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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.

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*The Annie E. Casey Foundation
The W.K. Kellogg Foundation
The C.S. Mott Foundation
The Piton Foundation
The Ford Foundation*

A Note From the Coordinator

Dear EITC Funders Network,

Last month, the U.S. Census Bureau released the Supplemental Poverty Measure (SPM). As you may know, the SPM was developed in the mid 1990s and extends the official poverty measure by taking into account government programs designed to assist low-income families and individuals. These changes plus a more nuanced definition of income were forwarded to help get a handle on real poverty in America. Using the SPM, in 2012 49.7 million people were poor which is higher than the 47.0 million reported under the official poverty measure.

One of the most interesting things about the research that goes into constructing the SPM is that we can now get a much closer look at what helps to bring families out of poverty. The research shows that refundable credits like the Earned Income Tax Credit and the Child Tax Credit, proved to be the second most effective government benefit, behind Social Security, in keeping families out of poverty. The EITC alone raised more than 6.1 million low-income people out of poverty in 2012.

Read about it here: <http://www.census.gov/prod/2013pubs/p60-247.pdf>

Sincerely,

Ami Nagle, Network Coordinator

Check Out Our Recent Events!

**Webinar with the Consumer Financial Protection Bureau,
Lessons Learned from the EITC Rapid Response Fund and
EITC Funders Network Bi-Annual Meeting**

[Click here](#) to go to our Recent Events page.

Interview with a Researcher



Elizabeth Kneebone,
Fellow, Metropolitan Policy Program at The Brookings Institution and
Co-author of [Confronting Suburban Poverty in America](#)

Research News

Poverty Rate remains high at 15% for 2012

Analysis of 2012 Census data from the Center on Budget and Policy Priorities offers important information on how the economic recovery has yet to produce significant gains for Americans at the bottom and middle of the economic ladder. [Click here](#) to read more.

43% of American children raised at the bottom of the income ladder remain stuck there as adults

Most Americans raised at the bottom of the income ladder never reach the middle rung. This report, "Moving On Up," examines the traits of those who are able to move up from their starting place at the bottom of the income ladder to the second rung, or even to the middle of the income distribution. [Click here](#) to read more.

Tell us about your background and what led up to the research for your book, [Confronting Suburban Poverty in America](#).

When conducting the research that led to our book, my co-author, Alan Berube, and I did not set out to study suburban poverty. We were both working on issues that affect low-income people and communities in the nation's largest metropolitan areas. The release of the 2005 American Community Survey allowed us to take a mid-decade look at local level poverty trends for the first time.

While analyzing poverty trends in the country's 100 largest metropolitan areas, we found that, not only had suburbs experienced the fastest pace of growth in the number of residents living below the federal poverty line, but they were also home to more poor residents than central cities for the first time. With funding support from the Ford Foundation, we created the [Metropolitan Opportunity Series](#) in 2009 to dig more deeply into these trends. The Annie E. Casey Foundation also became a supporter of this work, as we continued to track the shifting geography of poverty and assessed the drivers and implications of these trends through the series. The book [Confronting Suburban Poverty in America](#), brings this body of research together.

What are the key findings of your research? Can you highlight two or three key factors leading to the growth of poverty in suburban areas?

The key finding of our research is that the geography of poverty has changed dramatically in recent years, but our perceptions of where poverty is and who it affects and the place-based policies we use to address poverty have failed to keep pace. Broadly speaking, the rapid growth of poverty in suburbia has been driven by the combination of two factors: poor residents moving into the suburbs and long-term suburban residents slipping down the economic ladder over time. The first factor reflects shifts in the location of affordable housing, jobs, and immigration patterns.

For instance, by the end of the 2000s, roughly half of residents using portable housing choice vouchers chose to use those vouchers in suburbs. In addition, jobs continued to shift further out in metropolitan regions during the 2000s, particularly in industries like retail, services, construction, and manufacturing. And new immigrants increasingly bypass central cities altogether and move directly to suburban communities. At the same time, many longer-term suburban residents became poorer over time as the result of the two economic downturns in the 2000s, and the growing prevalence of low-wage jobs.

