

Accessing Public and Employer Benefits

What Is It

One of the approaches currently being utilized to help individuals and families increase and maximize their income is strategic utilization of public and employer benefits. Public (including federal and state) and employer benefits are programs designed to help working individuals and families meet basic needs, ensure that they are protected against financial hardship, and help them plan for the future. Such programs include the Earned Income Tax Credit (EITC), food stamps, health insurance, and retirement savings plans.

Why Is It Important

Both public and employer benefits can make a critical difference in the income of individuals and families, yet billions of dollars in benefits that individuals and families have earned go unutilized every year because of a lack of knowledge about the eligibility requirements and long and cumbersome application processes.

For example, a family of four earning \$19,760 annually could increase their income by \$7,756 from public benefits— \$3,154 from the Earned Income Tax Credit; \$1,326 in child care subsidies; and \$3,276 in food stamps.

Employer benefits could potentially increase that figure. The average annual premium for family health insurance is \$11,000, with employers paying an average of 74 percent of that cost—saving families \$8,140 annually.

In an effort to increase families' access to income boosting benefits, community-based organizations have been developing and utilizing software and/or web-based tools called benefits calculators. Benefits calculators use common data points, such as marital status, income, and number of dependents, to determine eligibility for multiple benefit programs and then electronically complete and print benefits applications for submission to the appropriate agency.

In addition to the advantages of a streamlined application process, use of benefits calculators has also expanded the benefits delivery system from one that is oriented toward a single government office or agency to one with multiple access points, including nonprofit organizations, health and human service providers, faith-based organizations, employers, and others.

The Role of United Way

Recognizing the value of these tools in changing the way that people apply for public and employer benefits, several local United Ways have been active in the development and utilization of benefit calculators. Some have integrated benefits access with their EITC outreach and free tax preparation work, while others are linking it to a workforce development initiative and focusing on public and employer benefits for working families.

As United Way of America developed its financial stability initiative, benefits calculators emerged as a key tool to improve

the integration of income-enhancing programs and services for lower-income individuals and families. United Way of America partnered with IBM's Global Business Services division, as well as a taskforce of local United Ways, to identify a cost-effective tool that met the needs of communities and had the greatest potential for achieving national scale. With IBM's expertise, UWA designed a strategy for identification of a benefits calculator that is scalable throughout the United Way network. United Way of America is developing a partnership with the technology vendor that it selected and will introduce that partnership in 2007.

Resources

To learn more about accessing federal and state benefits, visit http://www.govbenefits.gov/govbenefits_en.portal

For the latest research on public benefits, visit the Center for Public Policy Priorities at www.cppp.org

For information and research on employer provided benefits, visit the Employee Benefit Research Institute at www.ebri.org

The Benefit Enrollment Network—created and administered by Nets to Ladders, Inc., is an internet-based tool designed to accelerate and improve benefits enrollment and asset building among low- to moderate-income workers. www.netstoladders.com

For More Information

United Way of America is currently exploring a national partnership with Nets to Ladders, Inc. If your United Way is interested in exploring the use of BEN in your community, please contact Emily De Maria at United Way of America at 703.836.7112 x250 or emily.demaria@uwa.unitedway.org

For more information about United Way's Financial Stability Partnership™, and financial stability strategies, visit the Knowledge Café at <http://online.unitedway.org/café>, join the financial stability listserv or send an email to fsp@uwa.unitedway.org.