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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

The C.S. Mott Foundation

A Note from the Coordinator

Dear EITC Funders Network Members,

In our busy and fast paced lives, staying connected is hard.

One of the primary goals of the EITC Funders Network is to help create tighter connections between funders. We work on this goal through our webinars and meetings. And, in our eNewsletter.!

As you may know, in each edition we feature a funder in our EITC Funder Spotlight. These Spotlights help to raise up key questions including:

- How does the foundation frame its EITC-related work?
- What kind of grants has the foundation been making and how has grant making evolved?
- What are some questions the funder is interested to see the field address?

Interviewees include:

Issue Organization, Interviewee

15	Central Indiana Community Foundation, Angela Carr Klitzsch, Senior Grants Officer
14	Jessie Ball DuPont Fund, Sherry Magill, President
13	University of Illinois, Ruby Mendenhall, Asst Prof of Sociology, Afr.Am. Studies, and Urban/Regional Planning
12	Polk Bros. Foundation, Deborah E. Bennett, Senior Program Officer
11	Greater Milwaukee Foundation, Janel Hines, Senior Program Officer
10	Foundation for the Mid South, Greg McCoy, Program Fellow
9	Arizona Community Foundation, Tony Banegas, Program Officer
8	United Way of the Bay Area, Carole Watson, Chief Community Investment Officer
7	Walmart Foundation, Michelle D. Gilliard, Senior Director, National Giving
6	Erie Community Foundation, Shiloh Turner, Vice President for Programs
5	Alabama Giving, Jera Stribling, Coordinator
4	The Bank of America Foundation, Annika Little, Senior Vice President
3	The W.K. Kellogg Foundation, Paula Sammons, Program Associate
2	The Annie E. Casey Foundation, Mike Laracy, Coordinator for Public Policy
1	New Hampshire Charitable Foundation, Deborah Schachter, Senior Program Officer

These Spotlights are fascinating reading! I encourage you to check them out! All our eNewsletters can be found at: www.eitcfunders.org/library.html

Sincerely,

Ami Nagle
Coordinator

Do your
grantees know
about NTA??

Tax season is over, but the work to understand tax preparation site effectiveness has just begun!

As a community, it is important to learn how the EITC programs we fund are doing, and one of the few mechanisms to help us do that is the **National Tax Assistance (NTA) Tool**.

What is NTA? NTA is a software product developed to draw information from tax sites' TaxWise data, eliminate personal identifiers, and provide a file with critical data points about tax site activity. It also offers reporting capabilities so that users can communicate data via graphs and maps.

Why should my grantees use it? The data that NTA makes available can be used to improve service provider operations and coordinate with grantees about future program goals. All VITA sites use TaxWise to store client and activity data, so NTA can easily help extract and understand data from any site. NTA can also help you compare grantee performance, identify areas for improvement, and look at data from other tax sites nationwide.

How is NTA accessed? Sign up for free at www.eitcplatform.org.

EITC Funder Spotlight



Angela Carr Klitzsch

Senior Grants Officer

Central Indiana Community Foundation

How does EITC-related work fit into the Central Indiana Community Foundation's mission and goals?

As a community foundation, we have been held in trust to better the lives of our citizens. When you break down the self-sufficiency continuum, the first area to work on is economic security. We think of it as a thread from which everything else we work with families on starts; families need financial stability before we can address other areas of self-sufficiency.

This work particularly resonates with individuals who have started donor advised funds. These individuals all have utilized assets to attain education and professional success – many are entrepreneurs themselves – so they really understand that assets are key to the American Dream and for the social mobility we want to provide to the families we serve. Also, this work mirrors trends at the national level, where we see income stagnating and most capital increases rolling off of investments.

How did the Foundation come to support EITC-related work?

In 2005, CICF started conducting stakeholder roundtables to identify key community needs, and three community leadership initiatives emerged from those conversations: 1) Inspiring Places, 2) College Readiness, and 3) Family Success. Our support of EITC-related activities stems from the Family Success initiative, which supports programs focused on increasing the earnings and assets of working families. Tax credits like the EITC are very important to increasing earnings and assets.

