

Community Building Through the Earned Income Tax Credit

Using the nation's largest and most successful worker support program to spur economic development and strengthen your community's workforce.



Institute for a Competitive Workforce
an Affiliate of the U.S. Chamber of Commerce



The Institute for a Competitive Workforce (ICW) is a 501(c)(3) affiliate of the U.S. Chamber of Commerce and works to ensure that businesses have access—today and tomorrow—to an educated and skilled workforce. Through policy initiatives, business outreach, and a strong grassroots network, ICW finds solutions that will preserve the American workforce as this country’s greatest business asset and its strongest resource.

Mission:

The Institute for a Competitive Workforce promotes high educational standards and effective workforce training systems so that they are aligned with each other and with today’s rigorous business demands.

Summer 2007

Introduction

Over the next decade, 78 million baby boomers will retire.¹ But, to both the excitement and dismay of the American business community, the jobs will not go, too. It is more complicated than that.

What seems like a boon may well turn out to be a crisis. Experts agree that by 2010, the U.S. will have 168 million new jobs. Yet estimates suggest that there will be only 158 million workers to fill them.² The already substantial growth in such industries as healthcare, retail, and hospitality will only continue to expand, as will the gains in other industries with a technology base. Yet, everywhere you look, employers are not overly optimistic about the economic future of the United States. How can this be?

Simply put, businesses are struggling to find qualified workers. Making matters worse, employers are finding it increasingly difficult to retain their best employees. Increases in the skills required by employers, coupled with the fact that many employees do not possess the skills demanded and the inability of the workforce and education systems to adapt to changes in a technologically based, global marketplace, have created concern among employers. While such increases in the number of available jobs may seem to be a good problem, it poses a difficult scenario for managers in which they must establish effective, efficient workplaces while maintaining workflow as they reduce absenteeism and turnover, especially among frontline and low-wage workers.

In 2003, the U.S. Chamber of Commerce's Institute for a Competitive Workforce (ICW) conducted a comprehensive survey of employers to identify the most pressing challenges of finding and securing qualified workers.³ The data demonstrated that employers face multiple challenges:

- 50% report having a hard time or very hard time finding qualified job applicants.
- Securing qualified applicants is most difficult for small businesses; nearly 60% of employers with 11 to 50 employees report having a hard time.
- "Recruiting and retaining employees" is identified as an extremely important factor, on par with "remaining competitive."

Experts agree that by 2010, the U.S. will have 168 million new jobs. Yet estimates suggest that there will be only 158 million workers to fill them.



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One factor is economics. Many hourly or nonexempt employees (30%) earn low wages—less than \$10 per hour in 2006.⁴ Moreover, 28% live in low-income families, which the government defines as below 200% of the federal poverty threshold.⁵ That adds up to a lot of workers who are struggling to pay for transportation to their jobs and cover bills and expenses, let alone save for the future. They live from paycheck to paycheck, and many do not possess the skills to advance their career, thus allowing them to earn more. Nor do they have the resources to invest in themselves through training.

Many hourly or nonexempt employees (30%) earn low wages—less than \$10 per hour in 2006.⁴ Moreover, 28% live in low-income families, which the government defines as below 200% of the federal poverty threshold.

Needless to say, this hurts the employer as much as the employee. To have unhappy and unstable employees is to have unproductive and unstable workplaces. And no employer wants that. In March 2007, the Institute for a Competitive Workforce (ICW), an affiliate of the U.S. Chamber of Commerce, in partnership

with the New Jersey Chamber of Commerce and the Internal Revenue Service, received a grant from the Annie E. Casey Foundation to conduct a statewide leadership course called “Community Building through the Earned Income Tax Credit (EITC).” The appeal of the course was to show local chambers, their members, and their community partners how the 30-year-old federal EITC program could help their community’s economic and workforce development.

The information contained in this report was culled from both the leadership course and many authoritative sources on the Earned Income Tax Credit, currently known as the United States’ largest antipoverty program. This report could not have been produced without the gracious assistance of the Internal Revenue Service, the Center on Budget and Policy Priorities, the National League of Cities’ Institute for Youth, Education, and Families, the Brookings Institution, the Nehemiah Gateway Development Corporation, and, of course, the support of the Annie E. Casey Foundation.

What is the Earned Income Tax Credit (EITC)?

The Earned Income Tax Credit is a tax credit for workers who do not earn high incomes. If they qualify and claim the credit, they could pay less federal tax, pay no tax, or even receive a refund beyond the amount of tax withheld.⁶

Congress enacted EITC in 1975 for three primary reasons: to offset the burden of Social Security taxes on low-income taxpayers, to supplement wages, and to make employment more attractive than public assistance. Since its inception, EITC has evolved in a variety of ways, increasing the scope and impact of the credit. It is often referred to as the nation's largest and most successful antipoverty program. Businesses support the program because of its link to work. It is not an entitlement program but rather an element of the tax code that benefits the frontline worker. The Center on Budget and Policy Priorities concludes that for some workers, EITC:

- Represents up to a 40% pay increase
- Turns an \$8 per hour job into a \$10 per hour job⁷

Yet, despite the considerable benefit to working families, the Brookings Institution estimates that during the mid-1990s, 15% to 20% of eligible tax filers did not claim EITC.⁹

The Internal Revenue Service (IRS) administers the credit through the standard tax process, which is used as part of a larger asset-development strategy for workers it terms as the “unbanked”—individuals with little or no financial literacy. Research indicates that with a maximum credit of about \$4,700, families often use the refund to pay for necessities, such as repairing vehicles needed for commuting to work, for transportation, or to obtain education or training.⁸ According to the IRS, during the 2005 tax year, approximately 22 million taxpayers received over \$41 billion in EITC funds.

Yet, despite the considerable benefit to working families, the Brookings Institution estimates that during the mid-1990s, 15% to 20% of eligible tax filers did not claim EITC.⁹ Such numbers are attributed to the simple fact that many Americans are unaware of the program. A decade later, the figure is estimated to be closer to 25%.¹⁰



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EITC: Cash at Tax Time

These are examples of credits that eligible filers can expect from the EITC for work in 2007:

Single parent, 2 children,
earns \$14,000

EITC: \$4,716

Single parent, 2 children,
earns \$18,000

EITC: \$4,166

Married workers, 2 children,
earn \$25,000

EITC: \$3,113

Source: Center for Budget and Policy Priorities

This publication contains much useful information. You can find an outline of the EITC opportunity in many communities, the value proposition for chambers and businesses to partner with the IRS to promote EITC, the anatomy of an EITC outreach campaign, case studies of communities where the chamber of commerce is actively involved, and other resources on EITC.

Opportunity and Eligibility

EITC lifts 4.9 million people—including 2.7 million children—above the poverty line each year.¹¹ Yet a significant number of families miss out on thousands of dollars annually, and so do their communities. Why is this occurring? Sadly, for a number of reasons, people fail to file for these tax credits:

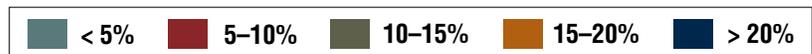
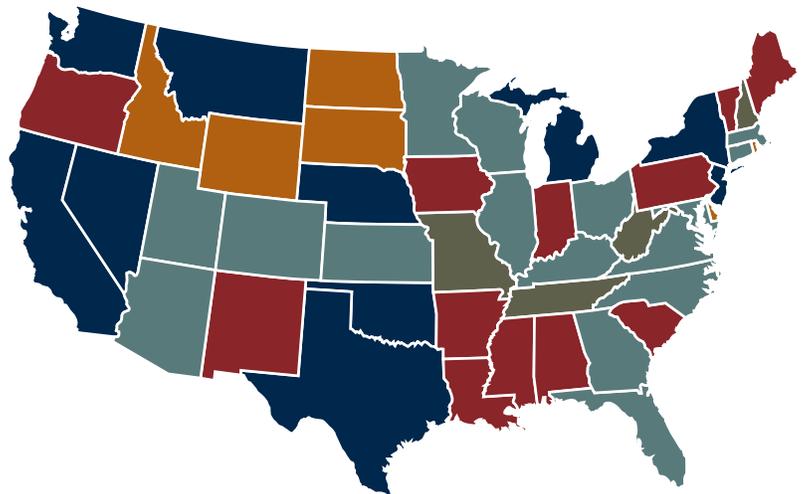
1. Many eligible filers do not know about the credit.
2. Some low-income families may fear that they will owe taxes, and so they do not file.
3. Others may know about the credit, but they fear that they will lose eligibility for other benefits.

