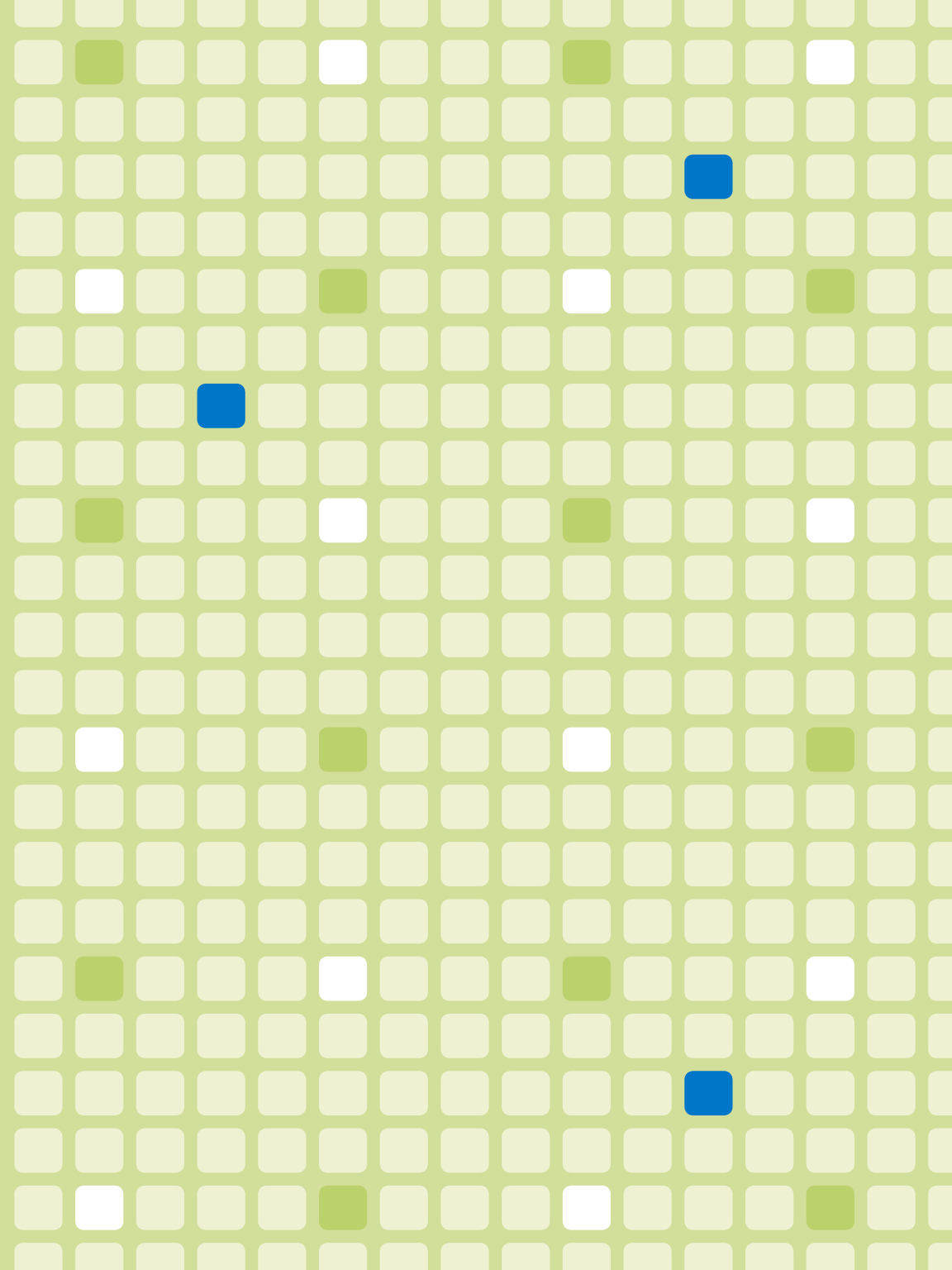


THE VOLUNTEER INCOME TAX PREPARER'S TOOLKIT

SHOWING CLIENTS WHY
TAX TIME IS THE RIGHT TIME TO SAVE





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**By Meredith Covington, Janie Oliphant, Dana Perantie,
and Michal Grinstein-Weiss**

SEPTEMBER 2015



Center for Social Development

GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

ABOUT CSD The Center for Social Development's mission is to create and study innovations in policy and practices that enable individuals, families and communities to formulate and achieve life goals, and contribute to the economy and society. Through innovation, research and policy development, CSD makes intellectual and applied contributions in social development theory, evidence, community projects and public policy.

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Washington University in St. Louis

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The Maryland CASH Campaign
Prepare + Prosper
Southern Bancorp Community Partners

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In producing this toolkit, we have benefited tremendously from their insights.

INTRODUCTION



BACKGROUND

As many of you already know from assisting your clients with their tax preparation, the tax refund is the largest single boost of income that many households receive in a year. In 2014, the average federal tax refund for an individual was \$2,792 [INTERNAL REVENUE SERVICE (IRS), 2014]. That's a sizable amount of money for any American household. It could pay the average person's electricity bills for over 2 years and is equivalent to the median cost of rent for approximately 4 months [U.S. CENSUS BUREAU, 2015; U.S. ENERGY INFORMATION ADMINISTRATION, 2013]. But for **low- and moderate-income (LMI)** households, or your typical **Volunteer Income Tax Assistance (VITA)** client, that windfall of money could put them on path to financial stability.

If one of your VITA clients decided to save his or her refund, or even part of it, it could prevent a potential financial hardship for them and their family. Or, perhaps better, it could be the start that enables them to do things they may have thought they never could: buying a house or sending a child to college. Encouraging your clients to save a portion of their refund could have a profound impact in their lives.

The good news is, you can make that impact. The even better news is that there are several efforts to promote saving at tax time, and the results are exactly what we hoped they would be: Many LMI households are saving at tax time. In many cases, they are doing so because of various nudges and prompts to save from their income tax preparer. The income tax preparer's role is crucial in getting clients to see and benefit from saving at tax time. This is why it's so important that income tax preparers have access to the best tools and references for delivering this compelling message.

This toolkit is designed to give you, the income tax preparer, a background on the whys and hows. The chapters that follow show why it's important to encourage your clients to save at tax time, and they provide evidence to show why encouragement works. The toolkit then offers guidance on how to comfortably, confidently use data, messaging, and behavioral economics techniques in encouraging your clients to save. It also offers insights from other VITA sites' experiences in operating tax-time savings campaigns.

WHY WE'RE DOING THIS

You may wonder why a university research center is putting out a toolkit to help practitioners get their clients to save their tax refunds. It's largely because of our Refund to Savings (R2S) experiment. Researchers from Washington University in St. Louis, Duke University, and Intuit, Inc., are collaborating to devise, test, and evaluate scalable interventions in Intuit's free tax-preparation software for LMI tax filers, TurboTax Freedom Edition. The **R2S experiment** has two goals: encourage LMI tax filers to save part of their federal tax refund and make it easy for them to do so online. The research team estimates that the experiment's 2013 interventions led an additional 4,800 tax filers to deposit some portion of their refund into savings, and the rate at which filers split and saved part their refund approximately doubled as a result of participating in R2S. In total, the R2S interventions increased the total amount saved by almost \$6 million. Further, the R2S interventions continued to affect the probability of saving and the percentage of the refund saved for at least 6 months after participants filed their taxes. These success show that simple messages can significantly increase the number of people who deposit a portion of their refund to savings at tax time [GRINSTEIN-WEISS, PERANTIE, RUSSELL, COMER, TAYLOR, LUO, KEY, & ARIELY, 2015].

THE R2S EXPERIMENT HAS 2 GOALS

1. *Encourage LMI tax filers to save part of their federal tax refund.*
2. *Make it easy for them to do so online.*

Although R2S is the largest tax-time savings experiment in the United States, many other tax-time savings initiatives informed the design of R2S or are now underway. Like R2S, many employ behavioral techniques to encourage saving. At the national level, initiatives such

REFUND TO SAVINGS • R2S

What is Refund to Savings?

FINANCIAL SECURITY

Refund to Savings (R2S) seeks to improve the financial security of low- and middle-income (LMI) households by promoting saving of federal tax refunds.

PUBLIC-PRIVATE PARTNERSHIP

Partnership between Washington University in St. Louis, Duke University, and Intuit, Inc. (the maker of TurboTax software).

SCALABLE INTERVENTIONS

These partners have come together to design and test scalable interventions that encourage tax filers to save a portion of their federal tax refunds.

BEHAVIORAL ECONOMICS

The study of psychology as it relates to the economic decision-making processes of individuals and institutions. Principles of behavioral economics informed the content of messages and the format of these interventions.

The financial lives of low and middle income households (LMI) are incredibly volatile.

33% skipped
MEDICAL CARE

18% skipped
RENT

26% had a trip to
THE HOSPITAL

37% had a major
CAR REPAIR

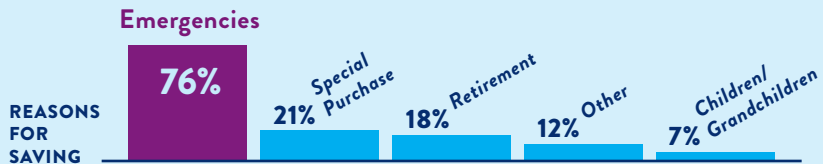
46% skipped
PAYING BILLS

22% skipped
MEDICATION

9% had
LEGAL EXPENSES

34% had a period of
UNEMPLOYMENT

Most people who save say that preparing for emergencies is their most important reason.



R2S interventions have led to lots of savings in LMI households!

In 2013, R2S boosted total deposits to savings vehicles by

\$6,000,000

as SaveUSA, Refund to Assets (R2A), and SaveYourRefund (SYR) use matching, prize-linked savings, and other incentives to make saving attractive and accessible for LMI households. Results from R2A show that, by matching 50% of participants' savings (*i.e., offering participants 50 cents for every dollar they save*), the program increases average savings by 236%, or \$820 [CHIOU, ROE, & WOZNIAK, 2005]. Findings show that by giving clients the opportunity to open a savings account and encouraging them to split and save a part of their refund over more than one account, SaveUSA increased the total amount of nonretirement savings held at the 18-month point by an average of \$512 [AZURDIA, FREEDMAN, HAMILTON & SCHULTZ, 2014]. The SYR program offered participants a chance to win a large cash prize by encouraging them to save at least \$50 in their chosen savings vehicle. Through the program, participants saved over \$2.5 million [BREZINA, T., DUCH, M.K., GOLDBERG, M., MEHTA, P., AND RAMANI, J.S., 2014].

