



EITC and IDA

Putting It All Together:
An Asset-Building Model

“Building my Future” Campaign



- The “Building my Future” campaign was launched in 2003 by a group of agencies who formed a coalition called the Forsyth Working Families Partnership.
- Their initial mission was to increase the awareness of and encourage the use of the Earned Income Tax Credit (EITC) and the Advance Earned Income Tax Credit (AEITC).
- The FWFP is now focusing its efforts on financial literacy and wealth accumulation.

“Building my Future” Campaign



When families are working, are successfully managing their budget, and have achieved a measure of financial stability, they have attained economic self-sufficiency.

The next stage for families is asset-building and wealth accumulation. This means making and claiming in taxes as much income as possible, saving money regularly, and acquiring an asset—the most obvious of which is home ownership.

“Building my Future” Campaign



- United Way
- Wake Forest University
- Winston-Salem State University
- Department of Social Services
- Family Services
- Chamber of Commerce
- Urban League
- Advocacy for the Poor
- Internal Revenue Service

One-Stop Shop Methodology



Where information and tools are available to get the taxpayer started on the road to successfully reducing debt and building assets.

- Income Tax Return Preparation
- Electronic Filing of Tax Return
- Information about programs and agencies
- Open Bank Account
- Financial Counseling

Asset-Building Counselors



- Experienced Social Workers/Case Managers
- One-on-one experience with clients, teaching financial literacy
- Outgoing personality traits
- Knowledge of community referral processes and program operation specifics
- Available to work nights and week-ends

Asset-Building Tool Box



- Earned Income Tax Credit (EITC)
- Volunteer Income Tax Assistance (VITA)
- Advance Earned Income Tax Credit (AEITC)
- North Carolina Saves (NC Saves)
- Individual Development Account (IDA)
- Consumer Credit Counseling Service (CCCS)
- Center for Homeownership
- Forsyth County Housing Department (FCHD)
- Forsyth County Department of Social Services (DSS)
- Goodwill Industries

Points of Contact



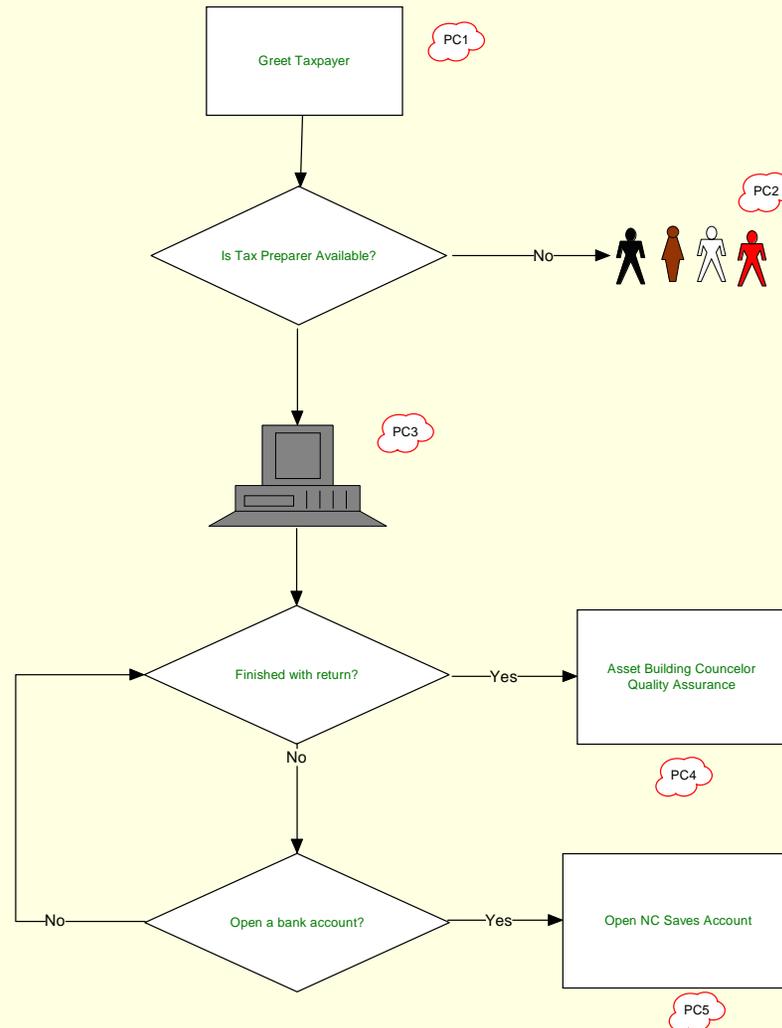
- Point of Contact 1 – As the taxpayer is greeted and signed in, he/she is given information from the toolbox.
- Point of Contact 2 – The waiting area is an excellent opportunity for the Asset-Building Counselor to engage the taxpayer in conversation.
- Point of Contact 3 – There is usually some downtime when the tax preparer is filling in information on the Main Information Sheet in TaxWise.

Points of Contact – cont'd.



- Point of Contact 4 – This is where the Asset Building Counselor can talk without interruption to the taxpayer regarding IDA and other programs that will be of benefit.
- Point of Contact 5 – The taxpayer has the opportunity to discuss NC Saves as well as the advantages of other types of savings accounts.

Asset-Building Counselor Points of Contact



VITA/EITC Season-End Results



	Tax Year 2004	Tax Year 2005	Pct Inc/Dcr
TPs Served	3023	3228	7%
TPs Claiming EIC	748	961	28%
Total EIC	\$863,397	\$1,311,403	52%
Total Refund	\$2,998,134	\$2,943,423	-2%

VITA/EITC Season-End Results



Tax Preparation Fee (estimated at \$200 per return)	\$656,600
Total Tax Clinic Value to Low Wage Earners (refund + tax fees)	\$3,589,023

Asset-Building Counselors

Findings



- Most taxpayers already had structured plans for using their tax refunds.
- Many taxpayers still did not know what EITC was when they came in.
- Most taxpayers who owed taxes did not realize they had any control over how much was withheld or that they could adjust the withholding to lower their tax liability.

Thank You.

