

Improving Access to Tax Credits for Families Case Study Summary

Insights across Share Our Strength Community of Practice Grant

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In 2022, Share Our Strength, a national organization working to end childhood hunger and poverty in the United States, developed a multistate investment strategy to do the following:

1. Increase participation in the expanded child tax credit (CTC) among communities with many families facing significant barriers to accessing the credit
2. Improve tax policy for low-income families at the state and federal levels

This brief details their initiative and summarizes best practices for increasing access to the CTC learned from grantees across the country. For detailed lessons in each state involved in the community of practice, please see the individual case studies.¹ The memo concludes with recommendations for what can be done moving forward, particularly at the state level, following the expiration of the enhanced federal CTC at the end of 2021.

Background

In 2021, the American Rescue Plan Act (ARPA) temporarily expanded the CTC, which provided critical financial support to families with children during the COVID-19 pandemic.² The expansion increased the maximum credit for almost all low- and moderate-income families, including extending benefits to very low-income families who had previously been ineligible for the CTC or received only limited benefits (Tax Policy Center 2021). Prior to the expansion, three-quarters of white, non-Hispanic and Asian children were eligible for the full CTC, compared with only about half of Black and Hispanic children (Goldin and Michelmore 2022). The expansion closed these gaps. ARPA also mandated that up to half of a family's expected CTC be delivered as advanced payments. Families received monthly payments from July through December 2021.

A growing literature points to the association of the expanded child tax credit payments and a decline in food insecurity and food hardship, which subsequently rose when payments ended (Perez-Lopez 2021; Karpman et al. 2022; Shafer et al. 2022). The credit has also been tied to improved financial security outcomes such as declines in credit card debt and improved ability to weather emergency

¹ "Share Our Strength Community Practice Grant Case Studies," Urban Institute, March 2023, <https://www.urban.org/research/publication/share-our-strength-community-practice-grant-case-studies>.

² For more information about the law, see "American Rescue Plan Act of 2021," H.R. 1319, 117th Cong. (2021), <https://www.congress.gov/bill/117th-congress/house-bill/1319/text/>.

expenses (Hamilton et al. 2022). Despite the CTC's expanded reach and potent antipoverty effects (Collyer et al. 2023), researchers estimated that at least 2.3 million children were at risk of missing out on the credit's benefits if they did not file a 2021 tax return (typically filed in early 2022). Those most likely to miss out on the advanced payment were Hispanic/Latinx families, non-Hispanic/Latinx adults who are American Indian/Alaska Native, Native Hawaiian/Pacific Islander, or more than one race; adults with very low incomes, Spanish-speaking households, and families with mixed immigration statuses (Fischer et al. 2022; Karpman et al. 2021).

Share Our Strength's Multistate Investment Strategy

In 2022, Share Our Strength provided grants to organizations and Volunteer Income Tax Assistance (VITA) sites to improve outreach, tax assistance, and policy advocacy in the post-tax season (the regular tax season to file 2021 taxes opened January 24, 2022, and ended April 18, 2022). VITA sites are often dormant or have only a minimal community presence during the post-tax period. These grants allowed VITA sites to reach more tax filers eligible for the expanded benefit who had missed the initial tax-filing window, especially those with complicated cases. For example, cases where multiple adults have claimed the same dependent, which often happens between parents and grandparents trying to claim the child tax credit. The grants also built additional capacity in organizations with deep connections to communities where tax uptake was low and supported others working on expanding tax policy options for low- and middle-income families.

The organizations came together as a community of practice to learn and share information in pursuit of their common goals. To facilitate learning from the experiences of the community of practice, the Urban Institute conducted an assessment to document their strategies, successes, challenges, and results. These insights can inform ongoing outreach efforts for the expanded CTC,³ as well as outreach efforts for other federal and state-level tax benefits, such as the EITC, that are directed toward low- and middle-income families.

The Community of Practice

Throughout the grant period, Share Our Strength worked to intentionally build a community for organizations engaging in similar work. Share Our Strength facilitated communication among the organizations by checking in with grantees regularly and conducting bimonthly peer learning calls. These calls allowed experts and community members to share information on relevant topics including outreach and media, collecting stories from clients, and sustaining the work. Outside of the meetings, grantees could communicate with each other through the community of practice's Slack channel to share updates, questions, and lessons learned.

