

Make Tax Time Pay: Program and Systems Change Successes

This community story about Make Tax Time Pay – a highly successful Vibrant Communities Edmonton initiative – reviews efforts to develop, sustain and transition the program’s operational elements. It also traces MTTP’s impact on organizers in Calgary and the challenges associated with making systemic (tax system) change.

Introduction

Governments expend a lot of resources establishing and operating income support programs; informing people of their existence and helping them navigate the applications procedures requires ongoing effort and funding. At the same time, many people living on low income are too busy trying to survive to spend time researching the benefits and subsidies for which they might qualify. Tax forms can be daunting and ‘government’ is not always seen as a benevolent, generous and trusted friend.

In the early 2000s, staff members at the Alberta Employment and Immigration (AE&I) became concerned about lower-than-expected uptake rates (34 percent) for the recently established Alberta Child Health Benefit (ACHB). On average, this program provides an annual \$265 per child for prescription drugs, dental and optical care, and emergency ambulance services.

In 2004, Vibrant Communities Edmonton (VCE) set itself up as a collaboration that would focus on the goal of improving family economic success, a poverty reduction framework developed by the Annie E. Casey Foundation. There are three key areas of focus of the FES strategy:

- asset-building – strategies to help families build wealth and save for the future
- family economic supports – public and private supports to help families establish credit, reduce debt and increase their financial security
- workforce development – the skills and education necessary to get good jobs and build careers.

Aware of AE&I concerns about Alberta Child Health Benefit uptake, VCE developed the Make Tax Time Pay program (MTTP) as its first and flagship initiative under the family economic supports pillar of its strategy.¹

Vibrant Communities Edmonton's change process

Every Vibrant Communities convenor organization is required to establish a framework for its efforts. This statement provides a snapshot of the poverty profile of the community, the convenor's goals, the organizational structure of the initiative, possible strategy areas and the anticipated impact (number of households positively affected by the work).

In late 2003, a 21-member Leadership Council was established to guide the work in Edmonton. Focusing on the city's high 20 percent low-income rate and a number of associated challenges – low-paying jobs in the retail, accommodation and food sectors, inadequate public transportation, affordable housing shortages and a high number of payday loan operations – VCE set a three-year goal of building family economic success (FES) for 1,000 Edmonton households. Strategies were developed to address the three FES areas.

The key phrases coined to describe the approach centered on movement – toward family economic success and from “surviving to thriving.”

Early days

Since the 1970s, Canada Revenue Agency's Community Volunteer Income Tax Program has trained community volunteers to help people fill in their tax forms. Taking this idea several steps further, VCE decided to establish Make Tax Time Pay sites where people could get help to complete their tax forms and the applications for various subsidies and benefits for which they might qualify.

In time for tax year 2005, VCE worked with community partners to identify 16 MTTP sites that were convenient to parts of the city with high concentrations of people living on low incomes. VCE recruited volunteers to educate tax filers about municipal, provincial and federal benefits and subsidies for which they might qualify. CRA ran training sessions for MTTP to familiarize volunteers with the various tax forms and benefit requirements.

VCE assembled binders with the key forms and procedures volunteers required to do the job, and made sure that project locations were properly staffed and equipped. At each site, people could bring their completed tax returns and receive the forms and help they needed to apply for up to nine additional benefits and subsidies. Information about the program was sent out through collaborative networks in Edmonton, including 211 (the Community Support Network), businesses, nonprofit organizations, elementary schools, government employees and people living on low incomes.

The second year of the program, MTTP materials were further customized to assist new immigrant groups. Funds were secured to purchase laptops so that electronic returns could be submitted more quickly and easily. Volunteers were trained to specialize in either the tax forms or the benefits and subsidies forms. The project manual now had information for each site host and coordinator, and included easily photocopied pages of instructions and duties, and a week-by-week countdown of tasks. The Edmonton Public Library agreed to catalogue the binder for circulation and a copy was sent to each library branch, accompanied by a promotional poster.

By now, organizers recognized that MTTP could achieve three kinds of outcomes: It could put more money into people's pockets, create local capacity to train and develop a corps of community volunteers, and clarify the need for greater government awareness and understanding of the barriers that stood between benefits/subsidies and the people who needed them.

