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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

Bank of America

C.S. Mott Foundation

A Note from the Coordinator

Dear EITC Funders Network Members,

As the year comes to an end, the field of nonprofit tax preparation is just starting its busy season.

As many of you may be aware, the most effective free tax preparation efforts—the organizations most engaged in helping low-income families access the EITC—are starting to train volunteers and setting up free tax preparation sites.

Soon, thousands of volunteers from communities across the country will be sitting across the table from working poor families and helping them navigate the tax system and keep more of their hard earned income.

The EITC and free tax preparation represents a near perfect volunteer opportunity:

- It is time limited; it only covers the months of the tax season.
- It requires a variety of skills, from friendly greeters and organized site coordinators to savvy tech providers and highly-skilled tax preparers.
- It provides instant satisfaction to the volunteer in helping a struggling family make ends meet and create opportunities for a better life.

Most charitable foundations consider the EITC as a poverty-reduction or economic opportunity strategy. However, increasingly, charitable foundations are realizing that the EITC also provides a great civic engagement opportunity. And the most creative foundations are seeing the cross-program opportunity the EITC can provide.

In these difficult economic times, free tax preparation—and the presence of the thousands of volunteers required to ensure these opportunities are available—is more critical than ever. Consider sharing information about the EITC field with your colleagues who are interested in civic engagement and volunteerism.

Sincerely,

Ami Nagle
Coordinator
EITC Funders Network

Visit our website at:
www.eitcfunders.org

Upcoming Events

EITC & Community Foundations Webinar

Community Foundations are important partners in building EITC and free tax preparation efforts in communities across the country.

Please join us on **December 16th, 2009 from 2:00 pm—3:00 pm Eastern** as we learn effective strategies to improve the fiscal outlook and security of working families from several community foundation officers on the cutting edge of their field. Together, we'll find new ways to stem the rising tide of economic insecurity for our nation's families. [Click here to register.](#)

Check the [EITC Funders Network Website](#) for the most recently updated event schedule.

Community Foundation Briefs

We interviewed the staff members of fifteen community foundations to learn their strategies in working with EITC and free tax preparation. These Briefs will summarize our findings, share promising practices and provide advice from community foundation staff. In concert with the above webinar, these Briefs will be released December 16th.



EITC Funder Spotlight Alabama Giving

Jera Stribling, Coordinator

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What is Alabama Giving and how does it support EITC?

Alabama Giving is a statewide association of grantmakers dedicated to building and strengthening organized philanthropy in Alabama. We've worked together for the last seven years. Our first collaborative effort was catalyzed by a school readiness initiative funded by members and the Pew Charitable Trusts. However, over the years, our scope of work has increased. It was the Community Foundation of South Alabama that first drew our attention to EITC. They have been supporting EITC efforts and are members of the EITC Funders Network. Through this, Alabama Giving began serving as the conduit for sharing materials with other community foundations and members, and this led to more interest. Although we have all kinds of funders in Alabama Giving, community foundations have really taken the lead around EITC. They are uniquely positioned in their communities—they cover almost the entire state, they already know the non-profit partners who are implementing EITC strategies, and they have already established their credibility in the communities. EITC is a natural fit for community foundations.

How has the work evolved over time?

The first work we did was sharing resources among funders. Last tax season, we used Alabama Giving to share and help distribute marketing materials. We distributed posters through the Alabama Faith Council (a collaboration of 250 faith leaders from around the state); several community foundations sent paycheck stuffers to city governments for their employees; we distributed the materials at some of the larger hospitals; some community foundations got the information out through the public school system and libraries; we sent stuffers out to 200 childcare centers in the state and to over 5,000 parents; and, through our partnership with Honda (one of our members), we sent e-news information to 6,000 people. We also have great partnerships with a couple of corporate foundations that have state coverage, and we're hoping this year to distribute materials at their local offices.

We also share information and bring new partners to the table. Last year, we prepared a letter for the community foundations to send to local business leaders and the chamber of commerce. We were hoping it could be used as a tool to bring business leaders to the table by informing them of what the economic impact on Alabama would be if all people claimed their EITC using the VITA model—\$189 million in total economic activity. In a couple of cities, this led to success, so it's worth trying again.

This year, we've distributed materials to all our community foundations members, giving them the numbers we received from our IRS SPEC office—in 2009, refunds were \$34

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State EITCs: Michigan League for Human Services Report

As Michigan Governor Jennifer Granholm and state legislators consider supporting a delay of the scheduled increase of the state EITC from 10 to 20 percent of the federal EITC, The Michigan League for Human Services released their analysis of that program's inaugural year.

In part, the analysis shows that the program was a rousing success in only its first campaign: about 702,000 low and moderate-income filers moved closer to security through the credit, and slightly under \$144 million flowed through distressed local economies statewide.

In Michigan last year, the average EITC for a single parent with two children working a full-time, minimum wage job was about \$478.