The only way to claim EITC and other credits is to file a tax return. So, to add some longer-range perspective to the contents of this guide, EITC is a means of financial literacy education by the IRS and local community for its residents. Conducting an EITC campaign, therefore, is a starting point for educating low-income workers on how to establish their financial stability by allowing them to take advantage of the economic assistance programs available to them.

Nationally, between 15% and 25% of eligible workers and families miss out on tax credits by not filing for EITC. Roughly translated, that means that the U.S. economy misses out on about \$8 million.¹²

Who exactly is eligible to claim EITC? Depending on income level, people who worked full or part time for at least a portion of a calendar year may be eligible for EITC. The IRS publishes guidelines to determine whether a taxpayer is eligible for EITC. These guidelines change from year to year, as both the maximum EITC and income limits are adjusted for inflation.¹³

Percentage of eligible EITC recipients failing to file taxes, Tax Year 1996

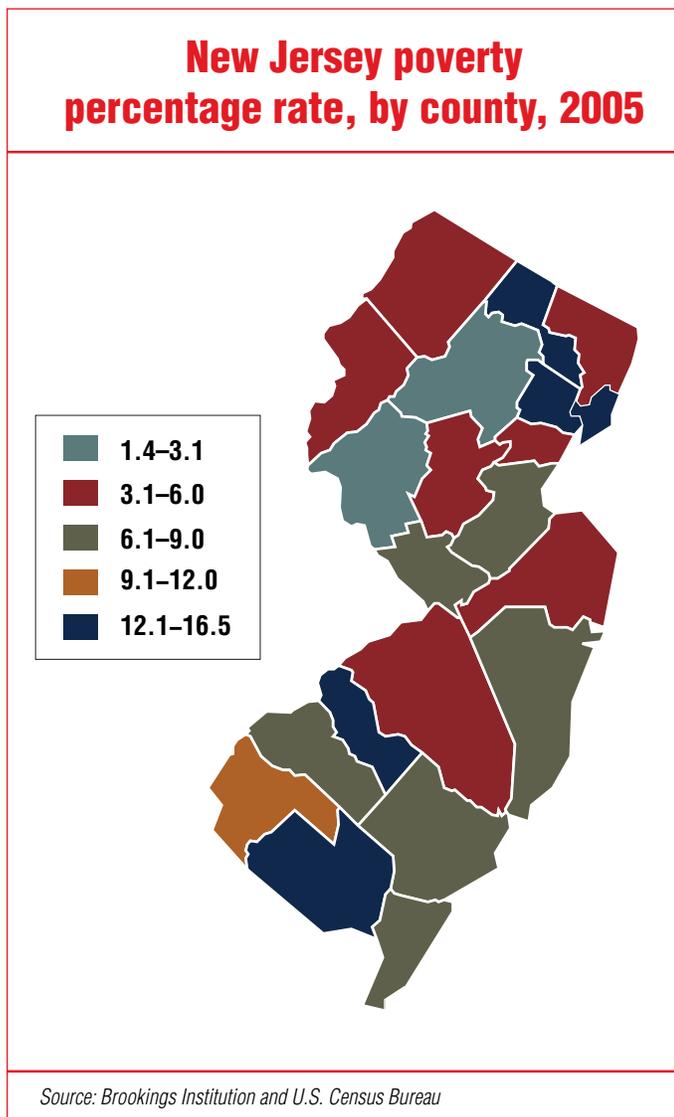


Source: Metropolitan Policy Program, Brookings Institution

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Workers generally at risk of missing out on EITC include the following:

- Parents who have just entered the labor force
- New parents, including foster and adoptive
- Divorced or separated parents
- Homeless workers and dislocated workers
- Qualified workers who are not raising children
- Parents with older disabled children
- Workers who speak English as a second language
- Workers not otherwise required to file a tax return. That is, those with the following incomes for Tax Year 2006:
 - \$8,450 – single
 - \$10,850 – head of household
 - \$16,900 – married



An important part of recognizing the potential impact of EITC to your community or state is an economic assessment. In March 2007, the New Jersey Chamber of Commerce hosted a forum to discuss New Jersey’s economic assessment and how additional EITC funds could help their workforce and economy. The Brookings Institution provided data on the distribution of wealth and poverty in New Jersey to show exactly where EITC campaigns would have the most impact. The data is represented in the graphic to the left:

Examining the data further, it became even more evident where the biggest needs were. Such an examination allows campaigns, which naturally lack a surplus of resources, to concentrate their efforts not only where there is the most opportunity for impact but also where the campaign might have the greatest chance to have an impact. On a local basis, communities, counties, and regions can work with the IRS to do this type of “homework” to better focus their efforts if they decide to further cultivate EITC.

The Case for Business Involvement

Significant portions of the population are eligible for these tax credits. What is the case for business involvement in facilitating greater usage of this program? About three-fourths of the nation's 100 largest cities have some coordinated effort around EITC outreach and free tax preparation. Chambers of commerce and businesses should become involved for four primary reasons:

Build the community's workforce:

The need to find more workers, or stabilize at-risk workers, is extremely important in many communities. The law of supply and demand dictates the outcome—the worker shortfall

expected in the next decade means that employers will need new strategies to recruit qualified employees. By supporting EITC campaigns, employers can put together a package of wages and tax benefits that provides more financial assistance to families than just their wages. Through EITC, employers can potentially raise their employees' wages by \$1 to \$2 per hour at no cost. Employees can elect to use the Advance EITC, which allows added take-home dollars to be distributed over the course of a year through paychecks. By introducing employees to these benefits, businesses help their employees—and help themselves.¹⁴

Reduce turnover: As noted in a recent ICW publication, employee turnover is expensive for businesses and can be especially crippling to small employers. Because the tax credits help workers take care of day-to-day needs, these credits can help them keep their jobs and promote a more stable workforce. In other words, the credit helps workers to keep working and care for themselves at no cost to the business itself. Workers use their credits to:

- Pay for transportation to the job
- Keep a car in working order
- Pay for job training or education
- Cover child care costs

All of these factors contribute to an employee's stability and productivity on the job, which directly influences the company's sustainability and profit margin.

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Economic development: Studies show that for every federal EITC dollar delivered to a community, there is an additional return on that investment spent in the community. For example, officials in the city of San Antonio estimate that each additional \$1 in EITC would generate a further \$1.58 in local economic activity. These officials also note that each additional \$37,000 would result in one additional permanent job.¹⁵ The large sums of EITC dollars claimed in urban areas provide a concentrated cash infusion to local economies—in some cities, more than \$1 million per square mile.¹⁶

In St. Louis, the Regional Chamber and Growth Association started an EITC outreach effort on a shoestring budget in 2003.

The economic impact of the credit reaches beyond the initial dollars, however. For many low-wage workers, the tax refund—including EITC—constitutes the largest payment they receive at one time during the entire tax year. Surveys of taxpayers and analyses of federal

expenditures indicate that most EITC recipients use the funds to meet short- to medium-term needs: buying clothes for their children, replacing old furniture and appliances, repairing a vehicle, or catching up on past-due rent and utility bills.¹⁷

Volunteerism and community goodwill: The EITC is also a means by which citizens, corporate or otherwise, can commit their time to helping the community. Any not-for-profit awareness campaign needs volunteers, and promoting EITC in a community is no different.

In St. Louis, the Regional Chamber and Growth Association (RGCA) started an EITC outreach effort on a shoestring budget in 2003. Eric Schneider, Vice President of Public Policy Research, said the program was an easy sell to the chamber and the business community because of its economic impact.¹⁸ However, once he started mobilizing, Schneider quickly found that the volunteerism involved with EITC got folks excited about helping out. After two years, RCGA turned over the reins of its EITC campaign to a newly-hired executive director independent of the chamber. The chamber still sits on the campaign's advisory committee and has enjoyed the visibility of being connected to the establishment of such a positive effort.

