

PROPOSAL TO THE PA 715 FOUNDATION Earn It! Keep It! Save It!

Earn It! Keep It! Save It! (EKS) is requesting a two-year, \$100,000 general support grant to support EKSs efforts to help low-income individuals and families accumulate savings and live in stable, economically viable neighborhoods through a combination of economic support and community investment strategies.

EXECUTIVE SUMMARY

Earn It! Keep It! Save It!

Earn It! Keep It! Save It! (EKS) is a San Francisco Bay Area organization working towards providing services and resources to low-to-moderate income families and individuals for achieving financial literacy and economic self-sufficiency.¹ The free tax preparation sites served nearly 20,000 families or individuals in the 2006 campaign as part of the income support services. However, in order to further the goal of self-sufficiency, EKS would like to propose the implementation of a year round financial education workshops and financial counseling through a new program component, Best2Invest (B2I). There are many indicators of self-sufficiency². B2I will work to produce a number of those indicators. Participants in the B2I workshops will open bank accounts, increase their knowledge on saving techniques and predatory lending practices, begin steps to repair their credit and learn more about preparing for home ownership or post-secondary education. Without a doubt, partnerships and community collaboration will make this program possible. Specifically, if the PA 715 Foundation grant for \$100,000 is awarded, EKS will be able to hire a full-time staff member to coordinate the B2I program activities.

PROPOSAL NARRATIVE

Needs

Some important facts that illustrate the need for services and support for low-income working individuals and families:

Up to 20% of all American households do not have an account with a bank or credit union. Nearly forty percent of white children and seventy-three percent of black children in low-to-

¹ Self-sufficiency is defined as an individual's ability to supply one's own or its own needs without external assistance. The elements considered in determining the local definition of economic self-sufficiency include family size, housing, food, utilities, childcare, transportation, health care, clothing, taxes, and tax credits (Pearce, 2003)

² As well as key indicators of self-sufficiency, the following incomes have been identified as the standard self-sufficient income levels for the seven bay area B2I counties: Alameda-\$56,932, Contra Costa-\$55,162, Marin-\$68,048, Napa-\$55,413, San Francisco \$69,241, San Mateo-\$67,867, Solano-\$51,966 (Pearce, 2005).

moderate income working families, grow up in a household with a zero or negative net in financial assets. (FES, 2005) The story is certainly no different for the Bay Area.

Few low-income workers are advancing to higher paying jobs: one study found that only 27 percent of workers who earned less than \$12,000 a year from 1993–95 were consistently earning more than \$15,000 six years later (Holzer, 2004).

Costs for basic household needs have risen dramatically. Since 1996, the cost of living for a single adult has increased by 70% in San Francisco. Housing costs have also increased for working families. In Sacramento housing costs increased by 51% since 2000. In California, a single parent with a preschooler requires a median wage of \$12.50 per hour to pay for basic household costs (almost double the state minimum wage of \$6.75). In one-third of California counties families require an hourly wage above \$15 per hour to make ends meet (Pearce, 2005).

Many low-to-moderate-income families and individuals in the Bay Area lack basic knowledge to improve their financial management skills, and save for the future. Financial assets allow people to invest in themselves and their communities through eventual home purchases, to further their education or to have a financial cushion to absorb life's eventual shocks. When people live paycheck-to-paycheck their financial security is precarious and often dangerous, especially when parents lack the earnings, assets, services or social support systems required to consistently meet their family's needs.

When thinking about poverty, we usually think of it in terms of the amount of income that a family has, but it is also important to consider their assets. A family needs savings to weather emergencies like getting laid off from a job, having a car break down, or paying the health insurance deductible when a child breaks an arm or a leg (or the entire bill if the family does not have health insurance). Too many families are forced to use debt to finance such emergencies.

Many low-income Bay Area families need assistance, both financial and educational, in order to gain access to asset development and establish self-sufficiency. The median value of a bank account for families with an income less than \$10,000 is only \$700, compared to a median value of \$15,900 for families with incomes greater than \$100,000. These same low-income families show a net worth of only \$3,600 (AWFP, 2000). B2I workshops will help connect individuals and families to the economic mainstream, help isolated families secure adequate incomes, and establish a financial foundation for individuals and working families. This is integral to promoting self-sufficiency.

