

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

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The Piton Foundation

A Note from the Coordinator

Dear EITC Funders Network Members,

If you are reading the newspaper, listening to the radio, or watching TV, there are two words you are hearing more than any others: **Fiscal Cliff**

While President Obama's and Congress's debates about how best to solve our nation's fiscal problems may feel like a conversation that is way off in Washington DC, the solutions they are discussing will most certainly hit close to home. Current conversations include:

- ◆ Debate over whether to continue the EITC expansions implemented in recent years;
- ◆ Reduction or elimination of the Child Tax Credit; and
- ◆ Discussion of reducing other support for low-income families, including SNAP (formerly, Food Stamps), housing assistance, child care assistance, etc.

As you know, these policies and programs have real impacts on America's working poor families.

In lots of ways, our country is at a cross-roads— do we address our fiscal problems through drastic cuts? Do we address our fiscal problems through raising revenue and altering the debt limit? Do we find a path to fiscal stability that includes ensuring that working poor families have the supports and opportunities they need to care for the families today and build assets for tomorrow?

These are clearly a set of conversations that are important to all of us and the families we serve. Stay tuned to the conversation!

Have a wonderful Holiday Season and I look forward to working together in 2013!

Sincerely,

Ami Nagle
Coordinator
EITC Funders Network

What We're Reading:

"The Poor in America: In Need of Help." *The Economist*. Nov. 10, 2012. Read it [here!](#)

Upcoming Webinar

December 5, 1pm ET
Messaging Matters: EITC Polling Results
 Changing the way we talk about EITC to families and community leaders

Register by clicking [here!](#)

Past Webinars

Webinars from 2012 and 2011 have been re-posted in a new format for easier viewing!

Check out the [Network's website](#) to:

- ◆ Re-watch old favorites
- ◆ Share with colleagues
- ◆ Catch up on webinars you might have missed, like:

When the Economy Goes Down, Does EITC Receipt Go Up?
 The Impact of the Recession on EITC with Elizabeth Kneebone, Brookings Institution (October 3rd, 2012).

Interview with a Researcher



Maeve Ward

Partner

Hart Research Associates

Why was conducting EITC message testing important? What questions were you trying to address?

At the request of the Communications Collaborative, Hart Research conducted this study to learn how the EITC fits into voters' thinking about current budget debates and to assess the efficacy of current messaging. We had a sense that past messages were falling flat. What used to work well in terms of explaining the importance of the EITC policy just isn't working in today's political climate. The goal was to identify which components of the message we should maintain and which need updating.

What were the key findings?

Several findings emerged from our research. One observation is that the EITC is not at the forefront of voters' minds. Nearly half of respondents have neutral feelings or say they do not know enough about the EITC to have an opinion. However, after receiving a short description of the EITC, support increases from 41% to 46%, disfavor also increases from 11% to 31% and uncertainty remains at 23%.

Another key finding is that most respondents think it is unacceptable that 47% of Americans do not pay federal income taxes, but identifying the recipients can change voters' minds. When recipients are defined as seniors, students, military families, and disabled adults, 63% of voters believe it is okay. A majority of voters think that families earning less than \$30,000 should pay some federal income tax, but a much larger majority opposes raising taxes on these families. However, 50% of voters do not believe the EITC should be refundable.

A third key finding is that messaging moves voters toward favoring the EITC. After exposure to new messaging, 60% of voters feel favorable toward the EITC and 20% feel unfavorable. However certain messaging strategies are more effective than others. We found that talking about the EITC as a bi-partisan policy, former President Reagan's policy initiative, or one that benefits the local economy is not effective. However, emphasizing that recipients are working families, who pay other taxes, and identifying recipients, particularly military personnel, are very effective ways to oppose a proposal to reduce the EITC.

How can organizations use these findings to improve their work?

These findings provide concrete ways for organizations working to promote and/or protect the EITC to increase the effectiveness of their communications and messaging. Follow these simple Do's and Don'ts:

DO'S:

- ⇒ Frame reductions or elimination of the EITC as a tax increase on working

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Celebrate EITC Awareness Day!

January 25th

EITC Awareness day is January 25th! Mark your calendars and grab your mega-phones to join the nation-wide effort to spread the word about the EITC. Across the U.S., Charitable and social organizations, elected officials, state and local government agencies, employers and other interested parties will join forces on this one day to encourage potentially-eligible taxpayers to file a Federal tax return and claim EITC by flooding mainstream and social media.

Need ideas for ways to participate? Issue a news release, send letters to the editor of your local paper, appear on radio talk programs or a local news channel, conduct news interviews, tweet, blog, and more.

