



STATE OF CALIFORNIA

Department of
Community Services & Development

**BUILDING YOUR FINANCIAL EMPOWERMENT
PROGRAM
EARNED INCOME TAX CREDIT
CAL-NEVA CONFERENCE
APRIL 30, 2014**

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Earned Income Tax Credit



- The Earned Income Tax Credit (EITC) is one of the federal government's largest resources for working low-income Americans. It is widely regarded as the nation's most effective and efficient anti-poverty program.
- EITC is a benefit for working people who have low to moderate income.

CSD EITC SUPPORT



- **2009 - Allocated \$891,500 (1%) of the CSBG American Recovery and Reinvestment Act (ARRA) funds in RFA.**
 - Integration with other asset development activities such as financial educations
 - Establishment of savings accounts/Individual Development Accounts
 - Integration of EITC and other benefit asset development efforts
 - Coordination of other efforts to increase utilization of local, state, or other federal benefits available

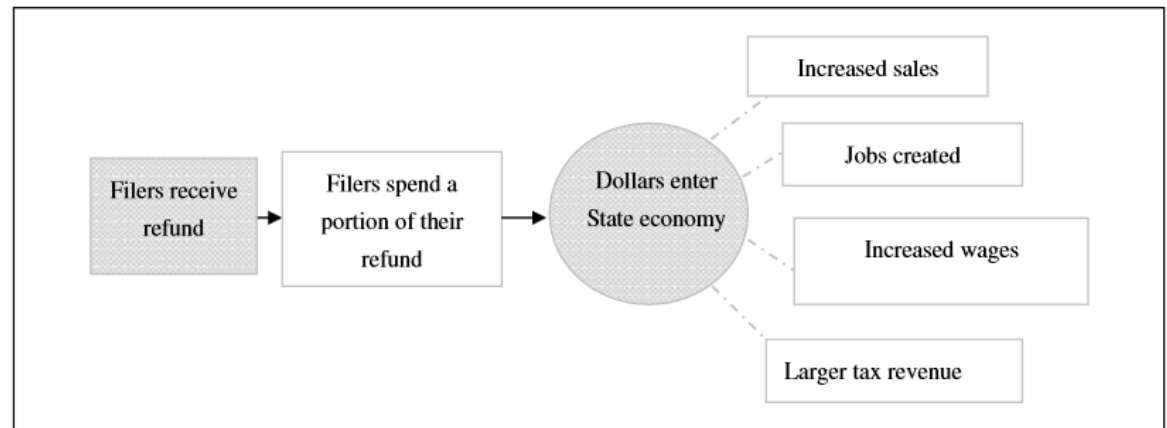
CSD EITC SUPPORT

- **2009 - Funded the New America Foundation which produced the report Left on the Table.**
- **California's EITC non-filer rate – the percentage of those qualified who don't file for the EITC is 24.9%, as estimated by the IRS.**
- **Unclaimed Earned Income Tax Credits cost California's economy and low-income residents \$1 billion annually.**

Economic Impact

- 1) Additional output (business sales)
- 2) Benefit payments support jobs directly and indirectly
- 3) Additional labor income (wages)
- 4) Additional state tax revenue

Figure 1: Conceptual Framework – How EITC Dollars Flow Through the Economy



CSD EITC SUPPORT



- **2010 - CSD funded Cal/Neva to support an EITC media public awareness campaign that aired March through April in English and Spanish throughout the State.**

CSD EITC SUPPORT



- **2010 - CSD was directly involved with the steering (planning) of the first Statewide EITC Symposium held September 2010.**
- **2011 - CSD funded Cal/Neva to develop an EITC Resource Bank.**

2014 Asset Building Strategic Planning



- **2014 - CSD surveyed network to assess EITC efforts.**
- **2014 - CSD funded Public Service Announcements in ten targeted counties.**

2014 Asset Building Strategic Planning



- **Expand Volunteer Income Tax Assistance (VITA) Programs**
 - Increase the number of agencies newly operating and administering VITA programs
- **Build agency capacity for operating existing VITA programs**
- **Facilitate communication related to CSD Asset Building priorities**

2014 Asset Building Strategic Planning



- **Increase outreach, education and promotion of the EITC and Asset Building Initiative**
- **Support new research**
- **Allocate funds to assist in EITC efforts.**