Goals and Objectives

The objective of the B2I program is foremost to develop the knowledge and skill set of low-to-moderate income individuals and families in order for them to invest in themselves and their family's future. This will be achieved through financial literacy workshops coupled with financial counseling. B2I will also act as a resource for Bay Area programs that may help foster asset acquisition, such as SF EARN, in the hope of broadening the community services provided to low-to-moderate income families and individuals seeking to build financial assets.

B2I will be the first program in the Bay Area to provide the community with financial literacy and asset development skills. We anticipate that our workshops will lead to higher incomes and

financial stability, greater home ownership, improved financial awareness and/or management skills, and increased self-sufficiency among participants.

The program's primary goal is to increase financial management skills and knowledge in order to develop financial assets. Its secondary goal is to increase awareness of Bay Area programs that assist in asset development. Its tertiary goal is to cultivate the community of low-to-moderate income families and individuals seeking to build financial assets and to keep participants coming back over time so that they can advance in their careers and capitalize on available work support and financial services

Measurable Objectives

EKS defines a number of goals and intermediate outcomes for gauging our success:

- Building the EKS network of experienced workshop facilitators – this is measured primarily by the growth, but also the stability of the current number of facilitators that lead workshops. We hope to keep the same facilitators while growing our number of facilitators available to lead workshops by 20% through 2008.
- Providing at least 20 workshops annually that will educate participants with critical skills and knowledge in four core subject areas: Education investment, financial management to purchase a home, investment and savings plans, and asset development.
- Hold at least four workshops in each of the four core subjects (20 workshops total) with a minimum of 15 participants in each workshop and a 60% satisfaction rate for each workshop.
- Best 2 Invest workshops will train at least 300 unique participants per year with at least a 5% increase each year in the number of workshop participants.
- Recruit participants interested in this training from the seven bay area EKS counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Solano.
- Each year at least 50% of participants will report an intention to “definitely” or “probably” implement a plan to achieve financial self-sufficiency, as a result of participation in the Best 2 Invest program.
- A measurable decrease in the number of participants engaged in costly debt traps such as advanced from check cashing stores or pay roll advances
- Financial Literacy-a measurable increase in financial management awareness, skills, and knowledge
- In 2007, EKS will implement a strategic partnership with Wells Fargo Bank to troubleshoot problems associated with low-income individuals and families achieving financial security.
- Pilot at least 1 new outreach method to Bay Area cities without an EKS program, and

recruit at least 5 workshop participants from those areas.

Achievement of these goals will depend substantially on the amount of funding available to the Best to Invest Program. Over the next two years, we hope to increase direct workshop funding from \$80,000 per year to \$110,000 per year.

Plan for Implementation

- February 2007-Hire B2I Program Manager
- March 2007-Collaborate with partners to define needed resources for each workshop, determine strategic locations for workshops, and determine key facilitators.
- March 2007-Hold regular board of directors meetings and approve B2I action plan.
- March 2007-Create communication strategy for outreach to target population and define needed resources.
- April 2007-Coordinate resources to implement communication strategy and launch workshop marketing.
- April 2007-Process workshop registrations and allocate workshop scholarships.
- May 2007-Hold workshops in targeted locations.
- May 2007-Collect evaluation pre and post data, workshop facilitator feedback, partnership feedback, and stakeholder input.
- June 2007-Report mid-year progress and evaluation data to funders and stakeholders.
- June-September 2007-Coordinate details for following workshops in strategic geographic locations.
- June-September 2007-Hold second collaborative meeting with partners to review evaluative findings and address strategies for 2008.
- September-December 2007-Create action plan for 2008 integrating feedback from partners, evaluative findings, 2008 budget, and funder input.
- September-December 2007-Create year-end reports for funders.
- September-December 2007-Implement year-end individual donor campaign and board solicitation.
- September-December 2007-Year end board meeting and approval of 2008 B2I action plan.

