



## Executive Summary

# Investing in Impact:

## How the Massachusetts Community Investment Tax Credit is Improving Communities and Changing Lives

The Community Investment Tax Credit was enacted by the Massachusetts Legislature in 2012 to “enable local residents and stakeholders to work with and through community development corporations to partner with nonprofit, public and private entities to improve economic opportunities for low- and moderate-income households and other residents in urban, rural and suburban communities across the Commonwealth.” **Investing in Impact** is a new report from MACDC that documents CITC’s progress toward this objective.

- In 2015 and 2016, CDCs participating in the CITC program: created or preserved 2,916 homes; created or preserved 8,742 job opportunities; started, grew or stabilized 1,420 businesses; and served 132,038 families.
- The program generated nearly \$24 million in private philanthropy for community development in the first three years, with \$4.7 million in 2014, \$8.2 million in 2015 and \$11 million in 2016.
- Donations are coming from new supporters, including individuals who comprise 64% of the total donations and 40% of the total dollars secured. CITC is also attracting new and larger investments from small businesses, large companies and nonprofit institutions.
- The United Way of Massachusetts Bay and Merrimack Valley, as the administrator of the Community Partnership Fund, raised \$4 million for CDCs over these three years, with increasing amounts each year.
- Flexible funding is enabling CDCs to deepen their resident and community engagement with 76% of the CDCs using these resources to expand their community engagement efforts.
- CITC is enabling CDCs to hire new staff, increase their operating budgets and stabilize their finances, despite the reduced availability of federal funds.
- CITC has both encouraged and enabled CDCs to invest in data management, evaluation and communications capacity.
- New funding is fueling new and expanded programming in a broad range of community development arenas from affordable housing to arts & cultural programming; CITC is fostering more comprehensive approaches to community improvement.
- CITC is helping CDCs leverage new private and federal dollars. Over the past two years, \$9.6 million in tax credits have supported a total investment of over \$1.2 billion in local communities.

Beyond the numbers, the CDCs consistently report that CITC has transformed their organizations, enabling them to deepen resident engagement, act more strategically and collaboratively, and make meaningful progress toward improving the communities they serve and enhancing opportunities for the people living in those communities. In the words of one CDC, “CITC has been a game changer.”

The new report underscores the importance of enacting [legislation to extend and expand the CITC](#) program. MACDC is working with Senators Sal DiDomenico and Linda Dorcena Forry and Rep. Stephen Kulik to win passage of legislation that would extend the program from 2019 to 2025 and slowly increase the cap on tax credits from \$6 million to \$12 million annually.