³ Although the credit was provided throughout 2021, people have until 2025 to file their 2021 tax return and claim the expanded CTC. See "What is the Child Tax Credit?" Tax Outreach, accessed March 15, 2023, <https://www.taxoutreach.org/tax-credits/child-tax-credit>.

Share Our Strength connected organizations to technical assistance by offering access to SimplifyCT, a nationwide virtual VITA service, which offered a hotline that could provide individualized support for grantees and their clients with questions related to the CTC application process. Organizations and their clients also could use services provided by Code for America, a nonprofit organization that seeks to reduce the gap between the public and private sectors in their use of technology and design. Code for America provided technical assistance on outreach and the use of the GetCTC Simplified Filing Portal.

As part of Share Our Strength's effort to reach new communities, they partnered with the National Disability Institute (NDI) to offer office hours and webinars to grantee and local partners throughout the grant period on best practices to reach taxpayers with disabilities. Finally, to improve the long-term policy outlook in the states organizations were working in, Share Our Strength brought on a policy expert to consult with grantees on advancing different policy agendas and developing ideas for future legislation, such as state-level tax credits, based on the success of the enhanced CTC.

These efforts of Share Our Strength and grantees across the cohort, combined with the relationships and trust that the grantees have built within their communities, expanded the enhanced CTC's reach to the communities that could benefit the most from the credit. To learn what factors increased participation in the CTC, we conducted 19 interviews with grantees and their subgrantees or partners over the summer and fall of 2022 (see table 1 for list of all grantees).

TABLE 1

Grantees in the Share Our Strength Community of Practice

State/Partnership	Grantee
California	Coachella Valley Tax Services United Ways of California United Way of Kern County
Florida	Florida Prosperity Partnership Hispanic Unity Haitian Neighborhood Center, Sant La Inc.
Louisiana	Capital Area United Way The Middleburg Institute
Maine	Maine Equal Justice
Maryland	CASH Campaign of Maryland
Mississippi	Chrome Strategies
New York	Grow Brooklyn
Ohio	Children’s Defense Fund (CDF) Ohio Policy Matters Ohio
Virginia	CASA The Commonwealth Institute United Way of Greater Richmond and Petersburg
Texas	Foundation Communities RAISE Texas United Way of Southern Cameron County
Oweesta Corporation	People’s Partner for Community Development (Montana) White Earth Investment Initiative (Minnesota) Four Bands Community Fund (South Dakota)
National Disability Institute	-

Source: Share Our Strength Community of Practice

Based on data reported by the grantees and their partners, we estimate that various communication campaigns reached roughly 3.3 million individuals throughout the grant period. Although many of these had likely already heard about or received the expanded CTC, the messages helped to engage those unaware of the credit or who had been reluctant to apply. The organizations helped individuals file about 12,000 returns and claim over 17 million dollars.⁴

Field Lessons on Increasing Participation in the Child Tax Credit

Enactment of policy does not guarantee that eligible families will receive benefits. For the benefit to be effective, people must know about it, understand that they are eligible, and be willing to interact with the agency administering the benefit. The Share Our Strength community of practice focused on improving understanding of the enhanced CTC, particularly among those who were made newly eligible for the benefit or were eligible for much larger benefits than before. In many cases, building trust among communities who are often marginalized was central to moving people forward in claiming the benefit.

⁴ These metrics were collected throughout the grant period through a tracking form by the Urban Institute. Grantees may have collected and measured data in different ways, so these numbers are estimates.

Improving Understanding of Tax Policy

The fully refundable CTC was a novel use of the federal income tax system because it extended benefits to include families with children who did not have earnings or owed no federal income tax, a departure from prior tax credits targeted to families with children. The use of advance payments was also an important innovation when implemented in 2021 because they allowed families to access a more predictable income stream over several months, rather than waiting for a once-a-year benefit payment; though, this predictability was only available to families who received the credit in 2021. To help families capitalize on these enhancements, Share Our Strength prioritized equipping organizations who were actively working with communities where tax credit uptake was low with the most up-to-date tax information and best practices. During the community of practice peer learning calls, Share Our Strength enlisted the help of tax policy experts, including analysts from the Institute for Taxation and Economic Policy. They also enlisted the help of the National Immigration Law Center to help grantees understand how to answer questions from immigrant families. Community members also shared their collective knowledge with each other.

