



## Welfare Peer Technical Assistance Network

### **TANF and EITC: Creating Additional Opportunities for ARRA-Funded, Subsidized Employment Participants**

**Welfare Peer Technical Assistance Network**

**Moderator: David Camporeale**

**January 26, 2011**

**2:00 pm eastern time**

Operator: Ladies and gentlemen, thank you for standing by and welcome to the TANF and EITC Creating Additional Opportunities for ARRA-Funded Subsidized Employment Participants.

This presentation, all participants will be in a listen-only mode. Afterwards, we will conduct a question-and-answer session. If at any time during the conference you need to reach an operator, please press the star and the 0.

As a reminder, this conference is being recorded Wednesday, January 26th, 2011. I would now like to turn the conference over to Mr. David Camporeale. Please go right ahead, sir.

David Camporeale: Welcome to our webinar everyone. This webinar is being sponsored by the Welfare Peer TA Network, which is part of the Office of Family Assistance, Administration for Children for Children and Families, Department of Health and Human Services.

The Welfare Peer TA Network facilitates information sharing among States, territories, and Tribes, and other localities that are operating Temporary Assistance for Needy Family programs and other Welfare related programs.

Today, we're going to give you an overview of EITC and other tax credits available to employees and employers, explain how EITC and free tax



filing at bonded sites can help TANF participants improve their economic self sufficiency and generate positive economic return for the local economy, and give you resources and examples of low-cost ways for TANF agencies to connect their participants to free tax preparation services.

After the presenters have given their presentations, we will allow for questions and answers via the Live Meeting, and if we have time, the phone as well. And, we'll conclude the Webinar with a poll.

If you have questions at any time during any presenter's presentation, you could type them in by clicking on the Q&A box at the top of your screen and just typing it in. And at the end of the presentation, we will get to them.

So, our first speaker today is going to be Ms. Christine Bertin, who will discuss the IRS EITC Web site and the available outreach materials.

So without further ado, we will turn it over to Ms. Christine Bertin.

**Christine Bertin:** Good afternoon, and thank you for letting me speak today for Beckie Harrell, who is your National Partner Relationship Manager. She got kind of double tied today, so she asked me to step in for her.

First of all, we're going to talk about what is SPEC, and—there we go—SPEC stands for Stakeholder, Partnership, Education, and Communication. We are part of the IRS. We are more on the education and communication side rather than on the auditing and collection side. So, we like to refer to ourselves as we wear the white hats in the IRS. What do we do? We provide education and outreach functions, we administer free tax programs, and we administer grant programs.



SPEC serves low-income tax payers, persons with disabilities, limited English-speaking persons, elderly tax payers, people from rural communities, and Native American Communities. We have currently over 400 community partnerships nationwide. We work alongside these community partnerships to provide the tax education, tax preparation services, and financial education asset-building services.

The Earned Income Credit is a Federal tax benefit to help low- and moderate-income workers increase their financial stability. It reduces taxes for workers, supplements wages, and encourages individuals to work. It's a fully refundable credit. And just as a reminder, Friday, January 28th, 2011, is EITC Awareness Day.

And talking still on the Earned Income Credit, there are actually criteria for you to - or for people to qualify for the Earned Income Credit. Very briefly, if a person, or yes. Excuse me. I'm sorry. A single individual with three or more children, or a married couple with three or more qualifying children, if they make \$43,352 or less as a single person, or \$48,362 as a married person, they would qualify for the Earned Income Credit. It goes down on (steps) like that. I'll give you the Web site and the information as to what the actual criteria are for this year. It changes every year.

Okay. We're going to talk a little bit about the high cost of commercial tax preparation. When it's time to file a tax return, many workers seek help from a commercial tax preparer. We are not trying to compete with the commercial tax preparers. We're just trying to get the word out that we do have over 80,000 volunteers at 12,000 tax preparation sites nationwide that are able to assist people...

Man: (Unintelligible).



Christine Bertin: Excuse me?

Oh. Assist people with their tax returns.

The average tax return preparation fee can be from \$85 to \$120. It depends on, you know, where you live and how much they're charging. But what ends up happening - and these are - the people that we're assisting are the people that need their refunds - all of their refunds the most.

So one of the examples I've used before is if somebody is getting a \$2,000 refund, a tax preparer will just say charges them \$100 to prepare the tax return. If they go for what they call the Anticipation - Refund Anticipation Loan, there could be say a \$200 fee to get that loan. So in a sense, a taxpayer gets \$1,700 out of their \$2,000 refund. \$300 could easily be a week's salary for people, so you can see how important this is and how much our volunteers are so valuable to us, because they help keep this money in the people's pockets. That's where we want to keep the money.

Okay, we do outreach support. We have free tax brochures, products, forms, publications. We have marketing tools on the outreach corner, and that is - you can reach that by going to [www.irs.gov](http://www.irs.gov) and type in the topic you want to research in the search box. We have drop-in articles that you can drop into information such as flyers or if you have newsletters that you can drop in these articles into your own newsletters. We have product podcasts. We have public service announcements. We have tips on tax issues.

There's EITC Central, which I'll get into a little more detail. It has the statistics. It has readymade marketing tools and customizable marketing tools.



The next slide is the IRS outreach sources, and that's [irs.gov](http://irs.gov), and in this outreach corner you can find information - this slide is very, very hard to see. I'm kind of struggling with it myself. And, this is the one that has the information that you can order. It's got the - on the second slide here, it talks about the audio, videos. It has flyers and brochures, and other resources, again the podcasts and that. And these are all available again at [www.irs.gov](http://www.irs.gov) and just put in outreach resources in the search engine.

