

Evaluating EITC-Related Programs: Five Case Studies

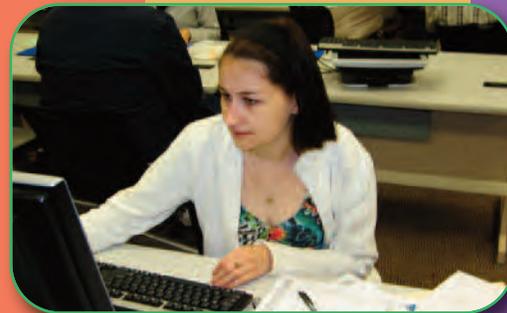


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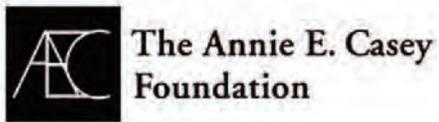
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About the EITC Funders Network

Founded in 2004, 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 work of the EITC Funders Network is guided by a Steering Committee comprised of Irene Skricki of the Annie E. Casey Foundation, Paula Sammons of the W.K. Kellogg Foundation, Benita Melton of the C. S. Mott Foundation, Diane DiGiacomo of the Piton Foundation, Angela Carr-Klisch of the Central Indiana Community Foundation, and Steven Lee of the Robin Hood Foundation.

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Introduction

Evaluation is no easy task. Grantees often resist it. Funders are not always sure what to ask for.

To help EITC Funders Network members learn about the range of evaluations the field is undertaking, the EITC Funders Network has prepared five case studies—examining efforts in Harford, CT, Michigan, Minnesota, San Antonio, TX, and Seattle, WA.

What do we mean by “Evaluation”? Evaluation is a broad term that means a lot of things to different people. For this effort, the EITC Funders Network has taken a somewhat broad look at evaluation. Here we include:

information that funders and program providers collect to help them understand the impact of the investment, the effectiveness of the program or strategy, and/or the impact on target communities.

What information do the case studies contain?

These case studies focus on several key questions:

- Why undertake evaluation?
- What was the evaluation methodology?
- What were the success factors?
- What were the challenges?
- What has changed as a result of the evaluation work?

While the cases study examples provide some information on the outcomes of each evaluation, that is not the primary purpose. Rather, the narrative focuses on the *process* of evaluation. We hope that this will enable the reader to look beyond the specifics of the program and its evaluation and identify core project components and learnings that can be applied to their own work.

How were the case study sites selected?

The EITC Funders Network asked you—members of the Network—as well as field partners to recommend non-profit organizations that had in the past or are currently undertaking evaluation. From the recommended sites, EITC Funders Network staff selected the following five case study examples based on geographic representation and a mix of kinds of evaluation approaches. Here is a quick overview of each of the five case study sites:

- **Hartford** – an organization hosting a centralized EITC outreach and free-tax preparation effort evaluates service delivery annually and over time.

- **Michigan** – a statewide EITC outreach and free-tax preparation coalition evaluates the dispersed efforts of coalition members.
- **Minnesota** – an organization undertaking EITC outreach and free-tax preparation gathers information about program operations and effectiveness and has plans for impact evaluation.
- **San Antonio** – a public/private partnership examines the impact of EITC benefits on the economy of San Antonio.
- **Seattle** – an organization undertaking EITC outreach and free-tax preparation gathers information regarding program participation and ability to reach target audiences.

Do you have advice for funders?

Yes! Each case study contains some advice for funders interested in supporting evaluation based on the experience of the case study site. In addition, the EITC Funders Network provides some summary thoughts in our conclusion section.

Where do I find evaluation tools?

The EITC Funders Network “Evaluation Tools” webpage contains sample evaluation tools used by EITC Funders Network members and their grantee partners. (www.eitcfunders.org)

Acknowledgements

The EITC Funders Network would like to thank the members of the Network who provided information on their evaluation strategies and tools. We would like to thank Steve Holt, of Holt Solutions and Jacky Lynn Coleman of the National Community Tax Coalition who provided insights on evaluation in the EITC and free-tax preparation field. And, we would like to thank the staff of organizations profiled in the case studies, including Donna Taglianetti of Co-Opportunity, Bob Gillett and Christine Robison of Michigan Poverty Law Program, Tracy Fischman of AccountAbility Minnesota, Richard Keith and John Scarfo of Department of Community Initiatives, San Antonio, Anna Weaver of United Way of San Antonio and Bexar County, and Courtney Noble of United Way of King County.

Authors

This report was produced by Ami Nagle and Abigail Sylvester of the EITC Funders Network.

Continuous Improvement

Co-Opportunity, Inc in Hartford, CT

Co-Opportunity is a nonprofit organization that leads housing and community economic development initiatives in the Hartford, Connecticut area. They are the leader of the Hartford Asset Building Collaborative (HABC), founded in 2000. HABC runs the citywide VITA and EITC campaign with the support of Hartford Mayor Eddie A. Perez and in partnership with community-based organizations, financial institutions and private funders. Co-Opportunity also focuses on other asset building activities, such as Individual Development Accounts (IDA), Free Application for Federal Student Aid (FAFSA) preparation, and assisting individuals with opening savings accounts and offering financial literacy training.

The 2009 tax campaign prepared more than 5,300 tax returns resulting in almost \$12 million in refunds and credits. In 2005, HABC only served 957 taxpayers, generating \$5.8 million in refunds and credits. About 40% of the filers in 2009 claimed EITC. HABC estimates that the free tax preparation services saved clients almost \$940,000 in 2009.¹

We spoke to Co-Opportunity Executive Director, Donna Taglianetti, to learn more about the work of HABC, the exciting growth the VITA campaign has experienced in recent years and the role evaluation has played in HABC's continuous improvement and expansion. Serving more than six years as the Executive Director of Co-Opportunity with over 25 years of experience in the Hartford nonprofit sector, Taglianetti had many insights into the advantages and challenges going from basic data collection to thoughtful evaluation and analysis of programs and operations.

