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DEDICATION

To individuals with disabilities who participated in this research project we honor your courage and spirit and valuable insights. Your words inform the findings for this report and will guide a new generation of disability policy makers in creating effective and tailored tax and financial services and products that will bring disability policy into the 21st century formal economy. Thank you for this important contribution.

"I used to feel a thrill at teaching my students the elegant economic theories that could supposedly cure societal problems of all types. But in 1974, I started to dread my own lectures. What good were all my complex theories when people were dying of starvation on the sidewalks and porches across from my lecture hall? My lessons were like the American movies where the good guys always win. But when I emerged from the comfort of the classroom, I was faced with the reality of the city streets. Here good guys were mercilessly beaten and trampled. Daily life was getting worse, and the poor were growing even poorer."

**Muhammad Yunus
Banker to the Poor, p. viii**

VOICES OF FOCUS GROUP PARTICIPANTS¹

"I would like to know how to do my own taxes. Some day you know, the services we are talking about [may not be] available for me anymore."

"Most false information out there about taxes and benefits we don't know is false. People need to know what is true and what is not true. Sometimes word of mouth is not always true."

"We never have the opportunity to know stuff like this. Thank you."

"We need advocacy from the IRS and others. If we go into a bank or credit union by ourselves they don't talk to you. Minorities are treated differently and people on SSI are treated differently."

"Please, simplify tax filing. We do not understand the forms, questions and procedures. There are a lot of bright people here and none of us can figure it out."

"I am visually impaired and they do have the Braille ATM machine ... but most places totally overlook large print. I can't read Braille because I see well enough that I haven't learned Braille. I have to have somebody read to me, it's embarrassing. Or I'll sign my check and have someone else fill it out for me."

"I didn't file my taxes for ten years because it would cost me my health care. I believed that for years."

"It was a good experience for me to come to the free tax site because the preparer was experienced with disability and had a disability too. He understood."

¹ Focus Group Themes can be found in their entirety under each pilot city report.

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I. EXECUTIVE SUMMARY

The National Disability Institute (NDI) and NCB Capital Impact along with its national partners, the IRS Stakeholder Partnership, Education Communication Division (SPEC); the U.S. Department of Health and Human Services, Office on Disability, and the Law, Health Policy and Disability Center, University of Iowa College of Law introduced the TAXfacts+ Campaign on April 15, 2004 in Washington, DC as a gateway strategy to asset building for working Americans with disabilities. The Campaign's short term goal is to increase the knowledge and awareness of tax and financial services for working Americans and their families through participation in community-based free tax preparation. Its long-term goal is to increase the economic independence and income preservation of working Americans and their families with disabilities through participation in asset building activities beyond free tax preparation that are tailored and effective in building real economic impact.

In 2005 filing season, the TAXfacts+ Campaign reached 11 cities and assisted 5,211 individuals with disabilities file tax returns. The primary focus in the first year was building trusted community-based partnerships between the local disability organizations and free tax filing coalitions. In the 2006 filing season the Campaign reached 30 cities and assisted 17,233 tax filers with disabilities; engaged 192 local disability partners in building workgroups within existing free tax coalitions; identified 20 free tax preparation sites focused exclusively on serving persons with disabilities; and reported 1,160 free tax preparation sites accessible to persons with disabilities.

In January of 2006 a grant from the Ford Foundation and NCB (formerly the National Cooperative Bank) provided NDI with the opportunity to study the tax filing and financial service needs of a sample of working individuals with disabilities eligible for the Earned Income Tax Credit (EITC) in four of the 30 TAXfacts+ cities. Pilots were established in Wichita, Kansas, New York City, West Palm Beach, Florida and Boston, Massachusetts with site selection based in part on the cities' previous participation and success in building effective disability workgroups within existing free tax coalitions.

The core research question for the four city pilot asked who are customers with disabilities utilizing free tax filing and financial services and what are their needs? *The core research method* was qualitative and exploratory and used surveys, focus groups and document review for data collection. Three different surveys were designed and 3,901 taxpayers with disabilities responded. The three surveys were targeted at participants with disabilities across the four pilot cities. Survey #1 the Walk-In Survey represents responses from 3,199 taxpayers with disabilities who walked into a free tax site and filled out a seven question survey; Survey #2 the Non-Walk-In survey represents responses from 649 taxpayers with disabilities who were contacted through a local participating disability organization and asked to fill-out a 26 question survey; and Survey #3 the Focus Group survey represents responses from participants who attended a two hour focus group and filled out a 27 question survey in each of four cities (N=83).²

The goals of the four city pilot research expanded on the original goals of the TAXfacts+ Campaign: to increase public and private understanding of the financial services and tax filing needs of working individuals and their with disabilities; to increase the number of free tax filers with disabilities receiving the EITC; to identify access and accommodation solutions that increase asset building participation of individuals and families; and provide outreach and education to lead disability workgroups.

The core findings are qualitative and based on descriptive statistics and represent the voices of thousands of participants with disabilities. The findings and recommendations at the end of the report reflect actions suggested by participants with disabilities to increase their access and participation in the formal U. S. economy. However, summary observations are not statistically validated and are difficult to project to the general population of low-income taxpayers with disabilities due to the instrument design and data collection methods. Although the sample size is large, increasing the accuracy, validity, and reliability of the overall observations, further research is recommended to confirm and validate the data reported here.

Participation criteria: individual with a disability who had currently filed a tax return or was working (or had done both in the near past) and was EITC eligible (for the 2006 filing season income of \$35,000 or less).

² All survey documents are available at www.NDI.Inc.org.

1. DEMOGRAPHIC FINDINGS³

1a) OLDER TAXPAYERS WITH DISABILITIES ACCESSING FREE TAX PREP MORE THAN YOUNGER TAX FILERS WITH DISABILITIES

The taxpayer with a disability participating in free tax preparation through a local disability organization is older (age 43) compared to a first time tax filer without a disability (age 35). Targeted tax filing and asset building strategies should be reaching younger tax filers with disabilities. Further research needs to explore where and at what point younger workers with disabilities are entering the formal tax and financial service system and how to better provide this market segment with tailored services and outreach.

1b) TAXPAYERS WITH DISABILITIES MORE EDUCATED

Fifty-four percent of taxpayers with a disability participating in free tax preparation through a local disability organization report having a High School Diploma compared to 35% of taxpayers walking-into a free site without a disability. A common theme heard across the focus groups is validated by this finding. Focus group participants reported that they are under employed and some had master's degrees but were unable to secure a position that recognized their abilities.

1c) GENDER OF TAXPAYERS ACCESSING FREE TAX PREP SHOWS BOTH MALE AND FEMALE

The taxpayer with a disability participating in free tax preparation through a local disability organization is more likely to be either male or female (46% male, 53% female) compared to an EITC tax filer without a disability who is predominately female.

1d) NATIONALITY OF TAXPAYERS WITH DISABILITIES SHOWS WIDE DIVERSITY

The nationality of the taxpayer walking into the free tax site with a disability is similar to the nationality of the taxpayer without a disability: 46.9% African American compared to 44% without a disability; 36.25% Latino-Hispanic compared to 41% without a disability; 7.46% Caucasian compared to 7% without a disability; 1.6% Asian compared to 4% without a disability; Native American n/a; and 3.43% Other compared to 4% Other without a disability.

However, taxpayers with disabilities who participated in the pilot through a local disability organization were seven times as likely to be Caucasian (50% compared to 7.46% for walk-ins) and almost half as likely to be African Americans (25%) and Latino-Hispanic (15%) and represented a slightly higher number of Asians (2%) Native Americans (2%) and Others (7%).

1e) TAXPAYERS WITH DISABILITIES WALKING-INTO A FREE TAX SITE HAVE DIFFERENT PUBLIC BENEFITS PROFILE THAN THOSE REFERRED THROUGH THEIR LOCAL DISABILITY ORGANIZATION

Thirty percent of taxpayers with a disability participating in free tax preparation through a local disability organization report receiving Supplemental Security Income (SSI) compared to 12% walking-into a free tax site with a disability on their own. Twenty-four percent report receiving Social Security Disability Insurance (SSDI) compared to 9% walking-into a free tax site with a disability on their own.

1f) TAXPAYERS WITH DISABILITIES ARE PREDOMINATELY RENTERS

Sixty-six percent of taxpayers with a disability walking into a local free tax prep site are renters; 15 percent live with family; and 7 percent own a home compared to 36 percent of taxpayers with a disability participating in free tax preparation through a local disability organization who are renters; 27 percent who live with family; 16 percent who own a home; and 6 percent who rent using a Section 8 voucher.

1g) TAXPAYERS WITH DISABILITIES HAVE LOW INCOME

Fifty-eight percent of taxpayers with a disability participating in free tax preparation through a local disability organization reported incomes of \$15,000 or less (36% reported \$7,500 or less and 22% between \$7,500 and \$15,000).

³ The demographic data reported here can be viewed in its entirety in the chapters on each pilot city. Data referring to Walk-Ins to free tax site represent an

N = 3,199 and refer to people with disabilities who walked-in off the street to the free tax site. The Non-Walk-Ins represent an N = 649 and refer to people with disabilities who were recruited non-randomly by local participating disability organizations and tax coalition members.

Taxpayers without disabilities participating in the 2006 National Tax Assistance for Working Families Campaign report a median household adjusted gross income of \$15,132.⁴

The research shows that the rates of disability occurrence are highest among low income groups with 20 percent of all disability attributable to injury.⁵

1h) COGNITIVE, MOBILITY AND "OTHER" ARE TOP DISABILITY TYPES⁶

Thirty-three percent of taxpayers with a disability walking into a free tax site reported "other"⁷ as the most common type of disability (chronic illness is the underlying cause for 45 percent of all disability⁸); 25 percent reported mobility; and 22 percent reported a cognitive disability compared to 29 percent of taxpayers with a disability participating in free tax prep through a local disability organization who reported cognitive as the most common type of disability; 24 percent "other"; and 18 percent mobility. This group reported that 28 percent were born with a disability and that 13% had acquired a disability. This information is critical for tailoring and budgeting program services specific to the different populations with disabilities walking into free tax prep sites.

2. FINANCIAL AND TAX SERVICE USE FINDINGS

2a) TAXPAYERS WITH DISABILITIES ARE BANKED AND UNBANKED SIMILAR TO OTHER FILERS WITHOUT DISABILITIES

Thirty percent of taxpayers with a disability walking into free tax site report having a checking account and 12 percent a savings accounts compared to 66 percent of taxpayers with disabilities participating in free tax preparation through a local disability organization who report having a checking account and 44 percent a savings account. In addition, twenty-one percent of taxpayers participating through their local disability organization report using direct deposit and 9 percent used online banking.

The banking profile (checking or savings account) for taxpayers without disabilities differs depending upon the program data used. For example, the New York City FoodChange 2006 report found that 37 percent of 44,272 walk-ins to the free tax sites are unbanked and cite lack of employment and financial means as primary reasons.⁹ However, seventy-nine percent of the banked customers at FoodChange without a disability used direct deposit; 95 percent ATMs and 30 percent online bill services.

The 2006 National Tax Assistance for Working Families Campaign (NTA) reports 81 percent of its 223,782 free tax site users (no disability data available) as having a checking and/or savings account and that 64 percent used direct deposit.¹⁰ In 2004 NTA reported that the median Adjusted Gross Income (AGI) for taxpayers with both checking and savings was \$18,996, and for checking only \$15,786, and savings only \$12,366.¹¹ A recent report at the National Community Tax Coalition conference given by Steve Holt on outcomes from a number of the NTA cities found that the lower the income the more likely an individual is to be unbanked.¹²

⁴ Holt, & Associates Solutions (August 2006). National Tax Assistance for Working Families Campaign. 2006 Report Series to the Annie E. Casey Foundation.. Statistical Summary. P.3. Campaign funded by the Annie E. Casey Foundation.

⁵ Yamaki, K. & Rutkowski-Kmitta, V. (2001). Injury as a Cause of Disability: A national-level Longitudinal Analysis. University of Illinois at Chicago: Department of Disability and Human Development.

⁶ Survey respondents did not fill-in the blank next to the word "other." Research shows that

⁷ Participants did not specify what they mean by "other" but we know it was not mobility, cognitive, hearing or vision disability.

⁸ LaPlante, M., & Carlson, D. (1996). Disability in the United States: Prevalence and Cases, 1992. Disability Statistic Report (7). Washington, D.C.: U.S. Department of Education, National Institution on Disability and Rehabilitation Research.

⁹ FoodChangepge (2006) final Report on the 2006 EITC Project. P. 14.

¹⁰ Holt, & Associates Solutions (August 2006). National Tax Assistance for Working Families Campaign. 2006 Report Series to the Annie E. Casey Foundation.. Statistical Summary. P.3 Campaign funded by the Annie E. Casey Foundation.

¹¹ Holt & Associates Solutions. (2004). National Tax Assistance for Working Families Campaign. 2004 Report Series to the Annie E. Casey Foundation. P. 12.

¹² Holt & Associates Solutions. October 11, 2006. NCTC National Conference. Mr. Holt provided research from the Casey Foundation Family Economic Success national program that suggests that income plays a much more important role in whether families are banked or not. See introduction section of report for further explanation..

2b) TAXPAYERS WITH DISABILITIES WALKING-INTO A FREE TAX PREP WERE TWICE AS LIKELY TO HAVE USED THE SERVICE THE YEAR BEFORE COMPARED TO TAXPAYERS REFERRED THROUGH A LOCAL DISABILITY ORGANIZATION

Forty-three percent of the taxpayers with a disability walking-into the free tax site used the service the year before; 18 percent did not file; 2 percent who prepared the return themselves; and 29 percent had paid for the service compared to 23 % of taxpayers with a disability participating in free tax through a local disability organization who had used the free tax site service the year before; 20 percent who did not file; and 8 percent who prepared their own return.**preparation**

2c) FEW TAXPAYERS WITH DISABILITIES HAVE FILED FOR A REFUND ANTICIPATION LOAN (RAL)

Five percent of taxpayers with a disability walking into a free tax site filed for RAL compared to 8 percent of taxpayers with disabilities participating in the free tax preparation through a local disability organization. Eleven percent of taxpayers without disabilities participating in the FoodChange free tax preparation report using a RAL in 2005.¹³

2d) PAYING BILLS AND BUYING GROCERIES TOP SPENDING PRIORITY FOR TAX REFUNDS FOR TAXPAYERS WITH DISABILITIES

Forty-one percent of taxpayers with a disability participating in free tax preparation through a local disability organization would pay bills with their refund; 19% would buy groceries; 19% would save for a rainy day.

Focus group participants were asked to talk about what they would do if they won \$2000 and common responses included tithe at their church; pay bills and give gifts to family members.

2e) FEW TAXPAYERS WITH DISABILITIES HAVE HAD ANY EXPOSURE TO FINANCIAL EDUCATION

Twenty-one percent of taxpayers with a disability participating in free tax preparation through a local disability organization have taken a class in how to handle their money. Focus Group participants reported that the classes were most often not helpful or accessible.

2f) PEOPLE WITH DISABILITIES FILING TAXES AND DOING THEIR EVERYDAY BANKING ACTIVITIES NEED SPECIAL ACCOMMODATIONS

Fifty-seven percent of taxpayers participating in free tax preparation through a local disability organization reported needing accommodations when filing taxes or doing everyday banking. Needs ranged from teller windows being too high to lack of accessible websites for doing online banking for individuals with visual disabilities. The majority of individuals surveyed requested tax filing procedures/forms and financial service procedures/forms be simplified and that tax and banking personnel increase their understanding of how to respond to the needs of customers with disabilities.

2g) TAXPAYERS WITH DISABILITIES HAVE LITTLE KNOWLEDGE ABOUT THE EARNED INCOME TAX CREDIT (EITC)

Thirty-seven percent of taxpayers with disabilities participating in free tax preparation through a local disability organization report receiving the EITC compared to forty-six percent of taxpayers with disabilities walking into the FoodChange free tax sites in 2006 while fifty-two percent of taxpayers without disabilities walking into the FoodChange free tax preparation sites received the EITC in 2006.¹⁴

Data from FoodChange and Annie Casey free tax sites demonstrates that repeat users of the free tax sites utilize various tax credits including the EITC more frequently than first time filers. Although the four city pilot data does not reflect first time EITC taxpayers with disabilities it is likely that a large percentage that participated were first time EITC filers.

2h) SINGLE FILING STATUS SIMILAR FOR BOTH EITC ELIGIBLE TAXPAYERS WITH AND WITHOUT DISABILITIES

Fifty-six percent of 2,306 tax filers with disabilities participating in the FoodChange 2006 free tax preparation filed "single" as did taxpayers walking into the FoodChange free tax prep site without a disability. FoodChange reported a decrease in the percentage of customers receiving the EITC by 2 percent from the 2005 filing season due to the number of filers that continue to fall outside the EITC realm. FoodChange experienced a 3% increase in single filers and suggest that this

¹³ FoodChange (2006) final Report on the 2006 EITC Project. P. 8

¹⁴ FoodChange (2006) final Report on the 2006 EITC Project. P. 9.

trend is contributing to the lower percentage of EITC customers served. Single filers have significantly lower income thresholds for EITC eligibility.”

In addition, the Annie Casey 2006 Report data also reflects a decrease in EITC filers and increase in single filers and those taxpayers claiming “0” dependents. (See FoodChange Chapter 3 for more detail.)

3. FOCUS GROUP FINDINGS

3a) TAXPAYERS WITH DISABILITIES VIEWED FREE TAX PREPARATION EXPERIENCE POSITIVE AND WILL USE AGAIN

Taxpayers with disabilities reported the experience of using free tax preparation services favorably and would return next year. Several participants talked about how their aging parents have helped them with their tax filing in the past and their fear of who would help them once their parents are gone.

3B) TAXPAYERS WITH DISABILITIES REQUEST EDUCATION ABOUT HOW TO FILE TAXES WHILE ON PUBLIC BENEFITS

Taxpayers with disabilities would like to learn how to do their own taxes in case the free service was eliminated at some point. Many taxpayers with disabilities did not understand the intricate filing requirements if receiving public benefits and some reported not having filed in the past due to ignorance or confusion about filing rules. The majority of taxpayers with disabilities reported they had not received education about tax filing while on public benefits or when transitioning to work and that it would be very useful information for them and would help them avoid making mistakes in the future.

3c) TAXPAYERS WITH DISABILITIES AFRIAD OF LOSING PUBLIC BENEFITS

Participants across all four cities voiced their concern about filing their taxes and losing public benefits. Few focus group participants understood how the benefit system work or what the impact of receiving the EITC or other credits would have on their disability benefits. Many reported hearing about these issues through word of mouth but did not know who to trust or who to ask about their concerns.

Participants were most concerned about income and savings limits they are allowed to have if they work in order to receive government benefits.

3d) FEW TAXPAYERS WITH DISABILITIES PARTICIPATED IN MATCHED SAVINGS PLANS/ INDIVIDUAL DEVELOPMENT ACCOUNTS

Few focus group participants understood what an IDA was and none surveyed reported participation in one few reported belonging to a credit union.

