



NEWARK ASSET BUILDING COALITION TY2024 ANNUAL REPORT

Advancing Tax Solutions for Community
Empowerment: Newark Asset Building
Coalition's TY2024 Annual Tax Season Report

TABLE OF CONTENTS

Executive Summary	4
NABC and tax access	6
2025 Newark Free Tax Prep Program	11
Spotlight on Tax	18
Policy & Program Recommendations	21
Limitations & Methodology	25
Acknowledgments	27

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

The Newark Asset Building Coalition (NABC), founded in 2018, is a collective impact coalition dedicated to advancing financial stability and well-being for Newark residents. The Newark Free Tax Prep program is a strategic initiative that provides no-cost, high-quality tax preparation services, helping households maximize refunds, claim valuable credits, and take meaningful steps toward long-term financial security. This year's initiative saw a significant increase in both the number of tax returns filed and the refund dollars returned to Newark households.

Between January 1 and April 15, 49 program volunteers and 11 staff members filed 6,386 returns, a three-year high and a 53% increase over last year. This growth was fueled in part by the expansion of bilingual services, which improved accessibility for Spanish- and Portuguese-speaking clients. Altogether, returns generated a total of \$5,976,898 in tax refunds, representing a 43% year-over-year increase. The Earned Income Tax Credits (EITC) also grew substantially. Clients received \$1,978,075 in 2025 compared to \$1,263,973 in 2024, a 43% increase. Additionally, the program saved families an estimated *\$1,135,550 in filing fees. With more than \$7.1 million in benefits to Newark families, every \$1 invested in Newark Free Tax Prep generated more than \$32 in refunds and filing-fee savings for local families.

These outcomes underscore the vital role of Newark Free Tax Prep in advancing equity and economic resilience across the city. By returning millions of dollars directly to households, eliminating unnecessary costs, and connecting families to critical tax credits, the program provides immediate financial relief while laying the groundwork for long-term stability. This year's results highlight not only the importance of NABC's work but also the critical need for continued investment in programs like VITA that deliver measurable benefits for families and communities. As a cornerstone of NABC's mission, Newark Free Tax Prep not only strengthens household finances but also reinvests in the broader Newark community, helping bridge the gap between economic insecurity and opportunity.

*Estimated at \$300 per federal and \$50 for state returns

NABC AND TAX ACCESS



INTRODUCTION



The Newark Asset Building Coalition (NABC), established in January 2018, promotes well-being and financial stability for all Newark residents. Guided by the belief that financial empowerment is essential to community strength, the coalition works to increase savings, reduce debt, expand financial knowledge and skills, and improve access to wealth-building programs.

NABC is a collective impact coalition composed of key community stakeholders, including but not limited to United Way of Greater Newark, Ironbound Community Corporation, La Casa De Don Pedro, Urban League of Essex County, New Community Corporation, BRICK, Clinton Hill Community Action and New Jersey Citizen Action. Working together, they help NABC strengthen Newark’s financial empowerment ecosystem, providing residents with greater access to a comprehensive network of resources.

The coalition’s work is anchored by several key initiatives, including Newark Free Tax Prep, financial literacy classes, financial and credit coaching, first-time homebuyer education, and small business development services. Member organizations provide wrap-around supports that promote debt alleviation, wealth building, and long-term financial growth. Collectively, these efforts advance NABC’s goal of creating pathways to financial stability by streamlining key financial services and programs, and they align closely with the needs of Newark residents. Data on household financial vulnerability illustrate both the scope of financial hardship in the community and the importance of targeted economic interventions in addressing these gaps.

THE GREATER NEWARK CONTEXT

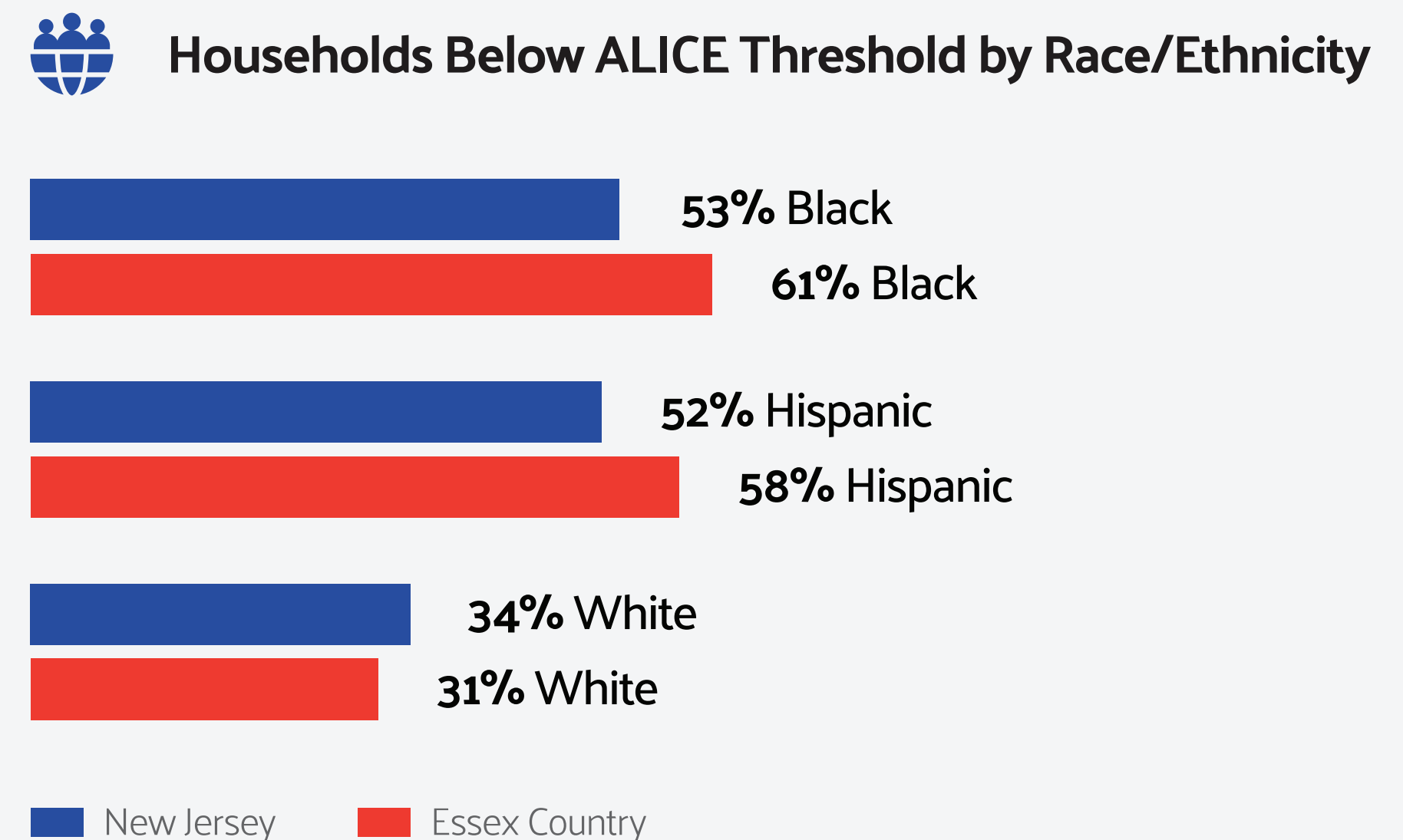
Understanding the financial realities facing Newark families requires looking beyond the federal poverty level (FPL) alone. While the FPL is often used as a benchmark for eligibility to public programs, it does not fully account for differences in local costs of living. In 2023, the FPL was set at \$14,580 for a single adult and \$30,000 for a family of four. According to this standard, 10% of households in New Jersey and 15% in Essex County lived in poverty.

