



"Tools for Success" webinars for Assets for Independence grantees:

Tax Time Savings with the EITC

Thursday, January 30th, 2014
2:00-3:00pm EST

Dominique Derbigny: Good afternoon everyone and welcome to our webinar, Tax Time Savings with the EITC. This webinar is the next in our series of Tools for Success webinars designed for Assets for Independence grantees and sub-grantees. My name is Dominique Derbigny and I'd like to welcome you to our conversation today.

So before we start with the presentation I'd like to start with a few housekeeping items. If you're having problems dialing in, you can listen through your computer using speakers or connecting to a headset. If you're having technical difficulties, such as trouble connecting to the visual portion of this webinar, send us an email and we'll send you the PowerPoint presentation as an attachment so that you can follow along. The email address is tmurphy@cfed.org.

I'd just like to make sure that everyone is aware that this webinar is being recorded so you'll be able to review it on demand. You will receive a follow-up email in a week or two with details on how to access the recording. We often get the question if the PowerPoint will be available, so yes it will, don't worry, you won't miss anything. We'll also send a copy of that PowerPoint via email.

We realize that some of you on the call may not yet be AFI grantees so we want to provide you with information about the program. The Assets for Independence program, or AFI for short, is the largest source of funding for IDA programs nationally. To learn more about AFI, including how to apply, visit www.idaresources.acf.hhs.gov.

We also want to encourage you to attend an upcoming orientation webinar, Planning an AFI Project, scheduled for Tuesday, February 18 from 2 to 3 PM. You can register for that webinar at the IDA Resources website as well.

So now that we've gotten those housekeeping items out of the way, I'd like to introduce our two guest speakers for today's webinar. Our guest speakers for today are Carol Atwater from United Way of Forsyth County in North Carolina. Carol is the Director of Community Planning and Investment where she manages United Way's financial stability and asset-building work. And, Barbara Johnson from Experiment in Self Reliance, a partner of United

Way of Forsyth County. Experiment in Self Reliance runs both an IDA program and a VITA program and can talk more about this type of collaboration and its potential benefits.

And this is me, I'm Dominique Derbigny. I work for the AFI Resource Center. The AFI Resource Center provides training and technical assistance to AFI grantees, their project partners, and other organizations that are providing asset-building services across the nation.

So I'd like to quickly review the objectives of today's session. We will talk about what the EITC is and how to access it. We will hear from AFI grantees that have successfully partnered with VITA programs to encourage tax time savings. And we'll also discuss strategies for communicating with IDA participants about the EITC and also for collaborating with VITA programs in your community.

To begin, what is the EITC? The EITC is regarded as the nation's largest anti-poverty campaign for working families that lifts millions of people over the poverty line each year, most of them children. The EITC, or the Earned Income Tax Credit, fights poverty in two ways: by supplementing the income of low-income workers and by promoting work. So, in order to supplement the income of low-income workers, EITC supplements the incomes of workers whose wages do not pay enough to keep them over the poverty line and families experiencing a temporary decrease in their household income. If you think about it, at a maximum refund benefit of just over \$6,000, a mother with three children who earns \$24,000 a year would be receiving an income boost of 25 percent. So clearly there are some huge advantages for families, especially families in need.

The EITC also promotes work. In order to qualify, you must have earned income through employment or self-employment. The EITC has been shown to encourage work among low-wage workers, particularly among working mothers.

Additionally, some key features of the EITC are that it reduces taxes that workers may owe, so it often reduces the tax liability to zero, and then beyond, providing a refund. Even if workers don't owe taxes, they may still be eligible for the EITC. However, they have to file a tax return in order to claim payment. Nationwide, roughly 20-25 percent of eligible filers, fail to claim this credit each year. So this is why it's important that we promote the EITC and provide outreach.

I'd likely to briefly touch on a few additional tax credits that may benefit your clients and that often go hand-in-hand with the EITC, including the Child Tax Credit, the Child and Dependent Care Credit, State Earned Income Credits, and the American Opportunity Credit. We will not go into too much detail on these today, but I wanted to make sure we touched on them briefly.

With the Child Tax Credit, a client may be able to reduce his/her federal income tax by up to \$1,000 for each qualifying child under the age of 18. Families may also be able to get all or

part of any remaining Child Tax Credit as a refund through the additional Child Tax Credit, also known as the refundable Child Tax Credit.

If you're working with a client who paid for child care, for a child's spouse or dependent last year, they may be able to claim the Child and Dependent Tax Credit on their federal income tax return as well.

Several states have their own Earned Income Credits and in some instances they are refundable. Such as Maryland's earned income credit which is equal to 50 percent of the federal credit and refundable up to 25 percent of the federal credit.

