

MONEY UP

FROM ONE TAX PREPARER TO ANOTHER: STRATEGIES FOR EXPANDING FINANCIAL SERVICES

One of a series of field reports from United Way of New York City's MoneyUP Initiative
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Intended as a resource for the free tax preparation field, this report offers practitioners a range of strategies for incorporating financial development services into the free tax preparation model.

You have just completed your customer's tax return and the customer is ecstatic to learn how much she will be receiving in refunds. The challenge is that once the customer leaves the tax site, you won't know how she uses the money until you see her again . . . precisely one year later.

Today, there is growing recognition among practitioners and policy makers that tax time represents a significant opportunity for customers to build their savings, decrease their debt, and take steps towards improving their long-term financial security. In the last two tax seasons, MoneyUP sites did this by combining free tax preparation with a diverse array of financial development services from solving basic financial problems, to asset-building strategies.

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It isn't always easy integrating these services—but the Clinic has developed some strategies that will help your site incorporate additional financial development services into your current tax preparation program and make the most of your time with the customer.

HAVE A PLAN

Know the neighborhood and the special challenges that its customers face. Savings vehicles such as matched savings accounts, IDAs, and savings bonds are an excellent way to get customers to take those first steps to building their assets. But look at the neighborhood around the site— if many of your customers live in government-subsidized housing, you might want to offer benefit screenings for eligibility in other work and income supports.

LET THE TAX RETURN GUIDE YOU

There are plenty of ways that the tax return can be used to build assets. Remind the customer that a refund can be split between several accounts including bank and retirement accounts. If the customer owes a balance, she may be eligible to make an IRA contribution and reduce that liability with the retirement savings credit. Ask if the customer has filed all tax returns in the last three years. Remember, the government doesn't call when it owes money!



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DIVIDE THE LABOR

MoneyUP sites put a premium on training all site staff in specific procedures on how to offer the financial products and services. Keep a daily log of how many customers use the services. If the site has a representative on site to provide the asset-building services, make sure that their schedule is widely known to site staff so that it's easy to immediately direct customers if they show interest in taking advantage of the services.

LET MARKETING DO THE WORK FOR YOU

When you send customers pre-season flyers detailing the site's hours, don't forget to include the financial development services also available. You want your customers to be ready before he or she even steps through the door. Marketing materials should be displayed near the waiting room and if possible, given to customers to read though while they wait for their turn.

ALLOW TIME TO TAKE TIME

Everyone has faced a room full of customers anxiously waiting hours to have their taxes done. At MoneyUP sites, we try to lower the stress at the tax sites by setting up an hour-long appointment for each customer which alleviates that dreaded wait time and lets the customer know that they *have the time to take their time*. Appointments may not be possible for all sites, but you can still take steps to ensure that a customer does not make hasty decisions. There are always customers who forget their bank account information, don't bring both their checking and savings account information, or just aren't comfortable buying a savings bond that day without first discussing the investment their families. Make sure tax preparers always give the customers the option of keeping the return incomplete until they can return. You may even allow a returning customer to jump the line if she returns with that information.

Lay the groundwork in the upcoming tax season by surveying your customers about the most useful financial development services to them.

PROMOTE HORIZONS

At MoneyUP sites, motivation is key! We encourage customers to start with identifying their long-term goals. It's important to frame the benefits of savings not necessarily in terms of dollars but rather how saving moves the customer closer to retirement, college for their family, or buying a home or car. Customers are more likely to stick with a plan when they see the connection between their immediate actions and where they want to end up ultimately.

ASK THE CUSTOMER

Use the upcoming tax season as a jumping off point for next tax season. We use a 30-question financial education survey with our customers (securing a 98% participation rate!) not only to assess our customers' financial standing today, but also to determine the most useful services for customers once they receive their refunds. We discovered that 40 percent of our customers were interested in having someone review their debt and credit situation with them. That way, you can use the lessons of this tax season to improve your services next tax season.