Unfortunately, many households earn above the FPL yet still cannot afford basic necessities. These households, known as Asset Limited, Income Constrained, Employed (ALICE), fall short of having what they need to meet the “survival budget” in their county. The survival budget is a measure that reflects the actual cost of essentials, like housing, childcare, food, transportation, healthcare, and technology. In New Jersey, the 2023 ALICE survival budget was estimated at \$39,444 for a single adult and \$111,504 for a family of four with two adults and two children. By this measure, 29% of households in New Jersey and 48% in Essex County were ALICE households, highlighting the widespread nature of financial insecurity that exists well beyond those officially in poverty.

The true extent of financial hardship becomes clear when ALICE households are combined with those below falling the FPL. This data reveals that nearly four in ten households (39%) struggled to meet basic needs. In Essex County, where Newark

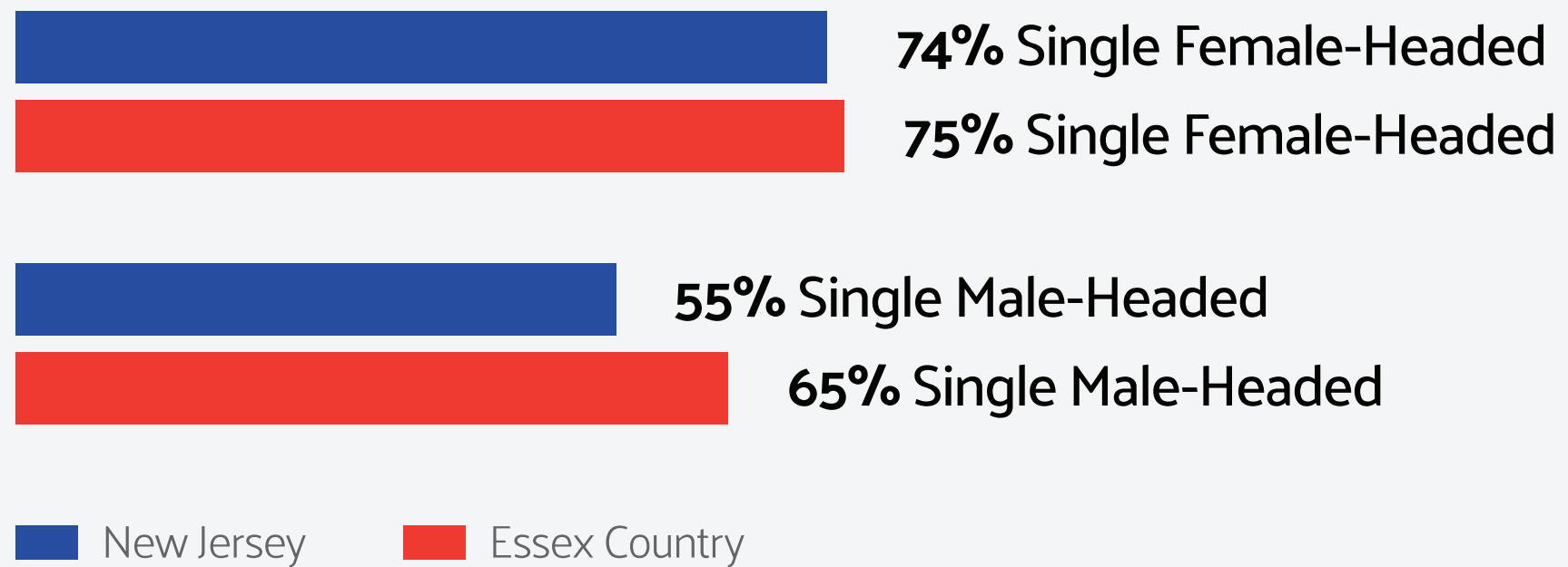
is located, the challenge was even greater with nearly two-thirds (63%) of households unable to afford the essentials of daily living.

Disaggregated data reveal stark disparities across race, ethnicity, age, and family structure:

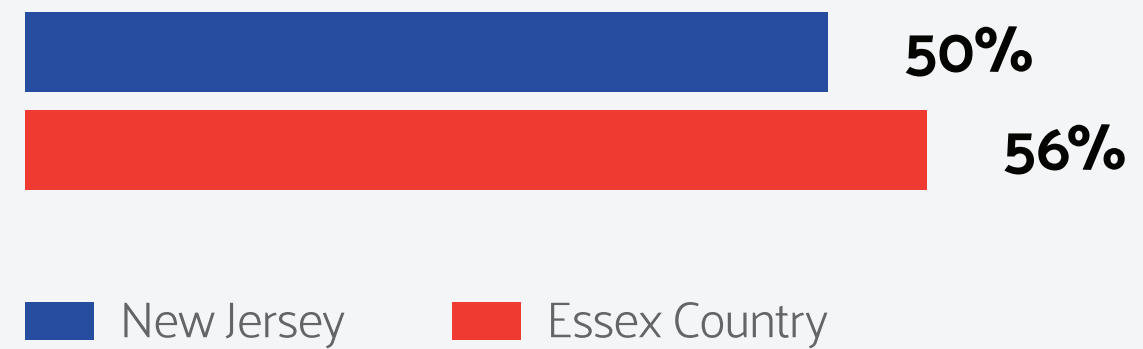




Households Below ALICE Threshold by Household Type



Households Below ALICE Threshold by Age 65 and Over



These figures demonstrate that financial insecurity extends well beyond those officially considered poor. For Newark families, particularly families of color, older adults, and single-parent households, the gap between income and basic expenses leaves little room for savings, debt reduction, or wealth building. Against this backdrop, programs like VITA play an essential role by helping households maximize tax refunds and credits, reduce financial strain, and take incremental steps toward stability.