Additionally, if you work with any students or parents who support students, they may be eligible for the American Opportunity Credit. Students in their first four years of higher education may qualify for as much as \$2,500, even those who owe no tax and are not required to file a return may get up to \$1,000 of the credit refunded per eligible student. In order to claim this credit, they must file form 8863, education credit, with their tax return. You can find out more information about these and other tax credits by visiting the IRS website at www.irs.gov.

Now, let's talk a little bit more about the eligibility requirements for EITC. These are the requirements for tax year 2013. As you can tell, the size of the credit is dependent on family size and income. In order to qualify for the EITC, you must have taxable earned income through employment or self-employment. It's important to note that if you're filing "single" with no dependents you must be at least age 25 but not 65 and you cannot be claimed as a dependent on someone else's tax return. It's also important to note that you must have a Social Security number to be eligible for the EITC – not an Individual Taxpayer Identification number, or ITIN, which can be used for some of the other credits such as the Child Tax Credit.

Here's a pyramid that shows in more of a visual way how the EITC benefit grows with family size and income. So, as you can see for a single filer with no dependents, there's a small benefit of up to \$487. But the amount of the benefit grows with the family size and income. The average EITC refund is around \$2,800.

So let's address some frequently asked questions about the EITC. What is considered earned income? Earned income includes wages, salaries, and tips, net earnings from self-employment, union strike benefits, and certain disability benefits before you reach minimum retirement age. Let's also talk about what's not considered earned income. Non-taxable earned income such as payroll deductions for dependent care or retirement plans, public benefits, social security, SSI or welfare, and also other forms of income such as unemployment, alimony and child support, interest on bank accounts, and investment income.

Another question, does the EITC impact public benefits? No federal tax refund counts as income for any public benefit program with federal funding. For tax years 2010 to 2012,

savings contributions from tax refunds will be excluded from determining benefits eligibility for 12 months after the refund is received. It's also important to note that for AFI, EITC is not counted as household income for eligibility but is allowable as earned income for purposes of depositing into an AFI IDA. Remember, in order to claim the EITC, your participants must file a tax return. Many people who do not have a tax liability may not file and therefore, miss out on this valuable credit.

To promote the EITC, there are Volunteer Income Tax Assistance sites across the country that provide free tax preparation services for low- to moderate-income individuals and families, and ensure that eligible taxpayers claim the EITC. VITA coalitions are often housed under United Ways, community action agencies, local state and government programs, and other nonprofits. There are over 12,000 VITA sites across the country, so there's sure to be a VITA site in your community. You can locate a VITA site by calling 1-800-906-9887 or visiting <http://irs.treasury.gov/freetaxprep/>.

So, before we move forward to our guest speakers, I just want to make sure we think of tax time as a teachable moment. Encourage participants to have taxes prepared at VITA sites – Why pay if you can get it for free? Educate them about tax credits – more money in their pockets. Also, promote savings at tax time – save some of the refund for later. There are many opportunities at tax time to promote savings and we're going to let our speakers talk more about how VITA and IDA partnerships can work.

Now I'd like to introduce our first guest speaker, Carol Atwater with United Way of Forsyth County, to talk about their EITC and IDA partnership.

Carol Atwater: Thanks Dominique, so much. I'd like to start by talking about some of United Way's asset building partnerships in the community. We've been very very fortunate in Winston-Salem to have a great history of collaboration in Winston-Salem that includes both the city, the county, businesses, nonprofits, and two major foundations.

We received our first AFI grant in 2001 and at that time we formed what was called the IDA Working Partner Group and partners included the county and city housing departments, Habitat for Humanity, consumer credit counseling, and our program administrator who was Experiment in Self Reliance. And this group continues to meet monthly to manage, monitor, and market the IDA program. We're in the final year of our third AFI grant and we're preparing to apply for another one.

Historically, our focus has been on homeownership, however, last year we added an educational component for post-secondary education. In 2005, we formed the Forsyth Working Family Partnership to leverage those relationships with the city, county, and several local nonprofits to address asset poverty by overseeing the EITC VITA program. Dominique has already emphasized the critical role that EITC plays in fighting poverty. In addition to many of the partners that were already at the table through the IDA Working Group, we included area universities and local credit unions, and a few other partners that

had a stake in the game. United Way assumed an active role as a major funder as well as an active participant in that collaborative.