This is an example of Publication 4716. It's just an example. Most of our publications come in English, and many, many come in Spanish. You have to check with the one that you're particularly looking for to see if it comes in another language besides English. But, most of them come in English and Spanish.

EITC Central has really been revamped in the last few years. We're very, very excited about this. At [www.eitc.irs.gov](http://www.eitc.irs.gov), it has a wealth of information on the Earned Income Tax Credit. Again, you can order brochures, flyers by clicking on the Partner Toolkit up there. And if you want customized brochures with - such as your organization's name and a phone number or any other customized information, you can go to the Marketing Express. Both links will walk you through the process, and it's just a very, very easy to follow process.

And for your own - if you want to customize it, I believe it's like 48 hours and they give an answer back to you, okay it, or they may have suggestions for you, or that type of thing. And the next thing you know, you've got a downloadable brochure with your name, number, and personal information. The next slide is into the statistics. The EITC Web site has the statistics for each state as to the number of EITC recipients, the average EITC amount, and the total EITC amount by state. Now this slide here happens to be 2008. The Web site for EITC has the 2009 information. It is updated every



year, but you can get a kind of sense of - I'm going to go with Colorado because that's where I'm from. The total net amount of Earned Income Tax Credit was \$538,249,075.

And just as a little aside here, what we found over the years is that there are still people out there that do not know of the Earned Income Credit. They are not aware of it. You would think everybody would know that they would be entitled to an extra - you know, several thousand dollars, but that's not true.

I don't know if you work with grandparents that are raising grandchildren, but that is an audience we're trying to reach that they are not aware of the fact they now qualify for the Earned Income Tax Credit because they're raising grandchildren. They're raising children under the age of 18. So, this is something to keep in mind.

On the EITC Web site, it outlines how to order products. You can go into - call 800-TAXFORM. You can do it via email, [irsrelationshipmanagers-partner@irs.gov](mailto:irsrelationshipmanagers-partner@irs.gov). Order forms and publications, [irs.gov/formshub/index.html](http://irs.gov/formshub/index.html). And listed on the side is available - the resources for you to obtain tax law and EITC information and also how to order it.

The VITA TCE program, we talked a little bit. We - VITA stands for Volunteer Income Tax Assistance program, and let me repeat we have over we have over 12,000 sites nationwide that prepare income taxes for free for the low income elderly, persons with disabilities, non-English speaking, rural community, and Native Americans. We also have what's called the Tax Counseling for the Elderly that's in the 12,000 sites. Again over 80,000 volunteers, so this is not a small operation that we have.



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And what we provide for these volunteers and for these sites is that the IRS will provide free TaxWise software. It can either be desktop or it can be online. We have software installations set up in the systems that you would receive from your local office - your local SPEC office. The Link & Learn Taxes is online tax training. All of our volunteers must be certified and they go through it - they have their training. It can be classroom. It can be self-study. It could be on the Internet. But, they have specific training.

There's Site Coordinator training that they do. So anyone who's a Coordinator of a site has specific training on you know, what is expected of them and what are their responsibilities as a Site Coordinator.

Again, classroom training is offered in many communities. There's free tax preparation kit resources, and there is a 24/7 help line for our volunteers, okay.

There's 400 IRS Tax payer Assistance Centers nationwide. That is in the local IRS office. There is actually a Tax payer Assistance Center that is in that particular building. Again, more than 12,000 free income tax preparation sites nationwide.

And just by the way, our volunteers prepared 3.2 million tax returns last year, so I just can't express how proud we are of these people and how dedicated these people are for us.

And, people can also free file through IRS.gov for Internet enabled, do-it-yourselfers. Generally, our audiences that we assist are people that their tax returns are not - there are certain limitations on what kind of tax returns that we'll do. We do what I want to call fairly simple returns. But, these people could probably do their returns themselves, but there's something



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about the words IRS and tax that happens to scare people. So, this is why we've got these volunteer programs to assist people.

(To find) VITA site locations nearest you, please call 800-906-9887, or you can go to [www.irs.gov](http://www.irs.gov). For AARP site locations, the number is 888-227-7669, or again [www.irs.gov](http://www.irs.gov). The AARP sites serve the same population that we serve. They do have emphasis on the elderly. That is AARP, okay.

The locations of a Taxpayer Assistance site. A Taxpayer Assistance site is when somebody has run into issues or something and needs to talk to somebody face-to-face. They can call 211 or 311, or again go to [irs.gov](http://irs.gov).

There's TaxWise help, that's our computer software TaxWise, and that number is 800-411-6391. And of course then there's the free file.

We work with our partners and the asset building. We do not ourselves - the IRS does not promote or -- I guess promote is the word -- any particular asset building or banking institution or anything. What we're encouraging our people to do, or that the tax payers to do is to possibly save some of that money or to work with our partners on having classes on how to do budgeting, how to do - you know, managing your checking account. How to stay out of you know, financial issues. What to do if you have a bad credit score and how to get it improved and so forth.

At the time of the tax refund, we do offer direct deposit. We do encourage people to have a bank account that they can directly deposit their refund to. It takes like two to three days. They've changed the rules, and now if you do a direct deposit, you could have your refund in your bank account in two to three days.



We have split refund options. In the split refunds, you can split the refund between a couple bank accounts, or you can have - purchase savings bonds. And the savings bonds are purchased in \$50 increments.

And then we also have what's called a prepaid card. They're a very, very reasonable amount. It's on the TaxWise system. They're called MoneyWise. And it's something where the people can have their refund deposited directly to this - it's a prepaid card. It's like a credit card, but it has X amount of money on it, and once that money's gone, it's gone. But, the fees are extremely reasonable, okay.