The analysts addressed who might have been excluded from automatic monthly payments of the CTC and why. They also clarified that all citizen children were eligible to receive the CTC and parents or other caregivers who were not citizens would need an Individual Tax Identification Number (ITIN) from the IRS to file a return. Share Our Strength created a Slack channel between the grantees and certified tax experts to allow grantees to ask tax-related questions and get an answer in real time, including providing support related to ITIN questions, which many grantees identified as a priority issue.

Conducting Outreach to Reduce Barriers to Getting the CTC

The CTC's enhanced rules were designed to reach millions of children who were previously left out of the benefit. The intended beneficiaries likely faced multiple barriers to accessing the CTC. These include a lack of awareness of the benefit and lack of access to an ITIN for noncitizen parents whose citizen children are eligible for the CTC. Further, the various new credit changes were confusing for some people, particularly if they had not previously been required to interact with the federal income tax system. Therefore, understanding the barriers people face in accessing tax credits, as well as best practices in how to overcome these barriers, is necessary to support the intended beneficiaries effectively. Some of these best practices and learnings include the following:

1. **Building trust with the community and utilizing trusted messengers to improve participation in the CTC.** Throughout the interviews, grantees and their partners stressed the idea of trust, or lack thereof, and its role in influencing how communities view taxes, particularly those that are frequently marginalized in policy making and implementation. A grantee in California stated, "The tax system elucidates trauma within people." Previous work by Godinez-Puig and colleagues (2022) has highlighted the importance of trusted messengers in increasing CTC-related information for immigrant communities in Boston. Since trust is low, and given the vital role CBOs and other similar organizations play in helping communities navigate government

agencies,⁵ partnering with and expanding the resources and knowledge base of these organizations is fundamental in increasing participation in the CTC. As staff from SimplifyCT stated, “Creating trust is key. Without it, any effort will only go so far.”

Supporting respected leaders and organizations, including using local spaces, can help to build a community’s trust. A grantee in California collaborated with food banks to offer food assistance and tax support at soccer games where many community members already gather. Grantees in Maine, Virginia, and Ohio, among others, partnered with social service agencies, trusted sources of information for people who receive Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits, as a key mechanism to reach community members that were likely eligible for the CTC. In Virginia, the Virginia Department of Social Services identified people with children who were likely eligible for the expanded federal CTC but who had not filed a Virginia tax return for 2021; these families received texts promoting the CTC which led to people being connected with the GetCTC portal. Families also received information about the EITC, which was available to those with earnings. Grantees in Ohio also utilized a mass-text campaign to SNAP recipients with great success.

2. **Reflecting the communities served, particularly to people who would not automatically receive advanced payments, among outreach staff and leaders.** A grantee in Maryland noted that when staff who resembled the community members presented the information, “They [the community members] felt like it was their peer versus someone showing up in town,” which allowed for an organic uptake of information. Staff from SimplifyCT also stressed the importance of creating trust by partnering with community organizations and members that are trusted and resemble the community. “[We] can’t do this without partners, we need to be transparently embedded. Only way to get clients to trust is working with trusted partners. Us putting our name out there does not matter, but when grassroots organizations that looks like the community, speaks like the community, people of color, that really resonates. Biggest lesson we learned: we can’t do it alone, we need to be transparently a part of the trusted communities’ infrastructure.”
3. **Providing information in multiple languages to reach communities where English is not the primary language.** Many grantees served various populations, including immigrants, refugees, and asylees who may have barriers communicating in English. Conducting tax-related outreach in other languages is necessary for reaching these community members. Grantees in Maine distributed flyers with information on how to access the CTC in Arabic, Portuguese, Spanish, and French. Other grantees also used materials in languages common in their communities and provided interpreters at tax-outreach events.

⁵ Dulce Gonzalez and Michael Karpman, “As California Expands Safety Net Eligibility for Immigrants, Community Organizations Are Playing a Pivotal Role,” *Urban Wire* (blog), <https://www.urban.org/urban-wire/california-expands-safety-net-eligibility-immigrants-community-organizations-are-playing>.

