



**AccountAbility
Minnesota**

tax & financial services
for those in need

Creating Pathways

A newsletter for friends of AccountAbility Minnesota

Winter 2012/13

I give to AccountAbility Minnesota because... By Hussen Ejero, donor and volunteer

When AccountAbility Minnesota (AAM) asked me why I give, I had to stop and really think. Although it felt like such a simple question, I didn't have an immediate, succinct answer. After some reflection it came to me – giving is an integral part of my identity.

At a very young age my father instilled in me a value of sharing what I have with others. He took very good care of our family but also of others living in our community.

I was nine when my family came to the United States from Oromia (Ethiopia). We didn't always have a lot but my father always found a way to give – whether it was his time or his money or both.

As soon as I was able, I started volunteering. Not because I felt a need to "pay my dues" but because it's about making life better for those around me.

I started volunteering with AAM in 2010. The organization immediately piqued my interest and passion. I had never heard of such a unique organization committed to balancing the scales of economic justice.

Having spent a year working at a charter school as an AmeriCorps member, I saw firsthand the financial hardships many families face. I never thought that "taxes" would be my thing but seeing the smiles that our help brings to people's faces is one of the greatest rewards I've ever received.

Taxes can be really confusing and families without a lot of money end up paying ridiculous fees to have their taxes done. With my assistance, they know their taxes are done right and that they're getting the largest refund possible.

It's because of AAM's work to help struggling families that I didn't think twice when, as a volunteer, I was asked to donate. I know AAM needs more than my time to do the good work that they do helping others.

So, to fully answer the question, "I give to AAM because AAM stands for what I believe in...helping others."

Give to AAM on Give to the Max Day, November 15, and your gift will be doubled!

You can give at www.givemn.org/aam

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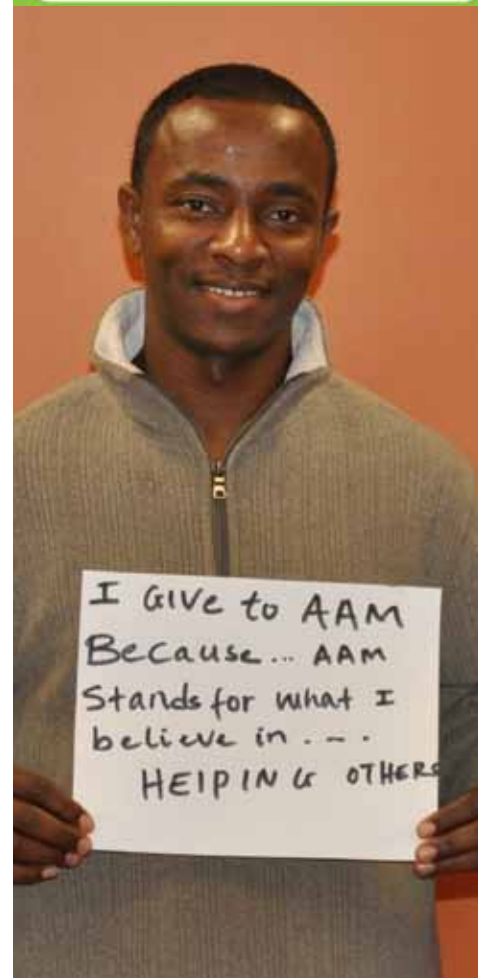
Tax season highlight
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Executive Director's note from Tracy Fischman

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Whenever Stacy, our communications and marketing director, tells me that the deadline is approaching for our next newsletter, I panic, just for moment. What am I going to write? What am I not going to write? (Those who know me are more focused on the latter question.) This is an exciting time for us at Accountability Minnesota. As we conclude this year of reflection and celebration of 40 years, we also look to a future to be driven by an enduring commitment to meeting the tax and financial needs of our low-income communities and advancing financial security for those we serve.