We link existing community programs. We find that we're all working with the same customer base, and so when we all link our resources together, we're able to help the people in many, many different ways, not just with one particular issue. We can help them with state taxes. We can help them with their schooling. We can help them with medical and so on.

We conduct a series of Webinars with the partners. We provide coalition data for posting. Coalitions are when we have several organizations within a community working together. And then we also have on the Web what's called understanding taxes, which is really fabulous for any school-aged people, or non-school-aged people, who want to just get a basic understanding of taxes.

The MoneyWise prepaid card is new, as I've said, and it's just really quite exciting because we have this so low fee. And as you're aware of, there's so many cards out there that there's a \$10.00 fee to buy it. There's a \$2.00 fee every time they use it. If they check their balance, it's another \$2.00 fee. This type of thing. This MoneyWise card does not have those additional fees added onto it, so that's exciting.



The savings bond. Again, that's an encouragement to have people save their money. New for 2011 is you can put some of your refund aside for say a beneficiary. One thing that we have found in the past is that most of the people who use their savings bond option were actually putting money away for a grandchild, a niece, or a nephew, and - which is really very exciting. They were starting education accounts for their children.

We have what's called ITIN Acceptance Agents. ITIN is the Individual Tax payer Identification Number. That is for persons who are in the country and do not have the proper documentation, do not have a social security number.

And then we have the alternative model for VITA sites. And an alternative model is generally used in the rural areas. For example, people could come to their bank and they would give all their paperwork, they would do an intake, an interview sheet with a person there at the bank. The bank would package up all their information, and say they would send them to a larger city where there is a group of volunteers who will prepare their taxes and be on the phone with the tax payer to answer any questions or to ask the tax payer further questions. And, that's our alternative model.

Okay. To partner with the IRS, you would want to go to [www.irs.gov](http://www.irs.gov) and type in Partnership with IRS SPEC, and this page gives you information on how your organization can partner with the IRS.

Some of our past partnerships have been with the Office of Community Services. Community Action agencies are very strong. I want to put in a plug. I've been in the one in Colorado. Worked on the Board on the one for Colorado and also have been to visit sites in Oklahoma that were Community Action. Excellent, excellent sites.



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Office of Head Start. Office of Child Support Enforcement. Office of Family Assistance. Again, January 28th, 2011, is the Earned Income Tax Credit Awareness Day, and we are looking at signing a memo of understanding with the Department of Health and Human Services.

The next slide is a list of contacts from the Stakeholder Partnership Education and Communication. To reach someone in your area, you can just email [partner@irs.gov](mailto:partner@irs.gov) and they will connect you with the territory manager or a relationship manager who is in your area that can provide you more information and answer any more questions. [rebecca.harrell@irs.gov](mailto:rebecca.harrell@irs.gov) is your National Partnership Analyst that works directly with you. We have the Community Coalitions of the National EITC Outreach Partnership and ACTS, Asset Coalition Toolkit for States.

That's all I have. If you have any questions or any concerns or something, my email is [christine.r.bertin](mailto:christine.r.bertin@irs.gov) -- and please note that's B-E-R-T-I-N -- @irs.gov. You're more than welcome to email me and I will direct your email to a person that can provide you with further information. Thank you.

David Camporeale: Thank you so much Christine. Was there anything else that you wanted to cover before we moved on to our next presenter?

Christine Bertin: The only thing I can just - if I could tell just a story about - I work at volunteer sites too, and I'm - as I said, these volunteers do a tremendous amount of training to do this. And to be sitting across from the table from someone and to show them their refund that they are entitled to, and to see their reaction and the joy in their faces is just - you really can't express it with words.

I was helping one lady one time, and when I finished her return she burst out crying, which was not a real good sign at first. But it turns out that a



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couple years ago she was living in her car with her two children. And at night she would talk to them about when she got back on her feet they would go to Disneyland. And every night they talked about Disneyland.

And after helping her with her tax return and she was getting the Earned Income Credit, she could put some money aside to go to Disneyland, and there was not a dry eye in the whole room of volunteers on that one. So, it's quite an incredible experience.

David Camporeale: Well, thank you so much. I mean, it's really an amazing program. And speaking from personal experience, we've had a fabulous partnership with you.

And so now, our next excellent presenter is Ms. Kaye Schmitz, who is the President of the Florida Prosperity Partnership. She's a nationally recognized speaker and expert on prosperity practices, and she will be giving us the more state and local level nuts and bolts of how this all works.

So without further ado, here's Kaye Schmitz.

Kaye Schmitz: Thank you so much, David. I am so happy to be here with you today, because this is absolutely one of my favorite topics. Just by a way of a little bit of introduction, the Florida Prosperity Partnership has been in existence about two years now, and we are a statewide collaboration of individual prosperity coalitions that finally recognized that if we combined if we combined our resources, we'd be able to better leverage the results that we got within our individual communities.

In the past three years, the volunteers in Florida have actually prepared more than 500,000 tax returns, bringing in more than half a billion - \$500



million in refunds. And what we count as most significant is that of that half a billion dollars, more than \$100 million of it is Earned Income Tax Credit.

I know in these you know economic times, I don't know what your state's like, but Florida is facing quite a large deficit. And so any time we can bring Federal dollars into the state without having to have a state or local match for those dollars, that's a good thing. So, that's what we've all been trying to do.

You see here that I said we're all working with the same family, and you heard Christine say something almost totally the same; that you know we're working with the same clients. But, it's true, especially in coalitions in the community.

In fact in Florida, the Board of the FPP, the Florida Prosperity Partnership, actually gets out into the different areas of the state - we're a pretty big state, and so we kind of break it up into seven areas. And, we meet with the folks in the coalitions and in the local communities. And this is what one of our members said not too long ago.

