



ASSET DEVELOPMENT LITERATURE AND BEST PRACTICES SCAN

Summary

A contract in the amount of \$10,000 will be provided to conduct a scan of asset development literature and to develop a best practices survey. Specifically, the literature scan will focus on asset building¹ strategies targeting low-income persons. The survey will be directed towards community-based tax programs that provide asset building services for low-income people, and will seek to identify best practices. The literature scan and the survey will seek to identify strategies that could be incorporated by a majority of community based tax programs as they expand services beyond the delivery of tax preparation to include asset building activities that are likely to be utilized by low-income clients.

The literature scan and survey will be combined with a parallel set of research efforts being undertaken by the Center for Economic Progress (the Center), www.centerforprogress.org. These include: 1) Collecting existing data on the utilization of asset building services by low-income tax clients at community-based tax preparation sites and, 2) Client focus groups to be conducted in three communities that offer tax preparation and asset-building services. These parallel research efforts seek to inform the free tax preparation field regarding the opportunity to diversify services beyond the provision of tax assistance to include other activities such as personal financial planning, credit rehabilitation, debt management, and access to public benefits. The end goals are to help low-income households attain economic stability, and to support the non-profit field to improve operational efficiencies and reach scale and sustainability in addressing the needs of their target audiences. The data, information and analysis collected from these studies will help to inform a multi-year asset building research initiative in up to six communities across the nation.

Proposals are due by 4 p.m. (Central) on Friday, February 23, 2007. The grant period will begin on March 16 with the final report due by June 29.

Background

Through funding from the Ford and Citigroup Foundations, the Center is gathering information to possibly conduct a multi-year national research initiative beginning in late 2007 and beyond in up to six communities that will test promising approaches for connecting low-income individuals and families with asset-building opportunities at tax preparation sites.

The three month tax filing season represents a window when community-based tax preparation programs have access to thousands of working families, potentially connecting them to savings and checking accounts, financial education, public benefits, free credit reports as well as a host of other asset building tools. Over the last several years, many local community-based affiliates of the National Community Tax Coalition (NCTC), www.tax-coalition.org, have been successful in connecting working families to these types of opportunities at tax preparation sites. While there has been significant headway in using these strategies and approaches, there is broad recognition that much work is still to be done. Future directions might include new, and as yet untested, approaches as well as

¹ For the purposes of this project, *asset building* refers to any service, activity or policy, in addition to free tax assistance, that helps to positively address a financial situation, and which may include credit rehabilitation, debt management, budgeting, financial planning and access to public benefits, bank accounts, retirement accounts and Individual Development Accounts (IDAs).



initiatives that seek to scale up using existing partnerships and new strategies. There is growing interest in determining the potential short and long-term impact on consumers as well as opportunities to build the level of efficiency, scale, and sustainability within the field.

Objectives of the Literature Scan

The literature scan will provide insight into the financial needs and the most appropriate asset building strategies for different income segments (individuals in the \$5,000 – \$15,000 bracket and families² in the \$15,000 – \$40,000 bracket) of tax preparation clients and whether or not any of these needs can be met by community-based organizations who provide a mix of seasonal and year-round services, including tax preparation assistance.

The primary objective is to complete a scan of all available literature (academic studies, materials on the internet, foundation sponsored reports, program evaluations, statistical analyses, government publications, and other sources) addressing one or more of the following questions:

1. How do low-income households make decisions about saving, debt and consumption?
2. Do the financial behaviors of low-income individuals and families suggest a minimum or maximum income threshold for the utilization of different financial service products?
3. How can free tax preparation programs use the tax season and the tax filing process to help working families resolve financial matters that may prevent access to mainstream financial products and long-term asset development?
4. What is the probability rate of working families resolving financial issues (debt, credit, saving, etc.) while receiving services at a free tax preparation location?

The grantee will organize the various materials reviewed to illustrate areas where sufficient research and information exists, summarize and conduct a critical analysis of the information reviewed, identify areas where future research is needed, and make recommendations based on findings.

Objectives of the Best Practices Scan

The NCTC has over 500 affiliates that provide tax preparation to low-income people. Many of these programs couple tax preparation with additional asset building opportunities. The best practices scan will include a survey of willing NCTC affiliates who currently combine the delivery of free tax preparation and asset building services and an in-depth interview of affiliates that are experiencing “success” in the delivery of these services.

The grantee will develop a survey that will provide insight into the scope and effectiveness of current asset building strategies being implemented by NCTC affiliates. The Center will administer the delivery of the survey. The grantee will analyze the surveys and recommend the programs that should be interviewed.

The grantee will develop a list of interview questions that will provide insight into what is making some strategies and/or programs more “successful” than others. The Center will

² For the purposes of this project, a *family* is a tax filer with at least one qualifying child.

FINANCIAL OPPORTUNITIES PROJECT
Request for Proposal: Literature and Best Practices Scan



administer the delivery of the interviews. The grantee will analyze the interview results and make recommendations on the most effective strategies currently being utilized, the strategies most likely to be adopted by the greatest number of communities and strategies that may be improved through a more targeted implementation approach.

Final Report

The grantee will produce a final report that merges the results of the literature and best practices scan. The final product will include the following elements:

- Background
- Objectives
- Literature scan and survey strategy
- Selection criteria
- Main results
- Author's conclusion
- Citation

The grant period will begin on March 16 with the final report due by June 29.

Evaluation of Proposals

- Potential for the literature scan to produce information on selected topic area;
- Potential for the literature scan to increase dialogue and future investigation of the selected topic area;
- Feasibility of the best practices survey;
- Potential for the best practices scan to impact the community development field;
- Demonstrated commitment to the project by the sponsoring organization (if applicable); and
- Collaboration among individuals and organizations to complete the project.

Proposals are due by 4 p.m. (Central) on Friday, February 23, 2007. The grant period will begin on March 16 with the final report due by June 29.



PROPOSAL INSTRUCTIONS

Please organize proposals under the headings below and limit the entire proposal (excluding attachments) to five pages. Please use 10 – 12 point Font. Please do not send Zip files.

Contact information

- Name, address, phone, email and fax.

Expertise

- Describe your previous research concerning low-income groups.
- Explain your educational background and specialized training in conducting research.

Objectives

- Explain the questions you will seek to answer, your familiarity with the topic and what will be accomplished from researching this topic.

Plan of Action

- How the literature scan will be conducted;
- Kinds of databases and resources used;
- How a best practices survey will be created;
- How the overall analysis will be done;
- How it will be determined that relationships exist, and can be substantiated, to reach possible conclusions; and
- How the final report will be constructed.

Management Plan

- Activities timeline.
- Budget. (There is a 15% limit for indirect costs.)

Attachments – Please include the following:

- Curriculum Vitae or Resume,
- Sample reports and/or reviews from previous projects,
- Additional relevant information that will help us evaluate your proposal, and
- Three professional references.

ADDITIONAL INFORMATION

Send proposals by email to:

Mike Davis, Project Manager, mdavis@centerforprogress.org.

Questions:

If you have any questions or need additional information, please contact Mike at (312) 217-1826 or via email.

Submission Deadline:

Proposals are due by 4 p.m. (Central) on Friday, February 23, 2007.