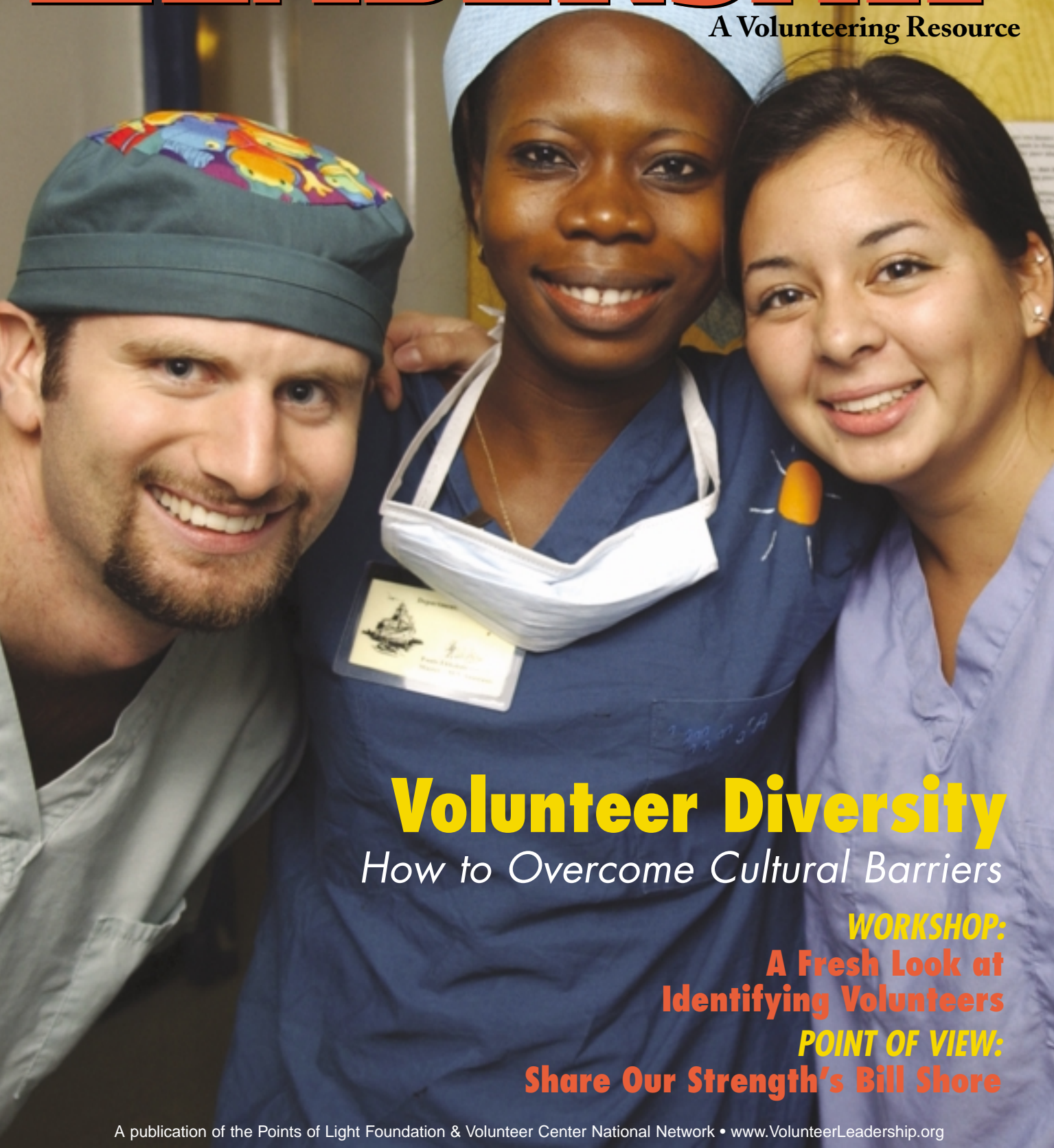


VOLUNTEER LEADERSHIP

Fall 2006

A Volunteering Resource



Volunteer Diversity

How to Overcome Cultural Barriers

WORKSHOP:
**A Fresh Look at
Identifying Volunteers**

POINT OF VIEW:
Share Our Strength's Bill Shore

Investing in the Future

Programs Use Volunteers to Recover and Manage Finances

■ BY ROY DELAMAR

Can volunteers play a role in your personal finances? Surprisingly, the answer is a resounding yes. From help in applying for tax credits and preparing taxes to advice and training about investing money or buying a home, volunteers help people gain control of their finances. Nonprofit organizations like AARP, Volunteer Centers and the Investor Protection Trust join forces with financial institutions like Capital One, trade associations, schools and universities and state and federal governments

to provide an array of services for consumers. The programs offer both direct services and education on all areas of personal finance.

EITC and the Asset Building Initiative

The Earned Income Tax Credit (EITC) is the largest Federal antipoverty program targeting working families in America. (See sidebar, page 13.) Despite its 30-plus year history of helping to reduce poverty, however, about one in five eligible families do not know

about, or apply for, the EITC. That is why the Points of Light Foundation & Volunteer Center National Network recently launched the EITC and Asset Building Initiative.

Funded by a grant of \$350,000 from Capital One, the Foundation will strengthen and expand EITC outreach and free tax preparation campaigns through education, training and mentoring to Volunteer Centers. "Many local Volunteer Centers have been involved in EITC activities for several years, but this is the first time the Foundation has had the funding to create programs nationally," says Polina Makievsky, director of Model Programs at the Foundation.

Capital One also will back the Foundation's efforts with in-kind marketing support. Capital One has a well-established history of supporting and advocating financial literacy. In 2001, the company joined forces with consumer advocacy group Consumer Action to launch MoneyWi\$e, a program designed to provide consumers with the building blocks for developing and honing personal finance skills.

To date, the program has distributed more than 1.5 million pieces of informational materials. "By providing free brochures in multiple languages — English, Spanish, Chinese, Korean and Vietnamese — the MoneyWi\$e



