



FOR IMMEDIATE RELEASE

Native American Non-profits Announce Economic Impact of Free Tax Preparation Sites

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Kyle, South Dakota – *April 29, 2014* – While April as National Financial Literacy Month comes to a close, members of the Great Plains Native Asset Building Coalition, a group of organizations and institutions that work to expand asset development strategies in low-income Native American communities, announce the collective impact of their free tax preparation sites, also known as Volunteer Income Tax Assistance (VITA) sites. The Cheyenne River, Crow Creek, and Pine Ridge Reservation VITA sites, operated by IRS-certified volunteers, processed 879 tax returns, bringing \$2.2 million in refunds back to their reservation communities and saving tax payers an estimated \$220,000 in preparation fees.

“In an area with one of the highest uptake rates of refund anticipation loans, we are pleased that so many of our reservation residents are finding a more responsible alternative for preparing their taxes. These VITA sites are critical vehicles that keep driving more dollars through our fledgling reservation economies,” says Tawney Brunsch, Executive Director of Lakota Funds, the organization that is incubating the Great Plains Native Asset Building Coalition. Rapid refund tax services, deemed a form of predatory lending by consumer advocacy groups and commonly used by low-income individuals seeking instant cash, cost an estimated 30 million households \$11 billion annually.

“Some of South Dakota’s reservation counties have the highest rates of rapid refund utilization, which is dramatically reducing the potential benefit of the Earned Income Tax Credit program,” states Brunsch. Typically one of the most underutilized tax credits, the Coalition members’ VITA sites aggressively promoted and used the Earned Income Tax Credit to put over \$1 million in taxpayers pockets this year. “That is one of the reasons why the Great Plains Native Asset Building Coalition recommends an interest rate cap policy as a strategy for countering predatory lending practices,” adds Brunsch.

Although VITA sites don’t offer any of the rapid refund services that commercial tax preparers do, they provide taxpayers with an e-filing option. “E-filing isn’t instant, but a lot of times people will get their refund directly deposited into their account in just a few days,” Brunsch says.

Once taxpayers receive their refund, the Great Plains Native Asset Building Coalition encourages individuals and families to make wise financial decisions. “A lot of times people want to go out and splurge and buy a new TV or something. That is a natural reaction to living all year on limited finances, but the Coalition suggests starting an emergency savings fund or doing something that will contribute to future financial success,” says Brunsch. The Great Plains Native Asset Building Coalition’s website provides additional information to assist individuals and families in making informed financial decisions.

The Great Plains Native Asset Building Coalition members that hosted VITA sites this year, including Four Bands Community Fund, Hunkpati Investments, and the Lakota Federal Credit Union, also provide financial literacy resources.

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About the Great Plains Native Asset Building Coalition

The Great Plains Native Asset Building Coalition was informally established in 2009 by a group of leading organizations and institutions in South Dakota’s Native American asset building movement, many of who



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remain members of the Coalition today. The Coalition was formed on the principle of collaboration, and is comprised of organizations that have a common goal of expanding economic development strategies that lead to the creation of wealth and assets in Indian Country. The Great Plains Native Asset Building Coalition works on a two-pronged approach that includes: 1) building the capacity of each member organization to bring sustainable change within their respective Native communities and reservations; and 2) leveraging its collective experience and resources to positively affect the financial health of Native individuals, families, and future generations of the Great Plains region.

More information on the Coalition can be found on its website at www.greatplainsnativeassetbuilding.org.