



**C A F C A**

**Connecticut Association for Community Action, Inc.**  
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## **Connecticut Community Action: Partnerships that work. Results that matter.**

CT's Community Action Agencies (CAAs) are the federally-designated network of anti-poverty agencies in Connecticut. CT CAAs are foundational partners in CT's Human Services infrastructure (HSI) and form a Results-based statewide service delivery system. With services benefiting more than 266,000 people annually, CT CAAs achieve positive results that change lives and strengthen communities.

### **Expand opportunities for working families to save and build assets**

- **Create a refundable State Earned Income Tax Credit program at 20% of federal EITC.** The National Center for Children in Poverty found that the federal EITC reduces child poverty by nearly 25%—more than any government program. The proposed state EITC piggybacks on the federal EITC, providing low-income working families with a refund matching 20% of their federal EITC. A state EITC would reward work, help our low-wage working families build assets, and compensate for the regressive nature of sales and property taxes.
- **Expand the Connecticut Individual Development Account program by \$500,000 per year.** This would provide matching funds for clients saving for assets such as the purchase of a home, education, starting a small business, security deposit on an apartment, or the purchase of an automobile. Allocate \$250,000 in TANF funds towards post-secondary education IDAs to help TANF clients earn matching funds for college.
- **Expand financial literacy and EITC outreach.** The US savings rate has sunk to the lowest level since the Great Depression. Low-income people are particularly vulnerable to unfair lending practices and the burden of debt. Expanded support for financial literacy programs will teach people skills about money management, connect people to legitimate banking services, and teach them to save and invest in their own future.

#### **Examples of asset development and financial literacy outcomes reported in 2006:**

- **6,458 people** demonstrated an increased ability to manage their income to build their savings or assets through various asset-development programs, including:
  - **4,494 people** obtained refunds and tax credits through CAA tax preparation services.
  - **\$8.6 million** in refunds, earned income and child tax credits were returned to our communities in 2006.
  - **1,293 people** demonstrated ability to complete and maintain a budget for more than 90 days.
  - **348 people** opened an IDA or other savings account and increased their savings and \$128,552 in savings was accumulated.
  - **120 people** purchased assets, including 67 homes, 25 small business capitalizations, and 28 attended post-secondary education.
- **21,551 people** demonstrated increased knowledge about managing income and household budgets through financial literacy workshops.

#### **The Return-on-Investment for VITA/Tax Preparation:**

- **For every dollar invested, \$25.51 was returned.** In-kind staff, volunteers and other resources valued at approximately \$337,125 produced 4,494 tax returns with refunds and credits totaling more than \$8.6 million.

**For more extensive information, visit our web site ([www.cafca.org](http://www.cafca.org)) for our annual report, *Connecticut Community Action: Partnerships that work. Results that matter.***