A Capital One associate and middle school student from Rocky Run Middle School in Chantilly, Va., discuss money management basics at the Capital One/Junior Achievement Finance Park.

Capital One

program is able to address financial literacy across both income and ethnic barriers,” says Diana Don, senior director for Financial Education at Capital One.

In addition to distributing free materials online, more than 8,000 expanded leader guides were sent to community-based organizations across the country. Additionally, the program hosts “train-the-trainer” seminars throughout the country to demonstrate how the MoneyWi\$e materials and curriculum can be used most effectively.

National Initiative, Local Impact

Ten Volunteer Centers — six pilot sites and four leadership sites — were selected to launch the new EITC initiative.

“These sites will do outreach work to reach eligible populations and to recruit volunteers who will prepare taxes and go into the communities and educate clients. They will also develop partnerships,” Makievsky says.

“I’ve heard from many Volunteer Centers that their EITC work is one of the things they’re most proud of because they produce really tangible results. They see that their volunteers helped bring millions of dollars in federal money back in to the communities.”

Getting the Word Out

A major obstacle facing the Volunteer Centers and their partners is simply raising awareness of the EITC and the free tax services available within the community.

“There are some real struggles in getting folks in the door. There is a basic distrust of programs that are associated with the government and the IRS. Taxes and the IRS are not what you first think of when you

EITC: Moving People Above the Poverty Line

The Earned Income Tax Credit (EITC) is a tax credit available to working families whose income is less than twice the federal poverty line. Enacted by Congress in 1975, the EITC represents the largest single source of funding for low-income working families. In 2003, 19.3 million families received \$34.4 billion from the EITC, which represented as much as a 13 percent increase in income to some urban and rural households. The average amount paid to each claimant that year was about \$1,784. For tax year 2006, working families earning \$36,348 or less may be eligible for the tax credit. This amounts to 17 percent of all income tax filers.

