Making Ends Meet

WHPE
Goals of this Chapter

- Resources available if your income has dropped.
- Benefit and assistance programs currently available to low-income individuals.
- Saving money through tax credits and the tax filing process.

Take Away message:
There is help out there for people who have economic hardship.
Thousands of WI families use forms of public support. Don’t feel embarrassed if it can help you.
Programs can have complicated details. Be patient and take time to learn your options.
Assistance Programs

• If your income has dropped, you may be eligible for assistance.
• Many programs base eligibility on the poverty line.
  – Reflects the minimum income a household needs to achieve an adequate standard of living
  – Based on number of household members and their ages
• Households are considered poor if their gross pre-tax income is below the poverty line.

While this measurement (Poverty Line) is far from perfect, it is also used to set the limits for many of the programs in which people can receive benefits. If your income does not fall exactly below the poverty line, you may still qualify for assistance. A number of programs base their eligibility at 135%, 150%, 185%, 200%, and even up to 300% of the poverty line for some services.

1: $10,830
2: $14,570
3: $18,310
4: $22,050
5: $25,790

According to the 2007 American Community Survey, more than 604,000 people in Wisconsin are officially low-income, meaning their gross annual income is below the federal poverty line. This represents 10.8 percent of the state population—more than 1 in every 10 people. So your financial troubles are not uncommon, and many others just like you have already received thousands of dollars in crucial income support through a number of different assistance programs.

Who is at risk?
The risk of financial troubles varies considerably among different groups. Some groups with above-average risk in Wisconsin include the following:

More than 1 in 3 African-Americans live in poverty (34.3 percent).
More than 1 in 3 households headed by a single mother live in poverty (36.8 percent).
Nearly 1 in 3 American Indians live in poverty (30.1 percent).
More than 1 in 5 Latinos lives in poverty (19.7 percent).
More than 1 in 7 children lives in poverty (14.9 percent)
More than 1 in 5 adults with less than a high school education lives in poverty (19.6 percent)
Most programs do not use the poverty line as a cutoff point for eligibility. Many programs do have eligibility criteria that are based on multiples of the poverty line. For instance, school meals are generally provided at no cost to children with family income below 130% of the poverty line.
Using ACCESS

- ACCESS is an online portal.
- Allows Wisconsin residents to check for eligibility and apply for multiple benefit programs at one time.
- Click “Am I Eligible?” – Entirely anonymous at this point.
- If you are eligible, return to the first screen and now click “Apply for benefits!”
Family Economic Security

- Households will have more financial security if:
  - Health care costs are lower,
  - Rent and housing bills are lower,
  - Gas, electric, energy, heat, and other utility bills are lower, and
  - Wages and income are higher.

It is important to note that NOT ALL benefits programs through the state of Wisconsin can be applied for through ACCESS. Some, like school meals and W-2, have their own application process.

**Dial 2-1-1**
If you are having immediate trouble meeting your basic needs, call 211 for a local directory of all the government and non-profit programs, agencies, and organizations that seek to provide services to low-income individuals.

According to 211 Wisconsin:
2-1-1” is the three digit dialing code designated in 2000 by the Federal Communications Commission to provide widespread public access to community information and referral services. In response, there has been a national effort to develop statewide “2-1-1 systems” that will ensure that 2-1-1 becomes as easily recognized as 911 and 411.
2-1-1 service originated in Dane, Milwaukee, Racine and Waukesha counties on Tuesday, June 11, 2002. Today, there are thirteen 2-1-1 call centers serving Wisconsin, providing access and service to all 72 counties.”
Source: [www.211Wisconsin.org](http://www.211Wisconsin.org)
Family Economic Security Programs

- **BadgerCare Plus**
  [http://dhs.wisconsin.gov/BadgerCarePlus/](http://dhs.wisconsin.gov/BadgerCarePlus/)

- **Wisconsin Home Energy Plus**

- **Wisconsin Unemployment Insurance**
  [http://www.dwd.state.wi.us/ui/](http://www.dwd.state.wi.us/ui/)

