

Pennsylvania Earned Income Tax Credit Meetings



Wilkes-Barre, Pennsylvania

February 12, 2004

&

Malvern, Pennsylvania

February 18, 2004

Sponsored by the
Administration of Children and Families Region III

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Background

Many families struggle to meet their basic needs. The Earned Income Tax Credit (EITC) is designed to help low income families 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% of all low income families do not apply for the EITC that they deserve. The EITC is designed to make work more attractive than welfare and help families achieve and sustain self-sufficiency.

Pennsylvania conducted EITC outreach activities to eligible families in 2003 and prior years. For example, in 2003, the Pennsylvania Department of Public Welfare provided more than 800,000 brochures to assistance recipients. Also, a non-profit organization, the Campaign for Working Families, has conducted an award winning EITC Outreach Campaign in Philadelphia.

In 2004, the Administration for Children and Families, Region III, supplemented these efforts. We arranged for tapes prepared by the Internal Revenue Service to be shown in every County Assistance Office (more than 100) and many Domestic Relations Offices throughout Pennsylvania.

Also, many Domestic Relations Offices provide EITC information to their customers. This is the first time that child support offices are involved in EITC Outreach. This occurred through a partnership with the Domestic Relations Association of Pennsylvania. They also posted EITC information to their web site (www.d-r-a-p.org).

We also decided to benefit from the Delta Initiative. The Department of Health and Human Services, Administration for Children and Families, collaborated with several organizations, including the Internal Revenue Service, to convene a two day workshop called the Delta Initiative in January, 2003. This meeting provided information to county officials in seven southern states about the advantages of the Earned Income Tax Credit Program. Participating counties expect to see a significant increase in the number of eligible families applying for the EITC as a direct result of these meetings.

Region III held similar meetings in Eastern Pennsylvania in February, 2004. This involved two one-day workshops. In collaboration with several federal/state and community partners we decided to focus on the eastern part of the state. Eleven counties were represented at the Northeastern Pennsylvania workshop in Wilkes-Barre and nine counties participated in the Southeastern workshop held in Malvern. The Wilkes-Barre meeting primarily involved rural counties and the Malvern meeting included urban/suburban counties.

We emphasized that a large number of families do not claim EITC in Pennsylvania. Also, the Earned Income Tax Credit is a significant economic resource for a family as they work toward self-sufficiency. Every participant received a chart showing that the average Pennsylvania EITC filer received \$1,567 in the 2000 Tax Year (Appendix A). In addition, we provided a county breakdown showing the EITC received and the estimated unclaimed amount in the 2001 Tax Year (Appendix

B). The fact that Berks County had unclaimed EITC of more than \$6 million convinced participants that the outreach is essential for every county and should not be limited to Philadelphia.

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 Wilkes-Barre and Malvern on the Administration's marriage and faith-based/community-based programs and rural initiatives.

The meetings had a wealth of participants. The local offices represented included Community Action Programs, County Assistance offices, County Commissioners, Child Care agencies, Public Housing, Child Support and Head Start. Unfortunately representatives from Education and the Workforce Development were unable to attend.

There were several reasons for holding EITC workshops. First, using IRS data, Pennsylvania families received \$843 million dollars in EITC for the year 2000. Using the national estimates on unclaimed EITC, this means that low income families did not claim between \$126 million and \$210 million dollars that they were due. Brainstorming with community leaders would increase the number of families receiving the EITC. Second, EITC payment can be significant. In 2000, the average family received an earned income tax credit of \$1,567 in Pennsylvania. The expansion of the child tax credit means that each low income family should now receive more than the amount paid in 2000. Third, the 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, the TANF/Child Care, Child Support and Head Start Program Offices worked together to insure the success of these meetings. Federal partners included the Internal Revenue Service, Department of Housing and Urban Development, Department of Education and 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 the Center for Rural Pennsylvania and the Campaign for Working Families helped to insure the success of the meetings.

Purpose

The purpose of these meetings was very well summarized by Eileen Friedman, Region III Program Manager for TANF and Child Care in Region III and Juanita DeVine, Child Support Program Manager for Region III.

Ms. Friedman indicated the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 provided States the flexibility to develop TANF programs geared toward assisting families to achieve self-sufficiency. Four purposes are articulated in the Federal TANF statute for which States must utilize all of their Federal TANF and State MOE funds. Two of those purposes can be addressed by encouraging the utilization of the Earned Income Tax Credit (EITC):

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives.
- End the dependence of needy parents on government benefits by promoting job preparation, work and marriage;

Ms. Friedman also indicated that EITC was “found money”. She gave credit to Don Jose Stovall, the County Assistance Director from Philadelphia for this concept. “If you found money on the street, would you walk away from it? I do not think so. EITC is found money. If you are eligible, all you must do is file.”

Juanita Devine stated that participants are here to develop a strategy for an EITC campaign.

The Earned Income Tax Credit is: the second largest program after Medicaid that provides assistance to low income families. This is a refundable tax credit. Even families with no tax liability can receive EITC. It is a social benefit program that helps children. The Earned Income Tax Credit supports the notion of work. Also, military families may qualify for EITC.

Ms. DeVine clearly indicated the three goals of the meeting:

- Dissemination of information
- Refer clients to VITA sites for free tax preparation
- Encourage clients to accumulate assets

Agendas

The agendas were designed to present an overview of the program along with specific community success stories in the morning. The afternoon program involved county leaders meeting with their local counterparts to design an implementation strategy. The agendas are listed below:

Earned Income Tax Credit Meeting Luzerne County Community College

February 12, 2004

Agenda

8:30AM - 9:30AM	Registration and Continental Breakfast
9:30AM - 9:45AM <i>Room 132</i>	Welcoming and Overview Eileen Friedman , TANF/Child Care Program Manager, Administration for Children & Families, Region III
9:45AM - 10:15AM	Plenary #1 Campaign for Working Families - An Effective Outreach Campaign Jean Hunt , Executive Director <i>This session will examine a nationally recognized Earned Income Tax Credit Outreach Campaign in Pennsylvania. How can other communities benefit and what can they learn from the Campaign's success?</i>
10:15AM - 10:30AM	Plenary #2 PA Tax Refunds for Low-Income Families Phyllis Johnson , Taxpayer Assistance Technician, PA Bureau of Collections and Taxpayer Services <i>Pennsylvania also offers tax benefits to low income families. These benefits will be explained in this session.</i>
10:30AM - 10:45AM	Plenary #3 Community Partnerships and EITC George McGriff , Senior Tax Specialist, Internal Revenue Services <i>This session will explain how counties can work together with the Internal Revenue Service to increase the number of low income families taking advantage of the EITC.</i>
10:45AM - 11:15AM	Morning Break

<p>11:15AM - 11:30AM</p>	<p>Plenary #4 Impact of EITC on TANF, Medical Assistance, Food Stamps, General Assistance & Head Start Families</p> <p>George Missett, Income Maintenance Administrator, Luzerne County Assistance Office</p> <p><i>How does receipt for EITC effect eligibility for public assistance benefits? Is EITC income counted in determining benefit amount? This session will explore these issues.</i></p>
<p>11:30AM - 11:45AM</p>	<p>Plenary #5 Challenges Facing Rural Areas</p> <p>Jonathan Johnson, Senior Policy Analyst, Center for Rural Pennsylvania</p> <p><i>There are particular challenges for rural communities, such as inadequate transportation and child care, which are barriers to self-sufficiency for low income people. This session will examine these challenges.</i></p>
<p>11:45AM - 12:45PM</p>	<p>Working Lunch</p> <p>Promoting Financial Stability & Homeownership Opportunities Through Education & Savings</p> <p>S. Van Williams, Operations Specialist, US Department of Housing & Urban Development and Lucia Bruce, Program Development Specialist, US Department of Labor</p>
<p>1:00PM - 2:15PM <i>Breakout Rooms</i></p>	<p>Strategic Planning</p> <p><i>Counties breakout into groups to develop strategies for increasing the number of people applying for EITC.</i></p>
<p>2:15PM - 3:15PM <i>Dining Room</i></p>	<p>Counties Report Out</p>
<p>3:15PM - 3:30PM <i>Dining Room</i></p>	<p>Next Steps</p>

Earned Income Tax Credit Meeting

Penn State - Great Valley Campus

February 18, 2004

Agenda

8:30AM - 9:30AM	Registration and Continental Breakfast
9:30AM - 9:45AM <i>Sanchez Suite</i>	<p>Welcoming and Overview</p> <p>Eileen Friedman, TANF/Child Care Program Manager, Administration for Children & Families, Region III</p> <p>Juanita DeVine, Child Support Program Manager, Administration for Children and Families, Region III</p>
9:45AM - 10:15AM	<p>Plenary #1 Community Partnerships and EITC</p> <p>George McGriff, Senior Tax Specialist, Internal Revenue Services</p> <p><i>This session will explain how counties can work together with the Internal Revenue Service to increase the number of low income families taking advantage of the EITC.</i></p>
10:15AM - 10:30AM	<p>Plenary #2 PA Tax Refunds for Low-Income Families</p> <p>Nancy Holland, Taxpayer Assistance Technician, PA Bureau of Collections and Taxpayer Services</p> <p><i>Pennsylvania also offers tax benefits to low income families. These benefits will be explained in this session.</i></p>
10:30AM - 10:45AM	Morning Break
10:45AM - 11:15AM	<p>Plenary #3 Campaign for Working Families - An Effective Outreach Campaign</p> <p>Jean Hunt, Executive Director</p> <p><i>This session will examine a nationally recognized Earned Income Tax Credit Outreach Campaign in Pennsylvania. How can other communities benefit and what can they learn from the Campaign's success?</i></p>
11:15AM - 11:30AM	<p>Plenary #4 Impact of EITC on TANF, Head Start, Medical Assistance, Food Stamps and General Assistance Families</p> <p>Paula Copeland, Income Maintenance Casework Supervisor</p> <p><i>How does receipt for EITC effect eligibility for public assistance benefits? Is EITC income counted in determining benefit amount? This session will explore these issues.</i></p>
11:30AM - 11:45AM	<p>Plenary # 5: Tips for Starting a County EITC Initiative</p> <p>Tanya T. Morris, Community Outreach Specialist, Pennsylvania Pathways</p> <p><i>This session will explain how to begin an EITC campaign in your county.</i></p>

<p>11:45AM - 12:45PM</p>	<p>Working Lunch Promoting Financial Stability & Homeownership Opportunities Through Education & Savings S. Van Williams, Operations Specialist, US Department of Housing & Urban Development</p>
<p>1:00PM - 2:15PM</p>	<p>Strategic Planning <i>Counties breakout into groups to develop strategies for increasing the number of people applying for EITC.</i></p>
<p>2:15PM - 3:15PM</p>	<p>Counties Report Out</p>
<p>3:15PM - 3:30PM</p>	<p>Next Steps</p>

Meeting Content

The welcome and overview were provided by Juanita DeVine and Eileen Friedman. This was followed by an explanation of the Campaign for Working Families which is a nationally recognized EITC Outreach Campaign in Philadelphia.

a. Campaign for Working Families: Jean Hunt

The Director of Campaign for Working Families explained how the outreach activity and development of tax preparation sites in Philadelphia could be replicated in other Pennsylvania counties. There were several handouts provided which can be accessed on their web site: www.gpuac.org/programs/CWFWhatWeDo.htm

This is a summary of Jean Hunt's excellent presentation.

