A Tax Education and Asset Building Campaign for Low-Income and Limited-English Worker Populations: Lessons from Four States, TY 2004-TY 2007

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Over 55 percent of the 48 million Hispanics in the United States reside in four states with a contiguous border with Mexico: Texas, New Mexico, Arizona, and California. Local, State and national nongovernmental community-based organizations (CBOs) and local government agencies, as well as local, State, and national community foundations, have formed support coalitions and networks offering free or low-fee tax preparation services in an effort to aid working families meet their tax obligations. In addition, tax education campaigns in hard to reach communities have increased the tax filing participation rates of working families. As working families are faced with increased financial stress and limited labor market opportunities, the Earned Income Tax Credit (EITC) becomes an important contribution to family financial stability and asset building for low-income and limited-English-speaking populations.

The research literature assessing the impact the EITC has on working families' well-being and on the poverty reduction potential the program exhibits is numerous (Romich and Weisner, 2000; Mammen and Lawrence, 2006; Smeeding, Phillips, and O'Connor, 2000; Berube, 2005). Differences between rural and urban low-income families, as well as cultural behaviors toward asset building, bring an additional research challenge to policy assessment and policy making. Geographical regions with high immigrant and immigrant-legacy communities create a further layer of program delivery and outreach challenge. Community-based organizations operating in hard to reach areas have developed a variety of outreach strategies that remain below the research radar and yet offer a possible outreach template for replication in new gateway regions.

This study chronicles a 4-year data collection effort that ties financial behaviors with tax filing participation in four border States. It first describes the chronology of the Frontera Asset Building Network (FABN) and the action research partnership.[1] It then discusses the survey instrument, data collection, and methodology. It presents logistic regression results and interprets findings from the empirical analysis. Lastly, it provides alternative policy directions and raises future research questions centered on expanding community tax education and financial education outreach.

Bringing Border Voices to the Research/Policy Table

In November 2002 and June 2003, two Policy Roundtable Learning Dialogues on *Latino Family Asset and Community Capacity Building on the Southwest Border* and *Latino Families, Tax and Financial Services on the Southwest Border* sponsored by the Annie E. Casey Foundation's Border Portfolio took place at a major southwestern university. The participants at these learning exchanges represented Federal, State, and local government agencies, elected officials, nongovernmental organizations (NGOs), community-based organizations (CBOs), foundations, and academic researchers.

All participants were directly involved with researching, managing, funding, and delivering community services that impact the well-being and financial stability of Latino families residing on the U.S.-Mexico border. Many of the participants did not have intimate field knowledge of the borderlands. In order for the learning "dialogue" to move beyond the usual media images of the U.S.-Mexico border, CBOs with long-term presence in the borderlands were crucial knowledge partners and provided perspectives that have been missing from policy and program design. Directors of Latino community-based organizations provided anecdotal and first-hand information with participants from elected officials' offices; Federal, State, and local government agencies; think tanks; academia; and foundations. The dialogues (Yankelovich, 2001) therefore provided an opportunity for those not familiar with the day-to-day activities occurring in Latino working poor communities and *colonias* to become familiar with the unique characteristics of communities located on the U.S.-Mexico border.[2]

The most salient factor that emerged from the roundtables was a consensus surrounding the lack of information and data on daily economic behaviors and activities of predominantly Latino working poor families residing in the Southwest borderlands. Throughout the discussions and exchanges, it became apparent that community voices and perspectives represented by culturally responsive community-based organizations were missing from mainstream research. The public domain data currently used to research the borderlands did not clarify or clearly convey the cultural reality, economic activities, resources, survival strategies, and financial constraints faced daily by border residents and families. Nor did the data document the economic resiliency and asset building behaviors, such as pooling and sharing resources and innovative resource leveraging, of working poor border communities.

The relevant issues that surfaced during the consultative learning dialogues indicated that: financial and consumer nonliteracy in *colonias* and predominantly Latino working poor border communities are not the sole barriers to healthy economic behaviors, community capacity building, and family financial stability. Institutionalized "business as usual" practices that impede working poor Latino families from access and participation in mainstream wealth building markets, such as housing, financial and tax services, and education and health services, were identified as important barriers. Culturally responsive consumer and economic behaviors were discussed as asset and wealth "leveraging" resources in *colonias* and other metropolitan areas along the U.S.-Mexico border.[3]

The learning dialogues facilitated by the Annie E. Casey "advocate/learner" border program officer uncovered a consensus among participating border community organizations to continue the conversation by holding a retreat. The retreat was held 1 month after the learning dialogues—capitalizing on the continued synergy among border community-based organizations—and created a blueprint for a strategy linking border community voices with tax services and tax education campaigns centered on the Earned Income Tax Credit (EITC).[4] From the retreat, a new collaborative coalition emerged: the Frontera Asset Building Network (FABN). The members of this core group represent the four border States: Texas, New Mexico, Arizona, and California. The FABN members identified affordable and reliable tax preparation services as the key in connecting border families and individuals to the following asset building and family strengthening services:

- Public assistance eligibility services
- Home ownership counseling
- Culturally responsive financial and tax education
- Individual development accounts
- Down payment assistance programs
- Leadership and self-advocacy development training
- Small and microbusiness incubator programs, and
- Self-help and affordable housing programs.

The members of FABN individually and in partnership with other local nonprofits and local government agencies deliver social services that integrate education, self-empowerment, tangible skill-building, and asset ownership in a culturally responsive and family-strengthening manner. At the very core of the strategizing is an ongoing commitment to increase each community-based organization's social capital by connecting and sharing information on programs, services, and delivery mechanisms that work well along the border. Of equal importance among the coalition members is the commitment to share information about the failures in service delivery as well.

