

WHO TAKES CREDIT:
THE EARNED INCOME TAX
CREDIT AND FREE TAX
PREPARATION IN OHIO

A REPORT FROM
POLICY MATTERS OHIO

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POLICY MATTERS OHIO, the publisher of this study, is a non-profit, nonpartisan statewide research institute dedicated to bridging the gap between research and policy in Ohio. Policy Matters seeks to broaden the debate about economic policy in Ohio, by providing quantitative and qualitative analysis of important issues facing working people in the state. Other areas of inquiry for Policy Matters have included unemployment compensation, workforce policy, wages, education, housing, energy, tax and budget policy, and economic development. All reports are available at www.policymattersohio.org.

Through the Cuyahoga EITC Coalition members, low-income taxpayers will receive quality tax preparation, wealth building opportunities and other services in order to strengthen our neighborhoods' economies. Learn more at www.refundohio.org.

Ohio community tax Coalitions mentioned in this report can be reached at:

Cuyahoga EITC Coalition – Kathy Matthews – (216) 631-0280

Dayton EITC Coalition – Kathy Emery – (937) 333-4271

EITC Program of Akron – Ted Buchanan – (330) 572-8277

Franklin County EITC Coalition – Matt Kosanovich – (614) 241.3075

Make Work Pay, Hamilton County – Lucy Crane - (513) 762-7192

EXECUTIVE SUMMARY

Across the state of Ohio, coalitions provide free tax preparation and asset building help to low- and moderate-income families. These coalitions help families claim the Earned Income Tax Credit (EITC) and avoid costly paid tax preparation and loans. The EITC credit is available to working people with family incomes of less than about \$39,000 with two children or less than about \$33,000 with one child. In 2005, more than 800,000 Ohio families claimed an average credit of \$1,800, bringing more than \$1.4 billion to Ohio communities.

This report focuses on the successes of the Cuyahoga EITC Coalition, which increased returns by more than 60 percent between 2006 and 2007. In 2007, sites in the Coalition served more than 5,600 filers, bringing in more than \$6.8 million in returns. Combined with coalitions in Akron, Cincinnati, Columbus, and Dayton, coalitions brought in \$19 million to 15,700 working families at no cost to the families served. Utilizing certified free tax preparers, these 5 coalitions worked with more than 770 community volunteers.

Working with the Cuyahoga EITC Coalition, Policy Matters surveyed more than 2,000 filers:

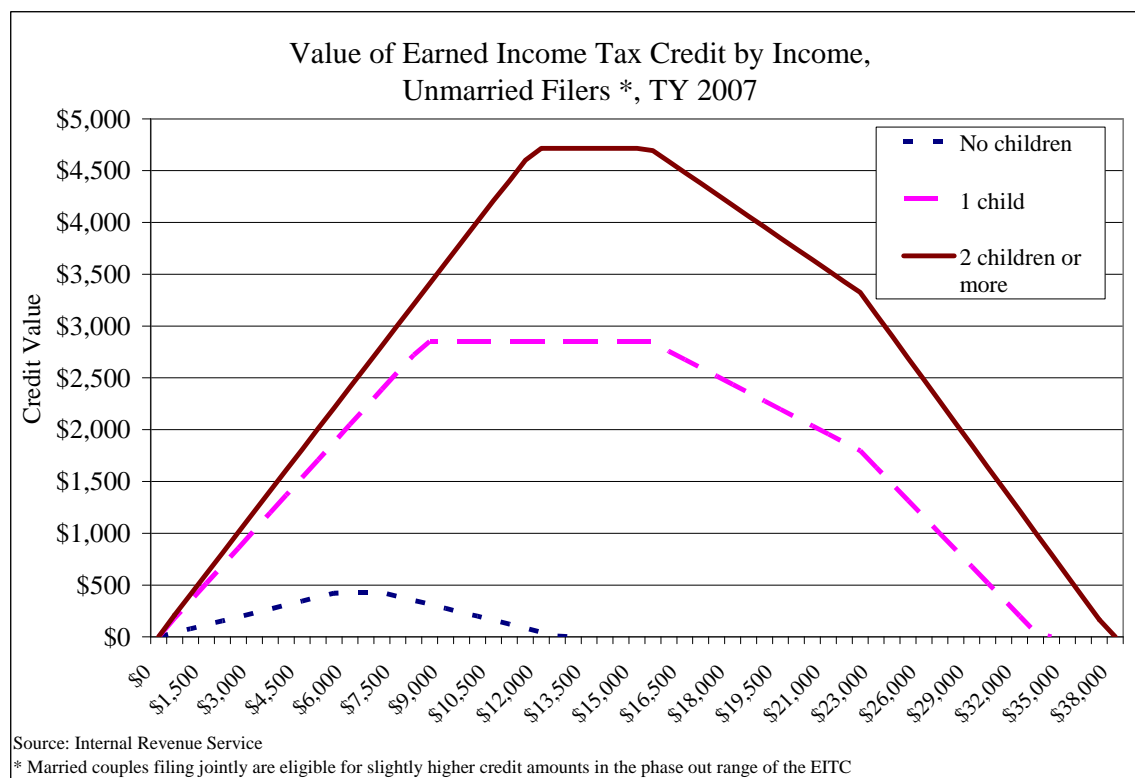
- The average age was 42 and average adjusted gross income was \$15,931.
- Four percent were Hispanic (any race), 15 percent white and 76 percent black.
- Eighty-five percent had at least a high school degree, 15 percent had an associate or bachelor's degree.
- The average filer worked close to full time (more than 33 hours a week).
- Twenty-five percent reported that they or a family member was in a union.
- Filers had jobs in the community including in retail (22 percent), as laborers (16 percent), in social service (14 percent), and in education (8 percent).
- Filers were most likely to learn about VITA sites and the EITC from family and friends, but growing numbers were reached by marketing efforts including flyers and radio.
- Nearly half of filers had paid for tax preparation in previous years.
- The biggest group (63 percent) said they would use the money to pay household bills, 19 percent said they would save the money, and others said they would spend the money on housing (16 percent), groceries (12 percent), or car or home repairs (11 percent).
- Fifty-nine percent of respondents said the credit would help them "some" or "a lot".

Coalitions continue to confront challenges in identifying EITC-eligible families and in helping consumers understand the losses they incur by going to paid preparers. Nonetheless, the free tax coalition movement is reaching very low-income filers who benefit greatly from the service. Free tax preparers have vastly expanded the number of workers reached and the resources brought back into Ohio communities.

INTRODUCTION

The federal Earned Income Tax Credit (EITC) is a refundable tax credit that helps working families, brings federal money into communities and stimulates local economies. The credit can be a solid source of support for low- and moderate-income families with at least one employed person. This refundable credit lifts 5 million Americans above the federal poverty line each year and is regarded as the government's most successful program for helping families out of poverty.

At the federal level, working families will qualify if they earn less than about \$38,000 and have two children or less than about \$33,000 and have one child. The credit and income level for a childless family or individual is under \$12,000. The credit value is determined by the amount of income, number of qualifying children, and marriage status. The chart below displays the EITC for Tax Year 2007 the horizontal axis shows income of eligible families, the vertical axes shows the credit size, and the dotted lines show different family sizes.



The EITC is an important anti-poverty program for Ohio. Only seven states have more workers claiming the EITC than Ohio does.¹ In 2005, more than 807,000 Ohio families claimed an average credit of \$1,784, bringing more than \$1.4 billion to Ohio communities. More than 15 percent of Ohio families who file tax returns receive the federal EITC. A previous joint report by Policy Matters Ohio and the Brookings Institution found that the EITC is helpful to families across Ohio, in urban, suburban and rural communities. The average U.S. congressional district

¹ Ohio is the seventh largest state in population however North Carolina with less of a population has more EITC claims.

in Ohio received \$14 million and the average senate district received \$42 million.² (See Appendix 1)

ANALYSIS

While the EITC is a successful government program to help working families, several problems exist in claiming the credit.

First, several studies by the Internal Revenue Service, Government Accountability Office, and Brookings Institution indicate that many eligible families do not claim the credit. The IRS recently released a report indicating that 75 to 80 percent of eligible individuals claim the EITC. Various reasons exist for this trend but common examples include: lack of knowledge about taxes and the credit, errors in filing, not filing taxes at all, and problems with paid tax preparation.

