

**NATIONAL LEAGUE OF CITIES**  
**Institute for Youth, Education, and Families**  
**Bring Money to Your City: Promote the Federal Earned Income Tax Credit**

**Abby Hughes Holsclaw**

**10/16/02**

Julie Bosland:

Welcome everyone to this conference call hosted by the National League of Cities Institute for Youth, Education, and Families entitled “Bring Money to Your City: Promote the Federal Earned Income Tax Credit”. We're really pleased that we have so many people with us on the call today. I think we have over 50 cities calling in. I think that's an indication of the growing movement across the country of tapping into the Federal Earned Income Tax Credit (EITC) to support local working families and bring new money into your local economy.

We have a great lineup today. We're going to start with Abby Hughes Holsclaw, who is here at the National League of Cities to provide an overview on what the EITC is for those who are new to this tax credit. She will talk about what it is, who's eligible, and why it's important in your community. Alan Berube at the Center for Urban and Metropolitan Policy at the Brookings Institution will continue with the discussion of research on the impact of the Earned Income Tax Credit on cities. They've done a lot of great work over there on where the credit is going. I think that's been helpful to a lot of cities in figuring out how to get started and why they should start EITC outreach campaigns. We'll follow that with Ellen White-Quigley in the Mayor's office in the City of Indianapolis talking about how they've got an effort going on there, and why the Mayor's office saw this as a priority, and how they've moved ahead in the past year. Following that, we'll move to Ken Williams with the Internal Revenue Service (IRS). Ken is a territory manager and can talk about the IRS's role. I know that sometimes people haven't traditionally thought of the IRS as a partner. Yet, the agency has really changed its focus and is reaching out in more and more communities and serving as a very supportive partner in these efforts. We'll conclude by turning to John Wancheck at the Center on Budget and Policy Priorities that's located here in Washington D.C. John will walk us through on how to initiate an EITC outreach campaign, and then to look beyond outreach to other types of activities that can build on public education efforts. John has been doing this work for quite some time. The action and information kit that the center puts out is a really terrific resource for all of you.

At this point, I'd like to hand the call over to Abby.

Abby Hughes Holsclaw: Hello and good afternoon to everyone. I wanted to give you just a brief definition of what we're talking about and make sure that we're all on the same page here today so you can get the most out of this call.

The Federal Earned Income Tax Credit is a tax benefit for working families including two parents as well as single parent families who earn low to moderate income. To claim this credit, workers must file a tax return and complete a schedule EIC on their annual tax return. The credit can provide quite a bit of money into low to moderate income families' pockets. For example, a family with one child earning less than \$29,201 can get a maximum credit of \$2,506. A working family raising more than one child earning less than \$33,178 can qualify for up to \$4,140. The EITC can also have a small impact for working individuals without children, although it is drastically smaller. For individuals earning less than around \$11,060, it can mean up to \$376. We found that this credit has a lot of benefit for working families with children with incomes between \$14,000 to \$15,000. It can also have a huge impact on families' tax liabilities up to around the \$33,000 mark. So it's a great impact at the local level for working families and it's something that cities around the nation are taking notice of and utilizing as a way to bring money back into the pockets of low and moderate income families.

To tell you more about that impact for cities I'm going to turn it over to Alan Berube with the Brookings Institution.

Alan Berube: Hi everybody. My task here is to describe some of the research I've done and to make a couple of big points. The first point I want to make is that the EITC, as Abby described, means a lot for families but then by extension also means a lot for the places where those families live. And secondly, I want to describe the fact that the EITC could mean even more money to local places with the efforts of local leaders like those on this call.

So, to the first point, the EITC is a really large program just in terms of overall number of eligible families. It's on the order of \$30 billion a year. That's roughly equivalent to the entire budget of the Federal Department of Housing and Urban Development. So, no small potatoes. However, it often goes overlooked at the local level I think. Because the dollars don't go directly to local officials who then distribute them to families; they go directly into the pockets of working families. And so they're a little stealth in

that way, but the economic impact of the credit is really much larger than other programs that most people think of as sort of local in nature. The Community Development Block Grant, for instance, is something that a lot of local leaders would point to as something that the federal government does for cities and smaller places. But in fact the EITC on an annual basis is eight times larger than the Community Development Block Grant. So, we're talking about a lot of money on the table in the aggregate.