One additional strategy that FABN members believe is necessary for successful coalition and individual organization capacity building and fund-raising is a commitment to collect and control data on their own communities. The membership base has grown since the early strategizing retreat in 2003. Currently, membership in FABN centers on providing tax preparation services during tax season, as well as engaging in survey administration and research participation that include all four border States, spanning eight coalitions and over 70 individual community-based organizations with local, State, and Federal Government agency partners, as well as local, regional, and national foundation support and local and regional private corporate and nonprofit sponsorship.[5]

From Listening and Learning to Action Research

Much of the informal economic activities and financial decisionmaking behaviors that occur in border communities do not appear directly in data sets but rather must be observed firsthand in the field. Employing mixed methodological approaches to understanding borderlands "hidden" assets and family resiliency and survival strategies requires an inclusive partnership with community-based organizations in prioritizing community services. Part of such inclusive approaches to mapping community resources and uncovering community preferences is to incorporate cultural assets and behaviors into the choice of research method.

New poverty research seeks to minimize cultural "colonization" while increasing self-sustaining economic well-being and quality-of-life welfare (Fisher and Ball, 2003). By engaging in socially-embedded research from design, implementation, evaluation, and findings with community partners and emphasizing learning-based connections, community data become a basis for community self-advocacy. The role of culturally inclusive data

Table 1. Frontera Asset Building Network (FABN) Members

Coalition	Partners
California	
San Diego Family Asset Building Coalition	San Diego Community Foundation, Community Housing Works, MAAC Project, Casa Familiar, International Rescue Committee
Arizona	
Southern Arizona Earned Income Tax Credit Coalition	IRS, AARP, Catholic Community Services, United Way of Tucson, Arizona Community Foundation, Cochise Community Foundation, Nogales Community Development Corporation, Goodwill Industries, Project PEP, Chicanos por la Causa, Wells Fargo Bank, AEA Credit Union, Arizona Federal Credit Union, Housing America, City of Yuma, Yuma Community Foundation, Arizona State University
New Mexico	
Las Cruces	Dona Ana Branch Community College, Community Action Agency of Southern New Mexico, New Mexico Community Foundation, Tax Help New Mexico
Texas	
El Paso Coalition for Family Economic Progress	El Paso Affordable Housing/Credit Union Services Organization, IRS, Ysleta Pueblo del Sur, City of El Paso, County of El Paso, Frontera Women's Fund, West Texas Credit Union, Centro Salud Familiar La Fe, YWCA, El Paso Collaborative, United Way of El Paso, Sparks Housing Development Corporation, Housing Authority of El Paso, AARP
Middle Rio Grande	City of Eagle Pass, City of Del Rio, City of Carrizo Springs, City of Crystal City, City of Cotulla, Fort Duncan Regional Medical Center, Eagle Pass Chamber of Commerce, Uvalde-El Progresso Library, Community Council of SWT, Carrizo Springs ISD, Eagle Pass ISD, Border Federal Credit Union, IBC Bank, Bank of America in partnership with United Way, Uvalde National Bank, Del Rio Bank and Trust, Del Rio National Bank, Del Rio Amistad Bank, FUTURO Communities, Inc., Community Action Social Services Education (CASSE), Del Rio Housing Authority, Sul Ross State University-Rio Grande College, Middle Rio Grande Development Council, Middle Rio Grande Foundation and Middle Rio Grande Workforce Board
Economic Opportunities Coalition	United Way of Southern Cameron County, Consumer Credit Counseling Services of South Texas, Cameron Works, Chase Bank, Wells Fargo Bank, Brownsville Public Utility Board, University of Texas Brownsville, Cameron and Willacy County Community Programs
Laredo Family Economic Success Coalition	Azteca Economic Development and Preservation Corp., City of Laredo Community Development Dept., Internal Revenue Service, Laredo Area Community Foundation, Laredo Independent School District, Laredo Public Library, South Texas Workforce Development Board, Texas A&M International University, United Independent School District
Hidalgo County	Rural: 4 LUPE offices, Proyecto Azteca, Azteca Community Loan Fund Urban: Children Defense Fund

Source: Nadia Diaz-Funn, Border Portfolio, Annie E. Casey Foundation and FABN.

collection brings to the fore and reveals the cultural capital of border communities, as well as the role of ethnic and cultural legacy communities in the region. Community data collection also sheds light on families' needs and preferences along with what type of community change residents desire. Given the increased presence of Mexican-origin populations in new gateway communities such as Raleigh-Durham, NC, Des Moines, IA, Omaha, NE, Las Vegas, NV, and Atlanta, GA, the information gathered from community by community creates the opportunity to share insights with other community-based organizations (CBOs) serving new gateway populations.

Socially-embedded community research provides the community with access to data that deconstruct and dispel media-driven "stereotypes." Additionally, communities can advocate based on data that are place-based and include historical and cultural legacy information (Fisher and Ball, 2003). Border culture and language play a large role in family economic security and financial resiliency behaviors, and the community data capture this aspect of border family life. Multigenerational, multiearner border family units engage in shared asset building, and the CBO tax season survey uncovers "hidden" border family and community assets not previously documented (Robles, 2007).