The Outreach Campaign

For chambers and employers who want to increase EITC filings and usage, the best place to start is a local EITC outreach campaign. The good news is that the infrastructure for such a campaign already exists in many communities, thanks to the IRS and various municipal and nonprofit entities that are already working together. The local coalition welcomes support from the business community because it provides a unique and trusted avenue through which to distribute the EITC message.

In cities like Orlando, Florida, and St. Louis, Missouri, the business community saw an opportunity to start such a campaign. Based on the structure and needs in your community, coupled with your organization's resources, your involvement can range from being a leader to being an active planning participant to being a supporting member of an EITC coalition.

The following section looks at the various elements that are common to all EITC outreach campaigns, regardless of who leads them. Case studies are examined in the final section of this publication.

Goals of an EITC Campaign

An EITC campaign can range from a simple effort to raise public awareness to an in-depth initiative that not only informs families about EITC but also helps them claim and make the most out of this benefit. The primary goals and activities for EITC campaigns generally fall into three categories:

- Outreach
- Free tax preparation
- Asset building, or helping citizens establish bank accounts, savings, and financial stability

In most cases, everything the campaign hopes to accomplish contains elements from these three areas. The outreach refers to building understanding and awareness of the program; the free tax preparation is the IRS-facilitated process by which tax payers can take advantage of these tax credits; and asset building is the long-range strategy to assist these workers in advancing their careers. Goals, then, are specific deliverables that in many ways address the three categories. For the state-wide effort in New Jersey that was led by the New Jersey state chamber, the goals were as follows:



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- *Forming Partnerships:* Bring together chamber of commerce leaders, community leaders, financial education representatives, community development corporations, consumer credit counseling services, and others to collaborate in increasing the number of workers claiming EITC—thereby improving retention rates and spurring economic development.
- *Building Capacities of Local Chambers to Engage in EITC Local Initiatives:* Provide comprehensive information on worker support programs, focusing specifically on EITC, to allow local chambers to help their business members retain and advance qualified and productive entry-level workers.
- *Implementing Regional Change:* Work with local chamber teams to establish clear action plans for implementation upon return to their communities. Connect coalition members to each other to share strategies and promising practices in order to replicate successes. Connect local chambers with regional existing EITC campaigns.
- *Influencing State Policy:* Work with state advisory teams to develop strategies for influencing state policy, which will spur EITC outreach campaigns and coalition-building.

Broad-based coalitions are essential. To have just one or two organizations tackle all of the above objectives would require a full-time commitment, and that is not feasible (or wise) for most organizations. Therefore, most new campaigns are modestly sized and aim for only a portion of the activities described above.

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Clearly, more ambitious campaigns require additional staff time and resources. Yet campaigns that simply focus on public awareness without addressing tax preparation needs or helping families convert refunds into longer-term assets will not have the same financial

impact for eligible residents. Each campaign needs to make a decision (and constantly re-evaluate that decision) on how much time and effort that campaign

The Outreach Campaign

can spend in comparison to what it hopes it can accomplish.

Finally, on the most basic level, when working with the IRS on the ground, there are specific performance goals or measurements that any community must address with a campaign:

Before setting out to build an EITC coalition, examine the current status of any existing community efforts in order to maximize resources and not duplicate ongoing initiatives.

- Increase in the number of EITC outreach activities, thereby increasing the awareness of EITC among eligible EITC taxpayers
- Increase in the number of eligible EITC taxpayers using various Volunteer Income Tax Assistance (VITA) sites
- Increase in the number of VITA volunteers
- Increase in the number of eligible workers claiming EITC

Building and Branding a Local Coalition

While EITC campaigns come in different shapes and sizes, many communities have had success using a coalition model that taps into the resources and capacity of multiple stakeholders. While it is certainly possible to run a campaign primarily through a city agency or another local organization, having many groups participating in an EITC initiative increases the number of residents that a campaign is likely to reach, improves long-term sustainability, and spreads the burden among several organizations. In fact, recent research by Michigan State University suggests that the coalition model produces a higher community impact relative to cost than other models.¹⁹

Before setting out to build an EITC coalition, examine the current status of any existing community efforts in order to maximize resources and not duplicate ongoing initiatives. In some communities, a coalition of organizations interested in EITC issues may already exist and would simply be looking for another partner. The IRS keeps records of the activities of all formal existing coalitions nationwide. You should contact your local IRS territory manager to acquire this information.

In other cases, there may be organizations that are already engaged in some aspect of EITC outreach, free tax preparation, or asset development. But these efforts may not be coordinated. As conveners, chambers can facilitate

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Sample EITC Coalition

The coalition in Cincinnati, Ohio, is dubbed the “Make Work Pay in Cincinnati EITC Partnership.” The 35-member organization coalition is headed by the Mayor’s office and is supported by two chambers of commerce. More information is located at www.makeworkpay.com.

Core Planning Group

- Association for the Improvement of Minorities in the Internal Revenue Service
- City of Cincinnati
- Consumer Credit Counseling Services
- IRS - Stakeholder Partnerships, Education and Communication (SPEC) Office
- Legal Aid Society
- National City
- Smart Money Community Services
- Starboard Strategy Corporation
- United Way of Greater Cincinnati

Coalition Members

- Association for the Improvement of Minorities in the Internal Revenue Service
- City of Cincinnati
- Consumer Credit Counseling Services
- Legal Aid Society
- National City
- Smart Money Community Services
- Starboard Strategy Corporation
- United Way of Greater Cincinnati
- Other Coalition Members
- AFL-CIO
- African-American Chamber of Commerce
- Baptist Ministers’ Conference
- Boys and Girls Clubs
- Cincinnati Bell
- Cincinnati Childrens’ Hospital Medical Center
- Cincinnati Metropolitan Housing Authority
- Cincinnati Public Library
- Cincinnati Public Schools
- Cinergy
- City of Cincinnati Health Department
- City of Cincinnati Recreation Department
- Community Action Agency
- Convergys
- FreeStore/FoodBank
- Give Back Cincinnati
- Cincinnati USA Regional Chamber of Commerce
- Greater Cincinnati Water Works
- Hamilton County Women, Infants, and Children (WIC) Program
- Housing Opportunities Made Equal
- Inclusion Network
- National Association for the Advancement of Colored People (NAACP)
- Over-The-Rhine Community Council
- Phoenix Community Learning Center
- Procter & Gamble
- Second Harvest
- SuCasa Hispanic Ministries
- U.S. Dept. of Housing and Urban Development
- Urban League of Greater Cincinnati
- WBDZ-AM “The Buzz”
- WCIN-1480-AM
- WIZF “The Wiz”
- WMOJ
- Working-In-Neighborhoods
- Xavier University
- YWCA

Source: Internal Revenue Service

The Outreach Campaign

connections among these independent stakeholders to see if working together under one umbrella organization would be a viable option.

Potential Partners

In the best of situations, a wide variety of organizations, public agencies, and businesses collaborate to reach workers who are missing out on EITC. Think creatively about how EITC benefits or fits with the mission of various sectors of the community. Identify these potential outreach partners in your community. Make sure they know about EITC and how to promote it. Outreach partners may include the following:

- *Chambers of commerce, businesses, and other civic organizations*
- *Financial institutions*, which often are interested in developing new business and demonstrating their support for the community
- *State and local government agencies*, such as the office of economic or community development
- *Community development corporations*
- *Labor unions*

Denver Working Together

Public officials: A Denver city councilwoman distributed flyers in 2,000 Christmas baskets to low-income residents in her district.

Employers and local businesses: The Denver Chamber of Commerce and the mayor's office sent a joint letter to 2,400 businesses, urging them to promote EITC to their employees. As a follow-up, 7,000 brochures were distributed.

Schools: Denver public schools sent EITC stuffers home with 72,557 primary school students.

Media: 30-second ads aired on a local TV station, helped get posters put on buses, and promoted EITC through live call-in show "Good Day."