A Policy Matters Ohio report from 2007 estimates that minimally, 40,000 families are missing out on \$54 million each year. The number of families missing the EITC could be as large as 200,000 each year at 25 percent unclaimed credits.³

Second, paid tax preparers, specifically large chain stores, have targeted recipients of the EITC as customers. Knowing that most EITC recipients cannot afford tax preparation costs and are anxious to receive their refund, stores often sell families refund-anticipation loans (RALs). RALs are high-interest loans based on the expected amount of a tax return. The interest rates can range from 60 to 130 percent, often reducing a refund by 1/8 to 1/6 of the total. In other words, a refund of \$2,500 can be reduced to as little as \$2,200 after paying for tax preparation and purchasing an RAL. Other products such as audit insurance and instant checks are often purchased and further reduce the return.⁴ In Ohio, more than 65 percent of EITC claimants pay for tax preparation, with 53 percent of those families purchasing RALs. Free tax preparation assistance is available to most of these families, but filers may not be aware of the service.

Policy Matters Ohio estimates that RALs and paid preparation fees cost Ohio families more than \$100 million each year.⁵

Finally, many EITC claimants have difficulty saving money throughout the year and their tax refund is all but gone before it arrives. Stagnant wages, job transition, and health care costs are a

² See David Rothstein (2007) "EITC Gains, RAL Drains" Policy Matters Ohio: <http://www.policymattersohio.org/eitc/EitcGains2007.htm>.

³ See David Rothstein (2007) "Dollars that Make Sense: The EITC in Ohio." Policy Matters Ohio: http://www.policymattersohio.org/pdf/DollarsThatMakeSense2007_04.pdf.

⁴ See Chi Chi Wu and Jean Ann Fox (2007) "One Step Forward, One Step Back: Progress Seen in Efforts Against High-Priced Refund Anticipation Loans, but Even More Abusive Products Introduced." National Consumer Law Center: http://www.consumerlaw.org/issues/refund_anticipation/content/2007_RAL_Report.pdf.

⁵ In Tax Year 2004, Ohio EITC families purchased 268,000 RALs. At an estimated \$140 in RAL fees and \$150 in tax preparation fees, families lost \$100 million in fees. See David Rothstein (2007) "Dollars that Make Sense: The EITC in Ohio." Policy Matters Ohio: http://www.policymattersohio.org/pdf/DollarsThatMakeSense2007_04.pdf.

few of the reasons for this problem in Ohio.⁶ The EITC is more effective when paired with savings and asset building programs for families.

Coalitions focused on helping families claim the EITC are on the rise both nationally and in Ohio. Coalitions provide some of the following services:

- Free tax preparation services, prepared by IRS certified volunteers
- EITC outreach through libraries, newsletters, religious institutions, and schools
- Asset building programs such as bank accounts, IDAs, and saver programs
- Public benefit information and enrollment including food stamps and housing vouchers
- Education programs like financial literacy and home-buying classes

Coalitions often consist of local government agencies, Legal Aid Societies, United Way chapters, banks, religious institutions, labor groups, social service agencies, and local foundations. While the central mission of coalitions is to offer free tax preparation services, focusing on EITC-eligible clients, most offer additional services. The free tax preparation program, also known as Volunteer Income Tax Assistance (VITA), provides free tax preparation, staffed by corporate, student, individual and nonprofit volunteers. Volunteers who prepare taxes are trained and certified by the IRS. The most recent budget bill signed by President Bush included \$8 million to establish and fund a matching grant program for community tax preparations. This program is the first of its kind.⁷

In 2007, Ohio Governor Ted Strickland expanded the Ohio Benefit Bank, which is a web-based computer program that connects low- and moderate-income families to work benefits. Included at Benefit Bank sites, which have partnered with some EITC coalitions, are free tax filing capabilities.⁸

Coalitions in Ohio are growing in both size and capacity. Major coalitions in Ohio prepared more than 15,700 returns, bringing more than \$19.2 million to Ohio communities. Coalitions who tracked 2005 to 2006 returns saw significant growth in the number of families served and the money returned.

Ohio Coalition	Number of Returns	EITC Returns	VITA Volunteers	Total Amount Refunded	Increase From Prior Year
Cuyahoga EITC Coalition	5,626	2,122	250	\$6.8 million	64%
Dayton EITC Coalition	2,254	767	55	\$2.5 million	24%
EITC Program of Akron	1,614	861	33	\$2.8 million	6%
Franklin County EITC Coalition	1,762	604	130	\$1.7 million	n.a.

⁶ See Amy Hanauer (2007) "The State of Working Ohio, 2007." Policy Matters Ohio: http://www.policymattersohio.org/sowo_07.htm.

⁷ See the National Community Tax Coalition "Spotlight" at <http://www.tax-coalition.org/>.

⁸ Visit the Ohio Benefit Bank at <http://gofbci.ohio.gov/Default.aspx?tabid=106>.

Make Work Pay, Hamilton County ⁹	4,496	1,556	311	\$5.4 million	17%
Total	15,752	5,910	779	\$19.2 million	

While this growth in VITA returns is impressive, such returns represent a very small portion of total tax returns and EITC claims. Less than 2 percent of total tax returns and EITC returns were done at VITA sites, while the majority of returns were filed through paid preparers (see Table 2). Filers that are eligible for the EITC earn less than \$40,000 a year and can ill afford to pay for tax preparation.

	Self-prepared	Paid-preparation	VITA prepared	Free tax file online	Total filers
All filers	2,396,267	2,863,029	69,134	48,390	5,7376,820
	44.6%	53.6%	1.3%	.9%	
EITC filers only	257,996	505,457	9,203	9,254	781,910
	33%	64.7%	1.2%	1.2%	

In what follows, Policy Matters provides a detailed analysis of survey results and specified filer data from Cleveland area VITA sites, known as the Cuyahoga EITC Coalition. This analysis helps us understand the needs of working families and evaluate the VITA program effort. The Coalition distributed surveys to clients at VITA sites, where 2,115 families filled them out. This is double last year’s survey population. The questions on the survey ranged from demographic to tax preparation experiences (see Appendix 2 for the questionnaire). Filers were not asked any identifying information, remained anonymous, and were given the option to refuse the survey entirely or to refuse to answer certain questions. The survey in no way affected their tax service and this point was made clear to respondents.

Cuyahoga VITA sites increased their filers served as a whole by 64 percent from the 2005 tax season (see Table 3). The number of filers receiving the EITC decreased slightly from 45 to 38 percent, which also represents a national trend of approximately 35 percent of VITA filers claiming the EITC. Credit size varies but the average claim for a VITA client in Cuyahoga County was \$1,272. The Ohio average for the EITC is approximately \$1,800 and last year’s VITA average was \$1,293. VITA clients may have lower average tax credits because they are earning more or less than the qualifying amount for the maximum credit, or because they are less likely to be married or to have children. Including the EITC, Cuyahoga sites refunded more than \$6.8 million to families.

Table 3: Cuyahoga EITC Statistics

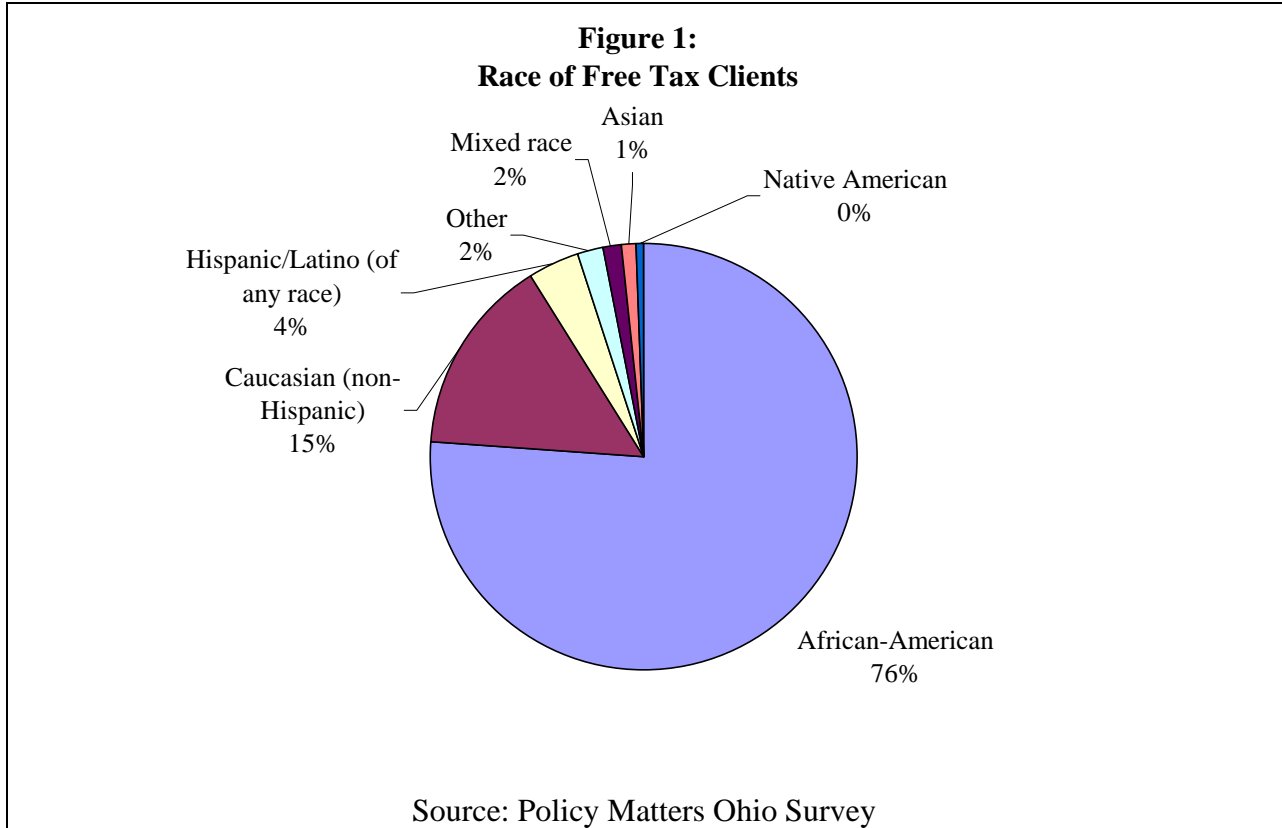
⁹ Make Work Pay also includes some filers and statistics from Northern Kentucky, as it is part of the IRS SPEC effort in a regional area.