Campaign for Working Families

- **Mission:** Help low wage working families move up the economic ladder; achieve the American dream
- **Barriers** to achieving that mission
 - Racism
 - Language
 - Geography – collapse of the rural economy
 - Changing economy; collapse of manufacturing sector; collapse of jobs with benefits
 - Changing tax structure which encourages inequality
- **Campaign goals and objectives:**
 - Expand knowledge of and access to EITC in Philadelphia (and the state); increase number of EITC filers by 10% each year
 - Expand access to public benefits by working families that qualify
 - Improve access to financial services in poor and working class communities: it's expensive to be poor – give examples
- **EITC as economic engine**
 - \$1 billion in Pennsylvania
 - \$258 million in Philadelphia
 - Money is spent in communities, helps utilities, housing, small businesses
 - Money left on the table: estimate \$75 million left in Washington from Philadelphia households; \$75 million in Pennsylvania tax back for Philadelphia households

- **Campaign history**
 - Created in 2003 as a partnership that includes a diverse base of organizations; organizations share in the mission – that makes it work
 - AFL-CIO Council, churches, advocacy groups including Pathways PA (here today), Free Library of Philadelphia, Mayor’s Office of Consumer Affairs, United Way, IRS
 - Did 8,800 taxes the first year; brought \$10.2 million into Philly; increased EITC by at least 10% in Philadelphia
 - Part of a national coalition of organizations working on these issues

- **What made it work**
 - Strong charismatic leader who could articulate why this is important and how it would help the city
 - Built as a partnership with operational responsibilities within partners; another model is a single organization that does it and gets very good at doing it
 - Campaign is two people plus a VISTA team.
 - It’s a great story to tell
 - Elizabeth Crespo and Lydia Collins stories: how EITC helped their families
 - What happens when people go to paid preparers
 - Fees for getting taxes done: fees for each tax form
 - Fees tacked on
 - Interest on RAL’s: 800 % if annualized
 - Check Cashing fees: 10% or more in some cases
 - Integrate a fuller package of issues when you have taxes under control: public benefits and financial literacy
 - Doing taxes is complicated and time consuming – takes a dedicated team to make it happen; build your team
 - Build support around the team; it became a community wide effort, almost like response to a disaster – people wanted to help
 - People believe that if you work, you ought to be OK, and people want to help those who are working and struggling
 - Volunteers average \$30,000 that they bring directly into people’s houses
 - Creative models – have someone go to day care centers with a laptop; place tax site in workforce development programs and do all participants’ taxes
 - Powerful communications effort: top down and bottom up: major media partners including Daily News, Channel 6, Clear Channel and Univision; stipends to community leaders to help tell the story
 - Tell your stories; gather stories from the beginning about people coming to your sites

- **Money**

- Can you raise money from the partner organizations, or at least get in kind support for the Campaign (volunteer recruitment, training, sites, computers, PR materials); universities can get work study students as volunteers
- VISTA/AmeriCorps have been wonderful partners
- Government – whatever entity, no matter how broke, can they shake loose some funds to help this. The money comes back and more.
- National funders are not going to fund unlimited local sites. You have to get creative with what's in your area.
- Private philanthropists in your area – any one with resources. If you tell the story right, you can bring them in.
- Data on funds left in Washington and in Harrisburg is compelling
- Use San Antonio Study on economic impact of EITC funds to convince government to get involved; also use Illinois Dept. of Human Services
- Strong support from the Annie E. Casey Foundation and the Pew Charitable Trusts

Jean Hunt spoke at length about Elizabeth Crespo, a real EITC success story and an inspiration. In 2001, Elizabeth Crespo filed her taxes for the first time, and applied for the Earned Income Tax Credit and other credits especially for working families.

Coupled with her savings, and the help of a housing counselor, Elizabeth was able to put money aside to purchase a home for herself and her family. She was able to correct her credit woes, eliminate some debts, pay off credit cards and get the best deal towards her dream house. She now pays \$539 in mortgage payments compared to \$800 in rent for something that belongs to her... a home.

The following year, Elizabeth again received her EITC and other tax credits for working families. She used the monies to eliminate some bills, pay off more credit cards and purchase a used car.

As a single mother of five children between the ages of 10 and 16, Elizabeth realized the importance of having the right resources and the willingness to help other people.

In addition to her day-job at Congreso, Elizabeth volunteers to help other Philadelphia residents with their taxes so they can receive all of the money and tax credits they earned.

This tax season, Elizabeth is receiving \$2,057 in federal Earned Income Tax Credit. She filed her taxes at Congreso, one of 19 Campaign for Working Families' free tax preparation sites. Instead of filing her taxes at a commercial tax preparation site, which could have cost her over \$500 for preparation and other fees, Elizabeth filed her taxes for free and kept every penny she was entitled to receive.

With this year's return, Elizabeth and her children, Luis, Michael, Rafael Oquendo, Maria and Edison Guaranda will enjoy the benefits of her hard work with a vacation to the shore.

b. Pennsylvania Tax Back: Phyllis Johnson and Nancy Holland, Taxpayer Assistance Technicians, Pennsylvania Bureau of Collections and Taxpayer Services

The meeting participants also benefited from a presentation from the Pennsylvania Department of Revenue. In Pennsylvania, low income individuals and families can also benefit from a program to provide state tax refunds. A person can receive part or all of their Pennsylvania State Tax back, depending upon income:

- Single Person up to \$8,750
- Single Parent with one child up to \$17,750
- Single Parent with two children up to \$26,750
- Couple up to \$15,250
- Couple with one child up to \$24,250
- Couple with two children up to \$33,250
- For each additional child, add \$9,000

A full explanation of the Pennsylvania Tax Back program is included in Appendix C. All of the information is also contained on the Department's web site:

<http://www.taxback.state.pa.us/taxback/cwp/browse.asp?a=3&bmdrn=2000&bcob=0&c=32905>.

c. Community Partnerships and EITC: George McGriff, Senior Tax Specialist, Internal Revenue Service

The Internal Revenue Service provided an overview of the Earned Income Tax Credit 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.

A full explanation of the excellent and informative presentation by Mister McGriff is attached as Appendix D. We also distributed information about IRS Taxpayer Assistance Centers to all participants. A list of the IRS Pennsylvania Taxpayer Assistance Centers is available on the internet: <http://www.irs.gov/localcontacts/article/0,,id=98326,00.html>.

In addition, we provided information to all participants on "Who Must File A Tax Return." This is also available on the internet:

<http://www.irs.gov/newsroom/article/0,,id=105097,00.html>.

d. Impact of EITC on TANF, Medical Assistance, Food Stamps, General Assistance and Head Start Families: George Missett, Income Maintenance Administrator, Luzerne County Assistance Office and Paula Copeland, Income Maintenance Casework Supervisor

The meeting continued with an explanation of the Earned Income Tax Credit's impact on eligibility for various public assistance programs and Head Start. For many of the client's we serve, the impact on other programs is a crucial factor. Participants were assured that EITC

would not affect Head Start and it would have no immediate impact on other public assistance programs.

The informative presentation by George Missett and Paula Copeland is attached as Appendix E.

e. Challenges Facing Rural Areas: Jonathan Johnson, Senior Policy Analyst, Center for Rural Pennsylvania

There are particular challenges for rural communities, such as inadequate transportation and child care, which are barriers to self-sufficiency for low income people. This session is a part of the Secretary of Health and Human Services Rural Initiative. The internet link for this initiative is: <http://www.hhs.gov/ruralinitiative/>.

The presentation on rural issues was thought provoking. A summary of the presentation is listed below:

Nine Trends in Rural Pennsylvania:

1) Pennsylvania is Still Rural

- ⊙ Pennsylvania is a urbanized state—2 out 3 persons live in an urbanized areas
 - United States is an urbanized nation—68 percent live in urbanized areas so is....
 - New Jersey (92%)
 - Florida (84%)
 - Nevada (83%)
 - Utah (78%)
 - Arizona (76%)
 - Colorado (75%)
- ⊙ Change in definition
 - 5 different ways to define rural
 - RUCAs (HHS)
 - Metro/Micro (OMB)
 - Rural/Urban (Census)
 - Urban influence codes (USDA)
 - Urbanized highways (Fhwa)
- ⊙ You don't get a prize for being rural
 - Few federal/state programs target rural areas

Why is this Important? Being Rural

- ⊙ Pennsylvania will remain rural into the future
 - Took the sun 24 minutes to get from Philadelphia to Erie

- Isolated rural communities will likely remain isolated rural communities
- ⊙ Programs need to have a rural focus-

2) **The Brain is Draining**

- ⊙ Out-migration of Gen-X (1965-75)
 - Between 1990-2000, rural areas lost an average of 19 Gen Xers each day or 69,000 persons.
 - o Economically Gen Xers are better educated, more technical savvy,
 - o Socially Gen Xers are having babies and buying homes
- ⊙ Return of the Baby Boomers (1946-94)
 - 44,400 boomers moved to rural Pennsylvania during the 1990s—7 percent increase. Urban areas lost boomers.
 - More likely to move—volunteerism
 - In 7 years the first boomer will retire—time to gear up for elder care!
- ⊙ Low Birth Rates
 - 48 of the state's 67 counties had more deaths than births
 - 17 percent decline in births since 1990s
 - The total fertility rate is 1.75—same as Denmark
 - 4 percent drop in rural women of child producing age (15 to 35)

Why is this Important? Out Migration

- ⊙ Yes we are losing our youth—but they may come back like the Boomers did
- ⊙ Low birth rate means
 - Low school enrollment—390 of the state's 501 school districts are projecting declining enrollment between 2001-2012
 - Rural communities need immigration to survive—we cannot pull ourselves up

3) **East is East, and West is...(2 Rural Pennsylvanians)**

- ⊙ East—gained
 - Population, 8 percent increase
 - Housing, 17 percent increase
 - Student enrollment 7 percent increase
 - Workforce 7 percent increase

- ⊙ West—Loss/Stagnation
 - Population, 2 percent increase
 - Housing, 5 percent increase
 - Student enrollment 3 percent loss
 - Workforce 6 percent increase

- ⊙ Eastern rural Pennsylvania—more prospers
 - Higher income (household income \$3,800 higher)
 - Housing values (\$15,000 more expensive)
 - Higher employment (2 percentage points higher in new jobs.)