Table 2. Frontera Asset Building Network Program Outcomes

Frontera Asset Building Network Asset Building Results 2006-2007	
Amount of EITC Claimed	$19,124,283.00
Amount of $ Federal returns	$38,844,126.00
Number of returns filed by free or low-fee tax preparation	39,581
Completed IDAs	316
Enrolled IDAs	483
IDA Matching Ratio	Ranges from 1:1 match to 4:1
IDA Maximum	Ranges from $1,000-$15,000
Completed Homebuyer Workshops	3,674
Number of Homes Purchased	782
Savings Accounts Opened	1,744
Checking Accounts Opened	9,972
Number of Improved Credit Scores	128
Tax Prep Fees Saved	$8,478,551.00
Small Business Opened/Expanded	189

Community-centered action research has multiplier effects within local communities and across regional coalitions. By employing the Earned Income Tax Credit as an "anchoring" tax service and education campaign, FABN members are able to capitalize on community social capital among and between different border States with unique urban and rural regional issues. For example, Texas has the largest number of contiguous counties (20) along the U.S.-Mexico border which include both rural and rapidly growing urban areas. These areas often have more in common with other border State urban areas than with various regional communities in Texas.

Survey Administration, Data Description, and Methodology

A pilot survey was designed during the initial FABN retreat that incorporated salient issues identified by the community-based organizations. The most significant aspect of the survey design was that it be as noninvasive as possible while still capturing financial and tax education issues and economic mobility aspirations as well as daily economic resiliency behaviors engaged in by border residents. The survey was designed to be short in order to increase response rates and to dovetail with residents' focus on tax preparation information. For example, two questions that were identified as important areas of concern with respect to research gaps in understanding border communities' financial resiliencies were: (1) Do border families and individuals employ their tax refunds in asset-building and wealth-enhancing opportunities? and (2) Do families and individuals aspire to learn more about financial products and tax services?

In addition, issues regarding the availability of affordable financial transactions services and products were raised at the learning dialogues and at the FABN retreat. Several survey questions were designed to capture this aspect of border families' financial access: (1) Where do you cash your paycheck? (2) Do you use money orders to pay your bills? (3) Have you ever received your tax refund the same day (or within the week) from a commercial tax preparer? (4) Do you lend to or borrow from family members in emergencies? And (5) Do you send money to family members not residing with you? These questions reveal how border residents go about accessing financial transactions services while living in a cash-based, binational, and bicultural economy. The questions are designed to capture and produce a contextual interpretation of family financial resiliency behaviors by asking questions that do not appear in standard mainstream financial behavior and attitude surveys.

Finally, to better understand how border families engage in asset building and savings behaviors, a survey question designed to capture "informal savings circles" known as rotating savings and credit associations (ROSCAS) was included in the survey instrument. This particular question captures savings behavior that has a communal-trust component since it occurs outside mainstream financial institutions, does not have an interest rate attached to it, and relies on a high degree of trust among the savings participants.[6]

The various members of the FABN border community-based organizations agreed to administer the surveys during tax seasons (January 15 to April 15) at the participating border community-based organizations that offer either low-fee tax preparation services or free tax preparation services affiliated with VITA (Volunteer Individual Tax Assistance) programs.[7] All the FABN coalitions are partners of the Internal Revenue Service VITA programs, and individual CBOs are also community research partners as well as data collection sites offering free or low-cost tax preparation. The surveys are administered in English and Spanish, and each community-based organization has its own individual intake protocol for serving community residents during tax season.

Table 3. Frontera Asset Building Financial Behaviors Survey, Tax Years 2004-2007

Survey Years	Number of Total Survey Respondents	Number of Spanish Survey Respondents
TY 2004	4,551	1,080 (24%)
TY 2005	7,068	1,973 (28%)
TY 2006	6,450	2,141 (33%)
TY 2007	7,377	1,871 (25%)

Source: FABN Financial Behaviors Survey, All Border sites, Tax Years 2004 to 2007.

The response rates are generally high and attributable to the long-term presence of the community-based organizations (CBOs) and the CBOs' reputation for serving community residents.[8] Over the 4 years of data collection, each individual site experienced a variety of service delivery issues: volunteer churning, tax season coordinator turnover, changes in their software or IT system, key program personnel changes, and funding changes. Despite these various challenges, sites remain committed to collecting data and administering the surveys, and few sites dropped out over the 4-year collection effort. Indeed, new sites were added during this timeframe.

Although the data are collected over several years, there is no unique identifier for individual respondents that can be tracked over time. Thus, the data collected are not a "longitudinal" panel whereby observations of the same individual over time are collected in repeated surveys. Rather, the data are panel data of tax filers choosing to respond to the paper survey and contain a large number of observations (N) per time period and a small number of time episodes (T=4 years). This allows analysis of single-year logistic models (Tax Years 2004 to 2007) that capture Spanish survey respondents' impact on the probability of engaging in asset building and economic security behaviors.

In order to fully grasp the financial resiliency behaviors of hard-to-reach, limited English-speaking and low-wealth communities, Table 4 compares response rates for Tax Year 2007 across the various survey questions. Few questions on the survey sum to 100 percent response counts. The importance of engaging hard-to-reach respondents on surveys is predicated on providing many possible behavioral context response opportunities. Thus, many of the questions indicated: "circle or check off all that apply." Additionally, since the surveys were administered as voluntary and not compulsory, many of the respondents chose to answer some questions and not others.[9]

A significant number of Latino respondents used the English survey but non-Latinos opted to use the Spanish survey as well. Thus, caution is employed in assuming that only Latinos responded in Spanish; a significant portion of Native Americans used the Spanish survey. Additionally, many of the questions were designed to capture "daily" or "usual" financial behaviors. Thus, instead of asking about a particular financial account ownership (which many border LEP residents are assumed *not* to have), our interest was in what types of financial institutions and accessible locations for financial transactions residents actually frequented. Our goal focused on capturing what folks did (proactive), as opposed to what they did not do (passive).