4. CAPACITY BUILDING FINDINGS

4a) Resources given to the four pilot cities allowed coalitions to build disability sub-workgroups and increased the number of tax filers with disabilities by seventy-two percent for the 2006 filing season.

The infusion of small grants into each pilot city to build the disability coalition workgroups allowed cities to leverage other resources and relationships. Cities provided free tax blitz days, fliers, accessibility and accommodation training, disability awareness and benefits training to coalition members and local volunteers. However, resources for the hiring of interpreters, providing alternative materials, purchasing accessible technology, and offering disability benefits training created challenges for all partners who were already working with limited coalition budgets.

4b) Trusted partnerships between the local disability organizations and local community-based tax coalition require intensive outreach and education to link their respective needs and expertise to positive asset building outcomes for individuals with disabilities, their families and employers.

Building disability infrastructure within existing free tax coalitions requires the collaboration of non-traditional partners from both the disability world and the free tax filing and financial service world. There is little general knowledge or understanding of the needs of taxpayers with disabilities regarding their tax and financial service needs.

4c) Research on the impact of disability on the implementation of asset building strategies is untested and under researched but necessary to reduce poverty and increase assets for taxpayers with disabilities.

Disability taxpayers have not been part of the flurry of national asset building initiatives that are promoting family economic success. Many national pilots are promoting an array of asset building strategies that include free tax preparation, banking the unbanked, financial education, participation in matched saving plans, and homeownership counseling. The Family Economic Success (FES) project funded by the Casey Foundation began three years ago and “envisioned a developmental sequence of knowledge-building supports that would move low-income families seamlessly from the EITC, to bank accounts to retirement accounts and homeownership.”¹⁵

Early research of the Family Economic Success initiative is showing that a number of variables such as an individual's ethnicity, attitude and behavior play a far more important role than expected in building asset strategies that impact the economic well-being of customers. The Culture of Money provides a compelling look at the role of “cultural competence” and people of color in successfully implementing these programs. Similar to the disability population, people of color have unique human and social capital that many cookie cutter programs have not successfully integrated.

4d) Disability awareness training; benefits counseling; education about tax provisions and credits; and a disability toolkit that provides local community-based free tax coalitions with limited budgets to build disability infrastructure are needed across campaign nationwide.

Four pilot cities reported the need for more resources and training and products to provide their volunteers with the necessary knowledge and skills to effectively serve customers with disabilities. In addition, volunteers, community-based organizations, and disability organizations requested more training about tax policy, financial and tax services and the relationship between increased income and assets and continued eligibility for public benefits.

¹⁵ Watson, O. (October 2006). The Culture of Money. The Impact of Race, Ethnicity, and Color on the Implementation of Asset-Building Strategies. A Report Prepared for the Annie E. Casey Foundation.

II. INTRODUCTION

Educating Democracy is a response to the national movement focused on building savings and increasing wealth for low-income working Americans introduced in the 1990s.¹⁶ Where there is poverty, people of color, unemployment, under employment and lack of knowledge about tax and financial services there is disability. Twenty-six percent of 20 million working Americans with a severe disability are living in poverty compared to 9 percent of low-income workers without disabilities. Although disability advocacy groups led the way for civil rights legislation, independent living, integrated education, and the American with Disabilities Act, entrance into the formal economy has not occurred for millions of Americans with disabilities. Asset accumulation and tax policy for individuals with disabilities was not part of the new asset building frontier for low-income Americans because the concept and potential of work for individuals with a disability was and is not fully realized.

The expansion of the Earned Income Tax Credit in the early 1990s that provides a refundable credit to working families with modest incomes; new research on the potential of matched savings plans for the poor through the seminal work of Michael Sherraden at Washington University; and the passage of the 1996 welfare reform that promoted work and reduced welfare rolls are trends that have contributed in part to a new field of study focused on building assets for the poor and increasing their participation and access to America's formal economy. National¹⁷ leadership and support has allowed a number of states and local free tax coalitions to expand their menu of free services to include a variety of asset building strategies believed to reduce poverty and increase wealth.¹⁸

A number of financial education programs have been created and implemented some providing financial incentives most without; the American Dream Demonstration promoted and funded the opening of 25,000 individual development accounts in over two dozen states that demonstrated that low-income Americans can and do save; a number of free tax coalitions have expanded their outreach to working families and individuals eligible for tax credits beyond the traditional tax filing component. Asset building coalitions around the country are providing outreach and education that include banking the unbanked; financial education; debt and homeownership counseling; savings education and participation; benefits counseling; debt counseling; to name a few.

Research on whether these strategies are effective in reducing poverty is limited. For example, there are mixed reviews about the impact of financial education in changing the savings behavior of its customers and reducing their overall poverty.^{19 20} Research has predominately focused on collecting self-report data, the number of hours that a course should last (10 hours), and the difference that a financial incentive makes when combined with a financial education course.²¹ Little longitudinal data has been collected that demonstrates overtime that participation in a financial education course reduces poverty or increases one's access to assets.

One-on one financial education is viewed as one of the most effective strategies for populations of color because it addresses their "differing needs and capabilities."²² Longitudinal research that is following a cohort of taxpayers with disabilities is finding that one-on-one debt and credit counseling is essential and necessary in customizing individual

¹⁶ Sherraden, M. (1992). *Asset for the Poor*. Washington University.

¹⁷ Center for Economic Progress (CFED); National Community Tax Coalition (NCTC); Center on Budget and Policy Priorities (CBPP); IRS/SPEC; Washington University; New America Foundation; Annie E. Casey Foundation; Ford Foundation; Aspen Institute; Center on Financial Service Innovations, Shore Bank.

¹⁸ The National Strategy for Financial Literacy (2006). *Taking Ownership of the Future*. Financial Literacy & Education Commission. Department of U.S. Treasury. Excellent resource for understanding the current education and outreach efforts to bring populations that have been traditionally underserved by the mainstream financial system.

¹⁹ Vitt, L.A, Reichbach, G.M., Kent, J.L. & Siegenthaler, J.K. (2005). *Goodbye to Complacency*. Financial Literacy Education in the U.S. 2000 to 2005. Institute for Socio Financial Studies, Middleburg, Virginia.

²⁰ Watson, O. (2006). *The Culture of Money*. The Impact of Race, Ethnicity, and Color on the implementation of Asset-building Strategies. Prepared for the Annie E. Casey Foundation. P.10.

²¹ Rand, Dory (2004). Director at the Sargeant Shriver National Center on Poverty and Law. Work and evaluation of Financial Links for Low-Income People (FLIPP) found that combining financial education with financial incentives most effective.

²² *Ibid.* p. 11

budgets and action plans.²³ A review of a number of the Casey Foundation's Family Economic Success and Making Connections initiatives have found that the grassroots efforts of customers of color are capitalizing on their existing cultural assets through innovative initiatives. The Family Independence Initiative for example in Oakland California combines cultural and religious groups of families working together with a common goal of economic success. These groups are called "affinity communities" and are given a menu of services that include free laptops, internet access, IDAs, and additional resources. The philosophy behind this innovative approach is very similar to the disability self-determination movement that puts the customer first.

The concept that peer to peer financial education learning and participation is a good idea for populations who are different and have different abilities is championed and proven through three decades of work of Muhammad Yunus, the founder of the Grameen Bank. Yunus improved the overall lives of millions of citizens in Bangladesh by empowering small groups of women with modest loans. Small groups borrowed and repaid loans and demonstrated personal initiative and enterprise unexpected of people living in such abject poverty.²⁴

The 2006 National Tax Assistance for Working Families Campaign (NTA) reports 81 percent of its 223,782 free tax site users (no disability data available) as having a checking and/or savings account and that 64 percent used direct deposit.²⁵ In 2004 NTA reported that the median Adjusted Gross Income (AGI) for taxpayers with both checking and savings was \$18,996, and for checking only \$15,786, and savings only \$12,366.²⁶ A recent report given at the National Community Tax Coalition Conference by Steve Holt in October of 2006 suggests that asset building strategies such as banking accounts and financial education are not producing the outcomes initially expected although many cities are showing some success. Dr. Holt reported using income data from the NTA cities that receipt of a tax return cannot always be viewed as "extra income" to be saved but for many families is used to pay down debt for families just not able to get ahead. The high number of banked customers and customers given financial education has not produced the opportunities anticipated by researchers studying the asset movement for low-income Americans. The unbanked are found to have largely low incomes and often are from race and ethnic backgrounds that do not find accessible the highly regulated financial service system that caters to middle income customers. Instead, many of the unbanked have turned to loosely regulated and high profit alternative lenders that cater to their geographic and banking needs.²⁷

Twenty percent of the unbanked customers participating in a large national program reportedly had incomes of \$8500 or less.²⁸ The Four City Pilot research found that 36 percent of focus group participants reported incomes of \$7,500 or below and 46 percent had no checking account and 56 percent had a saving's account. Yunus found that populations that are unbanked may not have the traditional checking account but many do save evidenced by the \$55 billion in remittance saved by 11 million immigrants. The costs of being unbanked are high and undermine the efforts of all individuals and agencies both federal and state to improve their lives whether through workforce programs or access to credit.²⁹

Many of the national free tax prep and asset building initiatives have focused on immigrants, Native Americans, English as a second language, low-income populations. Recently, the impact of race and ethnicity on implementing asset

²³ Davies, T. (2006). Southern New Hampshire School of Community Economic Development. Longitudinal research through the Asset Accumulation and Tax Policy Project, a NIDRR funded grant through the Law, Health Policy & Disability Center, University of Iowa, College of Law.

²⁴ Yunus, M. (1999). *Banker to the Poor. Micro-Lending and the Battle Against World Poverty*. Public Affairs: A Member of the Perseus Books Group: New York City.

²⁵ Holt, & Associates Solutions (August 2006). National Tax Assistance for Working Families Campaign. 2006 Report Series to the Annie E. Casey Foundation.. Statistical Summary. P.3 Campaign funded by the Annie E. Casey Foundation.

²⁶ Holt & Associates Solutions. (2004). National Tax Assistance for Working Families Campaign. 2004 Report Series to the Annie E. Casey Foundation. P. 12.

²⁷ Yunus, M. (1999). *Banker to the Poor. Micro-Lending and the Battle Against World Poverty*. Public Affairs: A Member of the Perseus Books Group: New York City.

²⁸ Holt & Associates Solutions (2006). Report given at NCTC Building Prosperity for Working families Conference October 11-14, 2006. Session entitled: Asset Building: What Do We Know about What Works? Data on the NTA Campaign coordinated by Annie. Casey Foundation was presented by Steven Holt.

²⁹ Yunus, M. (1999). *Banker to the Poor. Micro-Lending and the Battle Against World Poverty*. Public Affairs: A Member of the Perseus Books Group: New York City.

building strategies has been raised and emerging best practices from a number of grassroots programs suggest that existing asset building strategies to do not work well within highly diverse cultures.³⁰ However, few national programs have addressed the needs of the customer with a disability. Educating Democracy dispels the myth that disability is a separate and distinct population of its own, but rather it is an integral part of all these populations but comes with its own set of “cultural competencies” additional “gateway costs” and policy challenges if on public benefits.^{31 32}

Disability and its role in the mainstream economy despite the efforts of the Americans with Disabilities Act in 1990 are still not considered a “natural part of human existence.” The potential of a fully integrated workforce with individuals with disabilities is not fully understood by policymakers or private sector business. Over 23 Federal agencies provide resources for over 200 disability programs at cost of over \$200 billion a year yet the messaging about disability as a viable market segment in the 21st century economy has not been made. The facts are hard to ignore – one in five Americans have a disability; one in four American families have a member with a disability; and 42% of the 20 million working Americans with disabilities have a severe disability (which mean they need assistance with more than one activity of daily living like dressing, bathing, eating or toileting). The aging demographics predict a rise in seniors with disabilities over the next generation as well as the continued growth of disability in the under 65 year old population.

In addition, the number of beneficiaries receiving Social Security Disability Insurance (SSDI) increased 59% over the last dozen years and one out of five Americans do not have basic health care.³³ These two phenomena are at a critical juncture making it all the more imperative that the potential of the disability workforce be realized and linked to the mainstream economy as a necessary first step in building economic preservation and income for future generations that are born with or acquire a disability.

This research of tax filers with disabilities is part of the evolutionary journey of disability in the United States and represents the pioneering spirit and rightful claiming of working Americans with disability to the “principles of democratic life.” In 1839 it was Alex Tocqueville who wrote to his translator while visiting the United States “with the cause of equality from now on won ... I am here to stress the bad tendencies which equality may bring about.”³⁴ Tocqueville made the astute observation that the concept of equality in guaranteeing liberty would not be experienced by all citizens in the same way. He wrote that the inherent tension of juxtaposing democratic principles with a melting pot of nationalities, beliefs, and socioeconomic backgrounds would result in the experience of inequality as well. Although disability was not part of his observations his central point applies; Americans of all abilities are not a homogenous group and will experience the “principles of democratic [economic] life” differently.

Authors of this project understand that the road to equality of economic rights for people with different abilities regardless of race creed or socioeconomic background needs to be paved with more than good intentions or public policy that penalizes asset ownership. The road to equality of economic rights in the 21st century must be paved with public policy that recognizes the intrinsic human value of citizens with disabilities and provides for their full inclusion in its formal economy.³⁵ Tocqueville’s advice 165 years ago applies today: “The first duty imposed on those who now direct society [in America] is to educate democracy.”

³⁰ Watson, O. (2006). *The Culture of Money. The Impact of Race, Ethnicity, and Color on the implementation of Asset-building Strategies.* Prepared for the Annie E. Casey Foundation.

³¹ Mendelsoh, S. (2006). *Role of the Tax Code in Asset Development for People with Disabilities.* Disability Studies quarterly, V. 26, No.1. www.dsqsds.org.

³² She, P. & Livermore, G.A. (2006). *Material Hardship, Poverty, and Disability among Working-Age Adults.* Research Brief. Rehabilitation Research and Training Center for Economic Research on Employment Policy for Persons with Disabilities. Cornell University.

³³ National Council on Disability (2005). *The State of 21st Century Long-Term Services and Supports: Financing and Systems Reform for Americans with Disabilities.*

³⁴ Tocqueville, A. (1966). *Democracy in America.* [J.P. Mayer, Ed.] New York: Harper Perennial. P.xi

³⁵ Seto, T.P. & Buhai, S.L. (2006). *Tax and Disability: Ability to Pay and the Taxation of Difference.* University of Pennsylvania Law Review. 154 U. Pa. L. Rev. 1053.

III. METHODS

The National Disability Institute (NDI) and NCB Capital Impact along with its national partner, the IRS Stakeholder Partnership Education Communication Division (SPEC) introduced the TAXfacts+ Campaign on April 15, 2004 in Washington, DC as a gateway strategy to asset building for working Americans with disabilities. The Campaign in its first year introduced the disability market to the free tax filing service market creating a “new field of practice” unprecedented in American disability policy. The original goal of the campaign was to increase the knowledge and awareness of favorable tax provisions and credits for working individuals with disabilities, their families and employers.

TAXfacts+ Campaign 2005-2007 Outcomes

The 2005 Campaign reached 11 cities and assisted 5,211 individuals with disabilities file tax returns. The primary focus in the first year was building trusted community-based partnerships between the local disability organizations and free tax filing coalitions.

The 2006 Campaign reached 30 cities and assisted 17,233 tax filers with disabilities. In addition, the 2006 Campaign engaged 192 local disability partners in building workgroups within existing free tax coalitions; identified 20 free tax preparation sites focused exclusively on serving persons with disabilities; and reported 1,160 free tax preparation sites accessible to persons with disabilities.

The 2007 Campaign will expand its outreach and services to 54 cities with the creation of the Real Economic Impact Tour. The Tour will leverage the work of many national partners both public and private in bringing financial education; benefits training; credit, debt and homeownership counseling; federal work incentives training and technical assistance to a targeted number of 2007 cities. The first stop is a Mayor’s Academy hosted by the Office of Disability in New York City to build peer support networks in a dozen flagship cities already key partners in free tax preparation and asset building initiatives for customers with disability across the country.

Four City Pilot Research Design

The purpose of the Four City Pilot was to assess the participation of individuals with disabilities in asset building activities offered through participating community-based free tax filing coalitions and to better understand the population of individuals with disabilities and their needs as a growing market segment.

NDI partnered with IRS/SPEC and the Wage and Investment Research Division to provide the Taxpayer Assistance Blueprint TAB (TAB) II research group with findings that resulted from conducting focus groups with taxpayers with disabilities. This report entitled Focus Groups with Taxpayers with Disabilities (project # 4-06-02-2-047N) will be published and available. Findings from this report have been used to inform this report as well.

Four City Pilot Selection

This research surveyed the financial and tax filing habits of 3,902 working Americans with disabilities participating in free tax filing coalitions in four cities nationwide. Three of the four cities were chosen from a pool of 30 cities participating in the TAXfacts+ Campaign to expand tax and financial services and knowledge to working individuals and families with disabilities. Three of the four cities (Boston, Wichita, and West Palm Beach) were chosen because of their 2005 success in building the disability initiative and development of disability friendly tax sites. These cities experienced a 72% increase in filers with disabilities during their participation in the pilot research for 2006.

New York City FoodChange was chosen because of its interest in understanding more about working with customers with disabilities and for its capacity (did over 44,000 free tax returns in 2006) to provide valuable data of tax filers with disabilities beyond the capacity of the four city pilot.

Each city represented a different lead model. For example, the United Way of Palm Beach County led West Palm Beach; the Cerebral Palsy Research Foundation, Inc. along with the Mayor of Wichita led the Wichita initiative; the Mayors EITC Campaign led Boston’s; and the largest EITC campaign in the country, FoodChange took the lead in New York City. The Four City Pilot completed 7,702 returns for filers with disabilities representing \$5.7 million in EITC refunds and \$12 million in total refunds.

In addition, site selection for three of the four cities chosen was based on their previous success in building a disability workgroup in the first year of the TAXfacts+ campaign. Wichita and West Palm Beach had already started to build a focus on disability prior to their involvement in the TAXfacts+ campaign and were logical partners given the resource restrictions of the campaign. Boston's EITC coalition was somewhat new to disability and spent much of the first year in the campaign building relationships with local disability organizations. All four pilot cities participated in weekly national calls over the four months of the tax filing season to share challenges and lessons learned.

Prior to the focus group research partnering efforts between IRS and NDI, very little original research had been conducted that dealt directly with taxpayers with disabilities. Since taxpayers with disabilities constituted an important target market for SPEC, SPEC wanted to learn more in order to identify the services these individuals need and to improve upon the services that are currently provided to them. SPEC was also interested in learning about the level of knowledge, perceptions, attitudes, and opinions of taxpayers with disabilities regarding tax filing. SPEC's main research participation was in the focus group segment specific to tax filing issues of the pilot in four cities.