Why is this Important? Regionalism

- ⊙ Not a new trend—began in the 1970s.
 - Population projections have the disparity growing

- ⊙ Disparity between regions will make statewide programs more divisive and more difficult to solve

4) Creeping Suburbanization

- ⊙ Indicators
 - Loss of Farmland—Farmland is still being used for development
 - 1997-2002, state loss over 82,000 acres of farmland (nearly 2 acres every hour)
 - Housing Starts—We continue to build houses despite population loss.
 - Between 1990-2000, 28 counties gained more housing units than residents—or 1 new homes for every 4 resident who moved out of the county
 - More Cars & Trucks—More crowded highways. Between 1990-2000
 - Rural automobile registration increased 21 percent,
 - Rural licensed drivers increased only 8 percent
 - Rural highway increased less than 1 percent
 - Rural DVMT increased 22 percent.
 - Average time to work increased by 5 minutes—urban areas had a 3 minute average increase
 - Land use Planning—Municipal control of land use decisions
 - 56 percent of rural municipalities do not have comprehensive plans. The average rural comp plan is over 25 years old (1979)
 - 45 percent of rural municipality do not have zoning
 - Many municipalities have planning, but no zoning, or zoning but no planning

- Donut Effect—Most growth occurs in townships, outside boroughs and cities.
 - o 1990-2000, boroughs loss population, while townships gained 12 percent
 - o Old trend, boroughs and cities have been losing population since the 1960s (borough 7 percent loss; townships 73 gain)
 - o Boroughs are poorer, older, and lower housing quality—townships just the opposite. (boroughs have fewer children)

Why is this Important? Sprawl

- ⊙ Slow moving cancer on the rural landscape
- ⊙ Positive Trends
 - Pennsylvania leads the nation in farmland protection with nearly 250,000 acres (farmland protection saves the farm, not the farmer)
 - Renewed interest in land use planning
 - Zeitgeist is that sprawl is bad—
 - o Elm Street & Main Street programs
 - o Governor’s budget—bond issue for revitalizing older borough & cities
 - o Brookings Report (*Back to Prosperity*)

5) Working, But for Less

- ⊙ Positive economic growth during the 1990s
 - 131,000 new jobs between 1992-02 (12 percent—faster than urban areas)
 - 8,500 new businesses between 1992-02 (12 percent—slightly lower than urban areas)
 - Rural unemployment the lowest since the 1970s
 - Clean up and reuse of industrial brown fields and toxic waste sites
 - Increase economic diversity—rural communities are no longer dependent of just one industry.
- ⊙ Incomes Didn’t Keep Pace
 - In 2001, the average rural salary was \$26,500—or nearly \$9,800 less than the urban average
 - Adjusted for inflation—the average rural worker had only a \$1,200 increase (5 percent) in wages. The average urban worker had a \$3,700 increase or 12 percent.
- ⊙ Why?
 - **Cost of living** doesn’t explain the difference—prices in rural areas 2.5 percentage points below urban prices.
 - **Income gap** - Between 1970-2000, the per capita income between rural and urban areas has doubled.

- **Increase in Unearned Income:** Nearly 40 cents in each income dollar rural areas receive comes from transfer payment and interest dividends and rent.
- **Exodus of Manufacturing:** Problem of low incomes is likely to get worse with the exodus of manufacturing firms.

Why is this Important? Working but for less

- ⊙ Rural areas are falling further behind
 - Growing disparity within rural areas
 - Dependence on unearned income payments means rural areas cannot finance development projects
 - Rural areas are still seen as a low-wage area

6) Small is beautiful (*local governments & businesses*)

- ⊙ Small businesses—backbone of Pennsylvania’s economy
 - 75 percent of the rural businesses have less than 10 workers.
 - Small businesses are not just retail—service sector
 - Slow growing—less than 4 percent between 1991-01
 - In states with growing economies, small businesses are the main engine
- ⊙ Small Local Governments—backbone of Pennsylvania’s civil life
 - 60 percent of Pennsylvania’s municipal governments have less than 2,500 residents.
 - 50 percent of municipal governments have revenues less than \$500,000.
 - 45 percent of the rural municipalities spend more than 50 percent of their annual budgets on streets and highways.
 - The average age of municipal official is 56 years old and has been in office for over 10 years.
 - 48 percent of municipal governments do not have police force and rely on State Police

Why is this Important? *Small Business/Government*

- ⊙ Small businesses are the key to rural economic development
 - Locally owned and operated
 - Money stays in the community longer
 - Creates more stability during a national recession
 - Less effected by changes in global economy

- ⊙ Small government are very stable
 - Local capacity is important

7) **Becoming Connected**

- ⊙ Internet Penetration Rates Nearly the Same in Rural & Urban
 - About 48 percent of the rural households have Internet access—53 percent of the urban households have the internet.
 - Those who don't have the internet at home are usually older.
- ⊙ New Digital Divide—Broadband Access
 - Dial up modems not sufficient for businesses
 - DSL available in most urban areas, but not in rural areas
 - Chapter 30 Reauthorization—when should the telephone companies be required to provide broadband access
- ⊙ Schools, Libraries, Hospitals
 - Internet has increased distance learning opportunities
- ⊙ Cell Phone Access
 - Most of the state is coverage—but there are still dead zones
 - Increase in cell phone charges for 911 access

Why is this Important? Internet

- ⊙ New Digital Divide—
 - Going beyond wiring the schools and libraries
 - Broadband access
- ⊙ Increasing the use of the technology for economic development and education

8) **Tourism is Real Industry**

- ⊙ In 2000 tourist pumped \$5.6 billion into Pennsylvania's rural economy
 - Over 117 million people visited the state in 2000, up 7 percent from 1995
 - Average of \$170 per person
 - Over 563,000 attributed to tourism— \$20,000 year jobs
- ⊙ Opportunities for expansion
 - Boomers have the time and money
 - Want to see “real places”

- Most travelers are from nearby states—getaway weekends

Why is this Important? Tourism

- ⊙ Most rural communities are not “tourist ready.”
- ⊙ Need to improve our communities for ourselves and the tourist will come

9) Community Renewal

- ⊙ No real numbers—but a growing awareness that:
 - Importance of a “sense of place”
 - Where we live here for a reason—quality of life matters
 - That jobs are any costs will destroy a community—
- ⊙ What’s Going On?
 - Revitalization projects (banners, gateways, etc.)
 - Community planning—visioning, zoning, planning
 - Environmental protection (watersheds, farmland protection, downtown revitalization, etc.)
- ⊙ Why?
 - Were going older—boomers have settled down--- the kids are gone
 - 1990s were economically very, very good to rural Pennsylvania
 - State/federal programs have created incentives
 - Economy has changed—low wage factory jobs area gone
 - Realization that or heritage is important
- ⊙ What is the Future?
 - Improving quality of life

f. Tips for Starting a County EITC Initiative: Tanya T. Morris, Community Outreach Specialist, Pennsylvania Pathways

For the session at Great Valley, we had representatives from urban and suburban counties in Pennsylvania. We were fortunate to have a community organizer that has developed a successful EITC outreach campaign in a suburban Pennsylvania County (Delaware County). This session explained how to begin a county EITC campaign.

Pathways PA is one of the partners with Campaign for Working Families in the Philadelphia and Delaware County Asset Development group with IRS and others to provide 5 free tax sites and asset development

The difference between Delaware County and Philadelphia is that outreach is on a smaller scale. In Delaware County specific employers are targeted. Crozer Medical is the largest employer. Sites are set up at the hospital and at Riddle Hospital where people can learn about credit and asset development. There is a lot of written outreach material, including post cards. On a statewide basis, there are brochures, posters and mail stuffers that Pathways has developed with Just Harvest, a Pittsburg based agency, to provide assistance in any Pennsylvania county that offers a VITA site. One thing that Pathways does in a county is to use the neighborhood papers to tell stories about people who have benefited from the EITC. This is designed to encourage people to come into the sites. One difference between the Delaware County campaign and the Philadelphia campaign is that Philadelphia uses the media; radio, TV, and more in-depth stories in newspapers. Banks are also at some of the sites - opening savings accounts and some sites offer Money Smart programs.

Unfortunately, the Hispanic population has become more vulnerable to applying for loans (Refund Anticipated Loans- RALs) because of the need to send money back home. They try to educate people about the benefits of the VITA sites. Pathways PA enlisted 10 people within the community who are familiar with the people in the community to educate people about the free sites.

If others are interested in establishing an EITC outreach campaign, it is important that an organization is identified to be the headquarters and willing to host the tax preparation site. They will need to rally the support of other community partners. The message starts with EITC and then moves towards getting taxes prepared for free.

g. Working Lunch - Promoting Financial Stability & Home Ownership Opportunities Through Education & Savings: S. Van Williams, Operations Specialist, US Department of Housing & Urban Development and Lucia Bruce, Program Development, US Department of Labor

Several Housing and Urban Development (HUD) Neighborhood Network sites in Philadelphia were created to help bridge the Digital Divide in low-income communities. They became the hub for many community based programs and social services that other providers would host in the centers, such as employment and training, after school programs, GED prep, computer training for seniors, etc. The Centers also serve as community policing and community safety giving children a safe haven after school, weekends and during the summer.

HUD and the federal Deposit Insurance Corporation (FDIC) have a financial education Memorandum of Understanding which focuses on promoting Money Smart which gives low income families receiving housing assistance some general, basic financial skills. The Money Smart curriculum is introduced into the family self-sufficiency programs and Neighborhood Network sites and other welfare to work and workforce development programs that HUD has through grants that they provide to public housing authorities such as resident opportunities for self-sufficiency grants. If housing authorities are successful in obtaining a grant, they have a

funding source when they look to collaborate with community partners. They have resources to contribute to help leverage the initiatives they are looking to accomplish.

The financial literacy and security initiative was formed as a local/federal interagency collaboration and started in Philadelphia. HUD is interested in expanding it to other counties.

HUD's workforce development initiatives include: Resident Opportunities for Self-Sufficiency where HUD makes available, on a competitive basis, funding to housing authorities grants to develop employment and training programs, resident initiatives that help move clients toward employment, increase skills, develop Neighborhood Networks, small business, and self-sufficiency programs.

Money Smart is incorporated into life skills training. There are 10 stand alone modules, and comes with all the materials for trainers to conduct the class. Bank partners are brought in to instruct on credit and banking. They found that many of the clients had bad experience or no experience with banks. Clients who had bad credit or a problem with checking accounts learned that they could turn their problems around. Social Security benefits, pensions and welfare benefits were explained.

It is recommended that housing authorities are included in the collaboration. They need to be at the table on the front end and you will find that they have many things to offer.

The Montgomery County Housing Authority explained their efforts. They work with the Family Self-Sufficiency and welfare to work program. They prioritize working welfare clients and moved them up the list so that they would have stable housing. They promote work and the EITC. Between family self-sufficiency, welfare to work and the home ownership option the Montgomery County Housing Authority has provided training on Money Smart. It is a very professional training package and easy to follow. Money Smart is highly recommended by HUD and the housing authorities.

A copy of the HUD presentation is attached as Appendix F.

h. Strategic Planning and Counties Report Out

Counties then broke out into groups to develop strategies for increasing the number of people applying for EITC. Each county separated and developed a local strategy for implementing an Earned Income Tax Credit Initiative. There were several questions developed to begin and structure the discussion.

The questions are listed below along with a sampling of the answers developed by the counties.