One feature of border resident financial transactions behavior that has been uncovered over the 4 years of FABN survey administration directly provides empirical evidence that having a relationship with a mainstream financial institution does not automatically create low-cost options for financial transactions in "cash-economy" communities. For example, it does no good to own a checking account when the landlord only accepts money orders or cash for rent payments every month, and the corner 7-11 is the only grocery store within walking distance, given that individual auto ownership is too expensive and public transportation is limited. This on-the-ground cash-economy reality for many border residents explains the high rate of money order usage among border survey respondents despite high rates of financial mainstream attachment.

Research in low-income communities has focused almost exclusively on the "choices" that low-income residents make in financial transactions when a supply-side assessment is missing (i.e., What suppliers of affordable financial services and products exist and operate in low-income communities?). Such a balanced supply-demand side study would reveal the limited choices available to cash-economy low-income neighborhoods and community residents. Field observations in low-income communities reveal an entirely different consumer economy with respect to a variety of financial markets and services (Krager, 2005). This lived-reality for border residents (and other established ethnic enclave and new gateway immigrant communities) has obvious spillover effects for financial education and tax education outreach.

Logit Model Results and Findings

The unique regional data provide an opportunity to ask four questions that shed light on the connection between low-income tax preparation services offered in hard-to-reach communities and how residents engage in financial resiliency given their participation in tax filing and receipt of Federal tax refunds. Summary statistics for dependent variables used in all 4 models and the explanatory variables for Tax Years 2004 to 2007 are presented in Table 5.[10]

The first logit model sheds light on the continuing significance of attachment to a mainstream financial institution. The second logit model seeks to uncover the relationships between asset building through home ownership and financial behaviors. The third and fourth logit models provide empirical evidence of financial security aspirations of border families with respect to engaging in savings behaviors and asset accumulation through Kids Savings Account and Individual Development Accounts (IDAs).[11]

> Model 1—Use a Financial Account (Bank + Credit Union + Direct Deposit)
>
> Pr(Use a Financial Account | Tax Filer Border Resident) = Constant + Adjusted Gross Income + Amount of Federal Tax Return + Lending to/Borrowing From Family Members in Emergencies + Being a Homeowner + Years of Education + Number of Dependents + Used Spanish Version of Survey + ε

Table 4. Financial Behaviors and Decisions Survey, TY 2007

	Border n=7377	Spanish Survey n=1871	English Survey n=4020
Race/Ethnicity			
Latino	72.9%	93.6%	61.8%
Native American	5.4%	4.5%	6.3%
African American	5.2%	0.2%	6.3%
White	13.3%	0.8%	21.6%
Asian American	1.3%	0.1%	1.5%
Other	2.5%	0.4%	3.6%
Where Do you Cash Your Paycheck?			
Grocery Store	10.8%	20.0%	7.7%
Check Cashing Outlet	6.6%	7.4%	5.9%
Bank	44.4%	45.0%	43.6%
Credit Union	8.5%	3.3%	13.4%
Direct Deposit	24.1%	15.2%	31.3%
Financial Acct (Bank + CU + Direct Deposit)	71.5%	59.9%	80.1%
Other	3.7%	5.8%	2.7%
Do You Use Money Orders To Pay Bills?			
Yes + Sometimes	42.4%	44.0%	44.0%
No	49.2%	45.1%	50.7%
Have You Heard of IDAs?			
Yes	11.3%	9.8%	11.8%
No	78.7%	77.3%	80.7%
Have You Participated in Savings Circles?			
Yes	2.9%	4.5%	2.0%
No	87.9%	83.6%	91.5%
Max Amount	$5,000	$5,000	$5,000
Total Savings	$68,061	$22,547	$18,958
Do You Lend to or Borrow From Family Members in Emergencies?			
Yes + Sometimes	28.3%	34.0%	23.3%
No	66.4%	57.4%	71.7%
Do You Send Money to Family Members Not Living w/You?			
Yes + Sometimes	42.8%	34.7%	46.3%
No	49.0%	56.6%	47.8%
Do You Have a Savings Account?			
Yes	34.5%	30.1%	44.7%
No	32.3%	33.7%	43.6%
Max Amount	$250,000	$10,000	$250,000
Total Savings	$1,332,215	$72,985	$1,259,230