In addition to the promise of these national demonstrations, several state VITA coalitions are running effective tax-time savings campaigns. The Maryland CASH (*Creating Assets, Savings, and Hope*) Campaign had notable success with a scratch-off promotion that offered clients a chance to win \$5 or \$10 cash if they purchased a savings bond; the promotion increased savings by 500%.

In summary, we were compelled to create a toolkit for promoting savings at tax time because we have proof that LMI households can and will save a part of their refund if nudged. The R2S results tell us that low-touch, simple changes to the tax-filing process are effective in encouraging online filers to save. SaveUSA, R2A, and SYR tell us that saving incentives are appealing to LMI households. Our friends running VITA sites around the country tell us that simply talking with their clients about saving and bringing it to their attention will increase the likelihood that they will save. Therefore, we hope that you will use this toolkit as part of your program's tax-time savings strategy and that it will prove helpful as you take advantage of the teachable moment that tax filing offers. We believe that tax-time saving can enhance the financial stability of LMI households and that timely encouragement is critically important.

MAKING SENSE OF SAVING AT TAX TIME

Why Tax Time?

Tax filing is a nearly universal experience among Americans, and several important factors make the tax-time moment especially ideal for efforts to boost savings behavior. Listed below are five important factors that illustrate why tax time is ideal for saving:

- 1 A household's tax refund may be the biggest surge of income they receive all year, especially among LMI households. The average household refund in 2014 was \$2,792. [IRS, 2014]
- 2 People are already thinking about their finances at tax time, and this may make them open to thinking about saving.
- 3 Electronic filing options, including the option to split the refund into multiple accounts, have altered the nature of filers' interaction with the filing process. They also have made it possible to deliver low-cost savings promotion interventions to millions of people. [GRINSTEIN-WEISS ET AL., 2015]
- 4 The ability to receive tax refunds via direct deposit enhances opportunities for saving. In 2014, the IRS distributed almost 84 million refunds via direct deposits into checking or savings accounts. [IRS, 2014]
- 5 Opportunities for savings have arisen with the growth of the network of electronic filing platforms in the IRS's Free File Alliance, which focuses on tax services for LMI households. [GRINSTEIN-WEISS ET AL., 2015]

What Is Behavioral Economics?

Traditional economic theories rest on the idea that rational cost-benefit analyses and logical choice pathways influence the decisions that people make. However, researchers have noticed that patterns of human behavior are also influenced by psychological, social, cognitive, and emotional factors that seem irrational. These patterns of behavior are inconsistent with traditional theories that suggest economic choices are made as a result of logical, cognizant decision making. In one study, researchers tried to understand how and when people choose to stop eating [WANSINK, PAINTER, & NORTH, 2005]. Strict logic would suggest that people stop eating when they become full, but the researchers hypothesized that participants would be influenced by visual cues. The researchers asked participants to eat soup in groups of four, leading them to believe that the experiment was about soup bowl color and taste perceptions. However, two of the four participants had bottomless soup bowls, which slowly refilled as the participant continued to eat. They found that the participants with bottomless bowls ate 73% more soup than did participants with regular bowls, but the participants with bottomless bowls did not claim to be any fuller than those with regular bowls. The researchers concluded that visual cues are an important aspect of food consumption. The study of patterned decision making that violates classical economic assumptions about rationality became the loosely defined field of behavioral economics.

Behavioral economic theory suggests that biases, inattention, procrastination, and inertia function as barriers to positive financial decision making. If we understand how people's inattention and lack of effortful reasoning work in decision-making, we may be able to develop systems and procedures that nudge clients toward financially beneficial decisions. In some behavioral economics studies, nudges are used to change the environment in ways that help participants achieve their goals. In a famous study, behavioral economists hypothesized that people do not save enough for retirement because they must choose to save and to increase their saving rate [THALER & BENARTZI, 2004]. The experiment sought to

overcome these factors by asking participants for pre-commitments that they would save some of their salary for retirement when they received the next raise. The study found that the saving rate increased by 10 percentage points — from 3.5% to 13.6% — among participants with pre-commitments.

In the next section, we describe the R2S initiative, which has tested the use of several **behavioral economic techniques** in experiments that encourage people to save their refunds as they file taxes through the TurboTax Freedom Edition.

For a list of behavioral economics terms, see Appendix A.

Results from Leading Tax-Time Savings Initiatives

As mentioned above, several national studies and demonstrations have shown that LMI tax filers can and will save part of their federal tax refund if the environment promotes saving and uses behavioral economic techniques. Although these efforts vary in location, size, methods, and research design, all have been promising in increasing the number of LMI households saving at tax time and the amount they saved.

Refund to Savings (R2S)

WASHINGTON UNIVERSITY IN ST. LOUIS, DUKE UNIVERSITY, AND INTUIT, INC.

Online tax-time savings initiative that uses behavioral economics techniques to nudge LMI households to save a portion of their refund.

Researchers from Washington University in St. Louis and Duke University are working with Intuit, Inc., the creator of TurboTax, to devise, test, and evaluate scalable interventions to nudge LMI households to save a part of their federal tax refund. In 2013, approximately 680,000 LMI tax filers participated in the R2S experiment by using Intuit's free tax-preparation software, TurboTax Freedom Edition. Evidence from

Based on R2S findings, we know LMI tax filers want to save, and are more likely to do so when nudged.

For definitions of the motivational prompts, see Appendix B.

ANCHORING

Informational markers or points of reference influence decisions involving the selection of a value, and this phenomenon is known as anchoring. A potential strategy to increase the amount of savings is to provide such anchors.

R2S suggests that simple, low-touch messages and saving suggestions can statistically increase the number of people who deposit a portion of the refund into savings at tax time. [GRINSTEIN-WEISS ET AL., 2015]

By employing behavioral economics methods, such as **motivational prompts** and **suggested savings amounts (anchors)**, R2S convinced several thousand tax filers to save a portion of their federal tax refund. Saving may enable these filers to build assets and improve their ability to weather financial shocks. [GRINSTEIN-WEISS ET AL., 2015]

KEY TAKEAWAYS FROM R2S

- 1 The impact of R2S persists beyond tax time: The interventions continued to affect the probability of saving and the percentage of the refund saved for at least 6 months after participants filed their taxes.
- 2 The R2S interventions increased the total amount that LMI households saved by almost \$6 million.
- 3 Estimates indicate that R2S interventions led 4,800 tax filers to deposit some portion of their refund into savings, and the rate at which filers split their refund into more than one account, allocating part of it to savings, approximately doubled as a result of participants' exposure to R2S.
- 4 Most people who save say that preparing for emergencies is their main reason for saving.
- 5 Our analysis of the behavioral economic techniques suggests that **higher anchors (suggested savings amounts)** are more effective.

[GRINSTEIN-WEISS ET AL., 2015]

SaveUSA

MDRC AND THE NEW YORK CITY OFFICE OF FINANCIAL EMPOWERMENT

Refund matching initiative to increase saving of tax refunds at VITA sites.

SaveUSA is a project led by the Mayor's Fund to Advance New York City and the NYC Center for Economic Opportunity (*part of the Office of Financial Empowerment*) in collaboration with MDRC. The project's matching system allows participants to receive a 50% match of the amount saved. When participants file their tax returns, filers from LMI households are presented with an opportunity to deposit some or all of their refund into a savings vehicle. If the amount they pledged to save is still in the account after 1 year, they receive a 50% match. SaveUSA was successfully implemented in 2011 at 18 VITA sites in four cities: New York, NY; Tulsa, OK; San Antonio, TX; and Newark, NJ. In total, there were 2,338 participants. [AZURDIA ET AL., 2014]

KEY TAKEAWAYS FROM SaveUSA

- 1 Tax filers who chose to participate were better positioned to save than those who chose not to enroll: On average, participants' refunds and adjusted gross incomes were higher.
- 2 In the first program year, an average amount of \$506 was directly deposited into SaveUSA accounts by SaveUSA participants.
- 3 Approximately two thirds of the SaveUSA participants saved for around a year and received the savings match, which averaged \$291 among those who received it. About two fifths of the SaveUSA participants pledged to save part of their tax refund again in the program's second year.
- 4 By the 18-month follow-up point, SaveUSA had increased the percentage of individuals with any short-term savings by 7 percentage points and the average individual savings by \$512.
- 5 Most LMI tax filers who declined to enroll in the SaveUSA program stated they declined because they already planned to use their anticipated refund to pay bills or pay down debt. [AZURDIA ET AL., 2014]

Refund to Assets (R2A)

DOORWAYS TO DREAMS (D2D) FUND

Initiative to increase saving by encouraging filers at VITA sites to split and save a portion of their refunds into multiple accounts.

The D2D Fund and its financial and community partners conducted the 3-year (2004–2006) R2A project to test tax-refund splitting at VITA sites. Tax-refund splitting is the practice of placing one's refund in more than one account. The R2A project first rolled out in Tulsa with Brooklyn joining the following year. During the last year of R2A's pilot, the program operated at VITA sites in Brooklyn, NY; Chicago, IL; Denver, CO; Des Moines, IA; San Antonio, TX; Seattle, WA; and Tulsa, OK. The project produced important findings on savings, client preferences, VITA site processes, opinions of tax preparers, and the standpoints of financial institutions

[CHIOU ET AL., 2005].

KEY TAKEAWAYS FROM R2A

- 1 Among program participants, the rate for refund splitting ranged from zero to 15% during the 3-year R2A pilot program.
- 2 The pilot test showed that clients consistently saved almost half of their tax refund.
- 3 When asked what was best about splitting their refund, R2A refund splitters most commonly stated it was free (33%) and easy (30%).
- 4 Nearly 40% of R2A refund splitters indicated that they preferred to receive an in-person explanation of the service.
- 5 Almost half of R2A clients who split their refund decided to split it when they were at the tax site. Of those, over half said their decision to split was most influenced during the tax preparation process.

[ZINSMEYER & FLACKE, 2006]

SaveYourRefund (SYR)

D2D FUND

Prize-linked savings initiative to increase saving of tax refunds at VITA sites.

