



**Testimony of Miriam Savad, Savings Program Manager  
Capital Area Asset Builders**

Department of Human Services Performance Oversight Hearing on FY2010-2011

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Thank you, Chairman Graham, for allowing me to testify today. My name is Miriam Savad, and I am the Savings Program Manager at Capital Area Asset Builders (CAAB). Through our financial and consumer education initiatives, matched savings programs, and policy advocacy, CAAB works to ensure that everyone has opportunities to save for future goals and invest in appreciating assets that will bring wealth to their families and to the District.

CAAB coordinates the DC Earned Income Tax Credit Campaign, which provides free tax preparation to low-income DC individuals and families, as well as education around tax credits and other financial services, in order to improve their financial stability and ensure that they keep the money they earn. For the past few years, we have partnered with DC Hunger Solutions to provide SNAP outreach at our DC tax sites. Through this outreach, we have been able to serve harder to reach populations, and provide a needed income support to struggling families.

It is estimated that 10,000 individuals who are eligible for the EITC aren't claiming it each year, representing *approximately \$15 million yearly* in federal EITC funds not brought into the District, as well as *\$42 million* in local economic activity that is not being generated. The EITC helps make work pay for low-income workers, both incentivizing work and helping low-income workers make ends meet. Recent DC Department of Employment Services numbers put the unemployment rates in Ward 7 and 8 (where 40% of all EITC recipients live) at 17.1% and 25.2%, respectively. The EITC specifically targets these high-unemployment areas, helping DC residents get back to work. Moving forward, the Campaign would like to work more closely with IMA Service Centers to do outreach to hard to reach populations and those most in need of this service. Sustained outreach to the local community about the EITC is essential given that many DC residents become EITC-eligible each year due to changes in income, marital status, and household members.

The remainder of my testimony today will focus on the TANF program. TANF is a critical program for many DC families and children, and is a key element in lowering unemployment in the District. During the past year, IMA held roundtables to discuss ways to improve TANF services, which, along with the TANF Educational Opportunities



and Accountability Act, led to the redesign of the employment program and assessment system. The new system is a significant improvement in meeting client needs and in expanding reporting requirements, but we urge close monitoring as it is implemented, particularly to evaluate participation data and outcomes.

In December, the Council approved a 20 percent reduction in benefits for TANF recipients who have received benefits for more than 60 months. This is a significant decrease for families struggling to make ends meet, and the focus on time limits does not consider the many, complex barriers facing TANF recipients nor the limitations of the program itself. It's essential that an assessment is performed to examine the impact these cuts will have on families in the District.

This summer, the TANF Employment Program will also be redesigned, improving case management to recipients, providing incentives to service providers to increase client success and providing offerings that emphasize placement in higher-wage jobs. The new legislation also provides definitions for allowable work activities, of which "budget and credit counseling" is included. These changes are dramatic, positive changes towards moving TANF recipients towards increased stability and self-sufficiency.

DHS is also in the progress of developing a new, three-tiered TANF sanctions policy, for adults who fail to meet the work requirement. Non-compliant TANF recipients are most often those that face complex issues that affect their abilities to maintain consistent employment and meet the work requirements. A sanctions policy ought to include an causal assessment for non-compliance and a method for non-compliant families to become compliant; the policy must be designed with the emphasis on improving compliance, and not harming the most vulnerable families and pushing them deeper into poverty.

I appreciate the opportunity to testify today and look forward to continuing to work with the Department of Human Services (DHS) to enhance the quality of life for DC residents and help them achieve greater degrees of self-sufficiency.

Respectfully,

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