



Survey of EITC Filers at Tax Preparation Sites

February – April 2007

Sandra Venner
MASSCAP Asset Formation Initiative
November 1, 2007

Consumer Use and Satisfaction

Completed Surveys

	Number	Percent	Completion rate
BCAC	25	11.7	68%
CAAS	11	5.2	24%
CACCI	14	6.6	30%
CFC	5	2.3	2%
Greenfield	46	21.6	78%
MOC	34	16.0	100+%
NSCAP	23	10.8	85%
QCAP	33	15.5	30%
SouthShore	17	8.0	100%
TriCap	5	2.3	25%
Total	213	100.0	31.5%

Overall satisfaction rate with VITA services at the ten sites was 99%.

Last Year

145 respondents received tax prep assistance last year

- Roughly same number paid for services as received free services
- 53% of families with children paid for tax services, while only 35% of households without children did

Demographics and Housing

- **Gender** 45 males (22%) 166 females (78%)
- **Race** 75% white 9% African American 13.7% other 2.3% multi-race
- **Ethnicity** 10% Hispanic ???
- **Language** 29% speak Spanish at home 16% do not write English
 - Of those who do not write English, no significant difference in amount of tax return expected, having a bank account, or having health insurance

Age

	Number	Percent
18-23 years	21	9.9
24-44 years	125	58.7
45-54 years	44	20.7
55-69 years	20	9.4

Housing Type

	Number	Percent
rent, no subsidy	75	35.2
rent, with subsidy	66	31.0
own home	33	15.5
homeless	2	0.9
staying with family or friends	27	12.7
other	6	2.8

- Almost 80% are between ages of 24 and 55
- 66% are renters; almost half have a subsidy
- 14% do not have stable housing

Education and Employment

Education

	Number	Percent
0-8	3	1.4
9-12 non grad	27	12.7
9-12 graduate	65	30.5
12+ some secondary	62	29.1
Associate	31	14.6
Bachelor or higher	17	8.0
Total	205	96.2

- 66% have graduated from high school but do not have an advance degree
- 14% do not have high school diploma

Employment

- 140 currently employed (66%)
 - 71% of females employed; 47% of males
- 64 work full time; 81 work part time
- 27 work more than one job

Income Sources

- 32% receive Food Stamps and 19% participate in WIC
- 27% have wages and receive no public assistance
- 48% have wages and some type of public assistance
 - 23% have wages and public assistance other than rental assistance
- 3% receive SSI only
- 5% receive SSI and other public assistance, but no wage
- 35 people have no wages or SSI (Qualified for EITC because self-employed?)

Families with Children

- 162 (76%) respondents have one or more children under age 18
- These families have roughly same income distribution as other clients with 13% having an income below \$4,800.
- 22% have \$10,000 or more in debt vs 12% of other respondents

Differences in planned use of EITC

	Families	All others
Everyday expenses	72%	54%
Put into Savings	47	26
Pay off credit card	48	25
Buy or repair car	36	16
Education or job training	19	11

- Families typically receive larger tax refund and therefore can use it for more purposes

Single Parent Households

- 116 (55%) of all respondents are single parents
- 93% of single parents are female headed households
 - 29% have children under 3
 - 61% have children 3-13
- More are in the lower income brackets and live in subsidized housing than respondents overall

Housing Type

	Number	Percent
rent, no subsidy	39	36.0
rent, with subsidy	43	39.0
own home	16	14.0
homeless	1	1.0
staying with family or friends	11	10.0

Debt

	Percent
Credit card bills	68.0
Utility bills	45.0
Borrowed from others	34.0
Medical debt	21.0
School loan	19.0

Of the 53 single parents from the four intensive study sites 44 (90%) have debt

- 11% owe less than \$500
- 16% owe \$5,000 - 10,000 and 18% owe more than \$10,000

