

NETWORK



A Publication of Tempe Community Council
Connecting those in need with those who care

SPRING 2008

Inside This Issue

SPECIAL REPORT: <i>ASSET BUILDING - MOVING FAMILIES TO SELF-SUFFICIENCY</i>	2-4
Message from the Executive Director	5
TEAM Tempe photos	6
Good News	7
How you can give	8

Over \$225,000 was raised for **Tempe Community Foundation** from Hearts & Heroes, 100 Guiding Lights, TEAM Tempe, other donations and match through March of 2008!




Coming Events Spotlight

Tempe Mayor's Disability Awards
 WEDNESDAY, APRIL 30, 2008
 3:00 - 5:00 P.M.
 Tempe Center for the Arts

CIS Breakfast
 FRIDAY, APRIL 25, 2008
 7:30 A.M.
 Hatton Hall

Tempe Youth Showcase (see P. 7)
 SATURDAY, APRIL 12
 2:00 to 4:00 PM
 Tempe Center for the Arts.

- In 2006, TCC embarked on a new initiative for the *Tempe Community Foundation*, with four goals for the year ahead:
1. Ask the City of Tempe to turn over the then dormant Tempe Community Foundation (TCF) fund to TCC.
 2. Plan for a "signature event" to promote community awareness for TCF and raise money for the fund.
 3. Conduct the "100 Guiding Lights" campaign to raise \$100,000 or more for TCF from current and former TCC board members.
 4. For the first time, put proceeds from the TCF endowment into the Agency Review process.

TCC is proud to announce all four goals have been accomplished! The transfer of the TCF to TCC was done, the *Hearts and Heroes* event was held on November 4, 2007, TCF proceeds were added to the 2007 Agency Review and 100 Guiding Lights campaign was completed.

Donors to 100 Guiding Lights were recognized at a reception on March 19 at the home of **Donna Killoughey-Bird** (see photo to the right).



THANKS TO ALL WHO HELPED TO CREATE A PERMANENT LEGACY FOR TEMPE!

ASSET BUILDING - MOVING FAMILIES TO SELF-SUFFICIENCY

This year, TCC expanded its program offering through its 5-year old Earned Income Tax Credit (EITC) initiative to include *asset development* strategies. Although increased income is basic to moving out of poverty, income in itself has proven not to be enough. According to a recent AZ Dept. of Economic Security report (Kelly McGowan and Kris Stout, 2007):



“Even families who earn 200% of the Federal Poverty Level need additional supports.

The National Center for Children in Poverty at Columbia University has defined true economic self-sufficiency as:

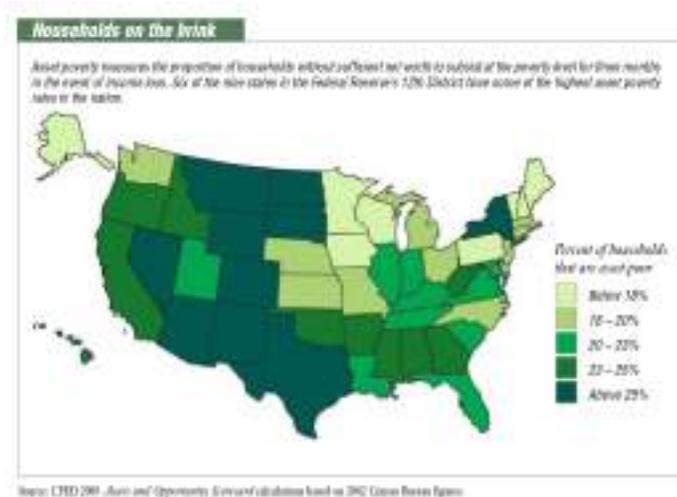
- A stable and predictable income.
- Savings and assets that can help families survive crises and plan for the future.
- Human and social capital (e.g. education, skills and support systems) that help families improve their financial status.”

Arizona ranks 41st among the states in working families who earn less than 200% of the poverty level (“Waging a Living” report, 2006). Because the EITC plays such a crucial role in helping lift families out of poverty, the EITC program has focused on helping low-income families claim the EITC and other tax credits through education about that opportunity and free tax preparation. That activity has produced several million extra dollars flowing into the pockets of low-income families: over \$7.4 million additional EITCs during the three-year pilot period ending in 2005. Research has shown that most families use this extra income to pay bills, repair their autos, education and other immediate needs. However, there are a number of ways that families can use some of those additional funds to build assets that could help to permanently lift them out of poverty.

