

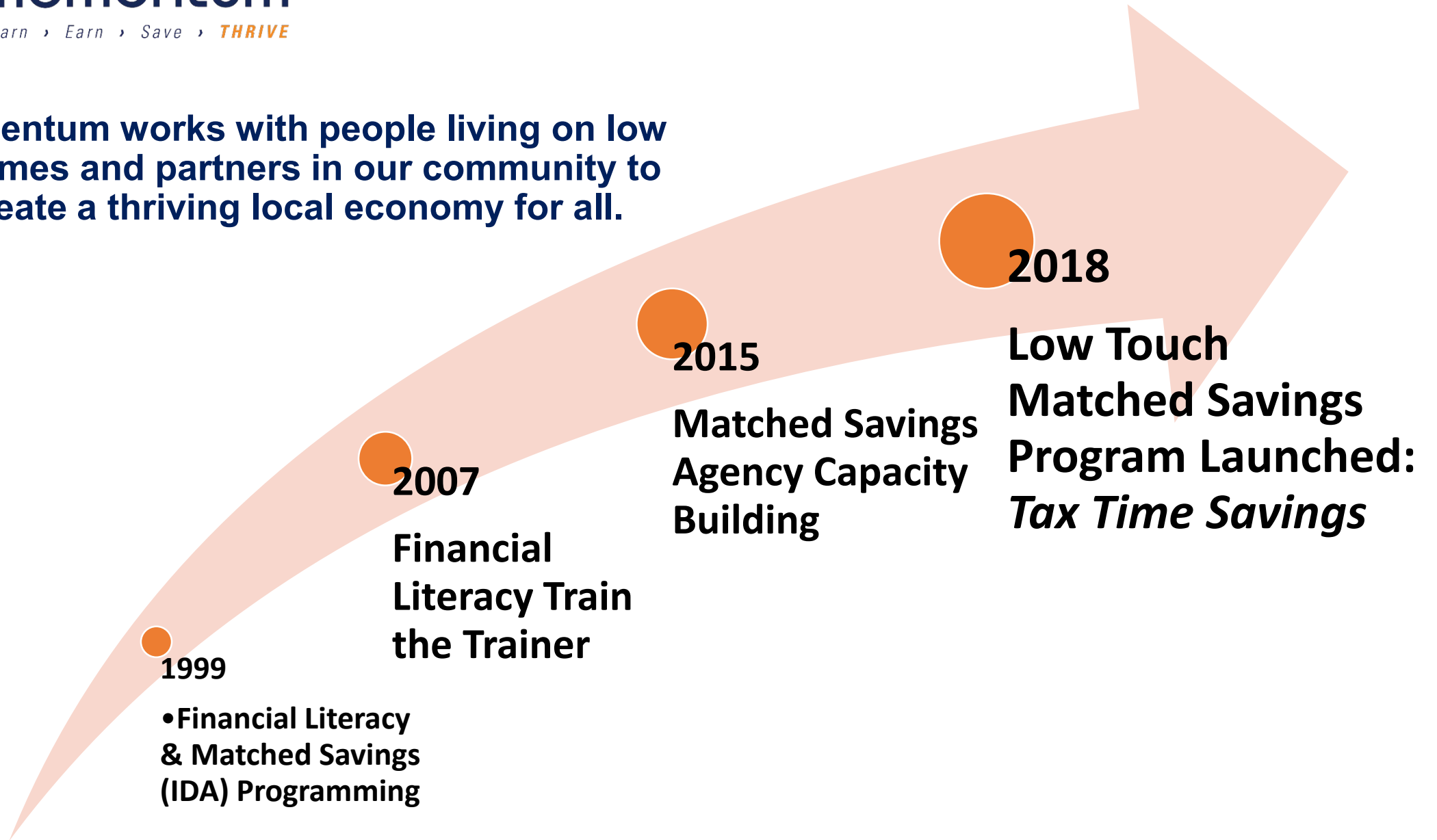
Leveraging Tax Time Savings

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Momentum works with people living on low incomes and partners in our community to create a thriving local economy for all.





Boost Your Refund!

Tax Time Savings Program

Presented by ATB

How does it work?