So, for you guys, the question I'm going to ask is, "What does that mean for my city?" As it turns out there are really all manners of cities on this call, from quite large to quite small. And this fall at the Urban Center at Brookings we're going to be working on some research to make data available on what the actual dollar flows were in EITC in the tax year 2000 to all sorts of places. But for now for shorthand purposes, I'm just going to talk in terms of if you're a typical city, what the could mean to you. Our research suggests that in a typical city about one in five tax filers receive the EITC. And since the average credit is on the order of \$1,600 to \$1,700 a family, if you're a city of 25,000 people, typically that's about \$3.6 million a year coming into working families in your city. Do the math, if your city has 50,000 people, that's over \$7 million. If your city has 100,000 people that's over \$14 million. I should add that beyond the EITC, there's a relatively new credit that's available to low-income families. It's the refundable child credit. This credit can be in addition to the earned income tax credit. Overall right now it's about 1/7 the size of the EITC. But what that means is it's additional dollars coming into the local economy on top of the EITC. So, if you're getting \$3.6 million in the EITC, with the EITC and the refundable child credit combined, you're getting over \$4 million. And I should also stress that it's not just larger cities-- smaller places, particularly rural areas, benefit as well. Because in those places, wages tend to be lower and thus more families qualify for the credit.

My second point is the fact that there are some things that local leaders can do to help working families and the local economy by leveraging the federal credits and state credits as well. John Wancheck and others are going to get into some more specifics on these. But generally in sort of increasing the order of difficulty, the first thing I want to note is that the outreach is really important. Our estimates at the national level are that only about 85% of families who are eligible for the EITC claim it. And those percentages are even lower among large families, those with three

or more family members, Hispanic families, and families whose first language is not English. Letting these groups know about the credit and the importance of filing taxes is really the best way I think to leverage the impact of the EITC. For instance, if you've got a city of \$25,000 and it gets \$3.6 million in the EITC a year, getting full participation and going from 85% to 100% could mean an additional \$650,000 coming into that city. If you're that city of 100,000 people, getting that full participation could mean an additional \$2.6 million. So, I think the outreach is really the first and best thing that cities can do to really leverage the federal tax code in support of working families.

The second thing I want to note is, where the opportunity exists, connecting families who need help filing their taxes to free or low-cost tax preparation is an important thing as well. Right now about 2/3 of families who get the Earned Income Tax Credit use a paid preparer to file. We find that that roughly costs a family about \$100. On top of that, about 40% of EITC recipients get their refund through what many of you probably know as a rapid refund loan. Something that only saves them about seven to ten days in terms of when they get their money but costs them an additional \$100. So making free and low-cost tax preparation available to low-income families in your cities during filing season can really help to put more money in the pockets of working families and keep that money circulating through your local economy.

Abby Hughes Holsclaw:

Thanks Alan. Ellen White - Quigley with the City of Indianapolis is going to share some of Indianapolis's experiences with EITC outreach.

Ellen White-Quigley:

Thank you. I'm in the office of Mayor Bart Peterson. Our city started its outreach for the first time last year. So we are relatively new at this. And I can give you a little bit of insight as to how we went about starting our campaign and some of the challenges that we faced when we got started. Our interest actually originated from some of Mayor Peterson's conversations that he had had with some other cities. So, last fall we pulled together a small group of partners to look at the figures in Indianapolis and try to decide whether we could do a campaign. With the help of the IRS, we were able to estimate that we have approximately 15,000 to 20,000 families in Indianapolis who currently are not getting the Earned Income Tax Credit but who may be eligible. So, we decided to do three things. We decided to do a campaign that would, number one, do EITC outreach to educate taxpayers about their eligibility.

