

The BEST Coalition – A “Winning” Proposal

In January 2008, DRF awarded \$628,000 over three years to the BEST Coalition, an organization formed by the United Way of Danville-Pittsylvania County, Pittsylvania County Community Action, Virginia Legal Aid Society and Caswell County Senior Center. BEST is an acronym for **B**uilding **E**conomic **S**uccess **T**ogether.

The goal of the BEST Coalition is to increase family self-sufficiency by developing an Earned Income Tax Credit (EITC) initiative for Danville, Caswell and Pittsylvania counties. Coalition members provide free tax preparation and financial literacy education.

In the first quarter of the year, the Coalition:

- Distributed flyers and informational sheets about EITC and the Federal Stimulus Package to Legal Aid clients, Juvenile and Circuit Courts, Head Start Centers, high schools and colleges, and Senior Citizen Centers,
- Filed 70 tax returns for Caswell County residents resulting in approximately \$60,000 in refunds,
- Filed 233 Stimulus Package returns in Caswell County generating between \$140,000 and \$280,000,
- Filed 31 tax returns for Danville and Pittsylvania County residents resulting in \$39,000 in refunds,
- Filed 59 Stimulus Package returns in Danville and Pittsylvania County generating between \$35,000 and \$70,000,
- Recruited and trained 15 volunteers to prepare tax returns, and
- Saved low-income families an estimated \$78,600 in tax preparation fees.

The BEST Coalition is helping to provide families with additional income that they can use for savings, education, debt reduction or other family needs. More than 80% of tax refunds are spent in the region, so these funds will have a positive impact on the economy. As more people have money to become self-sufficient, more money will be spent to boost the local economy by sustaining businesses, creating jobs, and, in turn, generating more tax revenue.

Why is the BEST Coalition's initiative a "winning" proposal?

The Grant Proposal Guidelines were written to help applicants understand the type of proposals that DRF will fund — "winning" proposals. The proposal from the BEST Coalition is an excellent example of how the Guidelines were used to develop a strong request that aligns with the criteria that DRF considers: mission, values, areas of focus, need, opportunity, potential impact, outcomes, and role in the cycle of development, and place in the traditions of philanthropy.

Mission: The proposal from the BEST Coalition aligns with DRF's mission to serve as a catalyst for innovation and as an agent for transformation to develop and sustain a healthy and thriving region. BEST brings organizations together to build on existing skills, programs, and staff. By working with one another, they are a more productive and inclusive larger organization (the Coalition) that will improve the financial status of families in the region and, therefore, the economy of the region.

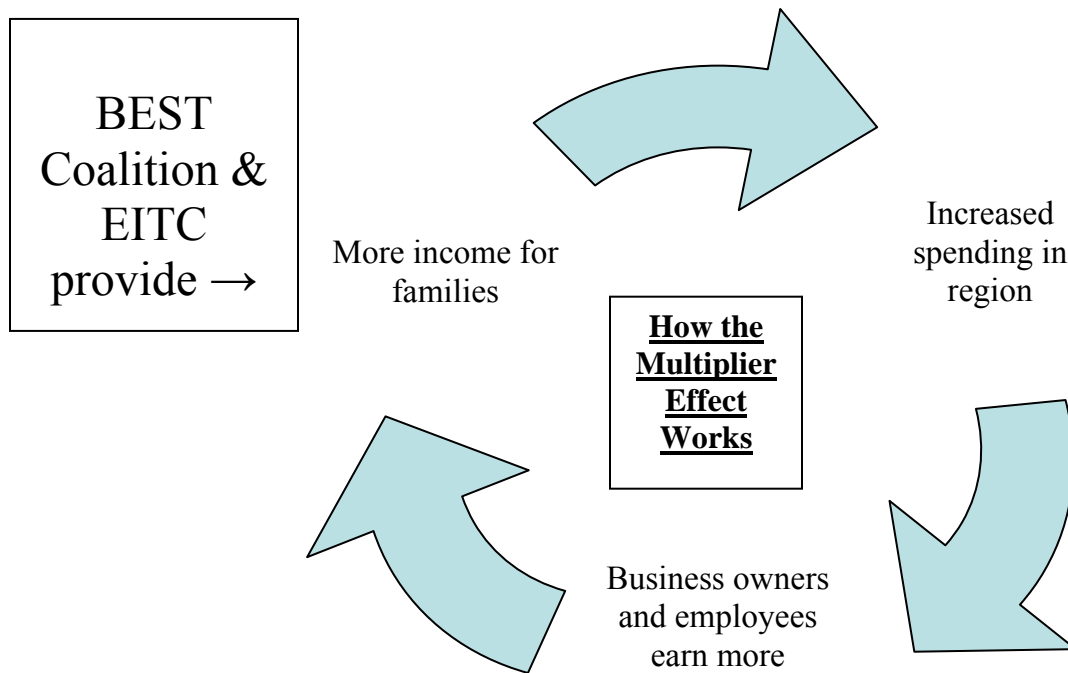
The proposal demonstrates the intersection of three areas: need, opportunity, and potential impact (see examples below):

- **Need:** Only 25% of those eligible for EITC filed a tax return.
- **Opportunity:** Given the current economic situation in the region, a majority of families are eligible for a refund.
- **Potential Impact:** The available refund amount in the region has the potential to be \$13 million per year. Since 80% of tax refunds are spent in the local community, this provides the opportunity for a significant economic impact.

Areas of Focus: The BEST Coalition's proposal exhibits the DRF values of equity, excellence, and engagement, and in the long-term may address health and wellness by increasing the likelihood of access to healthcare. The initiative will reduce gaps in economic opportunity, inspire pride, produce excellent outcomes, and create partnerships with other segments in the community.

Multiplier Effect: The "multiplier effect" is the idea that increased spending in one part of the economy will lead to bigger effects in other parts. For example, EITC increases income for families which, in turn, increases individual spending in the region.

Increased spending leads to increased activity in local businesses. Business owners and employees eventually earn more, which in turn leads to increased spending on consumer goods. The cycle continues (see diagram below).



The BEST Coalition will be assisting with short term financial needs, creating opportunities for asset building, and increasing financial literacy. The initiative's goals tie into DRF's efforts to target economic transformation by developing a rising standard of living, including increased income, assets, and economic security across the region.

Role in the Cycle of Development: The proposal fits into the Cycle of Development that shows how thriving regions reinvest the wealth they generate. Reinvestment creates the basis for future growth, prosperity, and shared quality of life.

Traditions of Philanthropy

The proposal is unusual in that to some extent it addresses all four of the traditions of philanthropy--charitable relief, individual improvement, social reform, and civic engagement. It meets immediate needs, motivates people, removes barriers, and builds trust and cooperation. DRF's funding priorities though are social reform and civic

engagement because they serve as catalysts for regional vitality and are, therefore, better long-term investments of resources.

Finally, the BEST Coalition is a strong example of an upstream investment—one that will work over the long term to create change in underlying conditions. Again, it will provide the opportunity for people to begin to build assets and to gain financial literacy. Payback from upstream investments is long-term and multi-generational, so DRF prefers to fund upstream investments. The initiative is also an example of a downstream investment because the refunds will have relatively immediate effects on people by providing additional income to assist with pressing financial needs.