Over the last several years, we have experienced growth and expanded capacity to serve more people. This year, with the help of 553 volunteers, we served a record 12,445 taxpayers returning \$22.6 million directly into their pockets. Still, there remains a significant demand for free tax assistance and access to non-predatory financial services, products, and support. And we know these are troubling times for far too many in our state and country, with growing poverty rates and increasing numbers of households that are asset-poor, meaning they have no liquid savings to fall back on over a three-month period if there's an interruption to income or an unexpected emergency.

Yet there is great hope and extraordinary work that so many are doing to support families to save and accumulate assets. Our organization has been at the forefront of using the tax-time money-moment to have a conversation about saving. And to be clear: low income is not incompatible with saving and economic well-being. There is a growing body of research and data demonstrating that low-income people,

particularly with some support, can save, accumulate assets, and – most importantly – believe that the future is bright.

The work we do is not just transactional. It is not simply about inputs and outputs. It's about laying the foundation and groundwork for real economic opportunity for those who have been shut out. We approach our work in three essential ways:

- Our direct service keeps us grounded and offers lessons about the realities low-income people face – their challenges and aspirations – and simultaneously helps families and communities as we maximize peoples' tax refunds, often pulling them above the poverty line;
- We listen to the people we serve, and are doing more to engage them so we understand their diverse perspectives and needs, and begin to enlist their involvement and leadership;
- We educate and collaborate with policy makers and advocates to ensure that tax credits for hard-working families are safeguarded, to promote asset building opportunities, and to protect consumers from predatory practices.

At every level we strive to offer ladders to opportunity, and to ensure those ladders are safe and secure. These components are and will continue to be central to our work. In an upcoming newsletter you will learn more about where we're going as we share the results of a strategic planning process that is currently underway.

In this issue you will find highlights from our 40th anniversary celebration, details about an exciting new savings campaign that we will launch this tax season, and a bit about what's at stake for low-income families in tax reform debates, where you can also learn more by joining us on December 13 as we host our first-ever educational forum on issues that affect us and the communities we serve.

2012 Accomplishments

- Identified and filed for \$22.6 million in refunds for taxpayers in Minnesota.
- Enlisted the help of 553 volunteers who donated 19,192 hours filing 26,339 returns.
- Assisted 12,445 taxpayers in filing taxes, free of charge
- Connected 179 customers to savings accounts and 602 to prepaid debit cards.

AAM Forum

We are pleased to introduce our “AAM Forum” series. It’s a series of educational events designed to initiate learning and conversations around issues important to our work and the economic realities of the people we serve.

Through these forums, we will invite local and national experts to join us for dialogue on topics such as tax policy, asset building innovations, and more.

We will start this series with a pertinent and pressing topic: tax reform.

There is much at stake today and great debate around tax and fiscal policies that will affect low-and moderate-income households. By the time this newsletter hits your mailbox, the election will be over. In the months leading up to the election, there’s been significant attention paid to the economy, taxes, job creation, and much more. This includes debate around the so-called “fiscal cliff” – the impact of tax cuts set to expire and spending provisions that, together, will have an enormous impact on families and communities. Our policy makers at the state and federal levels have significant obligations and opportunities to craft reforms that can help stabilize and support low- and moderate-income taxpayers.

Baird Helgeson, economics reporter for the Star Tribune, and Nan Madden, director at the Minnesota Budget Project, will discuss potential state and federal tax reform proposals and the implications they could have for low-income taxpayers.

Tracy Fischman, executive director of AccountAbility Minnesota, will moderate the conversation that will dive into what’s on the table, or could be on the table, for policy changes that could drastically alter the financial lives of many hardworking Minnesota families.

AAM Forum on Tax Reform

Thursday, December 13
7:30 to 9 a.m.

