

# Florida Prosperity Partnership



**KAYE SCHMITZ**  
**EXECUTIVE DIRECTOR**



**GEORGIA EITC MEETING**

**JUNE 28, 2010**

# Florida Prosperity Partnership

## RealSense Prosperity Campaign in Jacksonville, FL:

- **Two forces at work**
  - **In 2003—concurrent revenue maximization studies**



**United  
Way of NE  
Florida**

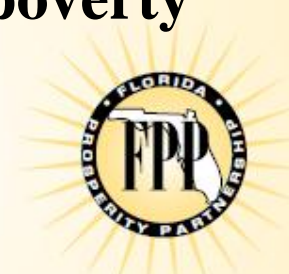


**Jacksonville  
Children's  
Commission**



**Jessie Ball  
duPont  
Fund**

- **Concern in non-profit community over growing poverty and increased crime**



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## Revenue maximization studies revealed:

- **Federal dollars were available for the community in unclaimed Earned Income Tax Credit**
- **But as many as 25% of NE Floridians didn't claim it—and continued to live in poverty**

## Non-profit community outlined poverty consequences:



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## Poverty leads to:

➔ Desperation

- **In Duval County:**
  - 1 in 4 children lived in poverty
  - Bankruptcy cases total 100,000
  - Mortgage foreclosure rate was 300% of national average
    - Each 1% increase in foreclosures leads to 2.3% increase in...



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Poverty leads to:

➔ Desperation

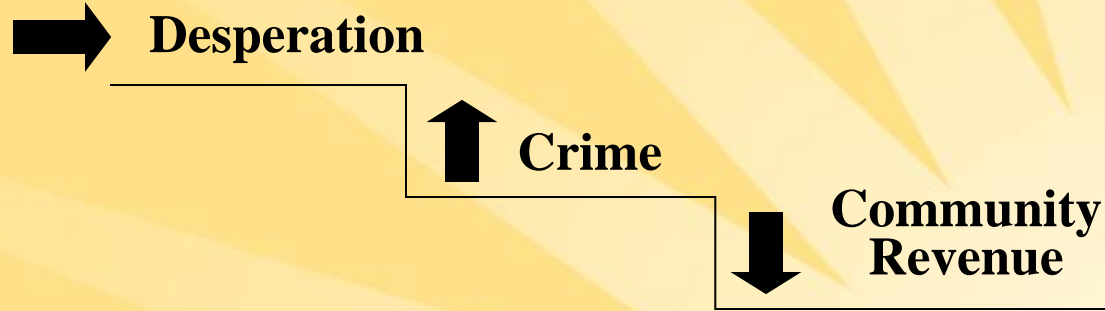
↑ Crime

- **Crime Rate Index (violent crimes/100,000 people):**
  - United States – 911.0
  - Florida – 706.2
  - Jacksonville - 826.0



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**Poverty leads to:**



- **Foreclosure and Crime lead to:**
  - **Decrease in residential tax dollars**
  - **Fewer resources to protect people**
  - **Fewer resources to make repairs**
  - **Denigration of neighborhoods**



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**Poverty leads to:**



- **Loss of stability for:**
  - Residents
  - Neighborhoods
  - Government



# Florida Prosperity Partnership

**A Community Forum was convened by United Way and major foundation president:**

- **Others at the table:**
  - **IRS**
  - **Grass Roots leaders**
  - **Community Action Agency**
  - **Civic leaders**
  - **Major corporations**
  - **Financial institutions**
  - **Faith based organizations**
  - **Educational leaders**





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## Conclusion of Community Forum:

- **Form a community coalition**
  - **With major emphasis on free tax preparation**
  - **Focus on financial education, so families could**
    - **Manage their money better**
    - **Restore credit and avoid bankruptcy and foreclosure**
    - **Access mainstream financial services**
    - **Set and reach savings goals**
    - **Avoid predatory lenders**

