



## EITC Pre-k Scholarship for Businesses

*They developed their social and academic skills...it put them on the next level. Every aspect allowed my kids to excel in Kindergarten...and every Kindergarten teacher mentioned that my children came to them fully prepared.*

**Leo Thomas of Homewood on his family's high-quality pre-kindergarten (pre-k) experience.**

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### Trying Together EITC Pre-k Scholarship

The average cost for one year of pre-k is \$10,150, nearly as much as one year of college. Currently, 70% of three- and four-year-olds in Pennsylvania do not have access to high-quality early education. In response to the rising cost of child care and barriers to access, Pennsylvania created The Educational Improvement Tax Credit Program (EITC).

The EITC program allows businesses to direct a portion of their taxes to identified organizations that will distribute scholarships to children and families in need. As an approved scholarship organization for the EITC program, Trying Together helps families afford to send their children to high-quality pre-k programs with the support of local businesses. By donating to the Trying Together EITC Pre-k Scholarship program, a business' tax dollars will stay local to support the future success of children in Southwestern Pennsylvania.

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## EITC Impact

Children begin learning at birth, and early learning experiences are critical to their future success. When a business participates in the EITC program, it makes a financial investment; for every one dollar spent on education, an estimated .79 cents are preserved. By directing assets to children's early experiences, positive effects ripple out to the rest of the community over time creating a stronger economy, decreasing crime and incarceration rates, and preserving taxpayer dollars.

Research tells us that the impact of high-quality early experiences is invaluable:

- Children have improved early literacy, language, math, and social emotional skills when entering Kindergarten, leading to more future success.
- Children become less likely to repeat a grade and more likely to graduate high school.

An EITC Pre-k Scholarship significantly drops the price of child care for parents, making it more manageable for them to send their child to a high-quality child care setting.

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## Is My Company Eligible?

Visit the PA DCED website (<https://bit.ly/DCED-EITC>) for EITC Guidelines and access to DCED's electronic Single Application system to apply for EITC. Once your company applies and is approved by DCED, your company can make a contribution to Trying Together.

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## It's a Triple Win!

- Local companies win by reducing their taxes and investing in our region and future workforce.
- Families win because they are more productive employees knowing that their children are in high-quality early care and education programs.
- Children win because they are in nurturing programs designed to prepare them for Kindergarten and beyond.

## Business Benefits

Businesses participating in the EITC program will receive a tax credit equal to 100 percent of the first \$10,000 contributed, and up to 90 percent of the remaining amount contributed up to a maximum credit of \$200,000 annually.

\*Business firms may apply tax credit against the following:

- Personal Income Tax
- Capital Stock/Foreign Franchise Tax
- Corporate Net Income Tax
- Bank Shares Tax
- Title Insurance & Trust Company Shares Tax
- Insurance Premiums Tax (excluding surplus lines, unauthorized, domestic/foreign marine)
- Mutual Thrift Tax
- Malt Beverage Tax
- Retaliatory Fees under Section 212 of the Insurance Company law of 1921

To learn more about Trying Together's EITC Pre-k Scholarship program contact **Kerry May**, Assistant Director of Development, at **412.206.1053** or **kerry@tryingtogether.org**, or visit **tryingtogether.org/eitc-for-business/**

\* Please note, the definition of a business firm includes pass-through entities and special purpose pass-through entities, but it does not include sole proprietorships or entities not subject to tax.