Our identification of Family Success as it currently exists is modeled after the Annie E. Casey Foundation's previous work in Indianapolis as part of its *Making Connections* program, an initiative that started in 1999 to explore strategies for improving results in tough neighborhoods. The *Making Connections* Indianapolis activities included spearheading the Indianapolis Asset Building Campaign, which has become a thought leader about asset development for working families. CICF became AECF's local partner for *Making Connections* Indianapolis in 2008, at which point we focused our efforts on increased earnings work as well as asset-building.

What kind of EITC-related work does the Central Indiana Community Foundation support? What are some of the different strategies? Why these?

One of the primary things we do to encourage our neighbors and residents to access this credit is supporting IRS Volunteer Income Tax Assistance (VITA) sites. In the past few years, we have supported nine different VITA sites based at the neighborhood level. These sites are hosted at community centers that have already garnered trust from the neighborhood.

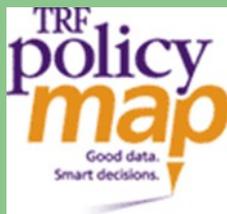
We work with a coalition of 35 member organizations to support broader VITA work across the city, and through that work we have realized that one of the challenges to serving more clients each year is the number of volunteers that we have, especially those certified at levels necessary to provide effective assistance to VITA clients. Federal VITA grants are very restrictive regarding volunteer qualifications, but rather than viewing this as a barrier it became an opportunity for us to think about how to work within this challenge. We started using the self-serve tax preparation option by partnering with The Benefits Bank, which we helped bring to the community two years ago. Bringing The Benefits Bank program to the state has had challenges – its currently not being utilized to its full capacity as in other states, but it has also provided a product to support individuals who need tax preparation assistance.

(Continued on page 4)

Want to know about a new way to infuse data into your grant-making decisions?

The Reinvestment Fund (TRF) has partnered with progressive technology company 3D-L to create PolicyMap, a fully web-based Geographic Information System (GIS). Using PolicyMap, you can create custom maps, tables, and reports to communicate a variety of indicator data. The PolicyMap database includes demographic, housing, health, school performance, labor, and crime data, and you can also use its GIS capabilities to integrate your own data. TRF hopes that this resource will assist funders and other nonprofits with incorporating more local data into their decision-making processes.

You can explore PolicyMap at <http://www.policymap.com/>. Many of its resources are available at no cost, and there are also subscription packages available.



Federal Child Tax Credit in Jeopardy

The Child Tax Credit currently represents up to \$1,000 tax savings per child, and the Urban-Brookings Tax Policy Center estimates that 35 million families filed for \$52 billion in Child Tax Credit claims in 2011. Some advocacy groups, such as First Focus, say that the Credit kept 1.3 million children out of poverty in 2009.

Family advocacy groups from both sides of the aisle are joining forces to advocate for preserving the Child Tax Credit, according to Bernie Becker of The Hill. Family advocates fear that the credit, which will shrink at the end of the year without legislative action preserving it, will “get lost in the shuffle” during the post-election lame-duck session. While lawmakers maintain that they do not plan to let anything happen to the Credit, family advocates are concerned that lawmakers will primarily focus on their re-election campaigns between now and November, and that what’s left of the session after the elections will focus on tax rates and a round of automatic spending cuts. As a result, they are gearing up lobbying activities now in order to ensure the Credit is preserved.

Tax Credits Help Keep Wisconsin Families Out of Poverty

A report that the Institute for Research on Poverty at the University of Wisconsin-Madison released in April indicates that tax credits were extremely important for keeping Wisconsin residents out of poverty in the wake of the recession. While official U.S. Census estimates indicated that poverty increased between 2009 and 2010, the Institute for Research Poverty’s alternative poverty measure found that Wisconsin poverty rates actually *fell* from 11.1% to 10.3% over that time period.

The research team used the “Wisconsin Poverty Measure” (WPM), a measure they developed to include the effects of tax credits, noncash benefits, and work-related costs (childcare, e.g.) as well as pre-tax cash income when determining poverty rates. Because many tax provisions and benefits were augmented as part of the American Recovery and Reinvestment Act of 2009, a number of people who would normally live below the poverty line did not enter poverty as measured by the WPM. Additionally, the team found that tax credits, such as the federal EITC and Wisconsin EITC, proved the most impactful strategy for reducing poverty in Wisconsin during the recession. The report emphasized that these supports are not long-term solutions for poverty, but the findings confirmed that they are very important for addressing “market-driven poverty.”

