More effectively measuring saving activity at tax time

Planning guide for tax preparation programs

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Consumer Financial
Protection Bureau

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Introduction

Many organizations that encourage tax time savings have struggled to effectively measure the results of their efforts. The Consumer Financial Protection Bureau (CFPB) is offering this guide to help these organizations to more comprehensively measure the impact of their tax time savings efforts on their clients, their organizations, and the community.[1]

This guide is organized in three sections.

- **Section 1: Information to collect** describes two sets of metrics that, when combined with information available from TaxSlayer[2] or other tax software, can provide a more complete picture of both saving activity at tax time and clients' financial situations.[3]

- **Section 2: Three approaches to information collection** offers options for collecting this information during the tax season.

- **Section 3: Integrating information collection into the tax preparation process** suggests how organizations can make this additional collection of information a part of their existing workflows.

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[1] This document includes links or references to third-party resources. The inclusion of links or references to third-party sites does not necessarily reflect the Bureau's endorsement of the third-party, the views expressed on the outside site, or products or services offered on the outside site. The Bureau has not vetted these third-parties, their content, or any products or services they may offer. There may be other possible entities or resources that are not listed that may also serve your needs.

[2] TaxSlayer is a tax preparation software product provided by the IRS to all VITA programs. Through a contract with the IRS, TaxSlayer provides software training, technical assistance and other support services at no charge to the programs. For more information, go to https://www.irs.gov/pub/irs-utl/factsheettransitiontotaxslayer05052016.pdf. The approaches to measuring saving activity discussed in this guide can be adapted for use by programs using other tax preparation software.

[3] Because the majority of sites participating in the Bureau's Tax Time Savings initiative use TaxSlayer, this guide focuses on that platform. However, other tax preparation platforms typically offer users the opportunity to add their own customized fields.

Benefits of Better Measuring Saving Activity at Tax Time

When you have more information about how taxpayers are saving, you can:

- **Tell your story.** Use the information to demonstrate the outputs and outcomes of your tax time savings work to funders and your own organization's leadership.

- **Make improvements to your program.** Use the information to understand what's working and what could work better.

- **Motivate volunteers and staff.** Share aggregate information on saving by taxpayers throughout tax season so volunteers and staff see that their work to help taxpayers save is making a difference.

This guide <u>does not</u> address IRS requirements or other legal requirements, such as 7216 regulations[4] and FTC Safeguards Rules, which apply when handling consumers' financial information. Sites should consult IRS guidance and training to ensure they provide necessary disclosures and have an adequate information security plan.

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[4] Internal Revenue Code §7216 is a provision enacted by the U.S. Congress in 1971 that prohibits preparers of tax returns from knowingly or recklessly disclosing or using tax return information. For more information, go to https://www.irs.gov/tax-professionals/section-7216-frequently-asked-questions.

Section 1: Information to collect

There are two types of information that could be useful to tax preparation programs in addition to the information typically available through tax preparation platforms:

- Information from tax returns on actual saving behavior, and

- Additional information from taxpayers on savings plans, financial situations, and financial well-being

Information from tax returns on actual saving behavior

To measure the success of savings encouragement efforts, tax programs often rely on information that can typically be reported directly from tax return preparation software. However, some of these metrics can be flawed or misleading as measures of success for tax time savings encouragement efforts. For example, organizations often use the number of taxpayers who split their refunds using Form 8888 as a measure of success. However, this measure may undercount saving activity because it doesn't capture taxpayers who opt to directly deposit their <u>whole</u> refund into a savings product.

To capture more of taxpayers' actual saving activity, tax preparation programs can track four other metrics about their clients' saving behavior:

Information to be Collected	Reason for Collecting
1. Whether or not a taxpayer directly deposits at least a portion of their Federal refund into a savings account in a bank or credit union, a 529 plan, or a retirement account.	This provides more detailed information about saving activity than the metrics available through TaxSlayer, which does not distinguish deposits into savings accounts from those into checking accounts.
2. The total amount of Federal refund proceeds a taxpayer directly deposits into a savings account in a bank or credit union, a 529 plan, or a retirement account.	Collecting this information allows sites to report the percentage of total refunds that are deposited into these accounts. If the answer to Question 1 for an individual taxpayer is "No," then the answer to Question 2 for that taxpayer would by definition be "$0."