Suggested County Discussion Questions

In your opinion, what are the reasons that people do not file for the Earned Income Tax Credit and all of the other credits (e.g. child tax credit, Pennsylvania Tax Back etc.)?

- *There is a real distrust of government. Many low income adults believe that information provided will be used against them.*
- *A lack of knowledge and/or literacy problems is also significant.*
- *There is also a problem with access to tax preparation assistance. This is a particular problem in rural areas which have major transportation issues.*
- *Language problems are another major barrier.*

What can we do to overcome these reasons for not filing for the Earned Income Tax Credit?

- *The consensus seemed to involve education starting with the social service providers and including outreach to the community. This should include outreach to the special needs and Spanish speaking community. A tax mobile may help.*
- *Publicize success stories.*

There are two types of people eligible for the Earned Income Tax Credit that do not file for it: (1) those that file their federal tax but do not complete the EITC form and (2) those that are not required and therefore do not file their federal tax forms. What can we do to persuade low income families to file a federal tax return?

- *Work with other agencies and the schools to explain and publicize EITC.*
- *Publicize EITC through the media.*
- *Work with tax preparers in counties that do not have IRS taxpayer assistance.*
- *Make EITC filing a condition of assistance eligibility.*

In your county, where do low income families go for help and services? (Welfare, Domestic Relations, Head Start/Community Action Agencies, Schools, Churches, Community Centers, Child Care, Public Housing, Employment and Training, Other Social Service Agencies)

In addition to the agencies listed above, where should we publicize EITC?

- *Work with the churches because many families have strong ties to their religion. The Church is also a "Comfort Zone".*
- *Again, reach out to the disabled community and Spanish organizations.*
- *Many participants said that Career Link can be an important partner.*
- *Schools, clinics and other non-profits can also help us to publicize EITC.*
- *Public Housing can be a major resource.*

Currently, is there a concerted effort to encourage filing for the Earned Income Tax Credit in your county? (This means outreach and tax preparation assistance.) If so, do you think it is successful? If not, what collaborative efforts can be made to encourage filing for EITC in your county this tax year and subsequent years?

- *The opinion on volunteer sites is mixed. In some counties, they only want to assist senior citizens. In other counties, the VITA sites are a real asset.*
- *Outreach should begin sooner (e.g. November or December).*
- *Utilize collaborations already in place and train social service agencies on EITC.*
- *Use the documentation provided at this meeting (i.e. average EITC refund and unclaimed EITC) to show the advantages of filing.*

What can be accomplished in your county this tax year to help low income families file their income tax return?

- *Educate people and start planning for next year. This can be accomplished through a media blitz.*
- *Utilize the Chamber of Commerce, County Commissioners, banks etc.*
- *Co-ordinate all efforts in the county.*

i. Next Steps

Eileen Friedman Summarized the major points:

- Coalition building is what it is all about. May be easier to build a coalition in rural counties than cities since everyone knows each other.
- VITA sites – If you don't have free tax preparation sites, start developing them. Let's work towards this initiative for next year.
- Education campaign – Get the word out!
- Changes in eligibility requirements – Federal partners can work with the state agency on changes in policy.
- Will need to address language barriers.
- Digital Divide – need for computers for low-income families.

Earned Income Tax Credit Meeting February 12, 2004

Please take a moment and evaluate the Earned Income Tax Credit Meeting held at
Luzerne County Community College Conference Center February 12, 2004.

On a scale of 1(poor) to 5 (excellent), how would you rate this conference and the presentations?

Usefulness of the Meeting (average-4.2)	1	2	3	4	5
Knowledge Gained at the EITC Meeting 4.4	1	2	3	4	5
Quality of the Facility 4.2	1	2	3	4	5

Speakers:

IRS and Community Partnerships 4.4	1	2	3	4	5
Pennsylvania Tax Refunds 4.1	1	2	3	4	5
Campaign for Working Families 4.4	1	2	3	4	5
Impact of EITC on TANF and Other Assistance Programs 4.3	1	2	3	4	5
Challenges Facing Rural Areas 4.5	1	2	3	4	5
County Break Out Sessions 4.3	1	2	3	4	5
County Report Out 4.4	1	2	3	4	5

Name One Item that You Learned _____

Comments/Suggestions

Evaluations

The participants provided very favorable evaluations for both meetings. For example, on a scale of 1 to 5 (highest), both meetings received an average response rating of 4.4 for “Knowledge Gained at the EITC Meeting”. For this section, we will examine the comments and suggestions from the participants at each meeting. We will then provide a copy of the evaluation form along with the average response rating for each question.

a. Luzerne

For the first meeting, the primary audience involved social service professionals from rural areas and mid-size cities in Northeastern Pennsylvania. The usefulness of the meeting was rated 4.2. The highest ratings were reserved for the speaker on rural issues (4.5). This group also seemed particularly interested in hearing about other Pennsylvania experiences. Both the explanation of the Philadelphia Campaign and the County Report Out session received an average rating of 4.4.

The primary items learned indicated by the participants included: (1) the impact of EITC on assistance benefits (2) rural issues (3) amount of resources available to help inform families (4) the Money Smart program (5) The Pennsylvania Tax Back program (6) that tax assistance is available to low income families.

The two suggestions for improvement were: (1) Start the EITC Initiative in the fall (2) a warmer meeting room. There was a problem with the room temperature and we received two comments about it.

Earned Income Tax Credit Meeting February 18, 2004

Please take a moment and evaluate the Earned Income Tax Credit Meeting held at Penn State (Great Valley) on February 18, 2004.

On a scale of 1(poor) to 5 (excellent), how would you rate this conference and the presentations?

Usefulness of the Meeting (average-4.5)	1	2	3	4	5
Knowledge Gained at the EITC Meeting 4.4	1	2	3	4	5
Quality of the Facility 4.7	1	2	3	4	5

Speakers:

IRS and Community Partnerships 4.2	1	2	3	4	5
Pennsylvania Tax Refunds 4.0	1	2	3	4	5
Campaign for Working Families 4.4	1	2	3	4	5
Impact of EITC on TANF and Other Assistance Programs 3.7	1	2	3	4	5
Tips for Starting a County EITC Initiative 4.2	1	2	3	4	5
Promoting Financial Stability 4.4	1	2	3	4	5
County Break Out Sessions 4.5	1	2	3	4	5
County Report Out 4.1	1	2	3	4	5

What benefited you most from this meeting?

What would you change?

b. Great Valley

The second meeting consisted of social service professionals from Southeastern Pennsylvania. The participants were from mid-size cities and the suburbs of Philadelphia. This group found the meeting very useful (4.5 average) and the facility excellent (4.7 average). One participant summarized the positive attitude: “did a great job & covered all aspects including planned follow-up and success tracking.” The most popular sessions were the County Break Out session (4.5) and the Philadelphia Experience (4.4). For this session, we also asked for evaluations on the Financial Stability/Money Smart program. This session was highly rated (4.4).

There was one benefit mentioned by a large number of participants. They believe the networking and contacts with other agencies was a tangible benefit. They learned about previously unknown resources and gained “the knowledge that there are more agencies in our area offering the same message.” Other benefits included: new information on how EITC impacts public assistance, action plans developed by counties, education about programs.

The most prominent suggestion for change was “great information, little time to pass it on.” Several participants thought the program should be offered in November or December. Other suggestions included providing name tags to facilitate networking, inviting community leaders, increased outreach to the Spanish speaking community, more EITC meetings and follow-up sessions.

Conclusion

Both meetings generated enthusiasm for promoting the Earned Income Tax Credit. The formula worked. In the morning, participants received solid information about EITC, Pennsylvania Tax Back and successful programs in Pennsylvania. In the afternoon, they had county break-out meetings to develop a strategy for implementing a local EITC campaign. They shared these strategies with everyone so that all counties would benefit.

This was an “a-ha” meeting. Participants would smile in recognition as they received new information or previous items “made more sense.” The participants were social service professionals that now see EITC as a valuable resource in helping a family achieve self-sufficiency. With an average payment exceeding \$1,500, they now see EITC as making a significant difference in a family’s life.

In closing, two “a-ha” moments were particularly fascinating. First, the Child Support Director in Lancaster County said that 90% 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. This is also the case for child care providers since many receive low wages. Second, Berks County developed an EITC outreach plan at the meeting and selected the public housing office as the site for tax preparation assistance.

Appendix A:

Pennsylvania Tax Year 2000 Return Information

TY 2000 Return Information (Sum of listed States)

State
PENNSYLVANIA

	Total Population	WI Total Population	WI Low Income Population	WI EITC Returns	SBSE EITC Returns	Total EITC Returns	WI Elderly Population	WI Low Income/ Elderly
Total Returns	5,731,184	4,461,906	2,896,513	558,232	101,737	659,969	1,102,715	637,594
Returns with wages less than total income	3,973,281	2,905,409	1,435,693	169,529	88,325	257,854	1,016,960	572,305
Returns with EITC	659,969	558,232	558,155	558,232	101,737	659,969	32,032	32,028
Returns with Child Tax Credit	1,077,589	777,379	255,723	210,334	25,454	235,788	22,032	7,720
Returns with Child Tax Credit/EITC	235,788	210,334	210,265	210,334	25,454	235,788	5,525	5,523
V Coded Returns	2,176,878	1,345,354	691,955	77,476	56,231	133,707	500,454	268,769
Returns with Schedule A	1,784,032	1,034,228	151,885	20,868	16,687	37,555	271,072	74,040
Returns with Schedule D	1,140,252	730,115	310,384	8,804	7,258	16,062	292,476	120,266
Returns with a refund	4,322,627	3,540,235	2,221,709	555,867	76,201	632,068	667,137	419,048
Returns with a balance due	1,258,734	809,880	365,341	2,348	25,450	27,798	369,017	153,493
Filing Status - single	2,703,233	2,378,187	1,879,604	130,663	23,943	154,606	502,233	368,211
Filing Status - married-joint or widow(er)	2,324,945	1,472,055	363,812	94,397	51,026	145,423	536,110	226,707
Filing Status - married-separate	81,702	61,745	40,458	0	0	0	11,864	7,661
Filing Status - head of household	621,304	549,919	412,639	333,172	26,768	359,940	52,508	35,015
Self Prepared	2,869,567	2,499,852	1,542,239	233,881	27,279	261,160	498,453	291,056
Paid Preparer (preparer code A or H)	2,819,541	1,921,894	1,119,330	319,788	74,202	393,990	576,189	321,615
TCE (preparer code C)	23,778	22,760	20,109	1,603	113	1,716	19,453	17,344
IRS Prepared/Reviewed (preparer code P or R)	3,589	3,504	3,037	1,198	12	1,210	646	547
VITA (preparer code V)	14,709	13,896	11,798	1,762	131	1,893	7,944	7,032
Form 1040	3,580,389	2,321,692	975,941	190,315	101,729	292,044	714,326	335,394
Form 1040A	1,181,897	1,181,829	876,936	311,410	0	311,410	337,173	264,370
Form 1040EZ	635,980	635,937	573,493	44,822	0	44,822	31,843	24,935
Form 1040PC/1040T	107	0	0	0	0	0	0	0
Telefile	296,000	296,000	249,734	11,487	0	11,487	17,671	11,882
Other	36,811	26,440	20,405	198	0	198	1,702	1,013
Paid Preparer - Paper	1,894,131	1,141,736	617,030	59,147	51,158	110,305	460,967	251,206
Self Prepared - Paper	2,214,007	1,903,001	1,139,967	153,626	21,523	175,149	455,726	267,096
Paid Preparer - Electronic	925,410	780,158	502,300	260,641	23,044	283,685	115,222	70,409
Self Prepared - Electronic	655,560	596,851	402,272	80,255	5,756	86,011	42,757	23,960
Sum of EITC	\$1,024,444,360	\$874,849,172	\$874,834,178	\$874,849,172	\$149,595,188	\$1,024,444,360	\$31,047,808	\$31,045,532
Average EITC on Returns Claiming EITC	\$1,552	\$1,567	\$1,567	\$1,567	\$1,470	\$1,552	\$969	\$969

WI - Wage and Investment Income Taxpayers
SBSE - Small Business and Self-Employed Taxpayers

* Total Income less than \$31,150

** Age > 54

Values less than 10 have been changed to 0

Disclosure of data contained in this report is governed by the memorandum of understanding between SPEC and Research dated July 26, 2002.