Table 4. Financial Behaviors and Decisions Survey, TY 2007—Continued

	Border n=7377	Spanish Survey n=1871	English Survey n=4020
Have You Ever Used Your Tax Refund For:			
Down Payment on a Home	3.5%	4.8%	3.8%
Down Payment or Purchase of Car/Truck	12.6%	9.3%	15.1%
Home Appliance (washer/dryer/etc.)	10.3%	11.3%	11.1%
Computer	6.5%	7.2%	6.2%
Furniture	11.0%	10.0%	12.5%
Green Card/Immigration Fees for Family Members	2.1%	4.1%	1.5%
Property Taxes	8.1%	11.1%	8.8%
Medical Bills	11.1%	11.1%	12.5%
Auto Insurance	8.4%	11.2%	9.0%
Small or Microbusiness/Self-Employment Activities	1.1%	1.7%	1.0%
Personal Bills	45.0%	35.9%	48.0%
School Expenses for yourself or dependent	8.8%	7.7%	9.6%
Pay Off Pay Day Loan	3.2%	3.7%	3.3%
Savings	8.0%	4.0%	9.6%
Other			
Would You Like to Know More About:			
Buying a Home	14.0%	12.8%	15.2%
Car/Truck Loans	7.9%	7.9%	8.4%
Credit Cards/Debit Cards	5.9%	5.8%	5.5%
Property Taxes	4.8%	6.8%	4.9%
Children's Savings Accounts	6.4%	6.7%	6.0%
Bank/Credit Union Account	4.1%	5.1%	4.0%
Credit/Budgeting	6.1%	6.5%	5.7%
Small or Microbusiness/Self-Employment	5.5%	7.1%	5.3%
Matched Savings Accounts/IDAs	10.1%	16.0%	7.3%
Financial Aid (Student Loans/Grants) for School	11.3%	10.9%	10.7%
Retirement Accounts	7.6%	8.7%	7.3%
Other			
Residential Status:			
Home Owner	29.4%	45.8%	29.3%
Homeowner w/Mortgage	14.5%	21.9%	14.9%
Homeowner w/out Mortgage	8.1%	12.3%	8.2%
Mobile Home w/Mortgage	3.6%	7.1%	2.9%
Mobile Home w/out Mortgage	3.5%	5.2%	3.6%
Renter	40.8%	31.6%	36.2%
Average Years of Education	11	9.7	12
Average Age	45.4	47.5	46.1
W2s Used To File Taxes:			
1	55.1%	52.2%	54.8%
2+	43.6%	46.2%	43.2%

Source: FABN Survey, Tax Year 2007, data collected in TX, NM, AZ, and CA.

Table 5. FABN Financial Behaviors and Decisions Survey, Summary Statistics of Logit Model Variables, 2004–2007

	TY 2004 Border n=4550	TY 2005 Border n=7068	TY 2006 Border n=6450	TY 2007 Border n=7377
Dependent Variables:				
Avg Financial Acct	.823	.839	.790	.781
Std Dev Fin Acct	.382	.367	.408	.413
Avg Home Ownership	--	.441	.347	.416
Std Dev Hm Owner	--	.497	.476	.493
Avg. Kids Saving Acct	.09	.17	.11	.12
Std Dev Kids Savings Acct	.279	.374	.310	.323
Avg IDAs	.16	.27	.18	.19
Std Dev IDAs	.366	.444	.383	.390
Regressors:				
Avg No. Dependents	1.9	1.17	1.09	1.04
Std Dev No. Depends.	1.368	1.287	1.339	1.242
Avg Years of Education	11.2	11.3	10.5	11.3
Std Dev Yrs Educ	3.87	3.84	4.35	3.54
Avg Spanish Resp	.24	.28	.33	.25
Std Dev Spanish Resp	.436	.450	.500	.466
Avg Lend	.201	.270	.452	.283
Std Dev Lend	.402	.444	.498	.450
Average AGI	$12,210	$13,842	$13,281	$14,868
Std Dev AGI	$10,179	$11,381	$12,079	$12,683
Avg Federal Refund	$1,335	$1,607	$1,232	$1,537
Std Dev Fed Refund	$1,631	$1,820	$1,677	$1,853

Source: Frontera Asset Building Network, Regional Data, for Tax Years 2004, 2005, 2006, and 2007 collected in Texas, New Mexico, Arizona, and California rural metrosites.

Not surprisingly, Years of Education are important as are respondents' AGI and Federal Refund Amount in contributing to understanding the usage of financial accounts with mainstream financial institutions. Spanish language has a negative impact on the probability of using a financial institution, and, again, this is not surprising, given the few financial institutions with cultural competencies in serving multilingual communities. One issue that points to further research due to intergenerational significance of teaching youth familiarity with mainstream financial institutions and a level of comfort with financial products and services is the negative impact of the Number of Dependents on the probability of Using a Financial Account.

Table 6. Logit Regression, Dependent Variable = Financial Account

	TY 2004 Model 1 n = 2012 Dep Var = Fin Acct LR(0-slopes): 150.05	TY 2005 Model 1 n=2007 Dep Var = Fin Acct LR(0-slopes): 151.44	TY 2006 Model 1 n=1962 Dep Var = Fin Acct LR(0-slopes): 266.39	TY 2007 Model 1 n=1725 Dep Var = Fin Acct LR(0-slopes): 166.72
Constant	.4810 (2.29)	.5387 (2.18)	−.0840 (−.3797)	.4854 (2.04)
AGI	.000052 (6.18)	.000065 (7.47)	.00003 (5.07)	.00005 (7.44)
Fed Refund Amt	.00017 (3.11)	.00014 (2.82)	.00023 (4.84)	.00011 (2.56)
Lend	−.1129 (−.727)	−.2729 (−2.02)	−.0588 (−.4827)	−.3599 (−2.90)
Home Owner	—	.3894 (2.78)	.5723 (4.53)	.1967 (1.60)
Education	.0727 (4.72)	.0384 (2.12)	.0961 (5.84)	.0435 (2.45)
No Dependents	−.0761 (−1.27)	−.1712 (−3.09)	−.1973 (−3.98)	−.1915 (−3.27)
Spanish Survey	−.7641 (−5.18)	−.3767 (−2.66)	−.4125 (−2.95)	−.6839 (−5.31)

t-statistics in parentheses; TSP Version 5.0 was utilized in empirical analysis of models.