Information to be Collected	Reason for Collecting
3. Whether or not a taxpayer directly deposits at least a portion of their Federal refund into a prepaid card account.	Because increasing numbers of low-income consumers are using prepaid accounts rather than checking or savings accounts, to get a complete picture of saving, sites should capture deposits into these products.
4. The total amount of Federal refund proceeds a taxpayer directly deposits into a prepaid card account.	Collecting this information will provide sites with more information about how taxpayers are allocating their savings among the available options. If the answer to Question 3 for an individual taxpayer is "No," then the answer to Question 4 for that taxpayer would by definition be "$0."

This is not to suggest that organizations necessarily limit themselves to this list of additional information; many may have other metrics they want to collect to measure the success of their initiatives. Organizations can also decide to collect information in a more detailed or granular way than described above—for example, by collecting separate information on deposits into a savings account and deposits into a retirement plan. Sites could also decide to collect information about saving of state and local refunds, as well as federal. However, these four metrics, when combined with information available from standard reports from tax return preparation platforms, can provide a more comprehensive picture of the extent to which taxpayers save at tax time.

Additional information from taxpayers on saving plans, financial situations, and financial well-being

While collecting information about actual taxpayer saving at the time of tax preparation is valuable for programs, it may also be helpful to learn more about clients' saving plans, financial situations, and financial well-being. For that reason, tax preparation programs can consider collecting information from taxpayers on the following questions. Unlike the information from tax returns on actual saving behavior described above, these are questions that program staff or volunteers could ask directly of taxpayers through an interview or written survey.

Information to be Collected	Reason for Collecting
A. Are you planning to save any of your tax refund? ☐ Yes, for 6 months or longer ☐ Yes, but spend it all before 6 months ☐ No ☐ I don't expect a refund If yes, how much of your refund are you planning on saving? $_____	Questions A and B measure clients' <u>intent</u> to save. These questions, therefore, account not only for saving through direct deposits, but also for saving that could take place later when the taxpayer actually receives the refund. Intent will not be a perfect predictor of clients' actual behavior, but it provides a different and valuable perspective on saving.
B. If you set aside money from your tax refund to save, where are you mainly saving? *(please select one)* ☐ Savings account ☐ Checking account ☐ Prepaid card ☐ Retirement account ☐ As cash (not in an account) ☐ Other	
C. Which of the following best describes your household's income over the last 12 months? (please select one) ☐ Roughly the same amount each month ☐ Roughly the same most months, but some unusually high or low months ☐ Often changes quite a bit from one month to the next	Questions C, D, E, and F provide information about your clients' financial situations. While these questions are not directly related to saving, the information can help you better understand who you are serving. This information about your client population can be communicated to funders and other stakeholders.
D. In the past 12 months, have you (or your spouse/partner) used a pawn shop loan, a payday loan, an auto title loan, or a paycheck advance/deposit advance? ☐ Yes ☐ No	

Information to be Collected	Reason for Collecting
E. In a typical month, which of the following best describes your experience with credit cards? *(please select one)* ☐ I pay my credit cards in full (or carry no balance) ☐ I carry over a balance on my credit cards and am charged interest ☐ I pay only the minimum payment on my credit cards ☐ I am late making my credit card payments and am charged late fees ☐ I miss my credit card payments ☐ I don't have a credit card	
F. Suppose that you have an emergency expense that costs $400. Based on your current financial situation, which of the following best describes how you would pay for this expense? *(please select one)* ☐ Put it on my credit card and pay it off in full at the next statement ☐ Put it on my credit card and pay it off over time ☐ With the money currently in my checking/savings account or with cash ☐ Using money from a bank loan or line of credit ☐ By borrowing from a friend or family member ☐ Using a payday loan, deposit advance, or overdraft ☐ By selling something ☐ I wouldn't be able to pay for the expense right now	

Information to be Collected	Reason for Collecting

How well do the following statements describe you or your situation?