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Outreach & Tax Preparation

EITC Interactive from the Brookings Institution with Updated Numbers from 2011

Each year the Metropolitan Policy Program at Brookings receives ZIP code-level administrative data from the IRS that offer a detailed look at all tax filers as well as taxpayers who claimed the Earned Income Tax Credit (EITC). After processing and aggregating the data to various levels of geography—from cities and towns, to counties, to metro areas, to state legislative and congressional districts—Brookings makes them available online for service providers, advocates, researchers, and other stakeholders through our EITC Interactive application. Released in mid-September, the latest version includes data from 2011, the most recent year for which detailed data are available. [Click here](#) to learn more.

Policy

Paycheck Plus: A New Antipoverty Strategy for Single Adults in New York City

New York City's Center for Economic Opportunity and MDRC have launched a path-breaking demonstration project that is rigorously testing a new earnings supplement for low-income single adults — mostly men — with the goal of promoting work and reducing poverty. A direct response to the downward trend in employment, wages, and earnings among the least skilled, the project will simulate an expanded Earned Income Tax Credit for low-income single workers without dependent children. On November 14, the [Center on Children and Families at Brookings](#) held a forum to introduce the experiment and analyze its possible effects. [Click here](#) to check out the forum and learn more.

EITC

Benefits Access

Emerging Lessons: A Case Study on Bundled Service Delivery for Entrepreneurs at Mission Economic Development Agency

This case study is a detailed analysis of one community-based organization's approach to creating a bundled service delivery model, with a particular focus on the set of services and systems targeted at entrepreneurs. This case study is intended to be a resource that captures and shares many of the lessons from CFED's partnership with MEDA that convey the most efficient ways to deliver bundled services to entrepreneurs. "We have learned through our work an important point: service integration is much more than simply the process of referring a client from one program to another program. In order to be truly integrated, services and programs must have a common set of systems that are standardized and implemented in the same way, both across programs and partner agencies." [Click here](#) to read more.

Financial Empowerment

The High Cost for the Poor of Using a Bank

[An article by Lisa J. Servon](#) explores the reasons why many low income people choose check cashers over traditional banking institutions. In this article, Servon challenges the notion that traditional banks offer better products than check cashers, considering the lack of free checking accounts and high overdraft charges. She offers an opportunity to consider how traditional banking institutions might offer products and services that are more appropriate to low income individuals and families. According to Servon, check cashers and payday lenders may not be a good deal for the poor, but banks are not doing any better to serve people with little money to spare. [Click here](#) to read the article.



Interview with a Researcher (continued from page 2)

Our collective story of poverty in the US revolves around the lives of those living in urban areas. What new story about poverty is this data telling us?

When we talk about “the suburbs,” people often think of white, middle-class, affluent communities. The truth is that suburbs have always been more diverse than that and have only become more so in recent years. The story told by these data is that while cities continue to struggle to address issues related to poverty, suburbs are increasingly sharing the same challenges. Poverty is touching more people and places than in the past.

For funders focusing on poverty alleviation, the first step is to understand these shifts and help communicate the ways in which the modern geography of poverty and opportunity has changed. Sharing the story of these data will help funders, service providers, policymakers, and advocates better understand and more effectively respond to increasingly regional need.

Promising models we’ve seen include the scaling up or expansion of high performing organizations to offer services in under-resourced suburbs where need has grown in recent years. Another approach has been to foster meaningful collaboration among existing organizations to make sure residents and communities with rapidly emerging needs are connected to critical services and supports. Strategies that find ways to be both scaled (cutting across jurisdictions and policy silos) and local (responding the diverse needs of different neighborhoods and communities) at the same time provide important models for more effective approaches to addressing today’s regional map of poverty. We have highlighted several organizations that reflect these models through [case studies](#) on our website.

What advice do you have for funders interested in tackling these issues?

It is important for funders to understand what is happening in their regions in terms of these trends to identify the most effective strategies to alleviate poverty and increase access to opportunity. As conveners, funders can play an important role in bringing people from diverse sectors together. Effective strategies will hinge upon engaging those working across different jurisdictions in housing, transportation, and health and community development, among others.

In order to be successful in alleviating poverty, we must be committed to working in communities through several generations. We need more “patient funding” that reflects a commitment to this work for the long term. For those interested in starting or advancing these important conversations in their communities, we offer an [Action Tool Kit](#) with suggested strategies and next steps.



Asset Building at Tax Time

In partnership with the Asset Funders Network, we are conducting a focused assessment to learn more about our members’ experience with combining tax preparation strategies and asset building.

Do you have experience in this arena? Would you like to be interviewed by Network staff? If so, please be in touch!