Number two, provide free tax prep at five sites -- we wanted to make it a small pilot effort to just get our feet wet to make sure we knew what we were doing. Number three, provide families with information about financial literacy or education opportunities. I'm going to focus mostly just on the marketing part of that, the outreach. We pulled together a small group of partners that involved the Mayor's office, Mayor Peterson, Congresswoman Julia Carson, the Annie E. Casey Foundation, Central Indiana Community Foundation, which is a local foundation, a group of financial institutions that were already in existence and looking at savings opportunities for families, and then a coalition of Hispanic organizations. We focused our outreach efforts on neighborhoods that we knew had high populations of people who would be eligible.

We did that pretty low-tech the first year, but ended up being very successful. We used flyers that were in English and Spanish. We also worked closely with the Hispanic media to provide information to them. The IRS spokesperson actually appeared on some of the media and answered questions with translation so that people could call in and ask questions. Then, Mayor Peterson especially went out there and talked to everybody he knew about the Earned Income Tax Credit. He spoke at many different venues; he brought it up in all of the speeches that he happened to be making. He talked to whoever he could about the value of the tax credit and the need to get involved and engaged.

The other partners also assisted. They helped with volunteer recruitment. They helped get the word out to their individual organizations. We started small, we had some small goals to do 3,000 tax returns and recruit 50 volunteers. And we met those goals. Not only did we meet those goals, but also we had some effect countywide on other existing tax sites that the IRS had in place. So, they experienced about a 24% increase in their clients that they got.

Like I said, the Mayor's involvement was just critical in making this work. If he and the congresswoman had not been out there I'm not sure that we would have been able to get the word out the way we did. Next year, because it was so successful, we plan to take the effort countywide. And we've engaged additional partners. We have expanded our outreach activities. We'll be using the bus system here in town. We will be putting together packets to give to employers to educate their employees. We are working with all

of the school superintendents to send information home with their students to get to the families. We will actually be having a tax prep site at our city government building. So, we're doing a lot more to get the word out.

Abby Hughes Holsclaw:

Thank you so much Ellen. I think it's so important for us to hear that you just started last year. And so often we don't realize that even such small investments in outreach can yield significant results for cities of all sizes. We're now moving to Ken Williams with the Internal Revenue Service. He's going to talk more about the IRS as a community partner. As mentioned, this is sort of a new face on the IRS.

Ken Williams:

Thank you Abby. I want to share my enthusiasm. It's great that the Mayor was the champion of this coalition this year. It could not have been performed without the Mayor's involvement.

At the first meeting, we were able to bring in some expertise in the area of tax law and explain the EITC and some of the marketing efforts. Also, as Alan mentioned earlier, it's \$31 billion nationally. The IRS can bring this down to a zip code level. So, in Indiana, that's about \$600 million and it's about \$100 million in Indianapolis. As Ellen mentioned, if we have 15 to 20,000 families that were missing, that's a potential of additional \$22 million that are unclaimed. At the meeting, we shared research on historical filings and demographic information by zip code and did determine in the first year approximately how many volunteers we needed to do so many returns. A big thing on starting out-- we didn't start until September 29th. So, a big thing this year was to temper the marketing with the recruitment of volunteers. We did not want to do a mass marketing program and have more people coming in to get their returns prepared than we had volunteers. So, again all the coordination with the Mayor is important.

Another item that we did was draft a fact sheet among all the coalition partners. When we were out asking for volunteers, if we needed computer equipment or inside support the entire coalition could speak with one voice. And the coalition was speaking from the voice of the Mayor as the champion, which carries a lot of weight in the community.

There are specific things the IRS can do to help in these partnerships. Of course, we're bringing tax law expertise and tax

law training to the table. We have the historical and demographic data down to the zip code so we can help work with community organizations and identify areas within the city where we have a high density and potential to reach some people with EITC and also those who do not claim it. The IRS has leadership training where we train site coordinators. We have experience in recruiting, recognizing, and retaining volunteers. We can provide software for electronic filing. We encourage local coalitions to engage partners whereby those partners that have computers, we can get them software and train them so they can work towards self-sufficiency. We have experienced volunteer and site coordinator foundation. AARP has worked with us closely over the years and they're joining us in these coalition efforts throughout the United States. The IRS does a lot of outreach events with groups like the Points of Light Foundation, Black Expo, and the Hispanic Events. We're out promoting the EITC already. So, we can put a new face on it in our fact sheet about the campaign and the Mayor as a chairman. We have a lot of publications and John Wancheck is going to talk to you later because they have some excellent publications and promotional materials. We already have several existing partners. Besides AARP, we work with State Taxing Authorities, universities, law schools, graduate schools, and community service organizations that serve various ethnic populations. We're working with high schools, corporations, accounting practitioners, the AICPA's, the National Academy of Finance, the media, AmeriCorp's, and library and congressional liaisons. So, we already have a strong partnership foundation built upon which we can expand.

