



Martha Mee, an 11-year United Way tax volunteer, assists a client at the North Everett Location

UNITED WAY OF SNOHOMISH COUNTY FREE TAX PREPARATION CAMPAIGN REPORT ON 2017 RESULTS

Prepared for: United Way of Snohomish County's Financial Stability Initiative

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Summary of Results

Free Tax Preparation Services

During the 2017 campaign, 135 United Way Free Tax Preparation volunteers served nearly 7,000 hours to help their neighbors complete 3,751 tax returns with refunds totaling over \$5,000,000. Our volunteers provided this free service five days a week, at six locations, and in multiple languages. They were assisted by a staff team including Site Managers, Spanish Interpreters, and Asset Specialists. Together, our volunteers and staff implemented IRS regulations and procedures for Volunteer Income Tax Assistance (VITA) programs to provide our clients with a high level of customer service.

Summary of 2017 Results	
Households Served	3,751
Number of Earned Income Tax Credit (EITC) households	1,023
Total Refunds	\$5,041,434
EITC Received	\$1,771,617
Avg. household Adjusted Gross Income (AGI)	\$26,567
MyFreeTaxes.com Self-Prep	251
Volunteer Hours	6,924

Summary of Program Results 2007-2017	
Households Served	26,222
Number of Earned Income Tax Credit (EITC) households	7,475
Total Refunds	\$41,798,037
EITC Received	\$13,702,340
Volunteer Hours	41,199

New for 2017

Last year, the IRS introduced a new online tax filing program to VITA programs nationwide. The change from TaxWise to the new program—TaxSlayer—was a challenge in several ways. First, we no longer had access to prior year records for our returning clients. Second, the TaxSlayer interface was a significant departure from TaxWise. Although we were able to train our volunteers on TaxSlayer prior to the season launch, adapting to the new software was a challenge. Still, 60% of volunteers surveyed said the new software was an overall improvement.

Also new for 2017 was a relocation of our longest operating site—North Everett—from North Middle School to the United Way of Snohomish County building. This cost-saving measure helped save the program several thousand dollars in rent while offering staff, volunteers, and clients a more hospitable environment.

Outcomes and Indicators

Outcome	Indicator	2014 Results
#1: Low income families have more money to spend on basic needs like food	<u>Indicator #1:</u> Number and % of clients who collect EITC and report not having collected the credits in the past	1,023 Total EITC returns <ul style="list-style-type: none"> • 29% of EITC recipients did not claim in 2016 and 21% are not sure if they claimed
	<u>Indicator #2:</u> % of participants who report that they would not have filed their returns if the service had not been free, according to post-season survey	<ul style="list-style-type: none"> • 21% say they would not have filed • 29% would have attempted preparation themselves • 50% say they would have paid someone else
	<u>Indicator #3:</u> Number and % of participants that report saving on tax preparation fees	<ul style="list-style-type: none"> • 12% of clients paid for tax preparation in 2016 • 11% didn't file last year • This is an estimated \$112,530 in savings for these clients and \$937,750 for all clients (2016 returns only, Avg. cost \$250)
	<u>Indicator #4:</u> % of clients that spent their refund on basic needs according to post-season survey. (n = 277)	<ul style="list-style-type: none"> • 100% of survey respondents receiving a refund spent it on basic needs such as food, rent, bills, medical and child care, debt, or transportation • 21% report allocating at least a portion of refund for savings • 10% of all taxpayers did not receive a refund
#2. Decreased reliance on high cost fringe financial services like check cashing and refund anticipation loans (RAL/RAC)	<u>Indicator #1:</u> Number and % of clients that utilized direct deposit for refund and reported using check cashing in last 6 months.	<ul style="list-style-type: none"> • 2,026 clients (67%) opted for a direct deposit of their refund • 8% of clients reported using check cashing, wire transfers, or payday loans in the last year
#3. Increased use of supplemental services like Medicaid, food stamps, WIC, etc.	<u>Indicator #1:</u> Number and % of participants that enroll in additional programs	<ul style="list-style-type: none"> • 73% of clients met with an Asset Specialist • 675 (18%) of clients were referred to additional programs such as food and health benefits
#4. Participants increase savings	<u>Indicator #1:</u> Number and % of participants that make use of split refunds and/or save by purchasing US savings bonds	17 bonds sold <ul style="list-style-type: none"> • \$2,500 in bonds purchased • Avg. bond purchase = \$278 • 27 returns split refund

Asset-Building Services

In 2013, United Way of Snohomish County partnered with WithinReach, a non-profit organization dedicated to connecting low-income Washingtonians to basic-needs services, to improve our Asset Building portion of the campaign. Thanks to additional support from the Employees Community Fund of Boeing, this partnership continued in 2016, with a dedicated Asset Specialist assigned to each of the six tax sites to provide clients with:

1. Information on how to purchase US Series I Savings Bonds
2. Access to both screening and applications for public benefits
3. Referrals to In-Person Assistors (IPAs) to find healthcare coverage
4. Access to free annual credit reports
5. Information and referrals regarding community resources such as second-chance banking, paying for college, job training, and energy and medical/dental assistance programs.