Appendix B:

Pennsylvania 2001 County EITC Information

State	County	Total Returns	Low Income Returns	Returns with EITC	EITC Received	Average EITC	EITC Returns Paid Preparer	Estimated Unclaimed EITC (at 20%)
PA	LACKAWANNA	95,538	49,811	11,227	\$16,762,891	\$1,493	5,448	\$3,352,578
PA	LANCASTER	229,023	101,601	20,875	\$32,484,345	\$1,556	11,977	\$6,496,869
PA	LAWRENCE	45,378	23,270	6,050	\$9,472,670	\$1,566	2,895	\$1,894,534
PA	LEBANON	60,785	28,463	5,846	\$8,942,241	\$1,530	3,293	\$1,788,448
PA	LEHIGH	159,371	75,899	17,604	\$28,178,406	\$1,601	10,730	\$5,635,681
PA	LUZERNE	147,212	77,091	17,452	\$26,317,042	\$1,508	8,761	\$5,263,408
PA	LYCOMING	53,861	27,829	7,701	\$12,325,016	\$1,600	3,958	\$2,465,003
PA	MCKEAN	19,595	10,046	2,966	\$4,687,764	\$1,581	1,593	\$937,553
PA	MERCER	53,439	27,359	7,108	\$11,347,978	\$1,597	3,494	\$2,269,596
PA	MIFFLIN	18,613	9,291	2,732	\$3,998,021	\$1,463	1,577	\$799,604
PA	MONROE	65,381	28,653	7,416	\$11,851,522	\$1,598	3,642	\$2,370,304
PA	MONTGOMERY	385,303	141,905	20,435	\$28,457,076	\$1,393	9,456	\$5,691,415
PA	MONTOUR	8,622	4,036	848	\$1,259,691	\$1,485	407	\$251,938
PA	NORTHAMPTON	126,508	56,422	10,966	\$16,741,736	\$1,527	5,933	\$3,348,347
PA	NORTHUMBERLAND	42,727	22,666	5,520	\$8,625,243	\$1,563	2,686	\$1,725,049
PA	PERRY	21,861	9,745	2,184	\$3,267,559	\$1,496	1,020	\$653,512
PA	PHILADELPHIA	601,521	348,221	148,564	\$258,358,519	\$1,739	80,456	\$51,671,704
PA	PIKE	22,813	9,458	2,475	\$3,942,216	\$1,593	1,128	\$788,443
PA	POTTER	8,006	3,678	1,211	\$1,960,547	\$1,619	564	\$392,109
PA	SCHUYLKILL	67,505	34,944	7,992	\$11,678,307	\$1,461	3,621	\$2,335,661
PA	SNYDER	16,644	7,577	1,992	\$2,841,996	\$1,427	879	\$568,399
PA	SOMERSET	34,647	17,676	5,012	\$7,558,594	\$1,508	2,418	\$1,511,719
PA	SULLIVAN	2,965	1,451	384	\$565,024	\$1,471	154	\$113,005
PA	SUSQUEHANNA	18,978	8,958	2,735	\$4,400,365	\$1,609	1,329	\$880,073
PA	TIOGA	18,189	8,965	2,908	\$4,597,631	\$1,581	1,458	\$919,526
PA	UNION	16,709	7,199	1,650	\$2,457,775	\$1,490	699	\$491,555
PA	VENANGO	24,395	12,681	3,787	\$5,954,784	\$1,572	1,936	\$1,190,957
PA	WARREN	19,328	9,679	2,532	\$3,936,399	\$1,555	1,200	\$787,280
PA	WASHINGTON	97,581	46,724	10,490	\$15,765,473	\$1,503	5,478	\$3,153,095
PA	WAYNE	22,471	10,666	2,873	\$4,519,191	\$1,573	1,260	\$903,838
PA	WESTMORELAND	177,133	85,018	18,006	\$26,736,574	\$1,485	8,117	\$5,347,315
PA	WYOMING	14,679	6,816	1,914	\$2,996,313	\$1,565	870	\$599,263
PA	YORK	187,129	83,845	18,869	\$28,749,949	\$1,524	10,530	\$5,749,990

Appendix C:

Pennsylvania Tax Back Information (English & Spanish)



Pennsylvania State Income Tax

Could YOU be getting money back?

January 2004

Pennsylvania Partnerships for Children

What Is TAX BACK?

Pennsylvania taxpayers with low and moderate incomes could get refunds on state income taxes. *TAX BACK could put some of the taxes you've paid back in your pocket.*

Who qualifies?

You could get all or part of your TAX BACK depending on family size and income. You may qualify if your 2003 income is:

Single person	up to	\$8,750
Single parent with one child	up to	\$17,750
Single parent with two children	up to	\$26,750
Couple	up to	\$15,250
Couple with one child	up to	\$24,250
Couple with two children	up to	\$33,250
For each additional child, add:.....		\$9,000

What do I have to do?

You must file the state income tax form PA-40 and include PA Schedule SP. You must file both forms before April 15, 2004.

Call 1-888-PATAXES (1-888-728-2937) for special TAX BACK instructions or to have forms mailed or faxed to you.

Use the Internet at www.revenue.state.pa.us and select pa.direct.file. At that site, you can file your taxes directly and have your TAX BACK calculated for you. You may also download forms. The service is free.

If you need help, call the local Revenue Department district office. Find it in the blue pages of your local telephone directory.

What happens?

You can get money back that was held from your paycheck. The amount differs from family to family. For example, a family of four earning \$31,000 could get \$868 back. Find more examples at www.papartnerships.org/resources_taxbackfliers.asp.

Pennsylvania Partnerships for Children, State Fiscal Analysis Initiative. Funded by the Annie E. Casey Foundation.



IMPUESTO SOBRE LA RENTA PERSONAL DE PENNSYLVANIA

¿Tiene usted derecho a que la devuelvan el dinero que pagó por este impuesto?

Enero 2004

Pennsylvania Partnerships for Children

¿Qué es TAX BACK?

Los contribuyentes del estado de Pennsylvania cuyos ingresos personales estén por debajo de ciertos niveles, podrán recibir la devolución del dinero que pagaron al estado de Pennsylvania por el impuesto estatal sobre ingresos personales.

¿Quiénes tienen este derecho?

Usted podría recibir la devolución de su dinero, dependiendo del tamaño de su familia y el nivel de sus ingresos. Usted tendrá derecho a esta devolución si sus ingresos personales durante el año 2003 se encuentran dentro de los siguientes niveles:

Persona soltera.....	si sus ingresos no pasaron de \$8,750
Persona soltera con un hijo.....	si sus ingresos no pasaron de \$17,750
Persona soltera con dos hijos.....	si sus ingresos no pasaron de \$26,750
Pareja.....	si sus ingresos no pasaron de \$15,250
Pareja con un hijo.....	si sus ingresos no pasaron de \$24,250
Pareja con dos hijos.....	si sus ingresos no pasaron de \$33,250
Por cada hijo adicional, añada:.....	\$9,000

¿Qué tengo que hacer?

Usted deberá hacer su declaración del impuesto estatal en el modelo PA-40 antes del 15 de abril de 2004, acompañando el modelo PA Schedule SP.

Usted podrá obtener los modelos y las instrucciones para el TAX BACK llamando el 1-888-PATAXES (1-888-728-2937) y, en la computadora, en el www.revenue.state.pa.us y escoja pa.direct.file.

Si usted necesita ayuda para hacer su declaración, póngase en contacto con la oficina del impuesto más cercana a su domicilio, que aparece en su directorio telefónico en los páginas azules.

¿Qué ocurre?

Usted podrá obtener la devolución del dinero que le fue retenido de su salario. El monto es diferente para cada familia. Una familia que gane \$31,000 al año, por ejemplo, podrá recibir una devolución de \$868.

Asociación para los Niños de Pennsylvania, La Iniciativa del Analysis Fiscal del Estado, Consolidado por la Fundación Annie E. Casey

Appendix D:

IRS PowerPoint Presentation Community Based Coalitions

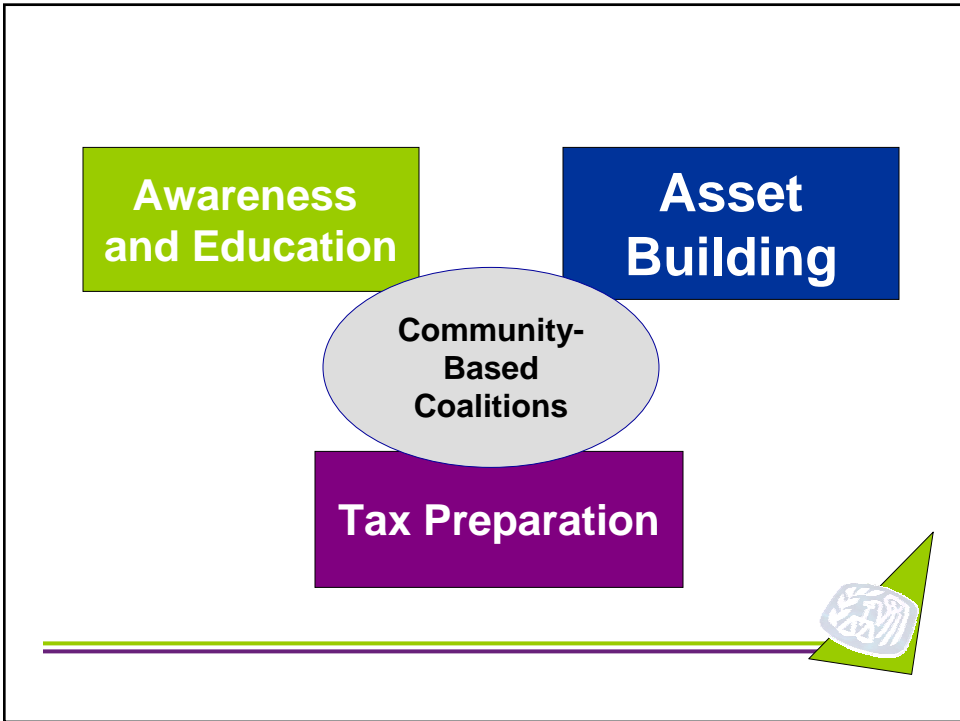
Community Based Coalitions

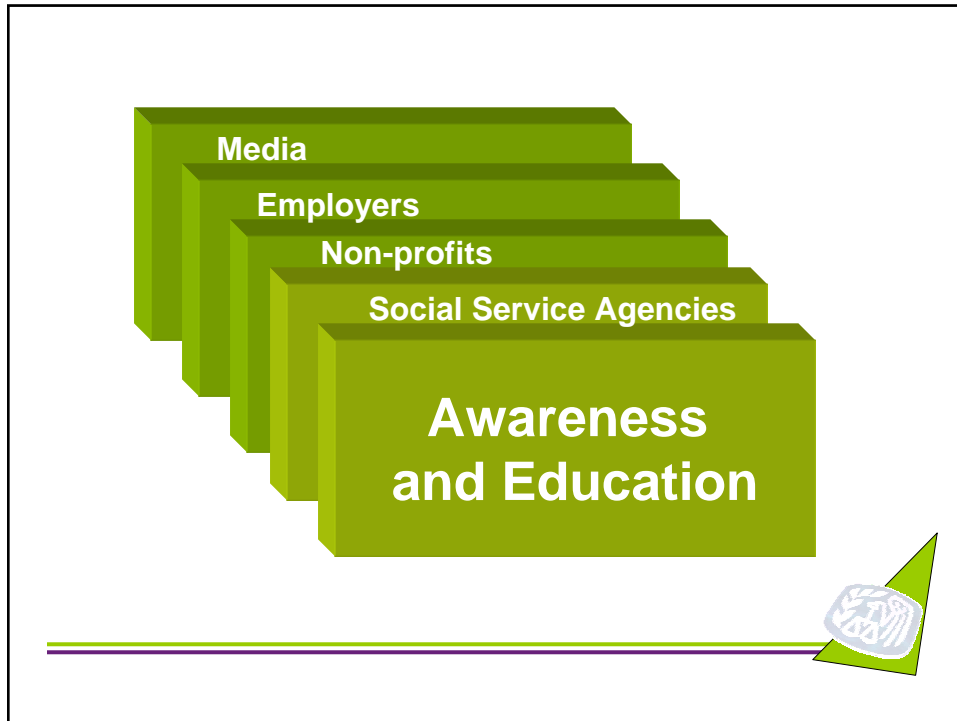
Free Tax Help

Earned Income Tax Credit

A Gateway to Self-Sufficiency

What's New





What is the Earned Income Tax Credit (EITC)?

...a federal tax benefit to help low and moderate income workers increase their financial stability.

- **Reduces taxes for workers**
- **Supplements wages**
- **Makes work more attractive than welfare**
- **Fully refundable credit**

Why call for EITC outreach?

- Limited education, language, and financial abilities
- Many taxpayers who qualify for EITC do not claim it
- Partners are uniquely qualified to reach their customers

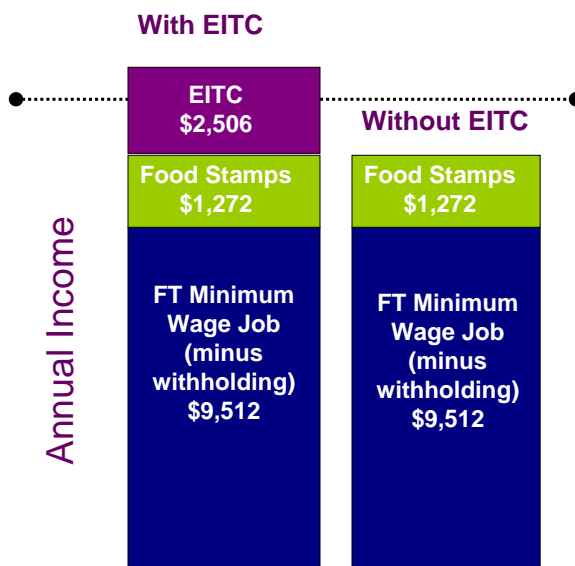


What does EITC do for working families?

- Provides a maximum credit of up to \$4,204 for working families
- Provides more than 20 million working families and individuals with average EITC refund of \$1,782



**EITC
helps
working
families
exceed
the
poverty
line***



**Brookings Institution 2002*

Why think locally about EITC?

- **EITC remains the single largest federal aid program for working families.**
- **EITC provides more \$\$ to working families than other federal programs**



EITC + Savings = Assets



Why is there a need for action around EITC in Pennsylvania?

- **Barriers to understanding eligibility**
- **National efforts in the past have not worked**
- **Up to 25% of eligible workers do not claim EITC**



Economic impact of the EITC on Pennsylvania

5,705,690 - total returns filed

673,202 - returns claiming EITC

\$1,056,863,354 - total EITC

**\$1,569 - average amount EITC per
return**



Potential impact of EITC on Pennsylvania

**40,167 potential new EITC
recipients**

\$63,022,023 in EITC refunds



What is the Child Tax Credit?

- \$600 for each qualifying child
- Partially refundable starting in 2001
- Working families can receive ***BOTH*** the Child Tax Credit and the Earned Income Tax Credit in the same year.



Tax Preparation

Free Tax Preparation

Volunteer Tax Prep Sites

Electronic Filing

Earned Income Tax Credit

Child Tax Credit



Wide range of opportunities

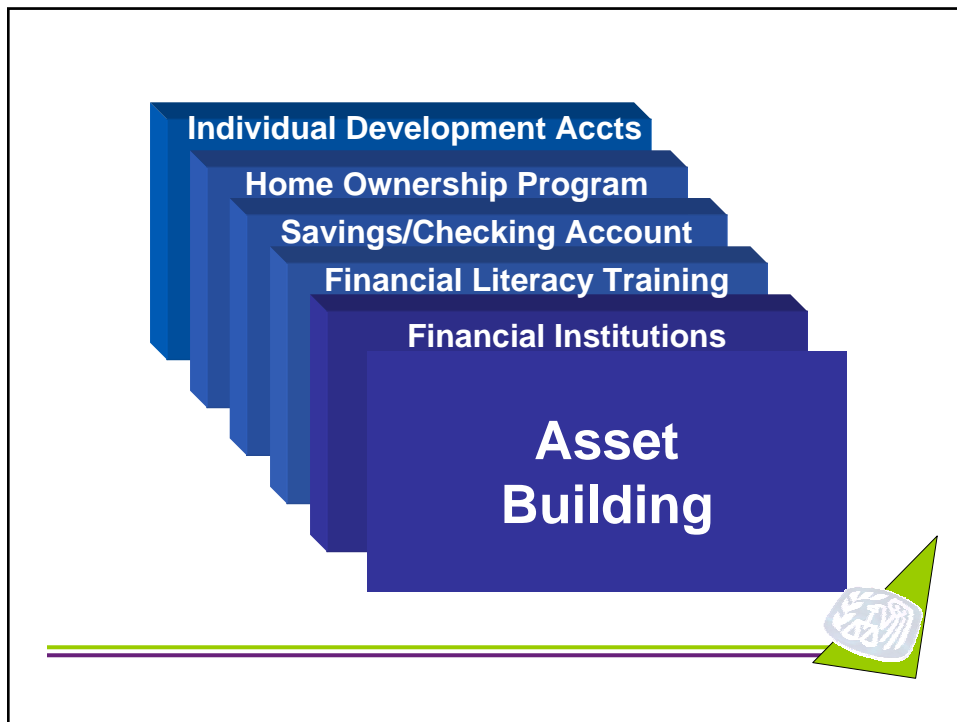
- **Recruit volunteers to serve at assistance sites**
- **Train volunteers to prepare simple tax returns**
- **Manage return preparation site in your neighborhood**



Community-based coalitions

- **Community organizations with common interests or a shared commitment of helping working families**
- **Coordinate existing activities of multiple organizations**





Assets...

- **Provide greater household stability**
 - **Increase community/civic involvement**
 - **Increase the wealth of neighboring communities**
 - **Enhance well-being of next generation**
-

EITC can be a gateway to self-sufficiency

Coalitions:

- **Use EITC as gateway to affordable, accessible financial services**
- **Help to obtain bank accounts**
- **Provide financial literacy training**
- **Provide tools and opportunities to assist families in buying a home**



Linking the pieces...

Awareness – reach eligible families that currently don't claim the Credit

Free Tax Prep – preserve the value of the Credit

Asset building – introduce financial literacy into the picture



Why is IRS interested in community-based coalitions?

- **Ensure taxpayers have the correct tax liability—including credits**
- **Generate a stronger outreach in communities**
- **Shared mission with many local and national organizations**



What can Pennsylvania do to help?

- **Strengthen the partnership by joining!**
- **Involve government, business and community leaders**
- **Distribute EITC educational materials**
- **Sponsor/coordinate a tax prep site**
- **Share excess computers, printers, materials**



Next Steps...

- Schedule the next meeting
- Determine 1st year and subsequent goals
- Develop an action plan
- Decide on a name for the coalition
- Recruit other organizations
- Locate assistance sites and recruit volunteers
- Train volunteers



Community Based Coalitions

George C. McGriff Jr.

Internal Revenue Service

Senior Tax Specialist

Stakeholder Partnerships Education and
Communication (SPEC)

215-861-1697

George.C.McGriff@irs.gov



Appendix E:

Impact of EITC on Public Assistance Presentation

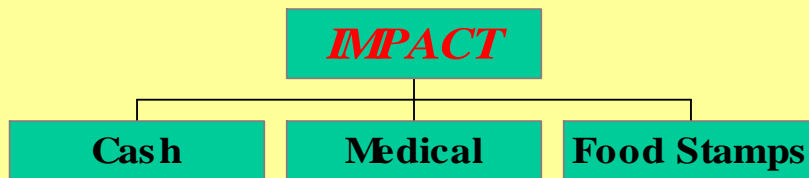
George Missett, *Public Welfare Administrator*

George Missett

Public Welfare Administrator

Department Of Public Welfare
Luzerne County CAO

Earned Income Credit



Client Responsibility For All Programs

- To report changes within **10 calendar days** of the change.

Cash Assistance

Cash Assistance Handbook **INCOME**

- **150.5 INCOME EXCLUDED IN COMPUTING ELIGIBILITY**
- The CAO will **not count** income from certain sources when determining a budget group's eligibility and monthly assistance payment. 55 pa.Code (183.24)
- The CAO will verify and record the reason for excluding certain income. It may be necessary to verify the amount of the excluded income.

