

## 2010-11 PFT Success Report

**Title: Financial Education and Income Saving at Tax Time**

**PFT: Family Resource Management**

### The Situation

Income tax season can be a ‘teachable moment’ for individuals and families as they focus attention on personal finances. Nationally the IRS trains volunteers and sponsors local volunteer income tax sites, such as Volunteer Income Tax Assistance (VITA), Tax Counseling for the Elderly (TCE), and AARP Tax Aide sites. Seven KSRE agents reported having chosen to partner with locally sponsored volunteer tax sites in their communities or sponsor such a site if options are limited. These agents also collaborated with numerous other local tax site supporting agencies and asset-building coalitions.

Target audiences for IRS sponsored volunteer income tax assistance sites are low to moderate income individuals and families (incomes \$49K or less) including the elderly, military, Headstart families, those with disabilities, and English language learners.

### What We Did

In 2011, five KSRE Agents reported working with volunteer income tax sites with average tax payer Adjusted Gross Incomes (AGI) that ranged from a low of about \$15,000 to a high of just over \$36,000.

Tax site partnerships offer KSRE agents the opportunity to expose new audiences to Extension programs, and distribute financial publications such as how to use tax refunds wisely – *save it, pay down debt, or use for special needs*. Several agents and volunteers provide taxpayers one-on-one financial coaching about record keeping, documentation required for tax returns, adjusting withholding amounts, importance of emergency savings, and other related money management topics.

### Outcomes

The combined tax site results reported by six agents for 2011 indicated that the volunteer tax preparers they worked with completed over 10,000 federal returns that resulted in more than \$11 million in federal tax refunds returned to Kansas’ communities. Agents reported local preparation fees that ranged from \$80 to \$250. Using \$200 as an average cost of tax preparation, the estimated total value in fee savings performed by volunteers is reported to be over \$2 million.

One agent obtained a \$10,000 IRS site grant; another got a \$5000 United Way grant and estimated receiving an in-kind donation of well over \$15,000 for office space, equipment and supplies. Four agents served in leadership site manager roles; four Extension offices sponsored a site; many helped recruit, train and recognize income tax site volunteers; all agents reported educational outreach and major media promotion.

### Success Story

One agent reported; “When one considers that our Extension budget is \$470,000, and this program returns \$550,000 to the local economy, we’ve more than paid for ourselves with this one program!”

Another agent said, “The value of refunds and preparation fee savings for our community totals more than \$12.1 million.”

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