A national prize-linked savings campaign, SRY encourages tax filers at select VITA sites to save a portion of their refund. The goals of SYR are to build awareness of Form 8888, increase the number of tax filers who save a portion of their refund, particularly using Series I savings bonds, and test the SYR model. The model gives tax filers incentives to save by offering them a chance to win cash prizes if they save \$50 of their refund in a savings account, certificate of deposit, IRA, prepaid card, savings bond, or Treasury Direct account. The D2D Fund awards prizes during each week of the 10-week tax season — \$10,000 in all, and also awards a grand prize of \$25,000. In 2014, SYR partnered with 79 VITA sites across 27 states. [BREZINA ET AL., 2014]

KEY TAKEAWAYS FROM SYR

- 1 In 2014, almost 3,000 SYR participants saved some of their refund, setting aside nearly \$2.6 million in total; SYR increased the number of savers and the total amount saved by 400%.
- 2 In 2014, 208 SYR participants saved 100% of their refund.
- 3 The success of SYR was attributed in part to an effort to strengthen its strategic marketing, which increased SYR's reach to more than 45.5 million social media hits.
- 4 Another reason cited for SYR's success is the development of a new prize structure that rewarded additional participants for saving.
- 5 According to the D2D Fund, 82% of the VITA sites participating in SYR felt that the program helped their clients save.

[BREZINA ET AL., 2014]

MAKING THE CASE FOR TAX PREPARERS

Now that you're aware of the positive results from several national tax-time savings demonstrations that have used behavioral science techniques, you might wonder how you can make the case to your clients. This section is designed to serve as a guide in your communications with them about how and why they should save part of their refund.

Applying Data

When you encourage clients to save their refund, it's important that they trust you as a credible source of information. Therefore, it's also important that you feel comfortable with and confident in delivering the message you want to give. The messages below are to serve as reference points. They are not just opinions about saving — they are backed by research findings and concrete, real-life examples.

WHAT DO I NEED TO KNOW? <i>Key message</i>	WHY SHOULD I SAY IT? <i>Data or statistical evidence</i>	HOW DO I KNOW THIS WILL WORK FOR MY CLIENTS? <i>Tax-time examples</i>
<p>The tax refund is the largest lump sum of money that many households receive in a given year, so tax season is an important time to save.</p> <p><small>(GRINSTEIN-WEISS ET AL., 2015)</small></p>	<p>The average household refund in 2014 was \$2,792.</p> <p><small>[IRS, 2014]</small></p>	<p>In 2013, the average tax refund of R2S participants was \$1,833, which accounts for almost 13% of their average gross income (\$14,581) — it is a significant windfall of added income.</p> <p><small>[GRINSTEIN-WEISS ET AL., 2015]</small></p>
<p>Depositing a tax refund into a savings account benefits LMI individuals in the long run.</p>	<p>The R2S interventions continued to affect the probability of saving and the percentage of the refund saved for at least 6 months after participants filed their taxes.</p> <p><small>[GRINSTEIN-WEISS ET AL., 2015]</small></p>	<p>Because R2S, SaveUSA, R2A, and SYR increased the number of LMI savers and the amount saved, the participating households may be better positioned to begin building assets and to handle a financial shock.</p>

WHAT DO I NEED TO KNOW? <i>Key message</i>	WHY SHOULD I SAY IT? <i>Data or statistical evidence</i>	HOW DO I KNOW THIS WILL WORK FOR MY CLIENTS? <i>Tax-time examples</i>
Despite financial challenges, many LMI households are able to save a portion of their tax refund, especially if an incentive is offered.	Approximately 29% of LMI households in SaveUSA pledged to save the maximum amount (\$1,000), making them eligible for a \$500 match. [AZURDIA ET AL., 2014]	In 2014, almost 3,000 SYR participants saved nearly \$2.6 million. The number of savers and the total amount saved increased by 400%. [BREZINA ET AL., 2014]
Splitting the refund across accounts can help LMI individuals save a portion for the future even if they have already earmarked their refund for debt repayment.	More than one in 10 households have already mentally allocated next year’s refund for paying down debt. [GRINSTEIN-WEISS ET AL., 2015]	Despite financial challenges and plans to repay debt, R2A refund splitters who were asked what is best about the splitting option most commonly stated it was free (33%) and easy (30%). [ZINSMAYER & FLACKE, 2006]
Encouragement to split a refund across accounts, and particularly encouragement at the tax preparation site, is crucial to a client’s decision to save.	Nearly 40% of R2A refund splitters preferred to receive an in-person explanation of the service. [ZINSMAYER & FLACKE, 2006]	Almost half of R2A clients who split their refund across accounts decided to split it when they were at the tax site. Of those, over half said that their decision to split was most influenced during the tax preparation process. [ZINSMAYER & FLACKE, 2006]
Emergencies are the most common motivation for saving.	Two-thirds of the sample in the R2S experiment had a financial shock during the 6 months post-filing. [GRINSTEIN-WEISS ET AL., 2015]	The R2S team asked respondents who saved a portion of the refund to indicate their reason for saving and showed them a list of options. “Saving for emergencies and other unexpected needs” was the most common choice. [GRINSTEIN-WEISS ET AL., 2015]
The ability to receive tax refunds via direct deposit enhances opportunities for saving.	The IRS distributed almost 84 million refunds via direct deposits into checking or savings accounts in 2014. [IRS, 2014]	During SaveUSA’s first program year, participants directly deposited an average of \$506 of their refund into \$aveUSA accounts. [AZURDIA ET AL., 2014]
Although saving at tax time is effective and a good decision for many households, it may not be right for everyone.	Even before they enrolled, tax filers who chose to participate in SaveUSA were better positioned to save than those who chose not to enroll in the program. [AZURDIA ET AL., 2014]	Evidence from R2S shows that tax filers with smaller refunds and fewer liquid assets are less likely to save. [GRINSTEIN-WEISS ET AL., 2015]

The Tax Preparer's Talking Points on Saving at Tax Time*

As tax-time savings demonstrations have proven, LMI households can and will save if made aware of savings opportunities and given access to institutional supports. That said, even if every one of your clients wants to save, it does not mean the client can or will save.

The Maryland CASH Campaign has observed that you actually do your clients a disservice by not bringing up the option to save part of the refund. So, this is where you come in. Your role is to provide clients with accurate information that enables them to decide what is best for their household. It's also important to direct your clients to actual savings account products and not just to speak abstractly about savings. Since each tax preparation program and/or site is different, you will want to be familiar with the specific savings products promoted by your program.

As a way to begin thinking about how to direct your conversation clients, consider the what, how, and why of your program's savings promotion:

- ▣ **What:** We are trying to help filers save a part of their refund.
- ▣ **How:** We talk to filers about saving their refund by using **tax form 8888** to split it across more than one account.
- ▣ **Why:** Savings help people move from getting by to getting ahead. We hope that the promotion will enable people to take the first step toward building savings, investing in their future, and preparing for emergencies — even if they don't feel comfortable setting aside money regularly.

First, get to know your client. To engage your client and foster a discussion around saving, ask open-ended questions.

I see you have a brochure/flyer about saving a part of your refund; have you had a chance to look at it? What do you think?

Have you heard about our _____ program/product/service? Can I tell you a little about it?

Do you recall how you used last year's refund? What are your plans for this year?

Then, provide your client with the information needed to make a decision.

To help clients decide to save a part of their refund, carefully craft your pitch:

- ❑ Answer questions and tactfully correct any misinformation.
- ❑ Frame options as an opportunity to achieve a goal, not as an item to purchase.
- ❑ Ask the client whether saving in product would work for them.
- ❑ Make saving the default option.

An example of how the conversation might go...

**Great news, you'll be getting \$1,706 refund. Congratulations!
Where would you like to save it today?**

Oh, I hadn't really thought about saving my refund. I'm behind on rent and my electricity bill, so I was planning on paying that.

LISTEN TO YOUR CLIENT. I hear what you're saying. A lot of people use their refunds to pay off some bills. I understand why you'd want to do that...

Has anyone explained the _____ program/product/service we're offering this year?

Yes.

No.

What questions do you have about it?

May I quickly tell you about it?

MENTION POTENTIAL PERSONAL BENEFITS.

This could be a helpful first step toward saving for...
an emergency / your child's education / retirement / _____

THEN, ASK DIRECTLY:

Would investing in the _____ product work for you?

To conclude your client's tax filing session, end on a positive note.

- Accept the client's decision.
- Encourage him or her to begin planning now to save some of next year's refund.

Responses to Clients' Potential Concerns*

If you've prepared taxes at a free income-tax preparation site before, you already know that many clients have hesitations about saving. If this is your first time, know that people eligible for free tax preparation are not likely to have much money left after household expenses. That's why LMI households often use refunds immediately. It is important to understand that many taxpayers simply cannot afford to save their entire refund, but every little bit helps.

That said, *you should not feel that you need to convince all filers to participate*. Simply offer each filer the option to save and allow the filer to decide whether saving would be financially feasible. Clients commonly express concerns about saving a part of their refund. We list some of these concerns below and suggest possible responses. It is your job to differentiate clients who could use additional information, and possibly a little positive encouragement, from those who do not have the ability or interest to save part of their refund.

PLEASE REMEMBER...

1. Saving is not easy! Many of your clients will say they can't save, but don't let that deter you from asking other clients — you don't know who will choose to save!
2. You would be doing your clients a disservice by not suggesting saving — this may be their only opportunity to save all year.
3. Only the clients know what is best for their family — let them decide if saving is right for them this year.
4. As a volunteer, the impact you can have on your client's life by encouraging them to save is HUGE.

* The structure of this section is modeled after a resource produced by the OpportunityTexas Tax-Time Savings Project and D2D Fund's Tax Time Savings Bonds Site Coordinator Toolkit — 2013.

If your client is leaning toward not saving a part of their refund...

We really just can't afford to save anything this year.

I get it. It's easier said than done. Maybe now is a good time to commit to saving some next year.

Every little bit helps, but I understand this may not be right for you.

This could be your first step toward a more stable future.

You can save a portion of your refund and/or open an account as a gift for a loved one — perhaps for a child or grandchild to go to college?

I'm confused about the product you're suggesting.

Which part are you unclear about?

REFER TO YOUR PROGRAM'S DOCUMENTATION IF YOU NEED HELP ANSWERING THEIR QUESTIONS.

I'd like to save today, but I do not have a savings account. OR I do not have my savings account number with me.

- Refer clients who have no account to a partnering or recommended financial institution. FOR MORE ABOUT BENEFITS OF SAVINGS ACCOUNT OWNERSHIP, SEE THE **HELPFUL RESOURCES** SECTION.
- If the client has an account, suggest he/she retrieve the number online or by communicating directly with the financial institution.
- Promote Series I savings bonds.

If your client decides to save a part of his or her refund...

I don't want to save all my refund. Can I split it between accounts?

Of course. We can fill out a form (Form 8888) to divide your refund so that it can be deposited in up to three different accounts. You can deposit some of your refund in your checking account and some in another savings vehicle. FOR A COPY OF FORM 8888, SEE THE HELPFUL RESOURCES SECTION.

I'd like to save/invest part of my refund for retirement. What are my options?