	Filers served	Surveys completed	Percentage increase in filings from previous year	Filers receiving EITC & amount received	Percentage of filers receiving EITC	Total net refunds
2005 Tax Season Results	3,444	1,072	N.A.	830 \$1.8 million	45%	\$4.6 million
2006 Tax Season Results	5,626	2,155	64%	2,122 \$2.7 million	38%	\$6.8 million

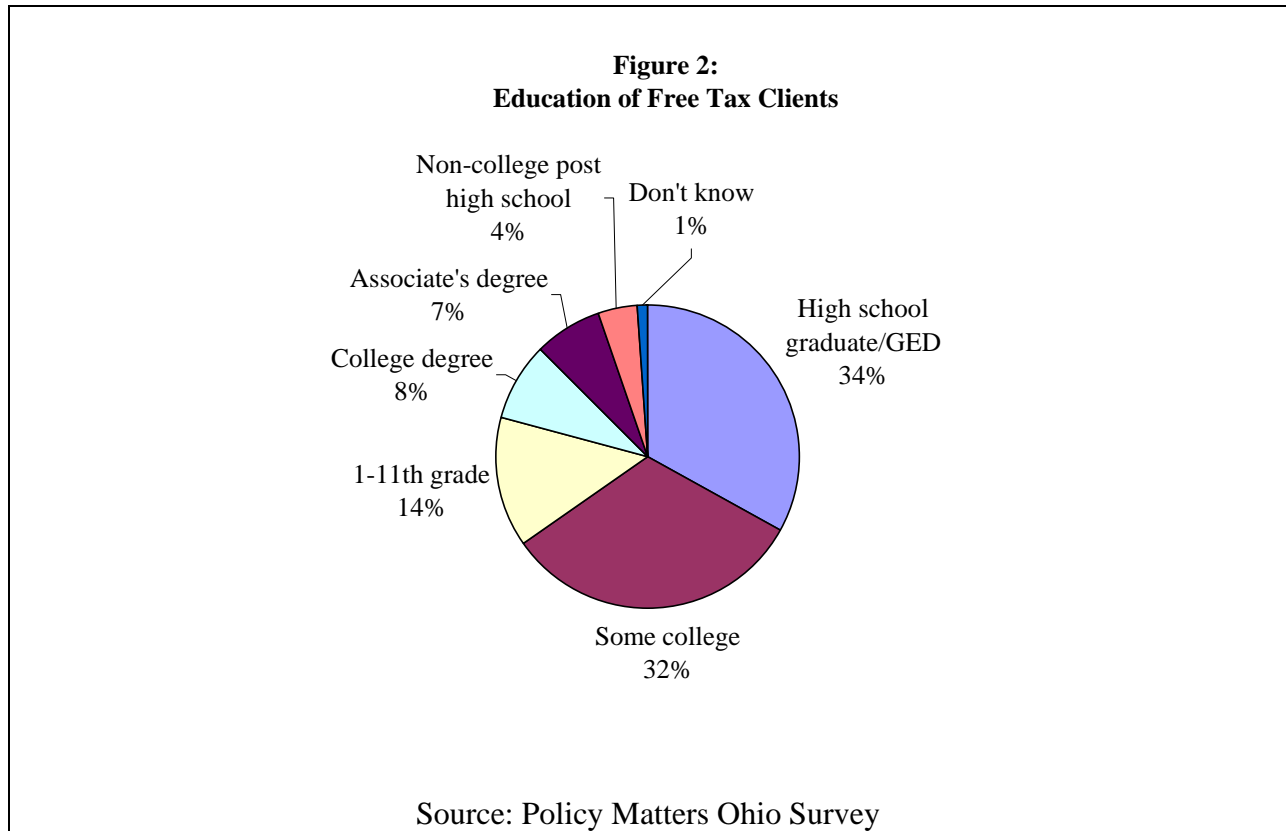
The sites continue to reach filers who are working but very low income, filers of diverse ethnic backgrounds, and filers who do not receive substantial governmental assistance. The average age of filers was 42 for the second year in a row and the average adjusted gross income of clients was \$15,931, a slight decrease from \$16,480 in the previous year. Table 4 also shows the impact of the EITC, which made up roughly 8 percent of acted households' yearly adjusted gross income. The majority, 67 percent, of filers are female.

Table 4: Cuyahoga EITC Coalition Demographic Statistics			
	Average age	Average adjusted gross income	Average EITC refund
2005 Tax Season Results	42	\$16,480	\$1,293
2006 Tax Season Results	42	\$15,931	\$1,272

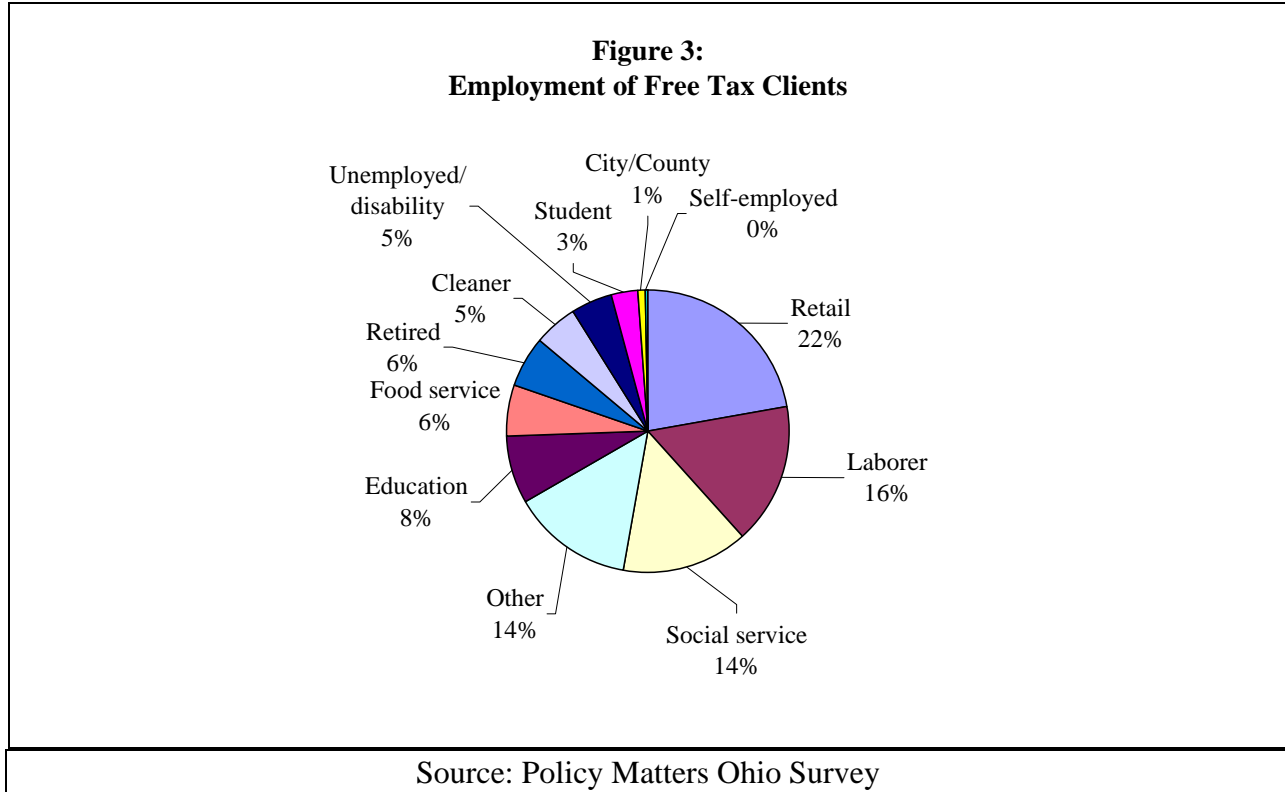
Sites continue to reach and serve African-Americans who make up 76 percent of those surveyed. According to the 2000 Census, African-Americans represented 51 percent of Cleveland's population.