4. **Meeting people where they are.** Grantees reported that families encountered numerous structural barriers to accessing tax credits beyond information and awareness. Some of these barriers include a lack of childcare services for families that prevent them from attending tax-outreach events, working long hours that made it difficult to participate in events during a traditional nine-to-five time window, and lacking public or personal transportation to attend tax-related events. To combat these barriers, organizations came to their intended beneficiaries instead of relying on people to come to them for information or services. They accomplished this by hosting mobile tax sites closer to where people live, expanding their hours of services, hosting pop-up events in community spaces, and providing transportation to and childcare support at their events.
5. **Empowering community members to share information with their neighbors and constituents:** While outreach via social media and technologic channels is increasing in relevance, grantees report that word-of-mouth is unbeatable in communities where developing trust is key. Similar to the Maryland grantee's sentiment about community members preferring their peers helping them vs. someone "showing up in town," a grantee in Louisiana highlighted how, "word of mouth is our bread and butter." Despite all the other forms of outreach the grantee in Louisiana did and could do, they found that spreading information via word of mouth by community members was their most effective form of outreach.
6. **Being more intentional in reaching community members with disabilities.** Share Our Strength included NDI as an additional resource to help grantees better reach community members who are disabled. NDI hosted webinars and provided key technical assistance related to messaging to people in the disability community, which many grantees expressed they did not have experience in or knowledge about prior to the grant period. A grantee in Virginia had sign interpreters at community events to increase access to tax-preparation service. A grantee in California will be conducting an Instagram Live session specifically on taxpayers with disabilities.
7. **Working with a variety of organizations and recognizing capacity constraints.** Some organizations that serve critical populations can be difficult to engage because of competing priorities and limited resources or capacity. Schools were commonly thought of as a key mechanism to reach more families, but many grantees in Louisiana, Virginia, and Ohio, for example, struggled to get into the school systems to reach more families; thus, engaging school districts may require more effort and patience.

Connecting Beneficiaries to Tax Preparation Services

All these lessons and considerations then informed how grantees could best support community members in filing their taxes and claiming credits like the enhanced CTC. Some organizations that received support from Share Our Strength already served as VITA sites and expanded outreach efforts to communities whose residents were likely to miss out on the new benefits. Others worked to connect their communities with VITA sites and emphasized doing one's taxes with VITA sites so that families could receive the full benefit without paying to receive it. This effort could be complex because of

existing distrust of the Internal Revenue Service (IRS) and the existing trust of paid preparers. For example, a grantee in Texas noticed that people did not trust “free” tax preparation services. They did not think they were actually free or took pride in paying for a service, seeing it as a higher quality service. So, the Texas grantee and their partners used different language to try to build trust, noting “We try to find language that shows them that VITA sites are good, so phrases like ‘no cost to you, or ‘funded by...’ In Texas, there is no regulation of paid preparers, so we’re trying to get people to understand that VITA volunteers are verified.” Building trust applies not only to the outreach but also to the services provided. Similarly, language access at these services is critical. Hence, once a partner organization knows the language needs of their communities, they can connect them with VITA sites that offer the languages their community members speak.

Work in the “off-season” is crucial to reach marginalized populations and address complex cases. For CBOs to be most effective in connecting their intended beneficiaries to VITA tax preparation services, they need VITA sites to be available beyond the tax season. Typically, VITA sites operate at total capacity from the time the tax season opens (usually sometime in late January) until tax returns are due (typically around April 15). However, having VITA sites available outside this window allowed them to assist families in claiming the CTC during the advanced monthly payments (July 2021 through December 2021). The Share Our Strength grant period operated after the tax season ended to address this gap in resources and services. A grantee in New York emphasized that year-round work is possible, and clients will capitalize on this opportunity allowing VITA sites to compete with predatory commercial preparers. This same grantee said, “[Extending the availability of tax services] does need to be explored. I think that SOS deciding to fund this was a really great idea. People aren’t thinking of tax season extending this far right now. Just because you file your taxes, it doesn’t mean you’re done—sometimes there are questions/edits to be made and people need a VITA site to help with that.”