You know, we had presentation after presentation about what the family demographic was, and it really is true. We're all working with the same family here, so we're all going to be a lot better off. And what's more important is that family will be a lot better off if we're all able to work together.

Christine did a great job of you know telling you about the IRS EITC program. As a matter of fact, I don't know what we'd do without our IRS partners. I mean, it's - they are just phenomenal. One thing that she didn't mention that is really very important to the families is that in a minimum-



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wage job, when you have families whose workers are minimum-wage earners, the highest amount of the EITC credit actually equates to almost a \$2.00 an hour raise. Now, when you look at \$2.00 an hour on top of minimum wage, which really is huge for our families.

So, I've tried to break this down into you know, if you're just starting out trying to find a place in your area that offers the free tax sites so you can tell your clients about it, or whether you're already involved with a coalition in your community that does free taxes and maybe other things. You know, so I'll approach that from those couple different ways.

But, the bottom line is on this first slide. Partnerships are essential. You know, everybody's out there working as hard as they can to get the best they can for their clients. We can do a lot more if we work together. So if you're new to this or if you're trying to figure out the best way to start to get your TANF clients or any other lower income clients the help that they need, see what other departments and organizations are working with your same family like the food banks, United Ways.

Christine mentioned Community Action agencies. They are absolutely marvelous. And in fact, one of the FPP partners in Florida is the Florida Association of Community Action Agencies, just like we're also partnered with United Way of Florida.

County Extension Service offices are wonderful. And I don't know what it's like in your state, but in Florida, we have a County Extension Office in all 67 counties, and most of them offer not only free financial education, but also a money mentoring program. So, there are all kinds of great things you can find there.



County Government Offices are great, and of course you know, the faith-based organizations and other non-profit agencies. There are just a wealth of you know, organizations already working with the people that you're trying to get to.

So if you're brand new and you're trying to figure out, "Okay. What do I do first? How do I find - help my clients find a free tax site?" For goodness sake, the very first call you should make is to your IRS SPEC office. I'm absolutely serious.

You know, the other thing Christine mentioned that kind of made me chuckle is that people used to you know run in fear of the IRS, and I was one of those. But it's true; the IRS - our SPEC partners like to call it a kinder, gentler IRS, and we have actually found that to be true. I don't know what we'd do without them.

But if there are free taxes being prepared in your community, the IRS will know. Because as Christine told you, they're the ones who provide the software to make it happen. So once you've found that out, go introduce yourself to the coalition leader or to the IRS person and let them take you to one of the meetings. You know, go to a meeting. Offer to host a meeting at your place if that will help you get to know them better.

Offer to hand out some of the materials that they use at their tax sites. Some of the wonderful things Christine showed you online or some of the things more customized to the individual coalitions. Make stacks of those in your office and make sure that your clients get them.

Offer to work with the coalition to set up a process for getting your clients to the tax sites. One of the things that has worked in Florida is to actually set up days, Saturdays work especially well, dedicated to a particular



organization. One of the things that worked in Jacksonville was to set up a City of Jacksonville Day so that people who worked for the City could come and get their taxes done for free.

Now that didn't mean that other people couldn't get their taxes done for free, but very often there are long lines for people waiting, you know because it is a free service. And so, if one of the folks presented themselves as a City of Jacksonville employee, then they would get to the head of the line. So, that's another thing that coalitions are very pleased to do with you.

And then make sure that you actually join the coalition so that you can set up plans for the future. I know in many of the coalitions in Florida, they're actually working hand in hand with the Department of Children and Families offices to do back and forth referrals, to make certain from a DCF standpoint that all of their clients know where and when the tax sites will be in operation, and then the vice versa. Now that tax season is here, the tax sites make sure that they tell people how to access DCF benefits if they don't already know.

Okay, so if you know that there's already a free tax coalition - and I'm using the free taxes - you know, the coalitions are not only free taxes, as Christine told you, but that's what we're talking about today. And so, that really is sort of the bread and butter - the hook, if you will, to get folks to come into you know, the tax site to learn about other things.

So if you already belong, you know pull an Emeril Lagasse there and take your involvement up a notch. Something that we have found to be very effective in Florida is for the TANF agencies to actually send letters to all of their clients giving them the location of the free tax sites so that they'll be able to find the one closest to them.



Another thing that they'll do is just have a stack of letters that they can hand out as folks come into the office. Something that works very well is if the TANF/DCF offices will ask their staff to attend one of the tax trainings at the tax coalition. You don't have to attend so that you know how to do the tax return, but at least to know what kinds of things will be asked for, so that as you're sitting across from a client, you can say to them, "Okay, you know what, you could have your taxes done for free today. What you need to do is take your - all of your W2s from the last year, take your Social Security card, take all of your mortgage documents," and on and on, so that when that client gets to the tax site, they're better prepared and can just get right through and get their taxes done very quickly.

Host a tax site. We have a number of locations in Florida where our DCF and TANF offices host tax sites. I mean my goodness, that is just the best of all worlds, because then you have everything right there as a one-stop shop, and your clients will not only have the benefit of what you have to offer, but also of what the tax sites have to offer as well.

And then volunteer to draft a year-round awareness plan that all of you can do together so that next year maybe you could even have some - you know, a couple of tax site locations on standby to actually help the families submit applications for TANF benefits and food stamps.

So I actually have a couple pictures here that would love to have put up here, but in the interest of time I didn't. You know I have a picture of a well-oiled machine there, but I'll just talk to you about it instead. Once you've done all of those other things, you've found a coalition, you've made yourself a part of it, you've started making certain that your clients get there, then bring out the sophisticated stuff. And by that, I mean advertise.