We chose to highlight the evaluation work of HABC and Co-Opportunity because they have conducted evaluations on an annual basis for over five years, during rapid growth, and they use the information to guide management and operational decisions. HABC uses a very centralized model, with Co-Opportunity doing the fundraising, marketing, volunteer training

and planning and partners running the VITA sites. We also wanted to feature EITC work that serves an urban and diverse population in the northeast.



Why conduct evaluation?

Taglianetti understands that in order to improve programs and better serve clients, you need to understand how sites are operating, the level of service quality, the role of volunteers and the factors that influence client decisions to save and build their asset base. Year-end numbers are not enough to reveal the underlying drivers and obstacles clients face in building assets. While HABC had basic data systems in place, Co-Opportunity wanted to probe deeper to answer the “so what” question of EITC work.

This desire was shared by a community foundation partner who told Taglianetti that their investment in the project was one of the most important investments they made, but that one day they would ask Co-Opportunity “so what?”

According to Taglianetti, “that ‘so what’ question has always haunted me. What happens to people once they get the money? We didn’t start doing all this simply to offer free tax preparation services, but because we thought of it as an opportunity to open

the door to working with people on their financial stability.” Thus, for Taglianetti there are two dimensions of EITC impact—the instant increase in income and then the longer-term path to financial stability.

In many ways, Co-Opportunity’s evaluation starts by first examining themselves and partners. They use evaluation as a management and operations tool to prove what works and what needs improvement in service delivery, continuously feeding evaluation information back to partners so they can alter and adjust, even during a tax season.

Methodology

In 2003, HABC secured funding from a donor to conduct evaluation efforts over the course of ten years. The donor chose the evaluator themselves and Co-Opportunity worked with the evaluator to decide what kind of data needed to be collected to answer various questions HABC had about their VITA and EITC work.

HABC has conducted annual evaluations since 2005. The evaluator uses intake surveys, interview cards, tracking of indicators, focus groups and state and national statistics to gather qualitative and quantitative data for the evaluation. Partner coordinators on-site collect data on who actually uses the services. Co-Opportunity also collects data through the IRS. Most data is collected on a weekly basis. They also decided to do a special trend analysis across 2004-2008 to show case results and improve the program.

Below are a few example questions from different evaluation tools Co-Opportunity uses:

Intake Survey²

1. If you receive a refund this year, what do you plan to do with it?

(Choices included: put it in a savings account, pay household bills, spend it on goods or merchandise, pay medical bills, save it for a larger purchase, pay down debt, etc)

2. Have you done any of the following in the past year?

(Choices included: put money in a savings account, used a check casher instead of a bank or credit union, put money into a retirement account, used a payday loan, etc)

Customer Satisfaction Survey³

1. How would you rate your experience at the tax site?
2. How would you rate the helpfulness of the person who greeted you?
3. How would you rate the helpfulness of the tax preparer?
4. Would you recommend this tax site to a friend or family member?

What were some of the success factors for evaluation?

Central Leadership

Co-Opportunity leads HABC using a centralized service delivery model. As the lead organization, they do the fundraising, marketing and planning to support partners around the community. Taglianetti believes it is important to support partners financially and with training. Co-Opportunity does not impose many requirements or rules on partners, but they do expect high quality work no matter what services the site offers.

Because Co-Opportunity has a centralized role, Taglianetti felt this worked in their favor for conducting evaluation. It allows them to manage the evaluation process, without burdening partners with additional tasks. HABC holds monthly meetings with partners in the off-season and meetings every two weeks during tax season, providing an opportunity to communicate the goals of the project evaluation as well as to ask partners to cooperate with data collection.

What were some of the challenges to evaluation?

Relationship with the Evaluator Matters

Co-Opportunity was able to start the evaluation process due to support from a funder. However, because the funder chose and managed the evaluator themselves, Co-Opportunity had little say in who was selected and had less control over the evaluation and data process than they would have liked. There have been challenges in the relationship and differences of opinion. Sometimes results Taglianetti considered positive were cast in a negative light and it was challenging to decide how to handle these differences with the evaluator. Sometimes Taglianetti would have

liked staff to have more access to the data and for the evaluator to collect data more frequently. Limited staff access to the data has also prevented using the evaluation to drive program change, especially during tax season when ideally Taglianetti would receive data from the IRS and tax preparation sites on a weekly basis, allowing them to make marketing adjustments. Because Taglianetti did not decide whom they worked with, she found herself managing additional challenges throughout the process.

It's not Just about Hiring an Evaluator.

Hiring an external evaluator is not the end of the story. Someone within Co-Opportunity still needs to manage the evaluation process, set goals and objectives, determine deadlines and schedules, identify data collection sources, include partners, and incorporate the results back into the work of the coalition. This last step may mean communicating results to funders, marketing success to the public or changing internal management and operational practices.

What has changed as a result of your evaluation work?

Better Problem Solving and Improved Service Delivery

Taglianetti sees evaluation as a crucial management and operations tool to improve HABC's quality, efficiency and effectiveness. They do not collect data for the sake of data, but decide at the start what they want to evaluate, whether it is a new asset-building program like FAFSA preparation or way of operating sites. She explains that the evaluation process allows them to identify a problem, explore a way to fix it and then see if that approach worked by evaluating it. If the approach is not successful, they can try something else. They really look at the results to know what to improve for next year.

For example, when HABC discovered that some clients were waiting as long as three hours to have their taxes prepared at certain sites, HABC began to

think about creating a central appointment and calendar system. Some site partners were skeptical, but when Co-Opportunity could show sites the extent of the problem using data, some partners became more interested. They collaborated with United Way and 2-1-1 to set up a central appointment system. During the first year only 50% of the partners used the system, however they evaluated the results and showed the benefits of using the appointment and central calendar system. The next year 75% of partners used the system. Rather than forcing partners to take on new initiatives or processes, Co-Opportunity likes to lead by showing results and letting partners decide what works best for their site.