Service	Results
Total Information/Referral	<ul style="list-style-type: none"> • 2,719 clients met with an Asset Specialist
US Series I Savings Bonds	<ul style="list-style-type: none"> • 179 clients received information on the benefits of savings bonds • 17 purchased bonds through their refund (total value \$2,500)
Health Care	<ul style="list-style-type: none"> • 1,022 screenings • 93 health benefits referrals • 156 referrals to direct medical/dental services
Public Benefits	<ul style="list-style-type: none"> • 1,125 clients screened for Basic Food • 166 Basic Food benefit applications submitted • 260 referrals to the Family Health Hotline for further benefit information and screening
Financial Education	<ul style="list-style-type: none"> • 372 clients received credit reports and information on second-chance banking

WithinReach Asset Specialists strive to reach 80% of our tax site clients. This year, they reached 73% of clients. Our service population is ideal for public benefits outreach. This outreach helps reduce the number of eligible-but-unenrolled households in Snohomish County and can substantially increase financial stability for these individuals and families.

Asset Specialist services are especially useful at our sites given our client population demographics. As the table on the following page shows, most of the households in our service population make considerably less than the \$64,000 a year limit for our free services. Many of these families are eligible for benefits but are unaware of their eligibility or are intimidated by the application process. For these families, enrolling in programs like Basic Food or WIC can increase their food security and free up money in their budget for other necessities.

Site Locations and Logistics

Historically, UWSC has concentrated free tax preparation outreach in or near Snohomish County's population centers; Everett, Lynnwood, Marysville and Monroe.

Service Areas	Current Location	Previous Location	2015 Hours of Operation	Years of Operation
North, Central Everett	UWSC Office	North Middle School	T/Th. 5:30-8:30 Sat. 10am-3pm	11
South Everett, Casino Road	S. Everett Foursquare Church		T/W/Th. 9am-1pm Sat. 10am-3pm	9
South Everett	S. Everett Goodwill		T/W/Th. 5:30-8:30	6
Lynnwood, Edmonds, Mountlake Terrace	Edmonds Community College	Cedar Valley School	T/Th. 5:30-8:30 Sat. 10am-3pm	10
Monroe, Snohomish	WorkSource Monroe	Park Place Middle School	T/W/Th. 5:30-8:30 Sat. 10am-3pm	8
Marysville, Tulalip, Lake Stevens	Marysville Goodwill	Totem Middle School	T/Th. 5:30-8:30 Sat. 10am-3pm	7

All sites are located near major roadways near statistically low-income areas throughout the county. Site locations were determined by using local school reduced/free lunch statistics, providing an indicator of how many families in a location could qualify for our services or benefit most from tax credits.

Individual Site Outcomes and Tax Preparation Data

Host Site	Total Returns	Total Refunds	EITC Total	Average AGI
Everett Goodwill	587	\$992,363	\$391,008	\$25,897
Casino Road	691	\$991,997	\$326,592	\$26,845
Marysville Goodwill	654	\$1,049,229	\$384,480	\$26,986
North Everett	443	\$569,111	\$199,733	\$26,628
Edmonds Community College	687	\$813,343	\$311,770	\$23,943
	438	\$635,391	\$158,034	\$25,897

Average Refund and Tax Credit Amounts

The vast majority of our clients (87%) receive a refund of taxes paid, frequently supplemented by tax credits such as the Child Tax Credit and the Earned Income Tax Credit. For these households, the refund represents between six and ten percent of their adjusted gross income and is likely the largest lump sum of cash they receive all year. The average refund received was \$2,087. An estimated 29% of filers claimed the Earned Income Credit, and 35% claimed Child Tax Credits.

Self-Preparation

In 2011, United Way, in partnership with several other organizations, helped launch an online free-file service at www.myfreetaxes.com. In 2017, 251 households used this service in Snohomish County.

Staff and Volunteer Roles

In total, eight different positions are a part of our program and they vary in scope from direct client interaction to administrative oversight and grant writing. For some positions, there is only one individual fulfilling a role while other roles have as many staff or volunteers as needed or are available. The entire program is a cohesive effort made possible only by the direct collaboration of the following positions.

Staff Positions

Director of Impact and Investments – The Director of Impact and Investments is responsible for long-term goals and planning, including grant writing and budget management. This position is housed in the United Way of Snohomish County office and is typically not directly involved in tax site operation.

Financial Stability Manager – The Financial Stability Manager provides day-to-day oversight of tax sites and tax site staff, including direct on-site technical, software and tax law support as well as remote assistance via TaxWise online, remote-access logins, email, and telephone communications. The Financial Stability Manager designs and provides training to all staff and volunteers on tax law, site processes, and limitations of service. In the event of an emergency, the Financial Stability Manager will act as Site Manager at a site. In season, this position provides all support necessary to staff, volunteers and partners to ensure quality and site function, and ensure compliance with all IRS regulations. After the season, the incumbent conducts recognition, evaluation and planning activities.

