

“What’s a foundation like *you*
doing in a place
like this?”





Our core belief:

Children do well when their families do well;

Families do better when they live in supportive communities.

3



How Are Rural *Communities* Doing?

Tough Transitions

- **Old economic drivers** have lost their engine.
- **New economic drivers** are developing (quickly in some places, almost imperceptibly slowly in others)
- Increasingly **missing the middle**
 - 1) Middle age
 - 2) Middle class

4



- **Changing spatial realities**
 - 1) The world is flat; the market is global
 - 2) Virtual connections are required; regional connections are critical.

- **Stressed communities (economically, socially) + stressed families => heightened vulnerability**

5



How Are Rural Families Doing?

- Most families work hard. Many struggle to get ahead.
 - **Low wages** – One in four rural workers make wages that would not lift a family of four above the poverty level
 - **Environments vary** -- Some live in struggling communities, some struggle in thriving communities
 - **Special obstacles** – Limited opportunities; hard to find appropriate supports; easy to find predatory practices

6



How Are Rural Kids Doing?

- Nationally, in 2005, more than 22% of rural children lived in families in poverty (up 3 points since 2000)
 - **Maryland: 17% of rural kids <18 lived in families in poverty.**
1)2.2 point increase since 2000
- 27% more live in working poor families
- Nearly half of rural Maryland kids live in families who struggle to get by, let alone get ahead.

7

What would make a difference? Family Economic Success

Families “getting by” and “getting ahead” today;

Building strong financial futures;

Contributing to and buoyed by thriving communities





What would it take to increase **Rural Family Economic Success***?

- **Earn It** – Increase earnings and income
- **Keep It** – Stabilize financial lives
- **Grow It** – Acquire assets and build wealth in thriving communities

*AKA RuFES

9



The whole > than the sum of the parts

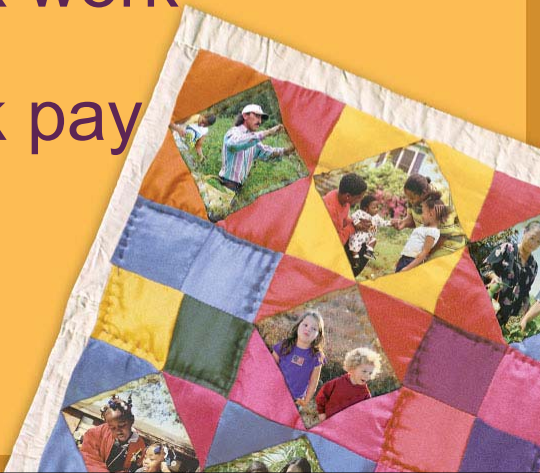
- Quilted together
- With families at the center
- Intentional and targeted -- remember rising tides don't lift leaky boats.

10

Earn It

Make work work

Make work pay



Earn It

Desired Result:

- **Confident, predictable, sufficient earnings and income.**

Issues to Address:

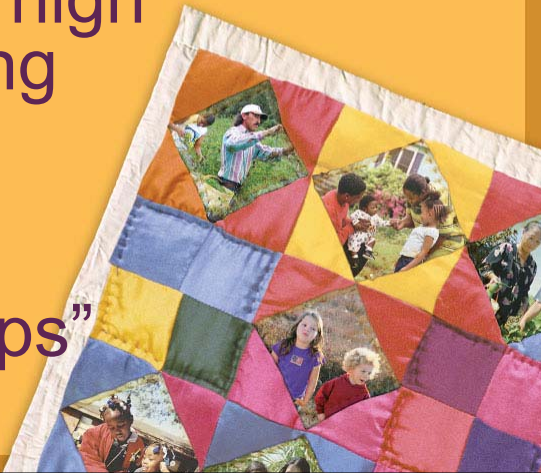
- **Readiness to earn *skills match jobs***
- **Opportunities to earn *better jobs + pipelines to them***
- **Closing the earnings gap *EITC; work supports***

12

Keep It

Lower the “high cost of being poor”

Avoid the “money traps”



Keep It –

Desired Result:

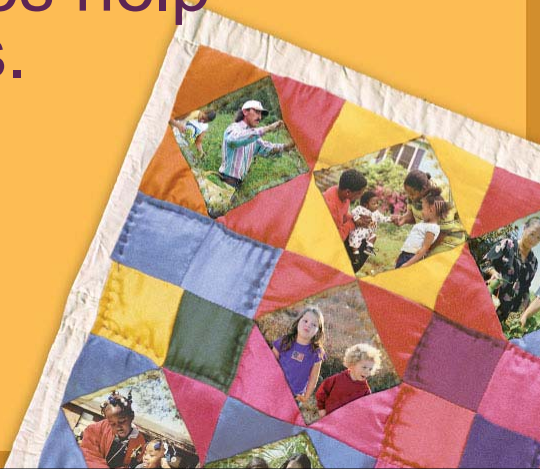
- **Financial stability**
- Families “get by” & begin to “get ahead”.

Issues to Address:

- **Decrease Costs** *fairly priced goods, services & credit*
- **Make Good Choices** *financial ed linked to critical life events*
- **Have Good Options** *high quality programs; policy attention;*

Grow It

Help families help themselves.



Grow It

Desired Result:

- Families “get ahead”
- Communities thrive

Issues to Address:

- **Increasing family assets** (↑ *resilience*, then ↑ *leverage*, then ↑ *ability to invest*)
- **Working “markets”**
Priming the pump, boosting business climate
- **Expanding (new) economic engines**



Delivery Systems

Desired Result:

- **Family-centered, simultaneous, sustained**

Approaches:

- Make services accessible to families
- Improve access to transportation
- Make a “quilt”

17

Example: **Double Bottom Line**

Investing to create good jobs for families can improve ‘trickle-up’ to the local economy





- The bull
- The wind turbine
- Coastal Enterprises, Maine
 - 120-employee business created in a small village to match the available workforce (single mothers, elderly, others) in a “customer contact center“ – now an award-winning, profitable company

19

Example: The Earned Income Tax Credit

**Helping all
eligible families
claim the credit
and do so for free
or low cost helps
families and helps
communities.**





What is the EITC?

Is it:

- A. A refundable federal tax credit for low income working families that financially rewards work?
- B. The largest anti-poverty program in America – larger than Welfare (TANF) and food stamps combined?
- C. A tremendously underutilized rural community development opportunity?
- D. All of the above?

21



How Does It Work?

- **Eligibility:** Working families
- **Amount:** Based on number children and income
 - Max: \$4400 for 2 parent/2 child family earning \$16,000 per year.
 - Phases out at \$37,200 for 2 parent family
- **Refundable:** Even in family owes no taxes
- **Recoverable:** Up to 3 prior years

22



Maryland families and their communities are leaving real money on the table

	Federal EITC Returns (2003)	Federal EITC Amount (2003)	<i>Estimated Unclaimed</i>
Maryland	349,585	\$586,038,000	\$109,882,125
Caroline Co.	2,690	4,674,941	876,551
Carroll Co.	5,196	7,977,846	1,495,846
Garrett	2,159	3,537,980	663,371
Wicomico	7,595	13,799,061	2,587,324

23



What You Can Do

- **Get the word out to eligible families**
 - Especially groups that are likely to be eligible – Head Start families, low-wage school and hospital employees, families receiving other public benefits ...
- **Help make sure they can file their taxes for free or low cost**
 - Work with VITA (IRS) sites
 - Become part of the growing Maryland CASH campaign
 - Work with local CPAs, business schools, community colleges
- **Help convert the refunds to assets**
 - Work on financial education, credit repair, opening savings accounts

24

Thank you!

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