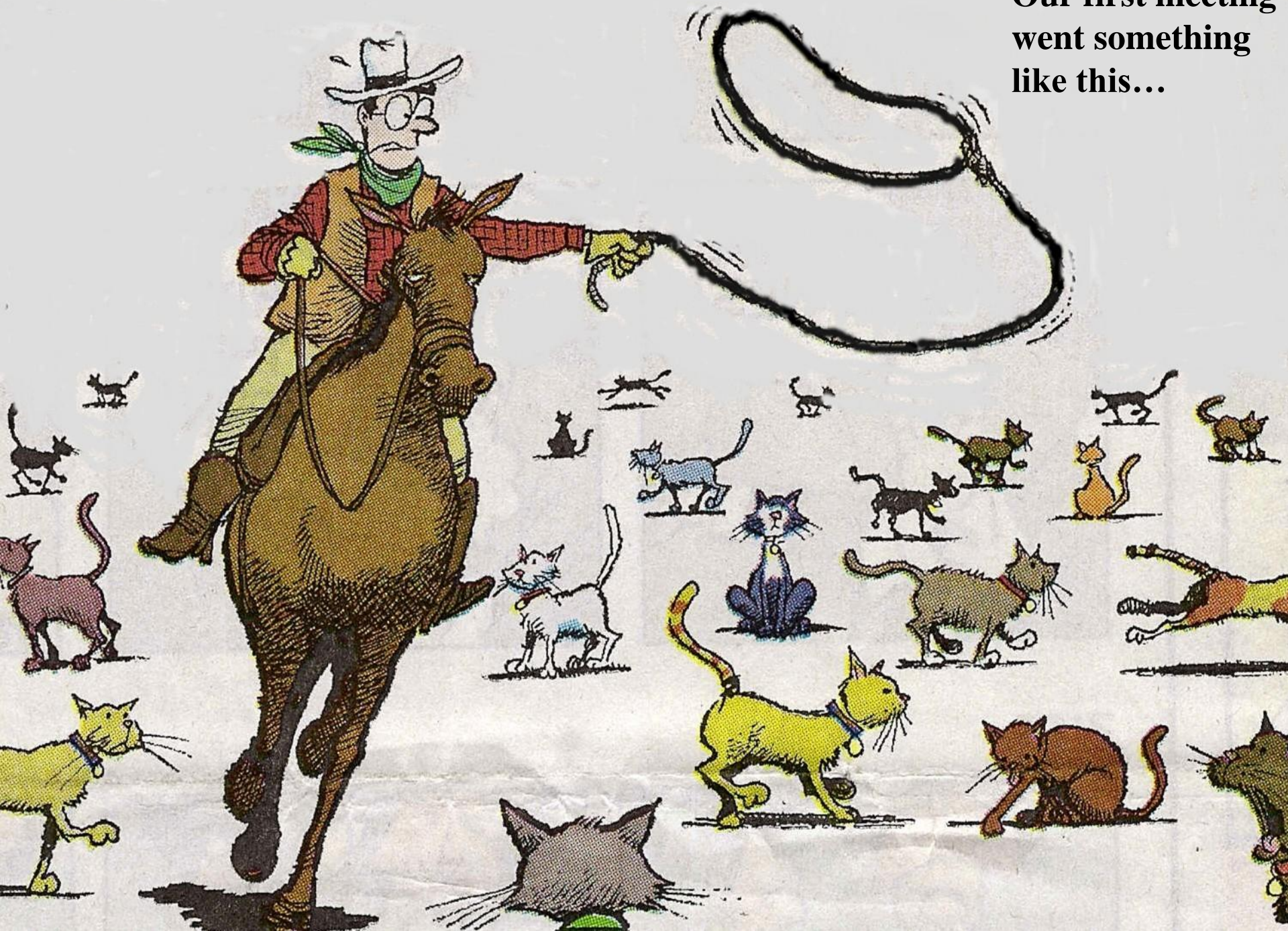


# Florida Prosperity Partnership

**That was the easy part . . .**



Our first meeting  
went something  
like this...