Long Term Strategies

EKS is working towards a funding and economic resource diversity plan. Our goal over the next two years is to increase our individual contributions and interest income to diversify our revenue sources. EKS staff and the board of directors are committed to having one-third of revenue come from foundations, one-third from individual donors, and one-third from interest income. Our strategies for achieving this goal are as follows:

- Increase renewable sponsorships from partnering financial institutions with a two year commitment,
- Increase individual donor contributions by 30% over the next two years,
- Increase board giving and board solicitations,
- Increase interest income on CD's and investments,
- Conduct ongoing grant solicitation to interested foundations,
- Develop individual donation strategy partnered with sponsors (above) and other financial institutions to reach individuals whereupon;
 - B2I is allowed to insert a simple 'ride-along' marketing piece into mail sent from such institutions
 - Other marketing techniques

Partners in Collaboration

A huge portion of our work is bringing people together. We have an established coalition, known as Earn It! Keep It! Save It! Bay Area, which leverages the power of multiple resources, bringing together more than 200 community-based organizations, government agencies and financial institutions in seven Bay Area counties.

Some of our key partners are Wells Fargo, the Internal Revenue Service, Tax-Aid, and United Way of the Bay Area. Specifically, Wells Fargo is dedicated to assisting working families through the support of the Earn It! Keep It! Save It! Bay Area Coalition. In addition to providing significant financial support for EKS, Wells Fargo partners with United Way on specific aspects of the program. Wells Fargo contributes to this partnership in the following ways:

- They advertise Earn It! Keep It! Save It! services at all their Bay Area locations.
- They waive fees for checking and savings accounts for eligible tax filers, and are available at tax assistance locations to help taxpayers open accounts through the bank.
- Throughout the tax season, Wells Fargo's eBus is parked on Saturdays in front of a number of free tax sites. The eBus is a high-tech mobile computer center, equipped with financial literacy education like Wells Fargo's newest computer-based financial literacy program, "Hands on Banking."
- Wells Fargo team members also volunteer their time to be Financial Counselors at free tax sites.

Community building and partnering are key components of Earn It! Keep It! Save It! EKS benefits from all of the resources of UWBA, including staff experienced in economic self-sufficiency, asset development, and coalition building. As a project of UWBA, EKS is the right organization to lead this project because of its knowledge of the issues, its ability to build strong coalitions to address them and its capacity to make an impact. EKS firmly believe that what one organization cannot do – many can do together. Earn It! Keep It! Save It! is a true collaborative

project, and as a trusted partner and funder, UWBA is the ideal organization to convene and help lead the Best2Invest program.

Earn It! Keep It! Save It! depends on a strong coalition of agencies and organizations in all the seven Bay Area counties. The members of the Best2Invest steering committee include Urban Strategies Council, Annie E. Casey Foundation, Alameda County Employment and Human Services Department, First 5 Bay Area, Bank on San Francisco and United Way of the Bay Area. These strong supporters have contributed to the development and strategic guidance of this program.

Some funding organizations that have been vital to our success have been: Chevron, San Francisco Foundation, Evelyn & Walter Haas Jr. Foundation, and the Y & H Soda Foundation. EKS is steadily in search of funding to accommodate the program's growth in the region.

There are a few other organizations in the area doing similar work. Most common are those programs in the field of micro credit and enterprise. California Association for MicroEnterprise Opportunity (CAMEO) is located in Oakland. It is a California association for microenterprise development agencies and individuals. It provides entrepreneurial training, technical assistance and financial and other support services to low-income individuals. CAMEO's mission is to "further microenterprise as an effective community economic development strategy for people with limited access to economic resources."

Another similar program is Earned Assets Resource Network (EARN) in San Francisco. SF EARN offers its clients financial management training, matched savings accounts, and connections to bank accounts. At the core of SF EARN's endeavors is the Individual Development Account (IDA). IDAs are matched savings accounts, comparable to 401(K)s. They are intended to help low-to-moderate income working families accrue capital in order to invest in high-return assets, like home ownership, small businesses, or post-secondary education.

The Association of Community Organizations for Reform Now (ACORN), is the nation's largest community organization of low-to-moderate income families, working towards social justice and strengthened communities. Members are drawn to the organization for various reasons, but most commonly because of the services it provides, principally the loan counseling and home ownership programs that have developed from the ACORN campaigns on housing and community reinvestment. EKS has collaborated with and supported the work of ACORN and the above organizations, some of which have participated in B2I focus groups and the Community Building Council.