Banks: Colorado Saves and U.S. Bank provided credit counseling and established bank accounts.

Other: Libraries, laundromats, foster care homes, labor unions, grocery stores, and workforce centers displayed information in high-traffic areas.

Result: Tax preparation site prepared more than 1,600 returns with \$782,000 in EITC refunds.

Source: Center on Budget and Policy Priorities

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- *Utility companies*, which understand that money from EITC claims may be used to pay bills
- *Community organizations and institutions*, such as foundations, libraries, food banks, and homeless shelters, which have resources they can dedicate
- *Public schools systems and community colleges*, which can reach out to parents who qualify for EITC or even act as host sites for free tax preparation
- *Nonprofit health and human services providers*
- *Faith-based organizations*
- *Advocacy and grassroots groups*

Most coalitions start small or grow over time to include a number of partners. Locally, a large city coalition can include as many as 30 to 40 members like the coalition in Cincinnati, Ohio. One of the often overlooked benefits of running an EITC campaign is the chance to collaborate and form relationships outside a business's normal purview. The IRS, the United Way, and the mayor's office are all common and valuable partners in EITC campaigns.

Developing Multiple Strategies for Message Delivery

The most successful campaigns use multiple channels to reach their target audience. Likewise, these campaigns customize their messages based on the channel through which the message is delivered. The message to the business community through a chamber of commerce will not be the exact same message broadcast by the mayor's office or the public school district. It is important for coalitions to work in concert when communicating the EITC message.

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In Denver, Colorado, a number of major organizations under the umbrella leadership of the Denver Asset Building Coalition contributed to reaching out to the EITC-eligible population.

Like any program that requires publicizing its messages in multiple venues, coalitions must be attuned to the specific needs of their community. There are a variety of ways to publicize your message and reach out to your community's workforce. A few specific examples of ideas for this type of outreach are contained in the case study section of this report.

The Outreach Campaign

Free Tax Preparation

A crucial portion of an EITC campaign is free tax preparation. Too often, low-wage earners pay a premium fee to get immediate refunds. As part of the IRS' administration of the EITC campaign, free tax preparation is available through Volunteer Income Tax Assistance (VITA) sites. These sites act as the free alternative to predatory lending practices, commercial tax preparation fees low- and moderate-income workers cannot afford, and Refund Anticipation Loans (RALs).

Overview of Five Financial Literacy Curricula

Money Smart

Money Smart is one of the most popular financial literacy curricula among community organizations. It is offered by the FDIC, and consists of ten modules including basic banking, credit, saving, home ownership, and consumer rights aimed at adults with little or no banking skill.

<http://www.fdic.gov/consumers/consumer/moneysmart/>

CreditSmart

CreditSmart is a money management and credit improvement curriculum developed by Freddie Mac in concert with five historically black colleges.

<http://www.freddiemac.com/creditsmart/>

Get the Facts: the SEC's Roadmap to Saving and Investing

Get the Facts is a free Web-based exercise provided by the Securities and Exchange Commission. The content is related to the basics of saving and investing toward certain goals. Although some of the information is basic, it is targeted toward people who have some resources to invest.

<http://www.sec.gov/investor/pubs/roadmap.htm>

All My Money

All My Money was designed by the University of Illinois Cooperative Extension for use by community agencies. There are 16 modules, including budgeting and spending, credit, banking, debt, insurance, benefits, and taxes. This curriculum was used by the Sargent Shriver National Center in its Financial Links for Low-Income People pilot.

<http://www.ace.uiuc.edu/cfe/mymoney/>

Growing Your Money: Personal Financial Tools

Growing Your Money is Fannie Mae's entry into the financial literacy field. It is a shorter curriculum, with four sessions covering spending, banking, savings, credit, and getting loans. The participant workbooks are interactive and full of individual narratives and examples.

http://www.fanniemaefoundation.org/programs/finance_tools.shtml

Source: DuBuisson, Eva and Lucy Gorham, "Strategies for Linking Your Community Tax Campaign to Asset Building," National Community Tax Coalition, November 2004

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The VITA program is an IRS program designed to help frontline and hourly wage workers complete their annual tax forms. Every year around mid-January, volunteers working with local nonprofit agencies designated by the IRS begin to mobilize and set up centers in various communities. Clients are eligible for this free service if they have an income below the maximum EITC limit (as of May 2007, around \$39,000). The IRS sponsors the training for volunteers who file the tax returns through a standardized software package. The IRS generally deposits refunds to a tax filer's bank account within 7 to 12 days.²⁰ Opening and staffing new VITA sites are always crucial factors. They generally open in late January to early February, when the majority of EITC-eligible workers file. You can find out where the existing VITA sites are in your community by calling your local IRS territory manager. Among the most common venues for VITA sites are community colleges, community centers, libraries, public schools, shopping malls and retail centers, churches, and United Ways.

Asset Building Strategy

Finally, in an effort to encourage recipients of EITC to become more economically literate and begin to build assets, communities often put together financial literacy training classes on a variety of topics—Individual Development Account programs and first-time homeowner loans, for example—to help frontline and hourly wage workers establish stability and security.

Why should a business organization become part of an EITC coalition? According to a report from the Center for Social Development at Washington University in St. Louis, Missouri,²¹ assets are associated with the following benefits:

- Increased household economic stability
- Decreased economic strain on households
- Greater educational attainment
- Decreased risk of intergenerational poverty transmission
- Increased health and satisfaction among adults
- Increased local civic involvement

There are many different ways to offer financial literacy and asset building training in your community, but nationally recognized programs exist to help a community get started.

Funding a Campaign

While it is not necessary that a chamber of commerce or the business community specifically fund a campaign—you can do a lot as a partner without a budget—it is an option that is worth consideration. For that reason, this sections looks at some of the ways these campaigns are funded.

EITC initiatives and the funds needed to sustain them can range from modest (less than \$10,000 plus some in-kind support) to significant (\$700,000 for a very extensive, institutionalized, year-round effort in a large metropolitan area). A more common budget for a significant EITC/free tax preparation campaign in a larger city (more than 500,000 people) is around \$80,000–\$90,000. The amount is smaller if the city size and/or campaign scale are not as large.²²

Typical costs include:

- Wages for any paid staff
- Marketing and outreach costs
- Free tax preparation site costs
- Volunteer recruitment and training costs

In-kind contributions by partners can often cover a significant share of these overall costs. Most EITC outreach and free tax preparation campaigns take advantage of multiple funding opportunities to cover the costs of operating their campaigns. Initiative partners may look to local and national foundations, nonprofits and community groups, the United Way, corporations, employers, and private individuals for in-kind and financial support.²³

- **City Investments:** A number of cities have recognized the payoff to the local economy and decided to use municipal resources to invest in EITC campaigns. The statewide initiative in Delaware was started through a grant from the state government. In addition, municipal government chose to make some strategic investments of staff time, city space, or creative uses of other municipal resources.
- **Community-based Organizations:** Community-based organizations such as the United Way can provide support in many ways, including donating space for free tax preparation sites, assisting with mailing and copying, and recruiting volunteers.
- **Foundation Support:** Leaders can also seek funding from private foundations to develop an EITC outreach campaign or for specific elements of their outreach. Community foundations, in particular, may have a special interest in an area's economic health.



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- *Financial Institutions:* Banks and credit unions may be willing to put money into local projects or sponsor free tax preparation sites. Financial institutions may want to establish a free tax preparation site as a community resource and as a way to identify potential clients.

When seeking funding, it is important to state your vision, present attainable goals, and show exactly how sustainable your funding plan is.