➤ **Attend a free tax clinic & file your taxes**

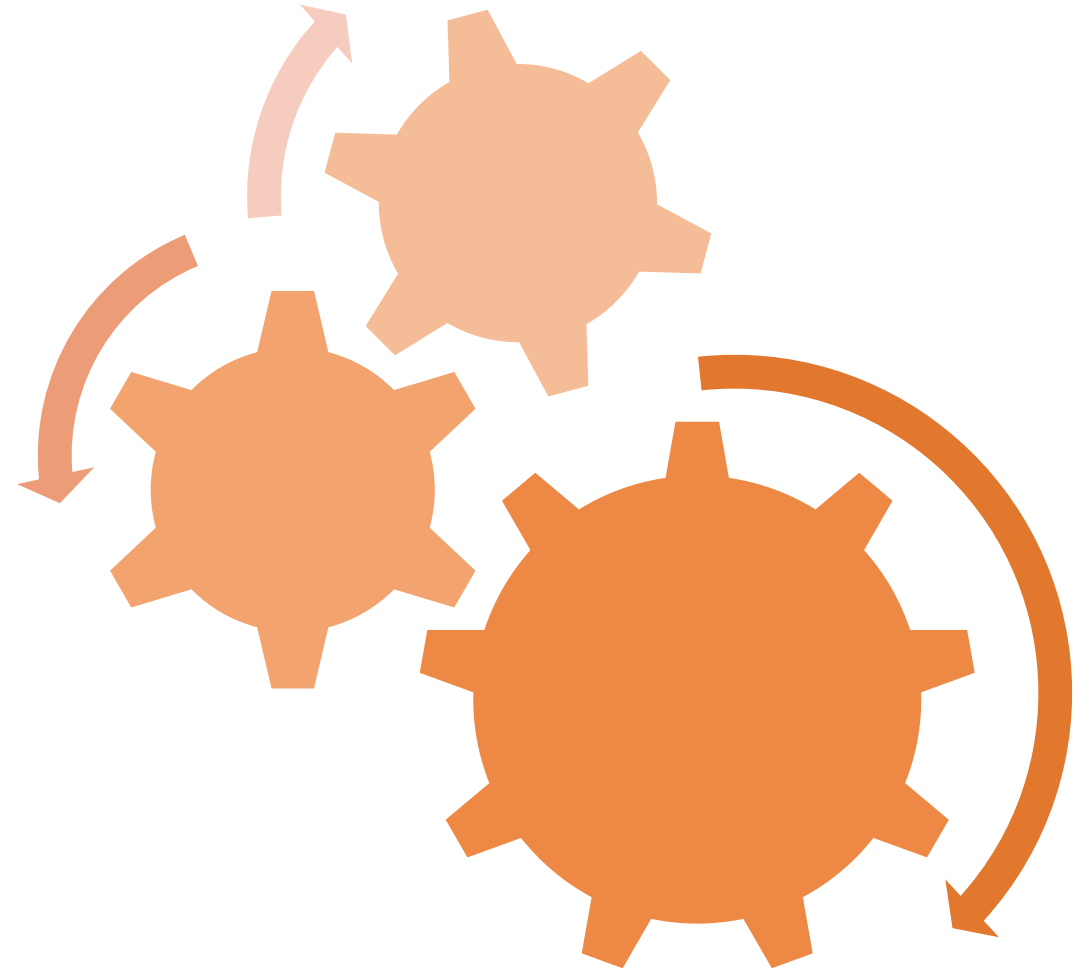
- **Tax refund of at least \$200?**
- **Living on a low income?**

➤ **Save \$200-\$1000 of your refund into an ATB Financial account**

➤ **Wait one year and earn a 50% match rate, up to \$500**

Additional Program Details

- Attend five financial literacy classes and earn an extra \$100
- Two savings milestones
 - June 30th (min. \$200 deposit required)
 - October 31st (top up to \$1000)
- Cash withdrawals allowed, but may lose match
- No final savings goal enforced, although encouraged



