

The CTC Community Outreach & Opportunity Pooled Fund (CO-OP Fund)

REPORT HIGHLIGHTS



Millions of families benefited from the expansion to the CTC made possible by the American Rescue Plan Act.

CO-OP Fund Overview

The American Rescue Plan Act was signed into law on March 11, 2021, and **expanded the refundable child tax credit (CTC)** to up to \$3,000 annually for families with a child aged 6-17, and up to \$3,600 annually for families with a child under age 6. The new law allowed the IRS to offer families **advanced monthly payments**, which began in July 2021. Many middle- and higher- income families received these payments automatically via direct deposit based on their previous tax filings. A key implementation challenge was that families who earn the least do not typically file federal income tax returns, because they are not required to. Therefore, the IRS had no record of them, and they did not receive payments automatically. To mitigate this, the IRS established a portal where families could sign up to receive the payments. Unfortunately, the portal was challenging to navigate, not mobile friendly, and available in English only. Thanks to investment and partnership of national philanthropies, [Code for America](#) developed a more accessible portal that launched in September 2021.

In August 2021 the White House indicated that a big push on **outreach in partnership with trusted “last-mile” organizations** was needed to reach intermittent-filers; assist them with navigating the Code for America portal; and ultimately, support them to file tax returns in early 2022 to receive the balance of the payments they were eligible for in a lump sum (or to receive the full payment in a lump sum in the event they did not register via the portal). As a part of a virtual convening on August 12, 2021, the White House issued a call to action for community foundations to accelerate efforts to identify and fund last-mile outreach efforts to assist non-filer families in enrolling to receive the CTC. In response to the call to action, the EITC Funders Network rapidly – within six weeks – stood up the CTC Community Outreach & Opportunity Pooled Fund (CO-OP Fund) with the goal to **engage community foundations** in the “last-mile” work to ensure that as many families as possible received the full tax benefits for which they were eligible, as quickly and as easily as possible.

CO-OP Fund Goals

Goal 1: Create and structure the CO-OP Fund to ensure it met the needs of the field and established productive oversight, decision-making, and reporting processes.

Goal 2: Quickly and collaboratively award and administer leveraged funding to selected community foundations to expand outreach and engagement efforts with key, hard-to-reach populations.

Goal 3: Provide technical assistance to community foundation awardees.

Goal 4: Contribute to an increase in the uptake of the CTC and EITC among hard-to-reach families and make more robust the infrastructure to ensure families receive tax assistance in non-predatory settings.

Goal 5: Document effective strategies and tactics that measurably increased enrollment among non-filer/hard-to-reach families, as well as barriers to enrollment.

With support from the Bill & Melinda Gates Foundation, Charles and Lynn Schusterman Family Philanthropies, the Rockefeller Foundation, and The Annie E. Casey Foundation, the CO-OP Fund was able to award grants to 24 community foundations in diverse geographies across the U.S.

CO-OP Awardees:

- [ACT for Alexandria \(VA\)](#)
- [Albuquerque Community Foundation \(NM\)](#)
- [Central New York Community Foundation \(NY\)](#)
- [Community Foundation for Greater Atlanta \(GA\)](#)
- [Community Foundation for Greater Buffalo \(NY\)](#)
- [Community Foundation for Muskegon County \(MI\)](#)
- [Community Foundation for Northeast Florida \(FL\)](#)
- [Community Foundation Santa Cruz County \(CA\)](#)
- [Duluth Superior Area Community Foundation \(MN\)](#)
- [Fairfield County's Community Foundation \(CT\)](#)
- [Legacy Foundation \(IN\)](#)
- [Lincoln Community Foundation \(NE\)](#)
- [New Hampshire Charitable Foundation \(NH\)](#)
- [Northern Chautauqua Community Foundation \(NY\)](#)
- [Oregon Community Foundation \(OR\)](#)
- [Placer Community Foundation \(CA\)](#)
- [Southwest Initiative Foundation \(MN\)](#)
- [St. Paul & Minnesota Foundation \(MN\)](#)
- [The San Diego Foundation \(CA\)](#)
- [Whatcom Community Foundation \(WA\)](#)
- [Richmond Community Foundation \(CA\)](#)
- [The Chicago Community Trust \(IL\)](#)
- [The Community Foundation for Northern Virginia \(VA\)](#)
- [The Miami Foundation \(FL\)](#)

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Read the full report [here](#).

Impact Summary

Twenty four projects helped thousands of families obtain federal tax credits and complete tax returns in free, safe settings. **By the end of the initiative, the CO-OP Fund awardees helped secure more than \$75 million in federal tax refunds for low-income families (an average of \$3.8 million in federal returns per site reporting).** Generally, this is likely to be an underestimate of financial impact due the great difficulty of tracking families and returns and that it does not include state credits and returns. It is important to note that one site accounted for about one-third of the total secured by CO-OP sites. Even when this outlier is removed from calculations, the average secured per site reporting was \$2.8 million in federal returns.

Learnings for Policy-makers

- Hyper-local outreach and engagement is effective, but broken systems, which create barriers to learning about tax credits and filing taxes, significantly undermine efforts.
- A more robust, year-round community and technology infrastructure is needed to help low-income families file taxes in free, non-predatory settings.
- A more uniform, user-friendly, government-run web-based, mobile-friendly tax filing portal will help more families file taxes in free, safe settings.
- Funding and resources for policy implementation is often delayed, lags behind implementation efforts, and not enough to meet the needs of many communities.
- Increasing on-ramps and reducing barriers for newly eligible populations is necessary to ensure more people are able to access the credits for which they are eligible.
- Due to the complex nature of tax filing and the considerable needs of the communities targeted, robust technical assistance for community partners is critical.

Learnings for the Field

- Engaging tax-payers is not a light touch, episodic effort and connections that lead to successful tax filings need to be built over time, and nurtured year-round.
- Barriers including language, trust, technology, and immigration status are significant and take time and effort to overcome. These barriers are amplified for immigrant families which require special effort, strategies and partners that build trust.
- Leveraging social media and technology-based outreach and engagement strategies expands reach.
- Using the infrastructure and lessons from other local campaigns (i.e. census, GOTV, etc) can help to address issues related to low trust and stretched capacity.
- Community partnerships help to increase access to hard-to-reach individuals and families and are a key component of successful efforts.
- Starting the work earlier helps support success.

Learnings for Philanthropy

- Investing in projects to enable more families to access the tax benefits for which they are eligible can incentivize additional public and private investment and can have a significant return on investment.
- Community foundations, due to their deep ties to trusted local partners, can be a conduit for national programming.
- Building on and leveraging existing relationships, program strategies, and infrastructure supports success.
- Investing in infrastructure development and maintenance year-round helps communities to remain prepared for tax season, allows local groups to better compete with paid preparers and builds social capital in communities.
- If evaluation or assessment of impact is important, the current inadequate and woefully antiquated data systems will need to be reimagined and replaced.