THROUGH THE FUNDER LENS

PUBLIC SECTOR, PHILANTHROPIC AND PRACTITIONER COLLABORATIONS THAT STRENGTHEN THE IMPACT OF THE EITC AND VITA
Introduction

Funders recognize that the effectiveness and impact of the Earned Income Tax Credit (EITC) are limited by the credit’s participation rate and many low-income taxpayers’ reliance on costly tax preparation services. At the same time, funders know that philanthropy cannot always take on the vital task of funding grantees to advance the work that addresses these challenges alone. Public-sector entities (cities, counties, states) can be critical partners in this effort. The EITC Funders Network is interested in helping its members explore ways in which the public sector is supporting EITC outreach and free tax preparation work and the ways in which private philanthropy works with the public sector in this arena.

Focusing on the EITC’s anti-poverty impact and its concurrent boost to local economies, some states and localities strategically invest in EITC outreach efforts and in the support and expansion of free tax preparation services. Similar to the multiple forms this public support can take, philanthropy’s contribution to and role within these efforts varies. Factors such as capacity, geography, and the particular needs of local or state campaigns all play a role in the funder’s approaches to public–philanthropic collaborations.

As an initial step to build greater awareness of the ways private philanthropy works with the public sector to support EITC outreach and free tax preparation work, the EITC Funders Network gathered a selection of funder case studies. To learn about experiences from a variety of funder perspectives, we interviewed an operating foundation, a financial institution, a regional foundation, and a United Way.

- **Regional Foundation:** The Abell Foundation (Baltimore, MD)
- **Operating Foundation:** Golden State Opportunity Foundation (Los Angeles, CA)
- **Financial Institution:** Third Federal Savings & Loan and Third Federal Foundation (Cleveland, OH)
- **United Way:** United Way of Greater Philadelphia and Southern New Jersey (Philadelphia, PA)

We asked these funders about their role in their respective public–philanthropic collaboratives -- how the relationship began, how the collaboration evolved, and what the work looks like on a practical level. We also asked big picture questions around the ways this work fits into their organizational mission and the reasons why both the philanthropic and public-sector contributions are essential to helping more families access the EITC in free and low-cost settings. Finally, we asked about lessons learned and solicited advice based on past experience. Case studies are not intended to be generalizable; however, helpful themes from the four interviews did emerge.
Key Takeaways & Insights

The overall insights and takeaways from the interviews are:

1. Funders expressed a deep commitment to the EITC as a powerful poverty alleviation tool.
2. Funder engagement in the campaigns often goes far beyond writing a check.
3. Although roles vary, public sector support and partnership - both financial and in the ability to elevate the work – can be vital to helping families access the EITC.

More details on these specific insights and examples from each of the interviewees’ stories are below.

1. **Funders expressed a deep commitment to the EITC as a powerful poverty alleviation tool.**

The EITC, one of the largest and most effective anti-poverty tools, lifted approximately 6.5 million people out of poverty in 2015. In addition, 29 states and the District of Columbia have enacted state credits that build on the effectiveness of the federal credit. Research shows that the income from these credits can lead to benefits at almost every stage of life and into the next generation. Yet, the effectiveness and impact of the credit are limited by the credit’s participation rate (nationally hovering around 80 percent of eligible tax-filers) and many low-income taxpayers’ ongoing reliance on costly tax preparation services.

Funders with an anti-poverty mission recognize that maximizing EITC uptake is an effective strategy to helping families build economic security. Each of the four interviewees discussed ways that funding EITC outreach and advocacy and/or free tax preparation fits into their overall anti-poverty and economic development missions.

**The Abell Foundation:** The support of the Baltimore CASH (Creating Assets, Savings, and Hope) Campaign - now part of the Maryland CASH Campaign - falls under The Abell Foundation’s Workforce Development interest area, which seeks to strengthen program and policy initiatives that support low-income families and enhance wages. The Foundation recognizes that the EITC is a powerful work incentive and poverty alleviation tool. Despite its value to the city’s families, an estimated 20,000 households in Baltimore City do not claim the credit to which they are entitled. As Program Officer Melanie Styles notes, “It’s in everyone’s interest for people to be able to keep what they earn and grow their wealth. The EITC has proven, in so many ways, to be one the best ways to pull people out of poverty. We understand that as long as people are being paid low wages, they have to have income support.”