There are several savings vehicles you can use to prepare for retirement. The IRS actually has a detailed list of all types of retirement plans on its website. TO VIEW THIS LIST, SEE THE HELPFUL RESOURCES SECTION.

The Treasury is also offering a new type of retirement savings account: *myRA*. There is no cost or fee to open one, your amount will never go down in value, and you're able to contribute as little or as much as you'd like every payday.

- Note that clients who wish to save the refund in a myRA account will need to open one before filing their taxes, as they'll need the account number to complete the 8888 form.
TO LEARN MORE ABOUT MYRA, SEE THE HELPFUL RESOURCES SECTION.
- *You want your client to be aware of investment opportunities but should not advise them to go with a specific investment product. Rather, present the information you have, allow them to review it, and let them choose the type of account that is best for them.*

myRA
A new retirement savings account offered by the U.S. Department of the Treasury.

RUNNING AN EFFECTIVE TAX-TIME SAVINGS CAMPAIGN

Case Studies

The idea to promote savings at tax time is neither novel nor far reaching. In fact, apart from the national tax-time savings demonstrations referenced in this toolkit, numerous organizations have been doing it, and doing it well, for more than two decades.

For questions asked of free income tax preparation programs, please see Appendix C.

That said, service delivery varies by location and populations served. Moreover, programs differ in sources of funding, size, geographic location, types of volunteer training, community and financial-institution partners, marketing and outreach strategies, and program longevity.

Although the strengths and weaknesses are different for each program, the programs profiled here have the same opportunities. They recognize opportunities to advance economic security and mobility by connecting free income-tax preparation with such services as credit repair, financial counseling, and savings vehicles and promotions. They also face the same threats: preparers who promise clients fast money for extremely high fees, cuts to program funding, and attrition of volunteers.

We wish to highlight the good work being done to promote saving at tax time by presenting case studies on five volunteer income-tax preparation programs.

The Equipped Volunteers in the Windy City
Center for Economic Progress (CEP), Illinois

The Collaborators in the Mountain West
Denver Asset Building Coalition (DABC), Colorado

The Innovators on the East Coast
Maryland CASH Campaign, Maryland

The Messaging Experts from the Midwest
Prepare + Prosper (P+P), Minnesota

The Sustainable Sites with Bank Partner in the Rural South
Southern Bancorp Community Partners (SBCP), Arkansas and Mississippi

The cases studies for these programs show that several kinds of tax-time savings campaigns can be effective. Each program was given the same list of questions. The aims of the case studies are to identify factors that make volunteer income-tax preparation programs successful and to provide real-world examples from personal experiences.



THE EQUIPPED VOLUNTEERS IN THE WINDY CITY

ILLINOIS | www.economicprogress.org

BACKGROUND

The **Center for Economic Progress (CEP)** is a 501(c)(3) organization based in Chicago, Illinois. CEP – through its dedicated 1,000-member volunteer corps -- provides trusted tax and financial services to 20,000+ working families across Illinois. One of the nation's largest and most established organizations of its kind, CEP's free services help families achieve financial stability and move towards solid financial ground.

Armed with the success of the past 25 years, CEP through direct services and policy initiatives empowers low-income residents of Illinois, providing options and opportunities while raising awareness about ways they can keep more of what they work so hard to earn.

CEP'S DIRECT SERVICES

- ▣ **Tax Preparation:** Free, high-quality Volunteer Income Tax Assistance (VITA) for low-income Illinois families.
- ▣ **Tax Clinic:** Free year-round legal help for tax problems, collections and audits.
- ▣ **Financial Coaching:** CEP's new Progress Program provides one-on-one, transformational financial coaching that has lasting impact.
- ▣ **Financial and Tax Workshops:** Getting trusted advice is essential. CEP's expert staff and volunteers go out into the community year-round to present on key tax and financial topics.

The longest standing partnerships at CEP include community-based organizations and community colleges that host tax services preparation sites, with many serving a similar client base. The organization also has strong partnerships with certain government offices that offer both funding, volunteer referrals and client outreach support.

PROGRAM OVERVIEW

Thanks to a highly trained and skilled volunteer corps, CEP has become a trusted provider of high-quality, professional tax preparation. When a client visits one of CEP’s 15 community locations, CEP:

- ▣ Ensures their tax returns are done correctly, on time, and for no cost.
- ▣ Helps clients access proven anti-poverty supports such as the **Earned Income Tax Credit (EITC)**, Child Tax Credit, and education tax credits.
- ▣ Improves their financial knowledge by explaining how changes in their family, healthcare coverage and filing status will affect their tax refund.

In 2015, CEP had a total of 600 volunteers at 15 tax preparation sites, serving 17,662 clients (a 4% increase over prior year). To recruit its volunteer tax preparers, CEP broadcasts several different messages, including: the skill set gained, the opportunity for “real world” experience; and, the opportunity to give back. The organization attracts professionals by being able to offer continuing education credits in return for volunteer service.

The volunteer training at CEP is quite comprehensive, as it has developed its own training that consists of approximately four hours of online training that covers the basics of tax law, including income, dependents, filing status, and various credits. Volunteers also attend one 3-hour class in-person to refresh on tax law and learn the preparation software. Most volunteers also attend an on-site orientation session. Volunteers must

CEP 2015

PROGRAM SNAPSHOT

15 tax prep sites

600 volunteers

17,662 clients

EARNED INCOME TAX CREDIT (EITC)

A tax benefit for working people who have a low or moderate income.

[IRS, 2015]

complete the required training and pass the IRS certification test to be able to prepare taxes at CEP's sites. Volunteers are asked to commit 30 hours during the tax season.

OUTREACH STRATEGY

Primarily, the outreach conducted by CEP consists of information about its site locations and hours. CEP includes a list of information clients should bring with them, and messaging encouraging savings. CEP sends a mailing to all clients from the previous two years. The State of Illinois distributes information to all recipients of public assistance; the City of Chicago distributes through aldermen's offices, city agencies, and other distribution channels. CEP sends an e-blast to three years' worth of prior clients. The organization also distributes information to community organizations, government offices, faith-based organizations and schools. Each year CEP develops a media plan. It generally consists of kick-off event coverage; PSA development; targeted media buys in local, neighborhood news sources; and an occasional public television spot.

HOW CEP PROMOTES SAVING AT TAX TIME

An array of banking options are provided to the client by CEP, depending on which site the client is visiting. It partners with local community banks and credit unions to open savings accounts immediately at CEP's tax sites, and vets its bank partners and bank products to ensure they are affordable and safe. Additionally, CEP provides the option of a prepaid debit card for those consumers who do not want to open a bank account. Like its bank products, CEP vets its prepaid card options to make sure the product it offers is safe, affordable, and provides a bridge to the financial mainstream.

Aside from its offering various financial products in which clients can use to save a portion of their refund, CEP promotes saving at tax time through its Tax Savings Campaign designed to encourage savings at tax-time. By partnering with D2D through its SaveYourRefund Campaign, clients are incentivized to save part of their refund by being put into a drawing that

offers \$100 weekly prizes for those who save part of their refund and a grand-prize of \$25,000 at the end of tax season. Further, CEP's Campaign employs designated "Savings Coaches" at each of its tax sites who educate their clients on responsible money management techniques as well as promote the prize-linked savings campaign.

The organization's Savings Coaches are a major reason as to why CEP does such a good job of promoting savings at tax time. The main role of the Savings Coach is to speak with every client about the importance of saving and their options of doing so at the tax site during the intake process. During the tax filing process, the Savings Coach reconnects with each of the clients who have committed to savings and ensures the tax preparer is fully aware of the client's commitment. CEP's Savings Coaches promote savings by emphasizing the importance of having emergency savings and educating their clients on the high costs of alternative financial products like check cashing and payday loans. Due to its Savings Campaign, CEP has increased the number of savers at its sites. Anecdotally, its site managers and long-time volunteers have noted having a designated Savings Coach at the sites brought savings to the forefront of CEP's clients' minds.

HIGHLIGHTING THE SUCCESSES OF CEP'S PROGRAM

Quality volunteer and staff training. What sets CEP's income tax preparation program apart is the amount of time dedicated to and the quality of their volunteer and staff training. Due CEP's comprehensive recruitment strategy, they have a large number of volunteer tax preparers to staff their tax sites. And in addition to using what the IRS requires of volunteer tax preparers, CEP has customized its own volunteer training for its preparers so they have a thorough understanding of elements of the tax law, state and local issues, and the tax filing process as a whole.

Strong partner for tax-time savings initiative. While not unique to CEP, the partnership between CEP and the D2D Fund grants clients the opportunity to partake in a savings promotion through incentives, which has considerably helped increase the rate of savings at their tax sites.

If a tax filer saves part of his or her refund, the filer is entered into a drawing that offers \$100 weekly prizes for those who save part of their refund and a grand-prize of \$25,000 at the end of tax season.

Use of Savings Coaches. In addition to the volunteer tax preparers, CEP's Savings Coaches specifically work with their clients at their tax sites to encourage them to save part of their refund. By designating volunteers solely to help clients with saving and splitting their refund and educating them on future sound financial practices, clients are much more likely to save a part of their refund and actively think about saving.



THE COLLABORATORS IN THE MOUNTAIN WEST

COLORADO | <http://www.denverabc.org/>

BACKGROUND

In 2003, **Denver Asset Building Coalition (DABC)** was founded to serve working families in the greater Metro Denver area by providing free tax preparation, financial education, and financial services through accessible sites to help underserved households build for the future and become economically stable. In 2015, DABC offered services at 8 sites including Free Tax Preparation, Financial Education Classes for Students and Tax Education Classes for Adults, and supported ITIN applicants as a Certifying Acceptance Agent. The Tax Preparation Program has completed over 4000 tax returns so far in 2015, and runs all the way through October 15th each year. This is accomplished with 2 full-time staff and over 150 volunteers.

To optimize its services, DABC has made a number of community connections. It partners with a local university, a national bank, the Jefferson County Human Services Department, and several area nonprofits to host its VITA sites. Aside from the relationships established because of VITA, DABC works with additional local universities, banks, and nonprofits to offer other programs and services such as entrepreneurial training, business counseling, microloans, career training, job-search assistance, computer literacy classes, after-school programs for youth, pro-bono consultations, credit counseling, debt management, bankruptcy counseling, financial coaching, ESL and GED classes, housing counseling, LITC support, and free checking accounts.

PROGRAM OVERVIEW

Since 2004, DABC has been preparing taxes through their VITA program (for tax year 2003). The tax preparation program at DABC runs through October every year. In 2015, DABC's 151 volunteer tax preparers have prepared 3,785 tax returns, including 289 prior-year tax returns, at their eight operating tax sites, returning \$4.1 million in federal refunds to their clients.