MTTP operated under VCE direction from 2006 to 2009. At its peak in 2009, the program included 28 sites across Edmonton and involved more than 200 volunteers. Over those first four years, the program helped 4,446 Edmonton residents put more tax dollars back into their pockets.

A new home for a proven program

Vibrant Communities Edmonton had designed MTTP with a view to transferring its operations to a suitable partner organization once it proved its value to the community. In 2008, VCE completed a leadership and operations review, and concluded that the time was right to find another home for the initiative. Edmonton City Centre Church Corporation (E4C), a charitable human services organization founded in 1970, entered discussions with VCE Director Janice Melnychuk. E4C's offices had been a partner delivery site for MTTP, so its staff and Board of Directors were very familiar with the program.

MTTP helps people access:

- Goods & Services Tax Credit (GST)
- Canada Child Tax Benefit
- Canada Learning Bond (new in tax year 2009)
- City of Edmonton, Leisure Access Pass
- Alberta Child Care Subsidy
- Alberta Child Health Benefit
- Alberta Adult Health Benefit
- Alberta Blue Cross Subsidy
- Alberta Centennial Education Savings Plan (new in tax year 2009)

Says E4C CEO Michael Farris: "We liked what we saw in Make Tax Time Pay. It fit our mission and it had good partners. It put real dollars in people's pockets and linked them to benefits for which they were entitled. MTTP provided E4C with another positive way to connect with people and – as appropriate – link them to supports like literacy training and affordable housing. The program also fit with E4C's strategic efforts to build collaboration and partnerships, and to enhance the capability of the nonprofit and voluntary sectors."

While operating MTTP in 2009, Janice Melnychuk and VCE staff members Emily Wolbeck and Karina Hurtado put together summary documents that would ensure a smooth transition from VCE to E4C. During this time, Emily met Michael Farris at a professional development workshop. Both felt that her experience with the program, network of relationships and

personal commitment to the values espoused by E4C (courage, compassion, connection, commitment) made her the right person to continue directing MTTP after it was handed over by VCE in the spring of 2009. VCE had also worked with E4C to secure transition funding and some program funding for 2010.

E4C was able to build on MTTP's successes with no discernible problems or concerns. In 2010, E4C worked with 259 volunteers in 22 program sites. The initiative also helped E4C develop stronger relationships with other Edmonton nonprofit organizations. Tax returns were filed by 4,176 families and individuals who expected to claim more than \$1.1 million in tax refunds and applied for more than 1,300 benefits and subsidies.

Says Michael Farris: "We saw a 12 to 14 percent increase in both the number of participants and the quantity of rebates and benefits for which they enrolled in our first year of operating MTTP. We worked with CRA to further develop the volunteer training component and we continued the tradition of hosting volunteer appreciation events."

Tailoring the work to a different context

Personnel at the United Way of Calgary and Area's Poverty Reduction Coalition (PRC) had also identified benefits and subsidies access as an important issue. In 2006, (then) PRC Director Chris MacFarlane and her colleagues realized the discrepancy between the number of people accessing the Alberta Child Health Benefit and the 6,000 children who potentially qualified in Calgary. PRC partnered with Alberta Employment and Immigration to raise awareness of the ACHB and other benefits among service providers. During an 18-month pilot period, a PRC staff member and an AE&I trainer and manager offered information workshops to service providers in the Calgary area. Sessions were attended by some 500 people employed in local agencies that served children, adults and families.

After learning about the MTTP project in Edmonton, Chris met with CRA representatives in Calgary but was unable to arrive at a volunteer training arrangement similar to the one designed for Edmonton.

The benefits training had resulted in increased benefits access for families and individuals. To ensure that this upward trend continued, the Poverty Reduction Coalition made benefits and subsidies application forms available to all appropriate agencies and added a "Benefits Calculator" to the United Way's website. Agency staff members could go on-line, calculate an applicant's benefits to direct or assist them in completing the necessary forms (www.reducepoverty.ca/benefitscalculator/index.php).

The Calgary offices of H&R Block, a for-profit tax preparation company, had already added pop-ups to their on-line income tax forms to flag benefits for which applicants might be entitled. PWC brought other benefits to the H&R Block area manager's attention. In turn, he became interested in sharing this type of information with H&R Block branches in other parts of

Volunteer impacts

When people are experiencing stress, what they often really need is simply someone to talk to, one-on-one, in person. This is particularly true for new immigrants who are trying to cope with unfamiliar financial regulations, a new language and the pressures of school, work and family.