THE FOLLOWING INCOME IS EXCLUDED for Cash Assistance:

AN INCOME TAX REFUND AND EIC WILL BE EXCLUDED AS INCOME AND A RESOURCE IN THE MONTH OF RECEIPT AND THE FOLLOWING MONTH.

EIC AND TAX REFUNDS WILL CONTINUE TO BE COUNTED AS A RESOURCE IF RETAINED INTO THE SECOND MONTH FOLLOWING MONTH OF RECEIPT.

55Pa. Code (183.24)

Resource Limits

Cash Assistance

GA- 1 person \$250
2 or more recipients-\$1000

TANF

Family - \$1000

Mrs. Jones, a TANF recipient receives an EIC in the amount of \$1,200 on 2/12/04.

- ✓ She reports receipt to her caseworker within the required 10 day time period.
- ✓ The income has no immediate effect on the cash benefits for 2/04 or 3/04.
- ✓ The case worker records the information in the case narrative and sets a control to contact Mrs Jones in 4/04.
- ✓ In 4/04 Mrs. Jones reports and verifies that she has exhausted her EIC below the resource limit of \$1000. (No effect on benefits)

Medical Assistance (Medicaid)

Medicaid

Considered a Resource only

TANF Related Medicaid:

Applicants/Recipients with Natural or Adoptive children under age 21 will have their resources excluded

GA-Related Medicaid

The EIC will be **excluded as a resource in the month of receipt and the following month**

SSI-Related Medicaid

Any Balance remaining after the month of receipt is treated as a resource

Food Stamps

EIC is excluded for 12 months as a resource

Food Stamp

Resource Limits

- **\$2,000** per household
- **\$3,000** for a household with a member 60 years or older, or a disabled member

**Need more info?
Refer to ...**

**[http://www.dpw.state.pa.us/oim/oim
GetExtraMoneyFromIRS.asp](http://www.dpw.state.pa.us/oim/oimGetExtraMoneyFromIRS.asp)**

Appendix F:

Financial Stability - FDIC

REGION III - EARNED INCOME TAX CREDIT OUTREACH MEETINGS
February 12th & 18th, 2004
Luzerne Community College and Penn State/Great Valley Campus

**“Promoting Financial Stability &
Homeownership Opportunities
Through Education and Savings”**

Presented by

Federal Deposit Insurance Corporation
U.S. Department of Labor Women’s Bureau
U.S. Dept. of Housing & Urban Development

1

Presentation

- The Financial Literacy & Security Initiative (FLSI)
- Financial Literacy
- **FDIC/HUD Financial Education MOU**
- **FDIC Money Smart Program**
- **FLSI Partnership Money Smart Plus Demonstration**
- **Tips on Starting or Enhancing Financial Literacy Training with Money Smart**
- **Q&A**

2

PRESENTERS

- Lucia Bruce, Program Development Specialist
U.S. Department of Labor Women's Bureau
Philadelphia Office (215) 861-4863
bruce-lucia@dol.gov
- Valerie Williams, Community Affairs Officer
Federal Deposit Insurance Corporation
NY Office (917) 320-2621
vwilliams@fdic.gov
- S. Van Williams, Operations Specialist,
U.S. Dept. of Housing & Urban Development
Philadelphia Office (215) 656-0616 x3307
sheppard_v._williams@hud.gov

3

WHAT IS THE FINANCIAL LITERACY & SECURITY INITIATIVE (FLSI)

- FLSI WAS FORMED AS A LOCAL FEDERAL INTERAGENCY COLLABORATION DESIGNED TO HELP PROMOTE AND SUPPORT FINANCIAL LITERACY



4

WHAT IS FINANCIAL LITERACY?

- Financial literacy is an important fundamental tool that helps us make informed and practical decisions about our every day financial needs.
- Financial literacy provides the foundation for saving and investing wisely.
- It is the basis for using credit and money responsibly and building a secure future.
- Begin training at early age to help develop life-long money management skills
- It's never too late to learn how to develop these important skills.

5

FINANCIAL LITERACY PROGRAMS FOR PUBLIC & ASSISTED HOUSING RESIDENTS

- Financial literacy programs are essential to assisting residents achieve economic self-sufficiency.
- Sound financial education training incorporated into ROSS, FSS and WtW programs will help residents:
 - develop/strengthen their money management skills
 - establish good credit and savings, and
 - increase their housing options as their financial outlook improves.

6

HUD'S STRATEGIC SUPPORT OF RESIDENT ECONOMIC SELF- SUFFICIENCY

Workforce Development Initiatives:

- ROSS
- FSS
- Neighborhood Networks
- Youthbuild
- HOPE VI Community Supportive Services
- Moving to Work
- Homeownership Supportive Services

7

FDIC/HUD Money Smart MOU

- In June 2002, FDIC & HUD signed a Memorandum of Understanding (MOU) to establish a national partnership to promote financial education using FDIC's Money Smart Program. The goals:
 - Enhance resident money management skills
 - Create positive banking relationships
 - Achieve economic self-sufficiency

8

FDIC

National Need, Focus & Resources for Financial Literacy & Education

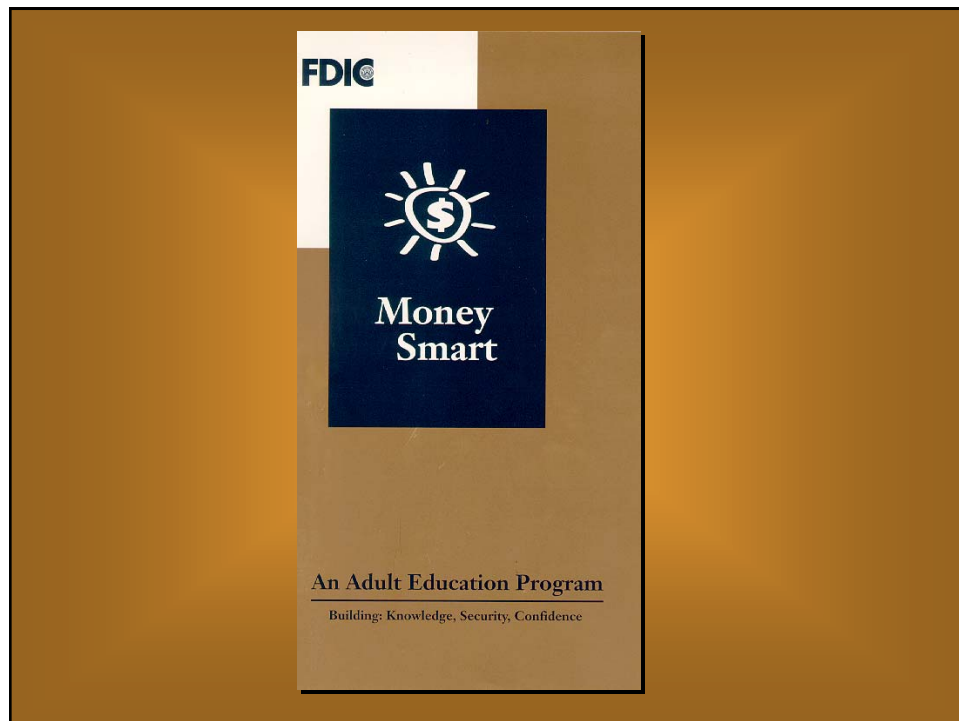
Valerie Williams, Community Affairs Officer

FDIC

National Need, Focus & Resources for Financial Literacy & Education

Valerie Williams, Community Affairs Officer

1





What is the Federal Deposit Insurance Corporation (FDIC)?

- Insures Deposits up to \$100,000
- Promotes Safety and Soundness of insured financial institutions
- Regulates financial institutions for compliance with consumer laws and regulations
- Facilitates community development efforts

3



Why is the FDIC Involved in Financial Education?

- To Help Fight Predatory Lending
- To Encourage Financial Institutions to Identify Untapped Markets
- To Assist Consumers In Shaping Their Financial Future

4



Why is the FDIC Involved in Financial Education?

To Help Fight Predatory Lending

FDIC Predatory Lending Forums

- Held in 8 FDIC Regions in 2000
- Audience
 - Bankers
 - Community Leaders
 - City and State Officials
 - Residents
- Participants identified Problems and Recommended Solutions

One Recommendation: Consumer Education



Why is the FDIC Involved in Financial Education?

To Encourage Financial Institutions to Identify Untapped Markets

Unbanked or Cash Consumers

- According to recent studies, 8 - 12 million households in the United States do not have banking accounts
- Reasons why persons/households are unbanked
- Where do the unbanked go for financial services



Why is the FDIC Involved in Financial Education?

To Encourage Financial Institutions to Identify Untapped Markets

Unbanked or Cash Consumers

- Changing Demographics
- Census Bureau numbers show increasing Hispanic population
- Census Bureau and INS also indicate expected population growth from Asia

7

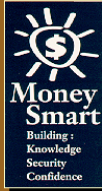


Why is the FDIC Involved in Financial Education?

To Assist Consumers in Shaping Their Financial Future



8



What is Money Smart?

- Comprehensive guide for instructors
- Take-home booklet for participants
- Duration of each module - about 60 minutes

9



What is Money Smart?

10 instructor-led training modules covering basic financial topics

1. Bank on It

2. Borrowing Basics

3. Check It Out

4. Money Matters

5. Pay Yourself First



Why You Should Save, Save, Save

6. Keep It Safe

7. To Your Credit

8. Charge It Right

9. Loan to Own

10. Your Own Home



What Home Ownership Is All About



10 Reasons Why Money Smart Is Unique

- 1 Easy to teach
- 2 Easy to learn
- 3 Flexible
- 4 Targeted to cash consumer
- 5 Universal appeal
- 6 No copyrights
- 7 Multiple media
- 8 Multiple languages
- 9 FDIC seal of approval
- 10 Free!

11



After Two Years, Here Is What People Have to Say about Money Smart

"...With the bank's support, low-to moderate-income people can be more financially literate and therefore can make better choices regarding their money"

"The Money Smart Curriculum is so versatile, you can use it with many different programs. We plan to offer it through all of our area branches in partnership with community organizations."



Bankers

12

Financial Literacy & Security Initiative
(FLSI) Local Collaboration:

MONEY SMART PLUS

A Training Demonstration in Philadelphia
Neighborhood Networks and CareerLink
One Stop Centers

1

The Financial Literacy & Security Initiative

List of Alliance Partners for Philadelphia Model

- Beneficial Savings Bank
- CareerLink Consortium in Philadelphia (One Stop Center)
- Federal Deposit Insurance Corporation (FDIC)
- Internal Revenue Service (IRS)
- Interstate Realty Management Company, Inc
- HUD Neighborhood Network Centers
- Social Security Administration (SSA)
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Labor (DOL)
 - Women's Bureau (WB)
 - Employee Benefits and Security Administration (EBSA)
 - Employment and Training Administration (ETA)
- Women of War Ministries

2

The Partnership Philosophy

- All of the partnering agencies and affiliated organizations realize that there are so many constituents who lack financial literacy and do not take advantage of important programs and services that could help with acquiring basic money management and credit skills.
- Our constituents are in need of a simple and user-friendly process that will help them develop a financial decision-making foundation and maximize their earning potential.
- This interagency initiative is an outreach effort among local community stakeholders to participate in a project that will benefit underserved communities and help educate residents to become better consumers and savers for the future.