Expansion and More Funding Sources

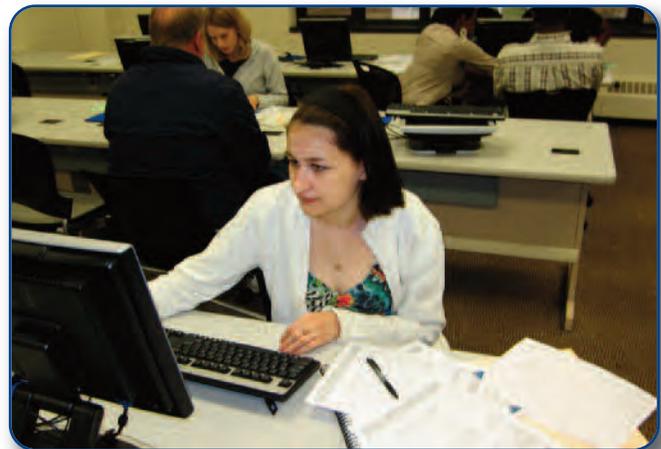
Though not Co-Opportunity's explicit evaluation goal, concrete results and outcomes featuring success help secure funding and ensure growth. When expected funds did not come through from the IRS last year, a community foundation quickly stepped in to fill the gap because they felt strongly about the program and its results. That money then went directly to partners to ensure they have the support they need to operate high quality and efficient VITA sites. Rather than bogging down partners with data collection, the initial evaluations actually enabled HABC to expand to other counties because they could document the success of the campaign.

Balancing Breadth with Depth

While Co-Opportunity functions very much as the central lead of HABC, Taglianetti realizes that every site is different in size, capacity and clients served. These differences lead to some inconsistencies in service delivery across sites. Evaluations highlighted these inconsistencies and caused Co-Opportunity to rethink ways of expanding their work, while not forsaking depth of services and quality. While a memorandum of understanding laying out broad guidelines and expectations exists with partners, Co-Opportunity is now developing an operations manual for partners.

What advice would you give to those just beginning their evaluation process?

1. Establishing an evaluation plan is critical and should happen as far in advance as possible. The organizations should set out goals and objectives for the evaluation and establish a timeline for when the evaluation should take place. Establishing a plan will require working closely with the evaluator and ensuring everyone is on the same page.
2. Think about your data systems and the reporting requirements you have for different funders. Many organizations have different ways they have to report similar information to different funders and this takes up time and resources. An evaluation has the potential to streamline this process, but will require planning and collaboration with your evaluator.
3. Bring partners into the evaluation process. It is crucial to make sure your coalition understands the benefit of evaluation, is willing to cooperate with data collection and is willing to listen to evaluation results and use them to improve.
4. Start up costs may be high, but once an evaluation process is incorporated into the coalition, subsequent evaluations are not as resource-intensive. Once the data collection methods are in place and tested, they can often easily be replicated year after year. The process becomes more streamlined. For the first three years, Co-Opportunity circulated evaluation reports to funders for feedback, but now the data is standard, predictable and familiar to partners and funders.
5. Find an evaluator that matches the goals, objectives and culture of the coalition and one that staff can work well with. An unresponsive evaluator or one that does not understand the purpose of your work may not be able to deliver the best possible results.



1 Co-Opportunity, Inc. *Getting Results for our Community, 2009 EITC Campaign.*

2 Example intake survey questions taken from *Information Sheet-Tax Year 2008* by Co-Opportunity, updated 1/13/09.

3 *2009 EITC Campaign: Customer Satisfaction Survey, For the Greater Hartford Volunteer Income Tax Assistance Program* by Co-Opportunity.

Using Evaluation to Communicate Results

Michigan's Statewide EITC Coalition, Michigan Poverty Law Program

The Michigan Poverty Law Program (MPLP) co-lead the Statewide Coalition alongside Michigan State University (MSU) and the Michigan League for Human Services (MLHS) from 2003 – 2010. These groups worked with local coalitions around the state to offer asset building, financial services and financial security programs, including free tax preparation and EITC outreach. The Statewide Coalition was comprised of human services agencies that provide statewide services, local tax preparation agencies, financial institutions, and community organizations, including United Way associations.

The Statewide Coalition saw steady growth in EITC returns and refunds between 2000 and 2007. The number of returns filed through Coalition partners increased from approximately 550,000 to 750,000 in seven years and the total refund amount in the state went from just below \$900 million to about \$1.5 billion.¹

We spoke to MPLP Executive Director, Bob Gillett, and Financial Manager, Christine Robison, to see how a statewide coalition handled evaluation.² We also wanted to feature EITC work that served a diverse population statewide in the Midwest. We also wanted to hear more from a coalition that uses the evaluation for external purposes such as reporting results to funders and communicating the benefit of EITC-work to state and local communities.

Why conduct evaluation?

In 2007, MPLP began administering the Michigan Department of Human Services grant that supported coalition activities. As part of this transition, MPLP inherited the evaluation process and external evaluator. Previous funders and MSU had built the evaluation process into the programs. MPLP was well aware of the importance of evaluation, having already incorporated evaluation into its own work in other legal aid programs.

Gillett continued with the evaluation program in place and believes that evaluation played a crucial role over the years in communicating results and securing grants from funders. He considered the annual evaluation incredibly effective as a marketing, communications, reporting and fundraising tool. The evaluation results showed program outcomes, conveying the crucial work of the Statewide Coalition for the citizens of Michigan.



Methodology

The Statewide Coalition conducted an evaluation annually and compiled a summary evaluation every three years to look at longer-term changes and trends. Evaluation activities included data compilation, along with interviews with the management team, local coalitions and various stakeholders as well as event participation surveys for particular programs. The Statewide and local coalitions provided most of the data, supplemented by IRS data.

The most recent evaluation (2009) focused primarily on identifying gaps in service delivery and how local coalitions could be more effective. However, annually the evaluation examined each set of tax season activities: convening and outreach, free tax preparation, ICAN! E-FILE services, their Learning Exchange Conference, the micro-enterprise initiative, refund splitting and financial and asset building programs. The evaluator reported the activities the Statewide Coalition carried out, assessed the outputs and some outcomes and made recommendations to the Statewide Coalition on how they could improve during the following year.

The evaluation was used as a planning and strategy tool as well as communicating to funders and outside supporters what the Statewide Coalition was up to and where it was headed.

What were some of the success factors for evaluation?