The research design for the TAXfacts+ Four City Pilot included three different methods of data collection;

1) Focus Group Data Collection

Fifteen focus group participants per city were asked to attend a two hour focus group and were offered a per diem of \$50.00 for their time. Qualitative data from the four focus groups (N=83) was collected and analyzed. The National Disability Institute (NDI), and its partner the Wage and Investment Customer Assistance Relationships and Education's (CARE's) Stakeholder Partnership Education Community (SPEC) collaborated to conduct these focus groups with taxpayers with disabilities in order to better understand their attitudes toward tax filing and service needs as well as financial services needs. In addition, the Office of Management and Budget approved the focus group instrument designed by NDI and the W & I Research and SPEC team.³⁶

1a) Focus Group Qualitative Data Analysis

Each city is well represented by the voices of its participants in the focus groups. The transcripts from the focus groups were coded and arranged under themes. It is important to remember that each focus group used the same moderator guide and two co-facilitators but the direction and topics of each group reflect the diversity and individuality of each city studied.

Following the first focus group, a debriefing was held with the customers/observers from SPEC, and modifications to the research questions were made. In addition to wanting to know how taxpayers with disabilities who had experiences with free tax preparation services perceived those services, SPEC wanted to know specifically how the participants who had experience with both free tax preparation services and paid tax preparation services felt the quality of the two compared. SPEC was also interested in the general level of tax knowledge reflected by the participants, especially regarding the Earned Income Tax Credit (EITC) and Refund Anticipation Loans (RALs).

2) Three Survey Data Collection Instruments

2a) Walk-In Survey, a seven question survey³⁷ was administered to walk-in filers entering EITC and VITA coalitions across the four pilot cities at a number of free tax preparation sites. A few of the sites added the seven questions to their existing TaxWise software and others scanned the questions and asked them individually of filers entering sites for tax filing. Of the 20,227 seven question surveys collected, 3,199 or 15.8% represented filers with disabilities.

³⁶ Moderator Guide available at www.ndi-inc.org

³⁷ 7 Question Survey available at www.ndi-inc.org

2b) Non-Walk-In Survey or the Local Disability Group (LDG) Survey is the second and larger survey with 26 questions³⁸ and was administered mostly through local disability organizations using convenience sampling to 649 individuals with disabilities. The non-walk-in survey or LDG survey collected data on participant demographics, financial service use and knowledge and behavior about tax filing.

2c) Focus Group Survey (FGS) was the same as the LDG survey except a question on income was added. The survey was administered to 85 focus group participants across the four pilot cities hosting the focus groups. NYC FoodChange had an additional 25 focus group participants attend so the format was changed to an open forum. Also, there was no court reporter present to record the NYC meeting so the qualitative data is limited to the notes made by facilitators and attending national partners. A total of 83 surveys were collected and analyzed from the focus group (35 of which came from NYC).

3) Special Walk-In data of 2,036 filers with disabilities walking-into tax preparation sites was provided by FoodChange in NYC to provide the pilot with additional data points not collected in the other pilots. Comparison data (when available) of non-disability filers from FoodChange and the Casey Foundation National Tax Assistance for Working Families Campaign (NTA) 2006 reports is used to study the differences and similarities between tax filers with and without disabilities.

FOCUS GROUP DATA COLLECTION

NDI and Wage and Investment Research IRS conducted focus groups with taxpayers with disabilities in Wichita, Boston, and West Palm Beach during April and May of 2006. A focus group in NYC was also held but because of the large turn-out could not be conducted as a focus group. NDI has included however the qualitative data collected from this forum that included over 35 participants in the NYC section of the report.

The disability partners in each city that helped organize the focus groups went beyond the basic expectations of providing the focus group facilities and screening potential participants. In addition to meeting these basic expectations, the Cerebral Palsy Research Foundation, Inc. of Wichita, Morgan Memorial Goodwill Industries of Roxbury, MA; United Way of Palm Beach County and its partners Palm Beach Habilitation Center and Gulfstream Goodwill Industries; and the Disability Network of New York City and the United Way of New York City hosted the focus group sessions, providing drinks and snacks, arranging local individuals to type and display the session in real time, and taking on the responsibility of providing the participants with the \$50 honoraria (funded by the Ford grant) upon conclusion of the focus group sessions.

Participants were recruited in person by the members of the disability workgroups. The criteria for participation included being employed, filing a tax return, income \$35,000 or below or EITC eligible, and having a disability. Persons with varying types of disabilities were recruited so that the groups represented a broad range of taxpayers with disabilities. A detailed demographic description of the participants is reported in the individual city reports that follow.

Each focus group session lasted two hours and was designed to provide time for both NDI and W & I Research to meet their financial and tax service needs objectives. The first half hour was a warm up with NDI leading the group; the second half hour was a discussion of the financial habits and beliefs of people with disabilities with NDI leading; the third half hour was led by W & I Research and covered the tax filing and public benefits for people with disabilities; and the final half hour talked about the American Dream and advice to the IRS Commissioner and was led by NDI.

A Moderator's guide was developed cooperatively by W & I Research, NDI and SPEC with all these objectives providing the basis for the questions. The guide was slightly modified following the first focus group to better achieve the customers' objectives. A court reporter was present at each focus group to provide the researchers with a transcript of the meeting. New York City did not have a court reporter present so the qualitative findings from the open forum are limited.

³⁸ 26 Question Survey located at www.ndi-inc.org

Immediately following each focus group session, the NDI and W & I Research moderators compared their impressions of the responses and then any observers and/or customers who attended the focus group were engaged in a dialogue with the moderators to capture the observer/customer impressions of the salient issues that arose. After all the focus groups were complete and all of the transcripts were received for review, the moderators and SPEC officials met in Atlanta to revisit the findings and to discuss the analysis and report preparation processes.

SURVEY DATA COLLECTION

Each pilot city provided NDI with an excel spreadsheet of the Walk-In data except for NYC because of the volume of respondents. Raw surveys from FoodChange in New York City were shipped to IRS/SPEC in Atlanta for sorting and recording. The spreadsheets were then forwarded to NDI for analysis. Raw data from the other two surveys were recorded on spreadsheets and sent to NDI for analysis.

RESEARCH LIMITATIONS

Due to the studies resource limits, time constraints, and data collection methods, the summary observations of the Seven Question Walk-In Survey completed by 3,199 participants with disabilities are not considered statistically validated and are difficult to project to the general population of low-income taxpayers with disabilities. Although the sample size is large and increases the accuracy validity and reliability of the overall observations, further research should be done to confirm and validate the data reported. It is also important to note that New York made up over 58% of the respondents, with Boston making up approximately 26% and Wichita making up approximately 12% and West Palm Beach 4%.

RESEARCH CAVEAT

The IRS Wage and Investment Research division produced a separate report from their participation in the two hour focus groups in the four city pilots. Their report focused on specific questions related to tax filing and service attitudes and activities of participants with disabilities. IRS Research gave NDI researchers permission to use their findings in Educating Democracy. NDI takes full responsibility for the findings, recommendations and overall analysis of Educating Democracy.

IV. FINDINGS

The findings are based on the fundamental disability principles of self-determination, consumer choice and direction, and full participation and access to America's formal economy. The findings are grouped into four areas: 1) Demographics 2) Tax Filing Knowledge and Service Use 3) Financial Service Knowledge and Use 4) Capacity Building. All data referenced is provided in detail in the pilot city sections of the report.

TERMS USED

Walk-In Survey: Refers to N= 3,199 or 15.8% of 20,227 seven question surveys filled out by walk-ins to free tax filing sites in four pilot cities and collected by volunteer tax preparers at the tax filing site.

Non-Walk-in Survey: Refers to N=649 four city pilot participants that filled out a 26 question survey instrument non-randomly that was distributed to them through their local disability workgroup organization participating in the TAXfacts+ initiative. In general, participants did not fill this survey out at the tax site.

Focus Group Survey: Refers to N=83 and responses to a 27 question survey filled out by participants in four pilot cities and collected by focus group facilitators from NDI and IRS/SPEC.

In addition to the focus group survey, transcripts of the focus groups from three of the four cities were culled for themes and findings. The voices of individuals with disabilities are recorded and grouped under themes for each participating pilot city.

Special Walk-In Survey data refers to a sample of FoodChange taxpayers with disabilities N=2,306 provided NDI.

1) DEMOGRAPHIC PROFILE

1a) The demographic profile of walk-in taxpayers with disabilities compared to non-walk-in taxpayers with disabilities suggests that taxpayers associated with a local disability organization are more likely to be banked, receive public benefits, have a high school degree, be either male or female and older than the average taxpayer without a disability participating in local free tax prep.

- The national EITC profile (without a disability) is a single female, African American (44%), about 35 years old and 35 % have a GED or High School Diploma.
- The tax filer with a disability participating in the non-walk-in survey is older (average age 43), more likely to be either male (46%) or female (53%) more likely to be white (50%) compared to walk-in filers without disabilities in NYC (7% white) and in Annie Casey Cities (19% white) and more educated 54% have a GED or High School Diploma.
- Pilot City Boston reported challenge in gathering completed surveys that resulted in over 50% of the surveys collected being from white respondents (57.6%). This is dramatically different that the demographic of the city-wide EITC campaign, where only 12% of our taxpayers are white. These respondents are also more highly educated than our general population. 25.83% had a high school diploma, 30.83% had a college degree, and 14.17% had a graduate degree. Boston's general EITC population, on the other hand, had less formal education. 15.8% had only completed some high school, with no diploma, 28.5% were high school grads, with an additional 7.6% having a GED and 27.7% had some college. Only 13.7% had a college degree, with 2.9% having a graduate degree. Impressions of team
- Pilot City West Palm Beach reported that the diversity of individuals (based upon ethnicity and disability) at the focus group was more limited than expected. Although the individuals who participated represented varied disabilities (Mental Health, HIV/AIDS, Traumatic Brain Injury, Developmental Disability and hearing impaired) there are still several disability groups not represented whose participation would add significantly to the data.
- Pilot City Wichita reported 83% of their filers filling out the Non-Walk-In survey as Caucasian; 6% African Americans, 3% Asian; 0% Latino/Hispanic and 6% Native Americans and 6% Other.

1b) Tax filers with disabilities participating in the four city pilot are much less likely to be homeowners and have stable living arrangements compared to national data on homeownership for persons with disabilities. Differences between groups of tax filers with disabilities also exist as to current living arrangements.

- 16% of tax filers participating in the non-walk-in survey (N=649) reported owning their own home; 36% reported renting; 6% reported using a Section 8 Housing Voucher, 27% reported living with a relative; 7% reported living with someone else; 7 % reported living in an assisted living; and 3 of the 649 respondents reported being homeless.
- 7% of tax filers participating in the walk-in survey (N=3,199) reported owning their own home; 66% reported renting (almost double the non-walk-in surveyed); 15% reported living with a relative; 2% reported living with someone else; and 3% reported living in an assisted living facility.
- Home ownership was mentioned by several focus group participants as part of their American Dream. "The American Dream for me is to own my home, even if it is a trailer." Other participants talked about opportunities missed in a buying a home when they were more able to work.
- 63% of working age people with disabilities report living in an owner occupied house compared to 69.9% of workers without disabilities. In 2004 the U.S N.O.D. Harris Poll found that about 44% of individuals with disabilities are home owners and that less than 10% are individuals with intellectual disabilities.

1c) The income of Focus Group participants (N=83) varied with 36% reporting income less than \$7,500 a year; 22% between \$7,500 and \$15,000 a year; and 25% between \$15,000 to \$35,000 a year.

- 58% of the focus group participants made below \$15,000 a year and is lower than the average EITC income of about \$13, 500 for tax filers without a disability in 2006. The 2002 U.S. Census describes individuals with non-severe disabilities with a median income of \$22,000 while individuals with severe disabilities have a median income of \$12,800 compared to \$25,000 for workers without a disability. Data collection on type of disability did not ask for an assessment of the severity of the disability but the income levels suggest that over half of the focus group participants probably had severe disabilities.
- U.S. Census 2002 describes the income of a householder with a disability as higher at \$34,300 compared to \$60,000 for a householder without a disability. Annual labor earnings for both workers with and without disabilities show less of a wage gap with workers with disabilities earning \$30,000 compared to \$35,000 for laborers without a disability. Income for workers with disabilities varies depending upon definition used and ranges from a low of \$12,800 to a high of \$34,000 when looking at EITC eligible population.

1d) Although 57% of tax filers with disabilities reported currently working, 89% were not working full time (N=649 Non-Walk-In Survey).

- Only 11% of tax filers with disabilities reported working full time compared to national labor data that reports 22% of workers with disabilities employed full-time (2004) compared to 56% of workers without disabilities. A recent report on credit card debt found that unemployment contributes to about 25% of credit card debt. Although there is no data specific to credit card holders with disabilities in this study it is clear that the sporadic nature of employment combined with the fear of losing benefits puts workers with disabilities at a high risk.
- 27% of tax filers with disabilities reported working part-time.
- A recent study on credit card debt of low to middle income Americans reported seven out of 10 families use credit cards as a "safety net" to pay for car repairs, basic living and medical expenses. In addition, two thirds of Americans filing bankruptcy were unemployed.³⁹

³⁹ Center for Responsible Lending. Demos : A Network for Ideas & Actions. The Plastic Safety Net. The Reality Behind Debt in America. Findings from a National Household Survey of Credit Card Debt Among Low- and Middle-Income Households. October 2005. p.10

- Because of the low full-time employment rate of persons with disabilities this study is of concern. The costs of living with a disability are rarely discussed or well researched. For example, a powered wheel chair today costs over \$20,000 and individuals often borrow the money or mortgage their homes if they own one. One individual reported being on his fourth chair in 30 years. Another participant discussed the need to provide speech therapy to her five year old son with Autism that costs \$2000 a month and is not covered under any of the federal insurance programs even though she meets the income eligibility criteria.

1e) Tax filers with disabilities report that the workplace often lacks understanding and procedures for accommodating their needs.

- Mobility challenges is the most common disability reported by all survey and focus group participants.
- The category “other” (pertains to chronic health conditions other than the ones listed in the U.S. Census and in the pilot surveys) was the second most mentioned disability.
- The third and fourth disability categories reported were cognitive and sensory disabilities that include hearing, vision and speech.
- Participants described the challenges of working with a non-visible disability: “If you have a visible disability it may be easier to hold a job. It is hard to some to prove a disability in the first place. Especially with mental illness. What do I do? It has to be medically documented.”
- Participants described the cyclical nature of their disability and its ups and downs: “Some disabilities are not constant. There are good days, and bad days. You need to find an understanding employer. What accommodations you need today will be different than what you can need tomorrow or next week or any point in the future.” [Referring to a mental illness.]

1f) Tax filers with disabilities participating in the four city pilot through a local disability organization were five times more likely to be receiving Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) than tax filers with disabilities walking-into a free tax site whereas tax filers walking into a free tax site were more likely to be receive food stamps and TANF/public assistance.

- 5.8% of tax filers with disabilities reported receiving SSI and 3.5% SSDI (Walk-in survey NYC N=2,306) compared to
- 31% of tax filers receiving SSI and 20% receiving SSDI (Non-walk-in survey N=649)
- Fifteen percent of workers (3,117,960 in 2004) with disabilities receive Supplemental Security Income (SSI) with 26% reporting difficulty going-outside their home; 23% report difficulty in caring for themselves; 23% report a mental disability; 16% mobility and 12.6% sensory.^{40 41}
- Tax filers with disabilities from the Walk-in NYC survey (N=2,306) are 40% more likely to be receiving food stamps than Non-walk-in surveyed (N=649).
- 33.1% of tax Filers with disabilities from the Walk-In NYC reported having health insurance
- 42% of the non-walk in surveyed (N=649) report having have health insurance through Medicaid
- 5.51% of tax filers with disabilities from the Walk-in NYC survey were receiving TANF/public assistance compared to 4% of tax filers with disabilities from the non-walk-in survey.

⁴⁰ Disability and American Families: 2000 Census 2000 Special Reports. <http://www.census.gov/prod/2005pubs/censr-23.pdf>. Report defines “family” as married-couple where householder and spouse reside in same house; female householder, only female with no husband in house; and families with a male householder with no wife present.

⁴¹ www.disabilitystatistics.org Cornell University: 2004 Rehabilitation Research and Training Center on Disability Demographics and Statistics.

2) TAX FILING KNOWLEDGE AND SERVICE USE – FOCUS GROUP PERSPECTIVES (N=83)

2a. Focus group participants with disabilities believe if they file a tax return they will lose benefits.

- Focus group participants were “absolutely” sure that some persons with disabilities do not file tax returns because they fear losing government benefits as a result of filing. They also said that some persons with disabilities do not file returns because they perceive that they are not required to do so due to their income levels. Some participants even admitted that they currently perform work on a cash basis because they are afraid that reporting income will result in the loss of disability benefits.
- In Wichita, an individual with a visual disability with a master’s degree who now works with other individuals who have disabilities said that she did not file a tax return for ten years when she received disability benefits because she was told (by a friend) that if you make less than \$10,000 you should not file. She is now aware that in Kansas low income taxpayers can receive a Homestead benefit from the state in addition to the federal EITC benefit. She asserted:
“People are so afraid of losing their benefits; they’re afraid of doing so many things. I’ve worked with a lot of clients where I work that I try to convince them that working with Social Security or even working could benefit them because there’s, you know, you can earn so much money. But they’re afraid that if they file taxes or work at all that it will cost them their benefits. That’s what I believed for years.”

2b. Tax filers with disabilities reported the experience of using free tax preparation services favorably and would return next year.

- Most participants in each focus group session had used free tax preparation services provided by community organizations in partnership with the IRS. A question regarding perceptions of these services was posed, always in a neutral fashion to allow for both positive and negative responses: “Tell me about your experience with the free tax preparation services provided by community organizations in partnership with the IRS.” However, even though the question was designed to solicit both positive and negative responses, the responses were ALL positive at each of the focus group sessions.
- The Wichita respondents sang praises of a particular person named Bill, who had helped them, and they loved Bill. They were not only appreciative of the fact that the services were free, but they also had faith in the accuracy of the return preparation. One participant conveyed an example of Bill checking previous years’ tax returns and filing amendments on his or her behalf. They also found the service to be convenient. One participant said:

“It’s flexible. You know, you don’t have to wait in a long line. You can set up an appointment to meet with Bill. You can work with him one-on-one, you know. You don’t have to wait in a long line. If you have children or something like that and they’re whining and crying, you know, you can get in and get out as soon as possible as, you know, Bill worked with you, you know. So I found that very helpful for me.”
- Participants in all three focus groups expressed an appreciation for being able to schedule appointments for free tax preparation services, as opposed to having to show up, take a number, and wait for a long time. One Boston participant said, “I was in and out in half an hour!”
- In West Palm Beach, the participants brought up the VITA program by name, without being prompted. Unlike in the other cities where the participants were thrilled with the free tax preparation services, but mostly unaware that IRS was involved in any way in providing them, both the awareness level and the appreciation level for VITA was very high in West Palm Beach. They learned about the services through word of mouth at work and from promotional efforts, including “a big sign on 45th Street on the Goodwill Building.”
- Participants who had previously paid to have their tax returns prepared, but had recently taken advantage of free tax preparation services felt that the quality was at least as good as what they had paid for in the past. One West Palm Beach participant conveyed a very specific story of

paying Jackson Hewitt \$300 last year and going to VITA this year, saying the quality of the VITA experience was “wonderful, much better than the service that I paid for, much faster, very helpful!”