On the west coast, San Francisco Works is seeking to develop a sustainability strategy. To meet the financial goals of the campaign and to secure ongoing commitments from at least five resource partners, San Francisco Works is exploring

short- and long-term funding or institutionalization through such public entities as local government, the California Department of Social Services, and AmeriCorps. San Francisco Works is also working with the private sector—banks, insurance firms, and the retail sector.²⁴

When seeking funding, it is important to state your vision, present attainable goals, and show exactly how sustainable your funding plan is. Funders will be interested in the amount of money that has come into the community and what it has meant to improving the lives of low-wage workers. Data on outreach may include process indicators—for example, the number of people reached with mailers or public service announcements (PSAs)—as well as outcome indicators, such as data demonstrating how many more people claimed EITC for the first time in one tax season compared to the year before. Coalitions can quantify the success of free tax preparation sites by reporting the number of tax returns that were filed and the value of EITC claims that families receive as a result.²⁵

Conclusion

The biggest challenge of any campaign centered on EITC continues to be awareness. Nationally, 15% to 20% of eligible filers simply do not know about the credit, don't understand how it works or how to file for it, or have an incorrect understanding of its benefit. This 15% to 20%—perhaps even 25%—of unclaimed refunds results in millions of dollars lost each year by the workforce and by the neighborhoods that those workers call home.

The business community can help its workers, its community, and its bottom line by promoting EITC at tax time. Chambers of commerce are in a unique position, with the ability to effectively reach the employers in their region and to help convene the major community stakeholders that a campaign needs to be successful.

Nationally, 15% to 20% of eligible filers simply do not know about the credit, don't understand how it works or how to file for it, or have an incorrect understanding of its benefit.



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Case Studies

A Look at How Chambers of Commerce Contribute to Their Community's Earned Income Tax Credit Campaign



Orlando, Florida Extra Credit Community Campaign www.extracreditorlando.org

ExtraCredit is a three-year community campaign to promote the EITC in Orange County. The campaign is a business-led community initiative sponsored by the Orlando Regional Chamber of Commerce and funded by the Edyth Bush Charitable Foundation, the City of Orlando, and Orange County Government.

The coalition has close to 30 partners and was launched in 2004 based on similar efforts in the state of Florida, most notably the highly successful Greater Miami Prosperity Campaign, which is also featured as a case study in this publication.

Campaign Goals

At the outset of the campaign, the partners laid out the following goals:

- Aggressively promote the campaign and Web site
- Meet with 500 employers and organizations through unique “Refund Roundups”
- Promote coalition goals and activities in faith-based and Hispanic communities
- Increase EITC filings at coalition’s VITA (Volunteer Income Tax Assistance) sites

To achieve these goals, the coalition put together a multipronged strategy of collaboration and partnerships, special events called Refund Roundups, and outreach directly to the business community as well as to the general public through the media.

Campaign Strategy—Collaboration and Partnerships

The chamber leads the campaign and as campaign leader has done the following:

- Forged partnership with United Way to establish a hotline that serviced more than 950 ExtraCredit telephone inquiries via the 211 hotline.
- Recruited multiple partners to assist with outreach to economically challenged communities to strategically locate VITA sites to serve them.

Case Studies

- Forged partnership with Ana G. Mendez University to host the 2006 campaign launch on January 12 and operate a premier Hispanic VITA site at their campus.
- Partnership with LYNX and Transit TV to produce a public service announcement (PSA) with 13 weeks of coverage from January to April and more than 1.45 million exposures to LYNX bus riders. 60% of LYNX bus riders take the bus to work and 75% live in Orange County. More than 40,000 people ride the bus every week. Also marketed the campaign in 150 of LYNX's business outlets.
- Partnership with Orange County Utilities Department to circulate 120,000 campaign bill inserts in January. Partnership with Orlando Utilities Commission to have a bill message printed about the campaign.

Informative Refund Roundups

The campaign implements a unique “business-to-business” model, providing employers with informative sessions about EITC and the campaign and then providing them with promotional tools for their workplaces. Here is a look at these Refund Roundups:

- 20 Chamber In-house Refund Roundups – 105 employers reached
- 87 Outside or Special Refund Roundups – 1,013 employers reached
- 11 Faith-based Roundups – 220 employers and organizations reached
- One-on-one meetings with business organizations and employers

The Coalition

- Orlando Regional Chamber of Commerce
- Central Florida Hotel & Lodging Association
- City of Orlando
- Edyth Bush Charitable Foundation
- Internal Revenue Service – Stakeholder Partnerships, Education and Communication (IRS-SPEC)
- LYNX – Central Florida Regional Transportation Authority
- Orange County Government
- AARP Tax-Aide FL-2
- Association of Communities Organizing for Reform Now (ACORN)
- Ana G. Mendez University
- Associated Catholic Charities
- Bank of America
- Barry University Law School
- Central Florida Educators Credit Union (CFE)
- Florida Agricultural and Mechanical University Law School
- Goodwill Industries
- Heart of Florida United Way
- Hispanic Christian Church Association
- The Hope Church of Orlando
- Legal Aid
- Orange County Public Schools
- Orlando Utilities Commission (OUC)
- Progress Energy
- Publix Supermarkets
- Smart City
- Social Security Administration
- Universal Studios
- Valencia Community College (VCC)

Community Building Through the Earned Income Tax Credit

Business and Media Outreach

The chamber leverages its multiple communications channels as well as its relationships with the media to disseminate information to the business community and general audiences. Here is a look at their outreach activities:

- **Web and Electronic Media**

Provided Web tile and electronic articles, and a sample letter of endorsement to all Community Advisory Committee members and Refund Roundups participants. Distributed more than 1,000 Web tiles and electronic materials. It now includes the following:

 - All brochures in downloadable formats
 - A checklist of documents needed when filing your taxes
 - A 211 Web link and number
 - A VITA site information listing with maps
 - A downloadable listing of VITA sites
 - A LYNX Bus Route Map
 - A VITA Volunteer Recruitment page with training information and a schedule
- **Special Business and Customer Outreach**
 - Central Florida Educators Credit Union bank statements
 - 110,000 customers
 - LYNX 150 Bus business outlets, Orlando Federal Credit Union
 - 23,000 customers
 - Workforce Central Florida – 6,000 business customers
 - Orange County Utilities bill statements – 120,000 customers
 - Orange County Library System – 15 branches
- **Print Media**
 - Orlando Sentinel newspaper – 2 articles
 - El Nuevo Día newspaper – 1 article
 - La Prensa newspaper – 2 articles
 - El Sentinel – 2 articles
- **Radio**
 - Radio Interviews 95.5 Star Radio Cox Community Radio Show
 - WDBO Morning Show
 - 1030 AM Siempre Contigo Radio Show

Case Studies

- 1220 AM Titi Chagua Radio Show
- 1220 Informativa tu Salud Radio Show – 3 interviews
- Radio Luz Radio Show – 2 interviews
- Radio La Fantastica Besos y Abrazos Radio Show
- 103.1 FM – 211 and ExtraCredit radio ads

- **Television**
 - Orange TV – Orange Community Café TV Show
 - ExtraCredit Campaign Launch at Ana G. Mendez University, Telemundo, Univision, and Fox 35 TV
 - Hispanic Speak Out TV Show (aired 36 times in 2 weeks) – 90,000 households

- **Publications**
 - FirstMonday magazine – 10,000 circulation
 - Every Monday electronic magazine – 10,000 circulation
 - Asia Trend Magazine – 2 ads
 - Orlando Regional Hospital employee publication – 17,000 employees
 - Orange County Public Schools letter from Superintendent Ron Blocker – 22,000 employees

Campaign Results

The campaign, through its business-to-business model, was able to claim the following results:

Total Refund Roundup sessions	118
Total employers reached	1,158
Total number of employees and members represented	668,000

In addition, the campaign VITA sites were able to report the following results:

- EITC filed in the 2005 VITA sites increased by 56%, from 748 in Tax Year 2004 to 1,167 in Tax Year 2005.

- The average VITA EITC refund increased by 9% or \$129 dollars, from \$1,383 in Tax Year 2004 to \$1,512 in Tax Year 2005.

Community Building Through the **Earned Income Tax Credit**

- The total VITA EITC dollars increased by 80%, from \$1 million in Tax Year 2004 to \$1.8 million in Tax Year 2005.
- Through April 2006, the ExtraCredit VITA sites prepared more than 1,914 tax returns and contributed more than \$1,240,847 in EITC and approximately \$2.9 million in refunds back to the community.