According to DABC, the success of their program is largely attributed to having a diverse board of directors making the strategic decisions behind the program, as well as the streamlining of all their efforts to serve as many clients as possible. The organization increases their number of clients every year, usually with no change in the organization's economic situation albeit incremental funding. Further, DABC continues to look for greater opportunities to serve its clients, such as opening a Low Income Tax Clinic to support its tax-filing clients.

To recruit its volunteer tax preparers, DABC has a proactive approach, including: maintaining postings on volunteer boards; attending volunteer fairs; asking other organizations and government agencies to include DABC in their employee newsletters; pursuing graduate accounting students through college Career Development centers

**DABC 2015
PROGRAM
SNAPSHOT**
8 tax prep sites
151 volunteers
3,785 clients

and business student fraternities; contacting local chapters of CPA organizations; posting flyers; asking DABC volunteers to contact their friends and coworkers; and remaining connected to the IRS Stakeholder Partnerships, Education and Communication (SPEC) office and following up on any volunteers they recommend. To educate their volunteer tax preparers, DABC provides a full-day training for new tax preparers followed by study sessions for certification and an abbreviated training for experienced tax preparers. Further, DABC encourages volunteers to shadow veteran volunteers. DABC also maintains a robust list of resources online for volunteers to study at their convenience.

OUTREACH STRATEGY

The organization participates in both tax credit outreach and free tax service outreach, including links to MyFreeTaxes.com for taxpayers who do their own tax returns online. To advertise, DABC provides color flyers to organizations that serve low-income families in the community; participates in radio broadcasts in English and Spanish to help taxpayers understand tax credits and filing responsibilities; maintains a website and social media tools; and runs tax-related stories through local news organizations. DABC has also done a live TV phone bank to help answer taxpayer questions.

BANK ON
Voluntary, public/private partnerships between local or state government, financial institutions, and community-based organizations that provide low-income un- and underbanked people with free or low-cost bank accounts and access to financial education.

[BANK ON, 2015]

HOW DABC PROMOTES SAVINGS AT TAX TIME

During the tax season of each year, DABC has a close relationship with several national and local banks in the area to provide space for its VITA sites and/or open bank accounts for tax filers. DABC has bankers present from **Bank On** Denver partners to offer free checking accounts to its clients so they can receive direct deposit of their refunds, as well as so they may receive their refund as quickly as possible to deter them from participating in Refund Anticipation Loans in the future.

The organization recommends clients consider purchasing Savings Bonds with part of their refund. The national, nonprofit D2D Fund provides an incentive, as part of the SaveYourRefund campaign, to clients that save at least \$50 of their refund by allowing them to enter a raffle. DABC clients have been selected as winners of the raffle in 2014 and 2015, winning \$100 and \$500, respectively. DABC also recommends its clients use their refunds to pay down debt, if they have any.

To start a conversation about saving, volunteer tax preparers ask clients if they have plans for their refund, which many already do. DABC's goal is to help clients begin thinking in the long-term about their financial situation. For long-term goals such as education for children, DABC tax preparers encourage them to begin saving each year to build toward those goals. DABC's messaging is most concerned with helping clients think about using the short-term income boost in a long-term way, since this leads to better financial decisions in general.

HIGHLIGHTING THE SUCCESSES OF DABC'S PROGRAM

Ample community partnerships. One of the key reasons for DABC's effectiveness as a program is their wide variety of partnerships in the area, including local universities, government agencies, financial institutions, and other nonprofits. DABC clients are able to take advantage of a multitude of services and programs due to DABC's wide-ranging efforts to ensure their clients have plenty of asset-building opportunities.

Commitment to its mission. Despite the limited amount of funding for a program of its size, DABC continues to serve more clients each year than they have the previous year, usually with no change in its economic situation. Further, DABC is always seeking to improve and expand its programs, most recently by opening its Low Income Tax Clinic to support taxpayers with Installments & Offers in Compromise, Release of Liens & Levies, Audits Representation & Appeals.

Strong partner for tax-time savings initiative. Like other programs featured in the case studies, DABC partners with the D2D Fund in its SYR initiative. Through the D2D Fund's sponsorship, DABC clients are incentivized to save a part of their refund by the chance to win a much larger cash prize. This savings promotion has increased the savings rate among DABC clients.



THE INNOVATORS ON THE EAST COAST

MARYLAND | <http://mdcash.org/>

BACKGROUND

Maryland CASH Campaign is located in Baltimore, Maryland. Maryland CASH promotes programs, products, and policies that protect and grow the financial security of working families by improving the availability of financial education and free tax preparation, providing practitioner trainings and professional development, conducting research, and advocating for policy change. Maryland CASH partners with nonprofits, government agencies, the financial service industry, higher education institutions, elected officials, and private foundations across the state of Maryland.

Maryland CASH was established in 2005 to link **asset building** programs in Maryland together to strengthen products and policies that promote financial security for families. Currently, Maryland CASH has four full-time employees and is housed under the Job Opportunities Task Force, a nonprofit research and advocacy organization dedicated to helping low-wage workers advance. Maryland CASH's programs include:

ASSET BUILDING

Increasing financial and tangible assets, such as savings, a home, and businesses of all kinds.

[CFED, 2015]

the Maryland Community Fellows Program, a fellowship that increases the capacity of community action agencies to offer free tax preparation and financial education; Financial Stability Pathway, a program that uses technology to help LMI families to establish and maintain emergency savings; the Maryland CASH Academy, an online system that offers access to free or low-cost financial education classes; and, a financial coaching program using MyBudgetCoach, an online budgeting tool.

Maryland CASH has strong partnerships with state and county government, community action agencies, local and national nonprofit organizations, banks, credit unions and educational institutions. Maryland CASH's strongest partnerships are with community action and state agencies. Each partnering agency has a strong network with significant client flow as well as the ability to provide complementary services (*crisis assistance, food, housing, etc.*).

PROGRAM OVERVIEW

The Maryland CASH Campaign has been in operation since 2007, but some of its partners have been operating as free tax preparation sites for as many as 27 years. In 2015, the Maryland CASH Campaign operated 53 tax sites with its 506 volunteers, generating over \$32 million in federal and state refunds back to 19,407 Maryland households.

By working through a network of partners, Maryland CASH's role is to support local sites and help them to build capacity. The opportunities and challenges are identified through regular communications with the sites, coalition meetings, annual site visits, and an annual data survey.

Most programs within Maryland CASH conduct heavy volunteer recruitment at local colleges and universities as well as professional organizations. Partners with larger programs have Volunteer Coordinators; most programs share volunteer recruitment tasks across staff positions. New for 2015, Maryland CASH has a Volunteer

**MARYLAND
CASH 2015
PROGRAM
SNAPSHOT**
53 tax prep sites
506 volunteers
19,407 clients

Maryland Coordinator that assists with these local efforts. This one-year AmeriCorps position is coordinated by Volunteer Maryland, a division of the Governor's Office on Volunteerism.

Most programs educate volunteers by using a combination of Link and Learn online tax law training and in-person training on TaxWise and program operations. Baltimore CASH Campaign conducts all of their training in a classroom setting. In addition, Maryland CASH provides supplemental training on various tax law subjects through online webinars. Most programs have weekly volunteer newsletters or emails that provide volunteers with new information as it becomes available.

OUTREACH STRATEGY

During tax time, Maryland CASH distributes over 300,000 statewide flyers that provide website and phone number information on partner free tax preparation sites throughout the state of Maryland as well as the link to MyFreeTaxes.com. Maryland CASH also provides information about the Earned Income Tax Credit to all recipients of 1099-G unemployment forms through a partnership with the Maryland Department of Labor, Licensing and Regulation. This past tax season, Maryland CASH also provided information about the Affordable Care Act and open enrollment. The Maryland Department of Human Resources also prints, posts, and provides flyers to local Department of Social Services' offices.

Maryland CASH and its partners work especially hard to target underserved populations through a tax-time media campaign that is designed to have statewide and local influence. Specifically, Maryland CASH targets low-income individuals and families, people with disabilities, rural/non-urban and English as a Second Language (ESL) taxpayers. At most sites, all marketing materials and intake forms are available in English and Spanish, and some are available in other languages, including Mandarin and Amharic.

All marketing efforts begin each year in October and continue until the beginning of April. Maryland CASH conducts statewide marketing in partnership with elected officials and 2-1-1 Maryland, an information and referral hotline operated by the United Way. The statewide marketing is supplemented by local media buys and story placement by Maryland CASH with assistance from a public relations firm and the local marketing efforts of each of the coalition partners. There are often press events that include elected officials and many earned media appearances.

HOW MARYLAND CASH PROMOTES SAVINGS AT TAX TIME

Many of Maryland CASH's partners of work with banking institutions to access free savings accounts, free check cashing, prepaid debit cards, and savings bonds. Through the D2D Fund, several sites participated in the SYR campaign which offered weekly prizes of \$100 and a grand prize of \$25,000 if clients saved at least \$50 of their tax refund. In addition, a subset of partners participated in a pilot that provided clients with a chance to win instantly if they saved \$50 or more of their refund. Partners work with several different national and local financial institutions throughout the state that offer products at their free tax preparation sites, sponsorships for financial fitness events, or support work with special populations.

Maryland CASH encourages all partners and volunteers to promote savings at tax-time. A variety of messaging is used in their marketing, including “Earn It. Keep It. Save It!” “It’s Your Money Keep It” and “Spend Some. Save Some” because it resonates with many taxpayers. According to Maryland CASH, many clients say the reason they’ve chosen to save, especially with savings bonds, is simply that someone asked them about it or that they heard about at several different points throughout their tax appointment. To date the most effective way to get people to save is to offer incentives through prize-linked savings. There was a 500% increase in savings when Maryland CASH first ran a scratch-off promotion which offered clients that purchased savings bonds a chance to win \$5 or \$10 cash instantly.

HIGHLIGHTING THE SUCCESSES OF MARYLAND CASH'S PROGRAM

Fundraising efforts. One of Maryland CASH's greatest successes, and one of the reasons it's been able to sustain and grow its number of tax sites, is its ability to fundraise as a coalition and provide support to its partners to bring free tax preparation to 19 of the 24 counties in Maryland. In three years, Maryland CASH has doubled the number of clients served by the VITA program throughout the state of Maryland (*exclusive of Baltimore City*).

Innovative savings initiatives. Between its Volunteer Maryland Coordinator to its supplemental volunteer trainings to its statewide marketing campaign, Maryland CASH has not only covered its bases in marketing its program, it's also been rather innovative in its marketing strategy and product offerings. Due to Maryland CASH's out-of-the-box thinking, they've been able to develop diverse partnerships, thus creating new savings opportunities for their clients.