The majority of clients, some 85 percent, have at least a high school degree or equivalent with only 15 percent holding college degrees. However, 32 percent of filers report having some college experience, indicating that they did not finish a degree program.



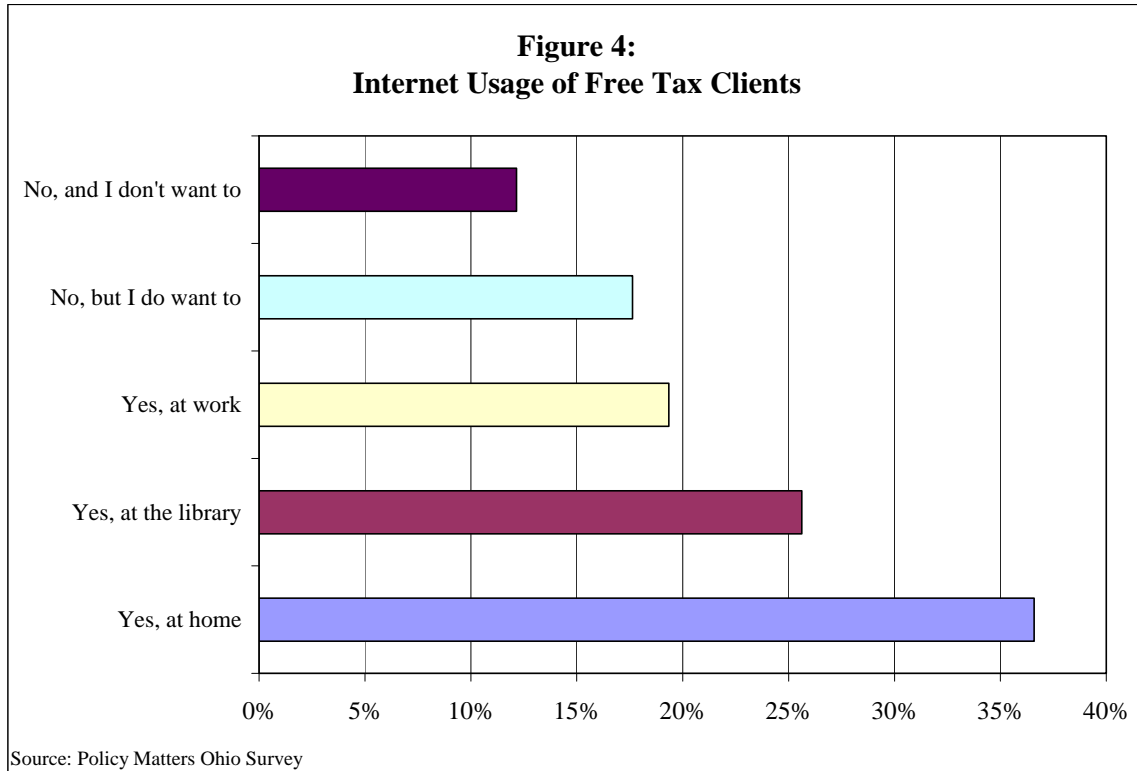
This survey also found that clients hold a variety of jobs in the community, particularly in the retail, social service, and education sectors. Many filers responded that they worked in retail (22%), as a laborer (16%), or in some type of social service (14%). The average worker reported working more than 33 hours per week, nearly 3 hours less than last year. Roughly 25 percent of filers indicated that they were members of a labor union.



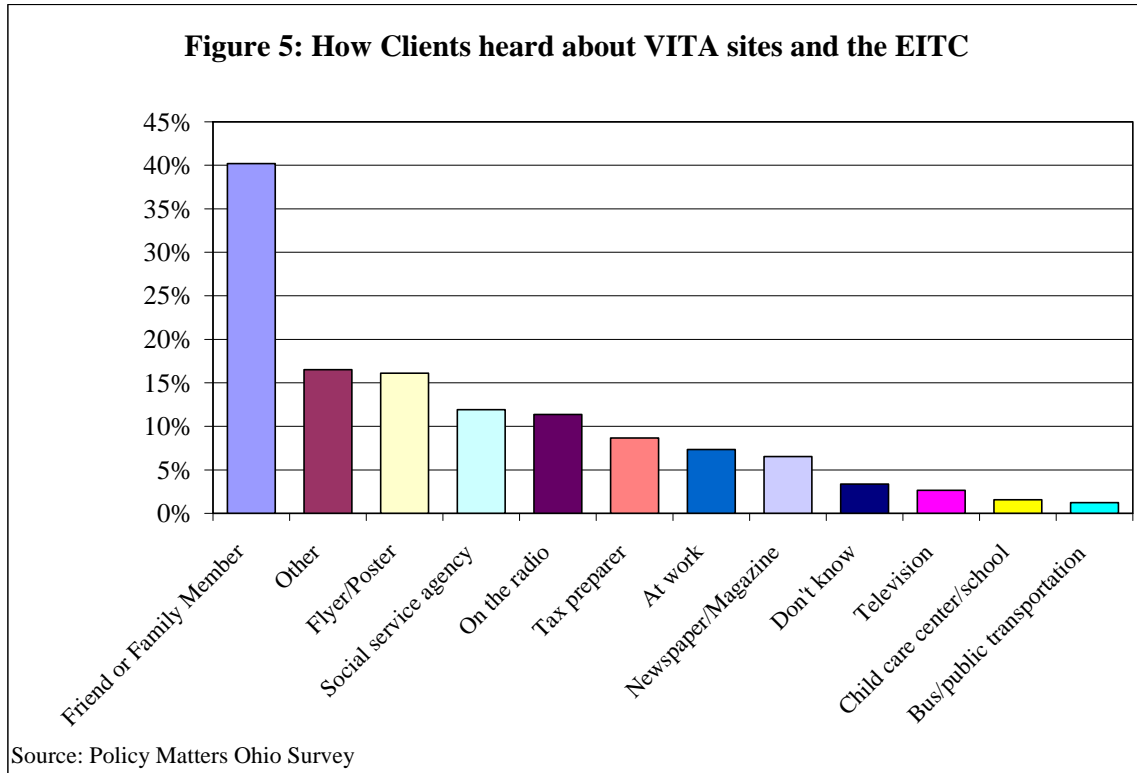
We continue to find that few clients receive public assistance. Nearly 20 percent indicated they receive food stamps and 17.5 percent reported being on Medicaid or getting other government health benefits. These numbers are less than the 25 percent of clients that reported receiving public assistance 3 years ago.

Program Type	Number of Clients Receiving Other Assistance	Percentage Receiving Other Assistance
Food stamps	404	19.10%
Medicaid or health benefits	370	17.49%
Disability	165	7.80%
Child care vouchers	131	6.19%
Unemployment compensation	74	3.50%
Cash assistance	51	2.41%

We continue to find that low-income families do have access to the Internet. More than 80 percent of filers responded that they had some type of Internet access, either at home, at work or at the library, and of those who did not have it, 17 percent responded they would like to have access to the Internet.

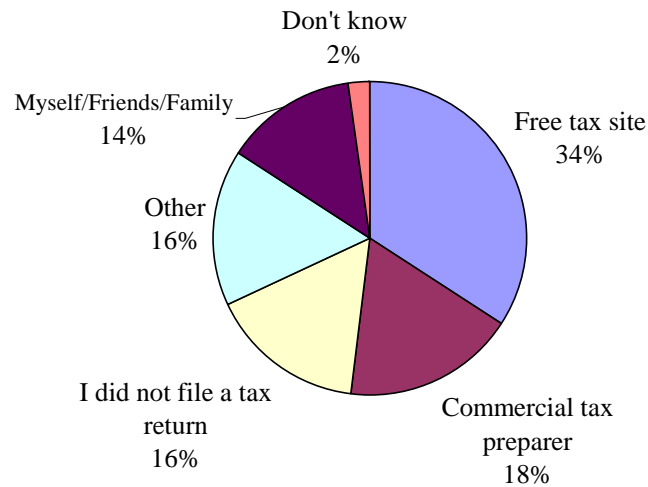


Clients continue to mostly hear about VITA sites and the EITC through friends and family members. This year, there was a more than 10 percent increase in the number of people who came to a VITA site because of friends or family members compared to the past two years. The efforts of the United Way, 2-1-1 First Call for Help were also well-received by clients. Advertisements such as fliers, radio spots, and print ads were also given as primary reasons for using a VITA site. Many filers report hearing about the EITC and VITA sites from more than one source, indicating that the marketing campaign is successful.



