

Role of the Community Foundation

Community Foundations often encounter constraints because of limited unrestricted funding and significant demand from all sectors in the nonprofit community. But in addition to grantmaking we are also known for being quite resourceful and for finding ways to support the work of service providers and help to make things happen. Some of the community roles through which we do that are as a convener and as a catalyst that helps to build capacity or to promote leadership.

In the case of bringing EITC programs to the US-Mexico Border, ACF has been very successful in the catalyst role. Staff at ACF first learned about the EITC as a strategy for assisting the

working poor at the Annie E. Casey Foundation during a session for community foundation practitioners.

It was a great fit with plans for the Arizona Campaign for Working Families and with prior work that had already supported individual development accounts. It was also an excellent method for achieving real change in the status of working families along the US-Mexico border, the service area for our collaboration with the Border Philanthropy Partnership, spearheaded by the Synergos Institute.

We had a new fund designed to support Catholic Community Services, the lead agency for the Adelante Program and others. I remember the first meeting with the CCS director in which we realized that we had a good match. CCS was very

interested in developing a program to enhance family asset building. So our mutual interests and the availability of implementation funds came together in a way that allowed us to start down this path together.

Arizona Community Foundation's Campaign for Working Families 2005/2006 Outcomes

The *Campaign for Working Families* complements the efforts of the *Border Philanthropy Partnership* to increase the quality of life on the US-Mexico Border. With funding from the Annie E. Casey Foundation, the Arizona Community Foundation (ACF) and JPMorgan Chase, the *Campaign* has enabled Catholic Community Services of Southern Arizona (CCS) and the Assets for Arizona Institute to use tax preparation sites as vehicles

to provide financial education and communicate asset building programs to low-income Hispanic families.

Working with the IRS, CCS has established a task force in each of the border counties to collaborate with local nonprofits, recruit volunteers and develop strategies to promote Earned Income Tax Credits (EITC).

From this experience, ACF has learned that social service organizations are effective at providing financial education and offering asset building programs for families in Arizona. Partners collaborating with CCS include: Santa Cruz Workforce Development, Yuma and Cochise community foundations. During the 2005/2006 tax season, the *Campaign* generated the following outcomes:

- Operated volunteer tax preparation sites in Cochise, Pima, Santa Cruz and Yuma Counties. The nine sites provided 1,646 families with tax preparation services that generated \$1,231,199 (46% previous year increase) in EITC receipts and a total Federal tax refund of \$2,265,439 (54% previous year increase).
- Tracked a 47% increase in new filers in Cochise County and a 78% increase in Pima County.
- Recruited and trained 36 volunteers who contributed over 2,400 hours preparing taxes.
- CCS implemented Individual Tax Payer Identification Number (ITIN) acceptance agent services assisting 284 individuals in obtaining ITIN numbers.

Detail Summary of Outcomes

County	# of 2004 Returns	# of 2005 Returns	EITC 2004	EITC 2005	Amt Increase	Total 2004 Refund	Total 2005 Refund	Amt Increase
Cochise	101	256	\$79,084	\$223,304	\$144,220	\$111,604	\$326,111	\$214,507
Pima	451	662	\$324,931	\$351,142	\$26,211	\$599,606	\$824,869	\$225,263
Santa Cruz	310	518	\$260,258	\$507,504	\$247,246	\$455,068	\$877,398	\$422,330
Yuma	241	210	\$180,523	\$149,249	(\$31,274)	\$304,282	\$237,061	(\$67,221)
Total	1,103	1,646	\$844,796	\$1,231,199	\$386,403	\$1,470,560	\$2,265,439	\$794,879

Linking EITC to Individual Development (IDA) Accounts

ACF is working in partnership with Assets for Arizona Institute, a department of MesaCAN, to build a framework for IDA accounts in Arizona. ACF, The Nina Mason Pulliam Charitable Trust and the Valley of the Sun United Way have provided operational support to develop the capacity of Assets for Arizona Institute to administer a statewide IDA program. The Arizona State IDA Census indicated that 613 IDA accounts were opened and 469 in asset purchases generated \$1.8 million in cumulative savings and \$20.3 million in leveraged economic activity, particularly the purchase of first-time homes.

In 2003, ACF began a five-year commitment (\$66,612 annually from a field of interest fund) to leverage matching Federal funding (AFIA/Assets for Independence ACT) for IDA accounts at CCS. CCS is using its network of tax preparation sites to promote the availability of IDA accounts and provide financial education. We anticipate more than \$600,000 for matched IDA accounts for asset purchases in southern Arizona. CCS efforts in asset development include:

- **Implementing informed financial education strategies.** CCS has made 98 financial education presentations to adults and 145 to students. Integrated client information from the Southwest Border Survey to develop a two-hour seminar on Family Savings Planning (30 families attended). An additional three seminars are planned using information from the survey in 2006.
- **Tracking IDA accounts in border counties: Cochise County** opened six active IDA accounts. **Pima County** has 27 active IDA accounts, completed one home purchase and four education purchases. **Santa Cruz County** had six home purchases, opened 12 IDA accounts that resulted in one education and one home purchase. **Yuma County** opened 45 IDA accounts at Comite de Bienestar.

Complementary to these achievements are new housing funds that have been put into place in Yuma County. Two funds are being used to assist first time home buyers to "bridge the gap" between their savings and what is required. And again the logistics are being handled by CCS by helping to identify appropriate recipients.

Accomplishing these results for our state requires many players working in partnership. The Governor's Office has been convening a statewide task force to promote EITC and the efforts of our colleagues in Tucson and along the US-Mexico border were among the first to include populations outside of the major metropolitan area and to focus on non-English speaking families. ACF has also been able to assist the Inter Tribal Council of Arizona to introduce EITC to urban Indian constituencies.

By sharing what we learned, providing seed funding, pointing service agencies toward technical assistance from other sources, and helping to connect those who are doing the work, we have been able to return significant amounts of money directly into the hands of low-income families.

May the Arizona examples inspire you! Many other community foundations have helped to stimulate family asset building activities in their service communities and I'm sure many of you can—and hopefully will--share success stories from other parts of the country.