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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 C.S. Mott Foundation  
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## A Note From the Coordinator

Dear EITC Funders Network,

Last week's Labor Day holiday provides us an opportunity to reflect on the state of working families in the US.

While working families continue to suffer from the slow recovery, current policy debates aimed at supporting working families and addressing income equality include a push to increase the minimum wage as well as efforts to maintain and expand the EITC.

While policy makers continue to debate the best way forward, the EITC continues to be lifted up as one of the nation's most effective anti-poverty tools.

As such, the Children's Health Watch recently released a [brief](#) highlighting the findings of a study exploring the impact of job instability and access to safety net resources on working mothers. Not surprisingly, the study found that job insecurity for working mothers resulted in negative health outcomes for both children and parents. The study also found that access to safety net services (the EITC among others) had significant buffering effects on these negative outcomes.

Whether we are working to support working families through addressing income inequality or job instability for working mothers, the EITC continues to be an effective tool in all of our efforts.

We hope you find this newsletter and the information on our website helpful in your efforts in support of working families!

Sincerely,  
Ami Nagle, Coordinator, EITC Funders Network

## Join Us for Our Upcoming Webinar!

**ACA & Tax Time: What you need to know!**

*September 24, 2014 @ 3PM EST*

*Join your funder colleagues to hear what funders need to know for the 2015 tax season*

**[Click here](#) to learn more & register!**

# Interview with a Funder



**Colleen Briggs,**  
Program Officer for Financial Capability,  
JP Morgan Chase Foundation

***Tell us about your funding portfolio. What kinds of efforts are you focusing on right now?***

We are interested in identifying the most effective ways to help low to moderate income households manage their daily financial lives, weather unexpected emergencies and secure their long-term goals. To achieve sustained, positive financial behavior, research shows that consumers need ongoing, relevant information paired with affordable products and services tailored to meet their needs. We are focused on supporting the development of new and affordable technology-based products and services, expanding what we already know to be effective in promoting financial capability and informing the field by sharing best practices.

JP Morgan Chase Foundation is focused on two main initiatives. The Financial Solutions Lab is a 5 year commitment to identify, test and scale promising innovations. This is managed by the Center for Financial Services Innovations (CFSI) in partnership with innovators from the fields of technology, behavioral economics and design. Through this initiative, we aim to identify and enhance tech-enabled innovations that address specific consumer needs. The second major initiative includes our support for Financial Capability Community Programs, an ongoing initiative to support best-in-class community partners to develop and expand financial capability models, which includes results-based coaching, integrated service delivery and, of course, VITA.

***Why does JP Morgan Chase Foundation support EITC-related work?***

The EITC is a powerful and effective antipoverty tool. It not only supplements income, but also supports other social outcomes. In addition, tax time is a great opportunity for those of us who are interested in promoting financial security for families because it's a teachable moment. Many low-income families receive the largest lump sum of money of the year during tax time, reducing their cognitive load. This offers an opportunity to consider saving, creating budgets and setting financial goals. If our strategy is based on meeting consumers where they are and being relevant to their financial lives, then tax time is one of the best opportunities to do this.

***What kind of EITC-related work does JP Morgan Chase Foundation support?***

We support EITC-related efforts by issuing grants to support tax assistance, coaching and tax time savings programs and contributing volunteers to tax preparation sites. We support partners that increase awareness, access and usage of the EITC refunds. Because too many of our grantee partners are forced to do more with fewer resources, we are interested in better understanding how to use technology to increase reach and create efficiencies. As part of this effort, we have been focused on figuring out the best model for "Virtual VITA." We see exciting opportunities but a lot to be learned about the trade-off between

## Research News

### Updated Numbers on EITC and Child Tax Credit State Fact Sheets

The Center for Budget and Policy Priorities has updated the state-by-state and national figures on the antipoverty effects of the 2009 improvements to the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC).

The updated numbers are based on analysis of data that incorporates the Supplemental Poverty Measure (SPM), making state estimates of the impact of antipoverty initiatives more consistent with recent national estimates of the antipoverty effects of the refundable credits, which have always relied on the CPS and the SPM.

The number of people and children lifted out of poverty or made less poor by the improvements is higher both nationally and in many states with the updated numbers, but declines in some states. [Click here](#) to read more.

