



PARTNERSHIPS KEY TO INCLUSIVE EITC EXPANSION **IN NEW MEXICO**

This is one of two case studies commissioned by the EITC Pooled Fund to examine how partnerships between grassroots and policy funders bolstered successful Earned Income Tax Credit (EITC) campaigns in New Mexico and Washington state. Since 2012, the EITC Pooled Fund—which seeks to improve efforts to protect, expand, and create new state and federal EITCs, Child Tax Credits, and other tax credits—has periodically funded New Mexico’s campaign to improve the credit.

More information about the EITC Pooled Fund can be found [here](#).

Campaign Overview and Background

The New Mexico state Earned Income Tax Credit (EITC), also known as the Working Families Tax Credit, was implemented in 2007 at eight percent of the federal EITC. In the years that followed, advocates worked tirelessly to grow the size of the credit and provide a larger income boost to working families across the state. In 2019, supported by multiple funders including the EITC Pooled Fund, advocates secured an increase in the tax credit from 10 to 17 percent of the federal EITC. In 2021, a widespread campaign culminated in legislation to expand the credit from 17 to 25 percent of the federal EITC by 2023 and extend eligibility to ITIN filers (workers who file taxes without a Social Security number) and workers as young as 18 without dependent children in the home. These changes will benefit at least 250,000 filers in the state.

Advocates credit the success to years of dedicated effort, strategic partnership, and support from national and local funders. Funding from the Annie E. Casey Foundation (Casey) in 2018 helped the campaign initiate partnerships with community-based organizations (CBOs), which were instrumental in elevating the voices of those affected most by the legislation. Extending EITC eligibility to ITIN filers was a high-priority issue for community members, and the campaign’s CBO partners helped to ensure inclusivity was central in the efforts to expand the credit.

“At its heart, this story is about partnerships,” said Amber Wallin, deputy director of New Mexico Voices for Children, who led the coalition’s EITC work.

The Value of Community-Based Organization Partners

General operating support that allowed for regranting ensured the coalition could continue building partnerships with CBOs and provide them financial support and technical assistance to increase their capacity to work on these issues. In 2020 and 2021, New Mexico Voices for Children has regranted \$265,000 to CBOs for their shared tax policy

campaign work, which to them signifies that the funders supporting the campaign also recognize the value of partnering with the community. This hasn’t always been the case. Wallin pointed out that organizing work is too often overlooked and underfunded, which in turn affects policy work too.

“We can bring all the data and research in the world,” said Wallin of her organization’s expertise on policy, “but it’s not the same as having people who have lived experiences who can talk personally to how a policy will impact their families.”

Karina Jiménez Lewis, associate director of policy reform and advocacy at Casey agreed: “People who are closest to the pain points are in the best position to inform the policy solution,” she said. “It was affirming to us to know that [New Mexico Voices for Children’s] strategy was informed by people who are closer to the ground.”

Wallin and her team also recognized the importance of regranting in building the capacity of CBOs to understand and support EITC issues and fiscal policies more broadly. This investment helps build their commitment for the long term, she said. With expanded funding from Casey, the EITC Pooled Fund, and the W.K. Kellogg Foundation (WKKF), among others, the coalition collaborated with and trained

more CBOs, which also increased their ability to reach community members. Partners gave presentations about the importance of the EITC in helping local economies, improving equity, and supporting essential workers. They held a 1,400-person press conference and a rally for immigrant workers demanding action. As the COVID-19 pandemic shed a light on immigrants’ role as front-line workers, in partnership with their community-based partners, New Mexico Voices for Children released **Essential but Excluded**, a report detailing why ITIN filers should be included in the state EITC.

Just as important as reaching community members was reaching policymakers. With additional funding, the coalition was able to implement more strategic communications work than in previous years. The campaign included more targeted outreach to state policymakers and in priority communities through mailers and cable ads.

The Role of National Funding Partners

New Mexico nonprofits have limited access to local philanthropic funding—the state ranks near the bottom of the U.S. in number of foundations—and rely on national funding partners. That’s where partners like Casey come in.

After several years of releasing the KIDS COUNT Data Book, an annual ranking of states on 16 measures of child well-being, Casey leaders noticed a pattern – states that ranked in the bottom tended to be states located in the South and the Southwest. This trend prompted Casey to work closely with these states to advance certain policies – such as state-level EITCs – that would help improve these measures. With New Mexico consistently placing in the bottom, the foundation saw an opportunity to build momentum for change and reform.

Long-term support like the funding from Casey, the EITC Pooled Fund, and WKKF – which has a place-based office in New Mexico and provided its first grant to New Mexico Voices for Children in 1999 – is critical to the success of campaigns like this one. While most funding tends to come

in when a victory is clearly within reach, Wallin said the coalition really valued the long-term support that prepared them to seize opportunities as they came. **This multi-year funding supported the time and staff resources needed to build strong, trusting, and meaningful partnerships so that when the pandemic happened, relationships were already established.** This allowed them to seamlessly and immediately shift into identifying the needs and policy solutions for communities of color, especially immigrant families. As a collective, they were able to use each groups’ strength, capacity, and reach to achieve major policy progress. There’s also real value in funders sticking around after policies are passed.

“Implementation and accountability are key to ensure that workers and families ultimately receive those benefits,” said Michelle Gutiérrez, program officer with WKKF.

“Engage all communities,” urged Gutiérrez of her fellow funders, “including community leaders of color in both the design and the implementation of the campaign.”



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Michelle Gutiérrez, Program Officer
W.K. Kellogg Foundation (WKKF)



The Importance of Listening and Learning

Casey's Lewis agrees on the importance of learning from local leaders and community members. She suggests funders do a thorough landscape and needs assessment that includes the voices of residents in a new community and region, rather than assume they already know what the local community needs. She also encourages philanthropic partners to establish a strong foundation for continued partnership that includes money but goes beyond that —

to focus on building long-term relationships, feedback loops, and teaching and learning opportunities. Learning from other funders who do this work is also valuable.

“We need to leverage each other's strengths and resources,” she said, emphasizing that a single foundation alone cannot fund its way towards solving a problem.



Community members advocating for inclusive economic relief and tax reform, fall 2020.