Table 7. Logit Regression, Dependent Variable = Home Owner

	TY 2004 Model 2 n = 1386 Dep Var = HOwner	TY 2005 Model 2 n=2029 Dep Var = HOwner LR(0-slopes): 196.90	TY 2006 Model 2 n=1975 Dep Var = HOwner LR(0-slopes): 136.00	TY 2007 Model 2 n=1736 Dep Var = HOwner LR(0-slopes): 82.77
Constant	—	−1.19 (−5.54)	−1.132 (−5.79)	−.7234 (−3.45)
AGI	—	.000039 (8.48)	.00003 (6.22)	.00002 (5.526)
Fed Refund Amt	—	−.0000006 (−.0204)	.00008 (2.58)	.00002 (.782)
Number of Depend	—	.0325 (.7487)	−.0430 (−1.04)	−.0191 (−.377)
Education	—	−.0359 (−2.56)	−.0348 (−2.55)	−.0089 (−.598)
Financial Acct	—	.3819 (2.79)	.5424 (4.33)	.2101 (1.727)
Spanish Survey	—	.8902 (8.49)	.6368 (5.91)	.6151 (5.822)

t-statistics in parentheses; TSP Version 5.0 was utilized in empirical analysis of models.

This result signals an important gap in passing on financial literacy/usage skills to offspring and indicates the importance of financial and tax education outreach to limited-English-speaking workers and low-wealth, isolated communities.

> Model 2—Being a Homeowner (Homeowner with Mortgage + Homeowner without Mortgage + Mobile Homeowner with Mortgage + Mobile Homeowner without Mortgage)
>
> Pr(Being a Homeowner | Tax Filer Border Resident) = Constant + Adjusted Gross Income + Amount of Federal Tax Return + Number of Dependents +Years of Education + Use a Financial Account + Used Spanish Version of Survey + ε

Results from the 3 years of data collected on Home Ownership status indicate that Adjusted Gross Income and Spanish Language capacity have positive impacts on the probability of Being a Homeowner. Additionally, for Tax Years 2005 and 2006, using a financial account had a positive impact while Years of Education had a negative impact. At first glance, these results appear to be counterintuitive: Spanish language predominance should have a negative impact on the probability of being a homeowner while educational attainment should have a positive relationship to the probability of owning a home. In border communities with low home values and high Spanish language usage combined with low educational attainment rates (9.7 years), home ownership remains "the" family-oriented life-goal, and low home values make home ownership attainable. Indeed, in *colonias* (unincorporated townships) along the U.S.-Mexico border, median home values range from $8,000 to $34, 000 (and may be lower at this juncture).[12] For other English-survey border respondents with higher educational attainment, the American Dream may be embodied by a "higher priced" home which may be unattainable, given the limited high-wage employment opportunities in the border region.

Model 3—Interest in Knowing More about Kids Savings Accounts

Pr(Kids Saving Accounts | Tax Filer Border Resident) = Constant + Adjusted Gross Income + Amount of Federal Tax Return + Years of Education + Number of Dependents + Used Spanish Version of Survey + ε

Table 8. Logit Regression Models, Dependent Variable = Interest in Kids Savings Acct

	TY 2004 Model 3 n = 1386 Dep Var = KidsSav LR(0-slopes): 48.67	TY 2005 Model 3 n=1847 Dep Var = KidsSav LR(0-slopes): 105.92	TY 2006 Model 3 n=1880 Dep Var = KidsSav LR(0-slopes): 85.90	TY 2007 Model 3 n=1482 Dep Var = KidsSav LR(0-slopes): 66.69
Constant	−3.687 (−8.56)	−2.5409 (−9.61)	−2.965 (−10.35)	−3.277 (−8.65)
AGI	−.00002 (−1.80)	−.000007 (−1.14)	.000001 (.1868)	.000007 (1.10)
Fed Refund Amt	.00026 (3.89)	.00024 (6.24)	.000212 (5.46)	.00015 (3.34)
Education	.0417 (1.39)	.0202 (1.05)	.0416 (1.97)	.0296 (1.04)
Number of Depend	.1861 (2.17)	.1951 (3.64)	.1695 (3.12)	.2992 (3.82)
Spanish Survey	.2608 (1.09)	.0693 (.491)	−.0161 (−.1011)	−.0920 (−.505)

t-statistics in parentheses; TSP Version 5.0 was utilized in empirical analysis of models.

The Amount of Federal Tax Return and the Number of Dependents contribute positively to the probability of wanting to know more about Kids Savings Accounts, whereas Spanish survey usage, Years of Education, and Adjusted Gross Income had no significant impact. These results imply that access to tax education and participation in tax filing for families with children can provide "a window" for significant outreach and educational campaigns on the benefits of using tax season as an opportunity to inform border residents and communities about future planning for children's educational opportunities.

Model 4—Interest in Knowing More about Individual Development Accounts (IDAs)

Pr(IDAs | Tax Filer Border Resident) = Constant + Adjusted Gross Income + Amount of Federal Tax Return + Years of Education + Number of Dependents + Used Spanish Version of Survey + ε

Table 9. Logit Regression Models, Dependent Variable = Interest in IDAs

	TY 2004 Model 4 n = 1389 Dep Var = IDAs LR(0-slopes): 100.92	TY 2005 Model 4 n=1848 Dep Var = IDAs LR(0-slopes): 179.33	TY 2006 Model 4 n=1882 Dep Var = IDAs LR(0-slopes): 85.45	TY 2007 Model 4 n=1481 Dep Var = IDAs LR(0-slopes): 93.73
Constant	−3.36 (−10.43)	−2.28 (−10.32)	−2.4886 (−11.29)	−2.974 (−10.19)
AGI	.000008 (1.07)	.00001 (2.05)	.000006 (1.34)	.000016 (3.06)
Fed Refund Amt	.000049 (.919)	.00011 (3.25)	.00011 (3.13)	.000055 (1.42)
Education	.071 (3.24)	.0339 (2.13)	.0432 (2.72)	.0522 (2.46)
Number of Depend	.004 (1.72)	.0309 (.647)	.000036 (.00078)	.1079 (1.69)
Spanish Survey	1.45 (8.55)	1.324 (11.19)	.9710 (7.43)	.9917 (7.02)

t-statistics in parentheses; TSP Version 5.0 was utilized in empirical analysis of models.