Again, when we're out doing outreach efforts, if we go to a conference and somebody like Head Start approaches us, which has a lot of clients that can be served by this, we try to work with them and encourage them to train their trainers within Head Start. If they have computers, we can get them software. And by training them we want to help them to be self-sufficient. So, it helps to campaign on a leverage scale. We can get some more people and move these people towards self-sufficiency.

Other specific assistance that the IRS can give to Indianapolis and other cities our national office has specialists that will attend coalition-building meetings from their infancy to maturity. The national office specialists have been instrumental in sharing "best practices", building national relationships, and helping to bring partners to the table. Ron Smith at the IRS has worked closely

with Julie Bosland on this. So again, it's been an exciting thing to work with the Mayor as a champion of our coalition.

Abby Hughes Holsclaw:

Thanks Ken. We appreciate the IRS. And what a tremendous community partner the IRS can be. If you're not aware, the IRS has territory managers around the country. In fact, many are on this call listening. With your permission, we can certainly put you in touch with your local territory manager. They provide not only expertise, but the free software that's needed, a tax site, and great guidance on how to do this at the local level.

We're now turning to John Wancheck with the Center on Budget and Policy Priorities. John's going to talk about initiating an EITC outreach campaign in your community, sort of the first step if you're new at this. And then get a little bit beyond that. There are many communities that like to do step one and step two at the same time.

John Wancheck:

The first thing that we suggest is that to launch an Earned Income Tax Credit outreach campaign is you actually assemble a coalition locally that will plan the outreach efforts and the other activities associated with it. And as sort of a preliminary step to doing that we think it's crucial that in fact you sit down and visit with the IRS territory manager. And the IRS has been very nice. They have cloned Ken Williams. So, he is now available in every state, or a reasonable facsimile thereof. You can sit down with someone responsible for your state and take advantage of the information such as Ken relayed to you of things that may already have been going on through the IRS or through other organizations in your region that you can build upon. That will help you identify organizations that have already expressed a lot of interest in this that can be part of a second key element, which is putting together an outreach campaign coalition. There needs to be an initial core group to put together the plan, to make sure that non-profit organizations that are active in the community are involved as key stakeholders in the activity, as well as businesses and employers. As municipal leaders, you may have a pretty good idea who is going to be most interested in this particular kind of an activity oriented toward lower income, lower wage workers.

But those are the key elements: to put together a core group and to develop an outline of what the campaign strategy will be. Then develop links to a broader array of organizations that you brought in as part of this coalition. I think it's pretty clear that this

campaign activity or coalition activity should take on its own identity. And that it be clear that it's being sponsored and that there's municipal leadership involved in it. There'll probably be a kick-off event that's not necessarily a public event for the wider region, but a public activity for participating organizations to really get down exactly what the plan is going to be, have access to all the outreach materials, and move off with a lot of energy and excitement.

A crucial element of an outreach campaign is to be able to have an Earned Income Tax Credit Hotline that you will be able to have available soon enough that you can advertise on the flyers and posters and media activities that are developed for the campaign. That could be tacked on to existing information of referral lines, such as what United Way operates or sponsors or some area -- the new 211 system may be able to accommodate that. Or, failing that, just having a dedicated 800 line that can be advertised and housed someplace where it can be answered by people who can provide basic information about eligibility for the Earned Income Credit. And also let people know where existing free tax filing sites are located near them. In most communities, not all, there are already volunteer tax assistance sites and AARP tax aid sites. So, even if your campaign doesn't have the time to organize new sites for 2003, advertising the availability of existing sites is important. The other aspect is that your campaign may be able to help existing sites upgrade their services to be able to do more computer tax filing and the crucial electronic filing to be able to get people's refunds to them quickly.