Our greatest collaborators are the B2I beneficiaries themselves. These people are the hard working families in the Bay Area who earn at or below the HUD annual income limits for low-to-moderate individuals and families as determined for the seven Bay Area counties. The program seeks to strengthen family's income and financial stability, increase home ownership, improve financial awareness and/or management skills, and increase self-sufficiency. These beneficiaries play a critical role in the development and outreach of this program. Through participating in program evaluations, participants will be able to modify the program as they see fit.

This past year, over 1,800 volunteers helped at 105 different free tax preparation sites, with a total savings in refunds of nearly \$10 million in EITC and \$20 million in federal and state. These volunteers are qualified and trained to assist others in preparing their tax returns. We have the IRS certify our volunteers through a three-day training course. The course includes tax law and training in TaxWise, the tax preparation software. Volunteers are required to re-certify each year.

Volunteers for Earn It! Keep It! Save It! help hundreds of low-wage workers and their families retain more of their earned dollars by providing free tax filing assistance, in addition to helping families receive their well deserved income tax credits. Volunteers serve as tax preparers, language interpreters and financial counselors. Similarly, B2I will rely on volunteers to implement this program. Through the community partnerships EKS has built, bank partners, city and county agencies, and other nonprofits will provide volunteer workshop facilitators, financial experts and logistical support throughout the year.

With the help of this grant, we are looking to hire a full time staff person to coordinate the Best2Invest program. This person will be responsible for the administrative and logistical duties required to coordinate such a program. We are highly reliant on volunteers and community partners to execute our program, which happens as a result of cultivated relationships and building the community's concern for these issues. Although staffing can appear top-heavy with only executive staff, this administrative position will allow the program to function autonomously.

EVALUATION

Defining Success

The ultimate goal of EKS is to promote self-sufficiency and poverty prevention by providing services that strengthen the Bay Area's vital communities. We are committed to providing individuals and families with opportunities to thrive. The long-term success of the Best 2 Invest program will be defined by an increase in the number of individuals and families reporting increased income and financial stability, increased home ownership, improved financial awareness and/or management skills, and increased self-sufficiency. The short-term success of the program will be defined by the number of participants attending Best 2 Invest workshops along with a measurable increase in financial management skills and knowledge.

Other definitions of success include the Best 2 Invest program having sufficient capacity to meet the demand of workshop participants and finding experienced trainers to lead effective workshops in the four core subjects defined below. The Best 2 Invest program faces scheduling challenges, as most participants will only be able to attend after work hours and geographical challenges as workshop locations need to be transportation accessible. Although EKS participants have reported a need for financial management knowledge and skills, getting participants to attend workshops may be challenging. The program's success will depend upon its ability to attract experienced trainers to facilitate workshops, to schedule workshops in a time and place convenient to participants, and to effectively inform participants of the existence of the workshops.

Measuring Success

B2I evaluation is seeking to determine whether workshops will lead to higher incomes and financial stability, greater home ownership, improved financial awareness and/or management skills, and increased self-sufficiency among participants. We are measuring the following quantitative indicators to determine success:

- Number of workshop participants
- Number of workshops held in a calendar year
- Number of participants that open a savings account
- Number of participants that purchase a home
- Number of participants that put income into an investment plan
- Number of participants that put income into a college savings plan
- Number of participants that have engaged in costly debt traps such as advanced from check cashing stores or pay roll advances
- Geographic distribution of workshops
- Geographic distribution of workshop participants

The following qualitative indicators are also being assessed:

- Reported competency with financial management awareness, skills, and knowledge
- Satisfaction with the quality of each workshop
- Assessment of the quality of the workshop facilitators
- Intention to implement a plan to achieve financial self-sufficiency

Data Collection and Analysis

In 2003 EKS received a grant from the Annie E Casey Foundation to employ an evaluation consultant for one year's time and to purchase statistical hardware and software. EKS program staff will utilize the valuable tools and resources established during that time such as program logic models, survey and focus group protocols, and statistical analysis and reporting guidelines to create comprehensive evaluative instruments to measure the success of B2I.