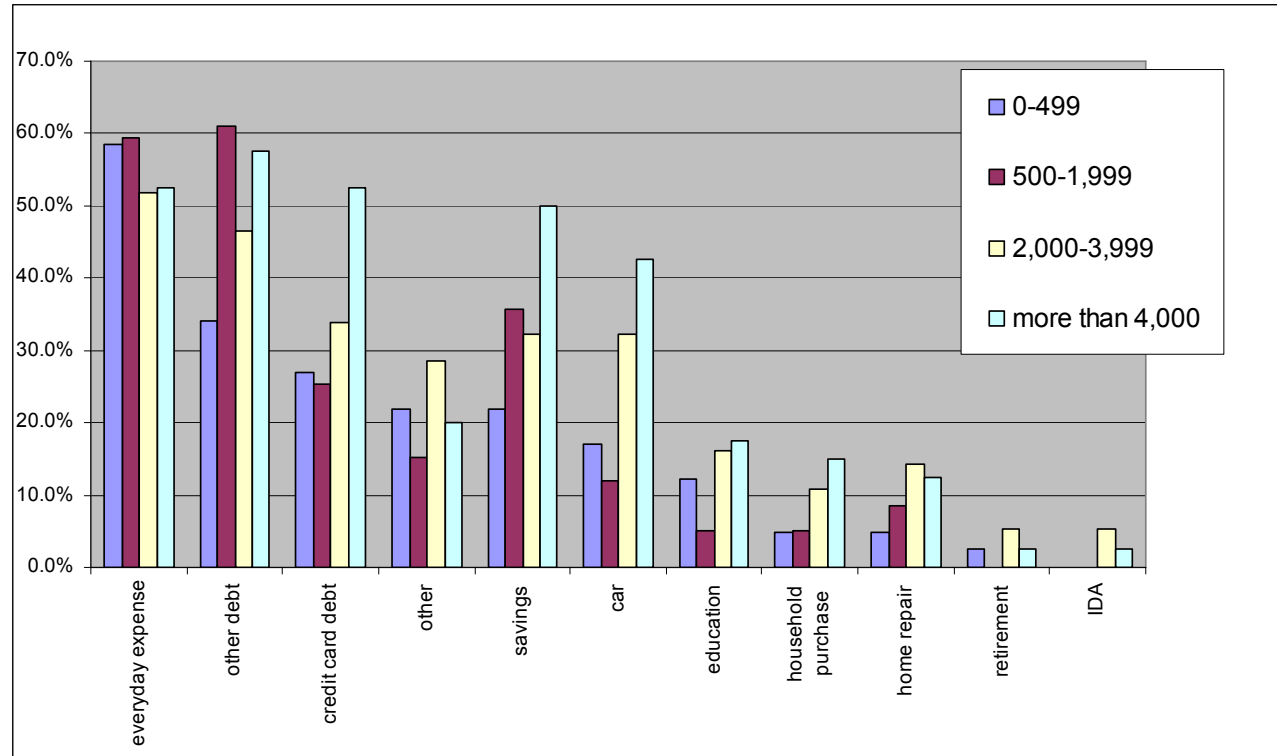
Tax Refund

Amount of anticipated tax refund

	Percent
\$0 - 499	19.2
\$500 - 999	13.1
\$1,000 - 1,999	14.6
\$2,000 - 2,999	13.1
\$3,000 - 3,999	13.1
\$4,000 - 4,999	12.2
\$5,000 - 5,999	4.7
\$6,000 or more	1.9

- Regardless of size of tax refund, everyday expenses is a priority
- For those with refunds more than \$500, paying off debt is important
- Intent to put money in savings goes up with the size of refund

Planned Use vs Expected Amount



Banked vs Unbanked

- 31 (15%) of respondents do not have a banking account

Of those who do not have a banking account:

- Poorer than respondents overall
 - 38% have income of \$0-5,000; another 28% have income of \$10-15,000
- 42% are male vs 18% of banked respondents
- Less education than banked respondents
 - 29% did not graduate for high school vs 12%
 - 39% have no more than a high school degree vs 30%
- More white (87% unbanked vs 77% banked)
- Same percent write English
- Roughly same debt pattern

Debt (Four intensive study sites only – 101 respondents)

79 (81%) of respondents currently owe money

Source of Debt

	Number
Credit card bills	58
School loans	17
Medical Bills	21
Utility bills	43
Borrowed money from others	30

Amount of Debt

	Number
Less than \$500	9
\$500 - 999	8
\$1,000 - 4,999	39
\$5,000 - 9,999	9
\$10,000 or more	16

Of the 58 who owe money on credit cards –

- 24% owe \$10,000 or more vs 9% of all respondents; 14% owe \$5-10,000 vs 4% overall

Of the 16 people who owe \$10,000 or more –

- 14 owe for credit cards; 7 - utilities; 7 - borrowed money; 6 – school loans; 4 - medical debt

Of the 19 people who owe \$5,000 or more and do not own a home –

- Everyone has high school education or more, but they are very low income
- 17 owe for credit cards; 11 - borrowed money; 10 - utilities; 7 - school loans; 6 - medical debt

Use of Savings

How would like to use savings

	Very Important/ Important
Pay off bills	200
Start or add to savings account	173
Help children or extended family	140
Put into retirement savings	126
More education/job training	111
Buy a house	93
Take a vacation	73
Move out of subsidized housing	64
Buy a car	63
Contribute to religious institution	63
Move to different neighborhood	62
Purchase large household item	57
Start a business	46
Home repairs or renovation	45
Other	38