Now I don't know who we have on the line and how many of you are non-profits, but I know when I first got started in non-profits, when you talked about advertising -- and especially paid advertising -- people looked at you like you had two heads. "Well, we can't afford that." And that's the truth. You know, we don't have the kind of money to ever compete with the advertising budgets of H&R Block, or Jackson Hewitt, or Liberty Tax Services, or anything like that. However, in your community your media outlets are ready and waiting to help you out with pro bono things.

As a matter of fact, in order to get their SEC licenses renewed, they have to do a certain amount of work with the community. So you'll be amazed at how many times a simple ask will get you, you know, free television advertising, radio advertising. Sometimes outdoor boards and so forth. Again in Jacksonville, because that's where I grew up with my coalition, we had our local CBS station that did our 30-second public service announcements for free every year for the last eight years, and we figured that was at least a \$20,000 gift from them. Now we did get so we could pay for a few spots of advertising because when you do public service advertising, you sometimes get, you know, 3:00 in the morning.

However, here's a funny story. We worked very closely with the Mayor in the local communities as well and I saw him at a meeting one day and he said, "My dad's maid called me and said, 'I saw that advertisement at midnight last night, and I want to know how to get my taxes done for free?'" So even if the public service announcements are shown at midnight, there are a lot of people out there who do shift work who do pay attention that time of night.

If you need to pay for advertising or would like to get a little bit more bang for your buck, write joint grants with your partners for marketing dollars. You know, financial institutions are often very happy to work with you to -



- excuse me -- put a few dollars aside for advertising, especially if you're willing to put their logo on your ads and give them a little bit of advertising.

We all know that - well, maybe we don't all know, but for the last two or three years I think, the IRS has had a VITA grant fund where they have funded \$8 to \$12 million worth of work out in the nation to you know support VITA sites all over the country.

Other government agencies are often very happy to partner to write grants to sometimes do matching funds. Private foundations and United Ways; I mean, there are all kinds of organizations to work with you to be able to put the word out there.

What we have found again in Florida is that for the target audience, radio ads tend to work better, especially those ads that are targeted for particular ethnicities. Drive time is always good. And Jazz, Gospel, and so forth - stations like that are really good to hook up with the kind of audience that you're targeting.

And then I've already mentioned that you know, your local media outlets will be very, very happy to work with you pro bono as much as they can.

So - okay, this is the other piece of once you're working like a well oiled machine. Then you go for the sophisticated stuff. Now this is a direct marketing work that has worked in several different places in Florida. And what you have here are pictures of large posters that are framed and hanging at the doorway of places in zip codes that are very dense in EITC eligible populations.



One of the things we learned very early on is the best way to get an audience with the people you're seeking is to go where they gather. So as we got ready to do the tax sites, we looked at individual zip codes and figured out where the highest concentration of EITC eligibles was, and then we targeted these particular posters to those zip codes. So - and these pictures are from the company that put them up, and you can see that people are actually looking at the signs as they're going into the store.

This is just a little bit closer picture of what the sign looks like. And again, this one is for Jacksonville. The picture of the people at the top just happened to be Number 27 for the Jacksonville Jaguars, Rashean Mathis, and his mother. And, we actually got the two of them to do the commercial together because it really is a generational thing. And you know in doing the commercials, Rashean would say things like, "Yes, I'm making money now, but that doesn't mean I don't still have to pay attention and save money for my future," and that sort of thing.

But you can see from this poster that they actually mentioned the number that Christine gave you earlier. I think the actual number is like \$48,300 if you're married filing a joint return. You know, we just rounded it up to say, "If you make \$49,000 or less, you know get your taxes done for free and come to our tax sites."

What's in the black band here is the 211 information and referral number that United Way houses in Northeast Florida. And the 211, not only in Northeast Florida but pretty much all over Florida -- and I hope in your area too -- has a listing of all the free tax sites, so that if anybody calls from all over the state - well actually, we're not quite there yet. We're trying to work with them so that if anybody calls from anywhere within the state, they have access to the whole state worth of tax sites that they can tell



them. For now, each 211 in each section will have their own tax site information available.

But what you get at the bottom here, and remember this is hanging by a door in a zip code that is EITC eligibility dense. And what this says is, “The closest tax site to you is...” and it gives actual addresses and you know, locations within a few blocks, and phone numbers. That sort of thing.

So, we have found that to be very effective to increase the amount of participation. As a matter of fact, the first year that those signs were used, we increased the participation and the amount of Earned Income Tax Credit returns by 55%. The second year it was used in the same community, after having increased by 55%, it increased another 65%. So, they are very, very effective tools. As I’ve said on this slide, they’re a little pricy, but they are very, very effective.

So you know, helping your clients get their Earned Income Tax Credit is a great first step. As I said earlier, it’s a hook. Anytime you tell people, “You know, I’m going to give you extra money to put in your pocket,” that’s huge. That’s huge. Because a lot of people don’t - to them, it’s sort of free money or found money. “Well, if I’m to get \$1,500 back, what difference does it make if I spend \$500 to get it?” Well, it makes a lot of difference. And as Christine told you, there’s really no need now to try to get the Refund Anticipation Loans or even Refund Anticipation checks, because you can get your money so quickly from the IRS.

So you know as the folks come in to get their Earned Income Tax Credit, then that helps them to get into long-term asset building, because as Christine told you, they could actually buy government savings bonds at



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the time that they get their taxes done. In many of the different coalitions, there's an opportunity to open mainstream checking or savings accounts.

And this is important because many folks - well, especially in ethnic communities, don't trust banks. And in the countries where they came from, you know, banks could fail and they lose their money. And so, they have decided to keep their money in a sock, under a mattress, or whatever. But number one, that leads to high crime in a community. And number two, you know it doesn't help you save or have your savings grow.

