

EITC eNewsletter Funders Network

Issue 9 | December 2010

IN THIS ISSUE

- EITC Funder Spotlight
- Upcoming Events
- Webinars
- New Resources

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

C.S. Mott Foundation

A Note from the Coordinator

Dear EITC Funders Network Members,

It is that time of year once again.

Grantee partners are starting to gear up for the tax-filing season—the time when the vast majority of low-income working families receive the EITC and other tax credits.

While this may seem like the same old program set up and implementation, the field has been changing, developing, and improving. Here are a few developments that the EITC Funders Network has been watching:

- **Refund Splitting:** One of the most important new developments is the ability of tax-preparation sites across the nation to help families to “split” their tax refund—take part of it home as a refund and put part of it instantly into a savings bond. Further, taxpayers are now allowed not only to purchase a U.S. Savings Bond for themselves, but can purchase one for someone else—a child, grandchild, etc. This is an important development in the efforts to more closely link EITC and financial stability. For more information please visit: http://www.d2dfund.org/our_work/building_savings/savings_bonds/savings_bond_overview
- **Improving Quality:** The EITC Platform is an on-line resource for free tax preparation sites with lots of information and resources about how to manage a free tax preparation site, establish quality protocols, monitor client satisfaction and service delivery, and link EITC and tax preparation to asset building. In addition, the site offers free training modules. Please visit: www.eitcplatform.org

These are just two of the field-wide resources that are helping to ensure that EITC-related programs are doing more than just the same old programs and services—but helping these grantee partners to expand and improve.

Happy Holidays!

Sincerely,

Ami Nagle
Coordinator
EITC Funders Network

Visit our website at:
www.eitcfunders.org

Congress Debates Extending Tax Credits for Families

As you may know, right now Congress is debating whether to extend expansions to the EITC, CTC, and other tax credits for working families. Check the EITC Funders Network website for updates on this debate.

Upcoming Events

December 14, 2010
3:00—4:00 ET
Evaluation Webinar
The EITC Funders Network will host a conversation about evaluating EITC-related efforts.

Register today!
www.tinyurl.com/2vt9puv

SAVE THE DATE
On **Sunday, June 5 2011**, the EITC Funders Network will hold a meeting in Chicago.

The EITC Funders Network will meet in conjunction with the National Community Tax Coalition's field meeting, being held in Chicago June 6-8, 2011.

Check back soon for more information on the meeting and registration instructions.



Arizona Community Foundation

www.azfoundation.org

Tony Banegas, Program Officer

Why does the Arizona Community Foundation (ACF) support EITC-related work? Why do you find this a persuasive strategy? How does it fit into the Foundation's mission and goals?

ACF began its EITC related work in 2003 by utilizing a field of interest fund established to support the work of Catholic Charities. It was called, Campaign for Working Families; it is now being renamed as Arizona Family Economic Success. At that time, besides providing funds to support the VITA sites, ACF made a five year commitment of \$300,000 for Catholic Community Services (CCS) to start Individual Development Accounts (IDAs). However, this Fund has enabled ACF to leverage additional monies, including federal funding to establish IDA accounts, and funding from the Annie E. Casey Foundation, Financial Institutions and the U.S. Mexico Border Philanthropy Partnership. To date, ACF has invested close to one million dollars and has leveraged over \$800,000.

Being able to leverage the field of interest fund has really helped the program grow and develop. Also, the initial timing was right—in 2003 Janet Napolitano (the former Governor of Arizona) began an EITC Taskforce. This helped connect us to other partners, especially those in the border regions, and generate some momentum. We have now allocated close to one million dollars of funding to EITC and asset building strategies, and since 2003, we have helped return \$8,752,727 in EITC and \$16,292,000 in total refunds to communities across the state.

What kind of EITC-related work does ACF support? What are some of the different strategies? Why these?

Over the years our role has changed. Initially our grants were focused on VITA outreach, but increasingly we saw that families really needed help with the asset-building side. Now a large part of our work is focused on connecting families to asset-building opportunities and supports. We have also become a statewide advocate and connector, and have worked with our 10 community foundation affiliates to help trigger and leverage funding that way. We've also played a role in helping connect organizations engaged in EITC and asset building. This has been especially important in rural communities where we often find ourselves cast in the role of neutral convener.