The Experiment in Self Reliance, I'll just refer to it as ESR, is our local community action agency and they have played a critical role in both the EITC/VITA and the IDA programs, because they served as the program administrator, coordinator, and fiscal agent for both of these programs. In 2005, ESR was one of only eight sites in the nation to receive a grant of \$150,000 over a three-year period from the federal EITC program, and that certainly helped give our working family partnership a huge jump start. Actually, it is a tremendous benefit, both to the EITC and the IDA programs, to have both of them housed in the same agency, which is Experiment in Self-Reliance, because we feel it definitely contributes to the collaboration and provides a seamless transition from when someone actually gets that tax return refund to using it as a means of asset building – and Barbara will bet talking more about that, I'm sure.

And while we're discussing asset building partnerships, two additional initiatives need to be mentioned. In 2011, CFED – which is the Corporation for Enterprise Development – worked with the Winston- Salem funders collaborative to commission a MEOP study, and "MEOP" stands for Municipal Economic Opportunity Project. We were the first city in North Carolina to be selected for this study. And we partnered with Forsyth Futures which is a local organization that serves as a catalyst and community convener for knowledge, to develop a community profile of where our community currently stands regarding asset poverty and financial stability, where we want to be, and how we're going to go there. And we were actually quite shocked to realize that that study revealed that 39 percent of Winston-Salem households are living in asset poverty – and what that means is that if a household loses its major source of income, they will not be able to maintain their living for a period of three months. So that was kind of a wakeup call. The study not only helped us design the landscape, they also made four recommendations for strategic action and the first two were very important to us. The first was to form a Winston-Salem Forsyth asset building coalition to continue the work of this team. And the second one was to help more residents to claim the EITC. And all the partners that I've been talking about who have been at the table for these other partnerships were absolutely critical in going forward with these two initiatives.

Our asset building coalition was formed in 2011. We're still pretty much in the strategic planning process of discussing branding, what is our role in the asset poverty to asset wealth continuum, who else needs to be at the table? We meet monthly and it is critical for the ongoing communication and collaboration between the partners as to who is doing what in the asset building arena, and to promote the EITC/VITA program, to promote IDAs. Anyway, we realize that we're only reaching about 2 percent of those eligible with the EITC/VITA program and so we're really using that network of partnerships to help get the word out.

This slide talks about who our major United Way core partners are in our asset building work in the community. Goodwill Industries plays a critical part in job-readiness and job search, and they work on resume building and updating, applying for jobs online, interview

preparation, and career counseling. Financial Pathways to the Piedmont, which was formerly called Consumer Credit Counseling Services, is really critical to the financial education and services piece. They work with budgeting and credit counseling, debt management and repayment programs, assistance in obtaining and reviewing credit reports, foreclosure prevention and housing counseling, and special services for seniors through the senior financial care program. And as we've mentioned, our partner Experiment in Self-Reliance is absolutely critical because they provide not only the management and the oversight for the EITC/VITA and the IDA programs, they also have a wealth of self-sufficiency programs to help develop and implement personal plans to help individuals and families become self-reliant. They also provide vocational education, housing, childcare, and transportation. Another partner is Family Services with their "Ways to Work" program. Transportation is somewhat of a challenge in our community and what Family Services does through Ways to Work is they have a loan program for working parents to afford to purchase a car at low, fixed-rate and for those who would not otherwise qualify for low-interest loans and right now the interest rate is 8 percent for an interest rate on a loan up to \$6,000. And then we also partner and disseminate information with the Department of Social Services, for WIC, SNAP, and other benefits. And NCFast is a new software program that North Carolina has rolled out to help coordinate benefits.

I just want to talk a minute before turning it over to Barbara about our outreach efforts for EITC/VITA and for IDAs, and our other asset-building programs. This year we have 11 VITA sites in the county. They are open six days a week, including evenings and Saturdays and can accommodate both walk-ins and appointment only. We received a grant from the Wal Mart Foundation for online "my free tax" software preparation and actually we've been very fortunate to receive grants from the Wal Mart Foundation since 2009, so we've been working with them for the last five years. In 2011, we used this money to produce a CD both in English and Spanish describing the asset-building resources that I just outlined on the previous slide. We've used the CD at VITA sites, so while people are waiting to have their taxes prepared they can get an overview with handouts of all the different asset-building programs that we have available and we can also use it at other venues as an educational and promotional tool.

The prosperity center is the United Way break-through initiative that started five years ago and what it does is provide an integrated service delivery point for all of our asset-building work. Goodwill Industries is a leading partner along with Financial Pathways and the Experiment in Self-Reliance. Two years ago we were also, through federal grants, able to add rapid re-housing intake coordinators and we've also partnered with Forsyth Community Technical Community College to offer GED, computer, and ESL classes. It's also a job-link site, it has free internet access, computer, fax, everything that people need to do the job search and to help them with financial counseling. The Prosperity Center is also one of our VITA sites and it's open four days a week, including evenings and Saturdays, and we also offer bilingual tax preparers and coaches on site.