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## Outreach & Tax Preparation

### Tax Credit Outreach Campaigns & Health Insurance Coverage

Free tax preparation sites across the country played a critical role during last year's historic roll out of the Affordable Care Act. The coming tax year will provide additional opportunities for tax preparation sites to assist families to enroll in health care coverage. The national EITC Outreach campaign offers a resource for providers for the upcoming 2015 tax season, which provides an overview of enrollment data from last year, eligibility criteria for premium tax credits and outreach materials, among other things. The campaign highlights

CBPP's [website focused on VITA programs and the ACA](#). [Click here](#) to check it out.



## Policy

### Conservative Approaches to Tax Credits for Working Families

While the EITC and Child Tax Credit have enjoyed bipartisan support since inception, conservatives have offered strong endorsements of both in recent months. Considering this, [Tax Credits for Working Families](#), an online resource for advocates and service providers, launched a new blog series to highlight proposals and ideas from conservative policy makers and thought leaders related to building a stronger middle class. These proposals include a focus on improving tax credits for working families like the Child Tax Credit and Earned Income Tax Credit. [Click here](#) to explore *Ideas from the Right*.

## EITC

## Benefits Access

### Deep Poverty Among Children Worsened in Welfare Law's First Decade

While data illustrating the impact of welfare reform in the past two decades show an increase in parents working and fewer people on welfare, a closer look at the data reveal troubling trends related to children and families living in deep poverty, meaning those living below half the federal poverty line. Such observations were recently released in a report from the Center on Budget and Policy Priorities. Researchers found that the percentage of children living in deep poverty rose from 2.1 to 3 percent. Key findings included the following: early welfare-to-work programs increased deep poverty even as they reduced overall poverty; measured carefully, deep poverty rose nationwide; and more families are living on less than \$2 per person per day. These findings illustrate that welfare reform has done little for our nation's poorest families. [Click here](#) to read more.

## Financial Empowerment

### A Two Generation Approach to Asset Building

Two generation approaches to alleviating poverty focus on providing the necessary services and supports to both vulnerable parents and children together as a way to ensure a better future for the family in both the short term as well as for generations to come. Supports and programs provided in two generation approaches include subsidized childcare, access to higher education, housing support and job training, among others. The Colorado Department of Human Services, in partnership with CFED and supported by the Aspen Institute, has identified a statewide model using a two generation approach with a focus on Child Savings Accounts. This model is based on [research](#) that suggests a strong connection between childhood savings and educational attainment. [Click here](#) to read the summary report.



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

efficiencies and effectiveness of service when leveraging technology. Currently we are funding a pilot test of Virtual VITA to better understand these trade-offs and best practices.

In addition to increasing awareness and uptake of the EITC, we see free tax prep services as a great entry for one-on-one, ongoing financial services and are interested in continuing to explore effective referral strategies. We also support products and services at tax time to promote savings. Later this month we will be announcing our support for several programs that will focus on using incentives and behavioral nudges to encourage savings at tax time by decreasing barriers to save.

We would also like to have a level of standardization across programs so that we are able to evaluate beyond one particular program and make comparisons across the country. Last year we incorporated an impact framework across all our grants to assess three main things: savings behavior, improvements in credit and asset accumulation. For our VITA partners, we are measuring the basics, which include: number of returns filed, number of credits filed, average amount saved and average amount refunded.

### ***What have you learned about savings at tax time over the years?***

We know that our community partners have done incredible work and are facing an increasingly difficult funding environment. Technology can play a role in helping address some of these challenges by driving down costs and increasing the reach of services, but it's not a panacea. We still need to do additional work to understand how technology can be leveraged to maximize efficiencies without jeopardizing impact.

We also know that over 80% of people entering VITA sites already have a plan for how to spend their refund. This means that we need to be catching people before they enter a VITA site so that they are coming in thinking about options that include budgeting and savings. We need to use the tax time moment as an entryway to sustained, ongoing support through financial coaching.

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

I'd be interested to hear from colleagues about best practices in their portfolios. In particular, the role of technology in increasing awareness, access and usage of the EITC and the effectiveness and efficiency trade-offs. I'm also interested to learn more about design features of products that promote savings at tax time and effective combinations of incentives and behavioral nudges to maximize outcomes. I'd also love to hear more about strategies to use tax time as an onramp to sustained engagement with a financial coach. There are a lot of opportunities to share best practices – both our success and failures.



## **The EITC Funders Network has a new website!**

**[www.eitcfunders.org](http://www.eitcfunders.org)**

**We have the same address, but  
new style and content! Enjoy!**