**Golden State Opportunity Foundation:** The Golden State Opportunity Foundation recognizes that California’s EITC provides an opportunity to help struggling working families in the state make ends meet. It founded CalEITC4Me on the heels of an advocacy effort to establish the state credit, both to spread awareness of the then new state EITC and to increase use of the federal credit. Joseph Sanberg, Founder of the Golden State Opportunity Foundation, considers the economic opportunity that the EITC creates: “Everyone who works should live in full financial security. The reality is that many working families are living paycheck to paycheck. Many are working multiple jobs and still being forced to make choices between paying the rent and putting food on the table or living one health problem away from homelessness. The EITC is a precise way to address the core problem of work not paying enough.”
Third Federal Savings & Loan and Third Federal Foundation: Third Federal’s engagement in this work began in response to an increasing awareness that low- and moderate-income tax filers in the community were subject to excessive fees by paid tax preparers and were losing out on the EITC benefits to which they were entitled. Recognizing the EITC as a community economic development tool that helps put money back into the pockets of local low- and moderate-income tax filers, Third Federal found that supporting free tax preparation efforts fits squarely into its mission to help families achieve the dream of homeownership and financial security. These efforts work hand-in-hand with the bank’s focus on building an integrated continuum of support for education, youth development, and revitalization in the communities where it operates. Maria Thompson, Community Development Services Manager/CRA Officer, states, “Initiating the bank’s partnership with the EITC program has meant a lot to me both professionally and personally given the direct financial impact it has on low- and moderate-income families and the neighborhoods in which they live, and given how most tax credit refunds are used to purchase essentials in the recipient’s local communities.”

United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ): Over the past three years, the UWGPSNJ has worked closely with the Campaign for Working Families, Inc. to invest in and expand the reach of free tax preparation and assetbuilding services to low- and moderate-income families in the Philadelphia region. The UWGPSNJ’s investment in this work has grown under the leadership of Nikia Owens, Director of Income and Financial Stability, who connects both the critical income boost of tax credits and the community outreach opportunities of tax time to the United Way’s goal of breaking intergenerational poverty and building the foundation for life-long financial stability through a holistic, two-generation approach. Owens points to the fact that through the Campaign’s VITA sites, a footprint has now been established in every county that the United Way serves. “It is the only time of year that we have one-on-one contact with over 30,000 individuals,” says Owens. “VITA can be an overarching tool to connect families to comprehensive resources around financial literacy as well as community programs and benefits.”

2. **Funder engagement in the campaigns often goes far beyond writing a check.**

Private philanthropy comes in all shapes and sizes and ranges in grantmaking capacity from small community foundations to large national foundations, from corporate giving and financial institutions to United Ways. As varied as the organizational structures are, so too are funders’ roles within public-philanthropic partnerships. One common theme from the four interviews was that engagement in these collaboratives often means more than just writing a check.

The Abell Foundation: The Abell Foundation funds the Baltimore CASH Campaign under its Workforce Development Area of Interest, participates as an active coalition member, and maintains a seat on the Campaign’s Board. The Foundation has been actively engaged with the Baltimore CASH Campaign since the Campaign’s inception. Initially, looking toward a model that The Annie E. Casey Foundation had supported in Chicago, the Foundation, along with its partners, thought through ways to adapt this model to Baltimore. A core group of funders and partners looked closely at ways to impact the low uptake rate in Baltimore City and the fact that many of those who claimed the EITC forfeited a significant portion of their refund to pay commercial tax preparers. The CASH Campaign launched to increase access to the EITC by providing high quality free tax preparation and to increase savings and assets by providing financial education. Early discussions included roles for both philanthropy and the public sector and these discussions continue today.