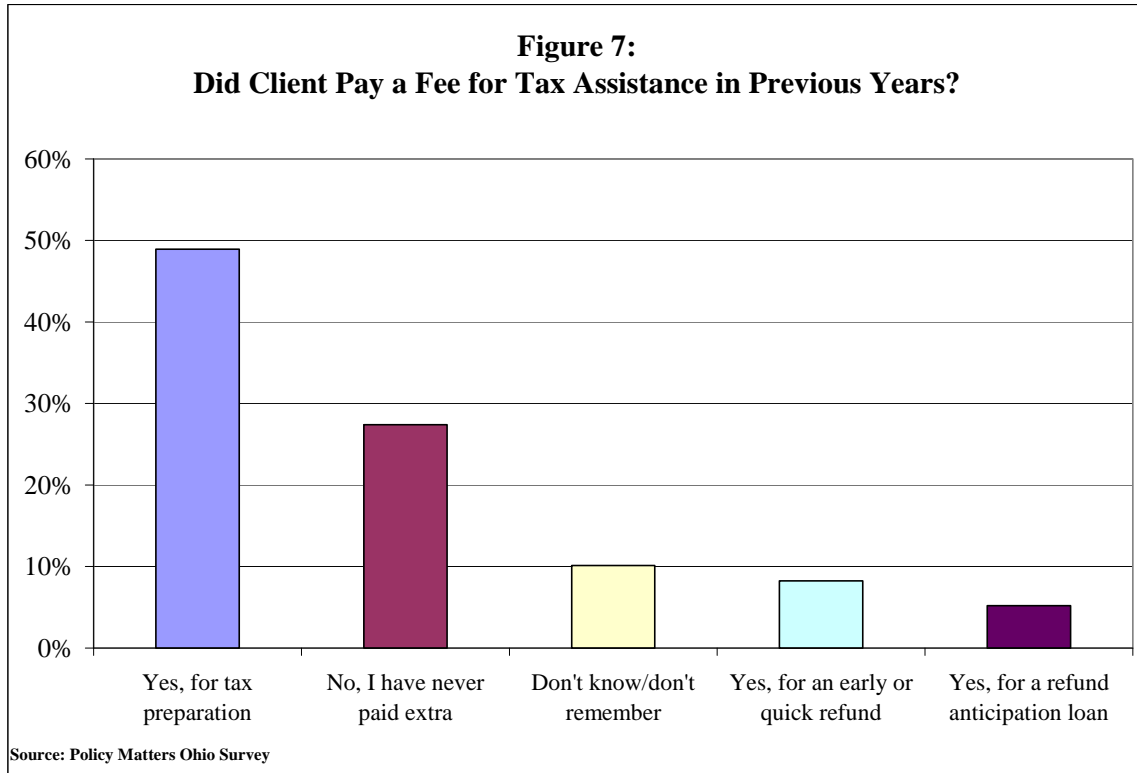
We continue to find that more than one-third of clients are repeat filers and at least 18 percent used a paid tax preparer to file the year before. Similar to previous years, we find that 15 percent of EITC filers did not file taxes at all in previous years. VITA sites have the capability of helping people file taxes from up to two previous years.

Figure 6:
How Clients Filed their Taxes Last Year

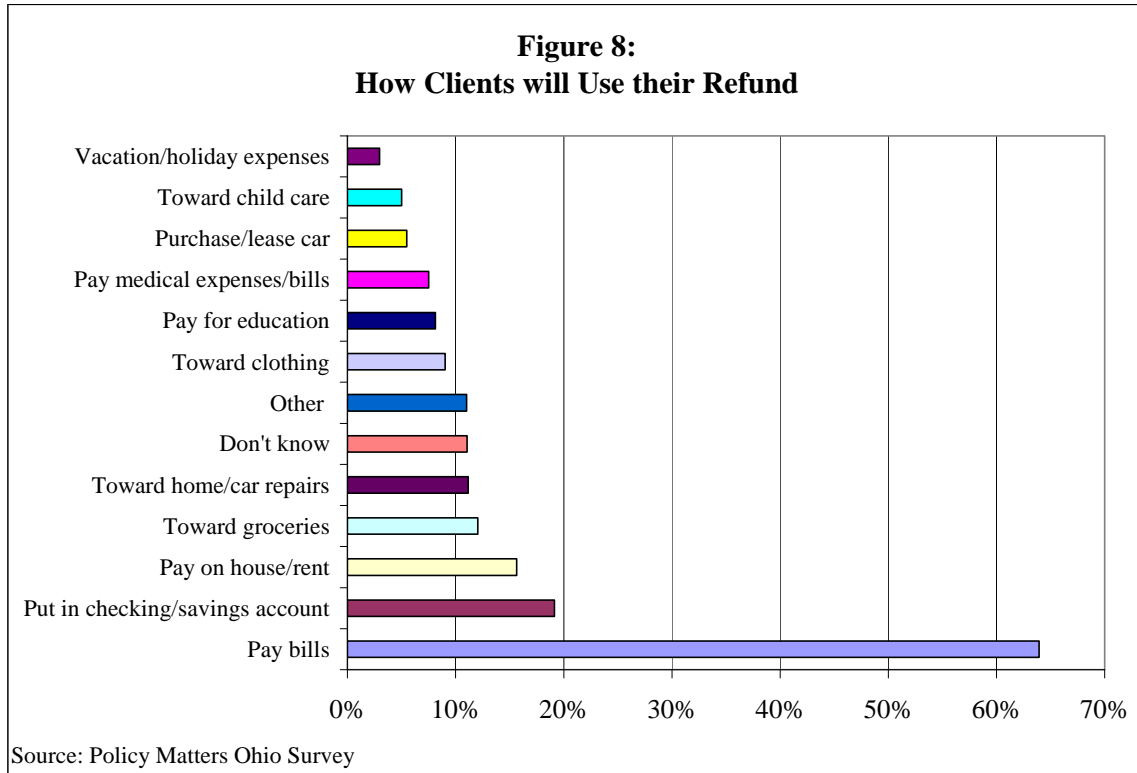


Source: Policy Matters Ohio Survey

Nearly 50 percent of those surveyed reported that they paid for tax preparation in a previous filing year. While less than 10 percent indicated that they have paid extra for a refund or purchased a refund-anticipation loan, the majority of clients who use paid preparation for the EITC do so. IRS statistics indicate that 53 percent of EITC recipients purchase RALs in Ohio. This discrepancy between the survey and the IRS statistics is likely due to customers not realizing they are borrowing from their return to take out a loan for a faster refund.

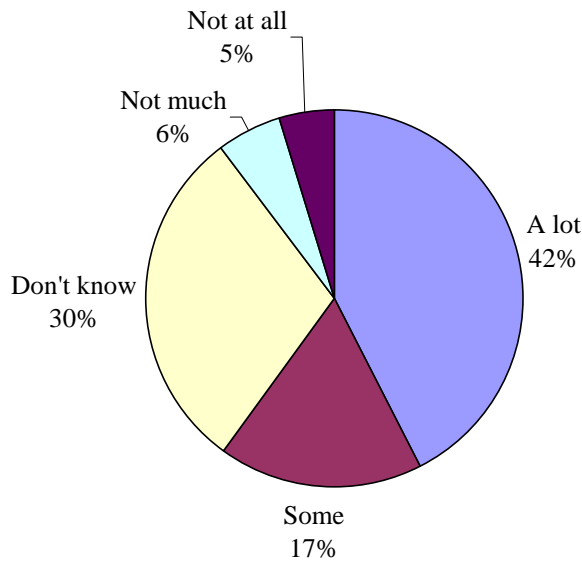


The majority of clients, more than 60 percent, indicated that they will use their refund to help pay bills. Slightly less than 20 percent said that would put some of their refund into a savings account. As in past years, we find that filers use their refunds for a variety of purposes but there is a consistent theme of using the tax refund for basic needs and living expenses. Respondents indicated they would use some of their refund for house or rent costs (16%), groceries (12%), and home and car repairs (11%).



To better understand how the EITC helped working families in Cleveland, we specifically asked filers how much the EITC would help them this year (see Figure 9). The majority of respondents indicated the credit would be helpful with 17 percent saying “some” and 42 percent answering “a lot.”

