Margins to Mainstream

Community Foundations Advancing Family Economic Success

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Greater Milwaukee Foundation
Greater Milwaukee Foundation

- Founded in 1915
- Serves four counties with a population of 1.5 million
- Assets of $340 million
- Total grants of $22.5 million
- 45% discretionary assets
- History of leadership roles in last 15 years

Margins to Mainstream: A Peer Exchange Workshop —October 24-25, 2003—Baltimore, MD
Sponsored by the Annie E. Casey Foundation, and co-organized by Coalition of Community Foundations for Youth (CCFY) and Rural Development Philanthropy Learning Network (RDPLN) —The Aspen Institute

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Genesis of the Super VITA Sites

- Amelia Island conference
- Remarks by Peter Edelman
- $35,000 for three pieces of research
  - UW-Milwaukee for study on poverty in Milwaukee area over past 30 years
  - Determine utilization rates of key entitlement programs such as EITC
  - Interviews with 30 key informants
Key Findings

- In 1999 over 1/5th of City residents lived in poverty
- Nearly 1/3 of the City’s children
- Focus on making existing successful programs work better
- Focus on the working poor – those caught between poverty and self-sufficiency
- Programs need to be marketed, application processes simplified and services better coordinated
## Utilization Rates of Public Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Estimated Not Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>EITC</td>
<td>10,000</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>30,000</td>
</tr>
<tr>
<td>Medicaid</td>
<td>18,000</td>
</tr>
<tr>
<td>BadgerCare</td>
<td>20,000</td>
</tr>
<tr>
<td>GAMP</td>
<td>20,000</td>
</tr>
<tr>
<td>Childcare (Title 20)</td>
<td>108,000</td>
</tr>
<tr>
<td>School Lunch Program</td>
<td>10,000</td>
</tr>
</tbody>
</table>
Program Design

- For whom? Focus on the working poor and EITC in particular
- Where? Two primary locations – North and South side of the City
- How long? Not yet determined.
Key Elements of the Strategy

- Partnerships formed:
  - Social Development Commission (SDC)
  - Milwaukee Asset Building Coalition
  - BadgerCare Consortium and City Health Dept.
  - Greater Milwaukee Foundation
  - University of Wisconsin-Milwaukee and evaluator
- $75,000 grant to establish three VITA “super sites” including two fixed sites and one mobile site
- $25,000 for program evaluation
- Significant investment of program staff time
Goals of the VITA Super Sites

- Increase the number of people taking advantage of EITC, childcare credits, etc.
- Increase the skills of participants in planning, developing and managing assets
- Reduce the use of for-profit tax preparers and high interest check cashing services
- Build new collaborative relationships and strengthen existing ones
Key Desired Outcomes/Indicators

- Working families have and use reasonably priced savings and checking accounts
- Obtain loans without using predatory lenders
- Take full advantage of all available tax benefits
- Find and use all public and private programs that provide essential services
Services Offered at VITA sites

- Free income tax preparation focused on tax credits
  - EITC
  - Homestead credit
  - Childcare credits
- Enrollment in BadgerCare, WIC, food stamps, etc.
- Saving options with a local banking institution
- Other on-site services such as energy assistance

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Accomplishments

- Over 12,000 people received tax credits
- $5.4 million provided to participants at 19-site VITA program
- Three times prior year filings
- The three super sites accounted for 36% of EITC filings valued at $2.3 million
- 80% were new filers at VITA sites
- 150 families assisted with health coverage, food stamps and other entitlement programs
Utilization of EITC Credits

- Immediate expenses such as rent or utilities, clothing, general living expenses, etc.
- Fewer than 1/3rd reported saving any of refunded money
- 5% reported putting money aside to “to buy something major”
- 5% “for my kids and retirement”
Challenges

- Program started too late in January
- Only 28% deposited checks into bank or credit union
- Recruiting and scheduling volunteers
- County food stamp workers relocated
- Federal policy change in 2005: pre-certification requirements for EITC
- Long-term funding of the VITA sites
Current Status

- $100,000 grant for the continuation of the three VITA super sites
- $15,000 grant for evaluation of the second year
- Focus on the issues raised by the evaluation of first year
- Increase on-site services – student financial aid, child care, weatherization, savings accounts

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Lessons Learned

- The investment in research on utilization rates was critical for Board understanding and support.
- Defining clear outcomes and indicators was critical for the Board and for the partners.
- Investing in evaluation is helping refine the model.
- Public policy issues cannot be avoided.
  - County decision to move food stamp workers.
  - Federal decision to pre-certify EITC filers.
Foundation’s Role

- Funded research on utilization rates
- Pulled together the required partners to develop the VITA super site strategy
- Provided key grants to test the strategy
- Secured additional funding partners
- Generated media coverage to promote the VITA super sites
- Funded evaluation of the strategy
- Attended key meetings of the partners