Best2Invest participants will complete pre- and post-workshop surveys that will be used in a longitudinal study to measure program outcomes over a calendar year. The data collected is entered into a statistical database for analysis. By comparing survey responses, Earn It! Keep It! Save It! can analyze key indicators to assess changes in knowledge and skills pertaining to financial management, saving, and investing as a result of the Best2Invest program. EKS will also collect data on the following via the pre and post-test survey: Demographic information, including race/ethnicity, age, gender, and geographic location; and number and types of workshops participants attend.

This formative and summative evaluation will provide program staff with information useful to making program improvements, determine program expansion, analyze program funding, and guide strategic goals for the organization. Evaluation will also be used to assess Best2Invest

outreach and collaboration efforts, prepare proposals and presentations to EKS partners, funders, and stakeholders, and to evaluate workshop facilitators' strengths and weaknesses.

B2I PROJECT BUDGET

January 2007 to December 2009

	2007-2008 Budget	2008-2009 Budget
REVENUE		
PA 715 Foundation	50,000 (pending)	50,000 (pending)
Evelyn & Walter Haas Jr. Fund	72,000 (Committed)	78,000 (committed)
Levi Strauss & Com	48,000 (committed)	52,000 (committed)
Hewlett Foundation	24,000 (committed)	26,000 (committed)
San Francisco Foundation	10,000 (committed)	10,000 (pending)
Bank of America	100,000 (committed)	100,000 (pending)
Total	304,000	316,000
EXPENSES		
Workshop Scholarships	100,000	110,000
Workshop Locations Fees	70,000	76,000
<u>Personnel</u>		
Executive Director, (7.8%)	7,861	8,095
Manager of Best2Invest, (100%)	37,976	39,495
Benefits (4.6%)	6,637	6,837
Payroll Taxes (2.8%)	3,992	4,112
<u>OTPS</u>		
Consultant Fee-workshop facilitators	40,000	40,000
Office Supplies	124	127
Telephone	222	229
Food Costs	250	300
Postage and Delivery	185	191
Printing and Publications	2,200	2,239
Photocopies	247	255
Travel-Consultants	2,500	2,500
Travel-Staff	2,030	2,061
Staff Development	500	500
Media Advertising	2,000	2,000
Total Specific Costs	276,724	294,941
Shared Expense Allocation	15,024	15,475
Total Combined Expenses	291,748	310,416

BUDGET NARRATIVE

Workshop Scholarships (\$100,000, \$110,000) Best 2 Invest scholarships for at least 300 participants for the 2007/2008 year and at least 330 participants for the 2008/2009 year. Scholarship monies will cover transportation costs for participants, materials and publications needed for workshop participation, and miscellaneous expenses incurred due to participation such as child care.

Personnel:

Executive Director, (7.8%, \$ 7,861, \$8,095) Approves all scholarship allocation, oversees program structure and management.

Manager of Best 2 Invest Program, (100%, \$37,976, \$39,495) Processes scholarship applications, schedules workshops, secures workshop facilitators, publicizes workshops to our constituents, collaborates with strategic partners to market workshops, and supports workshop participants with workshop arrangements.

Benefits (4.6%, \$6,637, \$6,837) include vacation salary, retirement, and health benefits.
Payroll Taxes (2.8%, \$3,992, \$4,112)

OTPS:

Office Supplies (\$124, \$127)

Telephone (\$222, \$229) consists of communications with workshop participants, collaborative partners, workshop site locations, and workshop facilitators.

Food Costs (\$250, \$300) covers costs for refreshments such as coffee and snacks available to workshop participants.

Postage and Delivery (\$185, \$191) correspondence, contracts, and dissemination of scholarship checks.

Printing and Publications (\$1,200, \$1,239) includes printing Best 2 Invest brochures, flyers, and application materials.

Photocopies (\$247, \$255) covers application materials and flyers.

Travel-Consultants (\$2,500, \$2,500) covers expenses for workshop facilitators to travel to workshop locations.

Travel – Staff (\$2,030, \$2,061) covers Best 2 Invest program manager travel expenses to workshops, collaborative meetings, and partner presentations.

Staff Development (\$500, \$500) allows the staff to acquire training in skills that will improve their performance and the quality of the program.

Media Advertising (\$2,000, \$2,000) covers costs for advertising through the Metropolitan Transportation Commission.