TAX ACCESS AND FINANCIAL STABILITY

Access to reliable tax services is a critical on-ramp for individuals and families seeking to strengthen their financial security. Programs like the Volunteer Income Tax Assistance (VITA) initiative not only ensure that residents receive the full refunds and credits they are entitled to, but also reduce unnecessary expenses, connect households with financial tools, and support broader community economic gains. Research consistently shows that these services have a measurable positive effect on financial stability—both at the household level and across entire communities.

Together, these outcomes underscore the dual role of tax access as both a personal and community-wide strategy for fostering economic resilience and advancing equity. By addressing immediate financial needs while also creating opportunities for longer-term wealth building, programs like Newark Free Tax Prep play a central role in bridging the gap between financial insecurity and economic opportunity.

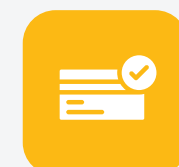
The benefits of tax access extend across multiple dimensions:



Debt Relief: Maximizing tax refunds and eliminating the need for paid preparers enables households to apply more resources to paying down debt and covering basic needs.



Asset Building: Annual tax refunds offer a consistent and natural opportunity for families to establish or build emergency funds, savings, and investments.



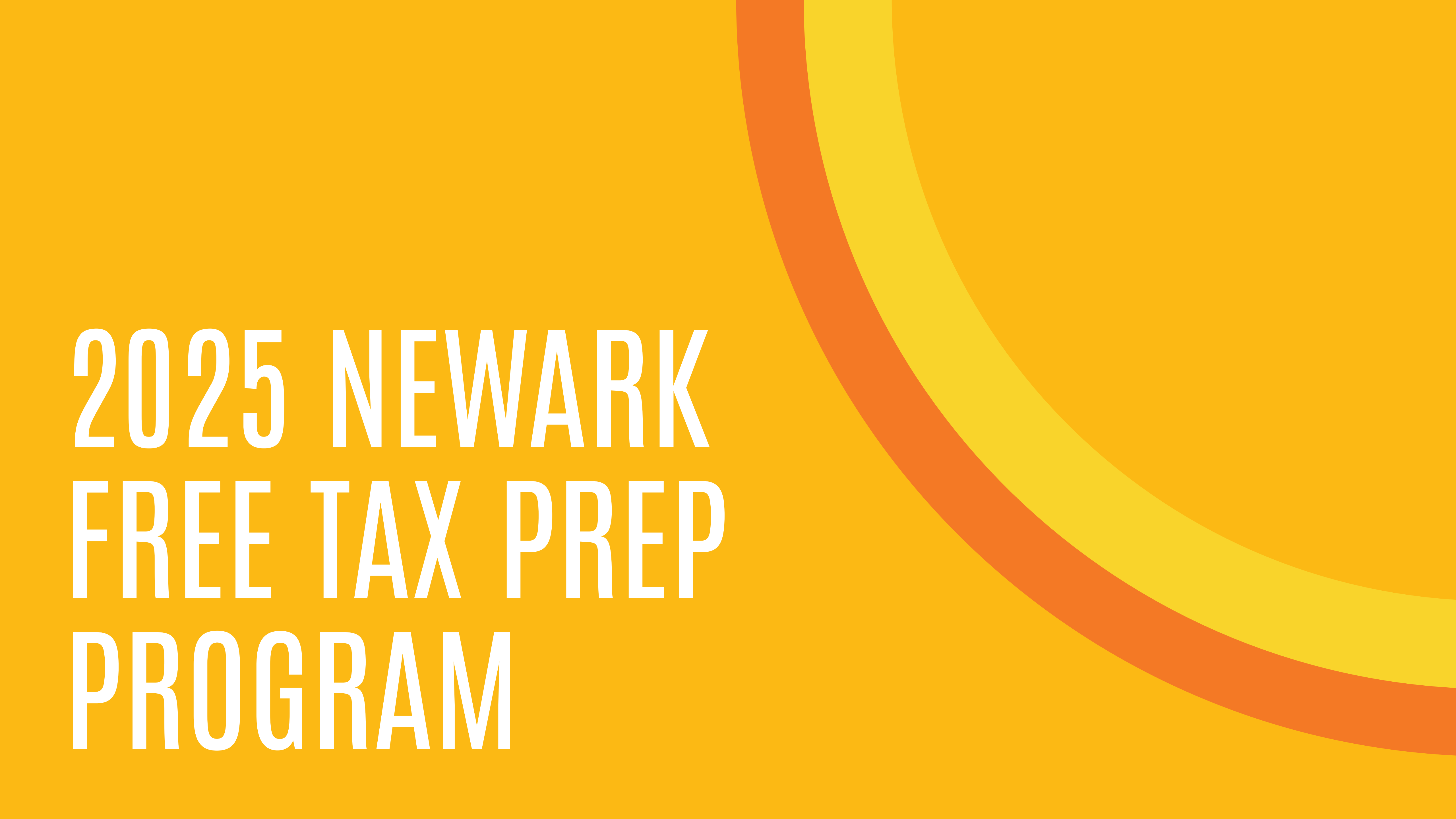
Improved Credit: Households that reduce debt and strengthen their savings improve their credit profiles, creating pathways to greater financial stability and opportunity.



Education and Support: Free tax preparation services help connect households with other financial tools that foster long-term economic stability, such as credit counseling, homebuyer education, or small business resources.



Community Reinvestment: Tax refunds not only benefit individual households but also circulate back into the local economy through spending on goods, services, and housing, producing positive ripple effects city-wide.



**2025 NEWARK
FREE TAX PREP
PROGRAM**

PROGRAM OVERVIEW



The Newark Free Tax Prep program, anchored by the IRS-sponsored Volunteer Income Tax Assistance (VITA) program, is a core component of NABC's work to advance financial stability. VITA provides no-cost, high-quality tax preparation services to eligible community members, helping them access tax credits, maximize refunds, and avoid the significant costs of commercial tax preparation.

VITA services are available to individuals and families with annual taxable incomes of \$66,000 or less. A key strength of the program is its ability to connect filers with refundable credits such as the Earned Income Tax Credit (EITC), which can provide refunds of up to \$7,830 for qualifying households. These refunds not only provide immediate financial relief but also a foundation for longer-term stability through debt reduction, savings, and investments.