ASSET POVERTY

Along with its many other low indicators, such as 14.2% of its citizens living below poverty income, Arizona has a high rate of *asset poverty*, defined as *lacking sufficient net worth to subsist at the poverty level for 3 months in the event of an income loss*.

As the map to the right indicates, Arizona has an asset poverty rate above 25% and ranks 42nd among the 50 states for families living in asset poverty (2005 Assets and Opportunity Scorecard).



ASSET BUILDING STRATEGIES

Individual Development Accounts (IDAs) - IDAs are matched savings accounts that encourage families to work and save towards future asset building purchases such as buying their first home, paying for post-secondary education or starting a small business. Participants are required to commit a portion of their monthly income to the IDA account in order to receive matching funds. Many programs additionally require participants to enroll in and attend financial education or trainings related to the specific asset they are saving for. In Arizona, almost 200 low-income families have participated in IDAs through various nonprofit organizations, saving over \$400,000. This equaled \$570,000 in matched savings, \$4.8 million in 56 home mortgages, \$7,000 in tuition, \$680,000 in the value of purchased cars, and \$1,200 in micro-business investments. These numbers not only reflect an improved economic situation for the families who saved, but also a contribution to the overall Arizona economy.



Two recent studies support the effectiveness of IDA's: *Assets for Independence* reports that IDA participants are more likely to own a home, purchase a business or get more education. *The Office for Refugee Resettlement* reported more than 2,700 new homeowners, 1,400 educational purchases and 1,100 small business start-ups.

Financial Education is increasingly being viewed as an effective method for helping families navigate the path to asset accumulation, further enabling them to become economically self-sufficient. Prominent studies on financial education suggest that the most effective way to teach financial literacy is through “teachable moments” when individuals are prepared to receive and integrate valuable information. In the case of financial education, these moments can come when someone is ready to purchase a house or nearing retirement. They can also come when someone faces the reality of debt collection or unpaid bills. At these moments, the message of financial literacy and the necessity of increasing financial knowledge is more immediate and has a greater effect. (McGowan and Stout)

ALLIANCE FOR INCLUSION

The Federal Deposit Insurance Corp. (FDIC) has initiated the *Alliance for Inclusion* (AEI) to move low-income people from the “unbanked” population. According to the FDIC, “There are an estimated 28 million unbanked and 44.7 million under-banked people in the U.S. today, representing a potential market of 40 million households with little or no current relationship with a financial institution. Underserved consumers generate more than \$1.1 trillion in annual income, of which unbanked consumers represent nearly \$510 billion each year...Economic barriers, such as lack of liquidity to carry account balances and bank fees; structural barriers (e.g., bad prior experiences..., lack of sufficient identification); and...unfamiliarity with banks or distrust of banks are the most common reasons why people are unbanked. Unbanked and under-banked individuals rely on a mix of non-bank financial service providers for their needs and are willing to pay the high fees associated with these alternative providers in exchange for the convenience of locations and relative ease in cashing checks, paying bills and accessing cash.”



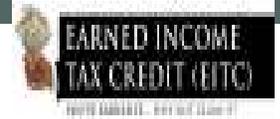
The AEI seeks to counter this situation by “...working to increase banking services for underserved consumers in low- and moderate-income neighborhoods, minority and immigrant communities, and rural areas. These expanded services include savings accounts, affordable remittance products, targeted financial education programs, short-term loans, alternative delivery channels and other asset-building programs.”

UNITED WAY INITIATIVE

The national United Way organization has established the *Financial Stability Partnership* to help hard-working families become financially stable and take the next steps to long-term independence. The initiative seeks partners to implement strategies such as financial literacy classes, no- or low-fee bank accounts, volunteer tax advisors, credit counselors and debt reduction.



ASSET BUILDING - continued



NEW TCC EITC PROGRAM FEATURES

From its inception, the basis for TCC's EITC initiative has been these activities:

- *Public Awareness* - Informing people about the availability of EITC and other tax credits;
- *Free Tax Preparation and E-filing* - Recruiting and training tax preparation volunteers and providing free tax preparation services to low income families.

Those two activities continue as the bedrock of the program. The *Asset Development Initiative* adds these elements:



Financial education workshops through collaborative partner Newtown Community Development Corp. Newtown offers three workshops to initiative participants including: 1) Analyzing and Improving Your Credit; 2) Money Smarts for Homeownership; and 3) Homebuyer Education. The courses are offered in English and Spanish and provide participants with a completed action plan at the conclusion of the session.