Golden State Opportunity Foundation: The Golden State Opportunity Foundation coordinates the statewide CalEITC4Me coalition, leads the campaign’s communication and organizing efforts, and
engages in state advocacy. Golden State Opportunity leads this project as a data-driven campaign working to make information on the EITC more accessible to communities across the state. The multi-lingual website (CalEITC4Me.org) serves as a one-stop shop for EITC filers and partners, providing such resources as fact sheets, eligibility calculators, and tax preparation finders. This past year, the Foundation’s ongoing advocacy efforts led to an expansion of the state EITC credit that raised the eligibility threshold and included self-reported income within the eligibility criteria.

**Third Federal Savings & Loan and Third Federal Foundation**: Third Federal provides grant funding to the Cuyahoga EITC Coalition’s lead non-profit, organizes employee volunteers, and provides in-kind support for community engagement efforts. Under the leadership of Maria Thompson, Third Federal has become the Coalition’s largest corporate sponsor as well as an advocate for the Coalition’s free tax preparation program. Along with partners in the Coalition, the financial institution and its foundation have established multiple VITA sites located in neighborhoods where the need for free tax preparation and one-on-one financial counseling is the greatest. Third Federal also hosts a “Super Saturday” event that offers free tax preparation and access to other vital financial and health related services. Building on its investment, for the last two years the bank has provided additional support that allows the Coalition to support five new VITA sites in low- and moderate-income neighborhoods; implement a new marketing plan focused on improving the Coalition’s outreach with Spanish speaking clients; and expand efforts to neighboring Lorain County for the upcoming tax season.

**United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ)**: The United Way invests in the Campaign for Working Families, Inc. through its Impact Fund and is also an active participant in the Coalition and in the field. The UWGPSNJ’s financial investment has increased annually over the last three years, which has allowed the number of VITA sites to grow and the geographic reach to expand into southern New Jersey and Delaware and Montgomery Counties in Pennsylvania. The United Way staff actively participates in the work alongside coalition members and volunteers by monitoring best practices and establishing on-the-ground relationships.

3. **Although roles vary, public-sector support and partnership – both financial and in the ability to elevate the work – can be vital to helping families access the EITC.**

Public support for EITC outreach and free tax preparation can take on a number of forms. Investment in EITC outreach may include appropriating funds to organizations to offer information about the EITC; adding or reinforcing requirements for employers to notify employees about the EITC; or requiring that EITC-related information be shared with recipients at state agencies, programs, and services. Other forms of support focus directly on the VITA program, which provides free tax preparation for low- and moderate-income individuals and families and can assist recipients in maximizing their tax credits. Similar to the variety of forms public support takes, partnerships between the public sector and private philanthropy vary. With the goal of raising awareness of ways in which private philanthropy works with the public sector to support EITC outreach and VITA, we asked funders to explain their roles within the partnerships and how the relationships began and evolved. Public support of the four coalitions varied from direct funding to increasing public awareness. The common theme expressed by all four interviewees revolved around the importance of the public sector’s role in these collaborative efforts.

**The Abell Foundation**: The Baltimore City Mayor’s Office was at the table when the CASH Campaign was created and having the Office behind the Campaign has given the work additional credibility.
Baltimore City and Montgomery County’s community action agencies are strong VITA partners. The CASH Campaign also partners with the Mayor’s Office of Employment Development (MOED), which coordinates and directs workforce development initiatives in Baltimore. In addition, the Mayor is committed to providing service announcements around this work and pushes outreach information through public agencies. As of yet, however, funding has been limited to the private sector. Melanie Styles states, “It’s important to have the buy in of the public sector, as public funding would institutionalize this work so that it would be sure to be sustained over time, no matter the administration.”