Income of those want to save to buy home

	Percent
\$0 - 4,999	11.8
\$5,000 - 9,999	11.8
\$10,000 - 14,999	17.2
\$15,000 - 19,999	15.1
\$20,000 - 24,999	22.6
\$30,000 - 34,999	9.7
\$35,000 or more	3.3

- High interest in such asset building activities as saving, increasing job skills, and buying a home
- 78.5% of those wanting to buy a home have an income under \$25,000

Life Challenges and Barriers to Saving

(Four intensive study sites only - 101)

Experienced in past 2 years

	Number
Changed jobs /had periods of unemployment	64
Had serious financial problems (lost credit card, car repossessed, refused for loan, etc.)	41
Had family problems (sick child, divorce, separation, death of spouse)	39
Had serious medical problems (lost 5 or more days of work)	20
Moved more than twice	15
Dropped out of school	7
Other	19

- Job change does not necessarily create a barrier to saving
- At least 80% have a problem meeting routine expenses, but do not necessarily regard this as serious financial problem

Identified Barriers to Saving

	Very Important/ Important
General bills (electricity, gas, phone)	82
Paying off money I owe	81
Daily family expenses	81
Low wages	75
Finding affordable housing	65
Money to continue my education	41
Not knowing how to budget my money	40
Unemployment or lack of steady employment	32
My poor health/illness	31
Expenses for a sick family member	23
Mortgage/home equity or student loans	22
Money I give to help my relatives	20
Expenses for an elderly family member	10

Financial Education

Talked finances in past year

(Four intensive study sites only -101)

	Sometimes /Often
Asked family or other relatives for help on managing my finances	50
Asked a community organization for help about financial problems	40
Talked to my children about family budgeting and financial issues	37

Program participation

(All ten sites - 213)

	No	Yes	Don't Know
Individual Development Account (IDA)	181	7	8
Financial Literacy Education	185	10	3
First Time Homebuyer Classes	175	27	2
First Time Homebuyer Financial Assistance	187	9	3
Family Self Sufficiency Savings Program	180	14	4
Small Business Development Assistance	187	6	2

Interested in financial education?

(All ten sites)

122 Yes

84 No



Follow-up Survey of EITC Recipients

(39 responses from four intensive study sites)

June - September 2007

Sandra Venner
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November 1, 2007

Amount and Use of Tax Refund

Amount of Tax Refund

	Number
\$1-499	4
\$500-999	5
\$1,000-1,999	6
\$2,000- 2,999	3
\$3,000-3,999	6
\$4,000-4,999	8
\$5,000-5,999	2
\$6,000 or more	3

Planned vs Actual Use of Refund

	Yes, plan to use	Maybe will use	Actual Use
Everyday expenses	19	6	30
Other debt	20	7	21
Pay off credit cards	16	9	14
Savings acct	16	8	15
Buy/repair car	7	3	8
Education or job training	9	5	8
Make major household purchase	4	3	4
Retirement account	1	3	0

- Roughly one-third got a larger EITC refund than expected, same amount as expected, and less than expected respectively.
- More used refund for everyday expenses (68%) than planned (48%)
- 38% put money into a savings account, roughly the same percent who planned to but not as many as had hoped to save

Amount and Uses for Savings

15 put some or all of their refund into savings

Amount Put in Savings

	Number
\$1-499	7
\$500-999	3
\$1,000-1,999	3
\$2,000 or more	2

- Few of the planned uses for savings included investment in long term assets

Planned Uses for Savings

	Number
Get education or job training for myself	0
Get education for my children	4
Make a major household purchase (washing machine, refrigerator, TV, etc.)	1
Buy or repair a car	5
Make home repairs	1
Purchase a home	2
Start a small business	0
Retirement	0
Not sure	4
Other: Dental expenses, Rent, New apartment, Spent what was saved	5

Reaching Savings Goal

What interfered with planned savings goal

- Gave daughter money for security deposit so she could move into a subsidized apartment
- **Get rid of bill collectors, instead of going on shopping spree**
- Had to pay bills and people's loans back.
- More went to car purchase than anticipated and less for children's educational expenses
- Paid more of bills than expected
- **Wanted to pay off bills but had to buy a car instead**

34 respondents said they would like to save more next year >>>

What help to reach savings goal?	Number
Financial education classes ahead of time to help plan	16
A savings club for support and encouragement	11
Debt counseling to manage debt payments	11
Help opening a savings account	5
Other: <ul style="list-style-type: none">• a higher income (3)• has opened a savings account• smaller credit card debt	5