According to data from the National Society of Accountants, taxpayers in the Mid-Atlantic region (NJ, NY, and PA) pay an average of \$303 for comparable tax services, including an itemized federal return and a state return. By eliminating preparation fees and connecting filers to the full range of tax credits for which they qualify, VITA generates meaningful savings and household financial gains. For many VITA clients, these services make the difference between financial strain and stability.

SERVICE SITES AND PARTNERSHIPS

The Newark Free Tax Prep program is made possible by a combination of site sponsors and community partners who provide facilities, outreach, and wrap-around resources to increase accessibility. The 2025 tax preparation season launched on January 2, 2025, and continued through June 30, 2025. Residents could file their taxes at one of eight in-person VITA sites across Greater Newark or online. Strategically located sites ensured that services were within reach for most Newark households. This year's VITA site hosts were:



Bloomfield Public Library



East Orange Public Library



Gateway Academy Charter School



Ironbound Community Corporation



Weequahic Family Success Center



New Community Corporation



Urban League of Essex County

STAFF AND VOLUNTEERS

The program is staffed by a blend of volunteers and paid staff, all of whom undergo training to ensure accuracy, compliance, and client-centered service. Recruitment efforts focus on both community members and professionals, while retention strategies emphasize skill development and recognition of volunteer contributions. This year, 49 volunteers contributed 3,466 hours and 11 paid site coordinators worked 2,651 hours.

The program is staffed by a blend of volunteers and paid site coordinators, all of whom undergo training to ensure accuracy, compliance, and client-centered service. Recruitment efforts focus on both community members and professionals, while retention strategies emphasize skill development and recognition of contributions. In 2025, 49 volunteers contributed 3,466 hours of service, and 11 paid site coordinators contributed 2,651 hours, forming the backbone of Newark Free Tax Prep’s ability to reach thousands of households across the city.



TABLE 1.1: 2025 NEWARK FREE TAX PREP STAFFING CONTRIBUTIONS

	Staff Count	Service Hours
Volunteers	49	3,466
Paid Site Coordinators	11	2,651
Total	60	6,117

LANGUAGE ACCESSIBILITY

Accessibility remains a central priority for Newark Free Tax Prep. In 2025, the expansion of bilingual services at the Ironbound Community Corporation ensured that Spanish- and Portuguese-speaking households could navigate the filing process more confidently. These efforts not only enhance equity in service delivery but also strengthen trust between NABC and Newark’s diverse communities.

CLIENT DEMOGRAPHICS

The 2025 Newark Free Tax Prep program served a diverse cross-section of Newark and Essex County residents, reflecting both the city’s demographic composition and the economic challenges faced by many households. A total of 1,591 clients provided demographic information during the tax season.

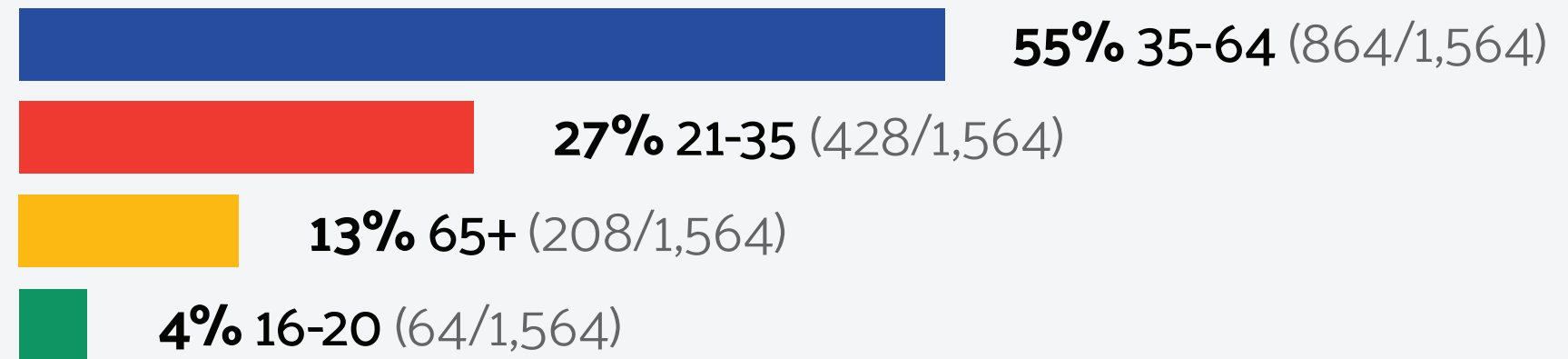
It is important to note that these data are disproportionately influenced by responses from the Ironbound Community Corporation (ICC), which achieved significantly higher survey completion rates than other partner sites. As a result, the client profile presented here may overrepresent Hispanic and Spanish-speaking households compared to the overall Newark Free Tax Prep population. While this provides valuable insight into the communities reached through ICC, it also underscores the need for more consistent intake survey completion across all sites to generate the most accurate program-wide picture.

N = 1591
When demographic sections do not sum to 100%, the percentage of those who opted out of that particular question is not included