G. Because of my money situation, I feel like I will never have the things I want in life.

☐ Completely ☐ Very Little
☐ Very Well ☐ Not at all
☐ Somewhat

H. I am just getting by financially.

☐ Completely ☐ Very Little
☐ Very Well ☐ Not at all
☐ Somewhat

I. I am concerned that the money I have or will save won't last.

☐ Completely ☐ Very Little
☐ Very Well ☐ Not at all
☐ Somewhat

How often do these statements apply to you?

J. I have money left over at the end of the month.

☐ Always ☐ Rarely
☐ Often ☐ Never
☐ Sometimes

K. My finances control my life.

☐ Always ☐ Rarely
☐ Often ☐ Never
☐ Sometimes

Questions G through K, when asked in combination, make up a short version of the Bureau's Financial Well-Being Scale. This scale was designed to allow practitioners and researchers to accurately and consistently measure the extent to which someone's financial situation and the financial capability that they have developed provide them with security and freedom of choice. For more information about this scale, including a user guide, scoring materials, and reports that allow you to compare your clients' financial well-being to that of the population as a whole, go to https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale.

Section 2: Three approaches to information collection

This section of the guide describes three different approaches that tax preparation programs can use to collect the information described in Section 1. The table below provides an overview of each approach, as well as its advantages and disadvantages. The remainder of this section provides guidance on implementing each of these three approaches.

Keep in mind that Section 1 describes two different types of information collection—information derived from tax returns and information collected through surveys or interviews with clients. As you consider the three approaches outlined in this section, note that programs could choose different approaches for these two types of additional information.

With any of the data collection approaches, a program can match a taxpayer's survey responses to return information from the same taxpayer that is available in TaxSlayer. TaxSlayer reports include an individual taxpayers' last names and the last 4 digits of their Social Security number. Programs can match data collected outside the tax software by collecting that same information through the survey.

Approach	Description	Advantages	Disadvantages
Approach #1: Using User-Defined Fields in TaxSlayer	Entering information into custom fields in TaxSlayer	▪ Does not require the use of any new platforms or tools or any local customization ▪ Preparer can enter data while preparing return ▪ Encourages consistency, since metrics are entered into the same platform as other information being collected ▪ Information can easily be exported into a spreadsheet for reporting and analysis	▪ Limits information entry to people with access to TaxSlayer ▪ Due to how fields are structured in TaxSlayer, information entry might not be as intuitive as it could be through other channels ▪ Because data is entered during preparation process, it limits options to use someone other than the preparer to collect data

Approach	Description	Advantages	Disadvantages
Approach #2: Using an Online Survey Platform	Entering information (or having clients enter information) into an online survey	▪ Information can be entered using any computer or mobile device with internet access ▪ Clients could potentially enter information themselves, or site personnel could do information entry for all or just savers' returns outside the return preparation process ▪ Information can easily be exported into a spreadsheet for reporting and analysis	▪ Requires creation of one or more simple online surveys using a platform like Google Forms or Surveymonkey ▪ Can involve development of additional process for flagging those taking a saving action ▪ If preparers are collecting data, requires them to open a second program to collect information.
Approach #3: Using Manual Information Collection	Entering information (or having clients enter information) on a paper form using pen/pencil	▪ Information can be entered by a wide range of staff or volunteers, including those with limited technology skills ▪ Clients could potentially record answers themselves, if appropriate ▪ Does not require any programming of collection tools	▪ Analysis will require entering information into a spreadsheet or tallying information manually ▪ Can be difficult to implement at scale

Approach #1: Using user-defined fields in TaxSlayer

During the tax return preparation process, tax preparers typically enter information into standard fields in TaxSlayer. Information from these fields can then be summarized as part of standard TaxSlayer reports. However, TaxSlayer also offers users the opportunity to create and define additional fields within the platform to facilitate the collection of new information about each return—and to later produce reports that aggregate and summarize the information entered in these fields.