Last, what I'm going to talk about is one of our most exciting and innovative ways of outreach and that's our Mobile Prosperity Point, which takes our integrated service delivery

model on the road and to underserved areas of our community. United Way of Forsyth County was one of eight United Ways across the country to receive a Wells Fargo Financial Capability grant to promote asset-building and financial education. Currently we're releasing the job link unit from our local Piedmont Triad regional councils and we were able to use this as the VITA site last year during the entire tax season, and also use it for special events such as the "IDA American Dream Weekend," the "Point in Time/Project Homeless Connect" events for the ten year plan to end chronic homelessness, the Juneteenth celebration, so we've been able to get it out into the community quite a bit and promote tax program, IDA, and all of our asset-building programs.

Since April, we've stationed the mobile unit at the Bethesda Center for the Homeless for rapid re-housing coordinating intake, for job search, and for financial literacy classes that are put on by Financial Pathways. The Mobile Prosperity Point has received national recognition both from the Wells Fargo Foundation and the Wal Mart Foundation and in August, our collaborative, which consists of United Way of Forsyth County, Experiment in Self-Reliance, and the Piedmont Triad Regional Council, was recognized by the National Association of Development Organizations, or NADO for short, at its conference in San Francisco with the 2013 Innovation Award for taking our EITC/VITA program, financial education, and other asset-building work out into the community. So we're really happy about that. The mobile unit that we're leasing from Job Link should be back on the road during this tax season. We're also partnering with eight local high schools to prepare taxes in conjunction with their FAFSA days. And we're currently, just as of this week, in active negotiations with a local vendor to customize a second mobile unit to further extend our outreach to the underserved areas of our community. So with that, I will turn it over to Barbara to tell us all the great work EITC is doing with the IDA program and the Experiment in Self-Reliance.

Barbara Johnson: Thank you, Carol. Good afternoon, everyone.

Dominique Derbigny: Real quick, Barbara. I'm sorry, before I introduce you, I just wanted to remind everyone that you're able to send your questions at any time during this presentation using the questions box on your GoToWebinar control panel that you see on the side of your screen. So after the presentation, we'll try to answer as many of your questions as we can. I also just wanted to thank you, Carol, for sharing information about your partnerships with other asset-building programs. I'm sure that information will be very useful for those of you on the call. And now I'd like to introduce Barbara Johnson from Experiment in Self-Reliance so Barbara can tell us more about how the project really works on the ground and how you're able to promote both EITC and IDAs during tax time.

Barbara Johnson: Thank you, Dominique. Good afternoon, everyone. First, I'd like to say that ESR is a community-action nonprofit organization. We have been in existence for 50 years – this year we will be celebrating our 50th year, and we have seen several programs out in our community from inception through progress. The IDA program and the EITC/VITA program are a couple of programs that are very near and dear to our hearts at this particular time. As Carol mentioned earlier about all of the partnerships and about the asset-poverty in

our community, those are things we are very serious about wanting to target and make sure that we can have an active part in helping to bring a solution to this in our communities.

ESR believes in helping those who are helping themselves. We do work with the working low-income and the chronically homeless individuals that are in our communities. They have to have some skin in the game, so when they bring something to the table, we walk when they walk, we stop when they stop, and we run when they run. We're right there beside them to be able to help them and we do that through their success plan.

Our linking of our EITC and IDA programs is almost non-thinking, it's ideal because you have the entry there at EITC – that's time that most of our target audience is going to get the largest amount of money in their hands and not know what to do with it. So what better way than to help them help themselves? We like to look at these things as an entry way to bigger things in their lives, goals that they may have set and thought they may never be able to obtain.

So we like to have what we call "One Stop Shop Methodology." We like to have at our super sites – and these are the sites that we prepare taxes at that are larger sites – that we may be able to have coaches come in and talk to our people as they're going along to getting their taxes done. What a great way, that's a captive audience. With that, we have the "Asset Toolbox." All of the organizations and services that Carol mentioned earlier, we like to set that up so that all of our people are able to understand what they may be eligible for. There are a lot of individuals in our community that are not aware of the things that are out there that they may be eligible for. So what we try and do is we try and put all of that into one place. We normally do a flier, and Carol and them have been so graciously good to develop these looping videos that are going to be playing in the lobbies so not only are they going to be hearing it, but they also have the hard copy. If there's something on there that they are interested in or might want more information on, there is someone there to help them and they have contact information on those fliers and stuff as well. There at the shops they can get the electronic filings of their tax returns, get their federal and their state done. Most times, we run into individuals who may try to do their own or they may have had someone else do them and they can get the federal one done for free but they have to pay for the state.