Asset Counseling is offered to all free tax preparation clients. The counseling is conducted by professional staff and helps participants determine their current assets and opportunities for developing additional assets such as an IDA. Newtown CDC has created an IDA program for homeownership in Tempe and is recognized for having one of the more successful programs in Arizona. Since starting the program in 2002, Newtown has provided 85 first time homebuyers over \$1.3 million in IDA match funds for a total home purchase price for the homes of about \$14 million.



Savings Screenings - As part of the tax preparation services, participants will be offered an opportunity for a savings health screening. This service screens individuals and families to determine their needs in regard to opening a savings account and/or developing a savings plan.



APR Alternative Refund Anticipation Loans to attract low income taxpayers who typically pay significant fees to have their tax returns prepared and Refund Anticipation Loans (RALs) initiated.



More comprehensive data collection about the asset behaviors of Initiative participants, to be used to plan for program enhancements and refinements.



Expansion of volunteer recruitment to include financial education instructors and coordination of their training by *Newtown* and *Arizona Saves*.

BOTTOM LINE

If you would like to help Tempe families become self-sufficient, consider volunteering email **Diane Bennett**, Initiative Director at ddb1125@aol.com for more information).

Volunteer Position	Desired Skills/Commitment
Financial Education Instructor	Ability to teach and inspire; background in teaching, real estate or finance; able to volunteer 3 hours per month during evening and weekend hours.
Tax Preparer	Attend 20 hour Tax Law class during November & December; pass IRS Tax Law test; attend 6 hour Taxwise software training; volunteer for a total of 20 hours on four Saturdays during tax season
Asset Counselor	Social Work education and/or experience; help raise awareness of asset building opportunities among taxpayers; attend 3 hour Asset Opportunities training; volunteer for a total of 20 hours on four Saturdays during tax season
Program Outreach Assistant	Excellent organization and computer skills; help promote Initiative activities, record and analyze evaluation data; able to volunteer during the work day 6 hours/ month , October – April.

MESSAGE FROM THE EXECUTIVE DIRECTOR



THANK YOU to all our sponsors for making the 1st annual run for **TEAM Tempe** such an enormous success!

Katherine Healey

GOLD SPONSOR



SILVER SPONSORS



BRONZE SPONSORS



ADDITIONAL SUPPORT PROVIDED



TEMPE NAMED "100 BEST" FOR THIRD YEAR

The America's Promise Alliance, founded by Colin Powell, has named Tempe as one of *100 Best Communities for*

Young People for the third year in a row! Tempe was chosen because of the community's longstanding commitment to its young people and the creation of excellent programs, including the **Tempe Committee on Youth, Family, and Community (CYFC)**, **Tempe/Kyrene Communities in Schools** and **Kids' Zone Enrichment Program**.

CYFC developed and implemented an award winning after-school program that is available on every elementary school campus and serves all Tempe children regardless of ability to pay. Tempe/Kyrene Communities in Schools is dedicated promoting community/school/parent relationships to encourage young people to stay in school and prepare for life. It has developed nine Family Resource Centers in high-poverty Tempe elementary schools and since its inception, 14 years ago, has helped the dropout rate decrease from 7.14% to less than 2% district-wide. The City of Tempe Kid Zone Enrichment Program serves latchkey children at all 19 elementary schools in Tempe, where children receive snacks, homework assistance, access to learning centers and free enrichment classes.



TEAM TEMPE AT PF CHANG'S MARATHON



TEAM TEMPE - Led by Mayor Hugh Hallman (center)

On January 13, 2008, **Mayor Hugh Hallman** and over 60 Tempe residents hit the streets to run the PF Chang's Rock 'n' Roll Marathon/Half Marathon. Thanks to their tireless efforts over \$15 0,000 was raised through corporate and individual donations to benefit the Association for Supportive Childcare, Centers for Habilitation/TCH, Tempe Family YMCA and the **Tempe Community Foundation**.



Runners nearing finish line at the 3-hour mark.



HATS!! Displayed above are some of the sponsor hats worn by **Mayor Hallman** at each mile of the race (see Kate Hanley's column on previous page for a complete sponsor list)



Helping the Mayor (r.) celebrate his birthday at the race tent are (l. to r.) **Emily Bond** of Vestar and Tempe Councilmember **Shana Ellis**



GOOD NEWS

Tempe Schools Credit Union Nationally Recognized For EITC

Tempe Schools Credit Union (TSCU) has received one of the highest honors in the Credit Union industry as an honorable mention for the *Dora Maxwell Social Responsibility Recognition Program*, established to encourage credit union involvement in community projects and activities.

Pictured to the right is **Margaret Hunnicutt**, TCSU CFO and incoming President of the Board for TCC, hard at work preparing tax returns. The EITC program is a partnership of TCC, the City of Tempe, the Town of Guadalupe, IRS and TCSU. TCSU began hosting the EITC program in 2004 under the able management of Ms. Hunnicutt.