- **Wisconsin Weatherization Assistance Program**

- **Wisconsin Works (W2)**
  [http://dcf.wisconsin.gov/w2/wisworks.htm](http://dcf.wisconsin.gov/w2/wisworks.htm)
Nutrition Assistance Programs

- **Food assistance:** Allows families to shift money into other areas, such as rent/housing costs.
- **Emergency Food:** Call 211 for food pantries, soup kitchens, meal sites, shelters.
- **Wisconsin Nutrition Education Program (WNEP):** A UW-Extension nutrition education program found throughout the state that helps limited resource families and individuals choose healthful diets, purchase and prepare healthful food and handle it safely, and become more food secure by spending their food dollars wisely.
  http://www.uwex.edu/ces/WNEP/

**Nutrition assistance programs**
Assistance programs that target food and nutrition issues are considered to fall under the category “nutrition assistance programs.” While these programs are designed to target families and households at risk of hunger, they are accessed by a significant number of Americans. One recent study cited that over the last 30 years, half of all American children have been on food stamps by age 20.

**Why is hunger a problem?**
Researchers have linked hungry or food insecure households to a variety of negative outcomes. Children in food-insecure households experience disrupted eating habits that may range from mild to severe, and both children and adults in food insecure households have greater risk of nutritional deficits. Beyond direct impacts on eating patterns and nutrition, food insecurity contributes to health problems including depression, adult obesity, and worse overall health status. In children, food insecurity has been linked to negative behavioral and school-related outcomes.

By providing much needed food assistance, both immediate and long-term, children and families will have a better quality of life and be able to shift money into other areas, such as rent/housing costs.

**Emergency Food**
If you continue to have difficulty in pulling together enough money for food, or if you would like to further decrease your food payments, you may want to investigate the local food pantries, soup kitchens, meal sites, and shelters in your area.

Food pantries are locally operated institutions that can provide free food to those in need. Each
food bank will differ in its policies and practices. Some will allow you to choose between items, while others will pre-package a bag or box for you. Each pantry will have different rules regarding how often you can come back, as well, so it is important to learn the individual rules at any pantry you plan to attend.

Call 211 for more information about the food pantries and meal sites in your area.
Nutrition Assistance Programs

- **Child and Adult Care Food Program (CACFP)**
  http://www.fns.usda.gov/cnd/Care/

- **Commodity Supplemental Food Program (CSFP)**

- **Elderly Nutrition Program (ENP)**
  www.nutrition.gov

- **FoodShare**
  http://dhs.wisconsin.gov/foodshare/

- **Senior Farmers’ Market Nutrition Program (SFMNP)**
  http://www.fns.usda.gov/wic/SeniorFMNP/SFMNPmenu.htm

- **The Emergency Food Assistance Program (TEFAP)**

- **Women, Infants, and Children (WIC)**
  http://www.fns.usda.gov/wic/
Programs Targeting Children

- **National School Lunch Program (NSLP)**
  [http://www.fns.usda.gov/cnd/Lunch/AboutLunch/ProgramHistory_6.htm](http://www.fns.usda.gov/cnd/Lunch/AboutLunch/ProgramHistory_6.htm)

- **School Breakfast Program (SBP)**

- **Summer Food Service Program (SFSP):**

- **Wisconsin Head Start**

**Programs targeting children**
Some of the programs included above also target children, such as BadgerCare Plus, FoodShare, and WIC. In each of these cases, parents can receive benefits depending on the number of qualifying children in their home.

**Programs Targeting Children**

**National School Lunch Program (NSLP)**
[http://www.fns.usda.gov/cnd/Lunch/AboutLunch/ProgramHistory_6.htm](http://www.fns.usda.gov/cnd/Lunch/AboutLunch/ProgramHistory_6.htm)
A federal meal program operated in public schools, nonprofit private schools, and residential child care institutions. It provides free or reduced price nutritionally balanced meals to children who qualify based on their family’s income.