The empirical findings from Model 4 provide us with evidence that a combination of Years of Education and Spanish language survey usage positively impacts the probability of wanting to know more about IDAs. In addition, in Tax Years 2005 and 2006, the Amount of the Federal Tax Refund also contributed positively to respondents wanting to know more about IDAs. As with the findings from the logit model for Kids Savings Accounts, a “window” presents itself for intensive educational outreach during tax season in isolated and hard-to-reach communities about participating in such programs as IDAs. The key issue is bringing such programs to border communities, provided participation is predicated on exposure to awareness and education campaigns.

Part of the slowness for IDA programs to gain traction in border communities is related to the lack of “traditional” work income flows. Many of the border residents participating in the surveys have seasonal and erratic income flows, which hinder participation in IDA programs unless the specifics of the program allow for “lump sum” deposits in lieu of time-oriented deposits (e.g., weekly or monthly savings contributions). Another factor that continues to be an impediment to successful IDA program participation and completion by many border families has to do with “allowed goals and usage.” Perhaps rethinking the usual “three” goals of (1) home ownership down payment, (2) tuition/expenses for higher education, and (3) small/microbusiness capitalization, to allow other practical and pragmatic goals for low-wealth families, such as “used car purchases” or “computer purchases,” is warranted.

Future Research Issues

Financial and tax education outreach initiatives and program services, such as VITA sites in hard-to-reach and often “left-behind” communities, emphasize the importance of inclusive and learning-oriented collaborations. Despite the focus on incentivizing “savings” behaviors among the working poor as part of the asset building policy agenda, evidence is presented here that hard-to-reach communities are engaged in asset building behaviors below the research radar. Indeed, the empirical evidence presented here indicates strategic use of Federal tax refunds and captures the economic mobility aspirations displayed by limited-English and low-wealth border families. This contradicts the media image stereotypes of low-income families and individuals receiving “lump-sum” refunds and engaging in ‘instant gratification’ consumer spending. The presence and support of VITA initiatives along with low-income tax clinics that border families can access provide “windows of opportunity” for ongoing outreach and education awareness campaigns that help families better understand their tax responsibilities and how filing taxes provides them with long-run benefits that preserve their hard-won assets.

Research from inclusive community development initiatives in New Zealand, Australia, Asia, Africa, and Canada among indigenous populations and local communities indicates that, despite isolation and public investment neglect, communities treasure their cultural traditions and rely on cultural narratives and experiential knowledge as important asset leveraging and economic resiliency buffers (Findlay, 2003; Waldgrave et al., 1996; Lassiter, 2005; McGee and Brock, 2001; and Pfohl, 2004). Foundations and government agencies seeking to provide inclusive funding and program initiatives that serve isolated and hard-to-reach communities need to remain attentive to the culturally responsive skill sets that resonate with culturally and racially diverse communities.

The accelerating impacts of globalization have increased our awareness of the interconnected consequences of a single missing support structure in one area of family well-being, creating spillover effects on total family resiliency and, consequently, community well-being. Given our tax preparation services and financial education outreach are poverty-alleviating for a growing number of working families, we must work toward understanding the centrality of tax and financial education in community development by connecting them to: (1) the cultivation and nurturing of participatory civic-engagement, (2) the growth of sustainable social, economic, and infrastructure services delivery for culturally diverse communities, and (3) the strengthening of generational knowledge for continued community resiliency and sustainability.

These issues will continue to gain importance in the community development and poverty reduction fields as we move into more insecure future economic cycles and the increased mobility of transnational families becomes more pronounced. How we deal with culturally and racially diverse legacy communities and their own valuation of community asset-building will provide a blueprint for "windows of opportunity" to provide financial and tax education outreach programs and services that engage and benefit working families and youth.

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Appendix A

Frontera Asset Building Network and Action Research Feedback Chronology

- Roundtable "learning dialogues" at university setting for border practitioners, public service representatives, foundations, and researchers (digital videography used to document entire process).
- Joint effort to identify gaps in services, research, and knowledge base.
- Pilot-research project launched with practitioners-researchers-foundations creating noninvasive survey instrument and field observation using rapid appraisal methods and frequent consultation with border CBO program officers.
- Reliance on community-based organizations to bring resident voices to the table/process: community-based staff and community residents' assessment of survey instrument's efficacy at the community level.
- Community stakeholders prioritizing issues to be addressed and desired outcomes "defining success metrics" from the bottom up.
- University students interning with community-based organizations: "learning ambassadors" and "student change agents."
- Linking community stakeholder feedback to next round of survey design, survey administration, and field observations/rapid appraisal methods.
- Site visits to coalition members for Q & A, for "learning and listening" sessions; re-visiting change of priorities after midyear debriefings; and data analysis/findings shared and discussed by all stakeholders (community data forums held at each regional site).
- Learning, sharing information, and new program development, community-based organizations acting as mentors and "elders" to newer members of FABN.
- Incorporation of new knowledge for next round of data collection and research process.
- Community-based organizations use data findings in grant proposals, marketing, and fundraising, as well as rollout of new service delivery channels and outreach programs.