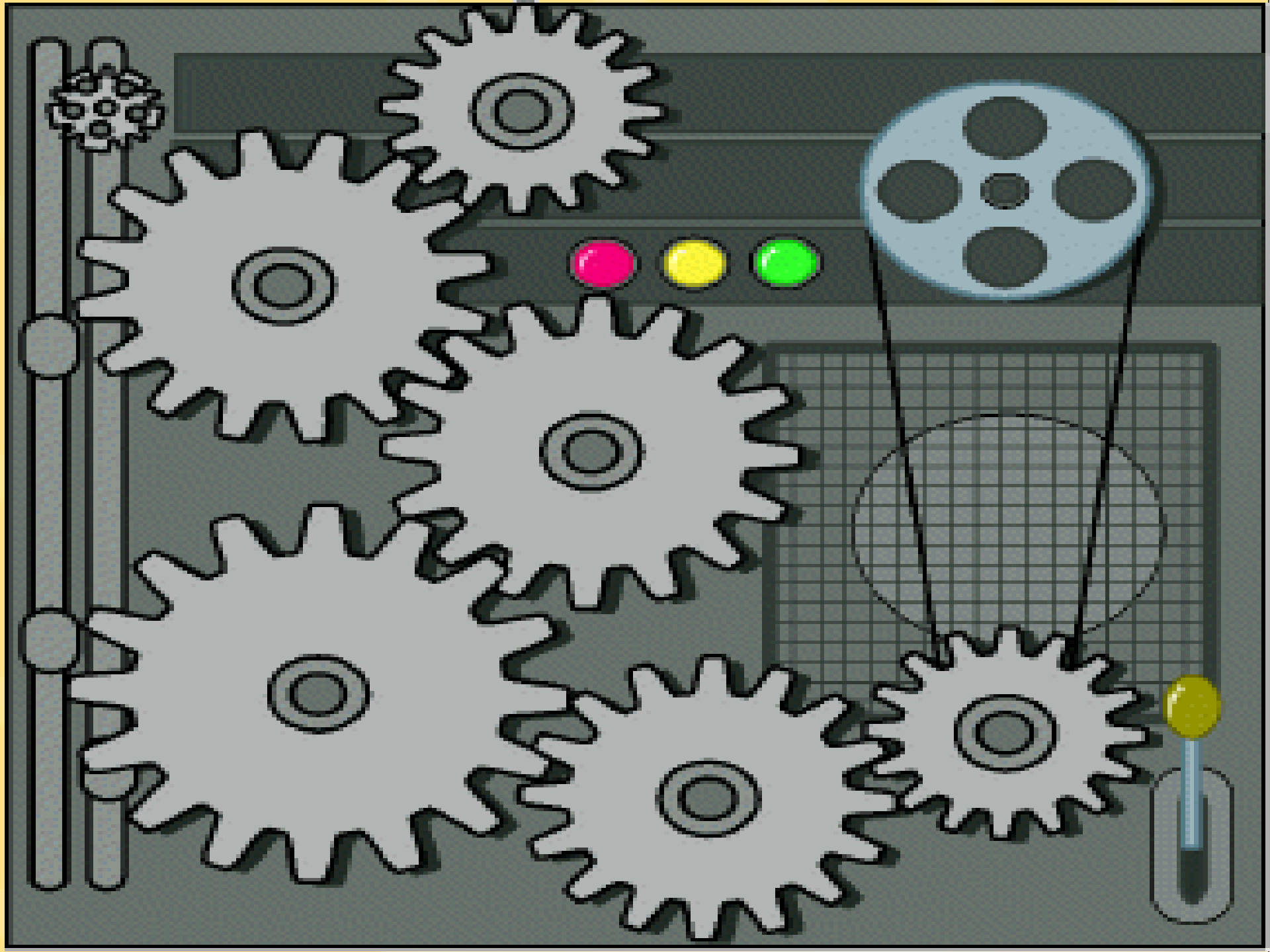




**head  
in the  
clouds**

So we spent some time on these:





# Florida Prosperity Partnership

**The coalition has now been in place 7 years:**

- **First year results with unified marketing/outreach**
  - **More than tripled the number of EITC returns**
  
- **Historical growth:**
  - **# of total returns increased from baseline by 830%**
  - **# of EITC returns increased from baseline by 1,155%**
  - **# of total financial class hours increased by 329%**
  - **# of volunteers increased by 567%**



# ACCESS

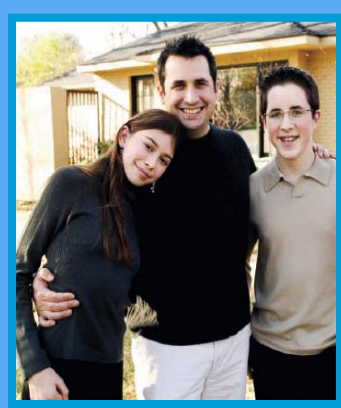
Alamo City Coalition for  
Economic Self-Sufficiency

## Establishing an EITC Campaign And Building Effective Partnerships

June 28, 2010







# Our Public Purpose

The Department of Community Initiatives (DCI) serves as the human services branch of the City of San Antonio. Our mission is to strengthen the community through human services investments, resources, and partnerships that benefit everyone.