So they come to us and they want this service done, they have realized that we do a great job and it's efficient and so we have built up a lot of clientele that way. The glory of the sites is that it's not one way. So whether you'd like to prepare your taxes and you're used to preparing your taxes, we have a website in which you can go online and prepare your taxes yourself – just as if they were using TurboTax or anything like that through precise tax free website. Also, if they want to dabble and dabble a bit and work with preparing their taxes we have IRS-certified coaches who can assist them at certain sites where they can sit at the computer themselves and prepare their own taxes with some assistance. And of course the one-on-one where they can have the tax preparer prepare the taxes for them – so that's a great benefit there. They also have access to the banks, information about all of our programs and agencies, and the financial coaching piece.

So we're going to talk about that. We're going to talk about that because part of our asset-building toolbox – when you have all of these programs looking someone in the face, they don't know how these can benefit them or what they're about – and that's when you have asset-building coaches that come around and can talk to these individuals. If someone is interesting in something they can talk to them on the spot about it. And let's just say that they're not ready at that particular time but they want a little bit of information about stuff, they have brochures there for them for individual services and programs that we hold in the community. Also, we can give them a card – a call-me-later card. If they fill that card out and put their number and contact information on there, we can follow up with them later down the line and send them information, or maybe have them come in and talk with one of the coaches and see what goals they have in mind and what things they would like to do and where they would like to go with it. That is very important. The key is right there, before they get money in their hands, we're able to have the coaches speak with them. We're able to have them start to talk with them about different things. Now, the good thing about that is there are several different points of contact that we encounter with the participants and the clients as they come through our doors, and we'll talk about that on the next slide.

That also leads to the opportunity for us to start planting the seed. If they may have never thought about owning a home, since IDA is what we're doing here, maybe if there's something else they would like to do but never saw a way to do it. With some of our partner linkages, we can assist them with that. We like to know, have you seen your client's credit report this year? There's a ton of people who have never seen their credit report before, so they don't know why they can't get services, they don't understand why they're turned away from landlords or even jobs, because they've never seen what's on their credit reports – they don't know how to read it. We have partners that are able to do that for them. At some sites, we've even been able to pull that credit report for them and help them that way, assist them that way. We like to make sure that once they have gotten their credit reports and they've looked at it, if there's something on there that they need help with, we need to point them in the right direction so they can get that taken care of.

Just imagine if you're a single parent and you get a large tax-refund every year, you would like to know that you're doing something good to better yourself for you and your children with that return. It's almost like a windfall – if you're employed and you're working and you're being able to maintain your bills then that additional money that comes in can be your hand-up, and help you up and out of any situation you may be in. But you don't know how to figure that out – and that's what those coaches also assist with. Our coaches are experienced case managers. Most of them here at ESR – all of our staff members here – are either social workers or case managers, and we don't call them "social workers" or "case managers" – we call them coaches, because that's what we're doing. We're coaching these individuals and families along to their success. They have that one-on-one experience with the clients and teaching them financial literacy so they're getting financial literacy training in there as well. Everyone that comes through our doors has to be able to maintain and prepare a budget – they're taught how to do that. We want to make sure our coaches have good personalities, outgoing personality traits. We want to make sure they have a good working knowledge of what's going on in the community, what resources are there, what's the

referral process to the program, and how specific programs operate. That's to be able to help to ease the individuals or families that may be interested in those processes and those services – they can easily guide them through that.

We also want to make sure that we have someone available to do nights and weekends when they're at the sites so that there's someone available at the sites at all times while they're preparing taxes. After you've sat down with someone to talk with, you want to plant some seeds with them. You want to get them to talking about what it is they like and what they would like to do. And that's a great thing because once you get there, seek their interests and then they're going to start talking about things they would like to have and like to do and then you can show them how to achieve these goals, right from EITC all the way up to whatever else they want to do because you can show them, you can structure a plan for them to help them spend their money – that's the best way to do it. I get to help them, get their budgets and everything in line, and help them spend their money and see them realize that they can do almost anything they set their mind when they plan.

I want to talk about the points of contacts here. The first point of contact, as a taxpayer, is greeting and they sign in. They're given information from the toolbox at that point in time – we can give them the little flier or whatever. They're going to fill out the information that they need to on the sheet, then they're going to have that toolbox information to look at.