Hatcher Group Provides EITC Outreach Guides

The Hatcher Group has compiled a very useful cluster of guides designed to facilitate cooperation between elected officials and community tax prep sites. Each set of guides is specifically geared toward helping one side of the process. [Click here](#) to take a closer look.

EITC
Funders Network

Help the Network Explore Evaluation in 2010

Evaluation is critical. However, the data that can best tell us about progress in helping more low-income families access the EITC—in large part, data from the IRS—lags far behind. This inhibits the ability of foundations to gauge the extent of their progress, or even to reliably determine whether any exists at all.

The EITC Funders Network would like to engage Network members in a conversation about evaluation in 2010. In a time of scarce resources, it's more important than ever to make sure these resources are well-used. We'd like to hear your ideas and suggestions. If you are interested enough to engage in a conversation about evaluation questions and methodology, please contact the EITC Funders Network at info@eitcfunders.org.

EITCplatform Offers Small Grants to Facilitate Outreach

Teaming with One Economy, EITCplatform is offering a modest number of precisely targeted \$2,000 grants to aid volunteer-preparer programs with their efforts in helping low-to-moderate income households file online. Through the website, www.theBeehive.com, One Economy has assisted over 20,000 households in filing taxes online, and these grants aim to employ this resource to multiply the usefulness of existing tax-prep sites.

With the grant money, Network Members can team with their existing volunteer-preparer programs to set up a few computers where volunteers can help filers prepare their own taxes online. One Economy has committed the use of their online tool as well as technical support to help sites in operation of their programs. Since the returns are all filed through theBeehive.com, One Economy will also be able to provide tax sites with useful data.

Because the efficiency boost is magnified by the scale of the site, those busier sites—

preparing at least 1,000 tax returns—are particularly encouraged to apply.

If you're interested in applying for a grant, complete the Self-Prep contact form at www.EITCplatform.org. The form is toward the bottom of the "Tax Prep" page. Be sure to note in the comments section that you're applying for a Self-Prep Grant, and remember when you're finished to click "send" to submit your form.

If you're not yet a member of the EITCplatform, you will have to take a few minutes to complete their free registration before applying.

Learn about the EITCplatform

In a webinar on October 26th, the EITC Funders Network introduced its members to EITCplatform, an exciting new online system designed to help non-profits improve quality, receive training and collaborate more cost-effectively. You can view a recording of that webinar [here](#).

(Jera Stribling, continued from page 2)

million, \$8 from EITC. This is particularly exciting as it represents an increase of \$2 million over the previous year! We also worked with our SPEC office and, using data from the Brookings Institute, we have plotted where the VITA sites are in the state, so that community foundations can be strategic in their support for new VITA sites or in figuring out what geographical areas are not being served. We gave this information to each community foundation for their specific service area because we want to provide materials that can be used immediately.

We also help share information. For example, in one area, United Way received a grant from Wal-Mart. We sent a notice out to all the others so they'd consider Wal-Mart as a potential funding partner. We've also shared materials from the EITC Funders Network.

What factors really led to the work taking off?

People get it—the EITC is a quick way to give families their own economic stimulus. For example, last year, a donor to the Community Foundation of Greater Birmingham gave a grant of \$15,000 to help low-to-moderate income families through the tough economic times. This money was granted to Alabama Giving to help fund the EITC efforts. In another example, an advertising agency president volunteered his agency's time to develop persuasive messages around the EITC. People have been very receptive. They see the potential economic impact.

What are some of the things you're able to do together as grantmakers that you couldn't do alone?

Over time the members have come to really believe in the value of working together to produce systemic and sustainable change instead of working individually through grants alone. By working together, we help foundations avoid re-inventing the wheel by sharing resources; we have a good, quick communication pipeline; we've been able to implement a statewide media buy for radio spots in the EITC campaign; and we share information, like the Brookings Institute data. Additionally, working together has really helped our advocacy efforts. It's easier to get individual foundations to sign-on to advocacy work if they know that others are willing to take that step. And, you have contact with more state agencies and elected officials, you represent a larger group of funds and accordingly have better networking potential and, third, it's empowering.

How do you see the work evolving in the future?

In our state, we have a terrible problem with predatory lenders. There is no regulation and each year, thousands of families are paying for tax returns, taking our Refund Anticipation Loans and paying extremely high interest rates. We have one non-profit partner in the state that introduced some legislation around the issue this year. The legislation passed through the House but failed in the Senate. We'd like to see the legislation re-introduced.

We'd also like to get more banks and financial institutions involved with EITC programs and Alabama Giving. Asset development is the natural extension of this work. Some community foundations are already doing it, so we need to bring these financial partners to the table. We're also in the very first stages of exploring the possibility of bringing the Benefit Bank to the state and figuring out whether we can come together around that. We're also interested in expanding the lens through which we view the work, so instead of focusing on EITC, we would look at economic security. This would open the doors to new collaboration opportunities.

What are the issues that you're facing in your work for which you'd like some feedback from your colleagues in the field?

We struggle with getting VITA services to people in very rural areas with limited capacity. Any ideas?