During the week of March 3rd, Ms. Hunnicutt and **Steve Hazel**, CEO of TSCU, accepted the award in Washington, D.C. with Hon. **Harry Mitchell**, former Mayor of Tempe and U.S. Congressman in attendance.

The City of Tempe has also issued a proclamation proclaiming February 7th, 2008 as Tempe Schools Credit Union Day in Tempe, AZ.

The VITA program runs every Saturday through April 12th from 9:00 a.m. to noon at Tempe Schools Credit Union, 2800 S. Mill Avenue.

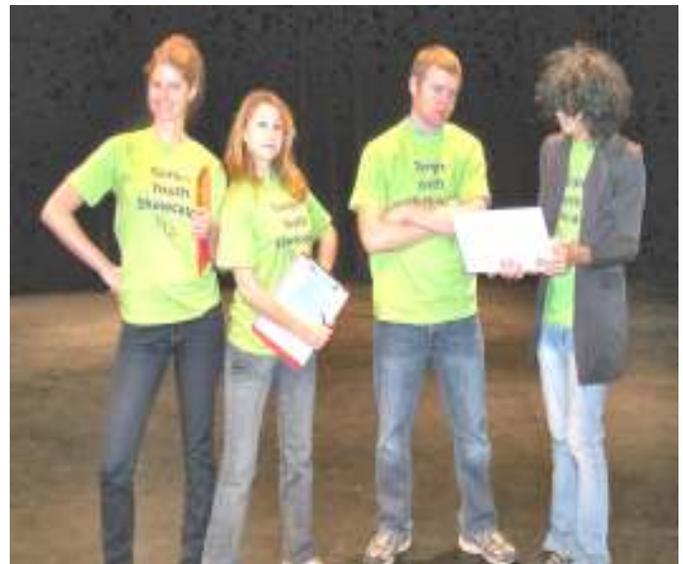
EITC RESULTS AT TSCU THROUGH MARCH 1, 2008

- ▶ 408 tax returns prepared
- ▶ Earned Income Credits = \$261,604
- ▶ Total Federal Refunds = \$660,394
- ▶ Average Federal Refund = \$1,619
- ▶ Average Adjusted Gross Income = \$23,319

Tempe Youth Showcase

The second annual **Tempe Youth Showcase** will be held *April 12 from 2:00 to 4:00 p.m. at the Tempe Center for the Arts*. The show is entirely produced by young people (see production team to the right: **Sarah Langley, Leah Stonefeld, Scott Tippett, and Dace Allen**).

Featured are some amazing youth doing what they love. Where else could you hear a 12-year-old boy who learned to play the accordion over the Internet? How about the bluegrass band that was formed by an elderly lady to give the children in her neighborhood something to do? The event is FREE (donations will be gladly accepted). Seating is limited to the first 600 people.



HOW YOU CAN GIVE



TCC welcomes your financial help. Here are your opportunities:
Simply make a check out to “Tempe Community Council”, note on the memo line how you would like your gift directed and send it to TCC at the address below on this page:

Cinderella Affair - making proms affordable to all.

Open Horizons - child care scholarships for parenting teens.

Communities in Schools - helping children be successful in our schools.

Tempe Community Foundation - a permanent endowment to benefit human services in Tempe under the administration of the AZ Community Foundation.

Tempe’s Help to Others (H2O) - funding help for those most in need through local nonprofits.

Tempe Community Council - connecting those in need with those who care.



You can also give directly on the web....

[/www.tempe.gov/tcc](http://www.tempe.gov/tcc), click on “How to Donate” at the top of the page, OR go directly to these individual websites:

Cinderella Affair - www.cinderellaaffair.org/

Open Horizons - www.tempe.gov/tcc/OpenHorizons/

Communities in Schools - www.tempe.gov/tcc/CIS/

Tempe Community Foundation - tempecommunityfoundation.org/

Help to Others (H2O) - www.tempe.gov/tcc/

NOTE: Funds contributed to Tempe Community Council may be used and/or distributed when and as Tempe Community Council deems appropriate, in its sole discretion, in furtherance of growing human service funds for Tempe.

To update your mailing information, to receive this newsletter through email instead of postal mail or to unsubscribe, please call or email: Cindy Kominska, (480) 858-2306, cindy_kominska@tempe.gov.



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34 E. 7th Street, Bldg. A
Tempe, AZ 85281

Phone: (480) 858-2300
Fax: (480) 858-2319

Editor: Steve Wise

