

STORIES FROM THE FIELD

The EITC & Free Tax Help: Boosting Family Financial Security



**THE PITON
FOUNDATION**
at Gary Community
Investments



By: Brooke Visser, Campaign Associate

For more than 25 years, The Piton Foundation has been conducting the [Tax Credits for Working Families Public Information Campaign](#) to raise awareness about the Earned Income Tax Credit (EITC) and other credits that help lower income, working families get ahead. As a complement to its outreach campaign, Piton launched the [Tax Help Colorado](#) program in 2007 to provide free tax preparation services to families, helping to better connect them to the EITC while alleviating the cost of visiting commercial tax preparers.

This year, Tax Help Colorado operated 23 free tax sites at colleges and high schools across the state, helping 7,862 people claim over \$14.4 million in total refunds, including more than \$4.5 million from the EITC. In addition, the program saved families approximately \$2 million in paid preparation fees this tax season.

Wendy: Saving For the Unexpected

Wendy is one of many Coloradans who rely on their tax refunds to help their families make ends meet. As a single mother, Wendy works as a certified nursing assistant (CNA) to support her three children. The average annual salary for a CNA in Colorado is \$31,000, which qualifies Wendy for the EITC and Child Tax Credit. This year, she is receiving nearly \$9,000 in refunds, including about \$4,000 from the EITC and \$3,000 from the Child Tax Credit.

Wendy says she is using her tax refund to buy clothes and food, cover her children's school expenses and help boost her savings to prepare for the unexpected throughout the year. "I make it stretch," she says. "My refund helps me get through the year because I don't make enough with my job." In addition to

receiving her tax refund, Wendy was able to save money by visiting Tax Help Colorado's inaugural Taxathon event at Mile High United Way. Rather than spending an average of \$250 on paid tax services, Wendy's taxes were filed for free by IRS-certified volunteers who specialize in ensuring eligible families receive the EITC. "It's worth it," she says. "I can use the money that I would have spent on tax services for rent or car payments."

Tax Help Colorado serves families with household incomes less than \$54,000 a year. However, the average tax site client's income is around \$20,000, which is just above the poverty line for a family of three living in Colorado. For many, their tax refund is the biggest sum of money they receive all year.

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Trey: Claiming the EITC To Support His Brother

Because many children are in the permanent care of relatives like grandparents or siblings, family members who care for children for more than half the year are eligible for the EITC and other tax credits. This includes Trey, who supports his 12-year-old brother and claimed the EITC and Child Tax Credit for the first time this year. Trey, who is 24 years old, recently moved from Georgia to Colorado to make a better life for his brother. He works full-time as a cook in a restaurant at Denver International Airport.

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“We are behind on a lot,” Trey says. “My refund will be going straight to bills we need to catch up on—rent, utilities and phone.” This year, Trey received an unexpected refund of \$6,066, including over \$3,000 from the EITC and another \$1,000 from the Child Tax Credit.

This is the first year Trey took advantage of free preparation at Tax Help Colorado’s tax site at Adams City High School in Commerce City. “I greatly appreciate this service,” he says. “I will definitely be back next year.”

Karen: Longtime Free Tax Site Client

Tax Help Colorado is part of a larger network of almost 130 Volunteer Income Tax Assistance (VITA) sites across the state. Many taxpayers who access these sites return year after year.

Karen works as a dishwasher in a retirement community to support her two teenage sons. For the past 15 years, she has been receiving free tax assistance through various VITA sites, including the Tax Help Colorado location at Front Range Community College in Fort Collins. Instead of visiting a paid preparer, she invests the money she saves on commercial tax services in other ways that support her family. “I save the money I would have paid for food, bills and gas,” she says.

After receiving her tax refund each year, Karen feels a sense of financial security for her family—at least for a little while. This year, she is receiving a total refund of \$5,000, including \$2,000 from the EITC. “This is the only time of year I have to catch up on old bills,” she says.

Olga: Investing in the Future

Tax Help Colorado free tax sites are located as far north as Fort Collins and as far south as Alamosa. To help ensure that families know about their potential eligibility for the EITC and free tax help, The Piton Foundation partners with hundreds of organizations across the state to distribute more than 1 million educational materials during tax season. This network includes partners in rural communities that have strong relationships with community members in small towns.

Although she has a steady job as a police officer in southern Colorado, Olga, who is the mother of a 21-month-old baby, looks forward to receiving her tax refund every year. Recently, Olga and her boyfriend purchased their first home, and Olga’s \$2,500 tax refund will make paying their mortgage easier. “We got loans for a down payment and have the mortgage to pay off now, too. Our refund helps us with all of our

new bills and eases our minds,” she says. After they feel more secure paying their new home bills, Olga and her boyfriend plan to make another big investment. “We are going to use some of our refund to support the kids by setting up college funds soon,” Olga says. “It’s never too early to save for that.”

This is the second year that Olga has received free tax help at Adams State University in Alamosa. “In the past, a family member would file my taxes for me, but I would still have to pay a fee,” she says. “I appreciate the free tax help. The volunteers really know what they are doing.”

“We are going to use some of our refund to support the kids by setting up college funds soon,” Olga says. “It’s never too early to save for that.”

Julie: Childless Worker Receiving the EITC

Through the Tax Help Colorado program, The Piton Foundation is helping increase opportunities for low-income families to build longer-term savings and assets. Many families who receive the EITC and other tax credits use their increased refunds to help reach their financial goals.

Julie, a library aide and expert saver from Fort Collins, has been filing her taxes for free through Tax Help Colorado for five years. Every year, Julie saves her refund. “I saved my refunds for five years and bought a used car,” she says.

This year will not be any different. Julie plans to save her \$1,553 refund for future expenses, such as car maintenance or health care bills. Julie does not have any children but still qualifies for the EITC because she is a single, childless worker who makes less than \$14,880 a year. “Without my tax refund and free help, I would have more credit card debt and wouldn’t be as prepared for the future,” she says.

Partner With The Piton Foundation

[The Piton Foundation](#) works with hundreds of partners to help people like Wendy, Trey, Olga, Karen and Julie learn about free tax preparation and the EITC. If you are interested in educating families about these resources, contact [Brooke Visser](#) for more information, and follow Tax Help Colorado on [Facebook](#) and [Twitter](#) to stay up to date with the latest from these programs.