Baird Helgeson, reporter
Star Tribune

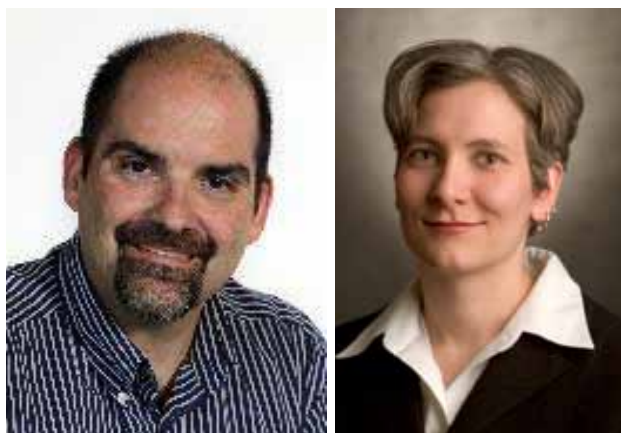
Nan Madden, director
Minnesota Budget Project

Board Room at
The McKnight Foundation
710 South Second Street, Suite 400,
Minneapolis

This event is free, but space is limited. Please RSVP to Lori-Anne Williams at lawilliams@accountabilitymn.org.

Parking is available on the street (metered) or at the Mill Quarter ramp (\$2 to \$6), and the surface parking lot (\$5 to \$6) on South Second Street across from the building.

Bagels and coffee will be served.



Funders

(\$1,000 level & above)

3M (in-kind)
Allianz Life Insurance Company of North America
Ameriprise Financial
Brookfield Properties
F.R. Bigelow Foundation
Deluxe Corporation Foundation
James and Marilyn Dodge Fund of the Minneapolis Foundation
Jaye F. and Betty F. Dyer Foundation
The Fredrikson & Byron Foundation
Gilligan Foundation
Great River Energy
Greater Twin Cities United Way and its Claim it! Initiative
Initiative Foundation
Internal Revenue Service – Volunteer Income Tax Assistance
KPMG, LLC
Lurie Besikof & Lapidus & Company, LLC
The McKnight Foundation
B. C. Gamble and P.W. Skogmo Fund of The Minneapolis Foundation
Minnesota Society of CPAs
Minnesota Department of Revenue
Northwest Area Foundation
Otto Bremer Foundation
RBC Foundation USA
The Saint Paul Foundation
The Richard M. Schulze Family Foundation
Tax Executives Institute, Inc. – National
TCF Foundation
Thrivent Financial for Lutherans Foundation
U.S. Bancorp Foundation
Walmart Foundation
Wells Fargo Foundation Minnesota

Twin Cities tax sites

AccountAbility Minnesota
 Creekside Community Center
 Eastside Financial Center
 East Side Neighborhood Services
 Hallie Q. Brown Center,
 Martin Luther King Center
 Hennepin Technical College
 Hope Community Center
 Latino Economic Development
 Center (LEDC)
 Minneapolis Urban League
 Neighborhood Development
 Alliance (NeDA)
 Neighborhood House
 ResourceWest

Technical assistance recipients

Community Action Duluth, *Duluth*
 Community Action Partnership
 of Suburban Hennepin
 (CAPSH), *Suburban Hennepin
 County*
 Lakes & Pines Community
 Action Council, *Mora &
 Pine City*
 Northwest Indian OIC
Bemidji
 Prairie Five Community Action
 Council, *Madison*
 Sabathani Community Center
Minneapolis
 Tri-County Action Program,
St. Cloud
 Tri-County Community Action,
Brainerd & Little Falls
 U.S. Federal Credit Union,
Minneapolis
 West Central Minnesota
 Communities Action,
Alexandria & Elbow Lake
 Western Community Action, Inc.,
Jackson & Marshall
 White Earth Investment Initiative,
White Earth Reservation

Financial services partners

Community Financial Resources
 University National Bank
 US Federal Credit Union



A great time was had by all!