The other thing is that when folks use the payday lenders or the corner street check cashers or whatever, they will spend as much as \$1,000 a year just in getting their check cashed. And over a working lifetime, you know that's more than \$40,000 that if they had saved that money and put it into even a modest savings plan, they could have a couple hundred thousand dollars at retirement. So that's really big, and it's up to us to help our clients understand all of that.

Most of the coalitions will teach free financial education. What we use mainly in Florida is the FDIC's Money Smart curriculum; although, we work very closely with the University of Florida, that has developed a couple of other programs, one of which is called Get Checking, which is a small program, but just helps people to get back into mainstream banking if they've had their account closed.

There are also opportunities for matched savings accounts. Mostly, Individual Development Accounts or IDAs. I'm sure many of you are familiar with those. We have some communities in Florida that have started their own IDA accounts that work with emergency funds or automobiles and so forth.



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For those of you who are familiar with the Beehive self prep tax, that's an opportunity to fill out a FASFA grant or a Pell grant to get assistance for college, because once you've done your taxes like that, 80% of what you need to fill out that application for the FASFA grant is already there.

And then again referrals for other assistance; I already told you that many of our organizations in Florida are working very closely with the DCF offices, and we're trying to you know get an even closer bond so that we can you know, do all of the same things at once and save everybody time.

So that's pretty much the nuts and bolts of you know, how you can get your clients to tax sites. That's my contact information. And David, do you want me to take questions now, or at the end?

David Camporeale: Why don't we wait until the end, Kaye? Is there anything else you wanted to say before we move on?

Kaye Schmitz: Well, I just wanted to say thank you again for the opportunity. You know, it's always great working with your agency, and you know I just wish you all the best. Thank you so much.

David Camporeale: And it sounds really like you have a phenomenal program, or set of programs rather, going on in Florida. And, I'd just like to mirror that as well. Our relationship has been fabulous.

So next we have a phenomenal story from a real person who has made real triumphs in her life. So Ms. Christa McMichael will share her journey to self sufficiency which was made possible through TANF, EITC, and other programs. Christa, are you there?



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Christa McMichael: Yes, I am. Good afternoon everyone. I would like to start out by saying my name is Christa McMichael, and I am a former TANF recipient. I'm a single parent of two children - two little girls, and I'm trying to set an example for my children so they won't be - start out in low income and make some of the same mistakes that I made.

When I first came to Kentucky, I moved into a three-bedroom -- based on your income -- government housing. And, that's where I was - started going to school. And I was in the work-study program which allowed me to work while I was going to school. Once I was also into going to school for nursing, the government helped me a lot by stuff being based on my income, and it allowed me the chance to go back to school to get a better education to provide for me and my kids.

And also while I was in school, I used to see a lot of flyers about the Earned Income Tax Credit, because at that time I really didn't know - that was a blessing for me to do that. And while in the government system that I was in, I learned a lot of variety of asset-building tools, and a lot of them come from IDA program that I was also in. And those two have helped me with learning how to save money, how to clean my credit up, how to - things I need to learn about purchasing a house, and a whole lot of tools that just are everyday living that people don't really know about.

Once I got done with nursing, I was - I'm working as a nurse, and I've still went to my IDA classes because I was scared of missing information that was going to help me to continue to better myself. And I remember when I was sitting in one of the mandatory meetings that when you're receiving a TANF check that you must attend, I learned about the IDA.

And, it caught my attention when this lady said for every dollar that you put into this saving account, we're going to match it for two. And I thought,



“Who in the world is going to give me \$2.00 for every \$1.00 that I save, up to \$2,000, and they will match \$4,000.” And there are a variety of things that you can use it for. And I said, “This lady has got to be kidding me.”

Well of course, I was challenged to check into it, and I was really, really intrigued of all the information I learned. I was able to save. And one of the reasons I was able to put money into that is because I had Earned Income Tax Credit money to put into that.

And, it’s hard to come up with a lump sum of money or any money when you are in a low income level. So when you get extra money such as the Earned Income Tax Credit money, it allows you to do something that you really need to do or really want to do. I didn’t want to give H&R Block \$200 to \$300 of my money when I can go have it done for free.

That extra money that I had allowed me to do so many things, especially when you’re on food stamps, you have to lean to budget your money. And sometimes, you can’t figure out, “My kids are eating so much. We’re over budget,” that was extra money to help buy food. That was a lot of extra things, and the list could go on about all of the money that I used with Earned Income Tax Credit money.

I was able to buy a house, a brand new three-bedroom, two-bath house that I’m extremely proud of. And, I was able to continue on and I bought a new vehicle. And there’s a lot of accomplishments that I made in life, and that’s because the people that I came in contact with that were like my case workers and people from IDA were willing to help. They were willing to bite the bullet to help pull me through these situations as a - the rules and regulations that always worked for me being in a nursing program.



But I had a case worker that fought for me, that would call Lexington and - or wherever they need to call. They'd be like, "Okay, this young lady is trying. You know, we've got to do something to help pull her through." And of all the things I learned, even though I didn't like or had to - always had the time, and I was complaining, and I quit - I wanted to quit every other - probably every other month in my mind, quit the nursing program. Just quit it all because it was hard. It wasn't easy. It wasn't easy at all, but I thought if I quit, what example am I setting for my children? So I kept on, and people were encouraging me to do better.

And the biggest thing that I learned that helped me, a lot of stuff was a requirement. I had to do it to receive my TANF check, and that's how I learned about a lot of stuff, because I was required to do so. And, I think that if that most TANF recipients - if it was a requirement for them to go to a class on Earned Income Tax Credit, they will learn a lot about it and how to - that it's not so scary to open up a checking account or. you know. your money's going to be stolen. And it's you know, not insured - you know, different things of that nature.