You can read *Wisconsin Poverty Report: How the Safety Net Protected Families from Poverty in 2010* here: http://www.irlp.wisc.edu/research/WisconsinPoverty/pdfs/WIPovSafetyNet_Apr2012.pdf

Your Opinion Counts!

The EITC Funders Network Coordinating Team is interested in understanding your perceptions and needs regarding the Network.

Please complete the **short evaluation survey** at:
<http://www.surveymonkey.com/s/EITCFundersSurvey>

Upon completion of the survey you will have the option to enter your name in a raffle for a \$25 Starbucks gift card!

Thank you in advance for sharing your insights!

(Angelia Carr Klitzsch, continued from page 2)

It also offers a skills transfer, because clients can learn how to prepare their own taxes.

Also, in the past year, CICF joined the Indiana Coalition of Human Services (ICHS). ICHS is a membership organization that monitors and promotes public policy that better the lives of those at risk and in need. It is important for us to understand the state-level policy because during the 2011 summer legislative session, the state EITC was disjointed from the federal EITC. Now there is a cap on the state EITC families can receive. For example, families may have five or six children but can only receive credit for two children. This is something we need to watch so that we can support efforts to “push the clock back” to realign the state credit with the federal EITC.

During the most recent legislative session tax credits came up again, and many wanted to get rid of them completely. ICHS successfully educated legislators about the importance of the EITC and the credits remained intact...for now. We are not trying to get into the policy ring ourselves, but we need to be aware and willing to use our reputation as a nonpartisan organization to help with education by contacting other organizations, testifying about EITC importance, etc. If Indiana lost the state EITC, it would undermine all the work we have already done.

How have your EITC-related grants evolved over time?

Grants have changed a lot in that the fiscal agent responsible for the VITA effort has transitioned to multiyear support to match the federal VITA grant. We have also started bringing in The Benefits Bank to train frontline staff at neighborhood tax preparation sites. We also have started to try to align what would be considered “tax season grants” with ongoing financial literacy classes and using tax preparation activities to share information about services that are available throughout the year. This will move people towards not just financial education and literacy but also financial capability.

We haven’t had a number of new grants, and we haven’t increased or reduced grant amounts significantly since we began EITC work. Change over time has been more about thinking comprehensively about how to support individuals through tax season and beyond, offering additional services besides that one point in time. For example, we support the Center for Working Families that has clients who receive financial coaching services throughout the year at community centers, but the people who attend the tax preparation sites are not always the same people who are clients throughout the year. So we have been thinking about strategies for pulling in the individuals who are getting coaching services throughout the year but are not getting their taxes prepared at the same site, and then vice versa – how to transition the once-a-year clients to more continual financial literacy support.

We also have instituted a mobile tax preparation van to broaden tax preparation opportunities. Over the years we found that permanent sites work better when people make individual appointments, so we support a van that travels around the city to hold periodic one-day drop-in events that the City of Indianapolis coordinates. We are fortunate that the First Lady of Indianapolis, Winnie Ballard, is a strong proponent of financial literacy efforts. She has been a great advocate by appearing with the mayor in commercials about tax preparation and other financial services, and has prioritized services like the mobile tax preparation van.

Are there any EITC issues that you'd be interested to hear your colleagues and/or the field address?

I think the ability to clearly articulate the value of EITC is a challenge. Because of the different factors that go into calculating each family’s credit, you can’t clearly say “if you have a family of four, this is what you get.” It is important to articulate what the credit is, why it is so valuable for families, and why current state policy is concerning. When legislators call these credits into question, we need to understand what offense we need in order to get ahead of that. New legislators just looking at balancing the budget may not understand the value that the state EITC has provided back to the community. This is not like advertising or marketing for clients – we already have a good way to reach out to that community – it’s how to market the value to those who have the power and influence to continue it or get rid of it.

One thing a colleague could help with is understanding the combination of public and philanthropic support necessary for the EITC to make a difference for families. For every dollar of government investment in the EITC, how much support comes from philanthropic funders? This could be very interesting – if you think about how much money foundations and nonprofits put into site staff and the financial sustainability continuum, the actual dollar going back to client is nominal compared to the investment made in all the other components.