TaxSlayer offers two different options for collecting custom information:

- **Custom fields.** These fields allow users to select a response from a predefined list of choices. These fields are equivalent to a "multiple choice" survey question.

- **Custom credits.** These fields allow users to enter numeric information. Answers must be numeric (e.g., can contain no letters) and must be between $0 and $999,999,999.[5]

Appendix A provides instructions for programs that wish to program their own custom fields or custom credits into TaxSlayer.

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[5] The custom credit feature was created to enable manual capture of state and local tax credit claims. Because the information in these fields is not drawn automatically from the return, programs can use the fields to track any type of numeric information.

> **Tip: Opt into Preloaded Custom Fields and Custom Credits**
>
> For the 2020 filing season programs can have the custom fields and custom credits preloaded into the version of TaxSlayer they receive from the IRS. The preloading will include both sets of questions covered in this guide:
>
> - Information from tax returns on actual saving behavior, and
> - Additional information from taxpayers on saving plans, financial situations, and financial well-being
>
> No additional programming will be required.
>
> Programs can request the preprogrammed version of TaxSlayer by completing a form provided by Prosperity Now: https://form.jotform.com/TONProsperityNow/enhanced-data-collection-pilot. (The link may change from year-to-year. Contact taxpayeropportunity@prosperitynow.org with questions.)
>
> Note that when using TaxSlayer with preloaded custom fields and custom credits, users may not encounter the questions in the same order as they appear in Section 1, so organizations should take care to make sure they understand how to navigate among these items.

Approach #2: Using an online survey platform

For sites that do not wish to use user-defined fields in TaxSlayer, another approach is to have staff, volunteers, or clients enter the information into an online survey. Information could be entered using any computer or mobile device with internet access. At the end of tax season, online surveys make it easy to download responses in the form of a spreadsheet, which facilitates reporting and analysis. Programs can also download and analyze the new information on a regular basis during the tax season.

There are a number of online survey platforms that sites can use to collect information. One of the most popular and easiest to use is Google Forms (www.google.com/forms/about), which is available for free to survey creators with Gmail accounts. Other popular survey platforms include SurveyMonkey (www.surveymonkey.com) and Survey Gizmo (forms.surveygizmo.com), although these may require a monthly fee depending on the number of survey responses that are collected.

Appendices B and C include sample lists of questions that sites could use to collect the information described in Section 1. Appendix B covers the information from tax returns on

actual saving behavior. Appendix C covers additional information from taxpayers on saving plans, financial situations, and financial well-being. The questions have been broken into two separate surveys because programs may want to collect the tax return and taxpayer questions at different times, or have different people enter those two types of information.

This guide does not include step-by-step instructions for how to enter these questions into an online survey, since the process is slightly different for different survey platforms. However, survey platforms generally include an easy-to-use tutorial for new users.

When creating these surveys, sites should choose the option requiring people entering the information to answer all questions shown (rather than leaving items blank), because doing so will simplify analysis. Where appropriate, however, sites can add skip patterns into the questions so that the person entering the responses only sees relevant questions. Appendix B shows where these skip patterns might be appropriate.

Tip: Ask Staff or Volunteers to Complete the Survey for Every Tax Return

Ask staff or volunteers to complete the survey for every tax return that is prepared, even for taxpayers who do not have any saving activity or do not even claim a refund.

This will have two benefits. First, entering information for every tax return (rather than only a subset) will build this step into the natural flow of the preparation process, which will make it less likely that staff or volunteers will forget to complete the survey. Second, it will make it easier to assess whether the survey is being completed consistently, by comparing the number of online survey records to the number of tax returns that were prepared at the site. This will indicate whether the survey platform is being used as intended.

