

**Region III Earned Income Tax Credit Meetings  
Pennsylvania Strategic Planning Meeting  
February 12 and 18, 2004**

Many families struggle to meet their basic needs. The Earned Income Tax Credit program (EITC) is designed to help families with low-incomes claim the tax credits they deserve. In addition, these families have recently become eligible for expanded child tax credits. However, many low-income families do not apply for the EITC. Studies by the General Accounting Office and by various universities indicate that between 15 and 25 percent of all low-income families who are eligible do not apply for the EITC. The EITC is designed to make work more attractive than welfare and help families achieve and sustain self-sufficiency.

The U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), collaborated with several organizations, including the Internal Revenue Service (IRS), to convene a two-day meeting in January 2003 entitled the Delta Initiative. This meeting provided information to county officials in seven southern States about the advantages of the EITC. Participating counties expect to see a significant increase in the number of eligible families applying for the EITC as a direct result of this two-day meeting.

ACF Region III held similar meetings in eastern Pennsylvania in February 2004 that involved two one-day meetings. Eleven counties were represented at the northeastern Pennsylvania meeting in Wilkes-Barre and 9 counties participated in the southeastern meeting held in Malvern. The Wilkes-Barre meeting primarily involved rural counties and the Malvern meeting included urban and suburban counties.

There were several reasons to convene these meetings. First, using IRS data, Pennsylvania families received \$843 million dollars from the EITC in 2000. Using the national estimates of unclaimed EITC funds, this means that eligible low-income families did not claim between \$126 and \$210 million dollars. Brainstorming with community leaders will increase the number of families applying for and receiving the EITC. In 2000, the average family in Pennsylvania received an EITC of \$1,567.00. The expansion of the child tax credit means that each low-income family can now receive more than the amount paid in 2000. Third, this EITC campaign can help promote the administration's emphasis on healthy marriages because low-income married workers can receive a higher EITC.

Within the Regional Office of ACF, Temporary Assistance for Needy Families (TANF), Child Care, Child Support, and Head Start program offices worked together to insure the success of these meetings. Federal partners included the IRS, the Department of Housing and Urban Development (HUD), the Department of Education, and the Department of Labor. In addition, the Pennsylvania Departments of Public Welfare and Revenue collaborated on this initiative. Finally, the Domestic Relations Association of Pennsylvania, the Head Start Association of Pennsylvania, the County Commissioners Association of Pennsylvania, and the Center for Rural Pennsylvania helped to ensure the success of the meetings.

The importance of the meetings were emphasized by the ACF Program Managers from the TANF and Child Support programs. The goal of the meetings involved development of a strategy for an EITC campaign in the participating counties. Each participant received IRS data estimating the amount of unclaimed EITC for their county.

After the opening, IRS provided an overview of the EITC and the formation of partnerships with community organizations to encourage filing. All participants received information about EITC, pamphlets, brochures, and mail stuffers. They were also provided an IRS order form to request leaflets, brochures, posters, videos, and other information on EITC.

The next session was presented by The Campaign for Working Families, the organization responsible for the nationally recognized EITC initiative in Philadelphia. The Director explained how the outreach activity and development of tax preparation sites in Philadelphia could be replicated in other Pennsylvania counties.

The meeting continued with an explanation of EITC's impact on eligibility for various public assistance programs and Head Start. This was followed by an explanation of Pennsylvania State tax refunds available to low-income families. The morning session concluded with different speakers. In Malvern, attendees heard about a very successful EITC outreach program by Pathways Pennsylvania, a program in one of the local participating counties.

At Wilkes-Barre, the morning session concluded with an explanation of challenges facing rural areas in support of the department's rural initiative. In addition, information was available to all participants at both meetings on the administration's marriage, faith and community-based programs, and rural initiatives.

The luncheon speakers discussed a very successful program entitled "Money Smart." This program was developed by the Federal Deposit Insurance Corporation to help low-income individuals manage their finances.

The afternoon focused on the participants. County breakout sessions were held to develop local strategies for encouraging residents to file for various State and Federal tax credits. After discussing the barriers, participants developed county specific solutions. Each county received a variety of information on EITC and a map indicating the amount of EITC claimed in each part of Pennsylvania.

The meetings were well-attended. The local offices represented included community action programs, county assistance offices, county commissioners, child care agencies, public housing agencies, child support and head start.

The counties raised two important points and two are worth mentioning. First, the Child Support Director in Lancaster County said that 90 percent of the county child support employees potentially qualify for EITC. Considering the historically low wages paid to local and county employees in Pennsylvania, this is an important group for outreach. Second, Berks County developed an EITC outreach plan at the meeting and selected the public housing office as the site for tax preparation assistance.

Participants were enthusiastic and provided very positive comments about the meetings.

Enclosures: Agendas