Strong national tax-time saving partner. Like CEP and DABC, Maryland CASH works with the D2D Fund through its SYR campaign to offer its clients a prize-linked savings opportunity. The chance to win a weekly prize and the grand prize incentivizes clients to save a part of their refund through a savings vehicle of their choice.

PREPARE + PROSPER

WORKING TOWARD A BRIGHTER FINANCIAL FUTURE

THE MESSAGING EXPERTS FROM THE MIDWEST

MINNESOTA | www.prepareandprosper.org

BACKGROUND

For over forty years, **Prepare + Prosper (P+P)** has been a leading organization in Minnesota focused on financial capability and economic justice. They have a growing local and national presence in running and promoting programs that foster financial health and wealth for low- to moderate-income communities. P+P provides tax preparation, financial services, and financial coaching and engages customers and partners in outreach, training, and policy to address tax and financial services issues on multiple levels, including: a remote tax preparation program for individuals who are homebound, have a disability, or are elderly; free tax services paired with education for sole proprietors earning \$53,000 or less; training and technical assistance to 15 organizations across Minnesota; an Earned Income Tax Credit (EITC) campaign; a research-based tax-time savings campaign; and one-on-one financial coaching.

To connect its customers with low-cost savings accounts, P+P partners with local financial institutions as part of its tax-time financial services program. Additionally, P+P has a strong partnership with a community-based organization to offer a very low-cost general purpose reloadable (GPR) prepaid cards. P+P also partners with a local nonprofit to send referrals for those needing deeper financial counseling and debt management.

**P+P 2015
PROGRAM
SNAPSHOT**

*10 tax prep sites
553 volunteers
11,797 clients*

PROGRAM OVERVIEW

Established in 1971, P+P was built on the idea that those who can afford it least should not have to pay to access tax credits they have earned. Fast forward 44 years later, and P+P has 10 VITA sites across the Twin Cities Metro that served 11,797 taxpayers and returned \$23 million during the 2015 tax season with its 553 volunteers. Even more impressively, P+P helped 916 taxpayers save nearly \$1.6 million.

P+P continues to develop and execute creative volunteer recruitment methods. P+P attracts a great majority of its volunteers through strong corporate partnerships with several large companies, relationships with faculty at over a dozen academic institutions and contacts at professional associations such as the Minnesota Society of Certified Public Accountants. Further, P+P hosts 13 orientations each year where volunteers can learn more about the tax preparation experience.

P+P has a volunteer retention rate of 50% each year. Its volunteer tax preparers go through 16 hours of in-classroom training that covers everything from federal and state tax law, the TaxWise preparation software, practice labs and testing labs. P+P infuses the financial services and savings promotion methods throughout all the trainings and practice labs so they are not offered in isolation but as an integrated part of the process. In 2015, P+P strengthened its webinar series for experienced volunteer tax preparers with over two years of VITA experience. With the expert guidance of a webinar consultant, P+P incorporated online education best practices to provide better quality webinars.

OUTREACH STRATEGY

P+P works year-round to increase awareness of its free tax preparation and financial services. The organization's strategy is based on past experience and ongoing learning, including findings from customer surveys, focus groups, interviews, and, most recently, ethnographic

market research to determine why people choose paid preparers over free preparers when they are aware of free tax sites. P+P’s marketing and outreach strategies and efforts include, but are not limited to:

- ❑ Distributing 80,000+ brochures in English and Spanish languages with information about P+P’s free services throughout the Twin Cities metro area to organizations including health care, social service, job training programs, and immigrant-focused agencies and correctional facilities and labor unions. P+P also sends them to its mailing list of more than 10,000 current and former customers.
- ❑ Sending customized flyers home in student backpacks to approximately 46,000 students.
- ❑ Texting its more than 650 customers who have signed up to receive texts on its services as well as tax and savings tips.
- ❑ Soliciting space for information about P+P’s services in community publications including neighborhood association newsletters, job listing emails, church bulletins, social service agency e-news, and more.
- ❑ Posting information on P+P’s website about tax clinics, a link to self-preparation tax software, tax credits that individuals may be eligible for, and other relevant information. The website hosts an easy-to-use tax clinic finder where customers can enter their zip code to find a list of tax clinics closest to them.
- ❑ Utilizing social media, including Facebook and Twitter, to drive people to the website and increase P+P’s visibility with potential customers, partner organizations, and media.
- ❑ Advertising its free services on Craigslist.
- ❑ Partnering with local businesses and faith-based institutions frequented by P+P’s target customer populations and located in the commercial corridors surrounding P+P clinics to spread the message via bulletins, tabling after services, and speaking opportunities.
- ❑ Making 100 educational presentations or events with staff members and people served by community and civic organizations, local governments, employment agencies, and schools.

In addition, P+P proactively seeks and responds to opportunities for press coverage — print, radio and television. Press coverage raises visibility about P+P's services to increase the number of customers and to enhance its credibility with funders, donors, and prospective supporters. P+P also works independently to secure coverage and also in collaboration with Greater Twin Cities United Way, Departments of Commerce and Revenue and the Governor's office. P+P secures coverage through building relationships with reporters so they are a "go-to" for stories, pitching ideas to reporter and outlets on a consistent basis, and holding press events and photo ops when possible.

HOW P+P PROMOTES SAVING AT TAX TIME

P+P partners with local financial institutions to offer low-cost savings products regardless of credit or banking history. P+P's seasonal Financial Services Specialists (FSS) staff is trained to serve as liaisons or "remote tellers" of the financial institution, educating and enrolling customers for savings accounts at ten of its tax site locations. A formal memorandum of agreement (MOA) is drafted between P+P and the financial partner to clarify roles, responsibilities, data privacy, and communication. P+P also incorporates Series I U.S. Savings Bonds promotion into its savings strategy. For those who already have access to savings accounts, P+P messages them to bring their direct deposit information for their accounts

To further incentivize savings, P+P offers two incentive programs — a match savings program and SYR. In 2014 and 2015, P+P partnered with the D2D Fund to offer taxpayer's entry into a national promotion called SaveYourRefund (SYR). The SYR program incentivizes saving by offering a chance to win a cash prize if a tax filer chooses to save at least part of their refund. In 2014 and 2015, P+P was by far the highest performing VITA organization in the country, exceeding the number of entries from all other free tax sites that participated nationwide. This year alone, 15 P+P taxpayers who saved and entered won \$100 cash prizes during the weekly drawings. Owing the support to a local foundation, P+P was also

able to offer a 25% match on savings (up to \$250) to 87 savers at two of its tax site locations. These 87 savers deposited \$200 to \$1,000+ of their refund into a savings account and will receive a 25% on what remains in the account after six months.

In 2012, P+P hired public relations expert to test and develop resonant messages that effectively motivate its customers to save. P+P was looking to build awareness, spur interest, shift misperceptions on savings ability, and build consumer receptivity at the “money moment” of tax time. Results from P+P’s messaging work demonstrated that tax preparers must persuade customers that they both need to save, and that they are capable of doing so. In other words, the two messages that resonated broadly were that they need to “save for emergencies,” and they are capable of saving because “every little bit adds up.” Equipped with messages that resonate with its customers, P+P embarked on a named, branded savings campaign during the 2013 tax season that ultimately aims to reframe tax time as an annual ritual of saving.

In 2013, P+P launched a research-based social marketing campaign, Got Some, Save Some, to increase the number of customers who chose to save part of their tax refund. P+P aimed to reach each customer at least seven times (a marketing rule of thumb) through the initiative. The more customers heard the messages, the more likely they were to remember, think about, discuss, and be persuaded by them. As a result of the campaign, 675 customers chose to save part of their refunds, more than doubling the number from 2012.

P+P ensured that messages were conveyed with consistency by training seasonal staff and volunteers in how to talk with customers about saving, reviewing marketing strategies during tax site huddles at the beginning of each volunteer shift and providing a series of different messaging approaches.

HIGHLIGHTING THE SUCCESSES OF P+P'S PROGRAM

Employed behavioral economic techniques through marketing campaign. One of the main reasons P+P's marketing campaign was so successful in increasing the number of savers was because of its use of behavioral economics techniques. To incorporate behavioral economics principles, P+P: sent precommitment postcards with a saving goal and sweepstakes incentive to 12,000 customers prior to tax season; co-produced a video and played it in the tax clinic waiting area; presented customers with bright financial services menus that gave overviews of the products and services offered; provided branded pens, stickers, and water bottles to reward saving; shook piggy banks and rang bells in tax clinics to recognize savers through peer-to-peer messaging; posted "savings-o-meters" to increase visibility of saving, as measurement incents behavior change.

Valued staff and volunteers. According to P+P, its greatest strengths lie in its human capital — the staff and volunteers, which accomplish so much in a lean, efficient and innovative way. P+P spends a considerable amount of energy and resources in its volunteer engagement and retention strategies. Engagement actives include monthly tax site contests, three mid-season after-hours social gatherings, a mid-season volunteer survey, end-of-year thank you cards from the volunteers' site managers, an "I 'heart' tax season" mug, personal thank you calls from P+P staff and thank you video released at 10 p.m. on April 15, and a volunteer recognition and appreciation event in June. All of these efforts resulted in a stronger relationship between volunteers and staff, ultimately leading to a greater connection to P+P and the VITA program.

Strong national and local savings partner. Like several other organizations referenced, P+P has been able to offer cash prizes as an incentive to save through the D2D Fund's SYR campaign. Further, P+P was also able to provide a savings match to its clients, thanks to funds from a local foundation.



THE SUSTAINABLE SITES WITH BANK PARTNER IN THE RURAL SOUTH

ARKANSAS, MISSISSIPPI | www.southernpartners.org

BACKGROUND

Since 1988, **Southern Bancorp Community Partners (SBCP)**, a 501(c)(3) nonprofit and a U.S. Treasury Certified Community Development Financial Institution (CDFI), has been providing responsible and responsive financial services critical to a community’s economic development and an individual’s economic security. In partnership with Southern Bancorp Bank (SBB), SBCP’s key VITA partner and one of the country’s largest rural development banks with 42 branches serving 80,000 customers, SBCP works to stabilize and revitalize distressed rural communities in Southern Arkansas and the Delta region of Arkansas and Mississippi.

The asset-development services offered by SBCP are extensive. They include **Individual Development Accounts (IDAs)**, homebuyer and credit counseling, financial education, and development lending. SBCP partners with a variety of community based organizations, municipalities, businesses, and other organizations in its 17-county region.

