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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 Network is generously funded by:*

*The Annie E. Casey Foundation  
The W.K. Kellogg Foundation  
The Piton Foundation*

## A Note From the Coordinator

Dear EITC Funders Network,

A record number of states have advanced EITC legislation this year. Massachusetts, New Jersey, and Rhode Island increased their state EITCs to a higher percentage of the federal credit. Maine made its EITC refundable. And California created its own state EITC. Yes, lawmakers in Michigan are still debating the fate of the state's EITC, but overall, this legislative session has been witness to unprecedented policy gains in the states.

Here at the EITC Funders Network, we are looking forward to keeping you informed on the momentum in the states as well as the emerging research that firmly establishes the EITC as one of the most effective anti-poverty tools we have. In fact, we hope you can join us in November at a special panel discussion at the GCYF annual convening on the two generation approach to poverty reduction and the role of the EITC. More details and a link to register for the conference are included in this newsletter.

Sincerely,  
Ami Nagle, Coordinator, EITC Funders Network

**Check out our news updates and webinars!**  
Interested in policy implications for the EITC and Child Tax Credit? Want to learn about new research illustrating the impact of the EITC and other tax credits on the lives (and budgets) of working families?

Check out our [events page!](#)

# Interview with a Funder



**Lucy Crane,**  
Community Impact Director  
United Way of Greater Cincinnati



**Rina Saperstein,**  
Tax Program Coordinator  
United Way of Greater Cincinnati

## News from the Field

### An Update on the Taxpayer Opportunity Network (TON)

In early 2014, the National Community Tax Coalition was no longer a resource for the field. A few months later, with guidance from the field and charitable foundations, the Corporation for Enterprise Development (CFED) took up the mantle as the central support organization for free tax and financial service providers through the [Taxpayer Opportunity Network \(TON\)](#).

The EITC Funders' Network hosted a [webinar](#) with CFED staff on the birth of TON last February, and we recently caught up with CFED staff to discuss TON's goals for and beyond the 2015 tax season.

As a new project, TON is continuing to gather input from network members and other stakeholders. The Network's [website](#) boasts an impressive array of resources—In addition to the ongoing *Tax Prep Dispatch* newsletter and IRS updates, TON offers an online learning community and advocacy center. Additional goals for the Network include exploring ways to foster peer learning, looking at revenue generating strategies for programs, and establishing a permanent leadership structure.

(Continued on page 4)

### Why does United Way of Greater Cincinnati support EITC-related work?

United Way of Greater Cincinnati focuses on bold goals for income, education and health. There's a clear link between the Earned Income Tax Credit (EITC) and our mission to build financial stability for individuals and families across the region. The EITC is our nation's largest anti-poverty tool. It reduces the tax burden on low-wage workers, supplements wages, reduces income inequality and helps families build assets. It even influences long-term outcomes for children in families receiving the credit. The Regional Volunteer Tax Assistance Collaborative is a tremendous way to help families struggling to make ends meet. Thousands of local families and individuals are more financially sound, thanks to this EITC initiative.

### Tell us about your EITC-related work. What kinds of efforts are you focusing on?

United Way of Cincinnati takes a multi-strategy approach to improving financial stability for individuals and families across the 10-county, tri-state region (Ohio, North Kentucky, and Southeast Indiana). We invest in programs, initiatives and community change efforts, but we also run our own initiatives.

Our program work includes ensuring access to the EITC and other credits through free tax preparation services. We work closely with the AARP, Ohio Benefit Bank, and IRS Volunteer Income Tax Assistance program (VITA) through the Regional Volunteer Tax Assistance Collaborative, providing prep services and EITC outreach. We coordinate the coalition efforts, provide volunteer training and marketing for volunteers and tax filers, and we directly fund paid tax site coordinators in key areas. We are especially proud of our work to engage corporate groups as tax volunteers. This work has grown steadily since 2008; in 2015, \$23.7 million in tax refunds were returned to local families.

We know that we will never have enough volunteers to meet all the need for tax services, so we are working with the Walmart Foundation and United Way Worldwide to promote a free online program that helps people file their own taxes. We are looking at a number of transitional steps to help people learn to file for themselves including offering tax labs staffed by a certified volunteer, as well as coaching self-file workshops for groups who are newly entering the workforce.

We also focus on financial empowerment in part through support of four Financial Opportunity Centers (FOCs), based on best practices from the Annie E. Casey Foundation's Centers for Working Families. FOCs help families stabilize their finances and build assets through financial education and coaching, access to benefits, and job skills training. Each of the Centers also includes a VITA or facilitated self-file site.

