

# Free tax services in pediatrics clinics yield high returns

May 30 2018

---

During its first two years, StreetCred, a free tax preparation program developed at Boston Medical Center (BMC), helped 753 clients in pediatric clinics receive over \$1.6 million in federal tax returns. Results from surveys of clients and staff, published in *Pediatrics*, showed that StreetCred was associated with a significant improvement in tax filings and a significant increase in client knowledge about the Earned Income Tax Credit (EITC), which helps lift families out of poverty.

StreetCred was created by two BMC pediatricians in 2016 with the goal of providing free tax preparation services by trained professionals to help decrease financial stress for [low income families](#) and maximize their tax refunds through EITC and child tax credits. Health has been highly linked to financial standing, and the EITC, which can refund families up to \$6,000, has been associated with health benefits such as higher birth weights and decreased maternal depression. However, 20 percent of eligible families in the U.S. don't receive the EITC, mainly because they are unaware of their eligibility. In addition, those who do receive the EITC often lose some of their refund—between 13 to 22 percent—to the for-profit tax services who prepared their taxes.

Given the trusted position of pediatricians and the relationship that develops during patient visits, StreetCred services were placed directly in BMC's outpatient pediatric clinic for the first year. The program then expanded to three additional community health center pediatric clinics and a clinic for homeless individuals in 2017.

Between 2016 and 2017, the program increased tax filing and refunds, saved client's money in preparation fees, and ensured that clients who were eligible received the EITC. Of the \$1.6 million that was refunded to the 753 clients, approximately \$400,000 was in the form of EITCs. Twenty one percent of clients were new filers, and 14 percent reported receiving the EITC for the first time. This successful financial intervention was extremely well-liked by both clients and staff, who gave the program favorable scores, 96 and 97 percent, respectively.

"Based on the results of our survey and data collection, it's clear that StreetCred is a promising model for providing financial interventions within hospital outpatient and community health clinics," says Lucy Marcil, MD, MPH, co-founder of StreetCred and pediatrician at BMC. "As pediatricians dedicated to improving children's health, it is imperative that we work to financially empower our patients' families, and providing free tax services is a novel and effective approach to do so."

StreetCred expanded further during the 2018 tax season, and will be testing scalability to other hospitals outside of Massachusetts and in non-urban settings in the future. The program will evaluate how much money families received in refunds during years they received tax preparation at StreetCred compared to previous years. They also will evaluate whether integrating StreetCred into medical clinics impacts [health](#) care use.

Provided by Boston Medical Center

Citation: Free tax services in pediatrics clinics yield high returns (2018, May 30) retrieved 13 March 2024 from <https://medicalxpress.com/news/2018-05-free-tax-pediatrics-clinics-yield.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is
---

provided for information purposes only.