

# EITC eNewsletter Funders Network

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## About the Network

The EITC Funders Network brings together funders interested in the Earned Income Tax Credit, free- and low-cost tax preparation, and asset building. The Network seeks to increase awareness of EITC-related projects, foster collaboration, share information about the current status of EITC-related work, and help shape the future of the field.

**The EITC Funders Network is generously supported by...**

*The Annie E. Casey Foundation*

*The W.K. Kellogg Foundation*

*C.S. Mott Foundation*

## A Note from the Coordinator

Dear EITC Funders Network Members,

As tax season is in full swing, I am reminded of just how important the free-tax preparation movement is. Each year, thousands of volunteers are trained and brought together to ensure that low-income tax payers have the opportunity to get their taxes filed in a highly professional and free setting. According to the National Community Tax Coalition's Report [State of the Field 2010](#), last year:

- Community VITA programs completed 1,094,013 tax returns;
- 2010 VITA returns helped low-income people bring home more than \$1.6 billion in refunds.

The results from the community VITA programs have been so strong that the IRS has increased its community VITA grants from the original \$8 million allocation to \$14 million. This is great news for non-profit partners, low-income taxpayers, and funders (like you!) who are always looking for ways to make their investment go farther and grantees more financially stable.

As the field continues to expand and strengthen, joint learning is more important than ever. As grantmakers we play an important role in helping our grantees learn about trends in the field and key program innovations.

The EITC Funders Network takes its job of helping you do your job very seriously. Each year we provide information through webinars, meetings, newsletters and one-on-one consultations with members. And, our programs have been very popular! Between 2009 and 2010, 60% of our members participated in at least one webinar.

We hope you will take the opportunity to join in the learning with us!

Sincerely,

Ami Nagle  
Coordinator  
EITC Funders Network

**Visit our website at:**  
[www.eitcfunders.org](http://www.eitcfunders.org)

**Attending the NCTC meeting in Chicago in June?**

Please join the EITC Funders Network for a luncheon meeting on **Monday, June 6**. More details on page 3!

Below is our current line up of webinars for 2011. Please visit our website for more information.

- **April 2011** (date TBD) New Internet-Based Resources for Funders and Grantees
- **May 2011** (date TBD) Links Between EITC and Financial Services—what is the state of the field?
- **Summer 2011** (date TBD) What Happened to RALs? The back-story behind the research, mobilizing, and advocacy that brought down an industry
- **Fall 2011** (date TBD) Results from the IRS Debit Card pilot

Have an idea for a webinar? Just drop us a note and, make a suggestion!



## Foundation for the Mid South

[www.fdnmidsouth.org](http://www.fdnmidsouth.org)

Greg McCoy, Program Fellow

*Why does the Foundation for the Mid South support EITC-related work? Why do you find this a persuasive strategy? How does it fit into the Foundation for the Mid South's mission and goals?*

Founded in 1990, the Foundation for the Mid South was created to promote racial, social, and economic equity in Arkansas, Louisiana, and Mississippi—three states with poverty rates well above the national average. To improve the quality of life in the region, we focus on four core priorities that include: high quality education systems, financial security, good physical and mental health, and prosperous and growing communities.

Our wealth building work is aimed at helping families move up the economic ladder. The wealth building area transformed into its current approach about 10 years ago when, with the counsel and support of the Corporation for Enterprise Development, we moved some of our economic development grant making toward asset building. This mostly consisted of Individual Development Accounts (IDAs)—matched savings account to purchase an asset and financial education. Two years ago, our board saw the similarities to our IDA investments and the potential of EITC and approved an expansion of our work to wealth building, including EITC-related efforts. Like our work with IDAs, we are raising awareness and expanding the use of EITC, helping people and providing assistance to tax filers in claiming the credit.

The use of EITC as a wealth building strategy is a perfect fit for the Foundation. First, it's a tool that is already in place—albeit, highly underused with only 40% percent of eligible Mid South families claiming the credit. If used at 100%, it could mean an increase of \$3.5 billion in income for working-poor families in the Mid South. Secondly, the EITC has the potential to be further expanded in two of our three states to include state EITCs. These would provide an additional thrust in increasing the annual income and financial security of residents.

*What kind of EITC-related work does Foundation for the Mid South support?*

Currently, our EITC work is grounded in two strategies: 1) raising awareness and use of the credit, and 2) improving policy to expand the credit.