- When asked how the free tax preparation service opportunities could be better promoted or marketed, the responses from each focus group consisted of a list of possible media outlets, including:
- Flyers—interestingly, “flyers in the supermarket” was suggested in both Boston and Wichita; Newspapers; through not-for-profit organizations; Mail; Television; Large postings at “centers”; and Advertising on public buses.
- In Wichita, a participant described how important it was for her to learn about tax filing: “I need to understand all the pieces I need to bring to the tax site. My Mother usually reminds me of what I need to take. I’m hoping by the time she passes away that I will be able to remember what she told me to take.”

2c. Tax filers with disabilities receive current tax filing information from a variety of sources.

- Free tax preparation services provided by VITA, local disability organizations, state agencies, and universities;
- Online;
- Tax software (most typical Turbo Tax);
- Paid preparers (most typical H&R Block);
- Friends and relatives;
- IRS;
- Flyers;
- Library;
- Post office;
- And one “insurance salesman”.

2d. The most prevalent concern voiced by focus group participants was with the income and savings limits they were allowed to have in order to continue receiving government benefits.

- When asked about the challenges in obtaining tax filing information, many of the respondents migrated to challenges and issues primarily related to government benefits they received. They were either unable to differentiate between what IRS does and what other government agencies do, or, in the alternative, the salience to them of the non-IRS issues they conveyed far outweighed any challenges they faced obtaining tax filing information.
- This issue kept emerging throughout all parts of the focus groups in each city. Though the issue does not directly relate to obtaining filing information, these concerns do have an impact on tax compliance, as the previous finding indicated. Following are a few of the verbatim comments from the Boston focus group discussion on challenges faced when attempting to obtain filing information:

“And there are different rules for the different disabilities. It is hard to keep track of the rules. There are different money limits.”

“I assume the amount is set. SSI and SSDI are different. One, you are allowed to work, but after a certain amount you have to pay some penalties. Another goes from month to month, and you have to submit your paychecks. One sees you as not being totally disabled: only for a short period of time.”

“SSDI is the reason I do not keep money in the bank. They will penalize me if I have more than \$250.”

“That is wrong. It is \$2000.”

“I got off of SSDI twice, but had to go back on, and everything was different, and I did not understand. These limits do not make sense.”

“We cannot even pay our rent with the amount we are allowed to have in the bank.”

- The most common challenges discussed that actually pertained to getting tax filing information were related specifically to “walk-in” assistance services, but even these were not purely access related challenges. The participants indicated that they do not like the process of taking a number and waiting for service, and that they perceive the order in which the numbers are called to be unfair.

2e. Tax filers with disabilities discuss their preferred methods of receiving filing information.

- When asked about the best way for IRS to convey tax filing information to them, the participants responded with online/internet, over the phone, and in person. When asked which of these they personally preferred, the resounding response was in person, especially in the Boston and West Palm Beach groups. They were then probed to see how far they were willing to travel to talk with someone in person. The responses ranged from “it has to be within walking distance” to:

“Maybe 20-25 miles I would be willing to go. As long as it was clear how to get there, it would be okay to travel. I would need to get public transportation there.”

- This was a somewhat counterintuitive finding. Although many of these participants have mobility or vision disabilities and many of them depend upon friends, family, and/or public transportation sources for travel, they prefer getting information in person to online or via phone.
- Of course, there were exceptions. Some preferred the phone and some preferred the internet. One participant in Wichita suggested:

“For those that can’t drive, don’t have a way, somebody could come to their house and help them.”

2f) Tax payers with disabilities have little experience in contacting the IRS but many would like the opportunity.

- In Boston, one individual had called the toll-free line wanting “to know about contributions”. That participant said:

“Once I stayed on the line long enough, the man was very helpful . . . It was an 800 number, and after I pushed enough buttons, it did save me some effort, and I got some clarification.”

- With that exception, the other reported contact with IRS among Boston participants consisted of using the phone and internet to check the status of refunds.
- In West Palm Beach, one participant had called the IRS to resolve a problem with the 2003 tax return “because H&R Block filed it wrong”. Another West Palm Beach participant spoke of a frustrating visit to an IRS Taxpayer Assistance Center (TAC), saying:

“When I went down there they told us to take numbers. Usually they go by the number like 17 or 16, 15, 14; they didn’t go by that. They go by -- they do numbers like 50 and then they go 80, 90, which people have been there for like hours and hours. And frustrating, like in the mornings, and that’s very irritating because I know people have to go to work and stuff. I understand it is the IRS, but still.”

- In Wichita, one participant conveyed similar sentiments regarding an experience at a Technical Assistance Center, saying:

“You had to be there at eight o’clock—get a number to get your taxes done, and if you don’t get there and get that number, you got to come back the next day. That’s kind of troublesome when you’re trying to work or if you don’t have a way to get downtown.”

- Another Wichita participant had frequently called the IRS to help other people with tax questions, and she said she had always gotten “very quick” “and very polite and friendly” responses.
- When asked about their preferred method for contacting the IRS, regardless of whether or not they had done so in the past, the responses varied. Overall, the preference in Boston and West Palm Beach was for in-person contact, whereas the overall preference in Wichita was for phone contact. There were exceptions in each group that preferred going online first, but these were very few.

2g) Tax filers with disabilities level knowledge about EITC, and Refund Anticipation Loans (RALs) ranged from basic to nonexistent.

- The level of tax knowledge varied widely across individuals in each focus group. There were those who knew all the requirements for EITC and those who had never heard of EITC. Individuals with more extensive knowledge were generally exceptions to the group norms.
- Very few participants had applied for RALs, and most participants perceived them to be bad deals. Noticeably, the two participants in West Palm Beach who were most positive about RALs were also the two individuals with the most apprehension about filing electronic returns. While the question was never raised, fear of identity theft related to computer usage emerged at some point in each of the focus group sessions.

3) FINANCIAL SERVICE KNOWLEDGE AND USE

3a) Focus group participants ask that a national dialogue begin about helping low-income people with disabilities participate more fully in mainstream financial services.

- Working individuals with disabilities voiced their need to have more knowledge and access to the mainstream economy whether through tax filing, banking, savings, borrowing, homeownership, investing, retirement, financial education, tax education and access to life insurance or end of life planning. In addition, customers with disabilities asked that both the public and private sector decrease the obstacles and barriers that currently penalize their efforts to participate fully in the economy through a serious national dialogue about the modernization of existing disability policies that pose barriers to savings and asset building.

3b) The banking status of taxpayers with and without disabilities walking into a free tax prep sites differs according to program data used.

- Thirty percent of taxpayers with a disability walking into free tax site report having a checking account and 12 percent a savings accounts compared to 37 percent of walk-ins without a disability participating in the NYC FoodChange.⁴²
- Whereas 81 percent of 223,782 taxpayers walking into tax sites sponsored by the 2006 National Tax Assistance for Working Families Campaign (NTA) report having a checking and/or savings account and 64 percent used direct deposit.⁴³

3c) Taxpayers with disabilities participating in free tax preparation through a local disability organization are more likely to be banked than taxpayers with disabilities walking-into a free tax site on their own.

- Sixty-six percent of taxpayers with disabilities participating in free tax preparation through a local disability organization report having a checking account and 44 percent a savings account. In addition, 21 percent of taxpayers with disabilities report using direct deposit and 9 percent used online banking.
- Seventy-nine percent of taxpayers without disabilities who are banked customers at FoodChange without a disability used direct deposit; 95 percent ATMs and 30 percent online bill services.

3d) Taxpayers with low incomes are more likely to be unbanked.

- In 2004 NTA reported that the median Adjusted Gross Income (AGI) for taxpayers with both checking and savings was \$18, 996, and for checking only \$15,786, and savings only \$12,366.⁴⁴

⁴² FoodChanpge (2006) final Report on the 2006 EITC Project. P. 14.

⁴³ Holt, & Associates Solutions (August 2006). National Tax Assistance for Working Families Campaign. 2006 Report Series to the Annie E. Casey Foundation.. Statistical Summary. P.3 Campaign funded by the Annie E. Casey Foundation.

- Twenty percent of the NTA taxpayers with incomes below \$8,195 are unbanked.
- Thirty-six percent of taxpayers with disabilities participating through local disability organizations report incomes of less than \$7,500.

3e) Almost half of taxpayers with disabilities walking into the free tax site were repeat users

- Forty-three percent of the taxpayers with a disability walking-into the free tax site used the service the year before; 18 percent did not file; 2 percent who prepared the return themselves; and 29 percent had paid for the service compared to 23 % of taxpayers with a disability participating in free tax preparation through a local disability organization who had used the free tax site service the year before; 20 percent who did not file; and 8 percent who prepared their own return.

3f) Few taxpayers with disabilities have filed for a refund anticipation loan (Ral)

- Five percent of taxpayers with a disability walking into a free tax site filed for RAL compared to 8 percent of taxpayers with disabilities participating in the free tax preparation through a local disability organization. Eleven percent of taxpayers without disabilities participating in the FoodChange free tax preparation report using a RAL in 2005.⁴⁵

3g) Refund spending choices of taxpayers with disabilities

- Forty-one percent of taxpayers with a disability participating in free tax preparation through a local disability organization would pay bills with their refund; 19% would buy groceries; 19% would save for a rainy day.
- Focus group participants were asked to talk about what they would do if they won \$2000 and common responses included tithe at their church; pay bills and give gifts to family members.

3h) Few taxpayers with disabilities have had any exposure to financial education

- Twenty-one percent of taxpayers with a disability participating in free tax preparation through a local disability organization have taken a class in how to handle their money. Focus Group participants reported that the classes were most often not helpful or accessible.

3i) People with disabilities filing taxes or doing their everyday banking activities need special accommodations

- Fifty-seven percent of taxpayers participating in free tax preparation through a local disability organization reported needing accommodations when filing taxes or doing everyday banking. Needs ranged from teller windows being too high to lack of accessible websites for doing online banking for individuals with visual disabilities. Requests tax filing procedures and tax forms be simplified and that tax and banking personnel understand how to respond to the needs of customers with disabilities.

3j) Underutilization of the earned income tax credit (eitc) by taxpayers with disabilities

- Thirty-seven percent of taxpayers with disabilities participating in free tax preparation through a local disability organization report receiving the EITC compared to forty-six percent of taxpayers with

⁴⁴ Holt & Associates Solutions. (2004). National Tax Assistance for Working Families Campaign. 2004 Report Series to the Annie E. Casey Foundation. P. 12.

⁴⁵ FoodChange (2006) final Report on the 2006 EITC Project. P. 8

disabilities walking into the FoodChange free tax sites in 2006 while fifty-two percent of taxpayers without disabilities walking into the FoodChange free tax preparation sites received the EITC in 2006.⁴⁶

- Data from FoodChange and Annie Casey free tax sites demonstrates that repeat users of the free tax sites utilize various tax credits including the EITC more frequently than first time filers. Although the four city pilot data does not reflect first time EITC taxpayers with disabilities it is likely that a large percentage that participated were first time EITC filers.

3k) Single filing status similar for both EITC eligible taxpayers with and without disabilities

- Fifty-six percent of 2,306 tax filers with disabilities participating in the FoodChange 2006 free tax preparation filed "single" as did taxpayers walking into the FoodChange free tax prep site without a disability. FoodChange reported a decrease in the percentage of customers receiving the EITC by 2 percent from the 2005 filing season due to the number of filers that continue to fall outside the EITC realm. FoodChange experienced a 3% increase in single filers and suggest that this trend is contributing to the lower percentage of EITC customers served. Single filers have significantly lower income thresholds for EITC eligibility."
- In addition, the Annie Casey 2006 Report data also reflects a decrease in EITC filers and increase in single filers and those taxpayers claiming "0" dependents. (See FoodChange Chapter Section 5 for more detail.)

4) CAPACITY BUILDING

4a) Location and timing of free tax blitzes and free tax days during filing season are important in attracting first time filers.

- The Cerebral Palsy Research Foundation, Inc. (CPRF) Wichita Disability Initiative Steering Committee planned and conducted a "tax blitz" for people with disabilities at four sites (one east, one west, two center city) on Saturday, February 4. Publicity was channeled through the disability organizations. Only 59 tax returns were filed by the Coalition that day (6 hours of operation), of which only 6 were by individuals with disabilities (or who had a family member with a disability). The date may have been somewhat early, with some taxpayers not having received their W-2 statements. By contrast, on February 10, a "tax day" was held by four volunteer Income Tax Assistance (VITA) volunteers and 47 returns were then e-filed. Many of these individuals had not previously filed, and were eligible for more than one years' worth of EITC returns.

4b) The local disability workgroups (subgroups within existing EITC campaigns) charged with the collection of the disability survey data reported some difficulty in collecting data from their local partners (particularly in the campaign cities not participating in the pilot.)

- The disability workgroups across the county reported that some local partners were unwilling to collect the data requested (short walk-in survey or just the question "do you consider yourself or a family member to be a person with a disability".)
- Many local partners identified the need for education and information about working with customers with disabilities, making sites accessible and understanding the complex rules associated with filers receiving public benefits particularly SSI and SSDI.

4c) Over 50 % of tax filers with disabilities reported needing some accommodation when accessing the free tax site and local financial institutions.

⁴⁶ FoodChange (2006) final Report on the 2006 EITC Project. P. 9.

- Participants reported challenges in navigating their local banks – some mentioned teller windows as too tall for people in a wheelchair; others are not yet comfortable using online banking and find many website not accessible.
- Focus group participants requested more information in accessible formats about IRS public services and publications.
- Focus group participants mentioned transportation as a major barrier.

4d) Education and training for the non disability community is needed to increase their understanding about access and accommodation solutions and effective outreach to persons with disabilities.

- The IRS/SPEC division has trained over 60 of its field staff on the disability initiative and developed a detailed toolkit with over a 100 live links to provide the necessary information about building a disability initiative.
- IRS/SPEC attendees at the 2006 national training requested more time next year on the benefits section because of its complexity and importance for tax filers with disabilities.

4e) Tax filing education and information is needed by local, state and national disability organizations in accessible and understandable formats.

- Participants expressed concern about the “trustworthiness” of information they often received about tax filing requirements. Many were confused and requested information be provided to them from a reliable source like the IRS or in West Palm Beach, the United Way.

4f) Future research and data collection instruments should be re-designed to accommodate tax filers with cognitive and sensory disabilities.

- Wichita’s target group of filers for the pilot non-walk-in survey were mainly people with intellectual and developmental disabilities, quite different than the other four cities. As a result the pilot secured only 35 of the requested 100 completed long surveys.
- Wichita and a staff at six participating disability organizations were asked to invite taxpayers with disabilities to complete non-walk-in surveys with varying success. The type of disability may have been a factor, and the lack of staff time to sit down and work through the survey one-on-one with a taxpayer may also have been a factor. This may need to be taken into account in the future and survey research should be adapted for implementation that addresses the needs of all workers with disabilities.
- Disability workgroup members across the four pilots discussed the challenges of data collection at times due to the intensity of a particular disability of a tax filer as well as the varying skills and limits of participating staff and volunteers as to the needs of the tax filer with a specific type of disability.

4g) Targeted resources for the development of disability workgroups within existing free tax coalitions increased the number of filers in three of the four pilot cities by 72%.

- Motivating and creating community-based disability leadership in existing free tax preparation sites was enhanced when targeted resources were made available to accommodate disability specific activities. The four pilot cities were given small grants that were used to build disability workgroups; data collect; produce flyers and “tax blitz” media materials specific to disability; identify accessibility of sites through surveys and site visits; hire sign-language interpreters; and provide tax filing materials in alternative formats (Braille, large-print, etc.). In addition, one disability organization reported that just being a part of the pilot allowed their organization to leverage new relationships with local government agencies that will benefit the overall mission of their organization way beyond tax filing.

V. INDIVIDUAL PILOT CITY DATA AND QUALITATIVE FINDINGS

Significant Outcomes, Activities and Indicators of Success Chart: Boston, Wichita, West Palm Beach & NYC

National Disability Partners

- + Arc of the United States
- + National Centers for Independent Living
- + Goodwill Industries, International
- + Easter Seals
- + World Institute on Disability

National Community Partners (Four City Pilot)

- + Boston Mayor's EITC Campaign
- + Cerebral Palsy Research Foundation, Inc. Wichita
- + United Way of Palm Beach County
- + FoodChange, New York City

NATIONAL LEADERS

Four City Pilot

- + National Disability Institute
- + NCB Capital Impact
- + IRS/SPEC

National Support

- + Ford Foundation
- + NCB

NATIONAL Activities

- Designed three survey instruments for data collection in four cities
- Created OMB approved focus group instrument with IRS W & I Research Division and IRS/SPEC
- NDI and IRS/SPEC team held 8 meetings in four pilot cities to meet disability workgroups.
- Provided technical assistance specific to accessibility of free tax sites, organization and recruitment of focus group participants, and data collection.
- Provided 18 hours of in depth benefits training in Wichita, KS over two month period.
- Participated in tax blitz days hosted by cities, press conferences and kick-offs and thank you luncheons.
- Hosted weekly one hour calls with pilot cities from January to May 15, 2006 to share ideas and resources and trouble shoot issues.
- Produced final report and analysis of data for national distribution
- Collected and sorted 20,227 Walk-In surveys; 649 Non-Walk-In surveys; and 83 focus group surveys from four pilots cities and sorted raw data
- IRS Wage and Investment produced independent report on tax filing focus group research for internal purposes and shared findings with NDI for larger report
- Produced final report for national release at Press Club event on October 24, 2006 in Washington, DC
- Organized and invited national leaders, mayors and pilot city partners and customers to celebrate, share lessons learned and kick-off the 2007 Campaign

Outcomes 30 Cities

- + 330% increase in tax returns for filers with disabilities from 2005 to 2006

Outcomes 4 Pilot Cities

- + 72% increase in number of filers with disabilities from 2005 to 2006

Indicators of Success

- \$12 million in total refunds received by customers with disabilities
- \$5.7 million EITC refunds received by customers with disabilities
- 7,702 returns completed for filers with disabilities
- Identified 16% of 20,227 tax filers as individuals or members of households with a disability
- 3,902 filers with disabilities completed surveys that provide detailed overview of their tax and financial service activities
- 85 individuals with disabilities participated in two hour focus groups facilitated by NDI and IRS W&I Research to understand their tax and financial service needs and challenges
- Release of report to national network of interested stakeholders at October 24, 2006 Press Club Event
- Expansion of campaign to 54 cities and development of the Real Economic Impact Tour

Target Audience

- **Workers with Disabilities, Incomes \$35,000, and Filed a Return**
- **Community-Based Free Tax Filing Coalitions**
- **Community-Based Disability Organizations**

1.0 INTRODUCTION

The 2006 Boston EITC Campaign marked the fifth year of providing free tax preparation and asset building services for low and moderate income taxpayers in the city of Boston. The campaign operated 22 free tax preparation sites with 200 volunteer tax preparers, while serving 8000 taxpayers and returning \$13 million dollars to Boston's neighborhoods in tax credits and refunds.