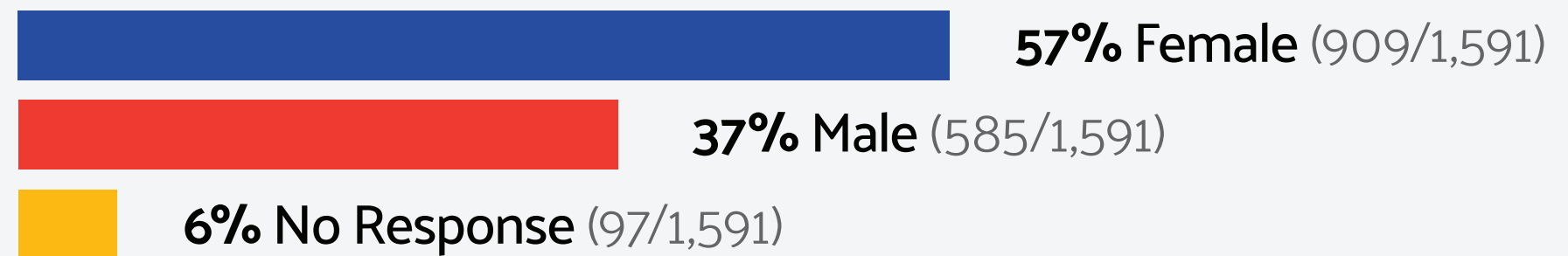


Age

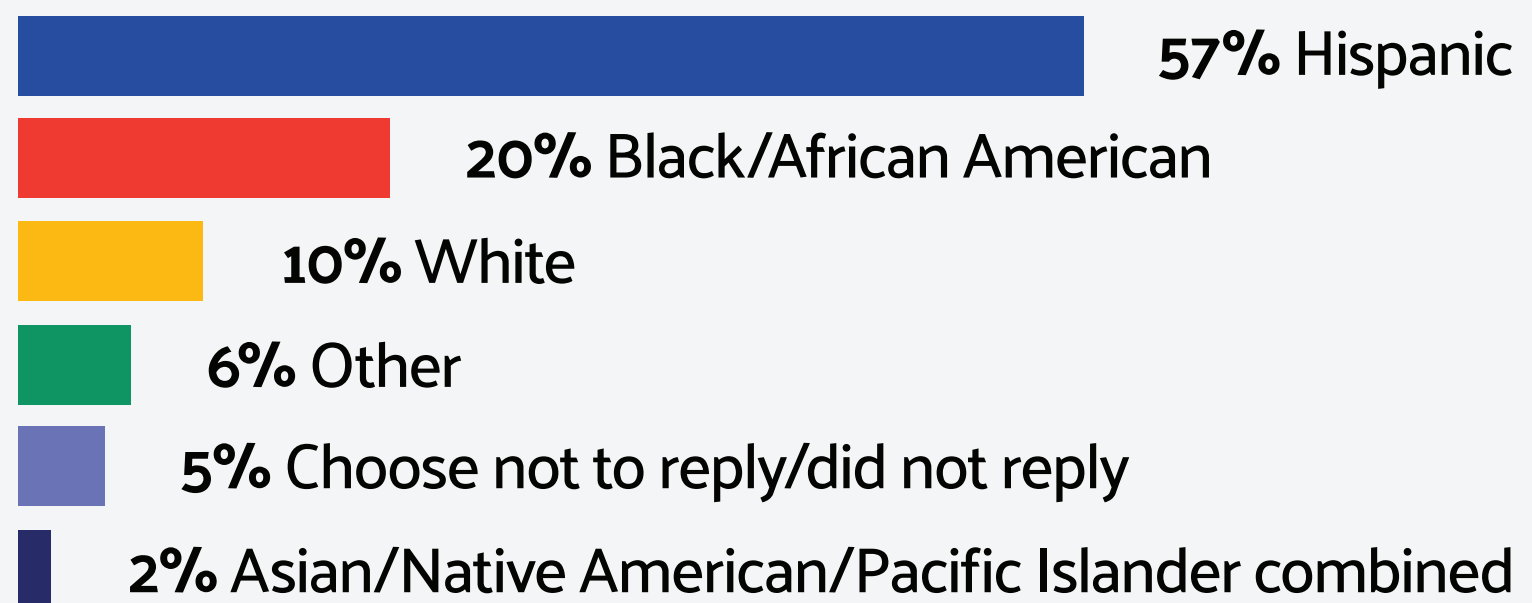
The median age of clients was 44 years old