The EITC is classified as a “refundable” credit, which means that eligible filers receive a refund check even if they were not required to pay any Federal income tax. In some cases, this refund amounts to as much as a 40 percent pay increase for a family, making the EITC one of the most effective Federal poverty alleviation strategies. According to the Center on Budget and Policy Priorities, the EITC raised 4.4 million individuals, including 2.4 million children, above the federal poverty line in 2003.

While it is difficult to know for certain, it is estimated that as

many as 20 percent of eligible workers do not claim the EITC in any given year — leaving as much as \$7.6 billion unclaimed by families struggling to make ends meet. The deficit in the number of applicants is attributed primarily to a lack of awareness about the EITC as well as a lack of technical awareness about claiming the credit. Immigrants, rural residents and married couples are among the groups that are least likely to know that they are eligible for the EITC. Many nonprofit organizations, including many Volunteer Centers, are working to bridge this gap.

Volunteer Centers play a variety of roles in the EITC realm. Many recruit, train and/or manage diverse, highly skilled volunteers to staff Volunteer Income Tax Assistance (VITA) sites, where low-income workers can have their taxes prepared free of charge. Others train their local tax coalitions to work effectively with volunteers. Some are leaders in EITC outreach and education efforts, connecting eligible families to the EITC and its benefits.

For more information, visit www.PointsofLight.org/Programs/EITC/

— James Murphy
*Points of Light Foundation
Model Programs Manager*

think of volunteers,” says Makievsky. “The other big challenge for nonprofits is trying to compete with paid tax preparers with huge marketing budgets.”

With that in mind, local Volunteer Centers have stepped up their efforts to get the word out.

Sybyl M. Atwood, program director for Volunteer Services at the Resource Center of Flint, Mich., held a neighborhood walkabout on Martin Luther King Day. “We visited about 1,800 homes to tell them about EITC. We also printed door-hangers that said ‘Sorry we ➡

missed you' and gave information about EITC and free tax preparation services."

The Flint Resource Center, which is one of the 10 sites selected for the new initiative, also started running a PSA on a local television station. "When our information is on the noon news broadcast, we get 20 calls in 20 minutes to the information line at the Resource

Center," says Atwood.

The Resource Center partners locally with AARP tax preparation sites and the IRS' Volunteer Income Tax Assistance (VITA) sites. "We increased the amount of money coming back to the community over the past three years, from \$117,000 to more than \$500,000," says Atwood.

Atwood sees this type of work as

a natural fit for her Resource Center because "we connect people with agencies. We partner with the people who are on the front lines. We work with tax coalition agencies, the National Association of Black Accountants and the University of Michigan at Flint. And there are other agencies in the partnership that are superb at credit education."

The Resource Center also is starting an after-school mentoring program at a local elementary school, where more than 75 percent of students are below the poverty line. "We will notify the parents about EITC and the services available in the community," she explains. "Our goal is to reach about one-half of the school's 530 students."

Atwood believes that such services are especially vital in her state. "Michigan ranks 49th out of 50 [states] in economic status. We have increasing poverty rates and jobs that are just disappearing," she says. "That is why our goal is to increase the number of sites and the number of volunteers. That, in turn, will increase the number of dollars that reach the community."

Long-Term Thinking

What happens to those dollars once they arrive back in the community is just as important as getting them in the first place.

For that reason, many organizations are working to enhance financial knowledge, especially among low-income populations. One successful partnership was developed between the American Library Association (ALA) and the Investor Protection Trust (IPT), an organization founded in 1993 to provide independent, objective information needed by consumers to make

The Basics of Saving and Investing: Investor Education 2020

The Investor Protection Trust (IPT) recently released "The Basics of Saving and Investing: Investor Education 2020," a curriculum entirely focused on investor education and protection. "The Basics" guide is geared towards high school teachers; however, its content and language lends itself to all kinds of investor education and protection initiatives including college courses, workplace education, after school



Investor
Protection
Trust

programs, seminars for adults and seniors and library programs.