The second point of contact while they're waiting in the area, that's an excellent opportunity for an asset-building coach to engage a taxpayer into conversation, and that's what you want to do. Now think about the time that they're sitting there because they're engaged in a conversation with you and they are talking about the things that they would like to do. So you're getting them engaged.

The third point of contact is – there's usually some downtime when the tax preparer is preparing and filling out their tax information on that main information sheet – and that's another time for them to be able to discuss things that they would like to do. Most of our tax preparers are also and also have been asset-building counselors so they know what resources are available in the community and can be able to talk to the individuals and families about what's available to them.

And the fourth point of contact is where the asset-building coach can talk without interruption to the taxpayer regarding IDAs or other programs that they may benefit from if they would like to. And that's a good thing because that means that they have initiated, they sparked interest once they got it from “point one” and they've come in and had an opportunity to look at it and tell you that they may want more information after they're done with their taxes and now is the time for you to sit down and discuss that with them.

The fifth point of contact is when the taxpayer has the opportunity to discuss the “North Carolina Saves” as well as the advantages and types of savings accounts. A lot of times, people aren't aware that they even qualify to open up savings accounts and things of that nature and in our organization we were doing an “ESR Saves” which was a smaller

component of the North Carolina Saves initiative and we wanted to make sure that individuals had the opportunity to open up a bank account and start building a relationship with banking institutions. So we were able to go in our area and talk to some of the banks and stuff and see if they could waive some of the fees – start-up fees – for people coming in minimum balance, those types of things, and so they would be given at least six months before a fee was assessed. Some of them were gracious enough to offer up to a year without assessing any fees. That gave us time to be able to work with the individuals and explain to them how each different account would work but these were savings accounts that they could actually put a part of that tax refund in – even if they had other accounts, they could put that into that account.

What we'd like to do with our families, we know that when they're working and successful managing their budget, they can pretty much achieve anything. We just like to be the structure to help them structure everything that they have going on. A lot of times when I'm talking to participants or taxpayers going through, I make sure I ask them one question: "What are you going to do with your tax refund?" That's not to be pushy or nosy, that's just to see where their mind is at at that particular time, and I ask them, "What are some of your goals? Is homeownership a goal for you in the future?" More than likely the answer is "yes" and if the answer is "no" it's "yes" by the time I'm done talking to them. So I ask them, "Where do you stay and do you pay rent?" If the answer is "yes" you're going to have to have to pay for somewhere to stay regardless, so why not work on something for you and something that is lasting that can build and appreciate in value for your family? So once you get to talking to them about that, they see that's a possibility, it's time for me to plant that seed for them. And what I tell them is, "You might not be a homeowner today, but as long as you know you can do it, you will do it. Take your tax return," I said. "And consider this:

Divide it into three equal parts. Take one part, put it in a savings account and forget about it. Take the other part and pay down any debts you may have. And if you don't have any past debt or anything that you have to pay down, that's awesome, it's wonderful – now let's pay up some of those services you have then. Let's use that to pay up our bills or pay down our debt. Once you've done those two things, the third: take it, blow it, have fun, enjoy it. You have satisfied the past by paying off any debts that you have, the present by being able to spend and enjoy you know the fruits of your past labors, and you've satisfied the future some because you put aside savings that you're not going to touch." Which is perfect for Form 8888 at the tax sites because they don't have to go anywhere to establish that. They can set it up and Form 8888 will assist them in depositing up to three different accounts. They can put it in a checking account, they can put some in a savings account, and then they can have that tax refund savings account or emergency savings account set off to the side. And they never have to go anywhere to get that done, we can do that right there at the site with that Form 8888.

You can also initiative clients to go into the various programs that you offer. Now at ESR we have several different programs that we offer here, IDA is one and that's trying to build assets. We also have self-sufficiency programs, we have our chronically homeless home program, and we also have our EITC/VITA programs, so we talk about those programs and

if they are interested we want to help them to be able to get into those but we also try to keep track of them. So if they come into any of these programs and we want to do some data collection because we know that our funders require that we have some sort of back-up. You know, how do I know this works? Numbers don't lie. So if you have folks coming in through your VITA sites, you can actually count those people that apply to your program. And that way you will know if that VITA site is working for me. If I'm sitting here and my asset building council asked me, "How well is this working for me?" We used to calculate that on a very regular basis and we found out that we were getting quite a few entries in our programs, especially our IDA program, throughout the tax season. We have gotten upwards of 176 people who've applied to our IDA program just from coming through the VITA sites during the tax year, and that's phenomenal if you're trying to build your IDA sites up.