# Coalition Overview

- San Antonio Coalition for Family Economic Progress (SACFEP) was a public-private partnership developed in 2001
  - Coalition evolved out of Annie E. Casey Foundation's work and IRS transition to community leadership
  - Initial focus centered on the Earned Income Tax Credit Campaign and VITA
    - Expanded to include asset building
- August 2008, SACFEP merged with Alamo City Coalition for Economic Self Sufficiency (ACCESS)
  - **Two working groups – VITA and Asset Building**
  - Now more than 80 members
  - Goals and objectives remain the same

# ACCESS VITA Program

- 26 to 30 sites each filing season
  - Cash and In-kind partner contributions are approximately \$1 Million annually
  - Completed more than 37,000 returns during 2010 tax filing season (\$73.5 million plus in refunds)
  - One City site operates year round as a Community Tax Center
    - Assist with prior year returns
    - Certified Acceptance Agent
      - Review IRS correspondence – provide referrals
- All tax services are free
- Selected sites offer alternative to RALs

# VITA Results

## 2007 – 2010 Tax Filing Seasons

	2007	2008	2009	2010
<b>Coalition Results</b>				
# of Coalition Sites	26	31	30	26
Total # of Returns	35,560	43,440	38,772	37,340
Total \$\$ Returned	\$61 mil	\$71 mil	\$70.5	\$73.5 mil
<b>COSA DCI Results</b>				
# of DCI Sites	22	27	25	22
# of Returns	32,413	40,947	36,545	32,747
\$\$ Returned	\$57 mil	\$64.7 mil	\$65.8 mil	\$65.1

# Financial Education/Asset Building Efforts

- Refund Express
  - Partnership with generations federal credit union
  - Free - 0% interest loan, No Admin fee
  - 1,279 *Refund Express* loans in 2010
  - \$3.8 million in total loans
- Individual Development Accounts
  - Matched savings
    - \$4 to \$1 match – First time home buyer, post secondary education, micro enterprise development
    - \$2 to \$1 match – new or certified used Ford vehicles
  - Requires a minimum 5 hours of financial education
- Savings Bonds

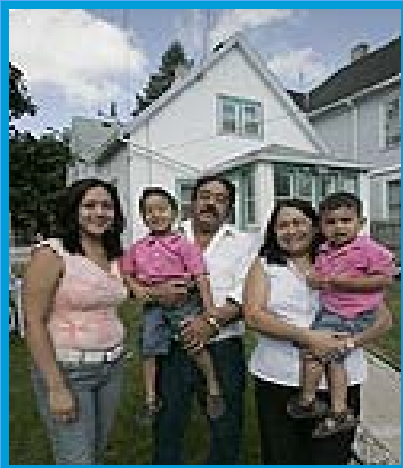
# Future Plans

- Enhance IDA Program
  - Create IDA accounts at six VITA sites under pilot program with Security Service Federal Credit Union
  - Use split refund to allow taxpayer deposits into the IDA accounts
- Implement Texas Tuition Promise Fund program
  - Pilot program offering pre-paid tuition credits for Texas public higher education institutions – buy tuition for tomorrow at today’s prices
  - Establish tuition accounts at VITA sites and use split refund tool to fund the accounts
- Expand VITA services to disabled population
  - “Fixed sites” using appointments
  - mobile team – responding “on-site”

# Contact Information



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# The Earned Income Tax Credit: Lessons and Best Practices

Tiki T. Windley  
EITC Carolinas  
*An initiative of MDC*



# What I Want to Cover This Morning...

- A quick history of EITC Carolinas;
- How EITC Carolinas and the broader field is evolving;  
and
- Lessons from our work and how you might think about yours going forward.