The Disability Demonstration Project was an integral component of the success of this years EITC campaign. The project was tremendously successful. From the kick-off to commence tax season, to the final volunteer reception, disability was a focal point.

The Boston EITC Campaign participated in the NCBDC Disability Initiative which supported the collection of data on the usages of financial services and tax preparation by low income disabled house holds, including identifiable barriers and opportunities to delivering asset building financial products to this emerging market.

In addition to the delineated goals of the Four City Pilot we had some additional objectives for the 2006 tax season. As a coalition we were committed to developing and incorporating a Disability Working Group into the Boston EITC Coalition. We also wanted to increase our numbers of service to disability clients from 382 to 811. We exceed our goals by 50 percent.

The Disability Working Group was the mechanism we utilized to plan and execute the disability strategy. The campaign effectively recruited some key partners to join us on the Working Group and to assist in developing strategy and playing a leadership role in the work. These players were both new stakeholders, as well as current coalition partners. In addition we successfully tapped the leadership of a key disability advocate from Boston's disability community, a top notch activist and advocate who gave generously of her time and leadership skills to this initiative as well as the whole campaign.

The working group was an effective tool. We met frequently. We effectively incorporated the members of the working group into the general membership of the Steering Committee of the coalition. We planned and executed the disability pilot through this organizational model.

Boston EITC


1.1 Significant Outcomes, Activities and Indicators of Success Chart

Boston EITC Disability Initiative Workgroup

- City of Boston OJCS
- Action for Boston Community Development (ABCD)
- Boston Housing Authority
- Morgan Memorial Goodwill Industries, Inc.
- Massachusetts Rehabilitation Commission (Mass Rehab)
- Internal Revenue Service
- Epilepsy Foundation of Massachusetts & Rhode Island
- Jewish Vocational Services
- Roxbury Resource Center
- Disability Boston Advocate
- Goodwill Industries

Target Audience

Working individuals/families with disabilities



**DISABILITY
LEAD
City of Boston
OJCS**

Boston EITC Activities

- Formed city-wide disability working group with eleven community-based organizations, and managed bi-monthly departmental meetings
- Mayor Menino announced disability initiative and city support at EITC kick-off event
- Identified tax sites that are accessible through survey of all tax sites participating in campaign
- Disseminated over 80,000 flyers in seven languages and labeled sites accessible with the universal wheel chair symbol
- Recruited and filed tax returns for filers with disabilities
- Goodwill Industries mailed flyers to graduates of training programs; disseminated flyers at Goodwill events and retail sites
- Expanded outreach to department of Mental health, the Welfare Department, the Career Centers, the Boston Housing authority and the Veterans Administration
- Disability partners actively sought and accompanied their clients to free tax sites to ensure they had access to the services provided by the free tax coalition
- Collected 6,388 Walk-In surveys from tax filers for analysis by the National Disability Institute (NDI)
- Collected 125 Non-Walk-In surveys from filers with disabilities for analysis by NDI
- Recruited 15 focus group participants to participate in a two hour session at Goodwill Industries facilitated by NDI and IRS Research Wage and Investment
- Participated in weekly national calls with the National Disability Institute, IRS/SPEC and other Pilot Cities

Outcomes

- Doubled the number of tax filers with disabilities from 400 in 2005 to 811 in 2006
- Completed tax returns for 811 filers with disabilities
- Developed and incorporated a Disability Working Group into the Boston EITC Coalition general membership Steering Committee and increased the number and type of coalition partners

Indicators of Success

- 12.6% of 6,388 taxpayers surveyed in Boston EITC sites were either persons with a disability or a family member with a disability
- \$1.6 million in total returns received by customers with disabilities
- Boston EITC Coalition is one of four flagship programs participating in a national Mayor's Academy in NYC in November 2006 to share best practices and next steps with other national asset building initiatives for people with disabilities.

1.2 PROFILE OF TAX FILERS WITH DISABILITIES⁴⁷ Walk-In Survey

Survey 7 Questions Walk-In Survey	Boston EITC Walk-In Data N=980	Four City Pilot Walk- In Data N=3,199		Boston EITC Walk-In Data N=980	Four City Pilot Walk-In N = 3,199
Type of Ability	43% cognitive 31% mobility 11% sensory 34% other	22% cognitive 25% mobility 11% sensory 33% other	Living Arrangement	6% own home 71% rent 13% live with family 0% someone else 0% assisted living	7% own home 66% rent 15% live with family 2% someone else 3% assisted living
Method Used to File Taxes Prior Year	51% free tax site 13% did not file 5% did myself 9% family/friend 5% Paid for RAL 2% IRS office	43% free tax site 18% did not file 2% did myself 5% family/friend 5% paid for RAL 2% IRS office	Banking Activities	20% checking 15% Savings 36% Both 12% not interested	30% checking 12% Savings 24% Both 16% not interested
Heard About Free Tax Filing	35% came last yr 0% disability org 32% someone else 3% non-dis.org 14% flier or paper 2% employer 2% TV or Radio	37% came last yr 4% disability org 26% someone else 5% non-dis.org 10% flier or paper 4% employer 3% TV or Radio	Public Benefits Received in 2005	n/a SSI n/a SSDI n/a Both	12% SSI 9% SSDI 3% both
Household Member with a Disability	n/a self n/a child n/a spouse n/a grandparent n/a other	30% self 10% child 4% spouse 1% 10% other			

⁴⁷ WALK-INS are individuals who walked into the free tax sites and answered the 7 question survey. Although not a random sample, 6,338 walk-ins filled out the questionnaire with 15.5% reporting a disability.

DEMOGRAPHIC PROFILE OF FOCUS GROUP SURVEY AND LOCAL DISABILITY GROUP (Non-Walk-In Survey)

CATEGORY	CHARACTERISTICS	Boston EITC Focus Group Survey N=14	Focus Group Aggregate Data N=83	Boston EITC Non-Walk-In Data N= 125	Four Cities Non-Walk-In Aggregate Data N=649
DISABILITY TYPE	Mobility	36%	26%	22%	18%
	Sensory	28%	28%	25%	16%
	Cognitive	21%	14%	11%	29%
	Other	43%	47%	29%	24%
	Born with a disability	43%	17%	28%	28%
	Acquired a disability	36%	13%	29%	13%
GENDER	Male	36%	56%	36%	46%
	Female	64%	42%	64%	53%
NATIONALITY	African American	0%	31%	14%	25%
	Asian	0%	1%	3%	2%
	Caucasian	93%	45%	58%	50%
	Latino/Hispanic	0%	15%	17%	15%
	Native American	0%	4%	1%	2%
	Other	10%	10%	7%	7%
INCOME RANGE	Income < \$7,500	n/a	36%	n/a	n/a
	Income \$7,500 to \$15,00	n/a	22%	n/a	n/a
	Income \$15,00 to \$35,000	n/a	24%	n/a	n/a
LANGUAGE	English native language	93%	90%	82%	86%
	Spanish	0%	0%	14%	10%
	Other	7%	0%	6%	6%
EDUCATION	High School Diploma	29%	33%	30%	46%
	College Degree	21%	17%	32%	15%
EMPLOYMENT STATUS	Currently Employed	29%	44%	41%	57%
	Full Time	7%	9%	25%	11%
	Part Time	21%	18%	22%	27%
LIVING ARRANGEMENTS	Own Home	21%	14%	28%	16%
	Rent	21%	46%	32%	36%

	Live in Relatives' Home	12%	12%	10%	27%
	Live with Someone Else	7%	5%	11%	7%
	Live in Assisted Living	0%	5%	4%	7%
HEALTH CARE	No Health Care Coverage	7%	6%	5%	5%
COMPUTER USE	No Access to computer	21%	35%	21%	35%

(continued)

PROFILE PUBLIC BENEFITS AND TAX FILING

CHARACTERISTICS	Boston Focus Data N=15	EITC Focus Group Aggregate Data N=83	Boston EITC Non-Walk-In Data N= 125	Non-Walk-In Data N=649	Aggregate
EITC Recipient	50%	35%	30%	25%	
SSI Participant	14%	24%	11%	30%	
SSDI Participant	43%	37%	20%	24%	
Medicare	29%	35%	15%	22%	
Medicaid	14%	49%	14%	35%	
Public Assistance/Welfare	7%	9%	5%	47%	
Food Stamps	21%	23%	6%	13%	
Accommodations Needed	29%	51%	55%	57%	
Rent Section 8	21%	15%	8%	4%	
Receive IRS Info Phone	36%	35%	26%	14%	
Receive IRS Info In Person	36%	27%	9%	6%	
Receive IRS Info Mail	14%	17%	3%	2%	

PROFILE FINANCIAL ACTIVITIES

CHARACTERISTICS	Boston	EITC	Focus Group	Boston EITC Non-	Non-Walk-In	Aggregate
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Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

	Focus Group Data N=15	Aggregate Data N=83	Walk-In N= 125	Data N=649
Checking Account	43%	54%	75%	66%
Savings Account	50%	44%	56%	44%
Taken out loan	7%	10%	16%	7%
Taken out loan payday lender	0%⁰%	4%	1%	1%
Gone to a check casher to cash a check	21%	37%	11%	14%
Bought a rechargeable stored valued card	7%	7%	13%	2%
Bought a gift card that accepts additional deposits	14%	5%	4%	4%
Using Direct Deposit at Work	7%	10%	18%	21%
Using Internet to Pay Bills	7%	10%	10%	9%
Have Trust Account	7%	12%	10%	12%
Individual Development	0%	0%	2%	0%
Financial Education Course Yes	29%	28%	22%	21%

1.3 Boston: LESSONS LEARNED FROM WORKING PEOPLE WITH DISABILITIES (In Their Own Voices)

Simplify Tax Preparation and Tax Services

"I do not understand the tax code or filing rules and neither does my counselor. It needs to be simplified."

"Please simplify. We do not understand the forms, questions and procedures. There are a lot of bright people here and none of us can figure it out."

"My father never told me that once I was older I would have to file my own taxes. A year later, I found out I had been fined because the taxes had been adding up."

"The state used to help me do my taxes but then there were cutbacks and the building where I went in Boston was closed. Now they tell me to go find the information and forms on the computer."

"Back in the 80s and 90s you could go to the federal building and they would help you do your taxes for free."

"Most people do not have the money to use a tax preparer. The people at the free tax place explained it and double checked it. Doing it yourself means you can make mistakes."

"I have a child with a disability and cannot work. I filed and thought I would get back money (a credit) because of the way I filed. But I have no idea about any of it. I still today do not understand."

Rates quality of free tax service highly

"I used the free tax service at the community center and got the credit coming to us. The wait is not long and was in and out in half an hour."

"I called the IRS on the 800 number to ask about "contributions" and after I pushed enough buttons, I got clarification from a man. He was very helpful"

"I have gotten a summary sheet from the IRS about what I am eligible for, but I have had to ask for it does not come automatically. I need help keeping track of all the information IRS requires. I also need help to keep all my bills and stubs. If I can claim my heat I need to know what form to use."

Federal eligibility rules for disability are confusing and misunderstood

"There are different rules for different disabilities. It is hard to keep track of the rules. I assumed there are different money limits for SSI and SSDI"

"The amount of money I can save and be on SSI has never been made clear to me. It puts a damper on my savings because I am afraid."

"SSDI is the reason I do not keep money in the bank. They will penalize me if I have more than \$250 in the bank." [False].

" I got off of SSDI twice, but had to go back on and everything was different and I did not understand. The limits do not make sense."

"We cannot even pay our rent with the amount we are allowed to have in the bank."

"If I am on SSDI I would like to know if I will be getting a return back. I am on a fixed income and having a little coming back means a lot. We feel as though we do not exist, and deserve nothing back."

"My daughter was born with a developmental disability and I have filed several times for SSI and still cannot get it. I am not working so we qualify. There are so many people I know who get services on SSDI. Those with legitimate disabilities are last."

Lack of effective financial education and debt counseling services

"The city of Boston has some financial literacy courses, but they are mainly someone reading to you from a book. The people with disabilities there did not feel it was tailored to them. If you did not catch it the first time, there was not chance to review."

"I had some education in high school. It was about credit, mostly. I learned how to balance my checkbook. I am 34 years old, already claimed bankruptcy and have a child with a severe disability. Since I was 18 years old, I have had many credit cards, but I did not know how to manage the money. I was working just to pay my credit cards; I did not know how to get out of it. I admit I could have used financial counseling, then and now."

"The material in the course I took was in small print, and I could not read it. The overhead screen was not set up well. There were architectural barriers. All these things should have been thought about before. They did not know how to make accommodations for people with disabilities. The classrooms were not accessible. I took what I could and met some nice people and that was it."

"I was involved in a pilot program where I learned how to do a credit check. The man there was most helpful after I told him that I needed the report in large print. However, no one taught us how to revolve issues if there was a mistake in the report. Finally, this man helped me. I didn't understand about credit scores going up. Now I know it is important to know about this. He wrote the report in large print for me (after the fact)

"I went to a credit counseling center once a week and I was told they could not help me because I had no credit cards (the counselor was from a credit card company). I was referred a second time to the same counselor. It was no help."

"I was exposed to a good debt service in a department store in Oregon. If you "ruined" your credit they would help you through it. They had someone to teach you and they understood that you did not learn properly. They did not want you to claim bankruptcy. They did not kill me with finance charges and late fees. Most do not realize they are spending more than they have. "

Use money orders to pay bills because there is no hassle

"I use money orders and cash to manage my money. I get my SSDI and as I soon as I get it I cash it at the Post Office. I use money orders to pay my rent, and utilities. The cash left over I use for my monthly expenses. It is right in my hand. I do not have to hassle with the bank."

Perception that borrowers with disabilities are higher risk

"Bank's don't always want to give us loans because they see us as a higher risk."

"I have a house and need another one with accessibility on one floor because my disability is getting worse. The real estate man looks at me like I am crazy. He runs to the back of the office when I come in. He has no idea about my financial situation and that I have a home already."

Request more information about interest rate hikes and impact on monthly credit card bills

"I have a credit card that expired and sometimes I am late with the payments that are still due. My bank merged, and now there are service charges that are getting bigger and bigger. Even though I knew the bank merged, I did not now that the fees would increase. I don't think there was any public announcement about this? It probably came with my bill in small print."

“My [national credit card] interest almost doubled. My minimum due doubled. My smaller credit cards stayed the same. My first bill after Christmas was big! They want their money.”

Expressed physical challenges in doing everyday banking activities

“Some banks have physical barriers – like tall teller windows. I can’t see the teller. Also, I have to work my way through the bank, the turning radius is not enough for a wheelchair user.”

“The credit union I used is more accessible than the bank I used to use.”

“Lack of accessible banks is why I started banking online, but I need larger fonts and more websites need to be more accessible.”

Access to public transportation important to banking and tax filing activities

“I used to go to the JFK building [federal building in Boston] but not anymore. I go to the Post Office and Library for information.”

“I would be willing to travel 25 miles for one on one help with my taxes.”

Practical Wisdom

“People with disabilities are not informed, especially about finances, yet you still have to report what you make if you are on public benefits.”

“Only the rich make out in this country.”

“Things are not explained, especially to young people with disabilities. Kids on disability get to the age where they should be educated. They do not know better.”

Challenges of working with a disability

“Information about my disability did not remain confidential and my fellow workers discriminated against me. As a result, I become very independent. As my disability become more visible, I have learned to deal with others. It has taken a long time to reach this point. As far as the American Dream, the only way I see it will work for me is to have a home business. But this can have a negative effect on my social life.”

“I have ADHD and I got revved up at work a lot. It made it hard and I ended up getting hurt. So now I am out of construction forever. I went a long time without working. I have arthritis all over. I took a bartending job for five years. I do not drink anymore, but my arthritis has taken over.”

“Some disabilities are not constant. There are good days, and bad days. You need to find an understanding employer. What accommodations you need today will be different than what you need tomorrow, or next week or any point in the future.” [Referring to a mental illness.]

“If you have a visible disability it may be easier to hold a job. It is hard for some to prove a disability in the first place. Especially with mental illness. What do I do? It has to be medically documented.”

“I am determined to be “officially handicapped” in order to get what I deserve. I have Mass Health and the Common Health program. In the workplace, those whose disabilities do not fluctuate make out better. It is easier for the employer to accommodate them.”

Suggestions for improving the quality of our lives

“More education. Not rushed with more personal attention.”

“Knowledge, more knowledge about the whole system!”

"More help, something inspiring. Perhaps an ad that would help us succeed and suggests things that the communities and families could do."

"State needs to train people to help those who need a hand up then we can move on. Education and teaching classes about taxes, for example."

"Clarity, when you have to fill out forms, you are not told anything. You are on a blind road through the system. The government needs reform."

"Education should be more comprehensive. Not about just one issue in bits and pieces. There should be an office whose responsibility it is to educate people in a more comprehensive way. Even more important, public education."

"The public needs to know how to deal with people with disabilities."

Comments for the Commissioner of IRS

"More education and keep the free tax sites."

"Broaden the span of tax services for people with disabilities. There are not enough programs for us that we understand. We do not want to file, we get scared. People have offered us free tax preparation and some did not even want to do it then."

"I would like to know if someone could cover the spread between what I am eligible for and what I am not. When I do work I make money but when I cannot work because of my disability I do not make money. That short spike of employment means I am not eligible for benefits. It is always just a few dollars difference."

"We do not get recognized when we do what we are supposed to do only when we do not. People do not understand the forms, questions, and procedures. We need more insight."

"I feel the IRS is improving but when it comes to penalties and fines I feel that they should not be so high for people with low incomes."

Working people with disabilities talk about the American Dream

"I used to own my home but I had to sell it to live."

"I know all about low cost home loans, how to get money for the down payment it is all very helpful and I wish I had done it years ago."

"I would like to own my own home but I was a compulsive shopper and had to buy something everyday."

"I owned my own business and was a computer contractor. But, when you have a disability that is undiagnosed your reputation disappears. As I grew older my disability became more obvious and it was hard to maintain my business."

"If you have a mental illness, and have anxiety, or retardation it is hard to function on a daily basis. It is hard to deal with people and understand them. You do not remember until after you end the call. Then you have to call back. Your mind just does not function right. You are nervous; it is horrible. It is like living in fear. You are trying to struggle to get by with just the little they give you. It seems as though they do not want to deal with you. You feel like nothing. It should not be like that."

**Cerebral Palsy Research Foundation of Kansas, Inc. (CPRF)
2006 Campaign Four City Pilot**

2.0 INTRODUCTION

The Cerebral Palsy Research Foundation of Kansas, Inc. (CPRF) CPRF is a disability service provider located in Wichita, Kansas since 1972. Its mission focuses on training, employment and supports for people with disabilities to achieve their personal and career goals. CPRF has been the Social Security Benefits Planning, Assistance and Outreach grantee for Kansas since 2001. In 2004, a tax attorney/tax accountant was employed to perform benefits counseling services, but in addition to assist CPRF customers with disabilities in their tax planning and annual income tax return preparation. In January 2006, CPRF was awarded a Low Income Taxpayer Clinic grant from the IRS. Outside of his LITC work, the tax attorney is also able to provide backup and technical assistance support to the VITA and AARP volunteers participating in the Wichita EITC Coalition. CPRF is currently seeking funding to improve these technical assistance services.

