

The Perfect Moment: Using tax time to build assets

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Campaign for Working Families

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Campaign for Working Families

- Largest VITA program in Pennsylvania
 - Complete at least 12,000 taxes each year
- Supported by a large network of partners and supporters
 - Most sites housed in churches and community centers
 - Outreach help from community partners
 - Banks, welfare to work agencies, universities, government, etc.
- Work closely with other smaller VITA programs locally
 - LIFT Philadelphia
 - PathwaysPA

CWF Overview



Cumulative Program Results		Tax Season 2011 Results	
Returns Prepared (since 2003)	102,820	Returns Prepared	12,210
Tax Refunds Generated (since 2003)	\$168.7 million	Tax Refunds Generated	\$22.3 million
Amount Saved in Fees and Charges (since 2003)	\$22.3 million	Amount Saved in Fees	\$2.1 million
Total Financial Products (since 2008)	3,192	Financial Products	1,282
Total FAFSA (since 2009)	543	FAFSA	436
Total Benefits Applications (since 2007)	667	Benefits Applications	303

Why Asset Building at Tax Time?

- Significant financial event
 - Up to 25% of annual income
- “Financial Capability” vs. Financial Education
- Refresh messages annually
- Customers tend to underestimate the refund amount

CWF's Approach

- Resource Builder program
 - At 5 largest sites (2/3 of customers)
 - Mandatory intake process
 - Screens and targets for various opportunities at site
 - Customer must decide AT THE SITE – no referrals
- Engage the entire staff team – tax preparers, Site Managers, etc.
 - Savings messages uniform and repeated
- It's working!
 - 5% of customers took up bonds last year across all sites (7% at Resource Builder sites)

What works

- Tap into existing desire to save
 - Customers usually have very traditional savings goals: sending child to college, homeownership
- Use incentives to motivate and remind staff and volunteers
- Repeat savings messages
- Normalize savings behavior
- Eliminate barriers to banking
 - U.S. Savings Bonds are a great product!
- Be patient, it takes time

Results

- Savings bond purchases using tax forms at the site = 5% of customers
 - 7% at sites where we had volunteers focused on it!
- Anecdotally, we are seeing repeat buyers year after year
 - Customers are holding on to their bonds, too!
- Making additional connections to mainstream financial behaviors
 - 533 prepaid cards
 - 67 bank accounts

Challenges

- Translate into accumulation of assets, financial stability?
- Link to longer term savings opportunities
 - IDA programs
 - First time homebuyer programs
- Are we impacting every day financial behaviors?

Plans and Ideas

- Target for additional programming
 - Peer-based financial education outside of tax season
 - Financial coaching opportunities
 - Follow up by outside agencies (IDA, etc.)

Recommendations

- Tax prep is a great opportunity
 - Bring new clients into your agency
 - Provide you with an additional “touch” with current clients
 - Opportunity for “financial capability”
- Offer yourself or refer?
 - Visit www.tax-coalition.org
 - The Benefit Bank, I Can E-File, Myfreetaxes.com