS COUNT report can be accessed at www.aecf.org)

It is during these difficult economic times that the national and state EITCs, and other tax credits for low-income families, are more important than ever. These valuable programs help put money back into the pockets of hard working, low-income families, enable them to pay bills, buy supplies, and save for the future.

The “off season” is a perfect time for grantees to be assessing the effectiveness of their programs, creating new partnerships, and ensuring that they are putting in place a successful EITC program.

The EITC Funders Network website (www.eitcfunders.org) has a number of resources available to you and your grantees:

- [Evaluation Resources Library](#)
- [Webinars](#) on key program topics and resources

We hope you find these tools helpful!

Sincerely,

Ami Nagle
Coordinator
EITC Funders Network

Below is our current line up of webinars for 2011. Please visit our website for more information.

- **Sept. 29, 2011**
Links Between EITC and Financial Services—what is the state of the field?
- **Fall 2011** (date TBD)
Links Between EITC and Asset-building—what is the state of the field?
- **Fall 2011** (date TBD)
What Happened to RALs? The back-story behind the research, mobilizing, and advocacy that brought down an industry
- **Fall 2011** (date TBD)
Results from the IRS Debit Card pilot

Have an idea for a webinar? Just drop us a note and make a suggestion!



Polk Bros. Foundation

www.polkbrosfdn.org

Deborah E. Bennett, Senior Program Officer

Why does the Polk Bros. Foundation support EITC-related work? Why do you find this a persuasive strategy? How does it fit into the Foundation's mission and goals?

The Polk Bros. Foundation seeks to improve the lives of people living in Chicago. We focus on reducing the impact of poverty on vulnerable populations, particularly families with children. The Foundation pursues this mission by partnering with non-profits to provide better access to education, preventive health care and human services including workforce development, financial literacy, wealth creation and community economic development among other strategies.

We believe that EITC and free tax preparation fit into a variety of strategies we pursue. It encourages work, including transitional jobs, because you have to work to access the credit. It can be an opportunity to boost financial literacy and wealth creation as families are counseled to better understand their finances, the impact of financial decisions and the best use of their tax refund. It can also improve economic development in struggling communities as people spend those dollars locally.

The main aspect of the appeal of free tax preparation and EITC work is that it lifts millions of low-income working families out of poverty by helping them claim what is due to them without paying exorbitant fees and subjecting them to predatory lending practices like Refund Anticipation Loans. Finally, this is also an equity issue. Higher-income families reap many benefits through the tax system. We need to make sure that low-income, working families access the tax credits that help them become financially stable.

What kind of EITC-related work does Polk Bros. Foundation support? What are some of the different strategies? Why these?

Chicago has been a leader in this movement for a long time. And, when I say Chicago, I mean all aspects of the community. The former Mayoral administration was a big promoter and the non-profit community has provided strong leadership. It is a citywide effort.

We began supporting free tax preparation and EITC outreach in 1995. Since then, the Foundation has committed more than \$700,000 to this work. Our grants have been targeted and consistent over time and have primarily supported two grantees that train volunteers –both community members and finance professionals – to offer these services.

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Farewell Irene Skricki — AECF Job Announcement

The EITC Funders Network wishes **Irene Skricki** a fond farewell as she leaves the Annie E. Casey Foundation and begins a new career at the Consumer Financial Protection Bureau. Irene was a founding member of the EITC Funders Network and her vision and leadership helped to shape the Network over the past seven years.

Best of luck in your new post, Irene!

AECF is currently hiring a Program Associate in Work Supports and Asset Building. Visit: <http://www.aecf.org/AboutUs/Careers/ProgrAsst.aspx?Method=>

Upcoming Webinar * Links Between EITC and Financial Services

Thursday, September 29th * 2:30—3:30 eastern

Second in a Three-Part Series

Overview of the Series: In 2011, the EITC Funders Network is hosting a three-part series examining links between EITC and other supports for low-income families. In June, we held a meeting in Chicago to explore links between EITC and public benefit programs.

On September 29th, we'll examine the links between EITC and financial services. Later this fall, we'll tackle part three — links between EITC and savings.

At Issue: Millions of Americans are unbanked or underbanked. Many more don't understand budgeting, financial planning, and credit reports. Are there ways to maximize connections built with low-income families during tax time to help them improve their financial health?

Please join the EITC Funders Network and national and local program leaders in a webinar to explore connections between EITC and financial services.

Webinar Speakers:

- Wynne Lum, Global Corporate Social Responsibility, Bank of America
- Carol Heller, Senior Vice President, Community Relations Manager, Bank of America
- Donna Taglianette, Executive Director, Co-Opportunity, Inc.
- Jessica Ho, Manger, Nashville Alliance for Financial Independence

To **RSVP**, please email: info@eitcfunders.org

Financial Services Resources

There are many interesting resources to help your grantees learn about and develop financial service materials and programs. Here are a few:

- **Office of the Controller of Currency** developed a brief overview on EITC, banking services, and making connections to financial services (<http://www.occ.gov/static/community-affairs/fact-sheets/leveraging-earned-income-tax-credits-fs.pdf>)
- **Asset Platform** (www.assetplatform.org) provides many financial services resources, including two new budgeting tools for youth and families. Family Mint is a budgeting tool for kid ages 5-16; MyJibe is a budgeting tool for adults seeking to improve family finances with the “envelopes” system.
- **MoneyUp**, a partnership between The Financial Clinic and United Way of NYC just released the evaluation of its financial coaching services, finding that clients receiving financial coaching do exhibit good financial behaviors that create financial security. Read the report here: <http://www.thefinancialclinic.org/researchandpolicy/moneyup-reports>

Deborah Bennett, *continued from page 2*)

We've seen a real impact here. The average tax return for these families is \$1,900. This is significant and presents a major opportunity. It could be the largest one-time cash infusion a family sees in a year. We have an opportunity to help them use these funds as an impetus to think about their financial future. Our grantees partner with banks that help unbanked families open checking accounts or, better yet, savings accounts. According to a recent study, having a bank account can help low-income families save \$40,000 in check-cashing fees over the course of their working lives! Our grantees offer their services at high schools and community colleges and help students complete the federal form required to access financial aid for post-secondary education, which requires tax return information and can be complicated. These kinds of partnerships have added value to this work.

Are there any EITC issues that you've been struggling with that you'd be interested to hear your colleagues and/or the field address?

We've been having conversations with our grantees about how to maximize the relationships made with families at tax time, which is one point in the financial life of a family. How can we help them become more financially stable year-round? What would year-round programming look like? What would be offered? Financial literacy is more important than ever as credit scores are being used for purposes for which they were never intended like renting an apartment or getting a job. People need to understand credit scores and the impact of their decisions on their score. We'd also like to explore helping families access public benefits to which they are entitled but are not receiving. Experience indicates that it is hard to screen for public benefits at tax time—what are other options?

I guess the big question is, “Will EITC survive in the current political climate?” All of us who care about low-income working families, including the families themselves, need to make sure that it does.

Map Your Community

Sometimes a picture is really worth a thousand words!

“Map Your Community” is a mapping interface developed by PolicyMap and provided by the Federal Reserve Bank of Philadelphia that allows users to easily create custom maps for your community. These custom maps provide a snapshot of current and historical economic and demographic conditions and can be used to conduct data analysis for community development activities. Information is available for many socioeconomic variables, including, but not limited to, poverty levels, census tract income levels, post office vacancies, and educational attainment.

Please visit: <http://www.philadelphiafed.org/community-development/map-your-community> or www.policymap.com for more information!