# What is EITC Carolinas?

- Part of the first year of the Program for the Rural Carolinas,
- In Year 2, MDC received Annie E. Casey Foundation funding to go statewide and add urban EITC campaigns
- EITC Carolinas now works with:
  - 35 community tax campaigns that work in more than 60 counties in NC and SC

# Structure of EITC Carolinas

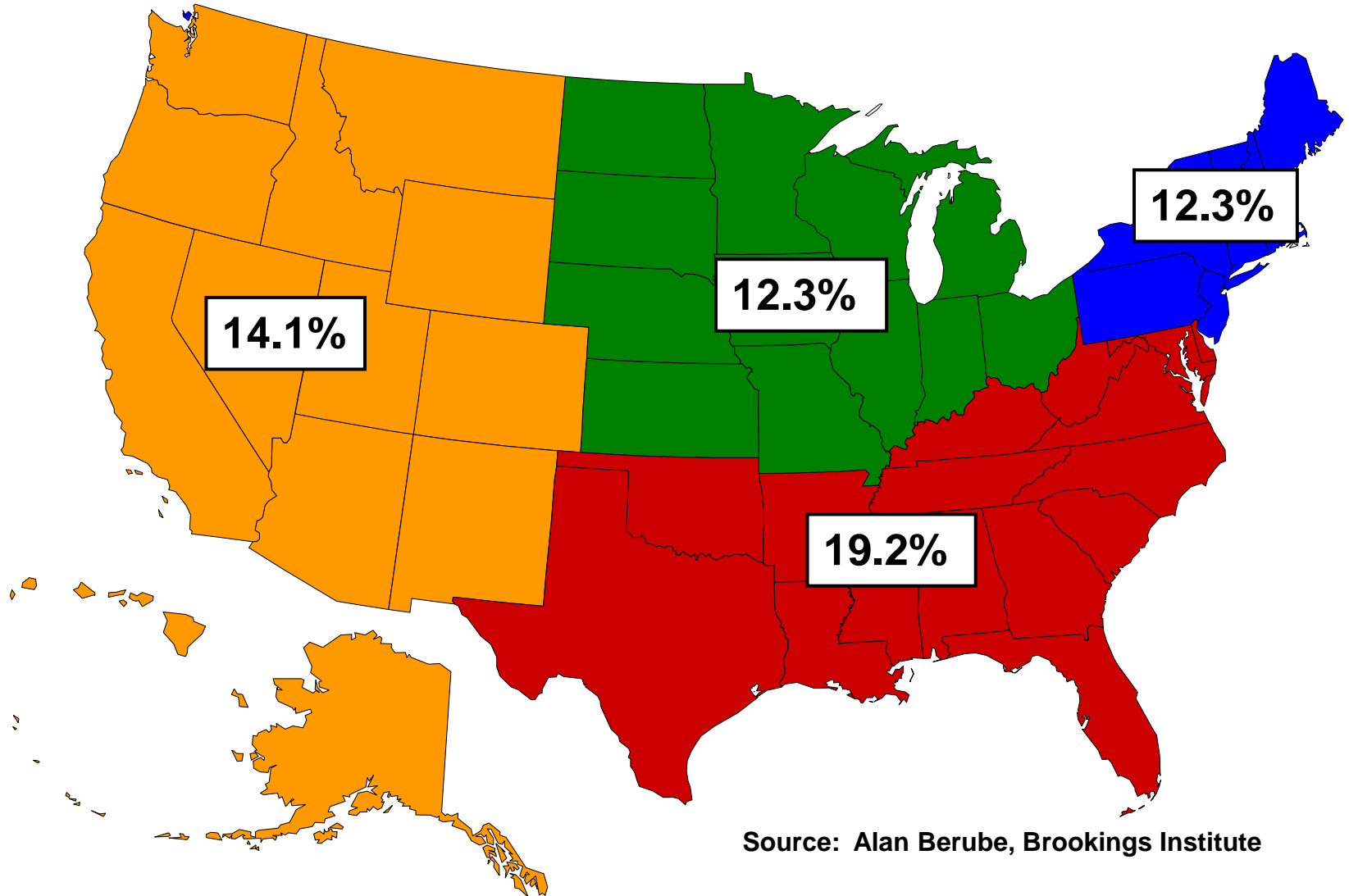
- No formal affiliation or dues
- Work with any community tax campaign, only requirement is that they collect and share data
- Typically, each local campaign has its own coalition of community partners
- Staffing:
  - Full-Time Senior Program Director
  - Full-Time Program Manager