Finding the Right Evaluator

MPLP had an excellent relationship with their external evaluator. The person was committed to the Statewide Coalition's mission and vision and was very educated on the issues involved. The evaluator was responsive and flexible and incorporated MPLP feedback and revisions into evaluation report drafts. Gillett also noted that it helped that they directly hired the evaluator and paid the contracting fee themselves. The funder gave MPLP full autonomy in choosing, managing and paying the evaluator, allowing for a direct and open relationship between MPLP and the evaluator.

Outside Perspective

While an external evaluator still required managing and input from MPLP, Gillett pointed out that ultimately, hiring someone from the outside freed up staff time and resources. Even if the evaluator and MPLP saw an issue differently, having the conversation was constructive and an outside perspective was always important for guiding the Statewide Coalition's work.

What were some of the challenges to evaluation?

Scheduling and the Calendar

Managing the evaluation schedule proved tricky. MPLP had to deal with a calendar year, the tax season calendar, and the state fiscal budget calendar, making it difficult to pin down what time period to evaluate as well as the best time to deliver and communicate evaluation results. The scheduling problems were exacerbated by the fact that some data sources (e.g., IRS) trailed the end of the tax season by many months.

Local Capacity

Some of Michigan's local coalitions simply did not have the capacity to participate effectively in the evaluation. Some local coalitions did not have the data systems in place or enough staff to collect the necessary data. It became a capacity rather than a coordination issue. The Statewide Coalition realized they needed to go beyond better communication and coordination to bring local coalitions on board and support them in a technical way.

What did you see come out of your evaluation work?

Internal Discoveries: Areas for Improvement

The Statewide Coalition conducted an evaluation for external purposes, but the evaluator often discovered internal issues or concerns when talking to local coalitions. For instance, one year the evaluator reported certain tensions between the state and local coalitions. It was helpful for the Statewide Coalition to receive this information and understand the perspective of local partners. While the Statewide Coalition was able to use this information to better communicate with local coalitions in the future, it was likely that the concerns of local coalition members were understated since the evaluation had an external focus. It is, therefore, important to be particularly careful when reviewing this type of feedback. The Statewide Coalition realized it needed to be ready to hear and respond to all sorts of feedback and results, even if they fell outside the scope of the evaluation goals and purpose.

Time and Money Saved

The evaluator saved the Statewide Coalition time and money in marketing, communications and grant reporting. Gillett and his staff realized that since the evaluation covered program activities and outputs, the evaluation could be an effective tool to communicate and market results. Gillett also took this and other evaluations to funders, asking if the outside evaluation could replace individual reporting documents. For example, the main EITC coalition grant required a monthly invoice and activities report,

among other types of documentation. It took a staff person one-to-two hours each month to compile and report this information. Coupled with the evaluation, this was the only reporting documentation the grant required. Gillett began asking every new funder to accept the evaluation results, at least in part, as a replacement of the required reporting documentation. This significantly reduced the time and resources it normally took to report to each individual funder.

What advice would you give to those just beginning their evaluation process?

- 1) Flexibility to choose an evaluator is important. Select someone who understands your mission and goals and who can relate to the work your organization or coalition is doing.
- 2) Price matters. Everyone is strapped for cash, but an evaluation does not have to be incredibly expensive. Shop around. Be realistic about your goals and scope. In designing evaluation plans, MPLP has seen bids ranging from \$40,000 to \$6,000 for an annual evaluation contract. Just because the price was high, did not mean that was the highest quality evaluation. The evaluation contract for this grant was one of the lower priced bids—but MPLP was extremely happy with the quality.
- 3) Price matters, BUT investing in a high quality evaluation will save you time and money down the road. Do not skimp up front to save money in the short-term. Over time, a good evaluation can save you far more time, money and staff resources because it serves multiple purposes.
- 4) Conduct yearly evaluations, rather than one every few years. An evaluation that only looks at three-to-four year segments may miss key trends and data points that show you where you need to improve and how you are doing from one tax season to the next. You may under or over estimate impact. The evaluation can help you adjust and improve, but needs to be done annually to allow you to adjust or shift your programs in a timely fashion.

1 Reed Consulting Services. *Michigan's Statewide Earned Income Tax Credit Initiative—Comprehensive Three Year Evaluation Report 2007-2009*.

2 Executive Director, Bob Gillett of the Michigan Poverty Law Program (MPLP), faced a surprising turn of events in February 2010 when the state eliminated funding for Michigan's Statewide EITC Coalition due to Michigan's stark budget crisis. The state had eliminated funding for local coalitions in September 2009.

Tricky Business: Impact Evaluation and Answering the “So What” Question

AccountAbility Minnesota

AccountAbility Minnesota (AAM), a community-based nonprofit organization located in the Twin Cities, has supported low- and moderate-income taxpayers for nearly 40 years. AAM operates VITA sites and offers technical assistance to organizations around the state in a wider VITA outreach effort.

In recent years, AAM reached out to financial institutions, inviting them to become partners in offering financial services and products to low-income taxpayers. AAM hopes ultimately to improve clients' long-term financial security by giving them access to savings accounts, credit reports, free financial planning and other financial services.

Statewide in 2010, 19,031 taxpayers received assistance from 791 volunteers, resulting in 43,355 filed tax returns and \$35 million in cash refunds. Low-income taxpayers opened 637 new savings accounts.¹

We decided to speak to Executive Director, Tracy Fischman, about AAM's evaluation work for several reasons. We thought it relevant that AAM focuses mostly on the urban area around the Twin Cities, though they support organizations across the state through training and outreach. AAM has used local data and data from the Brookings Institute for years to identify the gaps in services and needs in the community. However, when AAM decided to expand the traditional VITA work to include financial services and asset development six years ago, AAM decided to probe deeper. AAM has evaluated its Express Refund Loan and Savings Programs three times since 2006, and completes a formal debrief and assessment process after each tax season. Fischman is currently in the initial phase of planning a more in-depth impact evaluation of the financial services it offers overall. Fischman reflected back on previous evaluation efforts and shared her plans for the upcoming impact evaluation.

Why conduct evaluation?