The focus on investing and the inclusion of an entire unit on investor protection makes "The Basics" guide unique among the national curriculums available today. It is

divided into four units — Getting Started, Introduction to Financial Markets, Making a Financial/Investment Plan and Investment Fraud — and includes an appendix. Each unit contains learning objectives, suggested activities, overheads, handouts and worksheets. The appendix contains additional resources — including non-commercial Web sites — and a glossary of terms. In addition to providing a comprehensive curriculum, each unit can stand alone as its own lesson. "The Basics" guide can be the framework of an entire course or seminar on investor education and protection or supplement an existing education program.

A team that included two high school teachers, two representatives from State Securities Regulator's Offices and representatives from the IPT developed the guide. "The Basics" can be downloaded free of charge at www.InvestorProtection.org/basics or by contacting your State Securities Regulator. In addition, many State Securities Regulator Offices have state versions available in print and online.

For additional information on "The Basics of Saving and Investing: Investor Education 2020" contact IPT via e-mail at Info@InvestorProtection.org or visit the IPT Web site at www.InvestorProtection.org.

— Cheri L. Meyer
Investor Protection Trust Program Director

informed investment decisions.

"Saving and investing has long been perceived to be the providence of the rich, not Main Street Americans," says Don Blandin, IPT's president and CEO. "This is no longer true, and that attitude is beginning to change with the prevalence of IRAs, 401(k)s and other self-directed retirement plans.

"The 'Investor Education @ Your Library' program began with a pilot phase in which ALA and IPT selected 20 library systems around the country to receive small grants and host at least one investor education and protection seminar starting in early 2006," says Blandin.

Libraries received customized materials developed by ALA, IPT and Kiplinger Washington Editors, including seven booklets focusing on different investing topics and a DVD set of IPT's national PBS series, "MoneyTrack."

"The seminar is a unique turnkey program designed specifically for libraries and state securities regulators to implement and deliver quickly and conveniently. The seminars, which are given by accredited program instructors and counselors, focus on the process of investing versus the products for investing," Blandin says.

Likewise, Volunteer Centers across the country also realize the importance of helping clients understand the financial basics.

"We don't want people to think of getting a tax refund as Christmas in February," says Gigi Rolfes, executive director of Volunteer Macon, in Macon, Ga., a pilot site for the new Foundation initiative. "It's one thing to help people do their taxes, but it's another to get them to reinvest these funds in themselves and watch them grow."

Volunteer Macon has created a



The Flint Journal/Sieve Jessmore

Lee Bell, representing WDZZ 92.7 radio, left, and Flint City Councilman Jim Ananich joined nearly 100 volunteers who visited neighborhood residents in Flint, Mich., to inform them about free tax preparation services for low-income wage earners, the Earned Income Tax Credit and other community resources.

comprehensive program called Financial Assets Development. "There are a lot of misconceptions about personal finance," says Rolfes. "For instance, some people believe that they can't get a bank account because they have a bad credit history. One of our focuses throughout tax season will be to set up direct deposit accounts for clients. A local bank and credit union have agreed to set up accounts with just a five dollar deposit."

After tax season, the Volunteer Center will host a series of workshops on personal finance, addressing practical topics such as how to purchase a car and buying a first home. "We want to be responsive to people who have applied for EITC and offer asset-development classes," says Rolfes. "We want to help them start thinking long-term: If they take their refund and save it to buy a car, that will then allow them to get a

better job across town and earn more money to help save to buy a home."

One way Volunteer Macon reaches the community is by establishing partnerships with churches. "Their support is a seal of approval, because people trust their churches, especially at times of need," says Rolfes.

"We are hoping to serve 500 families in the first year, and also to have a long-term impact on their finances," she says. "And we will be here after April 15 because we want to help our families all year long."

For more information, visit:

- www.CapitalOne.com
- www.irs.gov
- www.ala.org
- www.InvestorProtection.org ♦

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