(Continued on page 4)

New Resources for Funders

Webinar Resources

Did you know that the EITC Funders Network has a library of webinars the Network has hosted over the past few years?

Recent webinars include:

- **Low-Income Families in America**
- **The Impact of Federal and State Tax Policy Changes on Low-Income People**
- **Using Tax Time to Improve Savings**
- **Working with Colleges and Universities**

Visit our Funders' Library webpage to view these webinars on-line and explore other resources:

www.eitcfunders.org/library.html

In October and November 2010, the EITC Funders Network hosted two webinars that offered resources for funders.

Want to better understand how taxes impact low-income families? Check out the **Institute on Taxation and Economic Policy** — www.itepnet.org. Some resources of special interest include :

- **“Who Pays”** — an examination of who carries the burden of paying state and local taxes in each of the 50 states. (http://www.itepnet.org/state_reports/whopays.php)
- **Microsimulation Model**—are tax changes being proposed in your state or locality? ITEP has created a computer model that can tell you the impact of those changes on low-income families.

Want to find a profile of low-income EITC eligible families? Check out the **Brookings Institution** website:—www.brookings.edu. Some resources of special interest include:

- **Earned Income Tax Credit Series**—here you will find a number of research papers that examine low-income households and EITC receipt. (<http://www.brookings.edu/metro/EITC/EITC-Homepage.aspx>)
- **Profiles of EITC-eligible families** — here you will find state and some local information on EITC-eligible families. (<http://www.brookings.edu/metro/EITC/EITC-Profiles.aspx>)
- **EITC Receipt**—here you will find an interactive data tool that provides information on EITC receipt (and other useful information including RAL usage), in states, legislative districts, and down to the zip code level. (http://www.brookings.edu/metro/EITC/eitc_legislativedistricts.aspx)

Set the Agenda

**The EITC Funders Network is
looking for your good ideas!**

We are starting to plan the 2011 webinar and eNewsletter agendas. Do you have a question you'd like answered, issue you'd like explored, or a program or strategy you'd like profiled? Please drop us an email: info@eitcfunders.org

Tony Banegas, continued from page 2)

Finally, we have a capacity building role—we help facilitate the sharing of best practices and provide training across the state. In June 2009 we trained 54 members of the EITC coalition in the Annie E. Casey Foundation’s Rural Family Economic Success framework—Earn it! Keep it! Grow it! The goal of this training was to increase organizational capacity of the participating organizations and to establish a common framework for the work of agencies across Arizona. We also have a long history of partnering with the U.S. Mexico Border Philanthropy Partnership and are currently helping organizations as they work to develop evaluation tools to measure program impact.

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

We have now been doing this for close to seven years, and the work has grown over time. Our programming no longer looks the same as it did in 2003. Right now is a good time to take stock. To think about the long-term plan. A part of that is how do we start evaluating the impact of our work. This needs to happen on two levels. The first is in evaluating the work of the organizations we support, especially in the realm of asset building. The second is in how we then take those results and use them to assess the impact of our cumulative investments. It’s tricky, but important. Second, but equally important, is the way we interact with public policy. How can we use policy to further public supports and how can we advocate for public policy advances?

To that end, we partnered with Success Measures in 2009 on their Success Measures Asset Indicator Framework project. They, in collaboration with Center for Economic Development spearheaded a collaborative field building initiative to examine existing indicators and tools and produce a new set of data collection tools to measure the impact and effectiveness of an array of asset building and preservation programs. ACF sponsored two of our Grantees—one from the border and one from South Tucson. The former was also part of a 20 select number of grantees from across the country to participate in the pilot project. They presented their findings at the CFED conference in Washington, DC in September 2010. We hope to use their findings with other grantee members of our Arizona Family Economic Success Initiative.

Also, the former Governor EITC Task force started by then Governor Napolitano has now been renamed the Arizona Asset Alliance and it includes individuals and nonprofits from across the state interested in asset development. In time, we hope this Alliance will become the hub for asset development related activities in the great state of Arizona.

New Web Resource

The **Tax Credits for Working Families** website has been launched. This web resource has information on state policy and news on the EITC, Child Tax Credit, Child and Dependent Care Tax Credit and the Property Tax Circuit Breaker.

www.taxcreditsforworkingfamilies.org