## Outreach & Tax Preparation

### The Cost of Underfunding VITA programs

Volunteer tax assistance programs have grown by 280% since 2003, generating approximately \$3.9 billion in refunds during the last tax year alone. Despite this increase in use and need, the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs have suffered from decreased public and private support. In 2014, 3.6 million individuals made use of VITA and TCE, but the IRS estimates that with adequate funding, the programs could serve up to 19 million. The Corporation for Enterprise Development (CFED) has published a Federal Policy Brief advocating for increased funding for volunteer tax preparation programs, including \$18 million for VITA and \$7 million for TCE. Read more [here](#).

## Policy

### What Marriage Equality Means for Tax Credit Eligibility

Same-sex married couples can now file jointly in all 50 states. What does this mean for tax credit eligibility? Some married couples will be eligible for a larger EITC benefit, yet others could see a decrease because of “marriage penalties” that exist when the combined tax liability is greater than the sum of individual tax liabilities calculated as separate filings. This blog post by Tax Credits for Working Families explores the issues [here](#). The Center for American Progress (CAP) [outlines policy proposals](#) that would expand the reach of tax credits to more LGBT couples and help reduce poverty rates among LGBT communities.

## EITC

## Benefits Access

### Looking to Clients for Recommendations on Child Care Subsidy Program Improvements

Child care subsidies have the dual goal of helping low-income parents maintain stable employment and contributing to children’s positive development. Who better to comment on the effectiveness of subsidies in meeting these goals than working parents participating in the subsidy programs. The Urban Institute recently [published its findings](#) from a four-year, mixed method study of 85 new entrants to child care subsidy programs in Illinois and New York. Recommendations for program improvement related to four major areas: more flexible eligibility requirements; more efficient processing; better communication; and increasing the quality and supply of providers.

## Financial Empowerment

### Planning Guide for Financial Capability Integration

The Administration for Children and Families at the U.S. Department of Health and Human Services has partnered with CFED to release [a guide](#) for social service organizations and non-profits to integrative financial capability services into their existing work. The Guide breaks down the integration process step by step, providing concrete tools for organizations to provide clients with the skills, knowledge, and access to financial products to manage their financial wellbeing. Read more about the guide [here](#) or watch [a webinar](#) hosted by the Guide’s authors.



## *Interview with a Funder* (continued from page 2)

### **What are some of your other strategies?**

United Way of Cincinnati believes we have an important leadership role in working with business, community leaders and policymakers to help them understand how our entire community can benefit from key strategies to promote education, income and health. We work to directly inform public policy decisions, and we fund non-partisan advocacy organizations to pursue key policies at local, state and national levels. Traditionally, the organization's advocacy has focused on state level early care and education. Building on a long history of working closely with coalition allies, we are also helping to build support for the renewal of the federal EITC and CTC and ensuring that the VITA grant program is made permanent. On the state level, there is work to be done to make Ohio's state EITC refundable and to build support for a state-level EITC in Kentucky.

### **How has your EITC-related work evolved over the last few years?**

United Way is seeking better integration between its goals of income, education and health, and this applies to our EITC work as well. We work with community partners to coordinate tax prep with Affordable Care Act (ACA) enrollment and outreach efforts. Our volunteers are trained on ACA requirements; last year we invited Navigators to some of the busier sites. Tax preparation is required for successful financial aid application (FAFSA) completion, so we have worked with community colleges in the past on this issue. This fall we are piloting partnerships with local high schools to improve college readiness by integrating free tax preparation with FAFSA completion services. We are excited to see how this model evolves.

In addition, we are bringing our EITC work into a two-generation framework. For the next two years we are undertaking a demonstration project funded by the Kellogg Foundation to address financial stability of mothers with children under age eight. We hope to help the moms get training and a job that pays a livable wage, to improve family financial capability, and to help children succeed in school. Then we will look at the impacts on outcomes for kids and their moms.

### **What topic or issue would you be interested to talk with your funder-colleagues about?**

We are always interested in learning best practices and strategies from our colleagues in other parts of the country. What tools can we share? Who are the helpful partners in your collaboratives? How do you integrate EITC work with a deeper level of financial stability services for the families you serve?



\$23.7 million in tax refunds presented to the community in 2015. Rina Saperstein, Tax Program Coordinator, on the left; Lucy Crane, Community Impact Director, on the far right.



## **Join us at GCYF's Annual Convening**

The EITC Funders Network is in the process of planning a panel discussion on two-generation poverty reduction through the EITC in conjunction with GCYF's annual meeting in November in Washington DC. [Click here](#) to learn about the conference and panel — co-hosted by GCYF, GIST, and the EITC Funders Network — and consider joining us.