## **Our Most Important Statewide Partners in Addition to Local EITC Campaigns**

- IRS-SPEC Territory Offices
- NC State Treasurer
- NC Council on Developmental Disabilities
- NC Justice Center
- Center for Responsible Lending
- NC Commissioner of Banks

# **The EITC in the South**

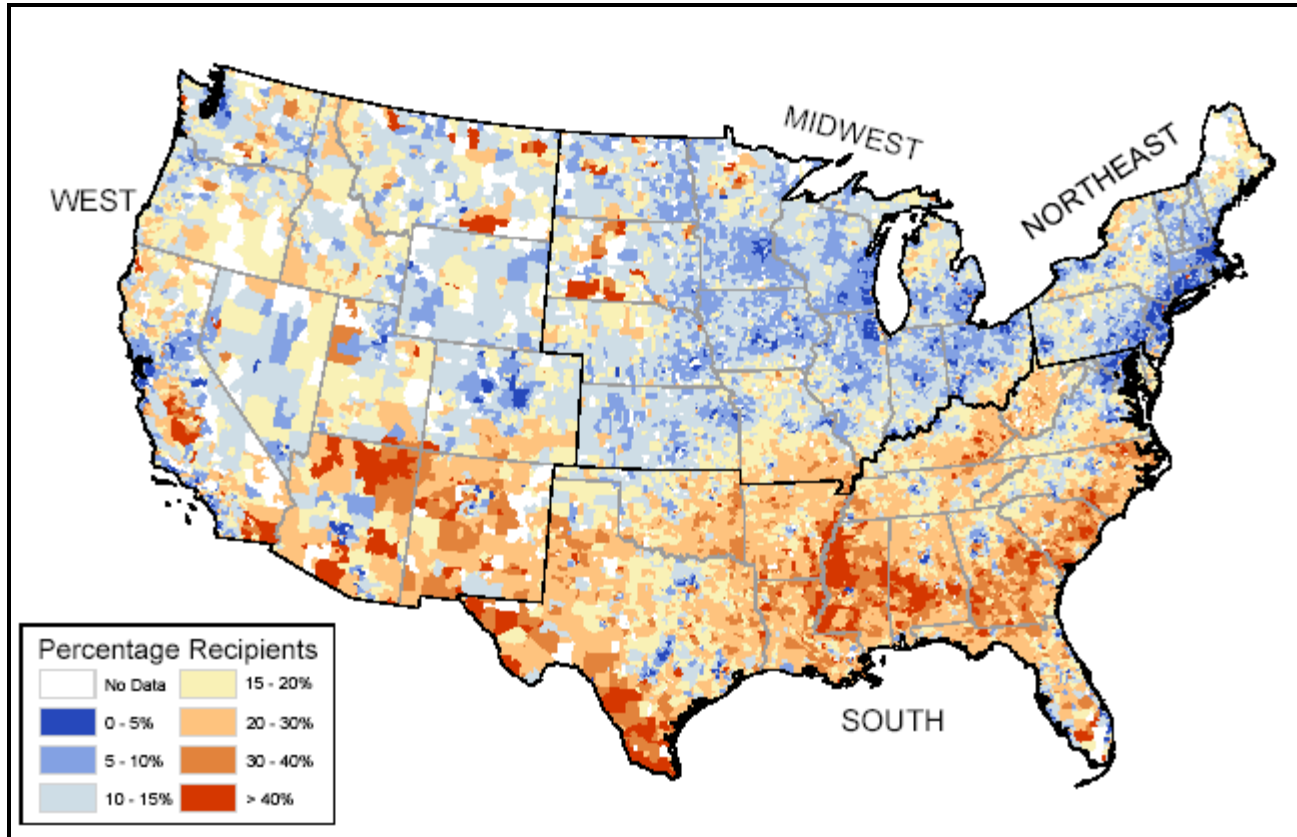
# Overall EITC Receipt is Highest in the South