(Continued on page 4)

## Webinar Resources

Did you know that the EITC Funders Network has a library of webinars the Network has hosted over the past few years?

Recent webinars include:

- **Low-Income Families in America**
- **The Impact of Federal and State Tax Policy Changes on Low-Income People**
- **Using Tax Time to Improve Savings**
- **Working with Colleges and Universities**

Visit our Funders' Library webpage to view these webinars on-line and explore other resources:

[www.eitcfunders.org/library.html](http://www.eitcfunders.org/library.html)

## EITC Funders Network Offers Scholarships to National Community Tax Coalition Meeting Participants

Thanks to the generous support of the Annie E. Casey Foundation, the C.S. Mott Foundation and the W.K. Kellogg Foundation, the EITC Funders Network is pleased to announce that we are supporting three scholarships to this year's National Community Tax Coalition conference. These scholarships are geared to helping your grantee partners access free conference registration and off-set the cost of hotel and travel.

**What is NCTC?** The National Community Tax Coalition (NCTC) is a network of community-based organizations dedicated to securing a sound financial future for America's low-income families. Each year, the community tax preparation and asset-building field recruits and trains over 85,000 volunteers to help more than a million working families with their financial needs. NCTC provides educational materials, information on program design, advocacy, and hosts a biennial conference. For more information on NCTC visit: [www.tax-coalition.org](http://www.tax-coalition.org)

**When is the NCTC Conference?** NCTC will address the challenges and opportunities for the future at its biennial conference, June 7-9 at the Hyatt Regency Hotel in downtown Chicago.

**Why should I and/or my Grantee Partners Attend?** This is the major conference of the field of organizations interested in the EITC, other tax credits for low-income families, and free tax preparation. National experts, federal officials, and program providers offer a rich array of information geared at making sure that programs can access the latest information and build stronger, more sustainable, efforts. Click here for the conference website: <http://tax-coalition.org/skill-building/events/national-conference-2011>

**How Can my Grantee Partners Apply for a Scholarship?** NCTC is offering scholarships through a central application. Please have your grantee partners visit: <http://tax-coalition.org/skill-building/events/national-conference-2011/2011-national-conference-scholarships>. **DEADLINE: Friday, April 1**

### Join the EITC Funders Network at NCTC

On **Monday, June 6, 2011, from 11:00 am - 4:00 pm**, the EITC Funders Network will hold a funders luncheon meeting in conjunction with the National Community Tax Coalition conference. We'll be joined by national and local program experts to discuss:

- **The Future of Evaluating EITC-related work** — how can we work collaboratively to improve grantee and field evaluation?
- **Connecting EITC to other Public Benefits for Low-Income Workers** — what is the state of the field?

Visit [www.eitcfunders.org](http://www.eitcfunders.org) to register and get additional information.

Greg McCoy, continued from page 2)

We raise awareness in several ways. First, the Foundation actively promotes the credit and supports / partners with others to help eligible tax filers to claim it. In many rural areas in the Mid South, low-income, working residents are not benefiting from the credit, simply because they are unaware. This led us to also supporting free tax preparation services. In one community, we provided a grant to an organization training high school students to provide free tax assistance to low-income tax payers in the community, emphasizing the use of EITC. The student tax preparation site grew out of the efforts of a young woman who realized that her rural Louisiana community was missing out on the EITC and she wanted to do something about it. Last year, students completed 489 returns and brought \$170,000 back into the community from EITC alone!

Our second focus is on policy. In the region, Mississippi and Arkansas do not have a state EITCs. Through grants and partnerships, we are creating evidence-based reports on the value of state EITC and the impact it can have on the economy. The Foundation and its partners are reaching out to legislators to share this information, helping to expand their understanding and establish new policy for the credit.

Our EITC policy and asset-building work often overlap, despite being led by different grantees. These collaborations have created a growing economic security dialog in the region that we hope will improve policy and benefit the financial outlook for Mid Southerners.

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

One of the weaknesses in the region is that we lack a large number of organizations to advocate for policy change. As an institution, we have taken actions to directly impact policy change, but we continue to look for new partners in the region to aid in this work. Another challenge is our geography; we are a rural region. In comparison to other regions, we have fewer population centers, a lack of transportation, and limited broadband internet access. These are a few of the challenges in our wealth building work, but they also undermine many other community and regional improvement efforts, as well.