AAM received program funds to start the Express Refund Loan and Savings program in 2006 and secured supplemental funding from a second foundation to conduct evaluation annually for three years. The evaluation set out to do several things: assess the experience customers had going through the program, measure the quality of service delivery and look for ways to improve. While this helped AAM improve the program over time, this type of evaluation did not get at the overarching questions surrounding financial services and asset building: what kind of longer-term impact was the program having on customers?

As Fischman explained, “I needed to have some compelling data to demonstrate how we've supported customers to save over time, and how we've impacted the field or haven't impacted the field. What can we share with staff, board, funders and prospective funders about this?”

With this in mind, AAM approached one of its larger funders and supporters to secure money for a more in-depth and extensive evaluation aimed at asking the deeper questions.

Methodology

The evaluations between 2006 and 2008 were qualitative, involving phone surveys the first two years and two small focus groups with customers and phone interviews with staff across the state at technical assistance sites the third year. The customer phone surveys focused on quality of services, program convenience and program satisfaction. Interviews with staff focused on how well AAM was offering technical assistance and support. As part of this work they explored impact—staff wanted to know how their work was or was not positively impacting clients' ability to save and accumulate assets.

To kick off the upcoming impact evaluation, AAM established a three person advisory committee to help guide the process. The committee includes professionals with relevant research and evaluation expertise. Fischman worked with the committee to draft the desired outcomes and scope of the evaluation so they could then seek proposals from external evaluators. AAM went through an official bidding process. The final choice came down to a larger, well-known firm or a smaller, less well-known group with ten years of applied research experience. AAM chose the smaller firm, hoping it would be more nimble and devote more time to establishing a relationship with AAM.

Now that AAM has hired the evaluator, the next step will be to develop the appropriate research questions, data collection tools and overall methodology (e.g. qualitative and quantitative protocols and questions). For the quantitative component, the evaluator will rely to some extent on the data collection processes already put in place by AAM and its financial partners. This evaluation will also draw on phone interviews with partner financial institutions and focus groups with AAM clients.

Ultimately, Fischman wants to be able to answer questions such as:

1. Do customers leverage tax refunds to accumulate assets?
2. Do customers continue to use financial partner services over time?
3. Do customers change their savings behavior in a way that improves their financial well-being due to AAM services?
4. Customers trust AAM and volunteers with intimate details about family and finances, but do customers have the same trust with collaborating financial institutions?
5. What are the attitudes and experiences clients have around money, finances and debt and what role does trust play in clients establishing (or not) a relationship with financial institutions?
6. What are the barriers that customers face in trying to save or build assets?

AAM recognizes that it currently offers financial services only during the tax season, which are not long-term or intensive in scope or breadth. However, based on AAM's review of existing literature, there is a connection between encouraging account ownership and facilitating asset accumulation. AAM is interested to know if opening an account with AAM's assistance improves customers' financial position. AAM also plans to use the evaluation results to inform its overall financial services program.

What were some of the success factors for evaluation?

Incentives for Participants

AAM offered incentives to people who participated in focus groups or phone surveys. Something as simple as a gift card or food at a focus group made people far more willing to participate and offer feedback.

Expertise and Autonomy

During the planning stages for the impact evaluation, Fischman has been very pleased and grateful for the advisory committee. Their expertise has kept the process on track and ensured quality. In addition, the funder has remained very hands-off, trusting AAM as the expert in the field. Fischman noted that the power dynamics that can often exist between a funder and grantee have not been at play during this project.



What were some of the challenges to evaluation?

Limited Interaction with Customers

Like most free tax-preparation efforts, AAM meets with most customers once a year. Under this model there is no guarantee they will ever see the customer again. This limited interaction makes it difficult to measure and track something like asset accumulation, which happens slowly over a long period of time. AAM can ask people what they plan to do with their money, but it's much harder to track people's financial decisions.

Evaluation as an Afterthought

Fischman noted that for many funders, evaluation is often an afterthought or an underfunded requirement. Funders may not set aside or allocate money for evaluation. AAM has had to secure additional funds to ensure that they have both the time and resources necessary to carry out their evaluation.

Speaking a Different “Language”

Evaluation in the financial services and asset-building field seems to be relatively new. Many consultants in applied research do not have experience with these issues and concepts. Fischman has worked with AAM's evaluator to ensure they are framing the issues in the correct—and compelling—way, and to make sure they know the vocabulary surrounding asset building to ensure that clients and staff will understand and relate to the surveys and interview questions. Messaging and vocabulary matter, but not everyone speaks the same language consistently.

Relying on Volunteers

The advisory committee for the upcoming evaluation is made up of volunteers. These experts have limited time and resources. Fischman looks to them for feedback and guidance on the protocol and methodology that will shape the evaluation, but she realizes this is a time-intensive process and that she can only expect so much from her committee members as they are volunteers.

What did you see come out of your evaluation work?

Improved Management and Messaging

As a result of customer feedback over the past three years, AAM was able to adapt and improve the program protocol and enhance operational management. AAM also re-examined the way they message and talk about financial services programs with clients and volunteers, realizing that various audiences talk about the program differently.

One Evaluation Leads to Another

The initial series of evaluations raised a host of impact-related questions that were beyond the scope of customer satisfaction surveys. One of the most prominent funders commented to Fischman, “We are going to invest in this [the impact evaluation] because we know you have been offering valuable programs. We feel good about investing in this program and we want you to find ways to continue to fund it.” The foundation was having to re-think its financial commitment to AAM, but did not want to see its own investment go by the wayside so it provided transitional funding for the program and additional, one-time funding to ensure that AAM could carry out the impact evaluation.

What advice would you give to those just beginning their evaluation process?

Advice for Funders

1. Acknowledge that evaluation is a complementary component to programming, that the two should go hand in hand and that funding priorities and amounts should reflect this connection. Many grantees are looking to funders for clues and signals about when to do evaluation and to what extent they should do it. Including funds to conduct evaluation is a pretty strong signal.
2. Offer technical support where applicable and possible. Some grantees know they need to do evaluation, but may not know where to start or may not have the capacity to make it happen. However, there's a fine line between offering technical support and micromanaging the evaluation process. The grantee may ask for technical support, but will still need the freedom and flexibility to choose, hire and manage the evaluator.

