

## Family Living Programs

### EITC Education Helps Working Wisconsin Families

#### Situation

The federal and state Earned Income Tax Credits (EITC) reduce taxes and raise incomes of low wage working families. The combined 1999 federal and state credits provided eligible families with additional income of up to \$5451 each. Families can even receive a portion of the credit in their regular paychecks.

These tax credits are an extremely effective anti-poverty strategy, and are integral to the success of welfare reform in Wisconsin. The EITC also has a ripple effect on communities where families participate. Families around the state report that they use their tax credits to pay off debts, buy big-ticket items like computers and appliances, pay utility bills and buy clothing for their children.

However, the credits continue to be unclaimed by many eligible families, so outreach is an important priority in assuring the effectiveness of the EITC in fighting poverty.

#### Response

UW-Extension Family Living Programs promote the use of the EITC through extensive outreach efforts in counties around the state, including:

- Providing direct education and counseling to low-income families;
- Educating employers and service providers;
- Publishing articles in local newspapers; and
- Publicizing the credit on radio and television programs.

Last year, county educators .....

- Provided EITC assistance to more than 800 families in one-on-one financial counseling sessions, workshops, and phone consultations.
- Reached more than 250,000 people with newspaper articles and newsletter inserts.
- Distributed more than 2,300 fact sheets in locations around the state, including jobs centers, Head Start, food pantries, WIC clinics, technical colleges, Public Health offices, and other locations.
- Helped meet the needs of underserved audiences by providing outreach materials in Spanish and Hmong; conducting trainings for the Oneida Tribe and members of the Black Health Coalition; and providing information to the Refugee Network Association.
- Targeted W-2 clients by providing EITC training to W-2 workers and sharing information with W-2 steering committees.
- Expanded the potential impact of their outreach efforts by providing EITC training to employers, consumer credit counselors, homeownership counselors, and other service providers

**Outcomes Families around the state have benefited from learning about the earned income credit...**

- In Dunn County, 107 out of 153 families who participated in training sessions planned to apply for the EITC (70%), and 31 planned to ask their employer about receiving the advance EIC in their paychecks.
- In Oneida County, a dozen families who learned about the advance EITC from Extension educators filled out forms to request the advance credit from their employers.
- In Brown County, a single mother increased her paycheck by \$100 after applying for the advance credit.

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