I just think that most of the time when you have requirements in place, it has people to learn and they are faced with the unknown, and it's not as scary anymore.

And I want to thank everyone for giving me the opportunity to speak and to let you all know a little bit about my story.

David Camporeale: Well, thank you so much Christa. I mean, you're story is not just inspiring, it's the reason - well, I personally you know wake up and go to work every morning is to hear success stories like yours. And, I think that sentiment is probably shared by a lot of people on the line today. So thank you.



Christa McMichael: Thank you.

David Camporeale: And our final speaker today is the Director of the Office of Family Assistance, Dr. Earl Johnson. He's a truly visionary man who's spearheaded a lot of the efforts around subsidized employment and asset building, and many other great efforts here in the Office of Family Assistance.

Earl, are you on the line?

Earl Johnson: I'm here. Thank you David. Thank you Christa for your inspiring - your inspiration.

Can you hear me?

Christa McMichael: Yes, sir. Thank you.

Earl Johnson: I really do appreciate hearing the - sort of our work is - and not just - all of ACF's work is - and the IRS work is going to people like you who are committed to really moving toward self sufficiency and empowerment. That's very exciting. And as David articulated, it really does keep us getting up every morning and trying to fight the good fight.

So, I want to thank you. I want to thank all of the other presenters on the line who have shared their insight and passion for a very important component of our - of the government's efforts to move people towards self sufficiency.

You know, today's purpose was to reinforce the importance of the Earned Income Tax Credit, especially from the TANF's perspective of the



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Subsidized Employment participants who may not be accustomed to filing their taxes and getting an Earned Income Tax Credit or other credits.

You know, the TANF Emergency Fund was authorized by the President under the American Recovery and Reinvestment Act, otherwise known as ARRA. And it - for TANF, it provided as much as \$5 billion to states, territories, and tribes through September 30 of 2010.

The emergency funds were available to do a few things. They were able to reimburse jurisdictions for 80% of the cost of increased spending in three areas; basic needs, non-recurring short-term benefits, and subsidized employment for low income parents and youth.

This program, and especially on the subsidized wage side, it estimate - we estimate that it approximately reached 235,000 subsidized jobs, and that includes about 120,000 summer youth employment jobs. So, they were sort of created using the TANF Emergency Fund.

And although the ARRA funding has ceased, TANF Directors have an opportunity to provide another support to their subsidized employment participants who are also eligible for Earned Income Tax Credits and Child Tax Credits, and a few other tax credits. But the new benefit that I think we haven't discussed that was recently signed is the benefit that is in Section 728 of the Tax Relief Unemployment Insurance Reauthorization and Jobs Creation Act of 2010. And for you guys who need to know this, its Public Law 111-312. And, this was passed last December.

And under the new law, the - let me sort of read this to you. The total amount of a refund received after December 31st of 2009, regardless of whether the refund is the result of a refundable credit or over withholding or both, is disregarded as an income and resource in the month received.



What this really means is that the resources are excluded - the resource exclusion lasts for about 12 months for all programs under OFA and ACF. So, it's all of our means tested programs are impacted by this. So, this is another tax relief that people will eventually be able to add to this effort that we're trying to build assets, create opportunity, and move people towards self sufficiency.

And, I just want to say that we hope that everybody out there understands that we really are trying to make it so that people can build out the - learn how to you know, sort of be financially literate and move up the economic ladder into a sort of firm grounding on the middle class.

And I want to thank you all again for participating in this Webinar. David, I want to thank you for sort of your kind words and pass it back to you. Thank you.

David Camporeale: Thank you so much Earl. Really appreciate it.

And now we're going to - for briefly - just for five to ten minutes answer a few questions that people might have. There are some that have queued up, but just want to remind people that if they have questions that they could hit the Q&A section at the top of the screen and type them - in their questions, and I'll do my best to reach as many of the relevant questions as I possibly can.

First question is for Kaye and Christine probably. It's sometimes difficult reaching certain populations that - to access EITC. For example, a rural, super low income, people with different cultural or language barriers, and those in densely populated areas. What are some promising practices and



strategies that you could use for improving culturally relevant outreach to these communities?

Kaye Schmitz: Well, this is Kaye. I mean, I can start with that one. And again in Florida, one of the things that we've done is to form a partnership with the Florida Asian-American Federation and the Florida Hispanic Unity to begin with so that we actually have partners within those populations who will then hold tax sites and other kinds of - you know, like things - well, like the financial classes and so forth, at their offices so that they're working with their own folks.

We've also worked with the National Disability Institute, where we have folks who go onto campuses. As a matter of fact, we have someone who teaches classes at the Florida School for the Deaf and Blind. And, we have also helped to pilot the video - let's say - I'm sorry, deaftax.com video phone where people who are deaf can actually have their taxes prepared using sign language and communicating with someone on the other end of the video phone who also uses sign language.

We don't do it in Florida yet, but I know that in Minnesota, one of the things they do for rural organizations is to use a Skype type video process so that they can do a similar thing with people from their homes if they have computer access, or from a central meeting place, even though still rural, to be able to have their taxes done via video conferencing, basically.

So, those are a few ways to at least get started. I hope that helps.

David Camporeale: That helps a great deal.

Beckie Harrell: David?



David Camporeale: Go ahead Christine.

Beckie Harrell: Yes. This is Beckie Harrell, and...

David Camporeale: Oh, hey, Beckie.