On September 27, AccountAbility Minnesota (AAM) marked its 40th anniversary with a celebration on the old trading floor of the Grain Exchange Building (in the CoCo Minneapolis offices). It was a beautiful and unconventional space for a terrific event.

More than 250 current, former and new supporters of AAM attended the party and enjoyed drinks, hors d'oeuvres, and music by the Dean Harrington Trio.

Through sponsorships, ticket sales, dona-

tions, and the silent auction, we raised nearly \$21,000 (net) to help AAM with our life-changing work.

For us, celebrating 40 years is about more than recognizing the great strides we have made in helping hardworking Minnesota families find economic security. It's also, as Executive Director Tracy Fischman pointed out in her remarks at the event, about celebrating the hope and transformative work that we and so many are doing to support



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Kirsten Anderson

Emcees & broadcast veterans,
Bob McNaney & Trisha Volpe

Executive Director Tracy Fischman

Minnesota Department of Revenue
Commissioner Myron Frans

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Mpls.St.Paul Magazine

Gold sponsor:



Silver sponsor:

Sunrise Community Banks
 Minnesota Society of CPAs

Bronze sponsor:

Anonymous Donor
 Certified Financial Planner
 National Board of Standards
 Citizens Community Federal
 Scott & Heidi Schachtman
 US Federal Credit Union
 Wells Fargo



Event attendees



Event attendees



Silent auction bidding

families to save, accumulate assets and help them and our communities – economically, financially and emotionally.

The event’s program, emceed by Trisha Volpe, featured remarks from Tracy, Minnesota Department of Revenue Commissioner Myron Frans, and Board Chair Kirsten Anderson.

Commissioner Frans, the event’s keynote, spoke to Minnesota’s growing poverty rate and disparities among certain communities,

particularly communities of color. He highlighted the work that we are doing together to build mechanisms that provide savings and income-boosting opportunities and that break down barriers and reach underserved populations. Together, the Minnesota Department of Revenue and AAM are working to reduce the stigma and fear that people associate with tax time.

Board Chair Kirsten Anderson addressed attendees with enthusiasm about AAM’s

success and asked them to consider a donation.

With support we received from 40 Years and Counting, AAM will continue to serve Minnesota’s hardworking families.

We thank all of our supporters for being a part of our vision in which people have the financial support and tools they need and deserve to realize their full capacities and dreams for the future.



Helping small businesses, like Javier's, to thrive

Javier heard about AccountAbility Minnesota (AAM) from a friend who had come to us to get help with taxes. Javier, a self-employed interpreter, needed help getting his tax situation back on track.

Javier, originally from Peru, has been living and working in the United States for nine years and, before finding AAM, struggled to navigate the tax system. As an interpreter Javier receives payment for his services in several methods – cash and check – and found it hard to keep track of his income and expenses, and thus meet his tax obligations and run a healthy business.

Along with help in straightening out his tax situation, Javier wanted to learn how to better manage his business going forward to avoid falling behind again.

Javier worked with Tom Larson, self-employment program manager, to better understand the tax requirements and what was needed of him as a small business owner. Together he and Tom put processes in place that helped him to better track his income and his expenses.

“AccountAbility Minnesota helps to open doors,” said Javier. “They give you education. They teach you how to take care of your

finances and how to not get into trouble by not doing what you're supposed to do.”

Sarah, Javier's wife, added “We can't pay an accountant a couple hundred dollars to do it. And for us to do it by ourselves, there could be mistakes. It is valuable for people who don't have the knowledge or the money.”

Javier and Sarah plan to save their refunds for the future and for trips back to Peru to visit family.

Recent enhancements

(thanks to the Deluxe Corporation Foundation)

- We'll be doing more taxes – we're now serving self-employed individuals on Wednesday evenings in addition to Mondays.
- We are now offering educational workshops on topics ranging from financial basics to taxes for the self-employed.



"Got Some, Save Some." campaign

"When surveyed at the tax site, 52% of AAM's customers indicated that they wanted to save a portion of their refund. 51% reported having no money in savings.