I think a third element of an effective campaign is that you plan outreach materials and efforts that are really focused on the target audiences--people who are less likely to be claiming the credits for which they're eligible. I would like to say that there's not a magic piece of data to look for that is going to create a mailing list in your community of all those people who were eligible but didn't claim, that you could simply send a letter to or make a phone call. It's more complicated than that. Don't try to waste your time figuring out where that list is. It's a hard outreach task. But you can get at it by thinking about the locations that are frequented by low-income workers, such as grocery stores, fast food restaurants, diners, schools, faith-based institutions and employers. Employers of lower-wage and moderate-income individuals. Those are the places where the people are likely to get information and where the campaign should target its efforts. In connection with that, in areas

where there are people whose first language is not English, using ethnic media, ethnic radio programs, newsletters, and maybe TV programs is a very effective way to get the messages more targeted.

Ken had mentioned some of our materials. We have a community outreach kit that contains outreach ideas, materials, background on the Earned Income Credit and Child Tax Credit. We also try to produce translations of flyers in a variety of languages, always including Spanish each year. But, we include a lot of other languages as well that we can make available to you. But you probably, if you add a hotline, or have site locations, need to add on additional local messages. So, you need to identify some local translation resources.

Municipal leaders can play important roles within these coalitions that other organizations might not be able to do as efficiently or with the same level of authority. And that's obviously to involve municipal agencies in the campaign who will listen to the local administrator or the local mayor. Suggest that this might be an important idea for the library system, parks and recreation department, the school system, or the housing authority to engage in. Getting payroll -stuffers- that advertise the EITC into city payroll checks that are mailed out as well as notices in bills is another way to spread the word. For instance, getting notices in water bills that are mailed out is a key role for municipal leaders. And as I mentioned earlier, they're more likely to have access to business leaders that they can involve in this kind of an effort. And it might even be worthwhile in some communities to have a separate kind of a kick off event for the business community. Chicago used that very effectively, that's obviously a huge city. But that sort of idea of talking to business leaders in their own terms initially to get them on board is important. In a similar kind of way, the Mayor for example often has the ability to pull together the religious leaders in the community through prayer breakfast meetings or other events to really get them involved. The Mayor and other leaders have played crucial roles in organizing news conferences at the time when the campaign kicks-off to the broader public, when the hotline is advertising free tax filing of sites that are available. So, that's a key visibility role that gets a lot of attention and credibility.

Finally, as Abby mentioned, there are opportunities to move beyond the Earned Income Credit outreach, which should always

include letting people know where free tax filing is already available. But there's more to it than that. There's an opportunity as Ellen mentioned, to analyze where free tax filing assistance needs to occur that isn't available in certain neighborhoods where there's a high proportion of people who are likely to be eligible. There may be nothing there already besides commercial preparers. Those are opportunities to create some new free tax filing sites and even consider whether or not city agencies might host these sites. And finally the whole idea of encouraging people to think about other ways to use their Earned Income Tax Credit refunds for the future benefit of their families. These Earned Income Credit coalitions have opportunities to involve and connect to organizations that are doing Individual Development Account (IDA) programs. Organizations who are otherwise trying to get low-income workers access to financial services, bank accounts, money management or financial literacy programs can all be involved in an early stage. And then as the campaign has the time to figure out the ways to create formal program linkages, you can work those things in.

I should say that there is still time to do all these things for this coming year-- certainly to recruit new volunteers for existing sites. You'll have to do your own assessment of how much new groundbreaking you can do for this coming year. But anything that you can't do this year you can certainly build upon for the next campaign season. Thank you.

Abby Hughes Holsclaw:

Thanks John. I want to reiterate that the National League of Cities is committed to the concept of the Federal Earned Income Tax Credit and communities getting behind this credit, doing targeted outreach in communities, and supporting free tax preparation sites. We want you to know that you're not alone. If you contact me, I can connect you with people.

After this call is over today, I will give John Wancheck, who sends out this wonderful kit every year when it's updated, your name to put you on his mailing list. You will also receive a package from the National League of Cities that has a transcript of this call as well as an action kit that NLC has put together.

