



**NEWS RELEASE
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**UNITED WAY TO INVEST \$1.5 BILLION IN FINANCIAL STABILITY PARTNERSHIP
TO SUPPORT WORKING INDIVIDUALS AND FAMILIES**

– Launching a new national initiative, the nation’s largest charity will increase its investment by 50 percent over the next five years to support financial stability –

Washington, D.C. – May 7, 2007 United Way today launched the United Way Financial Stability Partnership™, a nationwide initiative designed to help low-to-moderate-income individuals and families achieve financial stability.

United Way of America President and CEO Brian A. Gallagher announced that United Way will increase its investment in the Financial Stability Partnership by 50 percent over the next five years, making its total investment \$1.5 billion.

The United Way-led effort, which entails the active participation of Fortune 500 businesses, non-profit organizations, federal agencies and local United Ways, will provide critical economic and educational support programs and resources to help those in need increase their income, build their savings and more effectively manage their finances.

“Millions of Americans desperately need the support and skills to achieve and sustain financial independence,” said Gallagher. “Over 20 million working adults still live below the poverty level despite the fact that many hold down multiple jobs. Meanwhile, the personal savings rate is the lowest in almost 75 years.”

The goals for the initiative were unveiled today during an event at the National Press Club in Washington, D.C.

The goals include:

SYSTEM-WIDE INVESTMENT

- Over the next five years, the United Way will increase its investment by 50 percent to \$1.5 billion by adding targeted, focused and proven strategies (as identified in its framework) that impact financial stability.

INCREASING INCOME THROUGH EXPANDING EARNED INCOME TAX CREDIT (EITC) OUTREACH

- Increase the number of eligible families currently not claiming EITC by 25 percent in 200 targeted communities over the next year.
- Increase the number of eligible families currently not claiming EITC by 50 percent in 400 targeted communities over the next five years.

BANK THE UNBANKED

- In 50 targeted communities, reduce by 10 percent the number of unbanked and underbanked households over the next year.
- Across the United Way system, reduce by 25 percent the number of unbanked and under-banked households over the next five years.

EXPANSIVE INTEGRATION OF TECHNOLOGY

- Through technology, increase enrollment by 25 percent of eligible families in earned public benefits in 20 targeted states over the first year.
- Through technology, enable all United Ways to enroll eligible families in earned public benefits in 50 states over the next two years.

Based on five years of research and interaction with community partners, the United Way Financial Stability Partnership uses a three-step framework to address the common challenges to financial stability: increase income, build savings and gain and sustain assets supported by financial education and access to the financial mainstream:

Step 1: Increase Income

- **Earned Income Tax Credit (EITC):** Free tax preparation and filing assistance on-site to help eligible individuals claim valuable tax credits;
- **Workforce Development and Training:** On-site programs that enhance job readiness and soft skills like job etiquette, while providing remedial and continued education, and specific job-related skills training (Transportation, childcare and other support services provided);
- **Credit Repair and Debt Reduction:** United Way connects individuals to non-profit organizations and community agencies that provide credit repair and debt services; and
- **Accessing Public and Employer Based Benefits:** Screening for eligibility and applying for public and employer-based benefits like CHIP/health, food stamps, Medicaid, Social Security and retirement plans.

Step 2: Build Savings

- **Savings Products:** Through partnerships, individuals will be able to open no-minimum checking and savings accounts; and
- **Savings Campaigns:** Local United Ways provide information and resources to develop customized savings goals for families and individuals, as well as the communities in which they live.

Step 3: Gain and Sustain Assets

- **Individual Development Accounts (IDAs):** Similar to a 401(K), IDAs offer a match incentive through corporate and local partnerships to help individuals accumulate savings to purchase long-term assets like a house, secondary education for children, or a small business; and
- **Asset Protection:** A set of tools and strategies to help sustain assets in the event of an emergency or an unexpected life event, such as auto, home, health and disability insurance.

As one of the earliest partners with United Way, Bank of America invested \$500,000 this year in the expansion of the Earned Income Tax Credit Program. This has helped to yield nearly \$57 million in EITC Credits and more than \$182 million in tax refunds for working Americans during the 2006 tax year in 33 communities.

"We believe that the Earned Income Tax Credit is a great vehicle to help lower income individuals and families build wealth," said Andrew Plepler, President of the Bank of America Charitable Foundation.

A New, Fundamental Shift

The launch of the United Way Financial Stability Partnership marks a significant shift by United Way in its efforts to remedy some of the most pressing societal challenges in the U.S.

While the organization and its partners have long supported families and individuals to make ends meet and fill economic gaps in communities across the country, it will now devote \$1.5 billion over the next five years to strengthen the financial stability of low- to moderate- income families.

Supporting this work is an innovative technology partnership with Nets to Ladders (N2L), an Austin, Texas-based technology firm committed to transforming the social sector through business process innovation. Their groundbreaking Web-based software platform – the Benefits Enrollment Network (BEN) – accelerates and improves the benefits enrollment process and facilitates entry into the mainstream financial community, critical to many of the strategies in the framework.

“We need to maximize the positive, long-term impact we have on the lives of those we serve, and this requires us to intensify our focus on financial stability,” Gallagher said. “In conjunction with much input and strategic direction from leaders across the local United Way system, the decision was made to concentrate much of our resources on this issue.”

With a footprint in 91 percent of the country through more than 1300 local United Ways, United Way is uniquely capable of effecting a lasting, positive impact on the financial health of hardworking individuals and families.

About United Way of America

United Way of America is the national organization dedicated to leading the United Way movement in making a measurable impact in every community across America by focusing on the root causes of the most serious problems. The United Way movement includes approximately 1,350 community-based United Way organizations. Each is independent, separately incorporated and governed by local volunteers. For more information about United Way of America, please visit: www.unitedway.org.

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