

RURAL FAMILY ECONOMIC SUCCESS

STRATEGIES FOR STRENGTHENING RURAL
FAMILY ECONOMIC SUCCESS

CASEY FAMILY SERVICES
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The Annie E. Casey Foundation & Casey Family Services

- ❑ The Annie E. Casey Foundation was established in 1948 by Jim Casey, one of the founders of United Parcel Service, and his siblings, who named the Foundation in honor of their mother.
- ❑ The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families.
- ❑ Casey Family Services is the direct service agency of the Annie E. Casey Foundation. Casey Family Services was founded 30 year ago and has offices throughout New England and in Baltimore, Maryland.
- ❑ The Maine Division, with offices in Portland and Bangor, provides a variety of programs including foster care, family preservation, family reunification, post adoption services and family economic success initiatives.

Strengthening Rural Families

*Children do well when families do well;
families do better when they live in
supported communities.*

Family Economic Success and the Earned Income Tax Credit

- ❑ In January 2003, the National Tax Assistance for Working Families was launched by the Annie E. Casey Foundation and its partners and allies.
- ❑ The goals of the Campaign include:
 - Increasing the number of eligible low-income families who claim EITC.
 - Saving families money through free tax preparation services and discouraging use of high-cost refund anticipation loans.
 - Connect low-wage workers to work supports, financial education and asset building opportunities.

What is the Earned Income Tax Credit (EITC)?

- ❑ The Earned Income Tax Credit (EITC) is a federal refundable tax credit for people who work but do not earn high incomes. Those who qualify can reduce their federal tax liability, potentially receiving a refund.
- ❑ For the 2006 tax year in order to qualify for the EITC adjusted gross income must be less than:
 - ❑ \$36,348 with 2 or more qualifying children (\$38,348 married filing jointly)
 - ❑ \$32,001 with one qualifying child (\$34,001 married filing jointly)
 - ❑ \$12,120 with no qualifying children (\$14,120 married filing jointly)
- ❑ Must be at least 25 years old but under 65 years if have no qualifying children.

2006-2007 Tax Year AECF/CFS supported Tax Coalition Outcomes

Coalition	Total served	Total federal refund	Total EITC	Total State refund	Grand total
Calais	64	\$66,231	\$29,719	\$13,795	\$80,026
Franklin County	134	\$190,515	\$86,941	\$28,346	\$218,861
Greater Portland CASH	456	\$683,279	\$250,167	\$125,423	\$808,702
Lewiston-Auburn	990	\$1,350,204	\$534,343	\$247,269	\$1,597,473
Sagadahoc	110	\$ 135,144	\$54,234	\$ 25,192	\$160,336
York County CASH	213	\$490,631	\$242,646	\$58,581	\$549,217
Total	1,978	\$2,925,118	\$1,202,004	\$505,557	\$3,430,675

Grow It - Linking Tax Services with Asset Building

❑ Goal:

To provide information and tools to help taxpayers reduce debt and build assets.

❑ Model:

Volunteer “coaches” at tax sites meet with clients to explore financial concerns, provide education related to financial literacy and link with information regarding asset building resources in their communities.

Predatory Lending – Growth Over Last Decade in 3 Practices

- ❑ Payday Lending – the payday lending industry operates more than 20,000 outlets across the country
 - ❑ Refund anticipation loans – linked with tax preparation providers
 - ❑ Sub-prime lending, refinancing
- ❑ Growth in these practices has occurred in both urban and rural areas and concentrated on low-income working families.

Asset Building Tool Kit

- ❑ Earned Income Tax Credit
- ❑ Individual/Family Development Accounts (IDA/FDA)
- ❑ Education savings programs (529 Accounts – FAME)
- ❑ Credit counseling services
- ❑ Home ownership classes
- ❑ Credit reports
- ❑ Bank/Credit Union services and products

The Importance of Partnerships - Lessons Learned

- ❑ The development of strong community partnerships is key in supporting family economic success initiatives.
- ❑ These partnerships allow opportunities for the development of unique relationships across private, public and non-profit sectors.
- ❑ This process builds on existing community strengths and resources.

Key resources to consider in developing tax/ asset building partnerships

- Volunteers**
- In-kind donations**
- Financial support**
- IT support**
- Outreach and marketing**
- Existing programs**
- Specific population (i.e. immigrant/refugee)**

Casey Family Services, Maine Division

Current Coalition Partners Include...

- AARP-TaxAide**
- Androscoggin County Chamber of Commerce**
- Banks, including KeyBank**
- CAP agencies**
- Credit Unions, including Maine Family Federal Credit Union**
- Department of Justice, Weed and Seed Programs**
- Housing Authorities**
- Internal Revenue Service**
- Municipal leaders**
- Women, Work, and Community**
- United Way**
- University of Maine, Farmington**
- Volunteers of America**

Getting started in your community

- ❑ Are there AARP TaxAide or VITA sites currently?
- ❑ Work with Internal Revenue Service to explore needs and possibilities.
- ❑ Identify key partners and bring together to assess interest and resources.
- ❑ Identify commitment from partners for resources, including in-kind.
- ❑ Develop timeline for planning process.

Helpful websites

- ❑ Annie E. Casey Foundation
 - ❑ www.aecf.org
- ❑ National Community Tax Coalition
 - ❑ www.tax-coalition.org
- ❑ Asset Building
 - ❑ www.AssetBuilding.org