Collaboration



Leveraging Research

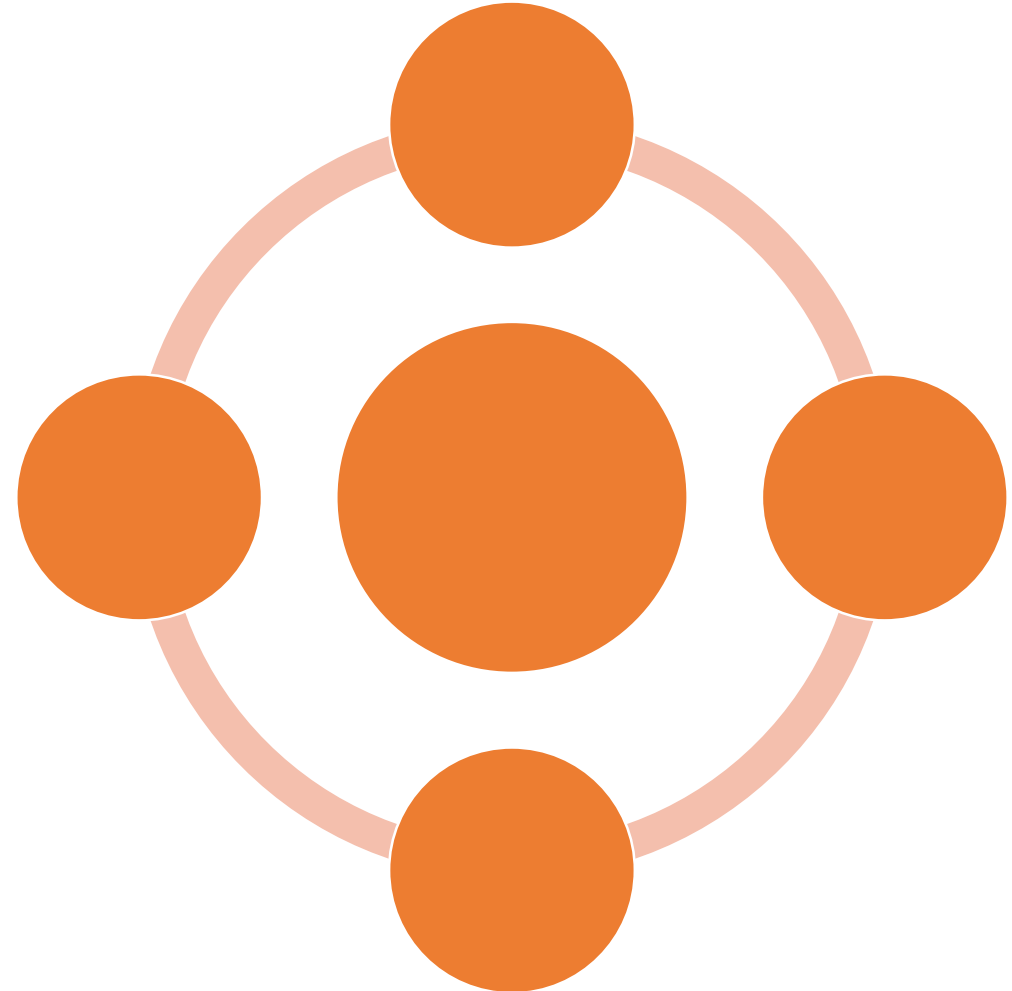


Save USA

- Piloted in four cities
- Can tax filers with low incomes be encouraged to save as a first step toward longer-term financial stability?
- 67% success rate of participants
- 30% higher savings vs. control group

Save USA Guiding Principles

- ✓ A portion of the tax refund serves as the initial savings deposit
- ✓ Participants receive a savings match based on maintaining their initial savings deposit for a certain period of time
- ✓ Savings incurred can be used for anything; and
- ✓ Participants will always have access to their savings with no risk of penalties



Leveraging Research

Refund to Savings

- Do low-moderate income households deposit their tax refund into savings vehicles?
 - Yes, and can save for six months
- Does behavioural economics increase savings?
 - Yes
 - Eg: Turbo Tax prompting to save your refund



Center for Social Development
GEORGE WARREN BROWN SCHOOL OF SOCIAL WORK

2013

REFUND TO SAVINGS:
EVIDENCE OF TAX-TIME SAVING IN A
NATIONAL RANDOMIZED CONTROL TRIAL

intuit. TurboTax Freedom

It's easy. First, choose how much of your refund to set aside:

We suggest saving at least 50% (\$1,100), but you can enter any amount up to your total refund amount of \$2,200.

Would you like to set some of your refund aside for an emergency?

U.S. Individual Income Tax Return
For the year Jan. 1-Dec. 31, 200 , or other year

Label
See instructions on page 16.)
Use the label.
herwit
ass p
identifi
ction Ca

United States

Pay to
order of

Washington University in St. Louis

Refund to Savings

TurboTax “split
your refund”
save option

% into savings
% into chequing

TurboTax
Freedom Edition

Home Personal Info Federal Taxes State Taxes Review **File**

Create User ID | Exit

Search Topics or Forms Topic List Help


Federal Refund \$1,300

Get Answers
Find Tax Help
Using TurboTax
Contact Us

My Return
View Tax Summary
Print My Return
View Past Returns
My TurboTax Fees
Amend a Return
Other Options

Why not save a little money?

You can split your federal refund into a savings account or get a U.S. Series 1 Savings Bond.



We suggest saving at least 25% (\$350)

Amount to save: \$ **Recalculate**

Choose a savings method:

- An existing savings account
- A U.S. Series 1 Savings Bond

Amount that stays in your Bank of America checking account ending in 1234: \$950

Your total federal refund: \$1,300

Enter Direct Deposit Information

Address Line
1200 Main St
Anytown, CA 12345

DATE

BY THE ORDER OF

Your Bank Name
567 Mainline Ln.
San Diego, CA 92123

ACH R/T 28237356 **ACH Routing / Transit #**

DO NOT INCLUDE
Check Number

123456789 0001234567890 43204

Routing #
Between the * symbols

Account #
include all zeros

Type of Account Checking Savings

Name of Bank

[Routing Number](#) (From your check. Don't use your deposit slip. Use the ACH number if your check has one.)

Account Number

Note: Make sure to choose a U.S. based financial institution for your direct deposit transaction. [Learn More](#)

Go Back **I don't need to save** **Continue**

Evaluation & Mid-Point Results

173 Registrants

**72% follow
through rate**

***“It gives me an
opportunity to save for a
family vacation,
something our family
has never experienced.”***

**97% saved min.
balance \$200**

**46% balance
increase
June to Oct.**

**125 Savers,
\$130,872**

Leveraging Tax Time Savings

- **Complete year #1, progress to year #2 and keep evaluating**
- **Program improvements**
 - Review program eligibility criteria
 - Expand to more tax clinics in the city
 - Increase promotion
- **Explore policy options to implement similar ideas at a systemic level**
 - Refund splitting – save your refund
 - Incentivizing savings at tax time

“This is an excellent program, more should be created. It helps people learn how to make better financial decisions.”



Thank you!

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momentum

Learn › Earn › Save › *THRIVE*