ORGANIZATION INFORMATION

History

In 2002, Representative Barbara Lee charged some of the United Way of the Bay Area executives and other community members with the task of reaching working, low-to-moderate income families with the opportunity to have free tax assistance and claim the Earned Income Tax Credit (EITC). The Earn It! Keep It! Save It! (EKS) journey began in Alameda County with seventy participants and three work groups. EKS began to draw in funding partners and acquired an information and referral 800 number. In 2003, there were fourteen sites, over 400 volunteers and over 2,250 tax returns prepared.

EKS also began to add other Bay Area counties, involve more community partners and create a website. By 2004, there were 56 sites and over 8,500 tax returns prepared. In the 2006 season, EKS added the final Bay Area County, Marin, totaling 105 sites throughout the region. From the start, the program has been based in community. Earn It! Keep It! Save It! works with the community agencies to provide this service. The work is nothing short of a collaborative effort.

While the number of tax returns prepared grows exponentially, EKS has not lost sight of the original intent of the VITA sites. The free tax service allows the community organizations to offer a tax assistance service, but also bring the clients closer to income support and asset building activities.

Missions and Goals

United Way of the Bay Area's mission is to be the catalyst that enables people to strengthen their communities by investing in one another. Through the Bay Area Community Fund, United Way is creating meaningful change in local neighborhoods through targeted investments that focus on preventing poverty and strengthening vital community services.

Earn It! Keep It! Save It! works towards the preventing poverty mission by promoting self-sufficiency. We prevent poverty through investments in opportunities for working families. EKS links these families to income support and asset development. It is only when families and individuals meet their basic needs that they have opportunities to thrive.

The goals of EKS include: (1) Increasing the awareness and education of eligible tax filers about EITC; (2) Providing free tax preparation services that decrease the use of hard earned wages to pay tax filing fees and use of rapid anticipation loans (RALs) with high interest rates; and (3) increase opportunities for the working poor to build assets by participation in financial literacy training and ultimately to enroll in Individual Development Account programs.

Current Programs, Activities and Accomplishments

The current program handled by EKS is the free tax preparation services at VITA sites throughout the Bay Area. The EKS staff serves as a campaign leader, campaign strategist, convener, fund developer, coordinator or a combination of all. This role varies between the seven counties.

Some of the current activities include; the subcontracting of a hotline for information and referral, volunteer recruitment, training, and referral, data analysis, fund development, coordination with the IRS and asset development strategies. These activities are accomplished through the work of our many partners as well.

In 2003, the program's first year, EKS operated fourteen sites in Alameda County, preparing 2,250 returns. In 2006, the program reached all seven counties served by UWBA through 105 tax sites. During the 2006-tax season, EKS - Bay Area returned \$20.3 million in tax refunds to 19,955 local hardworking families and to the local economy. Over the last four years, the program turned a \$310,000 investment from United Way's Bay Area Community Fund into a \$48.1 million return for local families and our community.

Since the inception of EKS the dollar amount in unclaimed EITC had reduced significantly in the Bay Area. With the help of many community partners, each year more families come to a VITA site in their neighborhood. As the program grows, the data reveals that more tax filers hear about this site from a family member or friend, a true sign of community collaboration.

Board, Staff and Volunteer Involvement

Earn It! Keep It! Save It! employs only four staff members. (See Appendix A)

Kelly Batson- Executive Director
 David Bergman - Chief Financial Officer
 Ashlee Williams – Program Director
 Yarrow Sandahl – EKS Program Manager

Because of the national movement working to leverage the full potential of federal and local income tax credits to make work pay for low-income families and communities, EKS's Board of Directors has taken notice of the tremendous work of the staff in achieving program goals and objectives. The Board is comprised of local philanthropists, grantmakers, key program area experts and accounting experts. There are two issue cabinets within the Board: Working Families and Children & Youth.

The EKS coalition leverages the power of multiple resources, bringing together more than 200 community-based organizations, government agencies and financial institutions in seven Bay Area counties. However, our most crucial resource for our Bay Area campaign and the nationwide IRS program are the volunteers who staff the individual VITA sites. Last year, in cooperation with the Internal Revenue Service, the program recruited and trained 1,808 volunteers to help low-income workers complete their tax forms and file claims for tax refunds

Appendix A: Earn It! Keep It! Save It! Organizational Chart