Use of Banking and Other Services

Status of Bank Accounts Pre and Post Tax Refund

	Had before	Opened since	Don't have
Bank checking account	27	1	9
Bank savings account	19	3	14
Retirement account (IRA, 401k, 403b, etc.)	9	0	26
Investment in CDs, stocks, bonds, or mutual funds	3	1	31

- 22.5% have no checking account; 35% have no savings account
- Many have used CAA services
- Definite interest in activities that help build assets

Accessing Other Services

	Have used	Would like to learn more
Fuel Assistance	24	3
Head Start/Child Care	10	4
Adult Basic Education	4	10
English as a Second Language (ESL)	0	1
Job Skills Training	5	8
WIC	18	0
Housing Assistance	12	12
Small Business Development Assistance	1	6
Individual Development Account	2	11
Financial Literacy Education	1	7
First Time Homebuyer Classes	4	11
Other: Credit literacy 101, How to be more disciplined to save, One-on-one help with budgeting and managing bills		√



Survey of Non-EITC Filers at Tax Preparation Sites

February – April 2007

Sandra Venner
MASSCAP Asset Formation Initiative
November 1, 2007

Customer Use and Satisfaction

Completed Surveys

	Number	Completion Rate
CAAS	12	20%
CACCI	21	45%
CFC	5	1%
BCAC	9	35%
Greenfield	36	39%
MOC	26	70%
NSCAP	19	100%
SSCAP	0	0%
Tri-CAP	3	11%
Sub-total	131	
QCAP*	328	100+%
Total	459	

* Where significant differences exist, data is presented with and without QCAP as they comprise 71% of total. Also, QCAP data includes both EITC recipients and non-recipients.

Overall satisfaction rate with VITA Services at the ten sites was 99%

Last Year

- QCAP: 75% of respondents received tax prep assistance last year
- All others: 60% received assistance

- QCAP: 26% paid for last year's tax prep assistance
- All others: 66% paid for assistance

Demographics

- **Gender** (w/o QCAP) 49 (37%) male (vs 22% of EITC recipients are male)
82 (63%) female
- **Race** White: 80% (w/o QCAP) 74% (QCAP) Asian: 3% (w/o QCAP) 9% (QCAP)
African American: 5% (w/o QCAP) 8% (QCAP)
- **Ethnicity** Hispanic: 14% (w/o QCAP) 5% (QCAP)

Age

	Number (w/o QCAP)	Percent (w/o QCAP)	Percent (w/QCAP)
12-17 years	3	2.0	1.0
18-23 years	25	20.0	10.0
24-44 years	44	34.0	35.0
45-54 years	23	18.0	16.0
55-69 years	23	18.0	20.0
70 + years	10	8.0	19.0

- QCAP serves fewer young adults and more elderly residents at its VITA center

Housing and Education

Housing Arrangement

	Number (w/o QCAP)	Percent (w/o QCAP)	Percent of EITC recipients
rent, no subsidy	55	45.0	35.2
rent, with subsidy	15	12.0	31.0
own home	27	22.0	15.5
homeless	5	4.0	0.9
staying with family or friends	14	11.0	12.7
other	7	6.0	2.8

- Percent with rent subsidy is less than half that of EITC recipients
- 22% own their home vs 15.5% of EITC recipients

Education

	Percent (w/ QCAP)	Percent of EITC recipients
0-8	1.0	1.4
9-12 non grad	14.0	12.7
9-12 graduate	44.0	30.5
12+ some secondary	20.0	29.1
Associate	7.0	14.6
Bachelor or higher	14.0	8.0

- 41% have more than high school education vs 52% of EITC recipients

Income

Source of Income

	Percent (w/o QCAP)	Percent (w/ QCAP)	Percent of EITC recipients
Wages	40.0	37.0	76.0
SSI/SSDI	6.0	8.0	19.0
Social Security	12.0	21.0	9.5
Pension	6.0	12.0	2.0
WIC	3.0	1.0	19.5
Food stamps	9.0	10.0	32.0

- Significant difference in sources of income for EITC recipients and non-recipients
- Also significant difference in use of WIC and Food Stamps

Income

	Number (w/ QCAP)	Percent (w/ QCAP)
\$0 - 4,999	48	11.0
\$5,000 - 9,999	49	11.0
\$10,000 - 14,999	73	17.0
\$15,000 - 19,999	74	17.0
\$20,000 - 24,999	60	14.0
\$25,000 - 29,999	39	9.0
\$30,000 - 34,999	34	8.0
\$35,000 - 39,999	14	3.0
\$40,000 - 44,999	20	5.0
\$45,000 or more	13	3.0

- 70% have income under \$25,000
- Over 90% have income under \$40,000