Alternatively, programs can use an online survey platform to capture information solely with respect to taxpayers who take a tax time saving action. This would normally involve flagging savers' returns in some way, either in a TaxSlayer custom field (see Appendix A) or through a supplemental manual notation (by the return preparer, a savings specialist, or the quality reviewer), followed by entering saving and other information for flagged returns into the online tool at the end of a session or another later time.

Approach #3: Using manual information collection

A third option for collecting additional information on tax time saving is through a manual collection form—that is, a paper form that a staff member, volunteer, or taxpayer completes with a pen or pencil. Appendix D covers the information from tax returns on actual saving behavior. Appendix E covers additional information from taxpayers on saving plans, financial situations, and financial well-being. Appendix E could be given to taxpayers to complete on their own, or could be used by a staff member or volunteer to interview taxpayers.

At the end of tax season, a staff member or volunteer at the site could either enter the information into a spreadsheet for further analysis or, at a minimum, tabulate results by counting the number of rows and adding the entries in each column.

Section 3: Integrating information collection into the tax preparation process

Section 2 described three different approaches that programs can use to collect additional saving information. Another important decision for programs to consider is *when* the collection will take place in the tax preparation process. The goal should be to identify a point in the preparation process where information can be entered in a consistent way while minimizing the burden for staff and volunteers. There are a range of options that could work, depending on the site staffing structure and specific return preparation processes.

Intake

The additional information from taxpayers on saving plans, financial situations, and financial well-being can be obtained at intake. One approach is to include the Appendix E form in a packet of items each taxpayer must complete after check-in.

Interactions during intake also offer important opportunities to encourage tax time saving. Staff and volunteers can introduce the idea of saving, assess taxpayers' needs and interests, and describe saving options.

During return preparation

If using Approach #1 (entering information directly into the TaxSlayer platform), the return preparer will be entering the taxpayer survey responses. The return preparer spends the most time with the taxpayer and will generally know whether the taxpayer saved, as well as the method and amount. The return preparer can also record tax time saving information from the tax return in the designated custom fields in TaxSlayer or flag the returns of savers for later entry of information in an online savings platform.

During interactions with a savings specialist

Some tax sites have personnel focused on discussing saving with taxpayers and helping them take advantage of available saving options as they progress through the tax preparation process. These savings specialists can also play different roles, including ensuring that the paperwork

being used by preparers or other staff accurately reflects taxpayers' saving actions or entering saving information themselves into online collection tools or a manual tally sheet.

During quality review

Although quality review is primarily concerned with checking the accuracy of prepared returns, it can also be a key step in encouraging tax time saving. At this point in the process, the taxpayer knows the amount of refund they are claiming, so this is often an opportune moment to suggest saving actions. This is also a good time to record information on saving activity because the quality reviewer is already reviewing that information in the return. The reviewer can ask the taxpayer follow-up questions, can enter the information in the designated custom fields (if sites are using Approach #1), or flag the returns of savers for later entry of information in an online savings platform.

During checkout

Tax sites vary greatly in how a taxpayer ends the tax preparation process. Checkout typically includes signing required paperwork, receiving documents for retention, and receiving any additional filing instructions. At this point, tax programs can confirm that all information has been recorded fully and accurately. Sites collecting information manually using a paper form may wish to use checkout as an opportunity to ensure consistency and completeness of saving-related information.

During post-interaction administration

After the taxpayer has left, sites can focus on quality control. Savings specialists or other administrative staff can use the end of a site shift (or the days following) to compare paper-tracked information against information in the return preparation software and make any corrections. Tax programs can also use this period of time to enter information from flagged savers' returns and/or paper forms into an online survey platform.

Appendix A: Instructions for programming custom fields or credits in TaxSlayer

TaxSlayer offers two different options for collecting custom information:

- **Custom fields.** These fields allow users to select a response from a predefined list of choices. These fields are equivalent to a "multiple choice" survey question.

