



Urban Partnerships for Welfare Reform: National Academy

*Developing Innovative Financial
Solutions: Effective Use of EITC and
Other Asset Building Strategies*

San Diego



Key Features

- In 2003, Board approved EITC pilot program to provide free tax filing assistance to low-income workers in two Regions
- Based on success, rolled out Countywide in 2004
- In 2006, 53 sites, 15,853 Federal and State tax returns completed
- Generated \$11.1 million in tax revenues, \$4.7 in EITC dollars



Successful Strategies

Established a broad, county-wide coalition led by County and United Way, increasing both sites and services offered

- Partnership with AARP very beneficial—offer senior centers, many volunteers, and quality work
- IRS invited to join coalition, providing essential training and technical assistance
- Food Stamps and Health Insurance accessed through EITC sites
- Financial literacy programs made available through EITC sites



Surprises

- Clients really need the help
 - A high percentage of respondents used EITC to pay bills and for basic necessities
- Clients could also benefit from financial education
 - A third of clients assisted did not even have a bank account; another third had only a checking account
- EITC sites can bring many things together
 - Is proving to be an effective way to link low-income families to other services offered by the County as well as CBOs
 - Many clients (40%) are returning clients



Challenges

- Key challenges stem from the nature of the project—highly dependent on volunteers and cooperation among multiple community partners
 - Volunteer training, management and retention of volunteers
 - Oversight, quality control, data management and evaluation



Replication Advice

- Begin planning process early
 - Piloting effort is best
- Form a coalition to coordinate effort and communicate early and often
 - Streamline by clarifying roles of Coalition members, establishing steering committee, forming work groups
- Make service accessible by:
 - Strategically locating tax preparation sites
 - Extending services hours and days
- Initiate financial literacy outreach in tandem with EITC for greatest impact



Managing During Change

- Improve communication between Coalition members and with volunteers
 - Always working to broaden Coalition membership
- Build relationship with IRS
- Emphasize training
 - Two-tiered tax preparation training for volunteers
 - Training to improve the management of volunteers
- Continually enhance data collection
 - Adapted IRS Tax-Wise application to one user-friendly system that also captures a profile of client and needs



Visions for the Future

- Develop broad-based outreach strategy
 - Including formal referral process from County offices and CBOs to EITC sites
 - Specialized outreach—to rural areas through county libraries, refugee communities and at-risk populations (domestic violence victims)
- Establish EITC sites as the door that low-income families can enter to access a wide variety of supportive services