Sources: Internal Revenue Service and the Orlando Regional Chamber of Commerce

Greater Miami Prosperity Campaign

www.prosperitycampaign.org

The Greater Miami Prosperity Campaign (GMPC) was developed to bring federal dollars to the community and increase the capacity of frontline and hourly wage to accumulate wealth. To ensure the success of the new EITC endeavor, a coalition including the mayors of Miami and Miami-Dade County, the Greater Miami Chamber of Commerce, Internal Revenue Service, Federal Reserve Bank, U.S. Department of Housing and Urban Development, and the local United Way, among others, joined forces to map out an aggressive, coordinated campaign strategy.

At the center of the campaign was the leadership of the business community, demonstrating that EITC would prove to be a “No Cost Win-Win-Win” benefiting the business community, its workforce, and the broader economy as federal dollars would be recirculated in the local economy and invested in area assets and savings. The campaign sought and gained funding from the John S. and James L. Knight Foundation, the City of Miami and Miami-Dade County, the Annie E. Casey Foundation, and the Bank of America Foundation.

Strategies

- **Outreach Strategy:** To increase awareness of EITC among the residents of Miami-Dade County. This is being accomplished in several ways, through community-based and faith-based organizations and through business leaders.

Partners

- Greater Miami Chamber of Commerce
- City of Miami Mayor Manny Diaz and staff
- Federal Reserve Bank of Atlanta, Miami Branch
- Hands on Miami
- Human Services Coalition
- IRS – SPEC
- John S. & James L. Knight Foundation
- Miami-Dade County
- Miami-Dade County Mayor Carlos Alvarez
- South Florida Workforce
- U.S. Dept. of Housing and Urban Development
- United Way of Miami-Dade
- AARP
- ACCION U.S.A.
- Colombian American Service Association
- Greater Bethel AME Church
- Harvest Fire
- Miami Herald
- Miami-Dade County Public Schools
- Miami-Dade Weed and Seed
- Minority Development and Empowerment
- Opa-Locka Community Development Center
- Overtown Youth Center
- Sant La Haitian Neighborhood Center
- Touching Miami with Love
- World Relief
- Youth Co-op

Community Building Through the Earned Income Tax Credit

- *Tax Preparation Strategy:* To offer free tax preparation to low-income taxpayers in the City of Miami, primarily in the Little Havana, Little Haiti, Overtown, and the Liberty City/Brownsville and Northwest Miami-Dade County neighborhoods. The focus of the Greater Miami Prosperity Campaign is to serve taxpayers who are income-eligible for EITC.
- *Asset-Building Strategy:* To offer Individual Development Accounts to qualified taxpayers that will help them become first-time homeowners or to start a microenterprise business.

Significant Coalition Activities

Using the results of a local survey commissioned by the campaign, outreach efforts were targeted toward different communities using culturally appropriate methods, such as interface with notary publics in the Hispanic community and radio outreach in the Haitian-Creole community. The campaign enlisted five community-based organizations as partners to provide prototype “Prosperity Centers,” where volunteer tax preparers from the community learned how to use state-of-the-art e-filing software. These partners are now engaged in financial literacy training with their customers and plan to move into the asset development arena with guidance from the campaign’s technical team.

- *Production and distribution/display of marketing materials*
Consumer flyers: 10,000 in English; 10,000 in Spanish; 5,000 in Creole
Business flyers: 9,000
Metrorail: 200 ads in trains, 50 ads on benches
Metrobus: 200 ads in buses
GMPC Web site: www.prosperitycampaign.org received 20,000 hits
- *Business outreach*
Presentations to 200 large employers and organizations
Total reached through business outreach: 200,000
- *Telephone information*
Telephone line with recorded message: 25,000 calls
Office of Miami Mayor Diaz hotline: 35,000 calls

Case Studies

- *Media advertising*

Ads in English, Spanish, and Creole in 60 community newspapers
Radio spots in English, Spanish, and Creole aired on 20 AM stations

Results

Specifically, the Miami EITC program produced a 13% increase in EITC filings, resulting in an additional \$62 million being returned to the hard-working families of Miami. The Miami EITC program was presented to more than 100 businesses; 200,000 low-wage workers learned about EITC in their workplace; 35,000 people accessed the city's hotline; 25,000 people accessed the dedicated EITC recorded message; and 45,000 hits were recorded on the Web site.

In addition, five “Prosperity Centers” were established to serve needy communities. These community partners provided space, equipment, and staff time to the operation of the Prosperity Centers, which were staffed by volunteer tax preparers and coordinated by Human Services Coalition staff. Here's a look at what was needed and what was accomplished:

- 190 volunteers were trained to prepare tax returns
- 65 volunteers donated 657 hours
- 340 tax returns were successfully prepared and filed
- 132 tax returns allowed for direct deposit of refunds into savings/checking accounts
- 50 new bank accounts were opened to allow for direct deposit of refunds
- \$411,585 in refunds was successfully claimed
- \$204,002 in EITC refunds was successfully claimed
- 1 home was purchased with refund money
- 46 candidates were identified for preparation of amended tax returns for previous years of unclaimed EITC

Sources: Internal Revenue Service and the National Community Tax Coalition

Earn It! Keep It! Save It! San Francisco and the Working Families Credit

www.earnitkeepitsaveit.org

www.workingfamiliescredit.org

San Francisco Works (SF Works) is a nonprofit organization founded in 1997 to support the San Francisco business community's involvement in welfare-to-work activities. SF Works was established as a partnership between the San Francisco Chamber of Commerce, the Committee on Jobs (a coalition of the city's 35 largest businesses), and the United Way of the Bay Area and has always been housed within the chamber of commerce. SF Works is a program of the San Francisco Chamber of Commerce Foundation. In recent years, the organization's focus has shifted toward building the careers and self-sufficiency of frontline and hourly workers. SF Works accomplishes this goal by developing pioneering and practical solutions that benefit employers and their workers and are delivered through a network of business, government, and community relationships.

SF Works has long marketed tax credits as a resource for both employers and their workers. Employers are often unaware of the federal and state hiring tax credits for which they may qualify. Likewise, many eligible workers often fail to apply for the Earned Income Tax Credit. SF Works has helped make the economic development case within San Francisco for these credits; i.e., because of lack of take-up, the City is losing out on federal resources that could be flowing into its low-income communities.

Consistent with its efforts, SF Works is a key member of the steering committee for the local United Way's Earn It! Keep It! Save It! Campaign that focuses on connecting low-income individuals to free tax preparation resources. In addition, in 2003, SF Works spearheaded community advocacy for the creation of the Working Families Credit (WFC), a local match to a portion of families' EITC return. Currently approaching its fourth year, the WFC draws attention to – and incentivizes take up of – the EITC. SF Works has helped the City secure large corporate contributions for marketing of the WFC and its linkage to the EITC. More recently, SF Works has worked with the City and Earn It! Keep It! Save It! to also incorporate marketing of other public and community resources into their campaigns.

Case Studies

Strategies

- **Outreach Strategy:** For FY2006, increase the level of EITC refunds claimed. Also promote the Working Families Credit (WFC), San Francisco’s version of EITC.
- **Tax Preparation Strategy:** For FY2006, increase the number of taxpayers who claim EITC through Volunteer Return Preparation Program (VRPP) sites by 10% by increasing the following:
 - Total EITC claimed: \$2.5 million to \$2.8 million
 - Number of tax returns: 5,428 to 5,971
 - Prepare the application for the Working Families Credit.
- **Asset-Building Strategy:**
 - Use the EITC campaign as an entry point to help increase low-income families’ knowledge about financial literacy and training opportunities, other underutilized public benefits, and participation in Individual Development Accounts (IDAs) by developing a method of serving low-income families and offering financial education.
 - Use volunteer financial counselors at selected VRPP sites to advise EITC-eligible taxpayers of other potential benefits such as food stamps, IDAs, and social services.