- **Custom credits.** These fields allow users to enter numeric information. Answers must be numeric (e.g., can contain no letters) and must be between $0 and $999,999,999.

> **NOTE:** Programs using Approach #1 (entering the standard taxpayer saving survey and tax return saving information in TaxSlayer) can request a preprogrammed version of TaxSlayer that contains these customizations and do not need to set up the fields as described below.
>
> Programs can request the preprogrammed version of TaxSlayer by completing a form provided by Prosperity Now: https://form.jotform.com/TONProsperityNow/enhanced-data-collection-pilot. (The link may change from year-to-year. Contact taxpayeropportunity@prosperitynow.org with questions.)

How to set up a "custom field" in TaxSlayer Pro Online

From the Welcome Page:

1. Click 'Select' on the Configuration line. TaxSlayer will display the Configuration Menu landing page.

2. Click 'Select' on the Question Templates line. TaxSlayer will display the Edit Questions page, which lists any custom questions your site has been assigned.

3. To add an additional question, click 'Add.' TaxSlayer will display the Add Question page.

4. Type the question in the Question box. The question can be up to 75 characters long.

5. If you want to require preparers to answer this question, select the Is Required check box.[6] NOTE: If you require the answer to a question, the preparer cannot mark the return for e-file unless he or she answers the question.

6. Click 'Add' in the Available Answers section.

7. Type the first answer choice, using up to 20 characters.

8. Click 'Add' again and type another answer choice. Each custom field can have up to 25 answer choices.

9. When you have finished adding the question and entering all answer choices, click 'Save.'

10. TaxSlayer displays the Edit Questions page, which should include the new question.

11. If you wish to add more custom fields, follow steps 3 to 9 for each question you'd like to add.

How to set up a "custom credit" field in TaxSlayer Pro Online

From the Welcome Page:

1. Click 'Select' on the Configuration line. TaxSlayer will display the Configuration Menu landing page.

2. Click 'Select' on the custom credit line.

3. To add a custom field, click 'Add.' TaxSlayer will display the Add Custom Credit page.

4. Click 'Custom Credit Type,' and add a description for what information should be entered into that field. The description can be up to 45 characters long.

5. If you want to require preparers to answer this question, select the 'Is Required' check box. NOTE: If you require the answer to a question, the preparer cannot mark the return for e-file unless he or she answers the question.

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[6] We recommend requiring answers to the two custom fields, because otherwise it will be difficult to distinguish a record in which the taxpayer did not deposit into a savings or prepaid account from a record where no information was collected.

6. When you have finished, click 'Save.' If you wish to add more custom credits, follow steps 3 to 5 for each field you'd like to add. Sites can add a total of 10 custom credit fields.

Appendix B: Sample online survey – Information from tax returns on actual saving behavior

> **NOTES:**
>
> - The questions below pertain only to federal tax returns.
>
> - Online survey platforms typically offer the choice of whether or not to require answers to each question. For these surveys we recommend requiring answers to all items, because it will improve the consistency of responses and simplify reporting.

1. First and last initials of person entering information:[7] _____

2. Last name of primary taxpayer: _____

3. Last four digits of primary taxpayer's Social Security number: _____

4. Did this federal tax return claim a refund?

   ☐ Yes
   ☐ No (If No, end survey*)

5. What was the dollar amount of the refund claimed? $ _____

6. Did the taxpayer directly deposit any portion of their refund?

   ☐ Yes
   ☐ No (If No, end survey*)

---

[7] We recommend including this information for quality control purposes, since otherwise it will be difficult to tell who entered this information into the survey platform. Note that for these questions the taxpayers would likely not be entering the information themselves; the information would likely be entered by program staff or volunteers.