The Wichita EITC Coalition dates to 2001, when the City of Wichita became a co-sponsor. In 2003, the United Way of the Plains joined as a co-sponsor, and in 2005 the Wichita Disability Initiative was formed. In 2006, the Coalition offered 19 volunteer tax preparation sites, in both municipal and private organizations' facilities. Preliminary figures from the 2005 tax season (1/1/06-4/15/06) indicate that 2,955 individual income tax returns were electronically filed. Additional state tax returns were prepared and some additional federal returns were filed in paper form.

The project had a straightforward design, and the tasks asked of the site leaders were manageable. Staff members of the organizations participating in the Wichita EITC Coalition were proud that Wichita was chosen as one of the four project sites, and were enthusiastic to accomplish the tasks asked of them by the project director. (This group pride was evident at the Volunteer Recognition, also held on April 19, with NDI and IRS-SPEC staff attending.) It was a strength that the grantee, CPRF, was able to provide technical assistance in both Social Security disability benefits and tax preparation to the other members of the Disability Initiative—something of an unspoken "quid pro quo" relationship developed. The working relationships were also strengthened by participation in the November 2005 and January 2006 refresher trainings provided at the Independent Living Resource Center by the National Disability Institute.

2.1 Significant Outcomes, Activities and Indicators of Success Chart

CPRF Wichita Disability Initiative Workgroup

- CPRF
- Independent Living Resource Center
- ESS-Venture House
- Community Housing Services
- City of Wichita
- United Way
- IRS
- Wichita EITC Coalition

Target Audience

Working individuals/families with disabilities

DISABILITY LEAD

Cerebral Palsy Research Foundation of Kansas, Inc. (CPRF) of Wichita, Kansas

CPRF Wichita Activities

- Formed city-wide disability initiative workgroup and meet monthly
- Provided 18 hours of city-wide disability benefits training to 120 providers, individuals and families with disabilities
- Recruited and filed tax returns for filers with disabilities
- Executed 3,300 EITC and/or free tax preparation outreach contacts targeted to disability pop
- Distributed Walk-In survey to 17 free tax sites staffed by AARP and VITA volunteers and collected results from 1,428 taxpayers
- Recruited 15 focus group participants from seven disability organizations and hosted event at CPRF and provided stipend to participants
- Distributed and collected Non-Walk-In survey from 38 individuals with disabilities
- Participated in weekly national calls with the National Disability Institute, IRS/SPEC and other Pilot Cities
- Planned and conducted a "tax blitz" citywide for people with disabilities on February 4 at four non-disability sites: 59 returns completed
- Planned and conducted a "tax day" at a disability organization on February 10: 47 returns completed
- Provided National Disability Institute with data collection and brief summary report for 2006 tax filing season
- Provided VITA coalition with 100% accessible sites and received and processed referrals through CPRF low income tax clinic

Outcomes

- Increased the number tax filers with disabilities 67% from 2005 to 2006
- Completed tax returns for 350 individuals with disabilities or 34% of 1,428 answering disability Walk-In survey
- Increased working knowledge of public benefits, EITC and other tax provisions for working individuals receiving public benefits, their families and professionals through 18 hours of benefits training over two months

Indicators of Success

- 10% of all taxpayers in Wichita VITA sites were either persons with a disability or a family member with a disability
- 197 VITA tax filers with disabilities received \$96,509 in EITC ranging from \$2 to \$4,400
- 100% of VITA sites (12 out of 12) accessible for tax filers with disabilities
- Wichita Disability Initiative will add new members for 2007 tax filing season
- Wichita Mayor's VITA Campaign on disability part of national outreach

2.2 PROFILE OF INDIVIDUALS WITH DISABILITIES⁴⁸ Walk-In Survey

7 Question Walk-In Survey	Wichita CPRF N=356	Four City Pilot Data N=3,199		Wichita CPRF N=356	Four City Pilot Data N = 3,199
Type of Ability	49% cognitive 22% mobility 4% sensory 19% other	22% cognitive 25% mobility 11% sensory 33% other	Living Arrangement	15% own home 56% rent 5% live with family 1% someone else 11% assisted living	7% own home 66% rent 15% live with family 2% someone else 3% assisted living
Method Used to File Prior Year	51% free tax site 13% did not file 5% did myself 9% family/friend 5% Paid for RAL 2% IRS office	43% free tax site 18% did not file 2% did myself 5% family/friend 5% paid for RAL 2% IRS office	Banking Activities	50% Checking 7% Savings 11% Both 21% not interested	30% Checking 12% Savings 24% Both 16% not interested
Heard About Free Tax Filing	29% came last yr 28% disability org 12% someone else 9% non-dis.org 9% flier or paper 4% employer 3% TV or Radio	37% came last yr 4% disability org 26% someone else 5% non-dis.org 10% flier or paper 4% employer 3% TV or Radio	Public Benefits Received in 2005	28% SSI 43% SSDI 9% Both	12% SSI 9% SSDI 3% Both
Household Member with a Disability	84% self 2% child 6% spouse 1% grandparent 10% other	30% self 10% child 4% spouse 1% other 10% other			

⁴⁸ **WALK-INS** are individuals who walked into the free tax sites and answered 7 questions from the pilot study. Although not a random sample, 1,039 walk-ins filled out the questionnaire with 34% reporting a disability. This was over double the rate for the other three sites.
National Disability Institute: TAXfacts+ Real Economic Impact Campaign

DEMOGRAPHIC PROFILE OF FOCUS GROUP SURVEY AND LOCAL DISABILITY GROUP (Non-Walk-In Survey)

CATEGORY	CHARACTERISTICS	Wichita Focus Data N=14	CPRF Group N=83	Wichita Non-Walk-In Data N= 35	Wichita Non-Walk-In Aggregate Data N=649
TYPE OF ABILITY	Mobility	33%	26%	35%	18%
	Sensory	33%	28%	9%	16%
	Cognitive	13%	14%	23%	29%
	Other	20%	47%	26%	24%
	Born with a disability	47%	17%	17%	28%
	Acquired a disability	33%	13%	6%	13%
GENDER	Male	53%	56%	37%	46%
	Female	40%	42%	63%	53%
ETHNICITY	African American	13%	31%	6%	25%
	Asian	0%	1%	3%	2%
	Caucasian	73%	45%	83%	50%
	Latino/Hispanic	7%	15%	0%	15%
	Native American	7%	4%	6%	2%
	Other	13%	10%	6%	7%
	Income < \$7,500	13%	36%	n/a	n/a
INCOME RANGE	Income \$7,500 to \$15,00	33%	22%	n/a	n/a
	Income \$15,00 to \$35,000	53%	24%	n/A	N/A
	English native language	100%	90%	97%	86%
LANGUAGE	Spanish	0%	15%	0%	10%
	Other	0%	4%	3%	6%
	High School Diploma	27%	33%	54%	46%
EDUCATION	College Degree	33%	17%	20%	15%

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

	Currently Employed	73%	44%	57%	57%
	Full Time	7%	9%	11%	11%
	Part Time	40%	18%	34%	27%
LIVING ARRANGEMENTS	Own Home	20%	14%	23%	16%
	Rent	60%	46%	51%	36%
	Live in Relatives' Home	7%	12%	14%	27%
	Live with Someone Else	0%	5%	3%	7%
	Live in Assisted Living	7%	5%	6%	7%
HEALTH CARE	No Health Care Coverage	7%	6%	0%	5%
COMPUTER USE Online	No Access to computer or	7%	35%	31%	35%

PROFILE PUBLIC BENEFITS AND TAX FILING

CHARACTERISTICS	Wichita CPRF Focus Group Data N=14	Focus Group Data Aggregate N=83	Wichita CPRF Non-Walk-In Data N= 35	Non-Walk-In Data Aggregate N=649
EITC Recipient	33%	35%	63%	25%
SSI Participant	7%	24%	26%	30%
SSDI Participant	53%	37%	43%	24%
Medicare	60%	35%	46%	22%
Medicaid	33%	49%	37%	35%
Public Assistance/Welfare	0%	9%	3%	4%
Food Stamps	13%%	23%	37%	13%
Accommodations Needed	47%	51%	69%	57%
Rent Section 8	7%%	15%	6%	4%
Receive IRS Info Phone	20%	35%	17%	14%
Receive IRS Info In Person	13%	27%	11%	6%
Receive IRS Info Mail	53%	17%	0%	2%

PROFILE FINANCIAL ACTIVITIES

CHARACTERISTICS	Wichita CPRF Focus Group Data N=14	Focus Group Data Aggregate N=83	Wichita CPRF Non-Walk-In Data N= 35	Non-Walk-In Data Aggregate N=649
Checking Account	87%	54%	83%	66%
Savings Account	60%	44%	29%	44%
Taken out loan	13%	10%	6%	7%
Taken out loan payday lender	13%	4%	3%	1%
Gone to a check casher to cash a check	20%	37%	6%	14%
Bought a rechargeable stored valued card	0%	7%	0%	2%
Bought a gift card that accepts additional deposits	7%	5%	9%	4%
Using Direct Deposit at Work	27%	10%	20%	21%
Using Internet to Pay Bills	7%	10%	14%	9%
Have Trust Account	0%	12%	6%	12%
Individual Development	0%	0%	0%	0%
Financial Education Course Yes	27%	28%	9%	21%

2.3

**2.4 Wichita: LESSONS LEARNED FROM WORKING PEOPLE WITH DISABILITIES
(In Their Own Voices)**

Concerns about retirement and savings and aging parents.

- "I would get a CD so I have something saved when I get old and I can't work. My mother taught me about savings up for education. She is 93 years old and still helps me."
- "I'd like to start investing. I don't know how. I am a young retiree and only work a few hours because of my injury. I need to add to my future. It is difficult."
- "I am sitting here looking at retirement in the next 20 years and I'm looking at nothing. Some kind of financial management help would very beneficial."
- "Before I see my paycheck I would like some allocated to some kind of retirement. I don't have the luxury right now because I have to drive so far to work I never have any money left over."
- "My dad pays all my bills. He pays them because I have a real rough time with my mental illness."

Request more education about using banking products, managing finances and handling debt

- "When we begin working for the first time- we have no idea how to work a checking account or ATM card. I thought the balance tells me that I have \$200 and then I think I can go spend \$200 but it hasn't accounted for the checks that haven't come in yet."
- "It helps me to learn what I can live on and what I cannot live on, so I can be happy for who I am that I am able to live and do the things that I can do." (Person in a wheelchair with a severe disability.)
- "I have SSDI deposited into my savings account. I get travelers checks and some cash but my apartment was broken into 6 times since 2004. My bank where I work part time suggested I put some of money into traveler checks."
- "I need help to learn how to pay off my car. The money I get I spend too fast, I want to slow it down to where I can be able to make my car payments every month."

Given an unexpected gift of money participants were thoughtful and practical.

- "I would donate to charity."
- "I would tithe at my church."
- "I have eight birthdays in my family, I would use it for those."
- "Save for retirement."

Expressed access challenges when attempting to do banking activities.

- "I am visually impaired and they do have the Braille ATM machine and so on. But most places totally overlook large print. I can't read Braille because I see well enough that I haven't learned Braille. I have to have somebody read to me, it's embarrassing. Or I'll sign my check and have somebody else fill it out for me."
- "I have on-line banking and my sister-in-law gave me an enlarged screen for my computer. But I see a fourth maybe a sixth of the screen. It is very difficult in accounting. I lose patience and don't do it."
- "When you ask for your balance they write it down on a piece of paper. I can't see it on the paper."
- "The counter in my bank is too high and the ATM is too high for people who use wheelchairs."

Reliance on public transportation important because it links individuals who do not drive to their financial services and free tax filing activities.

- "Need more locations where I bank, they have only two locations. You don't have no other location to get to."
- "I bank with a bank that is at Wal-Mart. It is convenient. They are on the bus line and open and their hours are better."
- "Those who don't drive don't have a way to get to many of the free tax sites. Maybe somebody could come to our home and help?"
- "Most buses don't go to rural areas."

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

Fear of losing benefits if they file a tax return and little understanding of the benefits of filing even if not required under the law.

- "I didn't file taxes for ten years because I thought you didn't have to when you made so little money. I didn't understand that it would benefit me to file."
- "I was afraid to file my taxes or work at all because it would cost me my health care. I believed this for years."
- "Someone told me this, it wasn't a tax person, it was just somebody, you know a friend of mine."

Participation in free tax filing most positive experience and hope it is available next year.

- "I like having someone you can go to who does your taxes that you don't have to pay."
- "The free tax service was real good."
- "It was a good experience for me to come to the free tax site because the preparer was experienced with disability and had a disability too. He understood."
- "Most people did not believe it was free. But once they did more and more people signed-up to take advantage of it."
- "When I first had my taxes done here it helped me understand how much percentage of what I would get and what I couldn't get so I would understand it better. I realize that I can trust it more. I know what I am getting."
- "In the first year I received a large EITC refund but not the same in the second and third year. It was not clear at first but the person that helped me explained it to me so I understand better now."
- "I'm not that smart to do my own taxes but I could fill in the blanks on the computer and it would help me to be more independent."
- "I need to understand all the pieces I need to bring to the tax site. My Mother usually reminds me of what I need to take. I'm hoping by the time she passes away, that I will be able to remember what she told me to take."

What the American Dream Means to Me

- "Improve my job skills to include excel and spreadsheet. Someday I will get to use them on my computer at the bank where I work part time."
- "I think for most of us the ship's already sailed. A little late now."
- "I would like to see that more people with disabilities have more access to different places. Like where I work they don't have automatic doors to the restrooms so I always need to ask for assistance."
- "Don't penalize us for saving our money for old age."
- "I'm actually living my dream now, I went to college."
- "I bought a home in 2002 through Section 8. That was my dream."
- "Treat people with disabilities as equals."
- "I want to live more freely, more joyfully because I don't want to be just happy."
- "The American Dream for me is to own my home, even if it is a trailer."

Practical Wisdom

- "It would make more sense if we could have our money deposited in a place that has an investment type thing set up and were allowed to make better interest."
- "I think we need to be informed on different things before we sign the dotted line."
- "I would like to know how to do my own taxes. Some day you know, in case the services we are talking about are not available for me anymore."
- "I don't know anyone at my bank or who to talk to when I need help."
- "We need to get accurate information so we don't make so many mistakes."
- "Most false information out there we don't know is false. People need to know what is true and what is not true. Sometimes word of mouth is not always true."
- "How do we know the quality of the information we get about our taxes?"
- "Would it make it easier for people if they did taxes like year around instead of once on April 15th?"
- "Why don't people teach us how to file taxes ourselves so we can do it on our own so we are more independent?"

**FoodChange New York City
2006 Campaign Four City Pilot**

3.0 INTRODUCTION

FoodChange improves lives through nutrition, education and financial empowerment. Founded in 1980, the agency first focused exclusively on feeding New York's hungry children and adults. Over time, FoodChange expanded our services to address the underlying financial barriers that compel people to participate in these emergency meals programs. Our initiatives include increasing people's income and purchasing power through access to benefits and vocational skill-building. In further pursuit of our mission, today we aim to make nutrition and wholesome eating a daily reality for all New Yorkers. As an agent of change, FoodChange understands that the issues of food and income are interconnected and require creative solutions. We use direct service, education, policy and advocacy to achieve our goals

Over the past five years, FoodChange has operated a Volunteer Income Tax Assistance (VITA) program that has become the largest such program in the country. Over the past 5 years, FoodChange has prepared nearly 120,000 returns for low-income wage earners here in New York City, returning them approximately \$230 million in tax refunds, about half in the form of the Earned Income Tax Credit (EITC). Just this past season alone, FoodChange prepared over 44,000 returns for low-income New Yorkers, returning them over \$80 million in tax refunds.

Through some survey information collected last tax season, we recognized that about 10% of our tax clients claimed themselves as persons with disability. As a large VITA provider, we felt it was necessary to try to accommodate persons with disabilities, and make the process of filing taxes easier and less confusing for these individuals.

New York City

3.1 Significant Outcomes, Activities and Indicators of Success Chart

**Foodchange
Disability Initiative
Workgroup**

- Burton Blatt Institute Syracuse University
- Lubin House, NYC
- Disability Network of NYC
- The Initiative for Women with Disabilities, Elly & Steve Hammerman Health and Wellness Center Hospital for Joint Diseases, NYC
- NYC Mayor's Office on Disability

Target Audience

Working individuals/families with disabilities

DISABILITY LEAD
FoodChange
New York City

**FoodChange New York City
Activities**

- Distributed Walk-In seven question survey to eleven VITA sites and collected results for analysis from 12,126 taxpayers
- Distributed Non-walk-in 26 question survey through disability partner organizations and collected results from 117 taxpayers with disabilities
- Recruited focus group participants through citywide disability network group and held two hour event at United Way of NYC on Park Avenue with 40 participants in attendance
- Collected 27 question survey from 35 focus group participants for analysis
- Provided disability organizations with option to use Mobile Tax Program
- Planned and coordinated with City's Mayor's Office on Disability a "tax blitz" day
- Provided NDI with comprehensive filing data of 2,306 filers with disabilities for analysis
- Participated in weekly national calls with The National Disability Institute, IRS/SPEC and other Pilot Cities from January to May 2006
- Provided National Disability Institute and IRS/SPEC with data collection and brief summary report for 2006 tax filing season

Outcomes

- 5,700 or 14% of customers with disabilities filed tax returns at eleven VITA sites

Indicators of Success

- \$8.2 million in total refunds received by customers with disabilities
- \$4.5 million EITC refunds received by customers with disabilities
- Mayor of NYC Office on Disability hosting Mayor Academy in November 2006 for flagship cities involved in Campaign to build peer learning network for serving working families and individuals with disabilities
- Provided NDI with additional data of 2,306 filers with disabilities for comparison with non-disability tax filers in two national programs.