Advice for Grantees

1. Customer input and feedback are crucial. Asset-building programs and evaluation take significant time and resources to do them right. Make sure that throughout the process you have mechanisms in place to include and hear from customers.
2. You can use evaluation not only to inform how you operate current programs, but also to inform your vision and strategy. For instance, how does your work and mission give voice to customers and their needs in the political arena? AAM is beginning to think about how they can use their data and evaluation findings to educate elected officials and other decision makers on issues related to the value of the VITA program, making certain tax credits permanent or regulating predatory lending. Results and outcomes from evaluation can play an important role in guiding decision makers at the macro level.



1. AccountAbility Minnesota. *Organizational Overview 2010*.

Best Bang for Your Buck: Measuring Economic Impact

United Way of San Antonio and Bexar County and ACCESS

United Way San Antonio and the Department of Community Initiatives (City of San Antonio) (DCI) are the leaders of San Antonio's VITA and EITC outreach activities. They are part of a larger partnership, the Alamo City Coalition for Economic Self-Sufficiency (ACCESS), involving community and faith-based organizations, financial institutions, city and county service providers and the business community working together to support low-income families in job training, asset building and VITA and EITC outreach.

The team at United Way coordinates and partially funds VITA activities as well as trains and recruits volunteers. The broader coalition plans the VITA season and then connects clients to asset-building activities through the year. DCI supports and coordinates with United Way as the city partner.

We chose to speak to leaders at United Way and DCI about San Antonio's evaluation efforts for several reasons. First, San Antonio is one of the few areas that has carried out an economic impact assessment as a form of evaluation. We thought it important to explore this type of evaluation and highlight the lessons other might learn from it. Second, San Antonio's VITA and EITC activities are directly linked to the city budget and local government. While United Way is both a funder and implementer, the City of San Antonio also funds services and thus the city council still has a large say in how much funding VITA services receive each year. Finally, we wanted to hear from a large urban program in the Southwest.

In 2005, VITA efforts in San Antonio generated 24,962 returns and \$39 million in refunds. The city saw significant increases in 2008: 43,440 returns generating \$61 million in refunds in 2008.¹

The economic impact assessment took these numbers and attached an economic impact value to them. For instance, the 2005 assessment of the 2003 tax year

showed that EITC alone returned \$288 million to local residents, created 752 jobs and indirectly supported an additional 262 jobs. EITC generated \$2 million in additional sales tax as revenue to the city. 23% of eligible filers did not claim EITC, leaving more than \$86 million untouched on the table for San Antonio families.²



Why conduct evaluation?

Traditionally to secure city council funding, DCI and United Way staff approached each of the ten district representatives in the city and briefed them on the value of VITA to the community. This was a time consuming, inefficient and an uncertain fund raising approach. Instead, Richard Keith, DCI Senior Management Analyst, decided that a better approach would be to secure a line item on the City Council annual budget for VITA activities. To facilitate this, an economic impact assessment was developed to help convince the city council members that VITA was an excellent investment with a quick return. As district representatives have only two-year terms,³ it was important for them to support programs with immediate results that constituents could see. According to John Scarfo, DCI VITA Program Coordinator, "The impact by VITA in each district was so positive and

immediate that it merited their (district representative's) support."

Simultaneously, the City Council was beginning to ask for economic impact assessments from other social programs to guide the budget allocation process. VITA is one program that can show a clear-cut economic impact and Keith knew this would be compelling when the Council was weighing which programs to fund. He recognized the importance of measuring the direct and indirect impact of tax credit dollars on the San Antonio economy as a whole and on the local government's revenue stream.

Methodology

In 2005, DCI secured funding from a private foundation to assess the 2003 tax year. They followed up in 2008 with an assessment of the 2006 tax year. The raw numbers and data had already been collected through IRS and local partner efforts. The city hired an external evaluator to compile the numbers and develop a methodology to analyze the economic impact of tax return dollars on the local economy.

What were some of the success factors for evaluation?

Easily Identified Government Partner

Keith pointed out that because United Way could clearly identify the department within the city government to work with, it was easier to access the relevant city council members and shore up support for VITA services. Many cities and states do not have a central and strong agency like the Department of Community Initiatives. It may not be clear who in government is responsible for services like VITA. Having this clarity and connection was important for United Way to secure support for the evaluation.

Local IRS Support

Another key player was the IRS Territorial Manager for San Antonio. Keith believed it was crucial to gain the support of the IRS to conduct the assessment. The evaluation relied heavily on IRS data and resources. DCI and United Way had a good relationship with the manager in San Antonio who then proved to be fully supportive of the evaluation.

Foundation Funding

An economic impact assessment can be expensive. An assessment usually requires significant funding to conduct it correctly, upwards of \$25,000. The city was not perceived to be a viable funding partner for the assessment effort. However, a senior person working on VITA services in San Antonio had a connection to a private foundation that was eager to support evaluation efforts. Ultimately, this connection provided support to DCI and United Way to hire the evaluator and carry out the assessment.

What were some of the challenges to evaluation?

Timing of Results

United Way realized that a timely assessment was key to securing consistent city funding for VITA services. The United Way funding cycle begins July 1, and the City funding cycle October 1 so it was crucial to complete the assessment by June. However, when the evaluator asked for an extension until August, United Way risked losing out on both funding cycles.

Unanswered Questions

United Way felt that some questions went unanswered in the assessment. They were interested to see how people's savings affected the economy and altered the use of tax credit refunds. While the assessment looked at where people spent their money, it did not take into account whether and how much people saved.

What did you see come out of your evaluation work?

Line Item on the Budget

Keith met his original goal to have the City Council see VITA's impressive impact on the economy and incorporate VITA services into the annual budget. The City Council now allocates \$140,000 per year to VITA related activities as a line item on the budget. With this consistent funding stream, United Way is able to plan more effectively while spending less time on fundraising. As a result, there has been quick growth in VITA services and results.

Effective and Powerful Partnerships

Before the 2003 assessment, United Way and DCI were not part of the Alamo City Coalition for Economic Self-Sufficiency (ACCESS). Once the assessment proved an impressive return on investment, ACCESS invited DCI and United Way to join the coalition. Now DCI has the strength of more than 40 community partners behind it when it talks to the City Council about VITA programs. This gives them new leverage, enough to secure a \$150,000 grant this year for services.

