

**Instructor:**

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Office Hours: Tuesday 11:00 am – 12:00 pm via Zoom (send email to request an appointment).

Course overview:

This Academically Based Community Service (ABCS) course is offered in the BEPP and ACCT departments in collaboration with the Netter Center for Community Partnerships and the Volunteer Income Tax Assistance (VITA) program, which serves low-income taxpayers. This course includes an academic component and a community service component.

The **academic** component of the course will focus on several areas:

- (1) *The Color of Money: Black Banks and the Racial Wealth Gap*. Students will read this book throughout the semester to support their understanding of the community that they will be serving.
- (2) *Statutory tax system*. Students will learn about the tax system as it relates to individuals and sole proprietors. The VITA training covers general tax preparation, with a specific focus on tax credits available to VITA-eligible taxpayers and the use of VITA software. In addition, one session of the course will include a guest lecture/discussion by Professor Jennifer Blouin. She will focus on statutory tax issues related to organizational form choice for self-employed and gig economy workers, which is an important statutory issue in low-income communities.
- (3) *Social policy debate*. Tax policy, including deductions, subsidies and credits, are one tool that lawmakers can use to get more cash in the hands of individuals and families, especially for low-income groups. Students will consider the effectiveness and usefulness of tax policies relative to other tools that the government has available. There are three guest lecturers for the sessions on tax policy: Wharton Professors Alex Rees-Jones and Kent Smetters, and Professor Amy Beth Castro from SP2.
- (4) *Working with people*. Volunteering with VITA requires students to work with people from a low-income community on the sensitive issue of personal finances. Students will learn to discuss sensitive financial issues with lower-income adults (including many seniors) through readings and in-class discussions, and by reflecting on their real-life experiences in the local community. This skill is important in a variety of roles such as healthcare (physicians and nurses), business (e.g., the HR function), and education.

The **community service** component of the course is volunteering with VITA, which is the IRS's "Volunteer Income Tax Assistance" program. Following training, students will perform tax services for the West Philadelphia community during the 2023 tax season. The course will meet

once a week in three-hour sessions for 8-9 weeks during the Spring semester. Students are expected to be in the field performing service throughout a significant portion of the semester.

As described on the IRS website, the VITA program has operated for over 50 years. Volunteers offer free tax help to people who need assistance in preparing their own tax returns, including:

- People who make \$58,000 or less
- Persons with disabilities; and
- Limited English-speaking taxpayers.

Logistics:

VITA has 10+ locations in the Philadelphia/West Philadelphia area. Two sites are within easy reach for students by SEPTA (i.e., one SEPTA vehicle with no changes). The Netter Center will provide transportation passes. Students will schedule 6-9 hours of weekly on-site volunteer work for approximately nine weeks during the Spring semester, completing a minimum of 50 total hours. Sites are open on some evenings and weekends; students can schedule hours at their convenience. There will be a work-study student to help the “volunteers” schedule their service time with VITA and to act as a liaison between VITA and the class.

Pre-requisites:

None. No accounting experience is required. Volunteers are NOT required to be U.S. citizens.

Course Website:

The website for this course is on Canvas. On the website, the following will be provided:

- Mehrsa Baradaran (2017) *The Color of Money: Black Banks and the Racial Wealth Gap*. Belknap Press
- Students will have access to online VITA training materials.
- Academic journal readings for in-class discussions.

Grading

Grading will be based on:

- (1) Participation/attendance during in-class sessions (10%)
- (2) Completion of the training (15%)
- (3) Course Reflections (35%)
- (4) Engagement in community service (25%)
- (5) Final project (15%)

Midsemester reflections and final project: Over the course of the semester, students will prepare five “reflections.” Each reflection (3-4 pages) will require the students to discuss the current week’s academic literature and findings and relate this discussion to their West Philadelphia experience. These reflections will be used as part of the final project, in which students will choose at least one tax idea/challenge/issue facing this specific community and offer proposals to improve the system and the overall quality of life for the community. The proposal will be based on a combination of the knowledge gained from the academic readings and the students’ field experiences. The final project is an opportunity to “bridge the gap” between the theory learned through class readings and instruction and the practical experience gained by working directly with the community residents.

Completion of training: Training includes online modules, completed individually, and a test. According to VITA, basic training takes between 12-16 hours, which includes six hours of in-person training. Students must pass an on-line test (open book and notes) before going into the field. The second in-class training session with a VITA-supplied trainer is basically a test prep session. Students will be expected to attend all in-class training-related sessions and work toward timely completion of their training. There will be a grade penalty for delayed completion of the training.

Engagement in community service: Hours worked at the VITA sites during the service weeks are tracked by VITA's volunteer system. The VITA site managers can provide the instructor with feedback on each student's professionalism while in the field. Professionalism includes appropriate behavior at all times with colleagues and clients, as well as hard work and effort.