3.2 PROFILE OF TAX FILERS WITH DISABILITIES⁴⁹ WALK-IN SURVEY

7 Question Walk-In Survey	FoodChange N=1,754	Four City Pilot Data N=3,199		FoodChange N=1,754	Four City Pilot Data N = 3,199
Type of Ability	5% cognitive 21% mobility 12% sensory (5% hearing 7% vision) 7% speech 36% other	22% cognitive 25% mobility 11% sensory (5% hearing 7% vision) 4% speech 33% other	Living Arrangement	2% own home 69% rent 16% live with family 3% someone else 2% assisted living	7% own home 66% rent 15% live with family 2% someone else 3% assisted living
Method Used to File Taxes	47% free tax site 16% did not file 1% did myself 4% family/friend 6% paid for RAL 3% IRS Office	43% free tax site 18% did not file 2% did myself 5% family/friend 5% paid for RAL 2% IRS office	Banking Activities	32% checking 11% savings 20% both 16% not interested	30% checking 12% Savings 24% Both 16% not interested
Heard About Free Tax Filing	41% came last yr 2% disability org 26% someone else 6% non-dis.org 7% flyer or paper 5% employer 2% TV or Radio	37% came last yr 4% disability org 26% someone else 5% non-dis.org 10% flyer or paper 4% employer 3% TV or Radio	Public Benefits Received in 2005	16% SSI 8% SSDI 3% Both	12% SSI 9% SSDI 3% both

⁴⁹ WALK-INS are individuals who walked into the free tax sites and answered 7 questions from the pilot study. Although not a random sample, 12,126 walk-ins filled out the questionnaire with 14% reporting a tax filer with a disability.

DEMOGRAPHIC PROFILE OF FOCUS GROUP AND LOCAL DISABILITY GROUP (Non-Walk-In Survey)

CATEGORY	CHARACTERISTICS	FoodChange Focus Survey N=35	Focus Group Data Aggregate N=83	FoodChange Non-Walk-In Data N= 117	Non-Walk-In Data Aggregate N=649
TYPE OF DISABILITY	Mobility	29%	26%	22%	18%
	Sensory	20%	28%	18%	16%
	Cognitive	14%	14%	7%	29%
	Other	57%	47%	40%	24%
	Born with a disability	n/a	17%	15%	28%
	Acquired a disability	n/a	13%	12%	13%
GENDER	Male	63%	56%	30%	46%
	Female	37%	42%	68%	53%
RACE	African American	54%	31%	32%	25%
	Asian	3%	1%	1%	2%
	Caucasian	3%	45%	25%	50%
	Latino/Hispanic	31%	15%	32%	15%
	Native American	6%	4%	3%	2%
	Other	11%	10%	9%	7%
INCOME RANGE	< \$7,500	60%	36%	n/a	n/a
	Income \$7,500 to \$15,00	20%	22%	n/a	n/a
	Income \$15,00 to \$35,000	18%	24%	n/a	n/a
NATIVE LANGUAGE	English native language	83%	90%	77%	86%
	Spanish	34%		19%	10%
	Other	3%		8%	6%
EDUCATION	High School Diploma	29%	33%	34%	46%
	College Degree	11%	17%	18%	15%
EMPLOYMENT STATUS	Currently Employed	20%	44%	44%	57%

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

	Full Time Part Time	0% 3%	9% 18%	5% 12%	11% 27%
LIVING ARRANGMENT	Own Home	3%	14%	3%	16%
	Rent	77%	46%	60%	36%
	Live in Relatives' Home	6%	12%	21%	27%
	Live with Someone Else	3%	5%	3%	7%
	Live in Assisted Living	6%	5%	2%	7%
	Homeless	6%	3%	2%	0%
HEALTH CARE	No Health Care Coverage	5%	6%	9%	5%
COMPUTER SERVICES	No Access to computer/online	49%	35%	40%	35%

PROFILE OF PUBLIC BENEFITS AND TAX FILING

CHARACTERISTICS	FoodChange Focus Group Data N=35	Focus Group Aggregate Data N=83	FoodChange Non-Walk-In Data N= 117	Non-Walk-In Data Aggregate N=649
EITC Recipient	26%	35%	30%	25%
SSI Participant	43%	24%	22%	30%
SSDI Participant	29%	37%	14%	24%
Medicare	23%	35%	14%	22%
Medicaid	46%	49%	32%	35%
Public Assistance/Welfare	17%	9%	11%	4%
Food Stamps	29%	23%	26%	13%
Rent Section 8	9%	51%	5%	4%
Receive IRS Info Phone	29%	15%	21%	14%
Receive IRS Info In Person	50%	35%	3%	6%
Receive IRS Info Mail	29%	27%	3%	2%
Accommodations Needed to File	43%	29%	60%	57%

PROFILE OF FINANCIAL ACTIVITIES

CHARACTERISTICS	FoodChange Open Dialogue Survey N=35	Focus Group Data Aggregate Four Cities N=83	FoodChange Local Non-Walk-In Data N= 117	Non-Walk-In Data Aggregate N=649
Checking Account	40%	54%	58%	66%
Savings Account	40%	44%	31%	44%
Taken out loan	0%	10%	7%	7%
Taken out loan payday lender	19%	4%	2%	1%
Gone to a check casher to cash a check	54%	37%	24%	14%

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

Bought a rechargeable stored valued card	0%	7%	1%	2%
Bought a gift card that accepts additional deposits	0%	5%	2%	4%
Using Direct Deposit at Work	20%	10%	14%	21%
Using Internet to Pay Bills	9%	10%	9%	9%
Have Trust Account	7%	12%	8%	12%
Individual Development Account-Matched Savings Plan	0%	0%	1%	0%
Financial Education Course Yes	29%	28%	0%	21%

2,306 TAX FILERS ⁵⁰ WITH DISABILITIES TO FILERS WITHOUT DISABILITIES

Refund and Income Profile	FoodChange 2006 WALK-INS with Disability N= 2,306	FoodChange 2006 Non-disability N=44,272	Annie Casey 2006 Non-Disability N=223,782⁵¹
EITC Filing Status	Foodchange 2006 WALK-INS with Disability EITC Filers N= 2,306	FoodChange 2006 WALK-INS Disability N=44,272	Annie Casey 2006 N=223,782⁵²
Single	55.77%	56%	54% (50% in 2004)
Married Filing Jointly	11.10%	8%	16% (15% in 2004)
Married filing Separately	1.39%	1%	<2%
Head of Household	31.74%	35%	30% (33% in 2004)
EITC Dependent Count	Disability	Non-disability	Non-disability⁵³
0	59.28%	59%	60% (55.6% in 2004)
1	22.77%	23%	21%
2	13.53%	13%	14% (15.7% in 2004)
3 +	3.30%	4%	<6%

Demographic Comparison

⁵⁰ Data from a snapshot 16,713 FoodChange customers found 2,306 or 13.89% with one or more disabilities for 2005 tax filing season.

⁵¹ 2006 Annie Casey National Tax Assistance for Working Families Campaign Report. Steve Holt. Holt & Associates Solutions. P.1

⁵² 2006 and 2004 Annie Casey National Tax Assistance for Working Families Campaign Report. Steve Holt. Holt & Associates Solutions. P.6

⁵³ 2006 Annie Casey National Tax Assistance for Working Families Campaign Report. Steve Holt. Holt & Associates Solutions. P.6

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

CHARACTERISTICS	Categories	FoodChange Disability 2006 N= 2,306	FoodChange Non-disability 2006 N=40,878⁵⁴ (minus 5,700 taxpayers with disabilities)	FoodChange Non-Walk-In Data 2006 N=117	Non-Walk In Data⁵⁵ 2006 N= 649	Annie E. Casey NTA 2006 N=223,782⁵⁶
NATIONALITY	African-American Latino-Hispanic Caucasian Asian Native American Other	46.9% 36.25% 7.46% 1.60% n/a 3.43%	44% (12% decrease ⁵⁷) 41% (8% increase) 7% 4% n/a 4%	32% 32% 25% 1% 3% 9%	25% 15% 50% 2% 2% 7%	41% (45% 2004) 29% (28% in 2004) 19% (17% in 2004) 4% (3% in 2004) 2% Same 6% (3% in 2004)
GENDER	Male Female			30% 68%	46% 53%	
AGE		43	35 New Filers 39 Repeat filers	n/a	n/a	
RECEIVE PUBLIC BENEFITS	SSI	5.8%	7% New Filers 6% Repeat Filers	19%	31%	
	SSDI	3.56%	2% New Filers 2% Repeat Filers	11%	20%	
	Food Stamps	21.42%	27% New filers 21% Repeat Filers	26%	13%	
	Yes Have Health Insurance	33.1%	26% New Filers 30% Repeat Filers	14% Private Ins 1% Free Clinic 9% No Coverage 11%	27% Private Ins 3% Free Clinic 5% No Coverage 10%	
	Medicaid	n/a		50%	42%	

⁵⁴ FoodChange: 5,700 total returns for filers with disabilities. FoodChange provided the pilot study with a snapshot of 2,306 tax filers with disabilities who filed for the EITC. The N here should be 44,272 (Total Returns) - 3,394 = 40,878 after taking out filers with disabilities.

⁵⁵ Data from Non-walk-In 26 question survey of Four City Study N=640 filers with disabilities. Wichita, Boston, NYC and West Palm Beach, FL.

⁵⁶ 2006 Annie Casey National Tax Assistance for Working Families Campaign Report. Steve Holt. Holt & Associates Solutions. P.6

⁵⁷ FoodChange: Final Report on the 2006 EITC Project 7/24/06.p.9.

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

CHARACTERISTICS	Categories	FoodChange Disability 2006 N= 2,306	FoodChange Non-disability 2006 N=40,878	FoodChange Non-Focus Group Survey N=117	Four City Pilot⁵⁸ Non-Walk-In Data Disability 2006 N= 649	Annie E. Casey NTA 2006 N=223,782⁵⁹
RECEIVE PUBLIC BENEFITS CONT.	TANF/Public Assistance	5.51%	6% New Filers 6% Repeat Filers	11%	4%	
	Section 8 Housing Vouchers			5%	4%	
EDUCATION LEVEL	Some High School		23% New Filers 18% Repeat Filers	19%	18%	
	GED and/or HS Diploma		39% New filers 35% Repeat Filers	52%	54%	
	College Grad		15% New Filers 19% Repeat Filers	18%	15%	
BANK ACCOUNTS	Yes have Bank or Credit Account	59.8%	49% New Filers 67% Repeat Filers	58% checking 31% Savings	66% Checking 44% Savings	81%
	Use Direct Deposit	26% Yes 17% don't use 39% don't know		14%	21%	
FINANCIAL PRODUCTS USED	Credit card	21%	11% New Filers 21% Repeat Filers			
	Bank Loan			7%	7%	
	Payday lender Loan			2%	1%	
	On-Line Banking			6%	9%	
	Western Union Money Order	25%	23%	9%	4%	
NEED SPECIAL ACCOMMODATIONS	Need help with tax filing and financial activities			60%	57%	

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

CHARACTERISTICS	Categories	FoodChange Disability 2006 N= 2,306	FoodChange Non-disability 2006 N=40,878	FoodChange Non-Walk-In Data Disability 2006 N=117	Four City Pilot¹ Non-Walk-In Aggregate 2006 N= 649	Annie E. Casey TAC 2004 N=129,680¹
	Debit/check Card	37%	32%	25%	24%	
FILING TAXES	Filed Taxes in previous year	92%		81%	80%	
	Family or Friend Helped	6%		7%	22%	
	Free Tax Site	40% FoodChange 12% other free site		35%	23%	
	Paid for Service	29%		3% 21%	8% 13%	
	Filed at IRS office	2.2%		3%	2%	
FINANCIAL EDUCATION	Class to handle money	n/a	n/a	11%	21%	
NEED SPECIAL ACCOMMODATIONS	Need help with tax filing and financial activities			60%	57%	

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities
3.3 New York City: LESSONS LEARNED FROM WORKING PEOPLE WITH DISABILITIES
(In Their Own voices)

Free tax services appreciated and would like more education and information

"We need advocacy from the IRS and others. If we go into a bank or credit union by ourselves they don't talk to you. Minorities are treated differently and people on SSI are treated differently."

"The free tax filing help was real good. Please don't take it away."

"Simplify tax forms and filing requirements. Make booklets and resources more accessible."

"We need education about tax provisions we need more help to understand."

Participants discouraged and look for advocacy help from Washington, D.C.

"Can you come back here and get something going so people from DC can come and hear our own voices? It is not NY thing – they need to hear us!"

"Let DC come and live our lives on our salary."

"Does the government think we are asking for too much? Most of us have worked our whole life."

"We work, we file and we are still broke."

"Everyone has their own opinion and values and it don't work for everyone. We need someone knowledgeable."

"I have brought my documents for you to review so you know I really have a disability." [NYC only site where several participants came with full disability documentation as proof of their disability.]

"I got a free savings account through [named bank]. They signed a form and part of my taxes went into the savings. They even gave me a folder with all my tax information. I knew how much I would get back."

"Many places like banks, don't take people with disabilities depending on the type of benefits you are on. Legal aide will help, they are good."

"We never had the opportunity to know stuff like this. Thank you."

End of Life Issues

"Those of us with AIDS are going to die. We would like to plan a trust fund to leave to our children, or even a life insurance policy. I don't think we can do it without hurting our benefits."

"I want to pre- pay for my funeral, but I can't."

"If you are a person with a disability you need someone with you to buy life insurance because they will take advantage of us."

United Way of Palm Beach County 2006 Campaign Four City Pilot

4.0 INTRODUCTION

The Pilot has provided a unique opportunity to increase the collaborative work of United Way of Palm Beach County's Prosperity Center and our Promoting Independence for People with Disabilities impact area. The Prosperity Campaign provides a menu of strategies to improve the economic stability of Palm Beach County's low-income citizens by offering Volunteer income-Tax Assistance (VITA), Individual Development Accounts, Credit Counseling, Higher Education and, in the near future, local, state and federal benefits. The Promoting Independence for People with Disabilities impact area works with the disability community to determine the most pressing needs to be met by United Way funding. The committee focuses on three goals aimed at improving an individual's ability to live in the setting of their choice, gain employment, and access available programs and services. To successfully achieve the goals of the pilot project, the Prosperity Campaign's VITA program and the Promoting Independence for People with Disabilities impact area worked in collaboration to identify the partners, provide support to the partners, encourage participation in the focus group and complete a preliminary review of the data.

Through an agreement with the National Disability Institute and NCB Capital Impact, United Way of Palm Beach County had the distinct honor of being selected as one of four sites to participate in a pilot project with the National Disability Institute and the Ford Foundation. The purpose of the pilot project was to provide an in-depth look at a sample of cities that participate in the Tax Facts campaign, a tax and financial education campaign that seeks to build the knowledge and utilization of tax benefits to increase the economic security of individuals with disabilities and their families. As a result of the pilot involvement and the focus group participation, plans to explore additional opportunities to support our disability community are underway.

Participation in the pilot has enhanced the role of United Way of Palm Beach County in educating individuals with disabilities about their opportunities to gain economic stability and assisting those individuals in utilizing existing resources such as tax incentives. United Way of Palm Beach County has worked diligently over the past few years to move towards an impact agenda with a mission to improve measurably the lives of individuals and families in Palm Beach County by uniting the resources of donors, volunteers, agencies and the community. United Way of Palm Beach County targets the community's most pressing needs and focuses resources, agency partnerships, and the energy of volunteers to create measurable results that have the greatest impact. Participating in the survey has highlighted needs that had thus far gone undetected. The data collected confirms that a majority of individuals who responded to the survey receive one or more benefits such as Social Security and/or Medicaid. These benefits require asset limits and income restrictions that would typically prevent an individual from developing assets thus creating a perception that the need for financial literacy was limited. As a result of the survey and focus group, we now understand the need, and importantly, the desire on the behalf of respondents to increase their financial literacy and to develop assets

4.1 Significant Outcomes, Activities and Indicators of Success Chart

Disability Partners

- Coalition for Independent Living Options (CILO)
- Gulfstream Goodwill Industries
- Palm Beach Habilitation Center
- Jeff Industries

Target Audience

Working individuals/families with disabilities

DISABILITY LEAD
United Way
Of
Palm Beach County

United Way of Palm Beach County Activities

- Combined the goals of the United Way of Palm Beach County's Prosperity Center and impact area Promoting Independence for People with Disabilities to identify disability partners for TAXfacts+ pilot.
- Developed VITA site at three of four disability partner organizations
- Recruited and filed tax returns for 1,006 filers with disabilities
- Distributed and collected Walk-In survey to 724 individuals filing taxes
- Recruited 14 focus group participants from four disability organizations and provided stipend to participants
- Distributed and collected Non-Walk In survey from 372 individuals with disabilities
- Goodwill Industries partner received small grant to supplement costs for providing filers who are deaf or hearing impaired with interpreters
- Participated in weekly national calls with the National Disability Institute, IRS/SPEC and other Pilot Cities January to May 2006
- Provided National Disability Institute with data collection and brief summary report for 2006 tax filing season
- Maintained fiscal responsibility for allocated funds

Outcomes

- 68% increase in the number of returns filed for tax filers with disabilities in one year
- 103% increase in total refunds for taxpayers with disabilities
- Doubled EITC refunds claimed by filers with disabilities from \$308,000 to \$626,000 in one year (2005 to 2006)
- 8.7% of ALL VITA customers identified as having a family member with a disability
- 15% of 724 individual tax filers in pilot identified as a person with a disability (non-walk-in)

Indicators of Success

- 12.3% of 8,166 households at 41 VITA sites identified themselves as a household with a member with a disability
- Households with disabilities received \$626,000 in Earned Income Tax Credits; \$245,000 Child Tax Credit; and total refunds of \$1.5 million
- United Way of Palm Beach County is participating in national Mayor's Academy for disability in NYC as flagship city working on behalf of taxpayers with disabilities

4.2 PROFILE OF TAX FILERS WITH DISABILITIES WALK-INS SURVEY⁶⁰

Survey 7 Questions Walk-In Survey	United Way of Palm Beach County N=109	Four City Pilot Aggregate Data Data N=3,199		United Way of Palm Beach County N=109	Four City Pilot Aggregate Data N = 3,199	
Type of Ability	0% cognitive 26% mobility 17% sensory 30% other	22% cognitive 25% mobility 11% sensory 33% other	Living Arrangement	52% own home 8% rent 18% live with family 6% someone else 7% assisted living	7% own home 66% rent 15% live with family 2% someone else 3% assisted living	
Method Used to File Taxes Prior Year	28% free tax site 19% did not file 6% did myself 10% family/friend 11% paid for RAL 2% IRS office	43% free tax site 18% did not file 2% did myself 5% family/friend 5% paid for RAL 2% IRS office	Banking Activities	16% checking 33% savings 2% both 28% not interested	30% checking 12% Savings 24% Both 16% not interested	
Heard About Free Tax Filing	24% came last yr 4% disability org 0% someone else 4% non-dis.org 17% flier or paper 0% employer 39% TV or Radio	37% came last yr 4% disability org 26% someone else 5% non-dis.org 10% flier or paper 4% employer 3% TV or Radio	Public Benefits Received in 2005	17% SSI 12% SSDI 15% Both	12% SSI 9% SSDI 3% both	
Household Member with a Disability	84% self 2% child 6% spouse 1% grandparent 10% other	30% self 10% child 4% spouse 1% 10% other				
National Disability Institute: Tax Facts - Real Economic Impact Campaign		CHARACTERISTICS	United Way Focus Group Data N=14	Focus Group Aggregate Data Four Cities N=83	United Way Local Disability Group Data N= 372	Local Disability Group Aggregate Data Four Cities N=649
DISABILITY TYPE	Mobility	7%	26%	12%	18%	
	Sensory	43%	28%	15%	16%	

Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

	CHARACTERISTICS	United Way Focus Group Data N=14	Focus Group Aggregate Data Four Cities N=83	United Way Local Disability Group Data N= 372	Local Disability Group Aggregate Data Four Cities N=649
EDUCATION	High School Diploma	57%	33%	55%	46%
	College Degree	7%	17%	8%	15%
EMPLOYMENT STATUS	Currently Employed	86%	44%	66%	57%
	Full Time	36%	9%	8%	11%
	Part Time	29%	18%	33%	27%
LIVING ARRANGEMENTS	Own Home	29%	14%	15%	16%
	Rent	21%	46%	28%	36%
	Live in Relatives' Home	36%	12%	36%	27%
	Live with Someone Else	14%	5%	8%	7%
	Live in Assisted Living	7%	5%	9%	7%
	Homeless	0%	0%	1	0%

DEMOGRAPHIC PROFILE OF FOCUS GROUP SURVEYS AND LOCAL DISABILITY GROUP (Non-Walk-In Survey)

HEALTH CARE COVERAGE	No Health Care Coverage	5%	6%	5%	5%
COMPUTER ACCESS	No Access to computer or online services	36%	35%	39%	35%

PROFILE OF PUBLIC BENEFITS AND TAX FILING

CHARACTERISTICS	United Way Focus Group Survey N=14	Focus Group Aggregate Data N=83	United Way Non-Walk-In Data N= 372	Non-Walk-IN Aggregate Data N=649
EITC Recipient	43%	35%	12%	18%
SSI Participant	7%	24%	15%	16%
SSDI Participant	36%	37%	42%	29%
Medicare	43%	35%	16%	24%
Medicaid	35%	49%	33%	28%
Public Assistance/Welfare	0%	9%	9%	13%
Food Stamps	21%	23%	55%	46%
Accommodations Used to File Taxes	43%	51%	44%	53%
Rent Section 8	7%	15%	27%	25%
Receive IRS Info Phone	29%	35%	53%	50%
Receive IRS Info In Person	50%	27%	11%	15%
Receive IRS Info Mail	29%	17%	2%	2%
Never used IRS Service but Would Like To	57%	29%	6%	7%

PROFILE OF FINANCIAL ACTIVITIES

CHARACTERISTICS	United Way Focus Group	Focus Group Data Aggregate Four Cities	United Way Local Disability	Local Disability Group Aggregate Data Four Cities
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Educating Democracy: Tax and Financial Service Needs of Working Americans with Disabilities

	Survey N=14	N=83	Group N= 372	N=649
Checking Account	64%	54%	63%	66%
Savings Account	29%	44%	45%	44%
Taken out loan	36%	10%	5%	7%
Taken out loan payday lender	7%	4%	1%	1%
Gone to a check casher to cash a check	29%	37%	13%	14%
Bought a rechargeable stored valued card	7%	7%	2%	2%
Bought a gift card that accepts additional deposits	7%⁰%	5%	4%	4%
Using Direct Deposit at Work	29%	10%	24%	21%
Using Internet to Pay Bills	21%	10%	9%	9%
Have Trust Account	14%	12%	14%	12%
Individual Development	0%	0%	0%	0%
Financial Education Course Yes	29%	28%	24%	21%
Checking Account	64%	54%	63%	66%
Savings Account	29%	44%	45%	44%

4.3 West Palm Beach: LESSONS LEARNED FROM WORKING PEOPLE WITH DISABILITIES (In Their Own Voices)

Daily banking activities enhanced by access to online banking.

"I know exactly what my balance is all the time. When I go on the computer I don't have to try to talk to somebody. It saves a lot of time for me. "I do online banking because I don't like writing the check register, so I go based on what the bank says. If the bank says it's there, it's there. Except for one time when there was fraud on my account and I didn't know about it. Then I called the bank and had to question it."

Received good advice through first time home buyer education program. "I bought a home through the first time home buyers program, you had to take a course. We also had to do financials and budgeting and everything else. The thing I learned the most about the course was not to make any big purchases the first year I owned my home. I followed that advice. It was good."

Expressed desire for reliable and affordable debt counseling help.

"It [debt counseling] would be a good idea if was to be through a program something like what you're doing, someone that cares about the people here rather than a company that actually took money from people. Instead of helping consolidate debt it was totally the opposite. It would put people in a bigger hole than when they came in. The first payment made on your debt usually went to the company not the creditors."

"I went to a debt collection agency for help and only a certain percent of the money goes toward your debt and they charge a pretty hefty fee. If the credit agency has merged recently it is even more difficult. My payment would get lost in the merger and it would start all over again."

"I think debt counseling and money management should be offered for free considering we're trying to get out of debt."

"When I was 13 the credit card company sent me a credit card. Of course I'm going to use it. They sent it to me. You know at that age, you don't know better."

"I want to learn how to have a budget and get out of debt."

Confusion about income and resource rules if working while on public benefits such as SSI, SSDI or Medicaid.

"I understood that your checking account or savings can't be over \$2,000 in your bank account at any time [if on SSI]. So you're in a catch 22 you know. It's the more you benefit for yourself, the more they take. I know it is so they try and get you on your feet but sometimes it doesn't get you on your feet. It just pulls you farther back in the hole than to help you get on your feet and maintain your ability to do what you have to do as an adult."

"I am on Social Security Disability and there's only a certain amount I can get up to and after a few months my Medicaid would be cut. And then I can't handle you know I can't have my Medicaid cut. My payee who is my sister helps me. Now where I am working they allow me to keep my Social Security and help me with this."

"I would like to get a new payee. You cannot work a full-time job just like this guy said because they" take your benefits. I might work full time if I could have some benefits but I am not sure I would have to check it out with a person that understood."

Keep local benefit offices central to public transportation and accessible for people with disabilities.

"It is tough for me to get to the bank – the county here does not have good transportation. I have trouble getting to work." [Only one third of group owned a car.]

"I am on Medicaid waiver and food stamps. I've been on it since my surgery because when I got my surgery I'm also in a program where I have my own apartment. I pay a percentage of my apartment but I didn't have any income until they came in and helped me out until got back on my feet. It was hard because I got to keep a balance and make sure that I'm not going over my budget. Every six months I have to go in a reapply for Food Stamps at a new location with computers. There is no one to help me. Every time I go in I get frustrated and then I get very – I just end up walking out. The food stamp process is not accessible for me."

"SSI is different you go the office take a number and they call you to the counter or call you in the back to a cubical and assist you one on one. It is very professional. It may be a wait, but it is worth the wait."

Challenges of balancing current benefit structure with the rising cost of living even when working.

"I have been receiving Social Security Disability Income for a long time because I am deaf. However, it seems so limiting. The earnings are so small so I asked if I could work part-time and they told me that I could work but I could only earn up to I think its \$850 or less per month to keep my eligibility. I have been working for three years now. I report my pay and have kept it under the \$850 benchmark. I've kept that stable and done that all along, but now it seems like I'm having much more problems with my finances. I did apply for food stamps and all the other benefits because the cost of living has gone up. And they are still maintaining the same amount that I'm allowed to earn, gas prices being higher, everything else has made my budget so much tighter. When I applied for food stamps they turned me down, saying I earn too much. It was a catch 22. How can I possibly be earning too much? I can't manage my mortgage for my mobile home. My utilities, insurance, I'm not sure how you can maintain a budget. I'm concerned about the cost of living continues to go up, SSDI and so forth doesn't give you much of a raise each year. How do you do it? The cost of living going up much more than SSDI."

Success in using the Ticket to Work incentive.

"I started out on SSI and started with a Ticket to Work. They tell you how much you can make. They start to slowly decrease your government check as your earnings rise. It took me about a year and half to be zeroed out from SSI. But because I used the Ticket to Work it protects my Medicaid. It also protects me so if I was to lose my job or fall sick I can have my social security reinstated without having to go back through reapplying and everything else. It did cut my food stamps, it cut my Section 8 but I gave it up when I bought the house."

How participants receive information about free tax filing services

"I've used the 211 number – I guess its United Way. That's how I did it this year. I wish I had known about it three years ago. I paid almost \$300 every year to get my taxes done. Now I use the Goodwill VITA program it's wonderful."

"For the past two years I have used paid preparer [mentions names] and prior to that my mom used to file it for me. I have been happy with them. It's worth it when it's time to pay the bills and take care of my financial responsibility. I didn't know about VITA or information about these places that do it for free until right now."

"I think the best way to get the word out about VITA sites or free tax preparation is to post it at community centers and tell people it is free."

"At first I wondered if it was free [referring to free tax preparation] and if it is an IRS approved agency or if United Way's name was under it. Most people would feel pretty comfortable with that because you know United Way has established a rapport with the people and with word of mouth. Or if it said "IRS approved."

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"I would like information about filing taxes way before the deadline like in November. I would like to go and see someone in person to walk me through my taxes."

"I would drive 10 to 20 miles to see someone in person about my taxes."

Reluctant to file taxes because afraid to lose benefits

"I was afraid to file this year and the last year because now that I own a home I got back a little bit more and I didn't know if that would affect me as far as my Medicaid was concerned. Even though I had already zeroed out on everything else. I didn't know that it was going to count against me."

Many rely on family and friends and co-workers for information about benefits and tax filing.

"I can go to my brother because he has a home and he's been in business for 22 years and he has a mortgagee and he's been through the mill of everything.

"I asked a lady at work. I ask employees on the job that I trust. But other than that, I don't know who else to ask."

"I asked a question at the VITA site and I wasn't sure with the answer she gave me. It was like do you want me to file it or wait? I was like since I'm here and I need the money, I will have you go ahead and file it. But I thought my tax return should have been more than after she had forgotten to put in the taxes paid on the house. Even if it was \$200 more I thought it should have made a difference. She told me that it wasn't because of what I made this year. I thought if I asked around and they said that's not right I could have appealed it you know. So I didn't know what to think. And because I didn't have any resources, I've kind of dropped it."

Lack of understanding of how federal agencies track individuals on public benefits who are working

"I did file my taxes and do the whole thing. They actually had a refund that I was entitled to. So I mailed it in. Then I got a letter from the IRS and the refund said that it was going to go to Social Security because I owed on an overpayment. So I was kind of reluctant after that, because of that situation. And I didn't know that I had an overpayment. So the IRS just immediately redirected my money, didn't pay me, my money and it went to SSI. So I got no refund. And that felt not so good."

"Isn't it against the law for IRS to like forward your money to another agency without letting you know?"

"It felt like an invasion of privacy. How did they know what I was getting back, I know they were using my Social Security number to do that. But it didn't feel right."

Comments for the Commissioner of IRS

"I would ask why it is that the tax refund can be taken and given to Social Security for overpayment. How it is that they have that type of relationship between those two agencies. I feel that's not right."

"I would say that I guess he's doing a good job. Seems like he's done a good job to me."

"Simplify the language. It's so hard to understand some of their forms."

"Re-filing. What do you do – I don't know how you would ask the question. But if there was a mistake on your tax form and they found it. Is it possible that you can re-file that tax form?"

"I would like to thank him for the VITA program."

"I would tell him that I like VITA. I didn't file before I learned about VITA."

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"Better advertisement about tax agencies that will be able to help families or people in general for lesser costs or for free."

"VITA is a good service. I would keep it going. I learned too late this year but will use it next year."

"I owe money to the IRS, so I would ask him not to charge me additional penalties and interest. I owe \$1400 that I don't have. They made a payment plan for me \$100 a month."

"Provide education about how to do taxes and understand what it means when you file - if they take money out or you don't get as much back as you think."

Working people with disabilities talk about the American Dream

"I am thankful to be born in America instead of another poverty stricken country because you have the opportunity to get where you need to be. So we have a head start against other countries. If you go through the channels here you can find your way. And if you're lucky enough to get through college and get a good job then you've got that. But I always look at it if you are a plumber or a surgeon, it doesn't matter because each one of those jobs, each person has a family. And they get by the best way they can. So it doesn't matter really matter what you are. Just if you want to achieve and you have the opportunity to do it."

"Own my own home."

"Owning my own home. I am in a course in home ownership and they are helping me with that. I am trying to stay stable where I'm at now saving money and trying to do my budget. These are my goals."

"The American dream came through for me eight years ago when I was able to come off SSDI and go back to work full time. That is all I need is to be able to work."

"My American dream is to go back to my home town in Connecticut."

"The American dream was to own my own home and my own car. But the hardest thing was to let go of Social Security and to take a step out on faith. With two children, and a single mother, it was the last thing that I believe would happen. But because I was determined, I put my all into it and I didn't give up. I do own a home, a car and have a job."

"For the American troops to come home and just have peace."

"Making a good living."

"My kids get the best education that I can give them and that the state can give them. Graduate, go to college and raise their own family at one point in time. And for me, to support my family in a new home, you know to the best that I can. I am a working parent. I work full time. And I still cannot afford to get into my own home."

"I'm not making minimum wage. I'm making a good amount of money. I've been there five years, I've always worked ever since I was 15 years old and I still cannot get up to the point where I can get my own home. I went through Habitat for Humanity on a waiting list. I've been knocked down farther down on the list. I've been on a waiting list for Section 8 for five and a half years. I've even been a hurricane victim and they have still not given me any help or assistance in trying to relocate myself or my family. I tried to find a place for us, it's actually expensive. It's anywhere from \$900 to \$1200 just for a 3 bedroom apartment. I have four children ages 2 to 15 years. When you're going from paying \$560 a month living in a mobile home for your bills and I don't make but \$700 every two weeks, give or take. That's when I have to make those 40 hours a week just to get that budget. I pay out a 401(k) life insurance for my children and my job pays it for me. And then I pay out for my health

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insurance co-pays. Once in a while I can't afford to pay for my prescriptions or the medical bills and I'm in debt and a lot of these places go for you credit. My credit has been shot down because of bills or medical bills or things that I cannot pay for. It's not credit cards. I haven't owned a credit card in my life. Makes it hard for me to own a home. One of my sons is bipolar he is not very able to work. The other son is not stable either. My girls help but it is hard."

"I started my dream to buy a home when my son was 15. At that time he was able to get a job. I have two kids, we all started to work together, first my son and me. We started to put it away, even if it wasn't much, even if it was \$5 a week. With my son's help we purchased a home."

VI RECOMMENDATIONS

Sixteen years after the passage of the Americans with Disabilities Act (ADA), there is growing interest by policymakers, human service professionals, and individuals with disabilities and their families to design a roadmap that encourages participation in the economic mainstream through work, income preservation and asset building. The financial portrait revealed by survey and focus group participants in the 2006 TAXfacts+ Campaign sets a framework for action for government, business leaders, and faith and community-based organizations.

Human and financial assets define the capacities and resources that enable individuals to have expanded choices in daily activities that enhance the quality of life experience. For persons with disabilities, economic empowerment will impact social status and community participation. For financial institutions, the research findings, while only a glimpse of a market sector, set the stage for outreach and customized services to be tested, refined, and expanded as purchasing power and financial needs of consumers with disabilities grow. For policymakers at all levels of government, this "Educating Democracy: Tax and Financial Needs of Working Americans with Disabilities" report is a wake up call for policy reform that reduces barriers to economic advancement and build incentives that encourages income and asset development.

Recommendations for action have been divided into four major areas: research, public education, policy development, and capacity building.

1. Research

The findings from this research provide only a first empirical snapshot of the tax and financial habits and aspirations of working age Americans with disabilities and their families. A research focus across multiple federal agencies and private Foundations would help us to learn more about this target population of adults with disabilities regarding access and use of favorable tax benefits, money management, savings and asset building strategies. Policy barriers and facilitators to income preservation and asset development must be identified and interventions designed and tested to produce evidence-based outcomes with external validity. We must learn more about:

- access and use of the Earned Income Tax Credit by tax filers with disabilities and their demographic profile (race, ethnicity, gender, age, income level, education level, type of disability, employment status);
- impact of financial education on money management and savings behavior; and
- impact of various intervention strategies including but not limited to access to transportation and technology, self-directed individual budgets composed of braided public resources, and expansion of traditional savings accounts (529 plans, IDAs, and IRAs) to produce a better economic future.

Implementation lead:

- **IRS Wage and Investment Research**
- **Office of Assistance Secretary for Planning and Evaluation, Department of Health and Human Services**
- **National Institute on Disability and Rehabilitation Research**
- **Office on Disability and Employment Policy, US Department of Labor**

2. Policy Development

No single federal agency can design and implement a roadmap out of poverty for the target population. Means tested entitlement programs (Social Security and Medicaid) must be reevaluated to raise or waive extremely low income and asset limits for continued eligibility for public benefits. All disability-related public policy must consistently encourage work, savings, and asset building as valued results.

By Executive Order, an Asset Building Work Group led by the IRS and Treasury and including representatives of each major department (Health and Human Services, Education, Labor, Housing and

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Urban Development, Commerce, Transportation, Agriculture, and the Social Security Administration) shall review and develop in six months a list of policy options to advance a federal coordinated effort with incentives for private sector participation that will support income preservation and asset building for Americans with disabilities and their families.

Through regulatory change, provide all students with disabilities access to financial education in grades K-12 as part of individual education plans (IEPs). Changing expectations of individuals with disabilities regarding the possibilities of saving and asset building must begin at an early age. The growing movement to bring age-appropriate financial education into the schools should not leave behind students with disabilities.

3. Public Education

The research findings support a multifaceted comprehensive strategy that targets financial service professionals, educators, community and business leaders as well as individuals with disabilities their families and employers. Specific recommendations include:

- Develop a research-based curriculum for K-12 introducing young people with disabilities to the American tax system, and the importance and impact of saving and asset building behavior that starts early.
- Develop alternative disability tax publications that are targeted for people with cognitive and developmental disabilities.
- Provide curricula for enrolled preparers on tax provisions for taxpayers with disabilities who itemize.
- Encourage state and local asset development summits to bring together financial institutions, government agencies, and community-based organizations to coordinate outreach and marketing that brings persons with disabilities into the economic mainstream.
- Develop a 800 or 211 number that provides specific information about tax filing for individuals with disabilities.
- Create “disability tax folders” that provide low-income filers with disabilities with an easy system for scanning receipts and other important documents into a virtual file system in preparation for tax day.

4. Capacity Building

In just two years, the TAXfacts+ Campaign increased the number of tax filers with disabilities by 330 percent. To achieve real economic impact, the public-private partnerships formed at a community level need technical assistance and resources to reach the target population, provide accommodations if appropriate, and connect to other asset building strategies. Recommendations to build the capacity of community partnership include:

- Create a national disability tax aide program modeled after the AARP program for seniors to expand support to low-income wage earners with disabilities.
- Develop “Disability Saves” accounts modeled after the America Saves national program.
- Continue to expand the IRS SPEC Division outreach and focused technical assistance to reach and support the target population in the top 100 markets. Increase coordination among federal agency field office staff to build and support income preservation and asset building models through the workforce development system, public schools, Social Security benefits counselors, and financial institution consumer education programs.
- Design and test new financial product and service models to meet the needs of the target population with engagement of the Federal Reserve, the FDIC, the Treasury and regulated financial institutions.