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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,

Summer is here and things are heating up, including the debate about whether raising the minimum wage or expanding the EITC would do more to support working families and lift more Americans from poverty.

Last month, the Wall Street Journal's opinion pages included [an article by billionaire Warren Buffett](#) which encouraged the expansion of the EITC as the best strategy while positing that an increase in the minimum wage would have detrimental effects on the economy and particularly on the lives of working families.

Advocates and policy makers alike have had the opportunity to clarify that research findings suggest that expanding the EITC *and* increasing the minimum wage in tandem have the greatest positive impact on working families. This argument is best summarized in a [blog post](#) by our colleagues at Tax Credits for Working Families.

Let's keep the heat up and continue working toward the best solutions for working families!

Sincerely,

Ami Nagle
Network Coordinator

Recent 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



Lauren Stillwell

Program Officer

Washington Area Women's Foundation

Research News

The Urban Institute Captures the Growing Wealth Inequality in America; Offers Policy Recommendations

Why hasn't wealth inequality improved over the past 50 years? And why, in particular, has the racial wealth gap not closed? The Urban Institute illustrates how income inequality, earnings gaps, homeownership rates, retirement savings, student loan debt, and lopsided asset-building subsidies have contributed to growing wealth disparities. Leading researchers offer 6 key recommendations to address wealth inequality in the US, which include maximizing opportunities for savings at tax time and better access to asset building for low income families. [Click here](#) to read more.

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

Washington Area Women's Foundation is focused on increasing the economic security of low-income women and girls. We do this by investing in asset building, workforce development, and early care and education. To date, we have invested nearly \$8 million into these strategies. As a result, we have helped nearly 15,000 women increase their income and assets by more than \$49 million through higher wages, decreased debt, tax credits, increased savings, and growing equity related to homeownership.

Recently, we have been encouraging ourselves and our grantees to think innovatively about two-generation approaches to this work. For example, two years ago we launched new investments aimed at supporting girls on a path to long-term economic security. From our research locally and nationally, it was clear that middle school should be the focus – as a critical developmental period, and one that is often under-resourced. We took the opportunity to connect this new work with our historical focus on adult women, and encouraged organizations in the community to serve both middle school girls and their mothers (or other female caregivers) simultaneously. Currently, we have two grantees that are co-designing such a program model that leverages each of their existing strengths – so they are not re-creating the wheel, but designing a new way to work together.

Why does your foundation support EITC-related work?

The EITC has always been a part of our economic security work. It's a very persuasive strategy because, in many ways, it's "low-hanging fruit." The EITC is a benefit for which people qualify and we need to support providers to connect with families in the short- and long-term. Additionally, the EITC is a great example of an activity that bridges workforce development and asset building – and we believe there can be strength in blended approaches.

While there are policy changes that would make the EITC stronger, even in its current iteration, we see a big return on our investment. For example, we support free tax preparation sites in DC. One of these organizations served over 1,200 women which brought in \$2.1 million dollars. That's a significant increase in assets for these families!

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Outreach & Tax Preparation

Tax Season & Health Insurance Enrollment

With the 2015 tax season behind us, learn about how [Enroll America](#) is partnering with free tax preparation sites to maximize the number of Americans who enroll in and maintain health coverage through the Affordable Care Act. [This article](#) highlights how partnerships with free tax preparation sites and Enroll America helped identify filers who are eligible for the Special Enrollment Period, which was an extension of the enrollment date for filers who became aware of the fines at tax time associated with not enrolling in a health care plan.



Lessons learned during this year's tax season provides a valuable opportunity to learn how the intersection of tax time and health insurance is playing out for everyday Americans.

EITC

Benefits Access

Safety Net Program More Effective Than Previously Thought

A recently released [report from the Brookings Institution](#) shows that previous analysis of Census data showed that safety net programs cut the poverty rate nearly in half. According to data released recently by the Urban Institute, which correct for underreporting of key government benefits in the Census survey, reveal an even stronger impact: the safety net reduced the poverty rate from 29.1 percent to 13.8 percent in 2012 and lifted 48 million people above the poverty line, including 12 million children. Correcting for underreporting reveals that the safety net also did more to reduce deep poverty than previously shown, although 11.2 million Americans remained below half the poverty line.



Policy

CFED is Advocating for Expanded Funding for VITA

Making the case for a high return on investment, CFED is pushing for an increase in funding for Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites nationwide. According to CFED's analysis, the \$1.8 million invested in these programs has led to \$3.9 million in returns for filers. CFED is advocating to expand funding for the volunteer tax preparation programs, including \$18 million for VITA and \$7 million for TCE. As part of this effort, CFED is encouraging supporters to write letters of support in both chambers of Congress, has published a [Federal Policy brief](#) outlining the effectiveness of both programs and has partnered with United Way Worldwide on a [joint stakeholder letter](#) that garnered 400 signatories from national organizations in support.

Financial Empowerment

Financial Empowerment Tools from the Consumer Financial Protection Bureau (CFPB)

The [Your Money, Your Goals toolkit](#) is designed to help organizations working with low income families and individuals by providing a comprehensive and interactive guide for front line workers interested in helping their clients through financial education, including goal setting, choosing financial products and skills related to credit clean up. Staff that provide a wide range of services including homeless services, mental health and emergency services, case management, and nutrition assistance programs reported feeling more confident about identifying financial challenges and resources to help their clients.



Interview with a Funder (continued from page 2)

What kind of EITC-related work does your foundation support? What are some of the different strategies?

The bulk of our EITC work (supporting free tax prep services) has remained essentially the same since we began supporting it. We continue to look at the extent to which tax time can be an intervention, and how we can build out other logical starting places to engage people around goal setting and asset building. For example, one of the foundation's grant investments this year is supporting an asset building grantee to work on-site at an adult basic education grantee – working with adult students and alumni based on their individual goals, as they progress as adult learners, and then pursue post-secondary education or careers. Our grantmaking encourages long-term engagement with families and holistic services. Over the last few years, the foundation streamlined our grantmaking into one RFP and one evaluation process. As a result, grantees can blend different programmatic strategies and, especially in evaluation, are encouraged to understand the impact on economic security in a variety of ways.

Capturing the impact of our EITC related work is critical. Some of the quantitative measures include the number of people accessing the EITC, the total amount of refunds received, decreased debt, increased savings, tax preparation costs saved, and changes in knowledge related to financial literacy. We have updated these indicators over time, in partnership with a working group of our grantees.

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 continue to think about how we can make a stronger case for a focus on asset building. We have anecdotal information about the effectiveness of blending strategies, but if we want to move programs and policies, we need a better evidence base. Related to this, I'm curious how other funders in the field have brought together diverse funders to invest in asset building – including those who might not have explicit asset building goals but could, for example, be interested in bolstering their education or health goals through asset building.



EITC and Two Generation Strategies

In partnership with the Grantmakers Income Security Taskforce and Grantmakers for Children, Youth and Families, we are exploring strategies related to two generation approaches to poverty alleviation.

Stay tuned for upcoming events and information!