Golden State Opportunity Foundation: The Foundation’s work has been tied together with the public sector in a substantial way since the beginning. By establishing a state credit, California created an additional opportunity for millions of working Californians. However, public funding for outreach efforts was limited. The Foundation recognized that promotion of the CalEITC would be critical to its success and that public funding was not going to be sufficient to raise the state’s already low uptake rate. Golden State created the outreach architecture that both public and private sector partners could use to disseminate resources to counties and cities across the state. In the wake of the recent credit expansion, Josh Fryday, President of the Foundation, states, “Now we have the Herculean task of reaching newly eligible families. Now is the time for the private sector to step up to make sure all eligible families are reached and able to claim the credit.”

Third Federal Savings & Loan and Third Federal Foundation: To make community impact connections possible, Third Federal’s partnerships, especially with the coordinating field partner Enterprise Community Partners and with the public sector, have been essential. Maria Thompson notes that while Third Federal and its Foundation’s financial support are important, this work is a matter of public good, making the EITC Coalition’s collaboration with the City of Cleveland and Cuyahoga County critical to the initiative’s success. The public sector provides both essential resources and outreach support. As President and Executive Director of Third Federal Foundation Kurt Karakul comments: “With limited resources, financial institutions can only take on so much of the financial burden. Cuyahoga County’s financial support helps create a groundswell of additional support.” Thompson adds that the City and County’s buy-in also helps amplify community outreach efforts because financial institutions may be perceived as being less accessible, so having local government, in addition to community based organizations, involved in outreach helps extend consumer awareness about additional public services that they may likewise be eligible for.

United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ): The City of Philadelphia has been a vital partner through funding, outreach efforts, and public support. As a funder and a coalition member, the United Way works alongside the City of Philadelphia, collaborating and sharing strategic approaches. In addition to direct funding, the City of Philadelphia takes on a significant role in marketing and communications through its You Earned It campaign. More so than a private entity, the City of Philadelphia is able to use its platform and established communication channels to effectively reach constituents and impacted communities. In addition, as one of the largest employers in Philadelphia, the City of Philadelphia is able to push out information to the thousands of employees who qualify for the EITC. Finally, the City of Philadelphia’s support helps move the agenda and prioritizes the work in both the public and private sector.
Conclusion

Philanthropy and public-sector partners can play similar and complementary roles – providing financial support, creating neutral spaces where non-profit partners can convene, providing strategic guidance and leadership, creating connections to other sectors - yet the particulars of the coalitions and their needs vary as do the contributions by public and private sector partners. Each of these funder’s story is unique. Where the efforts align is in a commitment to the EITC as a powerful poverty alleviation tool, an overarching involvement in the campaigns beyond writing a check, and in the strong belief that public sector support - both financial and in its ability to elevate the work - is vital. These funder case studies represent an initial step in this project’s goal of raising awareness of ways in which private philanthropy works with the public sector to support EITC outreach and free tax preparation work. We hope these funder voices can spark additional conversations about creating a general knowledge base of where these efforts are taking place, lifting up best practices, and building connections between funders involved in this work.
Appendix A: Funders Interviewed

**The Abell Foundation**  
**Baltimore, MD**  
Coalition: Baltimore CASH Campaign  
Level of Government: City

The Abell Foundation is one of the largest private foundations dedicated to the enhancement of the quality of life in Maryland, with a unique focus on the City of Baltimore. Together with national and regional philanthropies and public-sector partners, Abell supports the work of the Baltimore CASH (Creating Assets, Savings, and Hope) Campaign - now part of the CASH Campaign of Maryland - a coalition that promotes financial stability for working families and includes Volunteer Income Tax Assistance (VITA) partners that offer free tax preparation and conduct EITC outreach.

- **One Takeaway: Having a diverse coalition and a strong public-private partnership from the beginning has been helpful to the success of the Campaign.** Being able to work in partnership with private foundations, non-profits, community-based organizations, workforce development agencies, the IRS, and the City of Baltimore has been essential to building Baltimore CASH Campaign into a partnership that prepares thousands of tax returns annually without tax preparation fees and allows Maryland families to claim an essential income support.