PROGRAM OVERVIEW

Operating a VITA program for the last 10 years, SBCP has grown from two sites in 2005 to 11 sites in 2015. This considerable growth is attributed to the good work done by SBCP’s volunteer tax preparers, resulting in referrals and solid retention of its clients

INDIVIDUAL DEVELOPMENT ACCOUNTS (IDAS)

Matched savings accounts for designated purposes, for people with low-to-moderate incomes, designed to help people build assets.

[SHERRADEN, M., MCBRIDE, A.M., JOHNSON, E., HANSON, S., SSEWAMALA, F., AND SHANKS, T., 2005]

SBCP 2015 PROGRAM SNAPSHOT

*11 tax prep sites
41 volunteers
2,906 clients*

each year. To promote service within the corporate culture as well as uphold security standards, all of SBCP's VITA volunteers are Southern employees, and all of its VITA sites are located within Southern bank branches. Southern Bancorp Bank is its key VITA partner, but SBCP also works closely with local organizations and businesses to promote their VITA program.

During the 2015 tax season, SBCP's VITA program had 41 volunteers who prepared 2,906 federal tax returns, generating nearly \$6.2 million in refunds and credits. The expansion of SBCP's VITA program is greatly dependent on two factors: the opportunity and/or need for a VITA site in communities where Southern Bancorp has branches and the number of Southern employees willing to volunteer as tax preparers.

Volunteers at SBCP's VITA sites are primarily trained through online training from the IRS and through a 16-hour, on-site course delivered by an experienced Southern VITA trainer and administrator. Some use a self-study method before or after as a refresher. Most of SBCP's VITA volunteers have prepared taxes for many years.

OUTREACH STRATEGY

SBCP employs a variety of mechanisms for marketing its VITA program, including direct mail, press releases, cable television ads, and radio announcements. SBCP and Southern Bancorp websites feature the VITA program and its site locations, hours of operation, contact information, and other information. SBB's bank branches participate in marketing of the service through posters in bank branches, electronic marquees outside the branches, inserts in customer bank statements, "on-hold" recordings for the telephone system, and verbal referrals by staff to current and potential customers. SBCP also works with Southern Bancorp's marketing and communications department to implement a social media campaign using Twitter and Facebook to promote the locations and benefits of VITA services.

HOW SBCP PROMOTES SAVING AT TAX TIME

SBCP intentionally structures its VITA program so it can serve as an introduction to other products and services SBCP provides that help taxpayers reach their financial goals, such as credit and homebuyer counseling, Individual Development Accounts (IDAs), development loans, and other SBCP financial development services. Further, because of SBCP's focus on savings, volunteer tax preparers promote a range of savings vehicles. Some taxpayers may choose to open or contribute to savings vehicle while at the bank. As a VITA site and 501c3, SBCP does not direct or steer taxpayers or other clients.

To increase the likelihood in which a tax filer will save a part of his or her refund, SBCP believes savings promotions strategies need to be implemented early to have maximal effect as most tax filers have made plans for how their refunds will be used months before tax time. Given this, SBCP's savings promotions strategies are targeted for the fall, as that is when decisions about refunds are being made.

HIGHLIGHTING THE SUCCESSES OF SBCP'S PROGRAM

Easy access to the financial mainstream. The VITA program offered by SBCP has an especially unique and promising advantage as it serves as one-stop shop for tax filers, and does not have to rely on outside financial partners to open or add to savings accounts since its VITA sites are in Southern Bancorp Bank branches.

Sustainability. Most of SBCP's sites are the same from year to year, so clients know where to go when tax time comes. Not only are the locations of SBCP's VITA sites stable, they have continued to grow in number over the years through referrals and the ability to retain VITA clients.

Veteran volunteers. Volunteers for SBCP are primarily trained through online training from the IRS and through a 16-hour, on-site course delivered by its experienced VITA trainer and administrator. Some use a self-study method before or after as a refresher. In addition, most of SBCP's VITA volunteers have prepared taxes for many years.

Lessons from the Field

According to Prepare + Prosper, LMI households can and do save, especially when they have access to the right products and incentives at the right time. Evidence for this comes from research and real-world experience. Listed below are some of the best practices in effective tax-time savings campaigns. These have been identified by the organizations profiled in the case studies and by the national tax-time savings demonstrations.



Provide incentives to save by offering prize-linked savings features and savings matches

Hire Savings Coaches and/or Site Coordinators



Advertise broadly and throughout the year

Invest in volunteer training and tax-preparation education



Employ behavioral economics techniques such as anchoring

Establish a partnership with a financial institution

Communicate frequently with clients

Create a fun, engaging environment at your tax site

WHAT YOUR PROGRAM CAN DO

Incentivize the tax filer. Four out of this toolkit's five case studies feature organizations that participate in the D2D Fund's SYR campaign, which uses prize-linked savings as an incentive to encourage tax filers to save a part of their refund. Each of the programs reported an increase in savings are largely attributed it to the incentive provision. In addition, support from a local foundation enabled Prepare + Prosper to provide matching funds to clients who saved. Although funders have made it possible for each of these programs to offer a cash incentive, it's important to recognize how powerful incentives can be as a tool for increasing saving rates.

Understand your clients. Tax filers place a high value on customer service and experience as well as on the relationship and trust they build with their tax preparer. Prepare + Prosper and SBPC both stated that word-of-mouth and referrals continue to be the key sources of information for their clients, so it's of great importance that your clients walk away feeling good about their tax filing experience. Further, although many volunteer income-tax preparers may have trouble relating directly to the tax filers, a simple acknowledgment of the client's financial situation is needed to avoid pushing a particular product and/or decision.

Target savings promotions early. Timing is everything. As seen in the national tax-time savings demonstrations and the featured case studies, many filers have mentally spent the refund before they ever receive it. Hence, advertising the importance of saving at tax time should begin several months before tax seasons. Moreover, programs should stress with their preparers the importance of talking with taxpayers about saving at different points throughout the tax appointment and should help their clients recognize opportunities to build assets. Finally, programs should recognize

the importance of establishing partnerships with existing VITA programs and the Stakeholder Partnerships, Education and Communication office at the IRS.

Build volunteer will. Due to the nature of the program, many VITA volunteers are already interested in their clients' financial security. That said, it's important to understand volunteers are asked to execute a variety of multifaceted tasks, so some may perceive the tax-time savings promotion as an additional, and unnecessary, duty. To build volunteer will, trainings should frame the savings promotion so it complements the personal goals of volunteers. It's also good to remind volunteers that the simple act of having a conversation about savings is beneficial even if many filers opt to not save. Even if the client decides to not save his or her refund in the current tax season, a volunteer can have a positive impact on the financial future of that tax filer by encouraging the client to develop a savings plan and to commit to saving next year's refund instead of mentally spending it before tax filing season begins.

Educate the tax preparer. Volunteer tax preparers need to be credible, reliable sources of information for your program's clients. They should know the ins and outs of the savings products their program is promoting. For example, they should know the interest rate, how long clients have to keep money in the account before they can make withdrawals, and the penalties for early withdrawal. Further, programs should make sure that volunteers have access to continued training and timely updates on the latest tax developments. It is important that volunteers have access to readily available resources, such as fact sheets on asset-building products, so that they can answer taxpayers' questions. At the CEP, volunteers receive training that is more extensive than what is required by the IRS. Remember, a tax-time savings promotion will only succeed if the volunteers understand and believe in it. To ensure that volunteers enthusiastically mention the promotion to every filer, volunteer trainings and resources should include a basic explanation of the what, how, and why of the promotion.

Create an engaging and exciting environment for the tax filer. One of the least expensive and easiest ways to engage filers in tax-time saving is to foster a fun atmosphere at the tax site. Several of the organizations featured in the case studies use activities and props to create such an environment to engage clients' interest in saving. Prepare + Prosper and Maryland CASH Campaign both use savings thermometers to show how much money their clients have saved at their sites. In addition, both ring a bell every time a new person saves his or her refund.

WHAT YOU CAN DO AS A VOLUNTEER

Make sure your client is informed. VITA clients do not generally connect tax time to saving on their own. Given that, it is important for the tax preparer to mention savings options and tools and educate tax filers about their options. The tax preparers should be able to provide direct or referral access to easy, flexible savings tools. Taxpayers may be more likely to save if they know they have access to their money if and when they need it. CEP found the most successful Savings Coaches were those who based their “pitch” on educating the client, so they will be developing educational materials to hand to their clients so each one walks away with something in their hand regardless of whether they save or not.

Support your client's decision. Simply mentioning the savings options your clients have and providing them with sufficient information make an educated decision on what is best for them and their family can have a strong influence. Within the R2S experiment, tax filers did in fact save more if they were asked to save more. Further, R2S also uses choice architecture by listing “savings account” as the first option when tax filers are asked where they would like to deposit their refund. According to Maryland CASH Campaign, many clients say the reason they've chosen to save, especially with savings bonds, is because someone asked them about it or that they heard about options for saving at several different points throughout their tax appointment. Prepare + Prosper also greatly helped

nudge their clients into saving by employing a multitude of behavioral economics techniques throughout their tax-time savings messaging campaign.

Accurately complete the IRS Form 8888. As evidenced by R2S and R2A, the action of splitting refunds works best when a client is encouraged to split his or her refund by the tax preparer during the tax filing process. It is quite a success to convince a client to save a portion of their refund, which is why it's all the more important to ensure the Form 8888 is completed correctly. Form 8888 allows for up to three accounts at three different financial institutions into which they can deposit their refund; however, if any piece of the form is filled out incorrectly, the IRS will immediately mail the tax filer a paper check. Therefore, be sure to familiarize yourself with the Form 8888 well enough to be able to complete it and explain the components of it for your client. *If you need a refresher on the form, check out the guide to completing the Form 8888 in the Helpful Resources section.*

Helpful Resources for Tax Preparers to Encourage Savings

TAX PREPARATION MATERIALS

Consumer Financial Protection Bureau (CFPB) • Checklist

http://files.consumerfinance.gov/f/201402_cfpb_checklist_taxrefund.pdf

CFPB • *Increasing saving at tax time and promising practices for the field*

http://files.consumerfinance.gov/f/201509_cfpb_increasing-saving-at-tax-time-and-promising-practices-for-the-field.pdf

CFPB • Worksheet

http://files.consumerfinance.gov/f/201402_cfpb_worksheet_taxrefund.pdf

The D2D Fund • Tax Time Savings Bonds Site Coordinator Toolkit
<http://bondsmakeiteasy.org/wp-content/uploads/2013/09/Site-Coordinator-Toolkit-5-8-14.pdf>

Intuit • Guide to IRS Form 8888
<https://turbotax.intuit.com/tax-tools/tax-tips/IRS-Tax-Forms/Guide-to-IRS-Form-8888--Direct-Deposit-of-Your-Tax-Refund-in-Multiple-Funds/INF19453.html>

IRS • Help with Choosing a Retirement Plan
<http://www.irs.gov/Retirement-Plans/Help-with-Choosing-a-Retirement-Plan>

U.S. Treasury • myRA information
<https://myra.gov/individuals/#how>

NATIONAL TAX PREPARATION AND ASSET BUILDING ORGANIZATIONS

CFPB Ready? Set, Save! Campaign

Provides consumers with information regarding savings options and encourages consumers to save part of their tax refund.