In case I misspoke earlier, I want to just reiterate that to qualify for the EITC, if you have one child and make less than around \$29,000, this credit means approximately \$2,500 to you at the

maximum. If you have two kids or more and you make less than \$33,000, it could mean up to \$4,000.

Facilitator: At this time I would like to remind everyone in order to ask a question please press star then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

First Question:

Caller: My question is concerning getting the mayor or any of the leaders in the municipality involved. We're having a hard time here in Detroit, Michigan getting our new Mayor to participate. Are there any ideas or suggestions along those lines?

Abby Hughes Holsclaw: When making a plea to a mayor, whose schedule is often extremely packed, to realize the needs of low and moderate income families, I feel like the numbers talk. If you can show hard facts on the number of individuals missing out on this credit in the community and quite frankly the dollar amount that comes flowing back into the local economy. I think cities around the nation, most of which are in sort of physical crisis and money often talks.

Ellen White-Quigley: I think that's a really good point about money talking. One of the things that really appealed to Mayor Peterson was the fact that this is money that's coming into the community that he doesn't have to pay for. That somebody locally doesn't have to pay for. And that made him very enthusiastic. The other thing that could be very helpful is to make your mayor aware of some of the leadership roles that other mayors around the country have taken. Because that was also good for my boss because he could see that he didn't have to spend a lot of time but he could be very effective in doing what he did.

Facilitator: Next Question:

Caller: I have a question about when you refer to the \$33,000 and the \$29,000. Are those the amounts that are actually shown on their income tax file, when they file their taxes? Does that include child support or is that what they just make at a job that they work at? Is that everything? I'm sort of unclear on that.

Ken Williams: The number is your gross income. And they call it the Earned Income Credit. This is also something that the Mayors as the

champion promotes because this is based on earned income. So, it's not a welfare type situation. These are people who have earned income. Their income is a lower level therefore, they're getting this refundable credit. But \$33,000 would be your earned income. your W-2 income.

John Wancheck:

I could just add that things like welfare benefits and child support are not put on the tax return. So, they're not figured in counting gross income anyway. And they're not earned income so they don't count for or against you in determining your Earned Income Credit.

Facilitator:

Next Question:

Caller:

My question is how do you train volunteers and what assistance is available for them?

Abby Hughes Holsclaw:

John Wancheck's kit as well as other kits that are being put together by organizations around the nation has all sorts of advice for how to train volunteers and how to recruit volunteers. The IRS offers free training for volunteers, however, there is a demand that they may not be able to meet as people around the nation are really getting on this bandwagon. One other thing I'll mention is there is the National Community Tax Coalition that has formed consisting of programs, cities, and organizations around the country doing EITC outreach and free tax preparation. And for the first time ever this year they are actually offering free training to organizations and cities that can then go back and do a train the trainer session.

John Wancheck:

First of all I suggest -- I think you're from Cambridge, Mass-- that you might want to call Mimi Turchenitz in the Boston Mayor's office who has been involved in coordinating the city of Boston Earned Income Credit outreach campaign, which this past year engaged in training a lot of new volunteers to do free tax preparation through community action agencies. So in terms of the local training that's available, normally through the IRS, which Ken can speak to, the IRS is often in the position to train the volunteers, depending upon the community that you're in, or to help you arrange for training through other resource people such as accounting professors at community colleges, or local CPA's, or working with AARP.

It depends on the community. But, I think for Cambridge, your best bet would be to connect in what's happening with the region already.

Ken Williams: That's a very good recommendation because they have a coalition there. Also as John mentioned we work with a lot of partners like AARP, college professors and that. And, we emphasize train the trainers. So a lot of times if we have a city where the IRS doesn't have a strong presence, the AARP will step up to the plate and help us train people. We also developed an abbreviated training class this last year rather than the three or four days which can be done in a class room or can be done in self study. We have an abbreviated one so when we try to recruit accounting type people or attorney type people with some background in tax, we can actually run them through the electronic filing, training and do the tax law at the same time. You can work with your coalition, work with your partnership, especially with the IRS, and you can target your recruiting. You can have abbreviated training or there's several other opportunities. There's a lot of creativity we can use to help get them trained.