Better Communication

DCI and United Way are better equipped to talk numbers and money with banks and financial institutions, key partners in helping low-income families shore up assets and move toward economic security. These partners are hard to satisfy with “feel good” stories, but want to see a return on investment and impact. The assessment showed that funding VITA is a sound financial decision.

Proof

The team at United Way and DCI knew refund money was having a significant effect on the local economy in direct and indirect ways. The assessment provided the concrete evidence they needed to show the city and other partners tangible impact and return on investment.



What advice would you give to those just beginning their evaluation process?

1. Before conducting an assessment or evaluation, identify the relevant partner(s) within local or state government. Although some coalitions and non-profit organizations work independently of local or state government; identifying and reaching out to these relevant actors could help access untapped resources and support.
2. Evaluation is “critical to your future fundraising ability,” says the team at United Way San Antonio. They understood that in order to secure more and consistent funds in a competitive environment, they needed to set VITA apart from other programs.
3. Many groups see evaluation as a drain on resources rather than a stepping-stone to new prospects. There may be opportunities to pull in resources from universities such as faculty, students, researchers and interns to help with evaluation. New volunteers and partners can become community advocates invested in your mission. It is a win-win opportunity for everyone.
4. Start somewhere. Even basic evaluation increases your credibility. Economic impact assessments are not for everyone, but there are many options along the spectrum of evaluation. Don’t be afraid to do evaluation because it seems expensive. It doesn’t have to be and you can always build upon past evaluation to delve deeper.

1 Department of Community Initiatives City of San Antonio. *Hitting Rock Bottom: Helping Low-income Workers Navigate the Marketplace*, Regional Learning Summit, Scottsdale, Arizona, July 23 2008. http://tax-coalition.org/program-tools/managing-a-tax-site/managing-an-earned-income-tax-credit-coalition/Hitting_Rock_Bottom_Scarfo.pdf/view?searchterm=sanantonio, accessed November 27, 2010.

2 Department of Community Initiatives. *Hitting Rock Bottom*.

3 City council district terms are now three years in San Antonio, according to a phone interview with Richard Keith and John Scarfo of the Department of Community Initiatives, San Antonio City on November 22, 2010.

Reaching the Target Population: How evaluation shapes outreach

United Way of King County, Washington

United Way of King County (UWKC), leader of the United Way Free Tax Preparation Campaign, will soon embark on its 10th tax season, offering VITA services to low-income, non-native English speaking taxpayers in an ethnically diverse area. UWKC is both a funder and implementer of services, funding one-third of the program and providing training to site managers and volunteers as well as spearheading outreach efforts. UWKC operates 18 sites throughout the greater Seattle area. In 2009, the Tax Campaign prepared 14,000 tax returns, bringing \$19.7 million in total refunds to the community.

We spoke to Courtney Noble, UWKC Basic Needs Programs Manager, one of two fulltime staff people working on VITA services. King County is one of the largest counties in the country, spanning Seattle and surrounding areas. We wanted to hear from an ETIC-related program on the west coast and we thought the goals of UWKC's evaluation relevant: improve outreach to target populations and improve service delivery.

Why conduct evaluation?

During the initial years of VITA programming, UWKC received support and inspiration to do basic evaluation from key funders. For instance, UWKC incorporated basic evaluation practices into their operations early on when they received the NTA data analysis software from a funder. UWKC learned how to connect the data collection tool to questions on an intake questionnaire, allowing them to better understand client needs and examine their own service delivery methods. Funders began asking UWKC to include particular questions on the intake form. One year, a grant application asked UWKC if they used an exit survey to measure client satisfaction. Noble and her team had never thought of using this in their evaluation efforts, but liked the idea and decided to incorporate it the following year.

There have also been internal drivers of evaluation. Noble believes that in order to target the right people and serve clients well, UWKC needs to know how people hear about VITA services and what kind of obstacles they face in accessing them. A collection of evaluation tools allows UWKC to get at these issues.



Methodology

UWKC relies heavily on an intake form with a set of six-to-ten questions. While they consistently ask clients about their ethnicity, native language, and whether they have household members with disabilities, a number of other questions change each year. Sometimes a financial institution funder requests that UWKC ask clients about their financial habits like saving and opening bank accounts. Other questions on the 2009 intake form included how clients heard about VITA services, how they plan to use the refund and the highest level of education clients have.

UWKC also uses a volunteer survey to get feedback on training, site manager supervision and the overall volunteer experience.

Site managers complete an evaluation form after each tax season that explores issues like site hours, number and type of clients and other challenges and successes from the year.

Finally, UWKC offers clients an optional exit survey to measure their satisfaction with the services they received. By combining all these tools and responding to the data, UWKC improves outreach and service delivery the following year.

What were some of the success factors for evaluation?

Central Model

UWKC as leader and implementer has direct control over site manager and volunteer recruitment and training. This allows UWKC to show partners the importance of intake forms and surveys and train them in how to administer the various pieces of evaluation.

Powerful Data Extraction Tool

Noble noted that using NTA software has made it easier to code and cross-reference different data components and analyze the information from the various forms and surveys. Since UWKC operates 18 sites and runs a high-volume program, they cannot sift through each survey manually, but have relied heavily on good data software and technical support.

What were some of the challenges to evaluation?

Data Quality

While the intake form has revealed helpful information about clients and the effectiveness of UWKC outreach efforts, Noble admits that data quality is an issue. Sometimes clients are overwhelmed and do not complete the form or may become confused and answer inaccurately. For instance, clients were asked where they had their taxes prepared the previous year. At one site, more than 100 clients answered they had come to that same site the previous year when in fact the site had not been open then. Noble has to be extra vigilant about the data quality and take this into consideration when making decisions based on client responses.

Lengthy and Cumbersome Forms

UWKC used to have more flexibility to customize the intake form given to clients. Originally, the form was two pages with just six questions, but now due to IRS regulations, the form is four pages with twelve questions, in a very small font. Noble realizes this longer form has the potential to garner more information from clients, but there comes a point when clients stop answering questions.