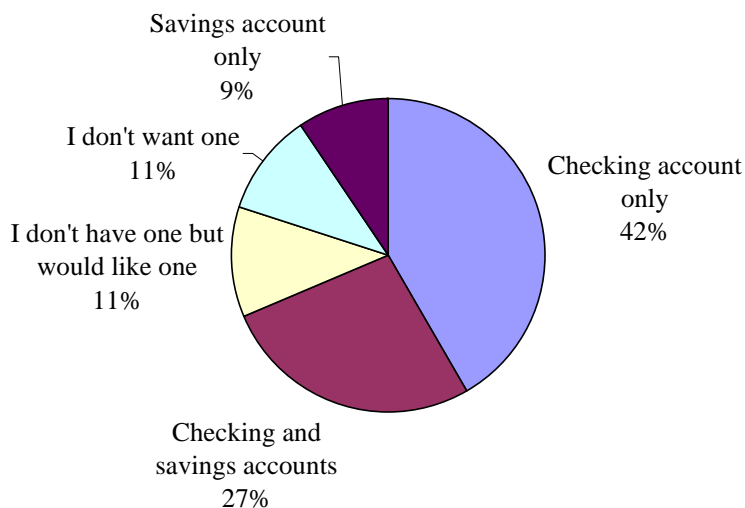
Figure 9:
How Helpful will the EITC be to a Family?



Source: Policy Matters Ohio Survey

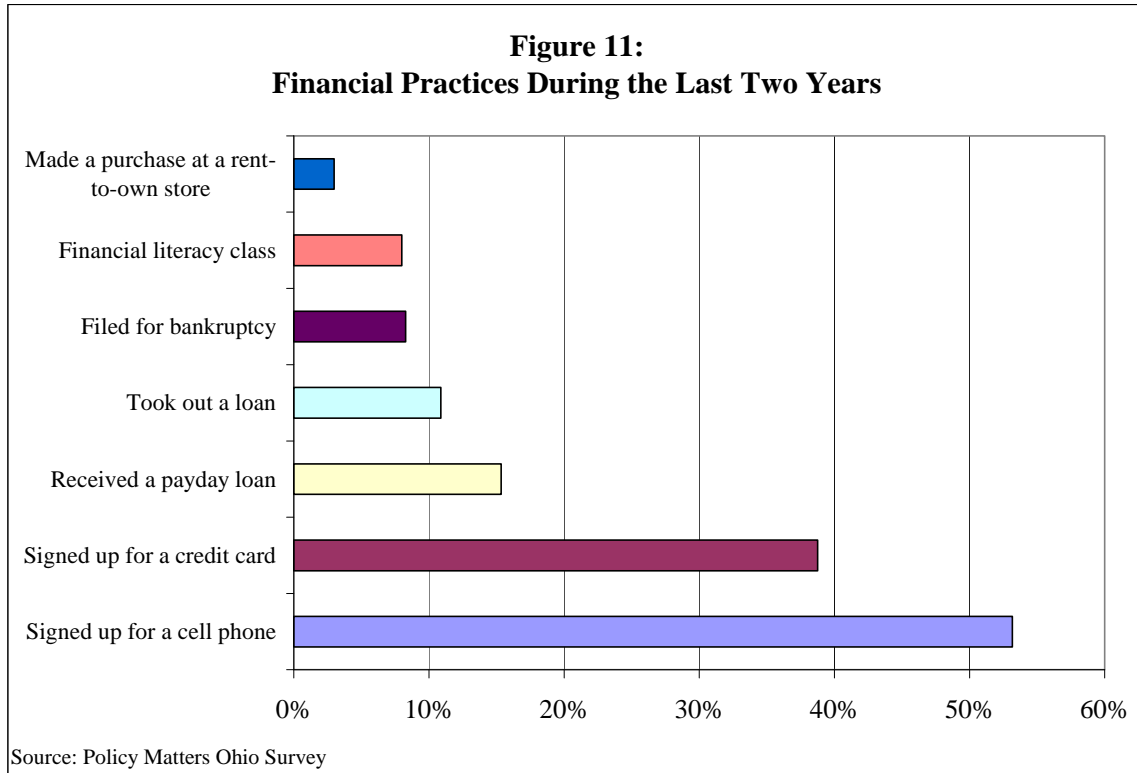
As in past surveys, we find that 69 percent of filers have checking accounts while 36 percent have some kind of savings account. A larger percentage of filers reported having both a checking and savings account this year (27 percent) compared with last year (23 percent). Similar to last year, we find that 22 percent of filers have no bank accounts. Part of the growing missions of VITA sites are to provide long-term financial and asset planning for working families. Helping to bank the “unbanked” population is an important beginning to this process.

**Figure 10:
Whether Clients Have Bank Accounts**



Source: Policy Matters Ohio Survey

Finally, a mission of the Coalition is to protect consumers from financial products, such as RALs, that carry high interest rates and fees. The goal is to help families use their refunds to build wealth and to steer them away from products that place them in debt or prevent them from using their refunds effectively. A larger number of respondents indicated that they purchased a cell phone (53 percent) or signed up for a credit card (39 percent) than in previous years where roughly 20 percent indicated that they signed up for a credit card and 23 percent for a cell phone. These services may have hidden fees. The survey also shows that 15 percent of respondents indicated they had used a payday lender for a payday loan in the last two years. This is double the percentage from last year's survey.



CONCLUSIONS

Free tax preparation coalitions and VITA sites are increasingly providing free tax assistance to working families in Ohio. The Earned Income Tax Credit continues to provide the bulk of the refund for low-and moderate-income families. Coalitions face an uphill battle in their mission, however, as many EITC eligible filers do not claim the credit or pay unnecessary fees for preparation and loans.

Building on the recent federal funding for community VITA sites, there are other local and state policy changes that would help working families get the credit they deserve. First, a state level EITC would help to offset state income taxes similar to that of the federal EITC. Twenty-three states, including Michigan in September of 2006, have enacted a state EITC that assists working families at credit ranges from 5 to 35 percent of the federal level. Second, communities should focus on marketing and outreach efforts that encourage VITA site use rather than paid preparation and chains, which extract large fees. Third, policymakers and communities should continue to promote efforts such as an Ohio Saves program that focuses on financial education and asset building opportunities including bank accounts, individual development accounts, and savings bonds. Finally, policymakers should enact policies that better regulate refund-anticipation loans and predatory practices that involve working families and their taxes.

Appendix 1:

House District	Total Returns	EITC Returns	Percentage EITC Returns	Total EITC Claim Amounts	Average EITC Claim Amount	EITC Claimants Purchasing RALs	Estimated EITC RAL Costs	% EITC Claimants Purchasing RALs
District 1	48,385	8,224	17%	\$14,345,673	\$1,744	2,179	\$283,308	26%
District 2	68,155	4,433	7%	\$7,097,525	\$1,601	1,049	\$136,427	24%
District 3	51,818	6,219	12%	\$10,255,730	\$1,649	1,855	\$241,118	30%
District 4	47,892	7,926	17%	\$14,300,328	\$1,804	2,827	\$367,504	36%
District 5	63,405	7,436	12%	\$12,704,109	\$1,709	2,151	\$279,690	29%
District 6	56,382	5,495	10%	\$8,749,376	\$1,592	1,350	\$175,528	25%
District 7	51,637	9,936	19%	\$18,464,504	\$1,858	3,667	\$476,768	37%
District 8	52,610	11,035	21%	\$21,515,320	\$1,950	4,210	\$547,264	38%
District 9	42,080	10,417	25%	\$20,979,925	\$2,014	4,147	\$539,101	40%
District 10	39,992	13,619	34%	\$27,238,095	\$2,000	5,562	\$723,042	41%
District 11	40,303	15,180	38%	\$31,330,731	\$2,064	6,570	\$854,146	43%
District 12	48,277	12,120	25%	\$23,662,715	\$1,952	4,679	\$608,320	39%
District 13	45,953	10,609	23%	\$19,490,846	\$1,837	3,702	\$481,310	35%
District 14	53,013	8,030	15%	\$13,928,125	\$1,735	2,154	\$279,995	27%
District 15	56,219	5,549	10%	\$8,462,956	\$1,525	979	\$127,255	18%
District 16	62,631	3,588	6%	\$5,269,138	\$1,468	412	\$53,497	11%
District 17	62,696	3,228	5%	\$4,692,182	\$1,453	448	\$58,275	14%
District 18	58,707	3,582	6%	\$5,038,002	\$1,407	408	\$53,038	11%
District 19	67,227	8,675	13%	\$15,408,960	\$1,776	2,750	\$357,550	32%
District 20	62,635	8,154	13%	\$14,390,169	\$1,765	2,572	\$334,386	32%
District 21	61,574	8,419	14%	\$14,934,823	\$1,774	2,499	\$324,881	30%
District 22	64,817	5,799	9%	\$9,212,155	\$1,589	1,366	\$177,610	24%
District 23	62,227	6,864	11%	\$12,094,431	\$1,762	1,978	\$257,095	29%
District 24	60,488	6,881	11%	\$11,605,293	\$1,687	2,120	\$275,607	31%
District 25	53,083	12,039	23%	\$22,515,737	\$1,870	5,234	\$680,396	43%
District 26	54,362	13,539	25%	\$25,011,499	\$1,847	6,012	\$781,622	44%
District 27	45,032	13,280	29%	\$25,994,677	\$1,957	5,498	\$714,716	41%
District 28	54,871	6,538	12%	\$11,667,274	\$1,785	2,492	\$323,906	38%
District 29	57,434	7,945	14%	\$14,524,862	\$1,828	3,027	\$393,500	38%
District 30	55,239	5,431	10%	\$9,401,143	\$1,731	1,833	\$238,280	34%
District 31	45,948	11,250	24%	\$22,307,574	\$1,983	5,869	\$763,013	52%
District 32	44,553	11,378	26%	\$21,843,395	\$1,920	5,868	\$762,782	52%
District 33	47,660	10,980	23%	\$20,804,252	\$1,895	5,389	\$700,525	49%
District 34	54,905	4,735	9%	\$7,575,959	\$1,600	1,608	\$209,102	34%
District 35	60,139	4,477	7%	\$7,334,226	\$1,638	1,265	\$164,435	28%
District 36	55,279	5,913	11%	\$9,773,072	\$1,653	1,675	\$217,797	28%
District 37	57,188	6,014	11%	\$9,612,090	\$1,598	1,659	\$215,617	28%
District 38	58,416	4,882	8%	\$7,485,829	\$1,533	1,156	\$150,319	24%
District 39	41,477	12,096	29%	\$23,548,257	\$1,947	5,619	\$730,434	46%
District 40	48,044	11,327	24%	\$21,768,740	\$1,922	4,913	\$638,683	43%

District 41	61,601	4,563	7%	\$7,111,232	\$1,559	1,013	\$131,633	22%
District 42	57,162	4,291	8%	\$6,407,599	\$1,493	800	\$103,954	19%
District 43	59,522	5,944	10%	\$9,326,412	\$1,569	1,270	\$165,070	21%
District 44	44,833	11,648	26%	\$21,200,315	\$1,820	4,944	\$642,685	42%
District 45	52,402	10,797	21%	\$19,045,789	\$1,764	3,974	\$516,591	37%
District 46	60,504	4,860	8%	\$7,841,422	\$1,614	1,075	\$139,757	22%
District 47	47,919	10,369	22%	\$18,846,235	\$1,818	4,266	\$554,528	41%
District 48	42,319	12,166	29%	\$23,690,655	\$1,947	5,462	\$710,114	45%
District 49	53,206	7,594	14%	\$13,174,645	\$1,735	2,413	\$313,692	32%
District 50	53,604	6,074	11%	\$9,950,321	\$1,638	1,565	\$203,466	26%
District 51	60,586	6,855	11%	\$11,265,796	\$1,643	2,064	\$268,297	30%
District 52	46,920	10,058	21%	\$18,424,759	\$1,832	4,312	\$560,621	43%
District 53	48,665	6,262	13%	\$11,018,809	\$1,760	2,434	\$316,422	39%
District 54	56,143	7,194	13%	\$12,615,804	\$1,754	2,891	\$375,804	40%
District 55	53,527	5,827	11%	\$10,254,613	\$1,760	2,270	\$295,037	39%
District 56	52,625	10,332	20%	\$19,311,703	\$1,869	3,882	\$504,668	38%
District 57	63,023	6,521	10%	\$11,025,636	\$1,691	1,798	\$233,767	28%
District 58	56,744	6,918	12%	\$11,699,574	\$1,691	1,982	\$257,708	29%
District 59	56,005	5,810	10%	\$9,365,583	\$1,612	1,179	\$153,299	20%
District 60	43,998	10,961	25%	\$20,938,429	\$1,910	3,908	\$508,003	36%
District 61	53,602	8,630	16%	\$14,838,407	\$1,719	2,554	\$331,970	30%
District 62	58,038	5,149	9%	\$7,920,077	\$1,538	969	\$125,944	19%
District 63	58,891	5,733	10%	\$9,226,107	\$1,609	1,256	\$163,339	22%
District 64	49,308	7,803	16%	\$13,713,943	\$1,757	2,977	\$387,039	38%
District 65	51,782	7,390	14%	\$12,383,418	\$1,676	1,943	\$252,562	26%
District 66	61,821	6,091	10%	\$10,271,827	\$1,686	1,930	\$250,878	32%
District 67	58,070	4,770	8%	\$8,036,047	\$1,685	1,563	\$203,196	33%
District 68	56,279	6,581	12%	\$10,640,691	\$1,617	1,632	\$212,129	25%
District 69	61,073	4,537	7%	\$7,149,012	\$1,576	775	\$100,759	17%
District 70	53,448	6,234	12%	\$10,244,447	\$1,643	1,840	\$239,204	30%
District 71	56,812	7,634	13%	\$13,128,536	\$1,720	2,279	\$296,262	30%
District 72	47,889	8,663	18%	\$15,897,425	\$1,835	3,807	\$494,870	44%
District 73	50,212	8,142	16%	\$14,484,279	\$1,779	3,139	\$408,039	39%
District 74	58,089	7,080	12%	\$12,013,154	\$1,697	1,873	\$243,522	26%
District 75	56,656	6,219	11%	\$10,219,939	\$1,643	1,745	\$226,883	28%
District 76	56,133	7,145	13%	\$11,909,008	\$1,667	2,018	\$262,313	28%
District 77	57,603	6,835	12%	\$11,472,793	\$1,679	1,866	\$242,543	27%
District 78	58,242	7,111	12%	\$12,042,474	\$1,694	2,440	\$317,147	34%
District 79	57,706	7,175	12%	\$12,072,718	\$1,683	2,394	\$311,173	33%
District 80	56,825	7,273	13%	\$12,358,558	\$1,699	2,242	\$291,418	31%
District 81	57,517	7,799	14%	\$12,876,376	\$1,651	2,208	\$287,072	28%
District 82	52,222	8,251	16%	\$14,104,222	\$1,709	3,057	\$397,436	37%
District 83	52,538	6,813	13%	\$11,623,945	\$1,706	2,155	\$280,175	32%
District 84	50,936	6,089	12%	\$10,223,914	\$1,679	2,020	\$262,570	33%
District 85	51,984	8,495	16%	\$14,851,662	\$1,748	3,333	\$433,314	39%
District 86	50,719	9,392	19%	\$16,889,356	\$1,798	3,683	\$478,734	39%
District 87	49,535	10,683	22%	\$19,655,361	\$1,840	4,260	\$553,792	40%
District 88	54,095	9,037	17%	\$16,235,370	\$1,797	3,322	\$431,874	37%

District 89	46,538	11,138	24%	\$20,733,783	\$1,862	4,309	\$560,145	39%
District 90	54,609	7,525	14%	\$12,725,983	\$1,691	2,107	\$273,879	28%
District 91	56,073	9,114	16%	\$16,033,474	\$1,759	3,174	\$412,563	35%
District 92	46,499	8,931	19%	\$15,196,676	\$1,702	2,830	\$367,909	32%
District 93	50,725	9,111	18%	\$15,781,841	\$1,732	2,596	\$337,539	28%
District 94	54,127	9,843	18%	\$17,585,902	\$1,787	3,531	\$459,025	36%
District 95	48,864	8,533	17%	\$14,494,953	\$1,699	2,975	\$386,699	35%
District 96	55,576	8,090	15%	\$13,144,569	\$1,625	1,985	\$258,013	25%
District 97	54,827	6,194	11%	\$9,959,292	\$1,608	1,333	\$173,237	22%
District 98	57,380	3,511	6%	\$5,288,614	\$1,506	441	\$57,351	13%
District 99	49,146	8,448	17%	\$15,069,170	\$1,784	2,441	\$317,286	29%
Total	5,346,450	781,477		\$1,381,352,353		267,252	\$34,742,760	
Average	54,005	7,894	15%	\$13,953,054	\$1,729	2,700	\$350,937	32%
Source: Brookings Institution								