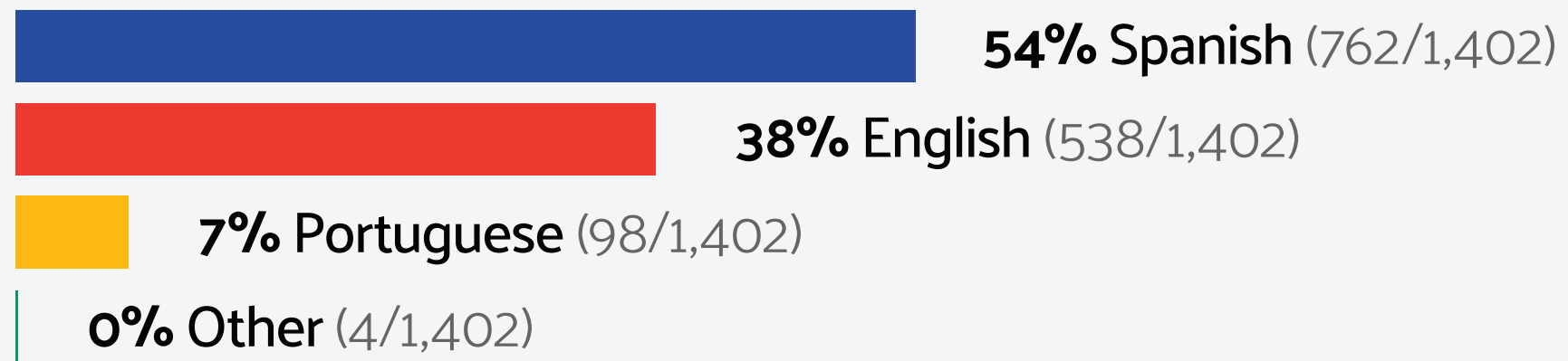
Gender



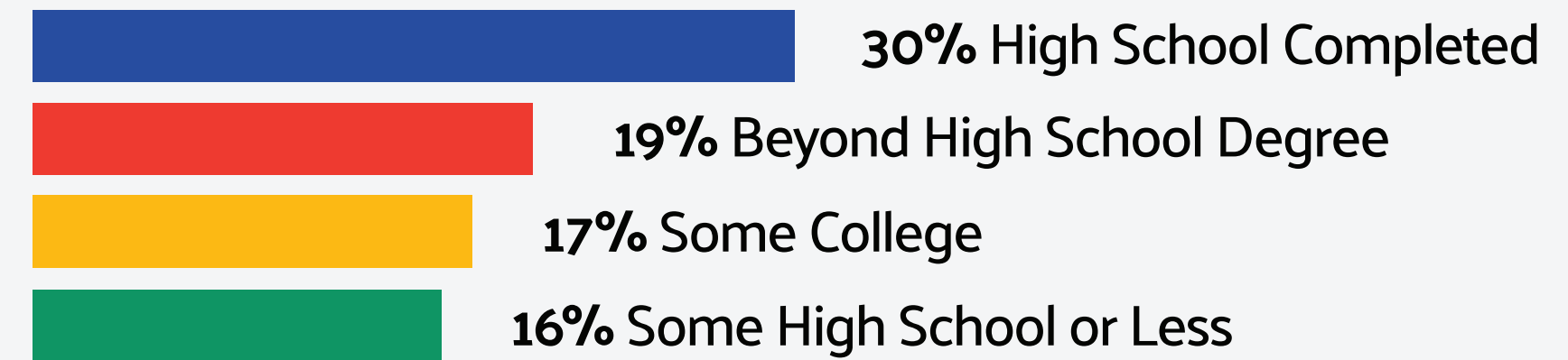
Race/Ethnicity



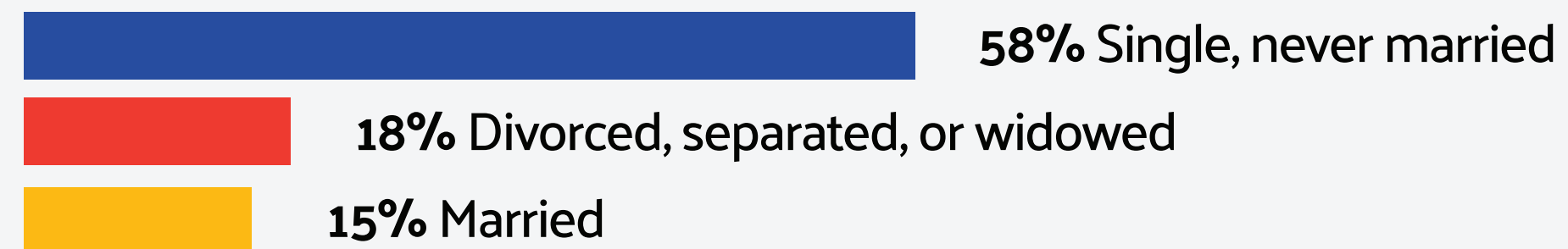
Language



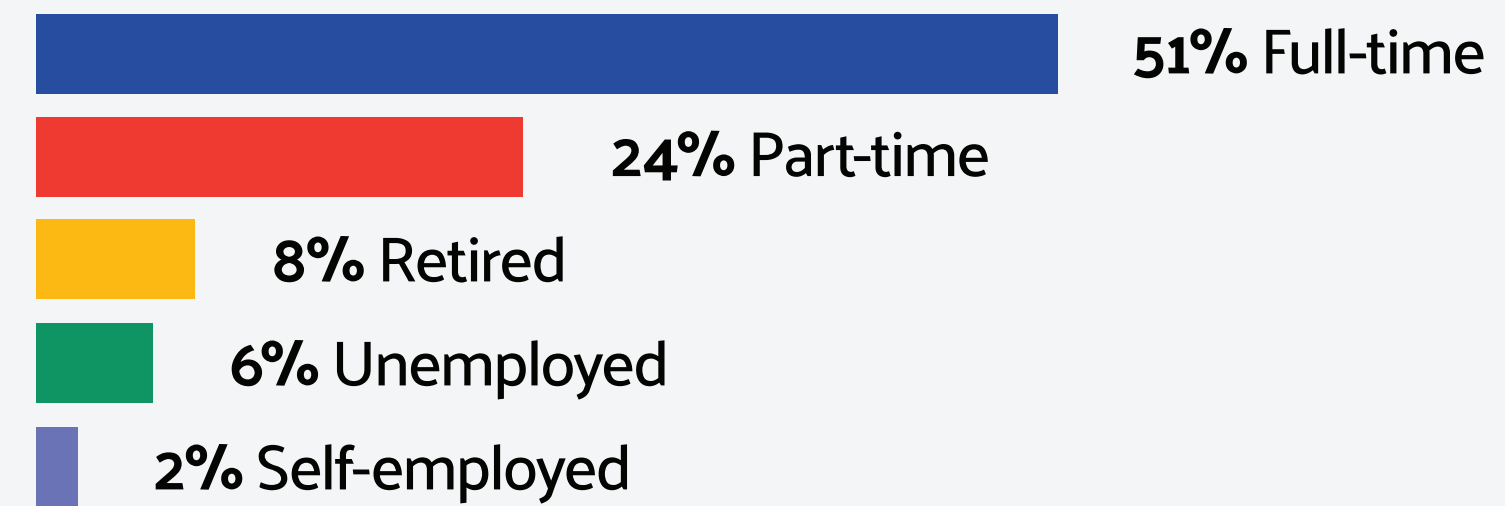
Education



Marital Status

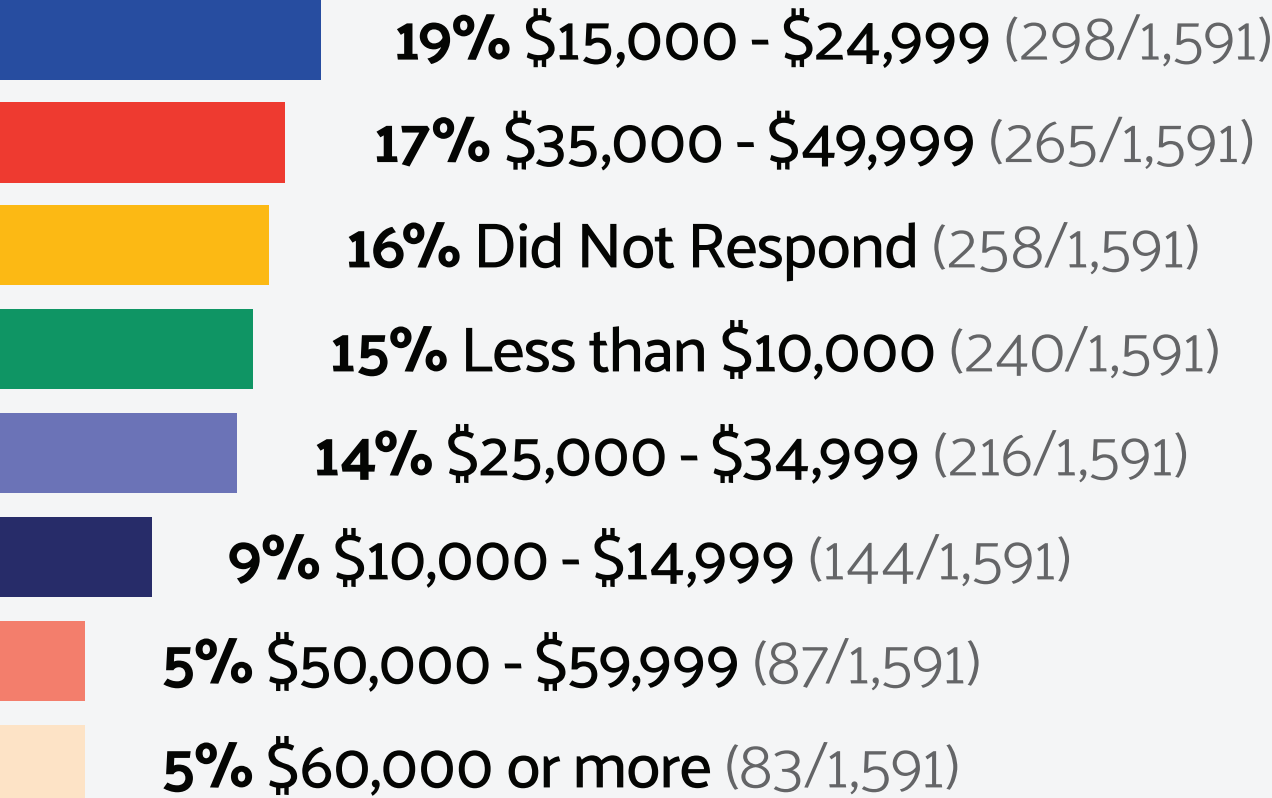


Employment

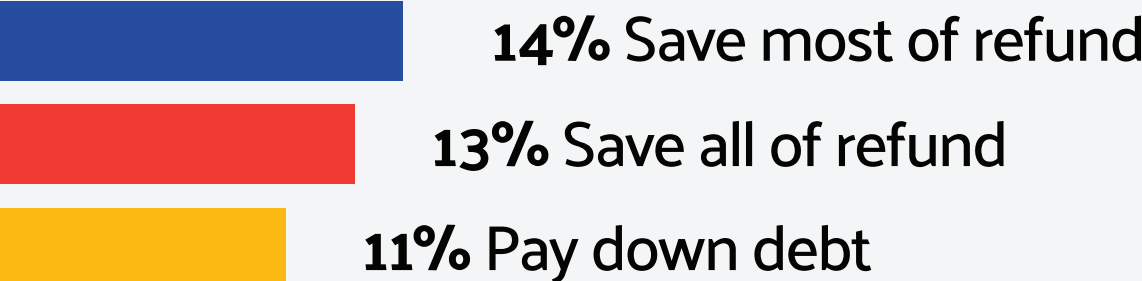


Economic Profile

Household Income



Financial Goals



The program’s reach demonstrates its role in serving communities most affected by financial insecurity, particularly Hispanic households, ALICE families, and non-English-speaking residents. At the same time, the data highlight the need for standardized survey practices across all sites. Collecting consistent information from every location will allow NABC to develop a fuller understanding of who is being served and to better evaluate program outcomes across Newark.

- More than half of clients were **employed full-time**
- Only **5%** of households reported incomes **above \$60,000**

N = 1591. When demographic sections do not sum to 100%, the percentage of those who opted out of that particular question is not included

SPOTLIGHT ON TAX



EQUITY IMPACT OF NJEITC



Enacted in August 2000, the New Jersey Earned Income Tax Credit (NJEITC) was created to supplement the federal Earned Income Tax Credit (EITC) and support working families with low to moderate incomes. Initially phased in at 10% of the federal credit, the maximum benefit doubled to 20% by 2003. Since then, New Jersey lawmakers have gradually increased the credit to 30% in 2015, 35% in 2016, and ultimately to 40% of the federal EITC by 2020, while also expanding eligibility to younger adults aged 21 and older and adults aged 65 and older without dependents.

The NJEITC is one of the state's most effective anti-poverty tools. Supplementing the federal Earned Income Tax Credit reinforces one of the nation's most important federal programs for reducing poverty. For many Newark families, particularly those classified as ALICE households, the NJEITC often means the difference between meeting important needs or going without. Yet participation remains uneven. In 2023, more than 578,000 New Jersey residents received the NJEITC, but as many as one in four eligible filers did not apply, leaving critical support untapped.

The Newark Free Tax Prep program plays a vital role in closing the participation gap by ensuring eligible households claim the NJEITC. The NABC has an opportunity to amplify this impact by investing in outreach campaigns that target groups most likely to miss out on the credit, such as young adults, older adults without dependents, and non-English speakers. Strategic funding can also support innovative partnerships and multilingual materials designed to increase awareness and access. In addition, NABC is well-positioned to advance policy advocacy that promotes further expansion of the NJEITC and streamlines eligibility. By committing to these efforts, NABC can help ensure thousands more Newark families claim the credits they have earned, injecting vital income into their households while strengthening the local economy.