Control over which Questions to Ask

Sometimes a funder phrases the questions rather than UWKC. “When funders come and tell me [Noble] to ask particular questions, these are often questions that show lack of awareness of how clients really live their lives.” UWKC tries to ensure questions get at the heart of the issue.

For example, one year a funder wanted to ask clients whether they had a bank account—90 percent of clients answered “yes”, but then only 60 percent used the direct deposit option for their return. UWKC rephrased the question the next year to try to get at the underlying issues. They learned that some clients did not want to use their current bank account for tax refund deposits. As a result, this year UWKC will offer a pre-paid card option for clients to receive a direct deposit, but who want an alternative to using a bank account. Noble anticipates this service will be more popular than helping clients open bank accounts on-site, since a pre-paid card is more attuned to the financial needs of clients.

What did you see come out of your evaluation work?

More Effective Outreach

One of the goals UWKC had in doing evaluation was to improve their outreach and better target the people who needed VITA services the most. As a part of this they wanted to understand how people hear about VITA services so they can adapt their programs, using their outreach dollars as effectively as possible.

One year, UWKC decided to spend the majority of outreach funds on strategically placed posters outside convenience stores. When more than 300 people attributed coming to a VITA site to the poster, UWKC

was able to justify spending on this outreach strategy. In another example, data showed that clients were listing “churches” as places where they heard about VITA services, even though UWKC had not specifically reached out to churches in the community. Through this UWKC discovered they had an outreach “partner” they did not know they had.

Less successful strategies have also been revealed. Historically, UWKC used any leftover outreach money on last-minute radio ads, but the timing prevented them from asking questions about radio on the intake form. Last year they ran radio ads on English and Spanish channels and included a related intake question. Fewer than 50 clients mentioned the radio ads as influencing their decision to use VITA services.

Through their evaluation efforts, UWKC is now able to allocate outreach funds to tactics and approaches that are proven effective.

Better Services for the Target Population

UWKC specifically targets non-native English speakers for VITA services. When client feedback revealed that a VITA site located near a neighborhood with a significant East African population was not offering adequate translation services, UWKC recruited a site manager and volunteers to help overcome the language barrier.



What advice would you give to those just beginning their evaluation process?

1. Ensure that the evaluation is program driven, rather than funder driven, and tailored to the characteristics of the target population. Program leaders should write the questions and determine the goals of the evaluation.
2. Don't create additional forms and surveys. Try to integrate evaluation questions into existing information collection systems. Due to regulations and tax laws, VITA programs already require that many forms be filled out by staff and clients. Review existing forms and see if there are ways to include new or re-worded questions.
3. Some VITA programs have trouble getting a high response rate from clients when they administer questionnaires or intake forms. Though you can't require clients to fill out your intake form, you can attach this optional form to the required tax-related forms, making it one package for clients to complete.
4. Having a set of outside eyes can help you step back and look at your processes and service delivery in new ways. Though UWKC has never used an external evaluator, Noble commented that an outside perspective could be useful in discovering blind spots and help them think outside the box.
5. A good data extraction tool is essential if you are collecting and analyzing data in high-volume. Noble likes the NTA software, especially since it can correlate and cross-reference different demographic information with tax and financial information. Starting out with strong software can help lay a good evaluation foundation to build upon.

Conclusion

In late 2010, the EITC Funders Network undertook an effort to raise awareness of evaluation strategies being implemented by charitable foundations and field representatives interested in understanding the impact and importance of their EITC-related work. For this effort, we collected a sampling of tools currently being used by funders and the field to evaluate their work and prepared five case studies that took a closer look at evaluation being undertaken across the nation.

The EITC Funders Network envisioned this effort to begin the conversation about evaluation—not to end it. This project was neither meant to provide a compendium of evaluation strategies nor provide a road map to the ideal evaluation.

However, even at this early stage of the conversation, there are a number of findings that emerged during the work that are worth sharing:

- **Evaluation Can (and Should!) be Undertaken**—because of the nature of most EITC-related programming—it centers around a concrete interaction that happens in a time-specific way—basic evaluation is fairly easy to do and does not necessarily require a lot of extra work by you or your grantees. Even slightly more advanced forms of evaluation—tracking impact and people over time—can be implemented straightforwardly if grantee partners (and/or their evaluators) set up mechanisms in advance of the tax filing season and have the resources in place for multi-year work.
- **Don't Recreate the Wheel**—there are quite a number of tools, examples, and other resources for you if you are interested in evaluating your EITC-related work. Some of them are gathered on our website (www.eitcfunders.org). These can be a starting point in your quest to learn about the impact of your EITC-related programming. Further, before asking your grantee partner to start a new evaluation process, determine if they are already taking on evaluatory activities that you can build on.
- **Build it into Grants**—because evaluation can be so valuable to programs, the field and funders, it is important that evaluation be built into program grants. While some funders and program providers may feel that funding evaluation takes scarce dollars away from vital direct services, it is critical to ensure quality of services and for making the case for valued programs over the longer term.
- **Funder Initiated, but Grantee Informed**—while many program partners may be interested to evaluate their programs, most take it on at the request of a funder. Field representatives report that the best structure for evaluations are ones that are informed, supported and encouraged by the funder, but are ultimately designed and implemented in ways that are directly useful to the program provider.
- **Compare to the Field**—there are literally thousands of EITC outreach and free-tax preparation efforts being undertaken nationwide. Many of these programs are collecting similar, basic participant data as part of their evaluation and are sharing them via the EITC Platform portal (www.eitcplatform.org). Encourage your grantees to participate in this field-wide data collection effort and gauge their progress against their colleagues across the nation.
- **Look at Short- and Long-Term Impact**—it has been very easy for most of the evaluation in the EITC field to look at short-term outcomes—how many low-income families got their taxes completed for free? How much funding came back into the community during this tax season through EITC refunds? How did a specific outreach strategy impact program participation? However, taking on the larger and longer term questions have been harder. While funders are interested in the longer-term impact of the EITC and its ability to transform lives, so, too, are grantee partners! Funders should engage in a conversation with their grantees about how best to collect both the short-term impact as well as some of the longer-term impact information.

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