Beckie Harrell: Hi. Christine left, so I - but I wanted to add to what Kaye was saying. This year, we have expanded our VITA site guidance and policy to incorporate another component to our traditional VITA site, which allows for an easier access to tax payers that are difficult to reach in remote areas or tax payers with limited English.

So, they can go to what we are calling an intake site and work with a person who will facilitate the preparation of a tax return. And then, they will work with the taxpayer and with the preparation site as well.

So Kaye's example of Skype is one of our good examples, and - where it is making use of technology and a third party who intervenes and can assist the tax payer there in the areas where they may be living. So, we have a lot of mobile buses, a lot of mobile vans. There are a lot of best practices out there. We use fax as well.

So we're coming along technologically, and with this increased expansion of accessibility to clients in hard to reach areas or clients that cannot get out, they'll now have access to those partners that are willing to act as facilitators at an intake site. So, thank you.

David Camporeale: Okay. Well, thank you so much.

So we have a couple of questions here about the change in the tax law which Earl mentioned. I wanted to mention that ACF at some point will be



putting out a program instruction sometime soon so that everyone gets their official language on the change to the tax law and how it impacts means-tested programs. But Beckie, did you also have any commentary insight on where people could get information about the change to the tax law?

Beckie Harrell: Right now, I do - I mean, if they want to Google, I have the Act - the Job Creation Act of 2007. It's Public Law 111-312. It's called the Tax Relief, Unemployment Insurance Authorization and Job Creation Act of 2007, and it's Section 728.

David Camporeale: Okay.

And, I would also suggest anyone who's part of ACF can submit a question to their regional ACF staff. We're extremely knowledgeable about these things and can pass things through official channels. And if you're not part of ACF, you could submit a question to Peer TA and we'll make sure that it gets to the right people. And of course, the IRS are the most knowledgeable people on tax law.

We also have another question here, which I think Christa; you might be the best person to answer. So your success is really amazing. Do you have any advice for others to learn how to be more independent, as you have done, and to keep going? I know you mentioned several times when you were discouraged. Do you have any advice for other people or people working with clients who were once in your situation about how to get to where you are now?

Christa McMichael: There are a lot of people that are in my situation that do not have people to talk to. And a lot of people don't see the big picture at the end of coming out of the low income level. And my advice would be let - to help people to



see that - if they have seminars, to let people see there are true people that come out of these situations. You're not stuck in this situation forever.

Some people are visual people and they have to see someone that has actually come out and can say, "I relate to those situations that you're going through," as to no transportation, as to trying to get in school, as to the childcare; all those situations. You need someone that has been in a similar situation close to theirs that can relate to them so they will ask (unintelligible) to ask the questions to get to where they need to be.

Did that make sense?

David Camporeale: It made perfect sense to me.

Christa McMichael: Okay.

David Camporeale: Thank you.

So, we're going to take one more question here, and then we'll quickly do a poll and whatnot. So if you have a - and this question I think will be best addressed by Beckie, but Kaye you might want to chime in as well.

So if I have a client that's participating in a work-study program, are they eligible for EITC? And what about housing voucher clients? Do they - are they eligible? And does public benefits like food stamps count toward incomes for EITC?

Kaye Schmitz: Beckie, were you going to take that one?

Beckie Harrell: I'm sorry. I had it on mute.



As far as the work-study program, it would depend on if she were a dependent on someone else's tax return, etc. But, there's a lot of information on EITC Central. They can go in and work with an EITC assistant and plug in numbers and find out if they are in fact eligible. It'll take them through the questionnaire to determine eligibility.

David Camporeale: And the other - and the follow-ups on that were housing vouchers and earnings from food stamp earnings. How does that affect EITC?

Beckie Harrell: Kaye?

Kaye Schmitz: Oh. As far as I know - and again, this may be just Florida. I don't know if this is a national thing. But in Florida, things like food stamps are not counted against the income level. In fact, I'd like to add that I know we work with a number of clients with disabilities, and they're always concerned that, "Okay, if I start earning money and get Earned Income Tax Credit, will I lose my SSI?" And as Beckie said, that depends. But in - it doesn't have to be an automatic loss of SSI. So, the word to get out there is to - you know -- I'm sorry. For goodness sake, check into it.

David Camporeale: Absolutely. And the local SPEC and other coalitions (might decide) - would know that down to the level of detail.

Kaye Schmitz: Right.

David Camporeale: So thank you so much, everyone. I wanted to remind everyone - we're going to move to a poll briefly, but I want to remind everyone that this whole presentation, plus all the PowerPoint slides and all the contact information and Web sites are all going to be up on the Welfare Peer TA Network within a few days.



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And, I also wanted to encourage state or local TANF agencies that if you need any assistance, I encourage you to make a request on the Peer TA Network for assistance at [peerta.acf.hhs.gov](http://peerta.acf.hhs.gov). Or if you're not a state or local TANF agency, to partner with the state or local TANF agencies or with your local VITA site and asset building coalition. And we could probably help or point you in the direction of others who can.

So, moving on to our polling questions at the very end. There are just three questions. They're super short, and I hope you stick around for them.

I know I have a strong understanding - I now have a strong understanding about how EITC and free tax filing and VITA sites can help TANF participants and generate positive economic return for the local economy.

All right. Next question. I have the resources and examples of low cost ways for my TANF agency to connect my participants to free tax preparation services.

And our final question. Webinars are an effective technical assistance format for me to learn new information.

And we're going to leave that one up for a few minutes. But just to close everything out, I want to thank everyone for attending today's Webinar, and thank all of our amazing presenters as well. And have a great day.

Operator:

Thank you very much. And ladies and gentlemen, that does conclude the conference call for today. We thank you for your participation and ask that you disconnect your lines. Have a good day, everyone.

END