Source: Alan Berube, Brookings Institute

# **“Red Belt” of Working Poverty *Stretches Across the South & Southwest***

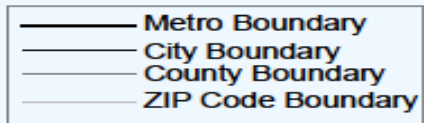
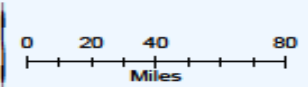
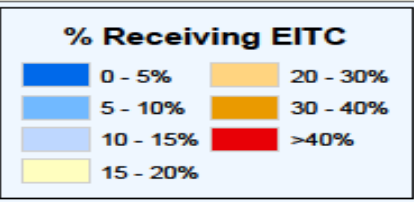
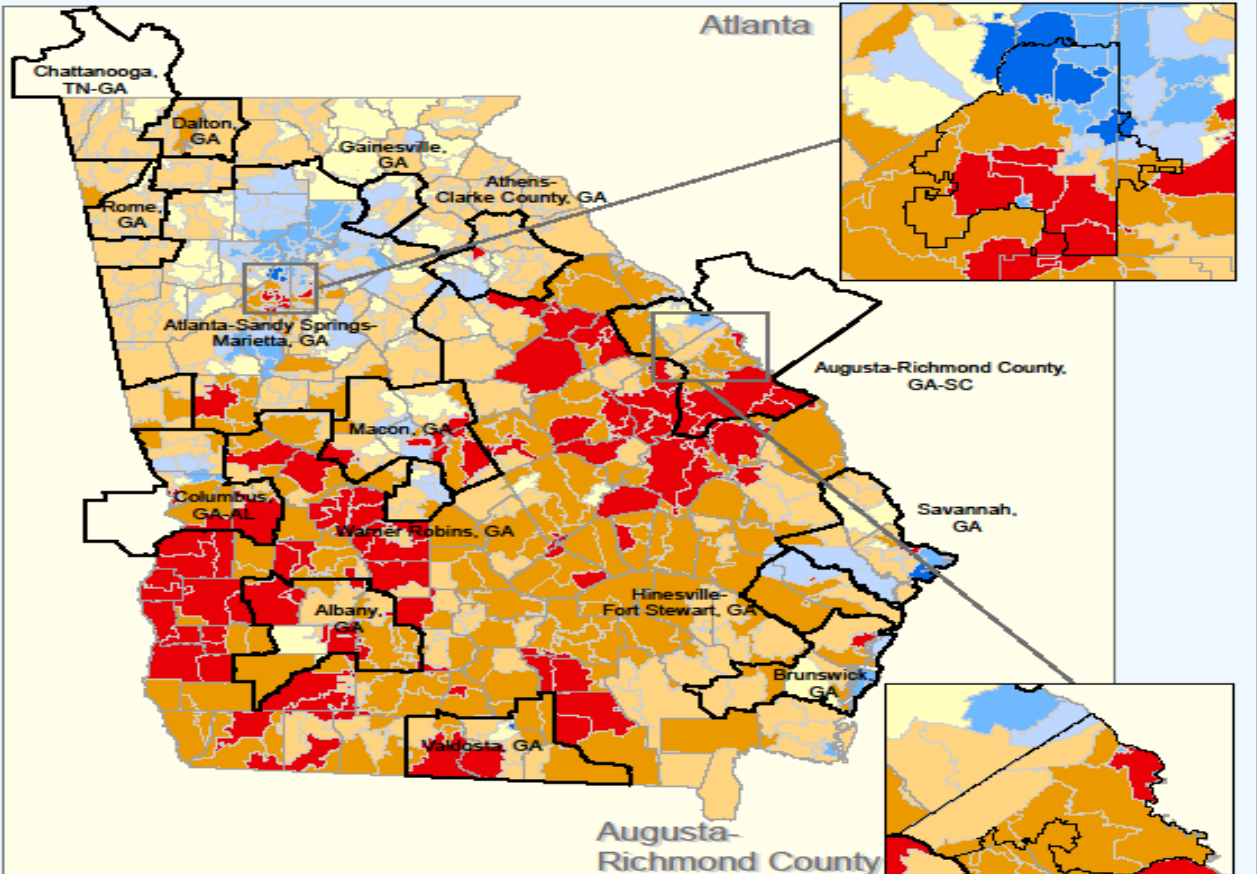
## **EITC Recipients as a Percentage of Total Returns, TY2001**