Former VCE employee, now community volunteer and financial literacy trainer Karina Hurtado has a message for MTTP host organizations: the program does much more than help people fill in their tax forms. For a neighbourhood, establishing an MTTP site helps build the area's community assets. For volunteers, MTTP involvement can have large, lasting benefits.

Karina was born in Peru and knows first-hand that people from other countries may be unaware of Canada's culture of volunteerism. Says Karina: "Volunteering in the community provides an important route into the job market. People can wait for the telephone to ring with a job offer, or they can become active in the many opportunities that exist in the community. This is especially important for people facing accreditation issues. Volunteering provides a way to gain work experience and breaks the 'no Canadian experience, can't find a job in Canada; no job in Canada, can't get Canadian experience' Catch 22."

Karina's work at Norquest College confirmed for her that educational institutions are ideal places to teach new Canadians about money management and the Canadian tax system. Says Karina: "It can be hard to reach every immigrant group because they vary so much in their organizational structures and levels of community involvement. When student volunteers work on MTTP issues together, their differences fade into the background and their focus becomes how to help a family with its taxes and access to government benefits. They grow in confidence and feel proud of the work they are doing."

MTTP volunteers come to see that little pieces of information can have life-changing consequences. One client had used a professional tax preparation firm in a previous tax year, and because she didn't know about keeping her child care receipts, failed to claim some of her expenses. She was thrilled and excited that MTTP helped her get a large tax refund. "Many people take for granted the little things they know about money management," says Karina. "For people living on low income, little things add up."

the province. Calgary H&R Block staff learned more about benefits and subsidies and made 150 free income tax preparation coupons available to low-income families.

Says Chris MacFarlane: "H&R Block was a very supportive corporate partner. We were also really pleased at the relationship that emerged between the United Way and Alberta Employment and Immigration, and we received positive feedback from the agencies that had come for benefits training. One organization that serves recent immigrants reported that they registered 400 people in one week for benefits that they would not otherwise have received."

One further difference between Edmonton and Calgary's benefits uptake work had to do with the role played by volunteers. Edmonton's MTTP work gave volunteers the opportunity to offer

assistance to people struggling to make ends meet. In some cases, people using the service assumed that MTTP personnel were government employees, and were both surprised and pleased to discover that someone would help them out of a sense of compassion and community spirit. It made for a qualitatively different experience from Calgary's social service agency and corporate partnership arrangement.

Improving benefits uptake was the critical issue in both Edmonton and Calgary. Organizers in each city used local conditions and relationships to their best advantage. Edmonton's MTTP brand helped legitimize the work under way in Calgary, while Calgary's Benefits Calculator proved to be a helpful tool for social agencies in both cities. Says Chris: "People feel empowered if they can better understand the systems that shape their lives. Both cities responded to the same issue with a different program – both required resources and partner support."

Evolving systems

Make Tax Time Pay is an effective – but expensive and labour-intensive – programmatic response to the problem of inadequate family income. Its originators had hoped that they could get benefits information embedded into federal tax forms and eventually retire the annual MTTP campaign.

Says former VCE Director Karen Gingras: "The Alberta Child Health Benefit presented itself as the easiest of several benefits to describe to people. Initially, we had difficulty bringing the right people together to talk about changing the tax forms, but after a few tries, we formed a working group that was committed to finding solutions."

Some of the discussions focused on the complexity (read: impossibility) of customizing the 1,155 sections of the federal income tax forms to the individual benefits programs developed by Canada's ten provinces and three territories.

Lynda Cantell is Manager of Health Benefits for Alberta Employment and Immigration. She is responsible for getting the health benefits under her department's jurisdiction into the hands of people living on low income. Says Lynda: "Thanks to our discussions with Karen Gingras and to an earlier agreement between the government of Nova Scotia and CRA about a similar benefit, the federal people agreed to work with us. Based on the previous year's tax return, they send an ACHB application form and cover letter to all Alberta families that potentially qualify for ACHB."

Lynda continues: "MTTP came at a critical moment in our understanding of how to best communicate with the wider community. Our work with CRA to get our ACHB materials out to low-income families had taught us that marketing directly to the public was a big and very important step. MTTP program volunteers come from a variety of backgrounds and organizations, and their efforts to spread information – both among potential recipients and across the community sector – showed us how important it was to develop new ways to get our messages out."