A federal meal program operated in public and nonprofit private schools which provides free or reduced price meals to children who qualify based on their family’s income.

**Summer Food Service Program (SFSP):** [http://www.fns.usda.gov/cnd/Summer/](http://www.fns.usda.gov/cnd/Summer/)
A federal meal program that provides reimbursements to schools, non-profits, camps, and other agencies that provide meals and snacks for children in low-income areas during the summer.

**Wisconsin Head Start** [http://www.whsaonline.org/](http://www.whsaonline.org/)
The Head Start program (for children ages 3-5) and Early Head Start program (for pregnant women, infants, and toddlers) promote school readiness for children in low-income families by providing comprehensive educational, health, nutritional, and social services.
Saving Money - Taxes & Tax Credits

Tax credits - subtracted from your tax due.

- **Earned Income Tax Credit:**
  File either the 1040 or 1040A tax form along with Schedule EIC.

- **Child Tax Credit:**
  File the 1040 or 1040A tax form, if eligible to get money back, you may also need to file form 8812.

- **Wisconsin Homestead Tax Credit:**
  File Schedule H or H-EZ along with a copy of your property tax bill or rent certificate signed by your landlord.

- **Other Tax Credits:**
  Saver’s Tax Credit, Adoption Tax Credit, Child and Dependent Care Tax Credit, Education Tax Credits

**Earned Income Tax Credit:**
Low-income workers who are eligible for certain state and federal income tax credits can significantly lower their taxes--sometimes all the way to zero. In many cases, the credits total more than the taxes owed, so workers may be entitled to a check for the difference. To get the credits, workers must file a tax return and indicate on the form that they are eligible.

To qualify, you need to have earned income, and your total income must be below approximately $33,000-$40,000, again as of 2009, depending on the number of children and your marital status. Workers without children can also qualify for a smaller credit, if their income is below around $12,500 to $14,500 as of 2009, depending on marital status.

**Child Tax Credit (CTC):**
Many low-income families can also get money back from the federal Child Tax Credit. Families with earnings of at least $11,750 during 2007 may be eligible for up to $1000 per child, based on your AGI.

**Wisconsin Homestead Tax Credit**
Renters and homeowners with incomes of less than $24,500 may qualify for the Wisconsin Homestead Credit, worth up to $1160.

**Other tax credits:**
- **Saver’s Tax Credit**—provides credit for a portion of an individual’s qualified retirement contributions.
- **Adoption Tax Credit**—offers support for qualifying expenses associated with adopting a child.
- **Child and Dependent Care Tax Credit**—helps offset expenses associated with the care of children under age 13.
Education Tax Credits – apply for the Hope Credit and Lifetime Learning Credit for expenses related to education.
Volunteer Income Tax Assistance (VITA)

- Provides income tax assistance to low-income individuals, handicapped or elderly.
- Trained volunteers prepare basic income tax returns free of charge at VITA sites.

- Taxpayer Counseling for the Elderly (TCE)
  - Provides free tax information and help in preparing federal and Wisconsin income tax returns for elderly, low-income and handicapped individuals.
Refunds

• Receiving the tax refund:
  – Tax refund check (within 6 weeks of receiving your return)
  – Direct deposit into checking, savings, or retirement account

• Consider adjusting your withholdings so that you do not have a large refund at year-end.

• Use refund to:
  Pay off debt, save for emergencies, save for retirement, save for future education for yourself or a child, use as capital to start a small business.
Taxes Due

• Reducing your taxes due next year:
  – Contribute part of your paycheck to an IRA or another account
  – Purchase a home or real estate
  – Take a “tax” loss on your investments
  – Have dividend or municipal bond income
  – Place some of your income into trusts and estates, a type of “tax shelter”
Free Application for Federal Student Aid (FAFSA)

- This process reviews the assets and income of individuals and parents to qualify for grants and loans
- Many qualified families fail to apply for aid in part due to the form being time consuming to complete