THE FUTURE OF VITA FUNDING

The Volunteer Income Tax Assistance (VITA) program is sustained through a federal-local funding partnership. Each year, Congress authorizes federal appropriations for VITA as part of the IRS budget under “Taxpayer Services.” Since 2008, these funds have supported the VITA Grant Program, which distributes resources to nonprofits, coalitions, and local agencies that deliver free tax preparation. Grantees are required to provide a dollar-for-dollar local match, either cash or in-kind, ensuring both federal investment and local commitment. This structure allows VITA sites to combine federal dollars with community support to maintain operations, expand outreach, and tailor services such as bilingual assistance.

While this framework has been effective, federal funding for VITA has remained relatively modest, averaging about \$30 million annually nationwide. Temporary boosts during the COVID-19 pandemic highlighted the potential of additional investment, enabling sites to expand virtual filing and adapt to increased demand. Yet those gains were short-lived, and current funding levels have not kept pace with inflation, operational costs, or the growing complexity of tax law. Local coalitions like NABC are therefore pressed to do more with less, relying heavily on volunteers and community partners to bridge gaps in capacity.

Despite its modest cost, the impact of VITA is undeniable. The program consistently demonstrates a high return on investment, delivering millions of dollars in refunds to households, saving families hundreds of dollars in avoided filing fees, and generating ripple effects that strengthen local economies. For Newark, the stakes are especially high. Without stable funding, thousands of households could lose access to the free, high-quality tax preparation services that connect them to critical credits like the Earned Income Tax Credit (EITC) and the New Jersey Earned Income Tax Credit (NJEITC). These credits can have a profound impact on a family, and ensuring their accessibility depends on robust and sustained investment.

The uncertainty of future funding, driven by shifting political priorities in Washington, raises real concerns about the long-term stability of VITA. For this reason, continued advocacy is essential. Protecting and expanding VITA funding is not just a matter of program survival, it is a matter of economic justice. In communities like Newark, where financial insecurity is widespread, VITA remains a cornerstone of stability, equity, and opportunity for families striving to make ends meet.

The background is a solid red color. On the right side, there are three curved, overlapping bands that sweep from the top towards the bottom. The innermost band is a darker shade of red, the middle band is a medium shade, and the outermost band is a lighter shade, creating a sense of depth and movement.