Source: Alan Berube, Brookings Institute

# Georgia

EITC Recipients as a Percentage of Total Returns by Zip Code, Tax Year 2004



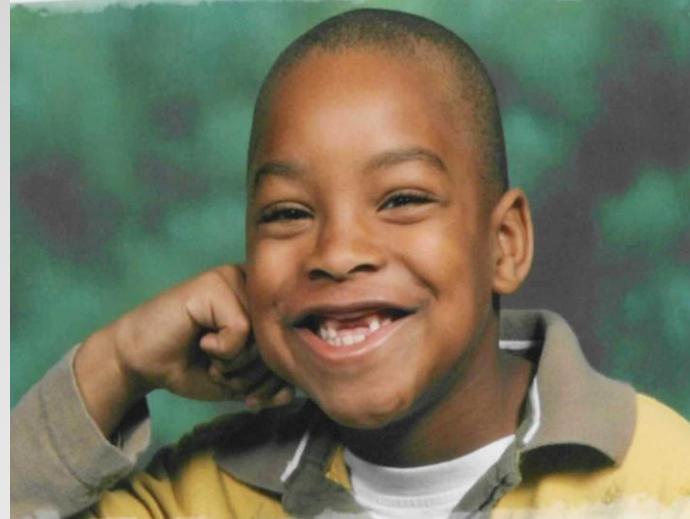
Source: Brookings Institution analysis of Internal Revenue Service data



# For states and localities, increasing EITC uptake is a total WIN-WIN

*The EITC helps –*

- Helps working poor families increase their financial stability
- Draws people into the workforce
- Reduces the use of state and local benefits
- Stimulates the local economy since most EITC dollars will be spent locally



# What Do Community Tax Campaigns Do to Address These Issues?

- Publicize the availability of the Earned Income Tax Credit and other credits to eligible families
- Provide free tax preparation
- Inform consumers about the high cost of rapid refunds and other predatory lending products
- Link tax site customers to mainstream banking and asset building opportunities such as Individual Development Accounts (IDAs)

## **Some thoughts for your EITC work going forward**

You can accomplish a lot with a coordinated statewide outreach campaign for the EITC – the ultimate goal is to ensure that eligible families get the tax credits they've earned at no or low cost, not that you prepare the tax return of every low wealth individual. So, how can you think creatively about influencing the paid tax preparation market?

# **For the Collaborative More Generally: Be Clear About Your Priorities**

Potential Areas of Activity:

- State policy
- Building community capacity
- Public outreach and education
- Re-orienting existing institutions
- Networking and coordinating across organizations
- Research
- Fundraising

# Have a Timeline in Mind

- Where do you want to begin?
- What would you like to accomplish in a year, two years, and beyond?
- Is this a short-term collaborative with a set goal to accomplish, or a long-term effort with broader, multiple goals?
- How will you measure progress and success?

# For additional information, contact...

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Suzann Enzian Knight

University of New Hampshire Cooperative Extension



# Need for Statewide Coalition

- Coalitions working independently
- Duplication of effort
- Lacking visibility

# Solution



- Established 2004
- Share best practices, media, training and funding
- Members – all asset building coalitions, AARP, IRS, VITA and outreach partners

# NH Statewide EITC Alliance

- One Stop Access to all the Asset Building Coalitions
- One Stop Access to all the free tax preparation sites in NH
- Increased Outreach
- 24/7 access

# Ground Rules

- Mission focused – Connect with low and moderate income NH workers to tax related resources, supports and asset building
- All ideas and products are shared
- All members are equal

# Results

- Increase of asset building coalitions
- Website
- Toll-free number
- AARP and VITA working together
- Annual co-sponsor of Earned Income Tax Credit Awareness Day

# Results

- Decreased duplication of effort
- Increased returns and EITC dollars
- More teachable moments
- Increased savings
- Increased funding

Want to Learn More?



<http://www.nheitc.org>