

## **LOUISVILLE ASSET BUILDING COALITION**

### ***Mission and History***

The Louisville Asset Building Coalition (LABC) is a broad-based collaborative dedicated to promoting financial stability and asset building for individuals and families. By providing direct services and linkages to other community resources, the coalition strives to build an economic foundation that will allow members of our community to reach their highest potential.

The LABC is committed to bettering its members and the community by leveraging the success of its free tax preparation and Earned Income Tax Credit Campaign (VITA/EITC) with linkages to a continuum of financial education resources and asset development initiatives for Metro Louisville. As a broad based collaborative, LABC is supported by over 80 for-profit, not-for-profit, and government agencies with a core group of organizations serving as advisory members. Some of LABC's key partners include Making Connections Louisville, Metro United Way, Metro United Way's Volunteer Connection, Points of Light Foundation Volunteer National Network, Capital One, the CE&S Foundation, Mayor Abramson - Metro Louisville, and the Community Foundation of Louisville.

Metro United Way and the Annie E. Casey Foundation were co-founders of the LABC in 2001, and continue to serve as core planning team members and primary financial supporters. In addition, Metro United Way serves as fiscal agent, and houses the offices of the LABC within its downtown headquarters.

### ***Financial Stability***

The LABC is working to connect more low-income families to opportunities centered around financial education, financial services, housing, Individual Development Accounts (IDAs), and credit counseling that will help them leverage the EITC for debt recovery and asset development. The LABC is preparing to launch Louisville Saves, a social marketing initiative to educate Louisville residents about the importance of saving as a way of achieving specific goals and attaining financial stability.

### ***Earned Income Tax Credit (EITC)***

The EITC is a refundable federal tax credit of up to \$4,536 for working families with less than \$38,348 in income in 2006. It is a tax benefit to help low-income workers increase their financial stability. The EITC reduces taxes for workers, supplements wages, and makes work more attractive than welfare.

The General Accounting Office estimates that as many as 25% of the EITC dollars owed to working families goes unclaimed every year. For Metro Louisville, this means approximately \$26 million additional dollars could be supporting our local economy.

### ***Volunteer Income Tax Assistance (VITA)***

Assist low-income workers with free filing of their tax returns to ensure receipt of the EITC and other federal and state tax credits for which they may be eligible. VITA can be used to connect low-income families to other asset-building opportunities and non-predatory financial service providers.

### ***2007 Tax Filing Season***

In 2007, (specific to tax year 2006) the Louisville Asset Building Coalition completed 5,031 tax returns totaling \$6,531,164 of which \$2,918,537 was EITC. Tax preparation fees and refund anticipation loan savings realized by residents using LABC services was estimated at \$1,182,285