John Wancheck: Abby had mentioned the National Community Tax Coalition in Chicago. They have specific materials on volunteer recruitment and management for free tax preparation sites that are oriented toward these kinds of community campaigns that will augment what the IRS has available as far as training to the tax law. Abby will be able to connect you with the National Community Tax Coalition resource folks pretty easily.

Facilitator: Next Question:

Caller: I have two questions. Can the returns be filed retroactively for prior years? And the second question is will there be any change in the formatting of the tax returns so that this could be claimed more easily or that it could be automatic and not require a separate tax form?

Ken Williams: When people come to these sites, such as when we're doing outreach in the Hispanic community and other areas where English is a second language, we often find that some people come from countries that don't have a tax code. So, they aren't even in the tax culture aspect of it. Therefore, we do find people that need prior years' returns and we get them to sites that can help them with prior years' returns. The IRS has done a lot of statistical research to simplify the EITC as complex as it seems on the form. You know it was enacted by Congress. It's a huge amount of money.

It's not an easy thing to do but we have done research in the way of simplifying the filing.

John Wancheck:

People who have not filed a return in previous years, if they're low-income workers, normally don't owe any income tax. That has to be checked out in the process of doing the return. But a lot of times people get scared. I didn't file, I'm going to be penalized for that. Your campaigns can help wipe that away and get people the assistance that they do need. It's actually pretty simple. If they didn't file before, they can just file a return for that year and claim their Earned Income Credit. If they did file a return in a previous year and missed that they were eligible, they can amend that return. And this can go back, in most cases, as far back as three years. So there have been instances where people have collected four years worth of their Earned Income Tax Credit: three back years and the current year. And, often times their house purchase is next in line.

Ken Williams:

That is another aspect where it's great to have the mayor as a champion. The mayor is out talking to people. The mayor can get people's attention. It means more coming from the mayor. Our mayor talked to 600 CPA's. It means more as an EITC campaign from them because there's a natural rapport with the public. The IRS strikes fear in some people's minds--you just mention the IRS and they get nervous. So the mayor helps break down some of the barriers especially reaching out to the ethnic communities.

Facilitator:

Next Question:

Caller:

I wanted to know what would be the best mechanism to bring employers on and get their buy in into the program?

Abby Hughes Holsclaw:

We've had a lot of support from local Chambers of Commerce and coalitions around the country. And I think that's also a natural fit for the mayor to reach out to the local Chamber of Commerce president and local employers. Often those relationships are already solid. And the mayor and other city council members find it very easy to reach out in the civic clubs that they are members of as well as the natural allies that they have there in the community to ask for support. Whether it be to ask for volunteers, space to host the free site tax preparation, or even financial support. I think more often than not you're going to find employers that are more than happy to help. And many of their own employees are eligible. I should probably point out that it's great to start in your own shop

within city government. Letting city employees know that they very well may be eligible for an Earned Income Tax Credit is a great way to reach out to city employees through city government, through payroll and making it actually part of the hiring process to let people know that they may be eligible for the EITC in a welcoming kit.

Ellen White-Quigley:

I think that you actually hit on the main point and that is to reach out to employers where they already meet. That way you've got them in a comfortable setting and you can really appeal to them. Our mayor did that in several situations. Especially this year because we were broadening our outreach, we are putting together employer packets with specific information that will include actual language and some facts that they can put on a pay stubs. We will also include local facts, such as how many of their employees and also what types of jobs might fall within those income ranges, to show that they may have employees that are eligible. We're putting all this stuff together in addition to information about sites. So that gives them the ability to do their own outreach themselves. And we encourage that. But then the other thing that we're doing with employers is encouraging them to have their employees, especially finance departments and human resources departments, act as volunteers. This year, we're going to encourage them to do it as an organization so that they can basically adopt a site and have their employees volunteer. That can be a team building experience for them as well.

Facilitator:

Next Question:.

Caller:

My question is for Ken Williams. He was talking about a draft of a fact sheet. Do you have it ready? And you also mentioned about recruiting and training volunteers. What kind of things do you have to recruit the volunteers?