<http://www.consumerfinance.gov/>

Corporation for Enterprise Development (CFED) Taxpayer Opportunity Network

Brings together organizations and individuals who provide tax assistance to low-income communities at no or little cost to taxpayers.

https://cfed.org/programs/taxpayer_opportunity_network/

The D2D Fund

Leads the SYR promotion and Savings Bond Working Group, a coalition of national and community nonprofit organizations, commercial tax preparers, tax software firms, and public officials, to encourage saving by LMI families.

http://www.d2dfund.org/tax_time_savings

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APPENDICES

APPENDIX A

Behavioral Economics Terminology

Future orientation: Interventions aimed at shifting the orientation of decision makers to the future show promise as pathways, to encouraging long-term savings.

Choice architecture: By employing choice architecture-design features created to increase the salience and perceived attractiveness of a given financial choice—researchers can help people avoid common pitfalls in decision making. Researchers increase the likelihood of that they will behave in a financially detrimental manner.

The power of the default option: Interventions to boost retirement savings show that making enrollment the default option (instead of requiring one to act in order to enroll) can increase utilization of savings products and might increase long-term commitment to saving.

Anchoring: Informational markers or points of reference influence decisions involving the selection of a value, and this phenomenon is known as anchoring. A potential strategy to increase the amount of savings is to provide such anchors. *For example: If we suggest saving 75% of the refund, we would expect filers to choose to save close to 75% of their refunds.*

APPENDIX B

Motivational Prompts in the R2S Experiment

Emergency prompt: “Do you have enough money for an emergency? A Harvard study found that most Americans could not come up with \$2,000 for something unexpected. We can help you stay prepared.”

Family prompt: “Have a family or thinking of starting one? Start building a bright future for them.”

Future prompt: “Save for your future, and get peace of mind. Feel more secure about your future with a little extra money in the bank.”

Generic prompt: “Why not save a little money? You can split your federal refund into a savings account or get a U.S. Series I Savings Bond.”

APPENDIX C

Promoting Savings at Tax Time Toolkit

Interview questions for free income tax preparation leaders

Organization

- 1.1 Tell us about your organization (location, size, history, mission, programs offered, etc.)
- 1.2 What are some of your strongest community partnerships?

Program

- 2.1 How long has your free income tax preparation program been operating?
- 2.2 How large was your free income tax preparation program in 2015 (number of volunteers, sites, clients, and \$ amount returned)?
- 2.3 How does your organization make strategic decisions about your free income tax preparation program?
- 2.4 What would you say have been your greatest successes? Weaknesses? Opportunities? Threats?
- 2.5 How do you attract your volunteer income tax preparers?
- 2.6 How do you educate your volunteer income tax preparers?

Outreach

- 3.1 What kinds of information do you distribute about tax time?
- 3.2 How do you distribute information about your free income tax preparation program? (where to, who is your audience)
- 3.3 Do you have a media plan? If so, what does it consist of?

Savings

- 4.1 What products and/or services do you offer or recommend that allow your clients to save? Of those products and/or services, do they provide any incentives?
- 4.2 Do you have an existing relationship with a financial institution? If so, with whom, and explain your relationship.
- 4.3 Do your volunteer income tax preparers encourage people to save their refund? If no, skip to section 5. If yes, then:
 - ▣ Please explain how your volunteer income tax preparers encourage saving of refunds (i.e. how and why did your program decide to use the messaging you use).
 - ▣ Has your encouraging been effective in increasing the number of savers? If yes, why?
 - ▣ What are some of the most common responses your volunteer income tax preparers hear as to why people cannot save their refund?
 - ▣ What questions are most frequently asked by clients about saving part of their refund?
 - ▣ In your experience, what have been the most successful methods and/or messages in getting clients to save a part of their refund?

Toolkit

- 5.1 What issues do you want to make sure are addressed in the toolkit?
- 5.2 What resources do you think are important for your volunteer income tax preparers to have?

APPENDIX D

Glossary

Asset building: Increasing financial and tangible assets, such as savings, a home, and businesses of all kinds. [CFED, 2015]

Asset poverty: Insufficient net worth to subsist at the poverty level for three months in the absence of income. [CFED, 2011]

Bank On program: Voluntary, public/private partnerships between local or state government, financial institutions, and community-based organizations that provide low-income un- and underbanked people with free or low-cost bank accounts and access to financial education.

[BANK ON, 2015]

Earned Income Tax Credit (EITC): A tax benefit for working people who have a low or moderate income. [IRS, 2015]

Individual Development Account: Matched savings accounts for designated purposes, for people with low-to-moderate incomes, designed to help people build assets. [SHERRADEN, M., MCBRIDE, A.M., JOHNSON, E., HANSON, S., SSEWAMALA, F., AND SHANKS, T., 2005]

myRA: A new retirement savings account from the U.S. Department of the Treasury.

Refund Anticipation Loan (RAL): Short-term loans secured by and repaid from the proceeds of a consumer's tax refund. [WU,C., AND BEST, M., 2015]

Unbanked: Households with neither a checking nor savings account.

[FDIC, 2014]

Underbanked: Households that have a checking and/or a savings account and have used non-bank financial services in the past 12 months. [FDIC, 2014]

CFED: Corporation for Enterprise Development

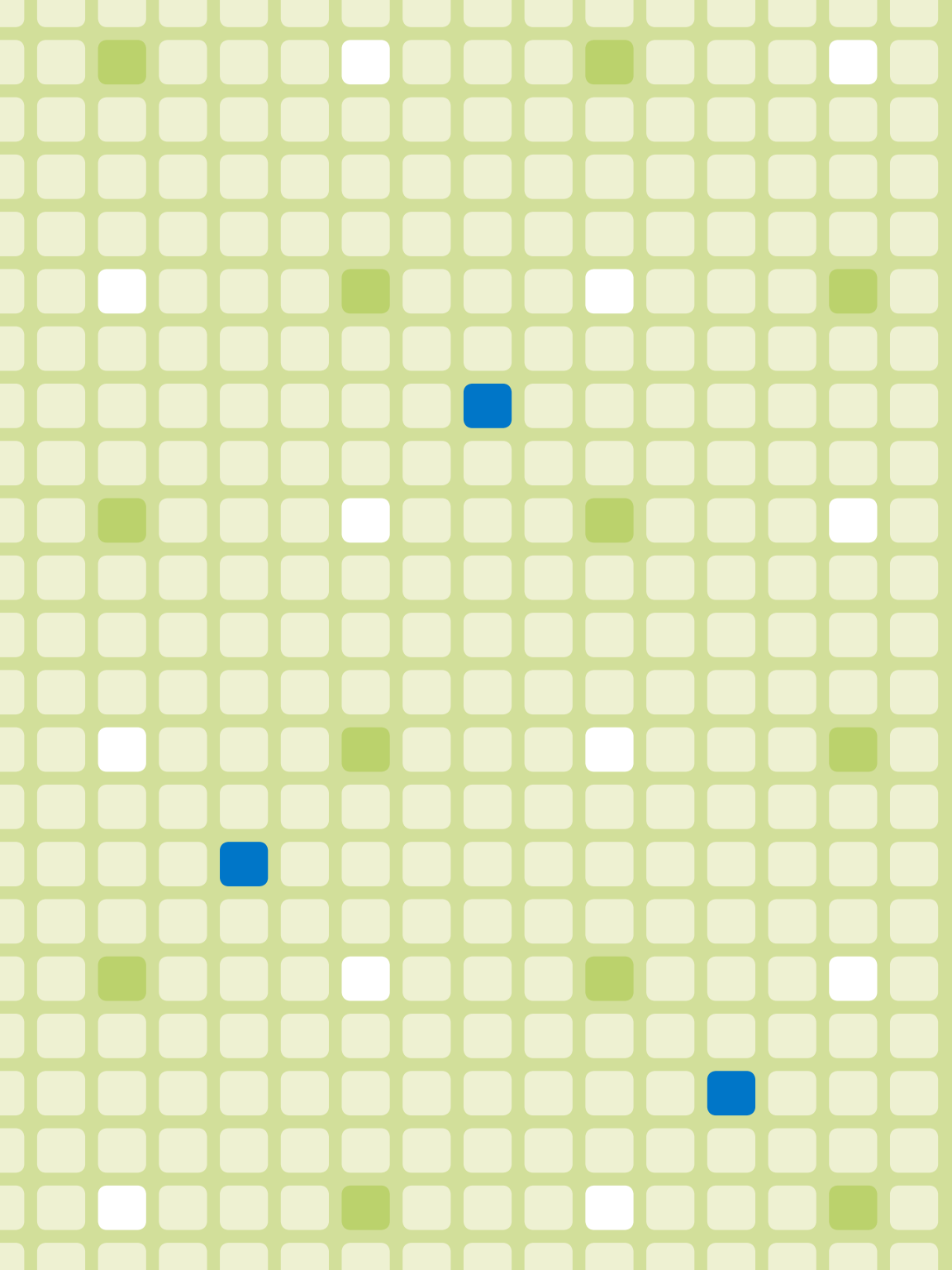
IRS: Internal Revenue Service

FDIC: Federal Deposit Insurance Corporation.

APPENDIX E

Acronyms

CDFI	Community Development Financial Institution
CEP	Center for Economic Progress
CFPB	Consumer Financial Protection Bureau
D2D	Doorways to Dreams Fund
DABC	Denver Asset Building Coalition
EITC	Earned Income Tax Credit
IRS	Internal Revenue Service
ITIN	Individual taxpayer identification number
LMI	Low and moderate income
P+P	Prepare + Prosper
RAL	Refund Anticipation Loan
R2A	Refund to Assets
R2S	Refund to Savings
RSS	Ready? Set, Save! Campaign
SBCP	Southern Bancorp Community Partners
SPEC	Stakeholder Partnerships, Education and Communication, Office of the IRS
SYR	SaveYourRefund
TTFE	TurboTax Freedom Edition
VITA	Volunteer Income Tax Assistance





Center for Social Development

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