POLICY & PROGRAM RECOMMENDATIONS

EXPAND SUPPORT AND ADVOCACY AROUND THE NJEITC



The New Jersey Earned Income Tax Credit (NJEITC) is a critical tool for advancing equity, yet too many eligible Newark families do not claim it. New Jersey faces one of the starkest racial wealth gaps in the nation. According to a report released by New Jersey Institute for Social Justice, the median household wealth for white families is about \$662,500, while Black and Hispanic households have a median wealth of less than \$20,000 (The Two New Jerseys: A Deepening Divide, April 2025). For individuals, median net worth is approximately \$192,700 for white residents versus \$14,000 and \$5,000 for Black and Hispanic individuals, respectively. These gaps contribute deeply to economic instability among Newark's ALICE households, many of whom already struggle to meet basic expenses. They also show that well-designed tax credits like the NJEITC are not just helpful, but essential to closing opportunity and wealth divides.

To improve outcomes, NABC and its partners should expand outreach and education so more Newark residents are aware of the NJEITC, especially young adults, people without dependents, and non-English-speaking communities. Equally important is advocating for an enhanced NJEITC: increasing its value, broadening eligibility, and reducing barriers so that the credit better reflects the real cost pressures faced by residents. By doing so, the NJEITC can become a more effective lever against the racial and economic disparities that characterize New

DIVERSIFY AND SECURE FUTURE FUNDING



The long-term sustainability of Newark Free Tax Prep depends on a stable and diversified funding base. While the program currently benefits from federal appropriations through the IRS, this support is modest and subject to annual political negotiation. The uncertainty surrounding future federal funding creates real risks for Newark, where thousands of families rely on free tax preparation services to claim critical benefits such as the Earned Income Tax Credit (EITC) and New Jersey Earned Income Tax Credit (NJEITC).

Given these risks, NABC should pursue a proactive funding strategy that strengthens local investment and reduces reliance on uncertain federal dollars. In 2025, Newark Free Tax Prep delivered more than \$7.1 million in financial benefits, a return of \$32 for every \$1 invested in the program. This extraordinary ROI makes a powerful case for expanded donor support and sustained state-level investment. By positioning Newark Free Tax Prep as both a proven anti-poverty tool and an exceptional financial investment, NABC can make a compelling argument to foundations, corporate partners, and state policymakers.


This kind of advocacy aligns with the NABC's core aims and its mission of advancing financial stability and equity for Newark residents. The coalition should consider statewide efforts to ensure that VITA funding is protected at the federal level, while also advocating for dedicated state support to insulate the program from federal volatility. Diversifying funding streams and elevating the proven impact of Newark Free Tax Prep will ensure that the program continues to return millions of dollars to Newark households each year, even in the face of shifting political priorities.

STRENGTHEN DATA COLLECTION AND EVALUATION



Strengthening data collection will enable annual evaluations to move beyond basic output reporting toward a deeper evaluation of program performance and long-term impact. Reliable data not only demonstrates the value of Newark Free Tax Prep but also identifies opportunities to refine operations and expand its reach. To achieve this, NABC should partner with researchers before each tax season to set clear evaluation priorities and design the survey tools best suited to answering those questions. Expanding surveys to volunteers and staff would generate valuable insights into training, site processes, and day-to-day operations. Additionally, requiring completion of the client intake survey at the time of scheduling would improve data quality at the household level. Implementing a short post-service survey focused on client experience would provide equally important feedback from the community being served.

Equally important is ensuring access to individual-level tax data across all program sites, rather than summative roll-ups. Without visibility to the fully disaggregated data, the coalition cannot produce a complete picture of Newark Free Tax Prep's results. Standardizing reporting practices across partner organizations will allow NABC to present a unified set of outcomes, deepen evaluation, and strengthen accountability. Taken together, these improvements will help NABC build a culture of continuous learning and position the program to demonstrate impact more effectively to funders, policymakers, and the community.



LIMITATIONS & METHODOLOGY

METHODOLOGY



Program outcomes and refund information presented in this report were drawn directly from client return data provided by TaxSlayer, the IRS-approved software platforms used across Newark Free Tax Prep sites. These data capture verified financial outcomes such as the number of returns filed, total refund amounts, tax credits claimed, and estimated filing-fee savings.

Demographic information was collected separately through the NABC intake form, an optional, self-reported survey completed by clients at the time of service. The intake form gathered data on age, gender, race/ethnicity, primary language, marital status, education, employment, and household income, as well as client goals for the use of tax refunds.

LIMITATIONS

The refund data available for analysis was incomplete. While NABC had full access to TaxSlayer for the majority of sites, Ironbound Community Corporation provided periodic updates to that sites data since they have a distinct office code. This was not a barrier to completing the data set but there were likely additional taxes completed following the data-draw that were not included in this report due to timing (post June 30th). As a result, this dataset covers 1,591 clients out of more than 6,300 federal returns filed in 2025, providing a slight undercounting of program outcomes.

Demographic findings are also subject to important limitations. Because the intake form was optional, completion rates varied significantly across program sites. The Ironbound Community Corporation (ICC), for example, achieved much higher intake completion than other partners, resulting in a dataset that is disproportionately weighted toward ICC's client base. This likely leads to overrepresentation of Hispanic and Spanish-speaking households compared to the overall Newark Free Tax Prep population.

Finally, self-reported information introduces additional limitations, including incomplete responses, recall errors, or respondent bias. For example, a substantial portion of clients did not answer questions about income or refund use, reducing the reliability of those measures.

Taken together, these limitations underscore the need for more consistent access to tax software data across all sites and stronger practices to encourage intake survey completion. Addressing these issues in future years will enable NABC to develop a more accurate, representative, and comprehensive picture of both program outcomes and the demographics of the Newark families served.



ACKNOWLEDGMENTS



The achievements of the 2025 Newark Free Tax Prep program are the result of the dedication and partnership of many organizations and community members. Deep appreciation is extended to the United Way of Greater Newark for its leadership and coordination, and to the site hosts and partner organizations whose collaboration provided the foundation for delivering free, high-quality tax preparation services across the city.

Equal gratitude is due to the program's volunteers and staff, whose commitment, professionalism, and many hours of service ensured that families received accurate and trusted support during tax season. Recognition is also given to the clients who referred friends and family members, helping extend the program's reach, and to the thousands of Newark residents who entrusted Newark Free Tax Prep with their tax filings. Their trust and participation remain central to the program's continued success.

These collective efforts returned millions of dollars to Newark households in 2025 and advanced the broader goal of promoting equity, resilience, and financial stability across the community.




UNITED WAY

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