Visit: [http://abell.org/](http://abell.org/)  
Contact: Melanie Styles, Program Officer for Workforce Development

**Golden State Opportunity Foundation**  
**Los Angeles, CA**  
Coalition: EITC4Me  
Level of Government: State

In 2015, California became the 26th state to establish a state EITC and in 2017, Governor Jerry Brown signed into law a major expansion of the state credit. The Golden State Opportunity Foundation currently leads the state-wide outreach campaign - CalEITC4Me – structured as a public-private partnership with the State of California and a diverse coalition of local and statewide philanthropies; community organizations; unions; faith, civic, education, and workforce organizations and leaders.

- **One Takeaway: Creating a coalition that is inclusive, broad, and powerful is essential.** "This work is much too big and too important for one strategy or one organization,” notes Joseph Sanberg. The Foundation has formed strong relationships with the State of California and diverse state and local organizations on the ground. The public-philanthropic collaboration and the coalition’s breadth and inclusiveness has allowed the Foundation to amplify its message and increase its reach and effectiveness.

Visit: [http://goldenstateopportunity.org/](http://goldenstateopportunity.org/)  
Contact: Josh Fryday, President and Joseph Sanberg, Founder

**Third Federal Savings & Loan and Third Federal Foundation**  
**Cleveland, OH**
Coalition: Cuyahoga EITC Coalition
Level of Government: City and County

Third Federal Savings & Loan, a provider of savings and mortgage products with full service branches in both Ohio and Florida, along with grant support from the bank’s foundation, works in partnership with Cuyahoga County, the City of Cleveland, Enterprise Community Partners, Neighborhood Housing Services of Greater Cleveland, and other area non-profit organizations to provide annual free tax preparation assistance, EITC outreach, and financial counseling in Cuyahoga County, Ohio.

✓ **One Takeaway: Over time, Third Federal has become even more invested.** Maria Thompson notes that the bank’s partnership with the Cuyahoga EITC Coalition was instrumental in helping her department identify like-minded partners and partnership opportunities in several of the bank’s Florida markets, thus creating synergy and greater impact for the bank, while building awareness for the EITC as one of our country’s most viable wealth creation tools for low-income households. “This work builds your belief in the program and the ability of helping community members build wealth. The value is visible,” adds Kurt Karakul.

Contact: Maria J. Thompson, Community Development Services Manager, Third Federal Savings; Kurt Karakul, President and Executive Director, Third Federal Foundation

**United Way of Greater Philadelphia and Southern New Jersey**
Philadelphia, PA
Coalition: Campaign for Working Families, Inc.
Level of Government: City

The United Way of Greater Philadelphia and Southern New Jersey’s (UWGPSNJ) mission is to fight for the education, financial stability, and health of every community member in the region. Through its Financial Stability work, this United Way funds and partners with the Campaign for Working Families, Inc. (CWF) to provide free tax preparation services through the Volunteer Income Tax Assistance (VITA) program.

✓ **One Takeaway: Working together with partners to assess needs and establish a quality volunteer base is essential.** Putting in the time to establish the relationships necessary both with public and private sector partners to evaluate the needs of varying communities has been important as the work grows. In addition, ensuring a high quality and culturally competent volunteer base is essential. Volunteers are never free and having the resources to recruit, train, and retain a solid volunteer base has been and continues to be a huge focus of the work.

Visit: [https://www.unitedforimpact.org/](https://www.unitedforimpact.org/)
Contact: Nikia Owens, Director of Income and Financial Stability

*Thank you to the funder interviewees who took the time to share their work with us.*
Appendix B: Background and Methodology

In early 2017, in response to interest from EITC Funders Network members, EITC Funders Network staff began looking into public-philanthropic partnerships around EITC outreach. Initially, we looked for an inventory or mapping of these efforts and contacted researchers and public-sector resource and advocacy organizations to ascertain where to find an overview of efforts. Our initial conversations confirmed that a multitude of public-private partnership models are working on all levels of government across the country; however, we were unable to locate a comprehensive inventory.