Senate District	Total Returns	EITC Returns	Percentage EITC Returns	Total EITC Claim Amounts	Average EITC Claim Amount	EITC Claimants Purchasing RALs	Estimated EITC RAL Costs	% EITC Claimants Purchasing RALs
District 1	170,878	20,444	12%	\$34,142,101	\$1,670	5,636	\$732,718	28%
District 2	173,711	17,626	10%	\$28,949,357	\$1,642	4,667	\$606,703	26%
District 3	191,404	25,249	13%	\$44,736,245	\$1,772	7,823	\$1,016,949	31%
District 4	158,335	19,282	12%	\$33,889,226	\$1,758	7,594	\$987,262	39%
District 5	147,230	30,598	21%	\$57,390,189	\$1,876	12,925	\$1,680,301	42%
District 6	170,881	16,806	10%	\$26,870,517	\$1,599	4,490	\$583,721	27%
District 7	173,114	13,982	8%	\$22,946,232	\$1,641	4,436	\$576,733	32%
District 8	167,586	19,922	12%	\$35,608,399	\$1,787	7,355	\$956,155	37%
District 9	138,118	33,599	24%	\$64,940,101	\$1,933	17,122	\$2,225,852	51%
District 10	152,272	20,985	14%	\$36,365,521	\$1,733	7,666	\$996,637	37%
District 11	143,444	30,129	21%	\$55,711,534	\$1,849	12,141	\$1,578,334	40%
District 12	163,739	21,870	13%	\$37,815,861	\$1,729	7,132	\$927,201	33%
District 13	172,393	23,771	14%	\$42,036,913	\$1,768	7,663	\$996,142	32%
District 14	162,452	26,265	16%	\$47,240,511	\$1,799	9,561	\$1,242,890	36%
District 15	152,467	38,855	25%	\$73,515,811	\$1,892	16,743	\$2,176,559	43%
District 16	187,570	19,546	10%	\$32,914,711	\$1,684	5,464	\$710,336	28%
District 17	152,237	28,571	19%	\$51,396,497	\$1,799	11,276	\$1,465,842	39%
District 18	174,309	14,393	8%	\$22,434,798	\$1,559	2,666	\$346,634	19%
District 19	172,976	20,100	12%	\$34,307,787	\$1,707	6,295	\$818,344	31%
District 20	151,352	27,884	18%	\$48,564,848	\$1,742	8,958	\$1,164,485	32%
District 21	122,380	39,216	32%	\$79,550,128	\$2,029	16,279	\$2,116,321	42%
District 22	167,718	16,950	10%	\$27,364,033	\$1,614	3,962	\$515,115	23%
District 23	154,949	24,141	16%	\$41,801,491	\$1,732	6,822	\$886,832	28%
District 24	184,271	10,444	6%	\$15,079,756	\$1,444	1,281	\$166,537	12%
District 25	152,519	33,090	22%	\$63,641,163	\$1,923	12,556	\$1,632,320	38%
District 26	162,276	22,863	14%	\$38,604,543	\$1,688	7,421	\$964,683	32%
District 27	171,211	19,658	11%	\$32,581,037	\$1,657	5,790	\$752,662	29%
District 28	160,587	24,164	15%	\$41,151,002	\$1,703	7,842	\$1,019,399	32%
District 29	161,110	22,987	14%	\$39,640,877	\$1,725	7,941	\$1,032,384	35%
District 30	152,830	24,848	16%	\$41,986,514	\$1,690	7,139	\$928,043	29%
District 31	176,295	24,184	14%	\$41,867,018	\$1,731	7,604	\$988,529	31%
District 32	150,236	23,641	16%	\$41,166,531	\$1,741	7,361	\$956,886	31%
District 33	153,600	25,401	17%	\$45,141,101	\$1,777	7,640	\$993,250	30%
Total	5,346,450	781,465		\$1,381,352,353		267,252	\$34,742,760	
Average	162,014	23,681	15%	\$41,859,162	\$1,739	8,099	\$1,052,811	33%

Source: Brookings Institution

Appendix 2

This survey is designed to help the Cuyahoga County EITC Coalition improve tax preparation services offered to the community and to report on program participation. Any information you provide is private. Your participation is completely voluntary. You can choose not to complete the survey and still receive free tax preparation. This survey is designed by the Cuyahoga County EITC Coalition and Policy Matters Ohio.

Date: _____

Site: _____

1. Why did you choose to have your taxes prepared here this year? Circle up to 3.

- a. I came here last year
- b. A friend told me about it
- c. It's free
- d. It's close to where I live
- e. I saw an advertisement about it
- f. Other

2. Last year, who prepared your taxes?

- a. I did not file a tax return
- b. I did by myself or through family and friends
- c. Commercial tax preparer like H&R Block
- d. Store where you purchased other things like furniture, jewelry, car, etc...
- e. A free tax site like this one
- f. Other
- g. Don't know

3. Have you received the Earned Income Tax Credit (EITC) before?

- a. Yes
- b. No
- c. I am not sure/I don't know/I don't remember

4. Where did you hear about the Volunteer Tax (VITA) site for free taxes? Answer up to 3.

- a. From a friend or family member
- b. From a tax preparer
- c. In a newspaper or magazine
- d. On television
- e. Bus or other public transportation
- f. Through a social service agency
- g. From a child care center or school
- h. At work
- i. From a flyer or poster
- j. On the radio
- k. Other
- l. Don't know/Don't remember

5. How do you plan to use your tax refund? Answer up to 3.

- a. To pay bills
- b. To purchase or lease a car
- c. To pay on a house or pay rent
- d. To pay for education
- e. Toward child care
- f. Toward groceries
- g. Toward clothing
- h. Toward home or car repairs
- i. For a vacation or holiday expenses
- j. To pay medical expenses or medical bills
- k. To put in a checking or savings account
- l. Other
- m. Don't know

6. How much do you think the Earned Income Tax Credit (EITC) refund will help your family?

- a. A lot
- b. Some
- c. Not much
- d. Not at all
- e. Don't know / Does not apply to me

7. Have you ever paid for any type of tax service? If yes, for what type of service? Answer as many as apply.

- a. Yes, for tax preparation or to file my return
- b. Yes, for an early or quick refund
- c. Yes, for a refund anticipation loan, "fast-refund" or any type of loan for your taxes
- d. No, I have never paid extra
- e. Don't know/don't remember

8. Do you have a bank account? If so, what type?

- a. Yes, a checking account
- b. Yes, a savings account

- c. Yes, both a checking account and savings account
- d. No, I do not have one but I would like one
- e. No, and I don't want one

Next page, please turn over →

9. During the last two years, did you do any of the following? Circle all that apply.

- a. Took a financial literacy class
- b. Received a loan from a payday lender
- c. Signed up for a credit card
- d. Received a cash advance from a credit card company
- e. Took out a loan at a bank
- f. Made a purchase at a rent-to-own store
- g. Filed for bankruptcy
- h. Signed up for a cell phone

10. Is anyone in your household currently receiving any of the following? Circle as many as apply.

- a. Unemployment compensation
- b. Cash assistance
- c. Food stamps
- d. Child care vouchers
- e. Medicaid or health benefits
- f. Disability

11. Are you male or female?

- a. Male
- b. Female

12. What is the LAST year of schooling that you have completed?

- a. 1-11th grade
- b. High school graduate or GED
- c. Non-college post high school (i.e. technical schooling)
- f. College degree (4 year college)
- g. Don't know

Thank you for your participation in this survey.

- d. Some college
- e. Associate's degree (2 year college)

13. In a typical week, how many hours per week do you usually work? _____

14. What is your age? _____

15. What is your occupation? _____

16. Are you or any immediate family members in a union?

- a. Yes
- b. No
- c. Don't know

17. Just to make sure we have a representative sample, could you please circle your racial/ethnic background?

- a. White
- b. Black/African American
- c. Spanish speaking/Hispanic
- d. Asian
- e. Native American
- f. Mixed race
- g. Other
- h. Don't know/refused

18. Do you use the Internet? Circle all that apply.

- a. Yes, at home
- b. Yes, at work
- c. Yes, at the library
- e. No, and I do not want to
- f. No, but I do want to



If you want to be on a mailing list to receive FREE information about personal and family finance programs, please fill out the below information.

Date: _____

Name: _____

Address: _____

_____ Email: _____

Zip code _____

Phone _____

Which programs? (Circle all requested)

- a) Buying or Maintaining a Home
- b) Starting or Expanding a Business
- c) Pursuing Education Opportunities
- d) Managing Your Money Better, including debt reduction, savings, investments, and credit management
- e) Getting out of Chex Systems
- f) Individual Development Accounts (IDA) Programs
- g) Benefit programs such as Child Care Vouchers, Food Stamps, or Health Insurance for Children
- h) Splitting my tax refund into savings

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