Earn It! Keep It! Save It! San Francisco Partners

- SF Works
- Internal Revenue Service
- San Francisco EARN
- Tax-Aid (private nonprofit)
- United Way of the Bay Area
- ACORN
- Arriba Juntos
- City of San Francisco
- Evelyn and Walter Haas Jr. Fund
- Federal Deposit Insurance Corporation (FDIC)
- Federal Reserve Bank of San Francisco
- Homeless Prenatal Program
- Levi Strauss
- Mercy Housing of California
- Northeast Community Federal Credit Union
- San Francisco Housing Authority
- San Francisco Human Services Agency
- San Francisco State University
- University of California (UC) Hastings College of the Law
- Urban Strategies Council
- Walter and Elise Haas Fund
- The Women’s Building

Major Activities

- Having helped more than 9,600 families in its first year, San Francisco Mayor Gavin Newsom and Treasurer José Cisneros kicked off the Working Families’ Credits second year with a press conference on the steps of City Hall that highlighted free

Community Building Through the Earned Income Tax Credit

tax assistance opportunities and unveiled a new marketing campaign in English, Chinese, and Spanish. The campaign, called “Where’s George?”, was funded and created by H&R Block, and the San Francisco office of advertising company McCann-Erickson.

- The steering committee reviewed the Earn It! Keep It! Save It! San Francisco! Campaign funding status and needs, established the campaign goals for the 2006 filing season, discussed return preparation and asset-building volunteer training options, and developed an operating structure that includes the following workgroups: (1) Tax assistance to focus on recruiting, training, and establishing VITA sites; (2) Asset development to focus on the benefits of EITC and use the VITA sites to increase financial literacy and expose low-income families to asset development strategies; and (3) Outreach and community organizing to leverage marketing and outreach plans from surrounding EITC campaigns and better address coalition sustainability concerns (e.g., fundraising, steering committee membership, and continued marketing to local agencies, political offices, and community-based organizations).

Results

During the 2006 filing season, the Earn It! Keep It! Save It! San Francisco campaign operated 32 VRPP sites. 8,284 returns were prepared, bringing \$3,974,956 in EITC into the community and claiming \$9,237,467 in total refunds. Volunteers also prepared applications for the Working Families Credit (WFC). In total, more than 12,500 taxpayers applied for the WFC via a variety of methods.

Sources: Internal Revenue Service and SF Works

St. Louis Gateway EITC Community Coalition (GECC)

www.gecc.us

The Gateway EITC Community Coalition was started by the St. Louis Regional Chamber and Growth Association (RCGA) in July 2002. The coalition is working to bring an estimated \$30 million in unclaimed EITC refunds into the hands of low-income households in the St. Louis region.

According to Eric Schneider, vice president of public policy research for the chamber, the early efforts included working with the IRS, fundraising, establishing VITA sites, and enlisting volunteers. The GECC includes the RCGA, the United Way of Greater St. Louis, Catholic Charities of St. Louis, The Salvation Army, the Center for Economic Progress, and the IRS, among others.

Strategies

- **Outreach Strategy:** Provide educational outreach on unclaimed EITC and eligibility for EITC. With the help of subcommittees, provide marketing and promotional materials about EITC and the free tax preparation sites to community organizations and groups.
- **Tax Preparation Strategy:** Establish free electronic filing sites for low-income, EITC-eligible taxpayers. Utilize the “Super Site” concept for one-day promotional events and establish ongoing sites.
- **Asset-Building Strategy:** Expand the use of U.S. Bank, National City Bank, FDIC, and the United Way Individual Development Accounts

Partners

- AARP
- ACORN
- Annie E. Casey Foundation
- Area Resources for Community and Human Services (ARCHS)
- Better Family Life
- Catholic Charities
- Center for Economic Progress
- Connections to Success
- Employment Connections
- International Institute of St. Louis
- Internal Revenue Service
- Grace Hill
- Jewish Community Relations Council
- MERS Missouri Goodwill Industries, Inc.
- MET Center
- National Association of Black Accountants (NABA)
- National City Bank
- The Regional Commerce and Growth Association (RCGA)
- The Salvation Army
- Shiloh Education Center
- St. Louis Community College District
- St. Louis Public Schools
- The United Way of Greater St. Louis
- University of Missouri-St. Louis
- U.S. Bank
- The Youth and Family Center

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(IDA) function to establish bank accounts for the “unbanked.” Utilize banking resources and grant sources to encourage more IDA participation by organizations. Promote use of IDAs to frontline workers.

Significant Coalition Activities

- St. Clair County Board Chairman John Baricevic, St. Louis Mayor Francis Slay, and St. Louis County Executive Buzz Westfall declared February to be EITC Month and encouraged citizens to file for the Earned Income Tax Credit.
- Distributed disability outreach material to 4,700 people and provided signs at Super Saturdays. The future plan is to develop disability initiatives to include other organizations (ARC, Independent Living, Easter Seals, etc.).
- In the past year, the coalition was incorporated in the State of Missouri, granted 501(c)(3) status, and established a Web site.
- For the future, the coalition plans to secure grants to provide resources for the coalition and to supplement subcommittees with volunteers from other community and business organizations.

Results

- Between January and March of 2006, 148 volunteers helped almost 1,200 local residents with incomes of less than \$35,500 prepare their taxes and file for refunds from EITCs.
- For the 2006 filing season, the coalition experienced an increase of 19.5% in e-file returns for a total of \$1,291,910 in refunds, with approximately \$496,423 in EITC refunds and an average EITC refund of \$1,210.79. Ten IDA accounts were opened. Child tax credits totaled \$186,158.

Sources: Internal Revenue Service and the St. Louis Regional Chamber and Growth Association

Appendixes



Appendix A

Sample IRS Local Coalition Report

IRS-SPEC Partner Coalition FY-06	
Please Check One: Existing [] Emerging [X]	
TERRITORY NAME:	Omaha
FORMAL NAME OF COALITION:	Lexington Tax Credit Coalition
COALITION WEB SITE:	N/A
KEY COALITION CITY/STATE:	Lexington, NE
COALITION CHAIR'S NAME AND ORGANIZATION:	Lexington Foundation
COALITION CHAIR'S E-MAIL ADDRESS/PHONE#:	lexfoundation@alltel.net
DATE COALITION STARTED AND GEOGRAPHICAL AREA COVERED:	2005, Lexington/ Dawson County
STRATEGIES – briefly define each strategy, if applicable	
	Outreach Strategy: Increase the awareness of EITC, AEITC, CTC, and e-filing through media outlets, partner mailings, and community outreaches. Utilize various employers, churches, and community services to expand assistance.
	Tax Preparation Strategy: Use the new equipment donated by the Lexington Foundation to increase the number of low-income taxpayers receiving assistance with e-file preparation of their tax returns. Utilize the local media and employers to publicize VITA.
	Asset-Building Strategy: To be determined – this coalition is still emerging
CORE PLANNING GROUP	
	Lexington Chamber of Commerce Lexington Foundation Lexington Libraries Nebraska Health and Human Services
	Significant Coalition Activities
	<ul style="list-style-type: none"> • Nebraska Health and Human Services is distributing EITC Pub 962/962SP to their clients • Existing local VITA site converted from paper to e-file through funding from the coalition
	Planned Future Activities
	<ul style="list-style-type: none"> • Nebraska Health and Human Services continuing to distribute EITC Pub 962/962SP to their clients • Enlisting Tyson Foods to publicize EITC and electronic filing at the VITA site to their employees

Appendix B

Boston EITC Campaign

What coalitions do – A look at the activities of coalition partners

The campaign is spearheaded by **Mayor Thomas M. Menino** and Boston's Office of Jobs and Community Services. Mimi Turchinetz, the city's living wage administrator, serves as campaign director.

The **Federal Reserve Bank** works closely with the banking collaborative and financial literacy aspect of the coalition. A representative from the bank is also a steering committee member.

The **IRS-SPEC** office represents the IRS on the steering committee.

The **Boston Chamber of Commerce** provides the coalition with corporate recruitment and support.

Action for Boston Community Development ABCD, Inc., a private nonprofit human services agency, manages eleven tax sites for the coalition and is our survey data expert.

ACORN, the Association of Community Organizations for Reform Now, operates two free tax sites in two different communities.

The **Federal Deposit Insurance Commission (FDIC)** works closely with the coalition as a volunteer tax preparer and a steering committee member.