But that's just the tip of the iceberg. You have a captive audience you're talking to. You're talking to them about changing behaviors and being able to move forward and assisting them in building some assets, not only for them but for the future for their children. And you're showing them how to do that, and not using the money they already have or that they're working for every week and getting paid but this is their windfall that comes in, earned income tax credit money that they're eligible for. Those funds can be used to help them move up and out of any situation that they're in. They just need to know how to get all those things together to be able to do it and that's where your asset-building counselors can help them and assist them in getting action plans to be able to help them move forward toward their goals. It's very rewarding when you see them come back. It's even more rewarding when I see them purchase homes which means they've come through my program, so I know that's awesome and I know it works. If you can start right today where you're at and get just one or two people through and you do it the right way, word of mouth will travel. And every time someone mentions your EITC/VITA site they're going to say, "Well they helped me get a house when I first went there to get my taxes done. They told me about the IDA program." And that's how things continue to evolve around. But you know that you're helping not only your community but you're helping the individual family go through and understand a little bit more about dealing with their money and not spending it all. We want to try to change the mindset from consumption to savings as much as we possibly can and when we have a captive audience, we make sure we let them know how important that is.

I think that's my last slide there so if you have any questions or comments, please feel free to fill them out in the box and we will answer them for you. Thank you.

Dominique Derbigny: Great, thank you so much, Barbara. I really appreciate you walking us through your process of how things go at your sites and talking about the asset-building coaches. I think that information will be very helpful. One thing that I wanted to note is that clients who may have been eligible for the EITC but did not claim it can file an amended tax return if it was within the past three years, and I think at most of the VITA sites the VITA volunteers can also do those amended returns. So that's something else you might want to mention to those families who might have qualified but didn't realize that they were eligible.

I just want to call your attention to a few different resources. Again, this PowerPoint will be made available to you after this presentation so don't worry about having to copy everything down. But just some general EITC resources on the AFI IDA resources website, there are links to several different tools. The IRS website has plenty of information about the EITC – who qualifies and what the different benefits are for each tax year. There's some outreach materials: the National EITC Outreach Campaign provided by the Center on Budget and Policy Priorities and EITC Central provided by the IRS provides some free outreach material that you can download or order. Also, here are some links where you can locate a tax site in your community. There's one link on the treasury website and another one through the National Community Tax Coalition. Additionally, for specific information about tax time savings or other savings programs or incentives, the D2D fund has some really great information about how to promote savings at tax time. So those are just some great resources that you might want to check out.

And now it's time to address some of the questions that have come out of the audience so far. And again, if you have questions for any of our speakers, please type them into your questions box in the GoToWebinar control panel.

Okay, so Barbara and Carol, our first question today is, "How do you encourage IDA participants to put some of their EITC toward their asset purchase?" So how do you encourage IDA participants to save?

Barbara Johnson: Number one, we do create an action plan when they come into the IDA program and as part of their plan we do talk about emergency savings. We talk about the fact that you may need at least three months' worth of reserve in case something happens. And especially being a new homeowner, that is not something that you want to worry about. If you have the opportunity to do it prior to purchasing your home, that's a wonderful thing and we show them and we explain to them how important it is that that tax money goes into doing that because now they're not having to add another savings component to their budget on a monthly basis but on a yearly basis they can put a lump sum in there, like that one-third division I talked about earlier. They can utilize that and put that into their savings account.

Carol Atwater: One of the other neat things that the IDA program does is that it has a component of eight months of financial literacy classes. So people who go through this program are kind of "tee'd" up for, first of all, establishing a budget, looking at asset-building, there's a segment where one of them is about the EITC/VITA programs so hopefully participants in the programs are sort of led to think over a period of time in this direction and it's not like all of sudden they're like wow, and looking at a couple of thousand dollars and what am I going to do? So, I think Barbara and her team do a really great job during the financial literacy piece of setting the stage over the months.

Dominique Derbigny: Great, thank you. We've got some questions here about the referral process. They'd like to know, "How do you facilitate successful cross-referrals?" So basically referring IDA participants to get their taxes done for free at the VITA site but also maybe

soliciting new IDA participants at the EITC sites. “And do you provide any specific materials or outreach tools in doing so?”

Barbara Johnson: Well, for our IDA participants, our success coaches are trained tax preparers so they prepare their clients’ tax returns on a yearly basis. We do ask that they come to the coaches and get their taxes done because part of the application process when they first come into the program, is that we’re asking for their past tax returns when they come in. So we’re already familiar with their information, we already know it’s not that they feel like they have to hide anything from us because we have to keep it with their income. So that’s easy for them to do and we also talk to them and ask them to bring a friend along with them to tell someone about it. We do give them brochures and as far as the cross-referencing and referrals out, this is a major part of what we do is referrals. Is this a service that someone’s interested in or that they qualify for? And if we don’t offer them here at our organization, we refer them out to the entities that do offer those services. And yes, we do track that through –we send referral forms over to certain departments and some of them, it’s okay just to send a client over and let them know that they came from our organization. Others, we just do the paper trails and the referral process on paper.

