



BUILDING **VERMONTERS' CREDIT**

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Government agencies and community action groups have long recognized the need for low- and moderate-income people to build up their assets, especially people trying to rise out of poverty.

In 2003, to help Vermont address that need, a local representative of the U.S. Internal Revenue Service tapped the Champlain Valley Office of Economic Opportunity (CVOEO)—and many individuals, businesses, nonprofits, and federal and state agencies—to form a Vermont version of the CASH (Creating Assets, Savings, and Hope) Coalition.

History of a Movement

CASH is part of the National Coalition Campaign, which was started in 2001 by the U.S. Internal Revenue Service, the Annie E. Casey Foundation, and other national organizations. In 2002 a group in central Vermont called Vermonters Growing Assets (made up of IRS representatives, Central Vermont Community Action Council, Casey Family Services, and what is now Opportunities Credit Union) sought to implement the concept in Vermont. Although that attempt failed to gather momentum, in 2003 Christine Curtis, a local IRS representative, tried again—this time in the Burlington area.

Curtis wanted to get the word out about the Earned Income Tax Credit (EITC), a federal benefit that returns tax money to people earning low wages. But because her IRS office was facing staff cuts, a decision was made to partner with community groups interested in promoting programs to help low- and moderate-income people. Curtis got on the phone and a coalition was formed. Although CASH has no legal identity, it thrives through networking among those who feel strongly about asset building.

The Vermont version of the CASH Coalition includes CVOEO's Micro Business Development and Chittenden Community Action Programs, Vermont Legal Aid, Neighborkeepers, Vermont Student Assistance Corporation, Northfield

Savings Bank, the CPA firm of Grippin, Donlan & Roche, the city of Burlington's Community and Economic Development Office, representatives of the U.S. Department of Housing and Urban Development (HUD), the Internal Revenue Service, Casey Family Services, U.S. Department of Agriculture Rural Development, United Way of Chittenden County, Direct Foundation, and Opportunities Credit Union. Staff from the Vermont Economic Services Division and the Vermont Student Assistance Corporation attend meetings regularly, as do representatives from other banks and credit unions, nonprofits, and business owners.

Expanding CASH

In the first two years, the coalition's priority was to create publicity for the federal Earned Income Tax Credit—for example, by placing signs on area buses. The idea was that encouraging eligible people to use EITC could foster savings and assets.

The EITC focus soon expanded to setting up locations where people could have their taxes prepared for free. Free tax-preparation sites target those who are likely to be candidates for EITC, and they allow more people to be screened for eligibility.¹

For the previous 27 years, CVOEO was the sole provider of free tax services, but in 2004 Casey Family Services set up a Winooski site. The city of Burlington added a site at City Hall in 2005.

CASH meetings became the perfect venue for sharing resources, and for planning and coordinating publicity and volunteer training. As a result, the number of volunteer tax preparers increased by one-third, the sites processed hundreds of additional returns, and approximately \$249,758 in additional EITC refunds were distributed in tax year 2005 over the total in tax year 2003.



Lori Belding of Northfield Savings Bank (left), Robyn Bahar of Casey Family Services, and Mayor Bob Kiss at the opening of the Second Free Credit Report Day in September 2006.

CASH courtesy photograph

In late 2004, concerned about the credit and debt issues of low-income households and interested in expanding beyond EITC, the CASH Coalition staged a public presentation regarding asset-development services available in the community. Coalition members surveyed and mapped existing countywide financial-education and credit-assistance services, and produced both a brochure and web site. They also established a standing committee, whose task was to explore strategies for community financial education.

Free Credit Review Report Day

The coalition's activities include Free Credit Report Review days, during which participants receive, for example, free credit scores, paid for by Northfield Savings Bank and the City of Burlington. Many organizations pitch in at these events. Casey Family Services staff field registration calls. Opportunities Credit Union, New England Federal Credit Union, and the Homeownership Center provide credit counselors. Northfield Savings Bank offers funding and technical



staff, and the City of Burlington provides financial backing.

On these occasions, low- and moderate-income people are able to obtain their credit report and score—and sit down with a professional who knows how to interpret what the report says and can suggest options.

At the most recent event, a representative of the Casey Family Services welcomed each participant, handed out intake forms, and gave a quick overview of the day's program. Ben & Jerry's provided ice cream coupons. Children were entertained with coloring books, crayons, and plastic binoculars. Beverages and snacks were available.

Participants were offered short seminars on topics such as budgeting, saving, identity theft, and credit repair. They could also get the latest information on topics such as the Earned Income Tax Credit, where to get taxes prepared for free, how to open an individual development account (IDA)—which offers matching money to help people build assets for a specific purpose—and where to find financial education classes.

The Future of CASH

CASH's goals for 2007 include an expanded effort to collect data concerning debt, savings, and bank use; development of a more rigorous marketing plan; an investigation of refund-anticipation loans and their potential abuse; development of a debt-reduction IDA program; and implementation of financial education classes for high school and younger age groups.

CASH seems to generate new projects and linkages the way the nucleus of an atom spins off protons and electrons. In 2006, the City of Burlington got a National League of Cities grant offering technical assistance for devising economic development strategies with several other CASH partners. Opportunities Credit Union obtained a grant to hire an appointment scheduler for the three free tax sites. The scheduler will be working through Vermont 211, thus freeing tax site coordinators for other activities. (When people dial 211, they reach a confidential information and referral service provided by United Way, which is also a CASH member.) In addition, Vermont's community action agencies got a grant to replicate CASH in other areas of the state. Meanwhile, CASH is applying to Leadership Champlain and Champlain College for assistance from businesspeople and student

teams on specialized projects.

When those who know the coalition well are asked what lies ahead, their answers tend to highlight CASH's unique combination of passion and practicality.

Robyn Bahar, Casey Family Services community liaison, says, "I see the group moving forward to become a watchdog for and champion of Vermont's low-to-moderate income population. We are becoming more action-oriented, and I think the group will evolve to become an agent of change."

Margaret Bozik, representing the City of Burlington, imagines CASH becoming an influential voice at the legislative level, "Eventually we will be in a position to help create policies that positively and specifically impact the financial situation of low- and moderate-income Vermont households."

And Christine Curtis adds, "CASH brings together sectors of the community that haven't worked this closely before, and the result is an important resource for those we serve. ... In another three years, I can picture CASH becoming its own organization. I'll be retired by then and would gladly work there. Being involved with CASH has been the best part of my IRS career."

Jim White, *director of the microbusiness, individual development accounts, and financial education programs at the Champlain Valley Office of Economic Opportunity Inc. in Burlington, Vermont, chairs the financial education committee of the CASH Coalition.*

Endnote

¹ For tax year 2006, eligibility requires that household income be less than \$39,000.

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