Appendix B

For all 4 years, respondents in both Spanish and English revealed a striking degree of asset building and economic mobility aspirations in responding to the following "fill in the blank" questions in their own words. A list of responses follows:

I. Question: Have you ever used your tax refund for (Fill in the Blank)

- Auto insurance (included in following year's survey, TY 2005)
- Savings (included in following year's survey, TY 2006)
- To pay off pay day loan (included in following year's survey, TY 2007)
- To purchase cell phone/cell phone plan (included in following year's survey, TY 2008)

Other items that were specifically indicated/written in as tax refund expenditures:

- To purchase land/lots
- To pay for my brother's/sister's/niece's/nephew's/grandchildren's school tuition and/or books
- To pay for a baptism/confirmation/*quinceñera* (coming of age celebration)/wedding
- Dentist/eye glasses
- Bankruptcy
- Funeral
- Home construction/home improvement
- Tools/work clothes
- Moving expenses/security deposit for an apartment
- Car repairs
- To pay back borrowed money from family/friends
- Child support
- Purchase of used items for resell at *pulga* (swap meets)
- Help family members with their bills (mom/dad/sister/brother/son/daughter)

II. Question: What would you like to know more about?
(Fill in the Blank)

- Home ownership responsibilities (a separate questions on home ownership status was included in the following year's survey, TY 2005)
- Financial aid/student loans and grants for university, community college, and vocation school (included in following year's survey, TY 2006)
- Retirement accounts and planning (included in following year's survey, TY 2007)
- Credit repair (included in following year's survey, TY 2008)
- Insurance products (home, car, medical, and funeral) (included in following year's survey, TY 2008)
- Job and employment opportunities (included in following year's survey, TY 2008)

Other items that were specifically indicated as items of interest:

- GED
- Investing/certificates of deposit/mutual funds
- Legal help with student loan repayment and back pay for child support
- Home repair
- Help with taking care of elderly parents and disabled family members
- Understanding tax credits/tax credits for education expenses (student loans)
- How to get out of debt
- How to save more/how to save for school expenses
- Land/lot purchases

Endnotes

1 The term *"frontera"* is the Spanish word for border.

2 The term *"colonia"* is the Spanish word for neighborhood or community. However, the term *colonia* conveys a unique meaning along the U.S.-Mexico border. *Colonias* are areas of nonincorporated townships that may lack basic water and sewage systems, paved roads, safe and sanitary housing conditions, phone service, and school and public health facilities (Federal Reserve Bank of Dallas, 2001). Similar unincorporated towns appear in the Appalachian region.

3 For a deeper understanding of *colonia* cultural life and socioeconomic characteristics, see Vélez-Ibañez, C. (2004). "Regions of Refuge in the United States: Issues, Problems and Concerns for the Future of Mexican-Americans in the United States," *Human Organization,* Volume 63, Number 1, pp. 1-20 and Esparza, A. and A. Donelson (2008), *Colonias in Arizona and New Mexico: Border Poverty and Community Development Solutions*, (University of Arizona Press) Tucson, AZ.

4 Yankelovich (2001) and Rambaldi et al. (2006) provide evidence that all productive collaboration begins with the reflective and sharing aspects of dialogue and conversation among participating community stakeholders. Additionally, listening and learning capacities have been neglected in program evaluation aspects of community development, as well as in the policy-oriented creation and identification of community development, success metrics, and indicators.

5 See Appendix A for a full description of the dynamic feedback process all FABN members engage in through the action research cycle.

6 In high density immigrant or immigrant-memory communities (as known as ethnic or cultural legacy communities), informal neighborhood savings circles take on a variety of names. In Latino communities, they are known as *"cestas," "tandas," "cundinas," "rondas,"* or *"sans."*

7 The regional SPEC offices were instrumental in providing support services that allowed individual community-based organizations to reach larger constituents and serve more community residents often left behind and considered by mainstream government agencies extremely difficult to serve.

8 The response rates are calculated against the overall e-filing and paper filing counts at each site. This allows for a quality control approach to the FABN Financial Behaviors Survey count. For example, if one individual site had a

total e-filing season of 450 filers and a FABN paper survey response of 300, the calculated survey response rate for that particular site is 66.6 percent.

[9] Many of the community-based organizations held grievances toward university researchers and external evaluators for being invasive and bringing "outside" surveys into communities as opposed to working with community-based organizations in designing surveys that would capture the types of information that would be useful for community-based organizations to employ in creating new programs and for providing improved services to residents based on resident responses/voices as captured in the surveys. In working with community-based organizations, I believe that social science research has focused on a deficit-oriented lens and in so doing, has created a resistance among community advocates, especially in hard-to-reach communities. Knowing about community resiliencies and hidden assets is of equal importance in bringing education and awareness campaigns into isolated and left-behind communities.

[10] The survey for Tax Year 2004 did not include a question on homeownership status

[11] Individual Development Accounts (IDAs) are programs that encourage low-income families and individuals to save. The community-based organization offering the IDA program to community residents partners with a financial institution to create savings account for the IDA participant. A one-to-one match is generally applied: For every dollar the participant saves, a corresponding dollar is deposited in the IDA until a particular savings goal is reached, usually within an 18-month period. The total amount is then used for a down payment on a home, to open a small business, or to enroll in postsecondary education (a community college or university program).

[12] American Community Survey, Starr County, Texas, $11,248 (3-year estimate, 2005-2007), B992519. IMPUTATION OF VALUE-Universe: OWNER-OCCUPIED HOUSING UNITS.