7. How much of the refund, if any, was directly deposited into a savings account, a 529 plan, or a retirement account? _Do not leave blank—enter $0 if none of the refund was deposited in these types of accounts._ $_____

8. What amount of the refund was directly deposited into a prepaid card account? _Do not leave blank—enter $0 if none of the refund was deposited in this type of account._ $_____

*   _These skip patterns can be programmed directly into online surveys, which decreases the amount of time required for completion._

Appendix C: Sample online survey – Additional information from taxpayers on saving plans, financial situations, and financial well-being

NOTE: Online survey platforms typically offer the choice of whether or not to require answers to each question. For these surveys we recommend requiring answers to all items, because it will increase the consistency of the responses and simplify reporting.

First and last initials of person entering information: _____

Last name of primary taxpayer: _____

Last four digits of primary taxpayer's Social Security number: [8] _____

A. Are you planning to save any of your tax refund?

□ Yes, for 6 months or longer
□ Yes, but spend it all before 6 months
□ No
□ I don't expect a refund

[If Question A = Yes] How much of your refund are you planning on saving? $ _____

B. If you set aside money from your tax refund to save, where are you mainly saving? *(please select one)*

□ Regular savings account
□ Checking account

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[8] If programs plan to link survey response information to taxpayer information available from TaxSlayer records or other sources, it will be necessary to include questions that can be used to create a unique identifier link, such as the first two questions shown here.

☐ Pre-paid card
☐ Retirement account
☐ As cash (not in an account)
☐ Other: _____

C. Which of the following best describes your household's income over the last 12 months? *(please select one)*

☐ Roughly the same amount each month
☐ Roughly the same most months, but some unusually high or low months
☐ Often changes quite a bit from one month to the next

D. In the past 12 months, have you (or your spouse/partner) used a pawn shop loan, a payday loan, an auto title loan, or a paycheck advance/deposit advance?

☐ Yes
☐ No

E. In a typical month, which of the following best describes your experience with credit cards? *(please select one)*

☐ I pay my credit cards in full (or carry no balance)
☐ I carry over a balance on my credit cards and am charged interest
☐ I pay only the minimum payment on my credit cards
☐ I am late making my credit card payments, and am charged late fees
☐ I miss my credit card payments
☐ I don't have a credit card

F. Suppose that you have an emergency expense that costs $400. Based on your current financial situation, which of the following best describes how you would pay for this expense? *(please select one)*

☐ Put it on my credit card and pay it off in full at the next statement
☐ Put it on my credit card and pay it off over time
☐ With the money currently in my checking/savings account or with cash
☐ Using money from a bank loan or line of credit
☐ By borrowing from a friend or family member
☐ Using a payday loan, deposit advance, or overdraft
☐ By selling something
☐ I wouldn't be able to pay for the expense right now

How well do the following statements describe you or your situation?

G. Because of my money situation, I feel like I will never have the things I want in life.

☐ Completely ☐ Very Little
☐ Very Well ☐ Not at all
☐ Somewhat

H. I am just getting by financially.

☐ Completely ☐ Very Little
☐ Very Well ☐ Not at all
☐ Somewhat

I. I am concerned that the money I have or will save won't last.

☐ Completely ☐ Very Little
☐ Very Well ☐ Not at all
☐ Somewhat

How often do these statements apply to you?

J. I have money left over at the end of the month.

☐ Always ☐ Rarely
☐ Often ☐ Never
☐ Sometimes

K. My finances control my life.

☐ Always ☐ Rarely
☐ Often ☐ Never
☐ Sometimes

*   *This skip pattern can be programmed directly into an online survey.*

Appendix D: Manual collection form – Information from tax returns on actual saving behavior

The following page contains a form that can be printed and used to collect the information described in this guide manually.

> **NOTE:** The second column (which asks for the initials of the person entering the information) is recommended for quality control purposes, to allow a way to know who entered the information into the form.

Tax Time Saving Information Collection Form

Instructions:

- Complete one row of this table for each tax return that is prepared, regardless of saving activity.
- Enter only information from federal tax returns, not state or local tax returns.
- <u>Do not leave any fields blank</u>—if there is no amount for a specific column, enter $0.