Ken Williams:

The fact sheet is actually a product of the coalition. We contributed to that. but the fact sheet on one side talks about the details of the Earned Income Tax Credit and the other side talks about the campaign. And it lists all the major community partners. At the bottom, it reiterates how you can help. The fact sheet is actually a publication of the coalition. On the recruiting of volunteers, again as Ellen mentioned, it carries a lot of weight when they can get a letter from the campaign or a letter from the mayor to recruit volunteers. It's just a lot of creativity. Getting them recruited and getting them trained is the key.

John Wancheck: Maybe we should clarify a bit that when we talk about recruiting and training volunteers, we're talking about volunteers to work at the tax preparation sites, the volunteer income tax sites. There are different roles. Sometimes there are people who serve as greeters, receptionists, or clerical people, rather than the people actually preparing the returns at those locations. As far as the overall outreach campaign, normally the organizations that are the partners in the coalition, including the city, are contributing staff time in one way or the other to be able to put together materials and getting materials out, whether it be mailings or arranging media spots or whatever. The focus on recruiting volunteers is less there and more toward the free tax preparation side of things.

Facilitator: Next Question:

Caller: I have a question for Ken Williams as the IRS community partner part of this. You talked about historic filings. Is there a way to find out specifically who would be eligible in our community for the credit?

Ken Williams: Abby are you going to make Ron Smith's number and contact available on our sheet?

Abby Hughes Holsclaw: I anticipate that I will either be able to send out one contact for the IRS that everyone can call to then find out who your local person is and/or include a list of territory managers that you all can contact directly. One way or the other there will be an IRS contact list in there.

Ken Williams: The situation there is that we have historical data and I said we can break it down by zip code. And we can talk about the adjusted gross income, we can talk about people who possibly did file for EITC and people who might file for EITC. Then, the leverage there is that you can partner in your coalitions and partner up with community organizations because they are a lot of times in these zip codes. That gives you an in. Over a census track data you can get more specific about the best areas as we did the first year we wanted to target five sites. We picked out the zip codes that we wanted to target in the first year. But they'll make that available to you through our national office contact and Abby is going to distribute that.

- Facilitator: Next Question:
- Caller: We'd like to ask what the budget was for the outreach campaign in Indianapolis and what types of expenditures you had?
- Ellen White Quigley: We had a \$35,000 budget to use, but we ultimately only ended up using less than \$8,000 because we did it at a very grass roots level in terms of our biggest expenses were flyers and supplies for the sites. We had the benefit of having the IRS provide the software and a lot of the other resources. So, in terms of expenses that we had to pay for it really was very low.
- Abby Hughes Holsclaw: We've seen around the country just overwhelming results with very, very tiny shoestring budgets. Now don't get me wrong, if you have the money to do more media ads and put flyers in very prominent positions that you know are going to catch some attention that's great. But often employers like Kentucky Fried Chicken in Louisville, Kentucky, was able to plaster EITC announcements on KFC boxes that reached thousands of people. In Chicago, a local grocery store printed 66,000 grocery sacks with EITC information free of charge. So there are ways to get the word out. And we learned that while all of these efforts are great, word of mouth spreads like wildfire. If someone learns about the credit they're likely to tell their mother, their sister, their cousin and if they go to a free tax prep site and they have a good experience they're likely to tell their friends and neighbors to go there as well. So, that word of mouth usually brings in as much, if not more, as your efforts through flyers and promotional ads.
- Abby Hughes Holsclaw: On behalf of the Center of Budget and Policy Priorities, the Brookings Institution, the City of Indianapolis, the Internal Revenue Service, as well as the National League of Cities Institute for Youth, Education, and Families, I want to thank you all for taking an hour of your time today to learn more about the Federal Earned Income Tax Credit. My name is Abby Hughes Holsclaw-Holsclaw and you can feel free to contact me at 202-626-3107 or via email at [Holsclaw@nlc.org](mailto:Holsclaw@nlc.org) and ask me any follow up questions that you may have from today's call. In addition, please anticipate in the upcoming weeks receiving a package from the National League of Cities that will hopefully help you further this effort in your own community.

Thank you all and we look forward of hearing of your success at the local level.