Schedule Spring 2023

Week	Topic	Outside class
Jan 17	Working with people	Academic readings/ introduction
<p>The first class has two parts. (1) Provide background on the West Philadelphia community, and the University's involvement with the community. The Netter Center and the medical school have resources to support this discussion. As part of this discussion, there will be a pre-service assessment of student motivation(s) and expectation(s).</p> <p>(2) Discussion on working with people of different ages and races and incomes. This discussion will be combined with a discussion of trust of financial institutions in low-income and black communities, based on readings from the introduction of "The Color of Money: <i>Black Banks and the Racial Wealth Gap</i>."</p>		
Jan 24/ Jan 31	Training	Online training materials
<p>During these two weeks, VITA will supply an instructor for in-class training sessions. Individuals who train to be VITA volunteers typically use a combination of online training and in-person training (or live webinars). These in-class sessions provide the "live" part of the training. Homework will involve completing the online modules.</p>		
Feb 7	Service week	
<p>During this week, students are in the field doing service. Class does not meet. There are several pure service weeks during the semester to allow the students to put in their hours in a more flexible format. Also, VITA has indicated that January/February are busy with some individuals trying to get ahead of the game. There is a lull in early to mid-March, and then it is very busy (as expected) starting after Penn's Spring Break. The service weeks have been timed with VITA's needs in mind.</p> <p><i>Read: The Color of Money, Chapter 1</i></p>		

Feb 14	Jennifer Blouin/ in-class check in	Academic readings/ graded reflection #1
<p>This class will have two parts. (1) Professor Blouin will discuss organizational form issues in the tax system. See Appendix for assigned readings. (2) The instructor will lead the students in a moderated discussion of their experiences in the field.</p>		
Service weeks		
Feb 21/ Feb 28	<i>Read: The Color of Money, Chapter 2</i>	
Mar 7	Spring break	
Mar 14	Wendy de la Rosa/ in-class check-in	Academic readings/ graded reflection #2
<p>This class will have two parts. (1) Professor Wendy de la Rosa will discuss increasing participation in VITA-type programs. See Appendix for assigned readings. (2) The instructor will lead the students in a moderated discussion of their experiences in the field as they relate to the academic readings.</p>		
Mar 21	Tax policy discussion/ in-class check-in	Academic readings/ graded reflection #3
<p>This class will have two parts. (1) A guest lecture by a BEPP professor on tax policy (see below for topics). (2) The instructor will lead the students in a moderated discussion of their experiences in the field as they relate to the academic readings.</p>		
<i>Read: The Color of Money, Chapter 3</i>		
Mar 28/ Apr 4/ Apr 11	Service weeks and in-class check-ins Two in-class check-ins during the three weeks.	Academic readings/ Graded reflection #4
<i>Read: The Color of Money, Chapter 6</i>		
Apr 18	Amy Beth Castro	Academic readings/ graded reflection #5
<p>This class will involve a discussion of policy tools to help low-income families. Besides tax credits (e.g., the earned income tax credit), the governments have considered guaranteed income programs and other tools.</p>		
Apr 25	Wrap up	
<p>Post-Service Assessment: inspirations for change, your role going forward In-class presentations of preliminary proposal ideas.</p>		
<i>Read: The Color of Money, Chapter 7</i>		

Appendix
Academic readings

February 14: Jennifer Blouin

Taxation of Business Income – Blouin -

<https://repository.upenn.edu/cgi/viewcontent.cgi?article=1003&context=pennwhartonppi>
<https://www.sba.gov/business-guide/launch-your-business/choose-business-structure>

Business in the United States: Who Owns It, and How Much Tax Do They Pay? Cooper et al. 2016 NBER

Optimal Choice of Entity for the QBI Deduction. Vermeer, Greenstein and Persellin. The Tax Advisor (March 1, 2020)

March 14: Wendy de la Rosa

De La Rosa, Wendy, Eesha Sharma, Stephanie M. Tully, Eric Giannella, and Gwen Rino. 2021. Psychological ownership interventions increase interest in claiming government benefits. *Psychological and Cognitive Sciences* 118 (35): 1-5.

De La Rosa, Wendy, Abigail B. Sussman, Eric Giannella, and Maximilian Hell. 2022. Communicating amounts in terms of commonly used budgeting periods increases intentions to claim government benefits. *Psychological and Cognitive Sciences* 119 (37):1-6.

De La Rosa, Wendy, Joanne Yeh, Mariel Beasley, and Joseph Sherlock. Applying behavioral economics in New York City VITA sites: Recommendations for Robin Hood Foundation. By Common Cents Lab.

Alex Rees-Jones

Bhargava, S., and Manoli, D. 2015. "[Psychological Frictions and the Incomplete Take-Up of Social Benefits: Evidence from an IRS Field Experiment](#)," *American Economic Review*, 105 (11): 3489-3529

Chetty, Raj, and Emmanuel Saez. 2013. "Teaching the Tax Code: Earnings Responses to an Experiment with EITC Recipients." *American Economic Journal: Applied Economics*, 5 (1): 1-31.

Chetty, Raj, John N. Friedman, and Emmanuel Saez. 2013. "Using Differences in Knowledge across Neighborhoods to Uncover the Impacts of the EITC on Earnings." *American Economic Review*, 103 (7): 2683-2721.

Kent Smetters

Comparing Progressive Tax Proposals

<https://budgetmodel.wharton.upenn.edu/issues/2020/3/5/comparing-progressive-tax-proposals>

The goal is to raise more money from the rich, but each option has a tradeoff.

- I will explain the tradeoffs of each at a high level.
- They can then form groups to discuss and come back with a solution to hit a particular target (e.g., revenue).
- We then discuss