The intent is there and the need is great."

Anne Johnson, financial services director, talks about the savings campaign we are launching this tax season aimed at getting low-income taxpayers to save "some" of their refund.



What is the "Got Some, Save Some." savings campaign?

Anne: It's a social marketing campaign designed to motivate low-income taxpayers to save "some" of their refund at tax time.

We chose to do this campaign for a number of reasons – but the driving factor was feedback from our customers.

In 2010, we conducted an evaluation and assessment of our financial services program and learned that many of our customers knew little about the financial services and products we offer, like savings accounts. So we knew we needed to better market our additional services at tax time.

We chose to focus on savings because we learned from our assessment that a strong desire to save existed, yet there is a significant gap between wanting to save and actually saving.

These findings match those of our colleagues around the country doing similar work.

What do you mean by "social marketing?"

Anne: It's marketing to change behavior for social good – think anti-smoking or buckle-up campaigns.

In our field, research exists on types of products and strategies that support low-income individuals to save, but there is a big gap when it comes to tested, resonant messages and strategies that motivate actual savings – that turn intention into action.

But isn't savings near impossible for low-income families?

Anne: Savings is not incompatible with low-wages.

In fact, many of our customers can and do save when presented with the right opportunity at the right time with the right products and incentives. This is not about selling saving; it's about reframing how our customers perceive the tax time "money moment."

The "Got Some, Save Some." campaign is going to present the opportunity in a fun, compelling way so our customers begin to think about their refund for both current spending and savings.

How did you decide on that name?

Anne: We did a lot of work to get us to the point of choosing a campaign name and resonant marketing messages.

We hired a local public relations expert named Joe Loveland to help us conduct market research to determine what messages would increase the number of customers who would commit to saving a portion of their refund.

What we learned through surveys and focus groups was that messages that simultaneously spoke to need and capability rose to the top. In other words, messages should pair the value of saving for an emergency with the fact that modest savings can add up over time.

How are taxpayers going to hear the savings message this tax season?

Anne: We know that as a general rule of thumb in marketing, the customer usually won't recall the message until they've heard it at least seven times.

So we're going to try to "hit them up" multiple times with a savings message. Some of our tactics include sending a pre-tax season postcard reminding taxpayers to make saving a portion of their refund a priority. We're also creating an animated video to loop at select tax clinics that will demonstrate the multiplier effect of saving a little bit over time. We'll also promote savings with an activity at our tax clinics and through other conversations with the volunteer tax preparers.

We're excited to have a named campaign that will hopefully make savings feel attainable and fun!





2013 tax season

Tax clinic schedule

Our 2013 tax clinic schedule will be ready by early December. You can get a copy of the schedule then by:

- Visiting our website, www.accountabilitymn.org, and clicking on “Find the tax clinic closest to me.”
- Contacting Mekdelawit Bayu, outreach coordinator, at 651-262-2160 or mbayu@accountabilitymn.org, for a copy of our tax season brochure.



Volunteer this tax season

We are still in need of the following:

Tax preparer: Complete federal and state returns using tax software. Training is provided but some tax experience is needed.

Tax site specialist: Help manage the flow of activities at the tax clinic. Greet and register customers and screen for eligibility.

Financial advocate: Provide information on credit reports, work support programs and strategies for savings.

For more information, contact Adam Faitek, volunteer resources director, at afaitek@accountabilitymn.org or 651-262-2153.

Help us spread the word

The majority of people we serve hear about us through word-of-mouth and referral. We do all we can to make sure our tax clinic brochures are available in the community – at nonprofits, faith-based institutions, food shelves, libraries, community centers and more.

If you know of a spot in your neighborhood where we could place brochures, let us now. We'll gladly drop them off.

Contact Mekdelawit Bayu, outreach coordinator, at 651-262-2160 or mbayu@accountabilitymn.org.

