

The Work Supports Initiative

The Work Supports Initiative is a national outreach effort to connect low- and moderate-income Americans with work supports in the form of tax credits, public benefits, and other assistance such as student financial aid, using a Web-based service called The Benefit Bank.[®] Initiative partners have developed a national outreach plan—replicating and extending the successful outreach effort in Ohio—to:

- Deploy outreach in 15 or more states using The Benefit Bank over the next two years
- Connect modest-income Americans to **more than \$2.3 billion in work supports**
- Secure **over \$4.3 billion in impact on the nation’s economic recovery**, and
- Add 10 new states to the initiative during each of the following years

Work supports, such as the Earned Income Tax Credit (EITC) and SNAP (formerly food stamps), help low- and middle-income families make ends meet. These supports increase employment, education levels, and welfare-to-work success ratios, and reduce poverty, hunger, homelessness, and recidivism. When households claim work supports, they spend those dollars in their local communities, boosting economic recovery through multiplier effects. For example, the federal government pays 100% of all food stamp benefits. Every \$5 in food stamps generates \$9.20 in economic activity. Federal Reserve Chair Bernanke testified before Congress that “there is good evidence that cash that goes to low- and moderate-income people is more likely to be spent in the near-term. . . . [This is] good . . . in the sense of getting bang for the buck.”

The problem is that each year more than \$39 billion in work supports, available under existing government-funded programs, are unclaimed by eligible Americans who do not apply. Only 7.2% of Americans eligible for the EITC, SNAP, health insurance, and child care subsidies claim all four of these supports. The National Governors’ Association identifies inconvenience and time off from work as primary reasons why eligible households do not apply for work supports. Other obstacles include complex application procedures, lack of knowledge, eligibility misconceptions, perceived stigma, and inconvenience if work supports are not bundled.

The Work Supports Initiative connects eligible Americans with work supports using The Benefit Bank. Counselors at one-stop Benefit Bank sites pose questions to clients prompted by the Web-based service. The Benefit Bank uses client answers to complete income tax returns and work supports applications. The service is also available in telephone-based and self-service editions. Outreach using The Benefit Bank helps households prepare and electronically file applications for the following work supports, almost all of which are enhanced by the American Economic Recovery and Reinvestment Act, as noted:

- Federal and state income tax returns, necessary to claim the:
 - Earned Income Tax Credit (EITC) (**increased**)
 - Child Tax Credit (CTC) (**increased**)
 - American Opportunity Education Tax Credit (**created**)
 - First-time homebuyer credit (**increased**)
- Free Applications for Federal Student Aid (FAFSA), necessary to claim:
 - Pell Grants (**increased**) and Perkins and Stafford Loans
 - Work-study opportunities (**increased**)
 - All state and most school-funded scholarships and grants

- Applications for other work supports, including those necessary to claim:
 - Supplemental Nutrition Assistance Program (**increased**)
 - Children’s health insurance (**enhanced by other congressional action**)
 - Medicaid (**increased**)
 - Child care subsidies (**increased**)
 - Senior Community Service Employment (**increased**)

The Work Supports Initiative builds on the success of outreach using The Benefit Bank in Arkansas, Florida, Kansas, Mississippi, Ohio, and Pennsylvania. For example, in Ohio, over 3,200 counselors at nearly 900 Benefit Bank sites in 87 of Ohio’s 88 counties connected more than 67,000 Ohioans with over \$101 million in work supports in less than three years. The effort in Ohio was established with funding from National Council of Churches, The Knight Foundation, The Columbus Foundation, The George Gund Foundation, the Governor's Office of Faith-Based and Community Initiatives, and other partners.

As stated by Stacy Dean, Director of Food Assistance Policy at the Center for Budget and Policy Priorities in a report recently completed by Ohio University: “The Ohio Benefit Bank is about five years ahead of everyone else. Every national conference I go to always highlights Ohio’s program. It’s an amazing model that we send other states to examine.” According to an Ohio University study, the Ohio Benefit Bank is expected in its first three years to return more than \$135 million to the Ohio economy and lead to the creation of over 1,000 new jobs. The results so far indicate that the effort will far exceed these projections. The Ohio effort has also resulted in reforms and government efficiencies that make work supports more accessible for eligible households and easier to administer for government agencies.

The initiative seeks to replicate and expand the Ohio model in other states by recruiting and supporting “State Affiliates” consisting of one or more nonprofit organizations to implement outreach. The initiative operates through “State Affiliates,” consisting of one or more nonprofit organizations willing and able to foster outreach efforts to connect eligible households with work supports. Initiative partners are reaching out to nonprofit, government, philanthropic, academic, and public service leaders to bring outreach using The Benefit Bank to additional states and to foster and support State Affiliates in these states. Under the model, The Benefit Bank is free to clients. The training and use of The Benefit Bank service is free to community-based organizations sponsoring Benefit Bank sites.

MDC, Inc., a forty-year-old nonprofit based in Chapel Hill, North Carolina, is the managing partner of the initiative. MDC has experience implementing national and regional initiatives, including Achieving the Dream, a national community college initiative. Another partner, World Hunger Year, will improve and deploy its national database of anti-poverty and anti-hunger organizations and the National Hunger Hotline, which connects hungry and homeless people to emergency food and other resources that can help them move out of poverty. Solutions for Progress, the developer of The Benefit Bank, will tailor the service for each new state and improve the platform to help more Americans claim more supports.

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