Date	Initials of person entering information	Last name of primary taxpayer	Last four digits of primary taxpayer's Social Security number	Did return claim a federal refund? (Y, N)	Total amount of refund ($)	Amount of refund deposited into savings account, or 529 plan, or retirement account ($)	Amount of refund deposited into prepaid card account ($)

Appendix E: Manual collection form – Additional information from taxpayers on saving plans, financial situations, and financial well-being

The Taxpayer Opportunity Network provides a form that can be used to collect information from taxpayers. Taxpayers could be asked to complete and submit the form on their own, or program staff or volunteers could use the form to interview taxpayers.

Download the form at: https://www.dropbox.com/s/acre72ozng5afku/ VITA%20Data%20Collection%20Taxpayer%20Survey.pdf?dl=0.

A print-ready version is provided on the following page.

VITA Data Collection Pilot Instrument

Dear Taxpayer:

This Volunteer Income Tax Assistance (VITA) site is participating in a national pilot program to measure and research the overall financial well-being of clients accessing free tax preparation services. While your participation in this pilot project is greatly appreciated, ***no personally identifying information will be collected by this survey and you are not required to complete this survey to have your taxes prepared for free.*** Thank you for your participation.

A. Are you planning to save any of your tax refund?
- ☐ Yes, for 6 months or longer
- ☐ Yes, but spend it all before 6 months
- ☐ No
- ☐ I don't expect a refund

If yes, how much of your refund are you planning on saving?
$_____

B. If you set aside money from your tax refund to save, where are you mainly saving? *(please select one)*
- ☐ Regular savings account
- ☐ Checking account
- ☐ Pre-paid card
- ☐ Retirement account
- ☐ As cash (not in an account)
- ☐ Other

C. Which of the following best describes your household's income over the last 12 months? *(please select one)*
- ☐ Roughly the same amount each month
- ☐ Roughly the same most months, but some unusually high or low months
- ☐ Often changes quite a bit from one month to the next

D. In the past 12 months, have you (or your spouse/partner) used a pawn shop loan, a payday loan, an auto title loan, or a paycheck advance/deposit advance?
- ☐ Yes
- ☐ No

E. In a typical month, which of the following *best* describes your experience with credit cards? *(please select one)*
- ☐ I pay my credit cards in full (or carry no balance)
- ☐ I carry over a balance on my credit cards and am charged interest
- ☐ I pay only the minimum payment on my credit cards
- ☐ I am late making my credit card payments, and am charged late fees
- ☐ I miss my credit card payments
- ☐ I don't have a credit card

F. Suppose that you have an emergency expense that costs $400. Based on your current financial situation, which of the following best describes how you would pay for this expense? *(please select one)*
- ☐ Put it on my credit card and pay it off in full at the next statement
- ☐ Put it on my credit card and pay it off over time
- ☐ With the money currently in my checking/savings account or with cash
- ☐ Using money from a bank loan or line of credit
- ☐ By borrowing from a friend or family member
- ☐ Using a payday loan, deposit advance, or overdraft
- ☐ By selling something
- ☐ I wouldn't be able to pay for the expense right now

How well do the following statements describe you or your situation?

G. *Because of my money situation, I feel like I will never have the things I want in life.*
- ☐ Completely   ☐ Very Little
- ☐ Very Well   ☐ Not at all
- ☐ Somewhat

H. *I am just getting by financially.*
- ☐ Completely   ☐ Very Little
- ☐ Very Well   ☐ Not at all
- ☐ Somewhat

I. *I am concerned that the money I have or will save won't last.*
- ☐ Completely   ☐ Very Little
- ☐ Very Well   ☐ Not at all
- ☐ Somewhat

How often do these statements apply to you?

J. *I have money left over at the end of the month.*
- ☐ Always   ☐ Rarely
- ☐ Often   ☐ Never
- ☐ Sometimes

K. *My finances control my life.*
- ☐ Always   ☐ Rarely
- ☐ Often   ☐ Never
- ☐ Sometimes