In April 2017, we contacted Prosperity Now (then CFED), to share our questions and learn more about the field perspective on this issue. Similar to our efforts to begin informally documenting public-private collaborations across the country, Prosperity Now staff had been mapping campaigns from the field perspective. Together, we wrote a concept paper in June 2017, encompassing a broad scope of work in this area, and deciding to begin the conversation with a series of case studies from both the funder and the field perspective.

From June through October 2017, Prosperity Now conducted interviews with VITA practitioners from six high-performing tax preparation sites in the East Coast, Midwest, South, and Pacific Northwest. These were ultimately narrowed down to six sites by trying to find sites in a range of geographic regions and city population sizes with some relationship with their local city or county leadership.

- **East Coast**: Campaign for Working Families, Inc. (Philadelphia, PA)
- **Midwest**: Cuyahoga EITC Coalition (Cleveland, OH); Accounting Aid Society (Detroit, MI), Assets Independence Coalition (Lansing, MI)
- **South**: Foundation Communities (Dallas, TX)
- **Pacific Northwest**: United Way of King County (Seattle, WA)

Prosperity Now presented the interviewees with a common list of questions to understand each organization’s relationship with its local government, sources of funding and in-kind donations, financial stability service offerings, level of involvement in advocacy, relationships with other local partners, and evaluation practices. Below is an abridged list of questions asked of all interviewees.

1. Share the history and evolution of the partnerships you have with the city and the county and other partners.
2. Has the city/county’s support enabled you to provide services you otherwise would not be providing?
3. What percent of your overall program budget is funded by the city and/or county? Does the city and/or county provide in-kind services?
4. Does your mayor have his/her own EITC campaign, and if so, is VITA included in the outreach campaigns?
5. How has the number of EITC eligible clients changed over the years?
6. What are the largest challenges you face in increasing EITC take-up at your site?
7. What metrics do you use to evaluate success, and how does it align with or differ from the metrics used by your funders?
8. Do you take part in advocating for state EITC increases or VITA funding?
9. What impact have your partnerships with local organizations had on your services or service delivery?
10. If you had a wish-list for items or services that would best serve your VITA site, what would be on it?
During the same time period, the EITC Funders Network identified four funders to discuss the ways in which private philanthropy works with the public sector to support EITC outreach and VITA. We decided on the four organizations by first ensuring that we profiled a range of charitable entities in a range of locations, with the secondary goal of trying to align with the VITA practitioner locations identified by Prosperity Now when possible.

- **Regional Foundation**: The Abell Foundation (Baltimore, MD)
- **Operating Foundation**: Golden State Opportunity Foundation (Los Angeles, CA)
- **Financial Institution**: Third Federal Savings & Loan (Cleveland, OH)
- **United Way**: United Way of Greater Philadelphia and Southern New Jersey (Philadelphia, PA)

Below is an abridged list of topics discussed with all interviewees.

1. Describe your role in your respective public-philanthropic collaboratives including how the relationship began, how the collaboration evolved, and what the work looks like on a practical level.
2. Discuss how this work fits into your organization’s overall mission.
3. Explain the reasons that you believe both philanthropic and public-sector contributions are essential to helping more families access the EITC in free and low-cost settings.
4. Name any lessons learned from collaborating with the public sector and any advice you have for other private funders based on your past experiences.

Prosperity Now and EITC Funders Network staff communicated throughout the interview process, keeping abreast of interview progress and initial findings. In October 2017, we each put together our respective findings and discussed ways to jointly release our case studies. Ultimately, we decided to publish two separate written products to lift up the unique perspectives of the field partners and funders we interviewed while continuing to link the effort through a joint release and learning event series.

The interviews reveal the countless opportunities for strengthening collaborations and the importance of continuing transparent conversations among all three groups about challenges, resource needs, expectations and joint, long-term goals. We are hopeful that the interviews conducted for this project demonstrate just the first step in what we hope will be an ongoing discussion about ways to lift up best practices and maximize impact at the local level.