Another important piece of information people might miss regarding tax benefits is that when people are eligible for refunds, no penalty exists for claiming those benefits after the tax season has ended. A grantee in Louisiana highlights how many people are unaware of tax deadlines or what that actually means, “A lot of people don’t know that, and think it’s important for us to emphasize. You have time, and if they owe you money, you definitely have time. Even though we only serve maybe 200 to 300 people off season, it’s still high volume, especially those that are fearful.... We stay open to get to those that need additional help.” By extending tax services beyond the typical tax window, those with the most to benefit are the ones that can be best served.

Lastly, as important as it is for organizations to be knowledgeable about the barriers that limit a person’s ability to access tax services and tax-related information, it is equally as important to build awareness of the macro barriers that make accessing tax services difficult. In Maine, for example, IRS locations that process ITINs were, for most residents, over an hour and a half away. On top of the inequitable access to transportation for some residents, this barrier further burdened people’s ability to get the documents they needed to receive the CTC. In addition, IRS grants for VITA sites do not incentivize VITA sites to provide ITIN application assistance, so the focus on this issue varies among individual VITA site coordinators. On top of this, the IRS instituted a moratorium for acceptance application agents on August 15, 2022—this means that organizations could not apply to become

authorized to help applicants who need an ITIN for their taxes.⁶ This moratorium is not expected to end until the Summer of 2023. Knowledge of these ITIN barriers, among other tax service barriers, is necessary for organizations to understand how to best support the people they serve and connect them with VITA sites equipped to help them with specific challenges.

Moving Forward

The temporarily enhanced CTC provided substantial benefits, including to families with low- and moderate-incomes. Although the enhancements expired at the end of 2021, the federal CTC continues to provide support to many families—but that support benefits almost all middle-income children while providing no or a limited benefit to about 20 million children living in low- and moderate-income families, because their parents earn too little.⁷

The enhanced CTC demonstrated that tax policy can be a powerful tool for improving the lives of very low-income families not often included in the tax system. While this project focused primarily on lessons related to expanding access to the CTC, these lessons and considerations can be applied to other tax benefits for families with low-incomes, including state and federal-level EITCs. As a result, despite the CTC enhancement expiring, several states—including grantees of Share Our Strength—continue to advance state-level policies that build on the successes at the federal level.

For example, Virginia enacted a tax cut package that included making their EITC refundable at 15 percent of the federal credit, meaning that most families will qualify. Previously the credit was nonrefundable. Moreover, they are considering how to implement new data-sharing agreements among local and state agencies to improve tax outreach. They also hope to establish funding designated for tax credit outreach, which could include VITA sites. Another grantee in Virginia, which also has a location in Maryland, saw success in expanding the Maryland state EITC to ITIN holders and hopes to accomplish that with Virginia's EITC; this is a priority since this organization serves many mixed immigrant status families.

Conclusion

Overall, efforts from the grantee cohort highlight that knowledge of tax policy, utilizing key strategies to conduct outreach, and ensuring tax preparation services are available can all increase access to the enhanced CTC and other tax credits. Building trust at every stage emerged as the most central lesson. Beyond having readily and reliably available services, efforts to reach eligible families should continue year-round, and especially after the tax season to reach groups with less education about taxes or need to make complex edits to their returns. Reaching members of frequently marginalized communities

⁶ “How to Become an Acceptance Agent for IRS ITIN Numbers,” IRS, last updated November 4, 2022, <https://www.irs.gov/individuals/international-taxpayers/how-to-become-an-acceptance-agent-for-irs-itin-numbers>.

⁷ See Table T22-0123 in “T22-0123 - Distribution of Tax Units and Qualifying Children by Amount of Child Tax Credit (CTC), 2022,” Tax Policy Center, October 18, 2022, <https://www.taxpolicycenter.org/model-estimates/children-and-other-dependents-receipt-child-tax-credit-and-other-dependent-tax>.

requires an intentional and sustained investment of resources, partnerships between trusted entities, and accessible information and services at every junction. The expansive reach of Share Our Strength's investment in resources and information and collaboration with organizations demonstrate how reaching those deemed "hard to reach" can become less challenging when a strategic approach to addressing as many barriers and facets of people's lives is taken into account.

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