The **Civic Health Institute at Dotwell** plays a key role in the coalition as a steering committee member and coordinator of two tax sites.

Jewish Vocational Service is a steering committee member and a tax-site coordinator.

Citizens Bank is a funder and a supporter of the campaign. It helps open bank accounts for those who rely on check cashing services.

Sovereign Bank is a funder and supporter, opening bank accounts at the tax sites. Sonia Alleyne plays a key role in involving Sovereign Bank with the campaign.

Boston College provides support for data collection effort and assists with strategy in the Allston Brighton community.

Suffolk University provides computer lab space for volunteer tax preparer training sessions, as well as student volunteers.

The **Annie E. Casey Foundation** is a major contributor and funder of the coalition.

The **Boston Foundation** is a major funder and the campaign's program advisor.

State Street Bank provides funds and volunteers.

The **Boston Private Bank and Trust Company** supports the efforts of the coalition with funds and resources.

The **Hispanic Office of Planning and Evaluation, Inc.**, serves as a tax site for the coalition and hosts the Spanish ambassador to assist in preparing taxes for Spanish-speaking taxpayers.

The **Black Ministerial Alliance** provides outreach support.

The **1199 Service Employees International** represents more than 11,000 health care employees and provides outreach support.

The **Boston Public Library** informs the low and moderate income families of the services provided by the EITC campaign.

The **YMCA** educates its constituents about EITC campaigns.

BJ's Wholesale Foods provides meals for the volunteers at free tax sites.

The **Boston Housing Authority (BHA)** assists in outreach to BHA residents and chairs the steering committee disability working group.

Appendix C

10 Ways Your Business Can Promote the EITC

There are many opportunities to raise awareness about EITC. Since most EITC benefits are spent locally, the credits are considered important economic development tools for low-income neighborhoods. Remember, both customers and employees may be eligible for EITC.

1. Include an envelope stuffer into bills or other notices that are mailed to customers (utility companies commonly do this).
2. Include an envelope stuffer with employee paychecks.
3. Print EITC messages on grocery bags, cash register receipts, store coupons, milk containers, restaurant menus, or placemats.
4. Put up posters in your store, waiting room, or customer service center. Don't forget employee bulletin boards.
5. Place a public service advertisement in the local newspaper or shoppers' guide.
6. Make the tax credits the topic of public service announcements or consumer affairs programs your company sponsors.
7. Help provide free help with tax forms in your community. Work with the IRS territory manager to provide space or computers for a Volunteer Income Tax Assistance (VITA) site.
8. Encourage employees and retirees to become VITA volunteers.
9. Serve in local community leadership positions such as the town council, school board, United Way, or other organizations in which you can discuss the good work of the EITC and encourage your colleagues to get involved in promoting the program.
10. Join forces with—and provide help to—community-based groups engaged in EITC outreach campaigns.

Source: Center on Budget and Policy Priorities

Appendix D

VISTA Proposal

In New Jersey, the state chamber is considering a partnership with the local office of the Corporation for National and Community Service (CNCS). CNCS is the nation's largest grant provider for service and volunteering, providing such opportunities through its Senior Corps, AmeriCorps, and Learn and Serve America programs. It also offers training and technical expertise to expanding volunteer organizations and researches different methods of community service.

Under this arrangement, the chamber and CNCS would provide shared funding for the local AmeriCorps' Volunteers In Service To America (VISTA) program, enlisting members of the program as dedicated volunteers to the Volunteers Income Tax Assistance sites during tax season. With this model, the state chamber would be able to monitor the success of the coalition in recruiting volunteers and increasing free tax preparation.

Appendix E

IRS Volunteer Income Tax Assistance (VITA) Volunteer Training

Resources that will help you train tax preparation volunteers

IRS Publication 678, Volunteer Assistor's Guide is a 129-page-plus training package that provides extensive tax law information, exercises, and examples.
<http://www.irs.gov/pub/irs-pdf/p678.pdf>

IRS Link and Learn is an online tax law training designed with VITA volunteers in mind. The course provides excellent tax law information and gives volunteers practice preparing manual tax returns. It also includes the full VITA certification test.

Go to <http://www.irs.gov> and enter “Link & Learn” in the top search engine box.

TaxWise University is developed by Universal Tax Systems (UTS)—the creator of TaxWise software—and it offers online training. TaxWise University provides instruction on tax law and TaxWise software.

<http://training.taxwise.com>

TaxWise Train the Trainer was developed by the IRS and UTS to provide special training for partners that use TaxWise software. It offers a three-day class that covers installation, setup, tax preparation, transmittal, system management, and troubleshooting. To attend a class, partners need to contact their local Stakeholder Partnerships, Educations and Communication (SPEC) staff.

Source: “Center for Economic Progress: Tools for Trailing Volunteers” (September 2005), http://www.tax-coalition.org/events/sept2005/Materials/Tools_for_Training_Volunteers-DelBene.doc

Appendix F

Providence Kickoff Event Speech

*Laurie White, President and CEO, Greater Providence Chamber of Commerce
Comments at EITC Kickoff Event
01/10/2007*

“Good morning Mayor Cicilline, State Senator Juan Pichardo, Anthony Maione, Burt Cooper, Joedina Powell and other guests.

“The Greater Providence Chamber of Commerce is proud to once again be here this morning. We have a long tradition of supporting the effort to raise

The collaboration of key groups gathered here today, has resulted on a more than \$3.4 million in total credits and upwards of \$5.7 million in refunds in Providence alone.

awareness surrounding the Earned Income Tax Credit as we see and feel the tremendous potential impact it can have on local families, businesses and the city’s economy.

“Year after year we hear the statistics.... Rhode Islanders are eligible for millions of dollars in

EITC benefits—upwards of \$4,300 per family—but because they do not know about it or do not know how to access this credit, they go without, and the money is returned to the federal government.

“Together, we are clearly making a difference.

“Last year the campaign reached over 1,600 households in low and moderate income neighborhoods of Providence.... and generated \$1.3 million in EITC and Child Care credits in addition to the \$2.2 million in federal tax returns. In the last five years, the collaboration of key groups gathered here today has resulted in more than \$3.4 million in total credits and upwards of \$5.7 million in refunds in Providence alone.

“This is a sign of a job well done.

“But we are not done. The goal this year is to reach more than 1,700 households. Working together, we can accomplish that goal. Once again, the Chamber has called on its member companies to educate and enroll qualified

workers in this tax credit program as well as to recruit workers and colleagues to become volunteer tax preparers. We truly believe that local businesses have a vested interest in supporting community EITC outreach.

“State lawmakers have highlighted the importance of this program by including a 5% increase in the Earned Income Tax Credit in last year’s state budget. By helping employees learn about the tax credit, employers are not only building trust and goodwill in the workplace, but they are also giving employees the ability to supplement their incomes. This credit provides additional assistance that can support the achievement of long-term family economic success.

“And that success is essential to development in the city as its residents and its workforce are the foundation of our continued economic prosperity, which directly ties into this year’s campaign theme of ‘Family Economic Success.’

“This campaign is a critical step in bringing greater awareness to what a powerful work incentive EITC can be and how it has benefited millions of workers both in Rhode Island and nationwide.

“Thank you.”

Source: Greater Providence Chamber of Commerce

Appendix G

Results from Orlando

The Orlando Regional Chamber of Commerce was able to report the following results for Tax Year 2005:

- EITC filed in the 2005 Volunteer Income Tax Assistance (VITA) sites increased by 56%, from 748 in tax year 2004 to 1,167 in tax year 2005.
- The Average VITA EITC refund increased by 9% (or \$129 dollars), from \$1,383 in Tax Year 2004 to \$1,512 in Tax Year 2005.
- The total VITA EITC dollars increased by 80%, from \$1 million in Tax Year 2004 to \$1.8 million in Tax Year 2005.
- Through April 2006, the Extra Credit VITA sites prepared more than 1,914 tax returns and contributed more than \$1,240,847 in EITC and approximately \$2.9 million refund dollars back to the community.

Source: Orlando Regional Chamber of Commerce



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