

CSBG SPOTLIGHT: New Orleans' "Economic Boost"

By Beenu Puri

Total Community Action, Inc. (TCA) has been serving New Orleans, Louisiana since 1964 to ease the social and economic conditions that perpetuate poverty. TCA offers services to the poor and near-poor via direct assistance and opportunities for people to better help themselves. Their many services include early childhood development, energy and water assistance, job counseling and guidance, transportation and youth work experience. Recently, TCA has compiled a report entitled, *"An Economic Boost for the New Orleans Community"*, as part of their ongoing service to encourage citizens and leaders of the state of Louisiana and New Orleans to raise awareness on a poverty reduction policy.

TCA administers asset-building programs, such as Earned Income Tax Credit (EITC) and Individual Development Account (IDA) programs, to educate the public on currently existing poverty reduction initiatives. The report reflects on the programs and actions of the Volunteer Income Tax Assistance (VITA) sites and their economic impact on the city broken down by Congressional districts. The report also consists of a demographic analysis of 1,574 of the 2,553 (66% participation) low-income filers assisted by TCA VITA year.

In 2001, TCA began their VITA program by partnering with the Internal Revenue Service (IRS) and the New Orleans Legal Assistance Corporation (NOLAC) to educate taxpayers on the benefits of the Earned Income Tax Credit (EITC). In their first year, 7 VITA sites helped process 500 tax returns.

After their initial success, TCA partnered again with the IRS and NOLAC for the 2002-2003 tax season to assist and educate over 2,100 members of the community on the EITC, the Child Tax Credit and the Advanced Income Tax Credit. In addition, TCA partnered with a local bank, Liberty Bank, to provide check cashing opportunities for tax payers who did not have access to banking systems. Customers were able to cash their returns at one of the Liberty Bank branches for a \$3.00 fee.

This year, a total of nine VITA program sites, staff and volunteers assisted 2,535 individuals file income tax returns of which \$2,709,733 in EITC dollars were requested to benefit the Greater New Orleans area. TCA VITA surpassed their previous record from last year with an increase in 87%.

The report also serves as an indicator of the number of households that have not yet been reached to participate in the VITA programs, such as those individuals without transportation and those who may be institutionalized or incarcerated. The authors of the report utilized additional economic indicators and tools to highlight the inequality among income distribution within New Orleans.

Census data included in the report estimates that over 64,000 households in the greater New Orleans area are eligible for the EITC totaling over \$71 million. Although a study in 2001

indicated that New Orleans had some of the greatest number of applicants for the EITC, many of those paid to have their taxes prepared, therefore limiting the impact of the EITC as an anti-poverty program. The report also indicates that if this year's success rate is attained in 2005, the community can receive an additional \$3.2 million.

It is TCA's goal that the report be utilized to enhance their 2004 EITC tax initiative by contrasting both successes and shortcomings. The report will also be instrumental in assisting TCA create a year round program on tax education. Peter Dangerfield, Executive Director of TCA, asserts that "poverty reduction is not something that should just occur 4 months out of the year. It is an ongoing process [that] should have the attention of the community 12 months out of the year."

For more information on TCA's report and VITA program, please contact Peter Dangerfield at pdanger@totalcommunityaction.com or visit their website at www.totalcommunityaction.com.