Check out the IRS' EITC website for more tools and resources to celebrate EITC Awareness Day. <http://www.eitc.irs.gov/ptoolkit/awarenessday/>

A Look at NCTC's Tax-preparation Donation Model

With funding from the Ford Foundation, National Community Tax Coalition launched a pilot project to explore the efficacy of taking donations to support tax preparation efforts (tested in Chicago, Iowa and Montana for the 2012 tax season.) Essentially the model asked for a donation—by text, cash or check—to the organization after the tax return has been prepared. To comply with IRS policy, the request cannot imply that people have to pay for their return.

The pilot received donations but not enough to break-even, due to the high cost and low return of the texting option. Interestingly, site staff and volunteers appeared to be more uncomfortable with the model than taxpayers, who were not dissatisfied with being asked.

NCTC is optimistic that the model could have future net gains. Key lessons learned were giving every taxpayer the opportunity to contribute (don't target your asks), training all staff members and letting them practice the scripted ask, designating a site lead, having materials readily available, and only using the texting donation option of the infrastructure is already in place.

For more information, check out the full report [here!](#)

2012 EITC Funders Network Survey Results

The 2012 EITC Membership Survey results are in! Your feedback was overall very positive. Of our 296 person membership, 132 of you participated in an in-person meeting or conference call in the past two years. Of this "active" membership, we had a survey evaluation response rate of 20%. Key findings include:

- ◆ Most members fund EITC outreach (76%) and free tax preparation (67%).
- ◆ Most members provide support at the local or state-level (90%).
- ◆ Respondents were most satisfied with the conference calls and webinars and noted that the most valuable aspects of the EITC Funders Network services were updates on current events and policies, sharing best practices and information across sectors.

In suggestions for moving forward:

- ◆ Two-thirds of respondents said the EITC Funders Network should broaden its content to address issues related to other tax credits, like the Child Tax Credit.
- ◆ Other identified content areas to focus on included links between EITC and other supports for low-wage workers, national and state policy developments, and asset building.
- ◆ The biggest challenge for moving forward, as emphasized by respondents, is the concern for sustainability of current programs, like free tax preparation sites.

Thank you again to all who completed the survey and to all of you; your participation is what makes the EITC Funders Network a success! Complete results are posted on the EITC website or you can click [here!](#)

Maeve Ward, continued from page 2)

- families.
- ⇒ Give examples of families affected by a reduction to the EITC, particularly military families and single working mothers supporting two children.
 - ⇒ Describe the EITC as tied to work and a way to transition people from public assistance to work.
 - ⇒ Emphasize that recipients are working and paying other taxes, including payroll, Social Security, state and local taxes.
 - ⇒ Highlight that the EITC is mostly used as a temporary support for families.
 - ⇒ Describe the EITC as a successful anti-poverty program for families with children.
 - ⇒ Defend refundability by repeating that eligible recipients are working and pay other taxes.
 - ⇒ Define the 47% as working families, seniors, students, people with permanent disabilities, and military servicemen and women.

DON'TS

- * Let opponents define the EITC as a tax loophole.
- * Let opponents define the EITC as a government handout.
- * Emphasize the EITCs bipartisan origins.
- * Focus on teachers' assistants, home health aides or firefighters as recipients; these are often considered good, middle-class jobs.
- * Emphasize that recipients pay income taxes in other years. They pay other taxes now.
- * Claim EITC benefits to the local economy. Voters do not believe it.
- * Describe how recipients spend the credit.
- * Defend refundability by saying it helps the poorest recipients.

What new questions or concerns do these findings raise?

The research identified a significant vulnerability for proponents of the EITC: half of voters favor ending refundability even though a plurality of voters supports the EITC. This may be considered to be a compromise by voters. While we have identified messages that emphasize that these families are working and paying other taxes are more effective than messages that emphasize that this would affect the country's lowest earners, who would no longer receive any benefit. However, additional strategies to protect the EITC refunds should be investigated.

The fact that current industry standards regarding messaging (i.e. bipartisan, money into the local economy, profiling teacher's assistants and firefighters, etc.) have become much less effective highlights the need to continue to periodically review our messaging within the social and political landscape. Along with providing concrete ways to improve the effectiveness of our communications, this research has shown how important it is to continue testing and adapting the messages we use.

Save The Date * Mark Your Calendar
EITC Funders Network Meeting in New Orleans!
September 11, 2013

The 2012 National Community Tax Coalition (NCTC) National Conference will be held in New Orleans, LA from September 11-13, 2013