3

About the Partners (cont'd)

- Members of the Money Smart Plus alliance enhance community outreach and education by offering services that complement the FDIC curriculum.
- Bank partners such as Beneficial Savings Bank link Community Reinvestment Act (CRA) dollars to the education initiative through their commitment to conduct basic education sessions on banking products and services. Beneficial Savings Bank hosted FDIC "Train the Trainer" Money Smart sessions which were attended by faith and community-based organizations, and bank staff. These committed bank partners demonstrate a strong desire to create an easy transition for the non-banked individual to become banked.
www.beneficialsavings.com

4

About the Partners (cont'd)

- America's One-Stop Career Center System connects employment education, and training services into a coherent network of resources at the local, state and national level. The system links the nation's employers to a variety of qualified applicants and provides job-seekers with access to employment and training opportunities next door and across the country. The **CareerLink Consortium in Philadelphia**, comprised of a several state and local workforce development agencies, is the operator of the **CareerLink One-Stop Centers** in Philadelphia, as part of the state's One-Stop employment service delivery system. www.pacareerlink.state.pa.us

5

About the Partners (cont'd)

- **The Federal Deposit Insurance Corporation's (FDIC)** mission is to maintain the stability of and public confidence in the nation's financial system. To achieve this goal, the FDIC was created in 1933 to insure deposits and promote safe and sound banking practices. www.fdic.gov
 - The core of our local financial literacy pilot project is the FDIC Money Smart curriculum, which is an educational tool structured to help low-income communities better understand financial services and to improve their financial skills in order to become homeowners or to stabilize their homeownership.

6

About the Partners (cont'd)

- **HUD's Neighborhood Networks Initiative** is a community-based program created by HUD in 1995. Through innovative private/public partnerships, NN establishes multi-service community technology centers that bring digital opportunity and life-long learning to low-and moderate-income residents living in multifamily assisted and/or insured housing, and public housing sites.
www.hud.gov/offices/hsg/mfh/nnw/nnwindex.cfm
- **Internal Revenue Service (IRS)** sponsors the **Volunteer Income Tax Assistance (VITA)** program, trains volunteers to freely assist disenfranchised individuals with tax preparation, W-4 form preparation and provides responsive information, training materials and tax forms. Locally, the **VITA program** has mounting support from the community specifically for the federal **Earned Income Tax Credit (EITC)**.
www.irs.gov

7

About the Partners (cont'd)

- **Social Security Administration (SSA)** offers group and individual counseling on financial planning through awareness of Social Security Insurance, Disability Insurance, Medicaid and other benefit services.
www.ssa.gov
- **HUD** – promotes homeownership by underwriting for lower and moderate-income families through its FHA insurance programs and by supporting first time home-buying information and programs through local municipalities and organizations. www.hud.gov
- **U.S. DOL's Region III Women's Bureau (WB)** promotes the welfare of wage earning women through policy and programs that enhance the "Strengthening the Families Initiative" which includes issues on financial security for families and working opportunities for women.
www.dol.gov/wb

8

About the Partners (cont'd)

- **U.S. DOL's Employee Benefits Security Administration (EBSA)** helps workers and employers understand their rights and protect their employee benefits, health and retirement plans. www.dol.gov/ebsa
- **U.S. DOL's Employment & Training Administration (ETA)** mission is to contribute to the U.S. labor market by providing high quality job training, employment, labor market information, and income maintenance services primarily through state and local workforce development systems. ETA seeks to build up the labor market through the training of the workforce and the placement of workers in jobs through employment services. It is responsible for the national policy on workforce development services and the development and administration of the One-Stop Career Center System. www.doleta.gov

9

About the Partners (cont'd)

- **The Women of War Ministries** is a non-profit faith-based Christian women's ministry.

10

OUR LOCAL FEDERAL INTERAGENCY COLLABORATION

FLSI **HOW WE GOT STARTED**

11

OUR LOCAL FEDERAL INTERAGENCY COLLABORATION HOW WE GOT STARTED

THE WOMEN'S BUREAU OUTREACH TO THE WORKFORCE INVESTMENT ACT (WIA) FEDERAL PARTNERS

1. **Mission**
2. **Strengthening the Family Initiative**
3. **Stats and Data on Women in the Workforce**
4. **Initial Idea for the Financial Literacy Project**

12

EXPANSION OF OUTREACH TO LOCAL COMMUNITY STAKEHOLDERS

- **Expansion Details**
 - What organizations?
 - What will they bring to the table?

13

MONEY SMART PLUS HIGHLIGHTS OF THE PHILADELPHIA NN MODEL

- 1. Pilot Sites/Infrastructures/Training Formats**
 - Neighborhood Networks Center
 - PA CareerLink One Stops
- 2. Timeframe**
 - Two different types of training environments/tracks
 - 1st Pilot program begins
 - 2nd Pilot begins
- 3. Tools/Resources**
 - Intake Forms—output mechanism
 - Money Smart Curriculum Evaluation—Output mechanism
 - Resource Materials from each agency

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Intake Form

(Output mechanism)

1. I have a Checking account yes___ no___
2. I have a Savings account. yes___ no___
3. I have a Retirement savings. yes___ no___
4. I have a Credit Card. yes___ no___
5. I have too much debt. yes___ no___
6. I own a home. yes___ no___
7. I have a job with a health plan. yes___ no___
8. I have a job with a pension plan. yes___ no___
9. I understand my rights under an employer sponsored pension and health plans. yes___ no___

15

Intake Form (cont'd)

10. I understand about paying Social Security (FICA) taxes. yes___ no___
11. I understand how many work "credits" I need (and currently have) to be insured for Social Security benefits. yes___ no___
12. I understand the information on my individual "Social Security Statement." yes___ no___
13. I understand the benefit eligibility requirements for me and my family members to file for any Social Security and Supplemental Security Income (SSI) benefits that we are currently entitled. yes___ no___

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Money Smart Plus Curriculum

IRM Neighborhood Network Centers

Week One

Assessment: Using Passkey
Keyboard Skills Test
Pre-Money Smart Survey
Overview to Money Smart
Overview of Job Readiness Course

Week Two

Introduction to Keyboarding Mavis Beacon
Introduction to Computer History
Money Smart (Bank On It)

Week Three

Keyboarding with Mavis Beacon
Introduction to Windows 98
Passkey skills follow up
Money Smart (Borrowing Basis)

Keyboarding with Mavis Beacon
Saving files on a floppy disk
Introduction to Microsoft Word
Money Smart Assignment
(All students will obtain a copy of their credit report)

Toolbars, Icons Office Assistant, Clip Art and Word Art
Money Smart (Money Matters Budget)

Week Five

Keyboarding with Mavis Beacon
Preparing and Printing assigned projects
Using spell check
Money Smart (Check It Out)

17

Money Smart Plus Curriculum

IRM Neighborhood Network Centers

Week Six

Keyboarding with Mavis Beacon
Introduction to Numeric Keypad
Introduction the Internet and e-mail
History/Terminology
Using search engines: Utilizing the Internet for research and job search
Money Smart (Pay yourself first)

Week Eleven

Keyboarding with Mavis Beacon
Passkey skills review
Power Point project #2 completion
Complete resume
Review all areas Operating System, Keyboarding, and Power Point
Money Smart Project Due: (Budget completed in Excel)

Week Twelve

Resume Review
Internet job search
Review areas Money Smart Topics:
IRS presentation

Week Thirteen

Final Examination
Post Money Smart Survey
Programs and Invitations created by the students
SSA and PWBA Presentation
GRADUATION!!

18

Money Smart Plus Curriculum

PA CareerLink One-Stop Centers

- 1st 10 weeks covered the Money Smart Program using the 10 training modules
- The last 3 weeks covered oral presentations by representatives of:
 - Financial Institution
 - Social Security Administration
 - Employee Benefits Security Administration
 - Internal Revenue Service

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MONEY SMART PLUS

HIGHLIGHTS OF THE PHILADELPHIA NN MODEL

- **Benchmarks For Measuring Results of Initiative:**
 - Number of customers/clients who follow through on a financial goal that was established as a result of completing the training
 - The number of trainers trained.
 - The number of train-the-trainer sessions conducted.
 - An evaluation of the pilot with recommendations based on lessons learned.
 - Increase the number of faith-based and community-based organizations to use the financial education program Region III.

20

Benchmarks (cont'd)

- A successful program that will be a continuous education process after the pilot program is completed.
- A professional brochure will be designed to instruct other Neighborhood Networks Centers and One Stop Centers in the USA on how to institute a Financial Security and Literacy program such as the Philadelphia Model: **Money Smart Plus**.

21

EARLY OUTCOMES & INDICATORS:

1. Interstate Realty Management has instituted the **Money Smart Plus** curriculum in the basic education programs of their Neighborhood Networks Centers in Philadelphia
2. As of January 2004, there has been a total of 100 graduates for the **Money Smart Plus** programs. Sixty-three from the Neighborhood Networks Centers, Thirty from Project H.O.M.E., and Seven from PA CareerLink On-Stops. Each graduate received a Certificate of Achievement from the Financial Literacy & Security Initiative (FLSI). Literacy and Security Initiative (FLSI).
3. The Internal Revenue Service has completed **VITA** site training at two of the Neighborhood Network Centers.
4. Five Money Smart graduates have become certified under the IRS **VITA** program to file income tax forms for local residents.
5. At those two **VITA** sites, income tax help was provided twice at each location during the month of March and April 2003. A total of 8 residents and neighborhood constituents were assisted.

22

EARLY OUTCOMES (cont'd)

6. Sixty partners and staff have completed two train-the-trainer sessions with FDIC, EBSA, SSA and IRS.
7. Women of War Ministries has provided training of the Money Smart Curriculum at the PA CareerLink and Project H.O.M.E.
8. Women of War Ministries has developed their own **Money Smart Plus** program in Lansdowne, PA. Their partners are the Department of Public Welfare and First Union Bank. The Faith-Based group has instituted the program and has drafted a How-to-Guide for faith-based organizations and One-Stop Centers.
9. Beneficial Savings Bank has train 30 of their representatives on the Money Smart curriculum. The Bank is working to build an alliance with Ceiba and Citizens Bank. Several of Beneficial Savings Bank Money Smart trainers are bilingual and will be able to teach the course in the Hispanic community.

23

EARLY OUTCOMES (cont'd)

10. On May 6, 2003, Project H.O.M.E. had a **Money Smart Plus** graduation.
11. *On May 8, 2003, the Financial Literacy and Security Initiative (FLSI) won the Federal Executive Boards' Excellence in Government Gold Medal Award for the best Community Service program.*
12. The early indicators show that the **Money Smart Plus** program was doable, essential and should be a core curriculum offered in life skills and employment training programs.

24

Tips on Implementing
Financial Literacy Program
Money Smart Plus

25

QUESTIONS &
ANSWERS

26