Further: “Our department was predisposed to doing benefits uptake work, but MTTP helped accelerate our efforts to engage the wider community. Previously, we had worked with health care professionals as our first line of community educators, with limited success. MTTP volunteers and community groups gave us a better way to communicate with people. We knew we needed people to *want* to sign up for benefits, but confusing forms and the spectre of big government were getting in the way. As a department, we are continuing to reach out to more community groups, particularly those serving new Canadians, with positive results.”

ACHB uptake statistics showed steady increases between 2005 (69,000 children) and 2009 (80,678 children). The first two CRA mailings in 2008 may have helped bump up applications to an all-time high of 100,000 children. A subsequent decline to 80,678 in 2009 was likely linked to the economic downturn which forced some Albertans to move from employment to income support programs. In such cases, other health benefit coverage is made available to families with children. Says Lynda: “Because we are unable to track individual tax filers, the system does not allow us to know for certain what impacts our efforts are making. Increases in applications have coincided with the timing of our eligibility changes and CRA mailings, so we have a gut sense that these things are making a difference.”

Alberta Employment and Immigration applied its ACHB and MTTP lessons to improving the uptake of its adult health benefits program. The decision to raise qualifying income levels in 2007-08 and improved program information dissemination helped raise the number of households applying from 2,087 in 2005 to the current level of 9,064.

MTTP Outcomes Summary

<i>Tax Form Completion Year</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Sites	16	21	25	28	22
Volunteers	no data	111	222	300	259
Community groups	23	20	25	28	25
Clients served	530	783*	1,367	1,766	4,176
Benefits/subsidies applied for	422	343	689	1,087	1,393
Tax dollars returned	not tracked	\$78,357	\$669,526	\$938,803	\$1.1 million

* Canada Revenue Agency decides to scale back its 20-year-old Community Volunteer Income Tax Program. This initiative had helped approximately 5,000 Edmonton residents complete their income taxes annually.

The large increase noted in dollars returned between 2006 and 2007 tax years resulted from improved tracking measures.

Make Tax Time Pay’s legacy

Current Vibrant Communities Edmonton Director Janice Melnychuk sums up MTTP this way: “Government continues to use the tax system to assist income redistribution, so it is vital that people get their taxes done to receive income enhancements they are entitled to by policy.” Alerting people to the importance of completing their income taxes was the basis for all the work that followed.

In its original partnerships with CRA and Alberta Employment and Immigration, VCE demonstrated the value of working simultaneously on programmatic and systemic changes. Each activity enriched and informed the other, resulting in greater efficiencies in both MTTP operations and ACHB administration. The ripples created by MTTP extended to Calgary, provincial and federal government operations and into many volunteers' and program users' lives.

Says Lynda Cantell at Alberta Employment and Immigration: "Working on the policy issues raised by MTTP confirmed that, while government is constrained by the realities of budgets and protocols, the will exists to collaborate with the community to make positive change."

MTTP's transition to E4C provided an injection of energy and ideas into the program. To date, participation and family incomes have continued to increase, but there remain questions about how the program's ultimate success will be measured. What uptake rate will signal that the awareness-raising work is 'done?' If participant and volunteer numbers begin to drop off, will it be a sign of program fatigue or that a high degree of community awareness has been achieved? For government representatives, how can communities be more closely involved in setting uptake targets and assisting in spreading the word about benefits? How can uptake rates for all nine MTTP subsidy and benefits programs be improved?

Slow, careful work to build relationships and awareness at all levels of the community on the issue of family economic success, and creating a sense of shared purpose, were perhaps MTTP's most important and enduring legacies.

Anne Makhoul and Mark Cabaj

Anne Makhoul is the principal writer of the Caledon Institute's 'community stories' series. Mark Cabaj is Executive Director of Vibrant Communities Canada.

Endnote

1. VCE's MTTP work was inspired by an example of alerting low-income seniors to the Guaranteed Income Supplement – a project undertaken in 2002 by fellow VC convenor Opportunities Waterloo Region.

Copyright © 2010 by The Caledon Institute of Social Policy
1390 Prince of Wales Drive, Suite 401, Ottawa, ON K2C 3N6 CANADA
E-mail: caledon@caledoninst.org Website: www.caledoninst.org
Phone: (613) 729-3340