Dominique Derbigny: Great, thanks for explaining that a little more. I think that’s definitely helpful. I’ve got a question for Carol: “Carol, how did you establish strong partnerships with the various asset-building organizations that you mentioned?”

Carol Atwater: I think it developed over time. I mean, that’s one of the things that I tried to convey in that first slide is that it’s taken a long time just to kind of develop a sense of trust working with basically all of the same players in different venues whether it be the IDA program or the Forsyth Working Family Partnership. A good example I’ll give is when we were setting up the prosperity center, it was a whole new idea bringing all the partners together to offer one stop financial services shopping but we hadn’t really worked through, “Okay, who is going to do what? Who is going to be the lead partner? How many days are people, where are they going to be?” Anyway, it just kind of evolved and you really needed to start somewhere. What we appreciated with this survey that CFED did for us was we did get all the players again onto the table and presented this landscape of all the different metrics of, how many were banked and unbanked, how many were asset poor, education level, all that kind of stuff, and everybody just sort of sat that there and you saw in black and white all the data that told you pretty much what you sort of had an idea about but had no idea the scope or the extent of what the issues were. And I think everyone got a renewed effort, “Okay, not any one of us can solve this on our own. We really have got to collaborate. So I think it’s a matter of start where you have your success and where you have a couple of good partnerships, bring some other people onto the table, and it’s going to take time to build up trust. And I must say that I find in our group we really don’t have a lot of territoriality that we might have had at one time just because people have been working together and we realize we all have the same goal. We’re all on the same side and everyone has a unique piece to add to that puzzle.

Barbara Johnson: And Dominique, I would like to add one thing. It's important for everyone to know that they do what they do best and bring those partners together once you're looking at something that needs to be done, you know who has to be at the table. And when you bring all of them around, they don't feel threatened that someone is trying to overstep their bounds or into their lane and we can all do this together. They realize that this is okay. And it does take a village if we want to move up and move forward in our community, it's going to take all of us. I don't look at IDAs as just a program of ESR, it's the community's program and everybody has an equal stake and part in this program, whether they're working behind the scenes or on the ground running with it.

Dominique Derbigny: Yes, thank you for sharing those things and I think that shared consensus of having a shared goal in the community is so important and I'm really glad that you mentioned that, Carol.

Let's see. I have another question here, "What is being done to address asset limits with respect to IDAs? Are IDAs exempt?" Do either of you know the answers to these questions?

Barbara Johnson: I don't know for sure. I do know that as far as assets go, we are looking at a \$10,000 asset limit. We look at all that stuff coming in before they're even enrolled into the program. If we can't help them because of that, we do refer them to some of our partners who don't have that limitation.

Carol Atwater: And that's an excellent question. I don't know the answer to that so that's something we could look into.

Dominique Derbigny: So, actually it looks like I got a response that just came in. So at AFI, IDAs are exempt from asset limits for public benefits but not other IDAs. So I guess other programs that are funded in other ways may not be exempt.

Carol Atwater: Good to know, thank you!

Dominique Derbigny: Well thank you both so much for participating and for speaking with the group and for answering questions. Before we go, we do want to launch a poll. We'd like to get your feedback about this webinar so we're going to go ahead and launch that poll now. It just takes a second. So please rate the webinar's quality in terms of its helpfulness and relevance to your work.

Okay, we're going to close the poll now. Thank you, all for participating. Here's the contact information for myself, Carol, and Barbara. If you have additional questions and would like to follow up, our email addresses are listed here and again, this PowerPoint will be sent out. So, don't worry, you'll have access to it after this presentation

Carol Atwater: Oh and thank you so much, and I feel I can speak for Barbara too that if anyone has any questions that you think of after the fact about any of the things we've been

talking about, we would be more than delighted to share our experiences and share what's worked for us and what's not worked, and lessons learned and all that good stuff.

Barbara Johnson: We have a lot of those!

Carol Atwater: We do!

Dominique Derbigny: Yes, great. Thank you guys so much for making yourselves available to everyone and also additional information can be found on the AFI Resource Center website so check that out. And especially to find out about upcoming webinars and events. Thank you all for joining us today and have a great afternoon.

Carol Atwater: Thank you!

Barbara Johnson: Thank you!