Impact and Investments Coordinator – This position assists the program manager in many phases of the campaign, including volunteer recruitment and recognition, communications, staff reimbursements, and site operations.

In-Person Outreach and Enrollment Lead – The In-Person Outreach and Enrollment Lead is an employee of WithinReach. This position provides direct support and training to Asset Specialists pre-season, on site and remotely to ensure optimum efficiency and ability in all Asset Specialist functions. Like the Financial Stability Manager, the In-Person Outreach and Enrollment Lead regularly travels between all six tax sites to provide troubleshooting and on-site assistance.

Site Manager – Each of our six sites is staffed with one Site Manager who is responsible for all volunteers, returns, and shift management at their site. Site Managers are also trained in electronic filing procedures and comply with IRS standards for tax return submission and rejection follow up. Together with volunteers and Asset Specialists, Site Managers research tax law questions and enforce IRS restrictions on our VITA scope of service.

Asset Specialist – Asset Specialists are the key to the Tax Campaign delivering on our promise of lasting impact for our clients. Administered by WithinReach, each site has one Asset Specialist who engages clients waiting for tax preparation, informing them of a variety of benefits that may be available. Asset Specialists can screen clients for public benefits eligibility and health insurance eligibility, referring eligible clients appropriately. Asset Specialists also highlight the importance of saving, bank accounts, credit reports and job opportunities, providing clients with relevant information before and after tax preparation. One asset specialist is assigned to each of the six tax sites.

Interpreter – Approximately 39% of clients at our tax sites report speaking a language other than English at home; 20% of all clients report speaking Spanish, specifically. While some of our volunteers are capable of speaking other languages, the Interpreter has been found to be a necessary paid position so that we can offer our services consistently throughout the season. Interpreters also help Site Managers with client follow up in the event of e-file rejects and assist in front-end operations with Intake Volunteers and Asset Specialists.

Volunteer Positions

Tax Preparation Volunteer – This volunteer role is the heart of the campaign. The majority of volunteers sign up for this position and they are the ones who prepare tax returns for eligible clients. These volunteers are trained to IRS VITA specifications with classes covering topics through the “Basic” level and additional support available to those who pursue “Advanced” and other specialty certification levels. Tax Preparers complete tax returns, quality review the work of other volunteer preparers, and promote the use of client refunds to purchase savings bonds and utilize direct deposit.

Intake Volunteer – The Intake Volunteer is responsible for greeting clients when they come to a tax site, creating a queue of clients to be served and determining client eligibility for our services. Not trained in tax law, Intake volunteers use United Way- and IRS-designed tools to help give clients correct information and inform them of what documents they may be required to bring to the site before tax preparation can be performed.

Volunteer Recruitment and Training Model

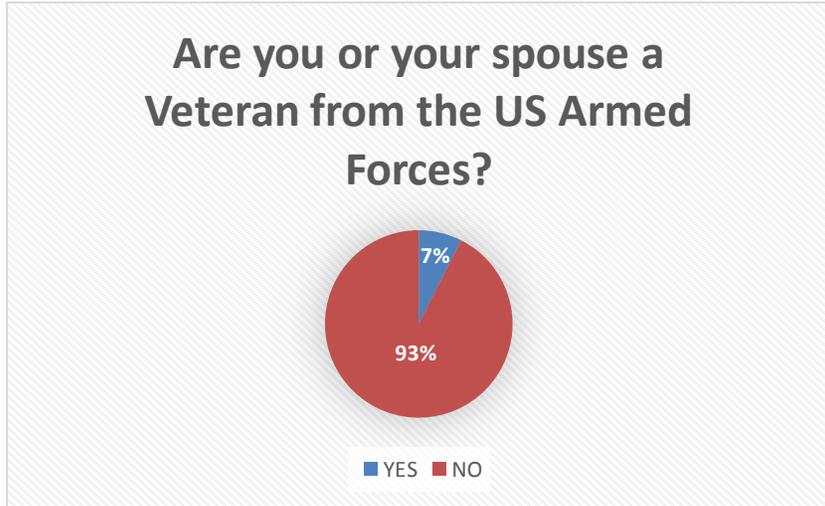
Volunteer recruitment begins in October. Volunteers are asked to commit to at least one shift per week for the duration of the campaign (January through April), attend training sessions, and pass required IRS VITA tests. The program benefits from many returning volunteers each year, and also works with community groups and partners to identify pools of new volunteers. This year, United Way set a record with nearly 150 volunteers recruited.

UWSC offers training throughout December and early January. New and returning volunteers must pass IRS certification exams including Standards of Conduct (ethics) and tax law. These trainings utilize IRS-generated training products in addition to UWSC-created materials and allow volunteers to use the tax preparation software (TaxSlayer) to simulate actual tax preparation. Training sessions for 2016 were

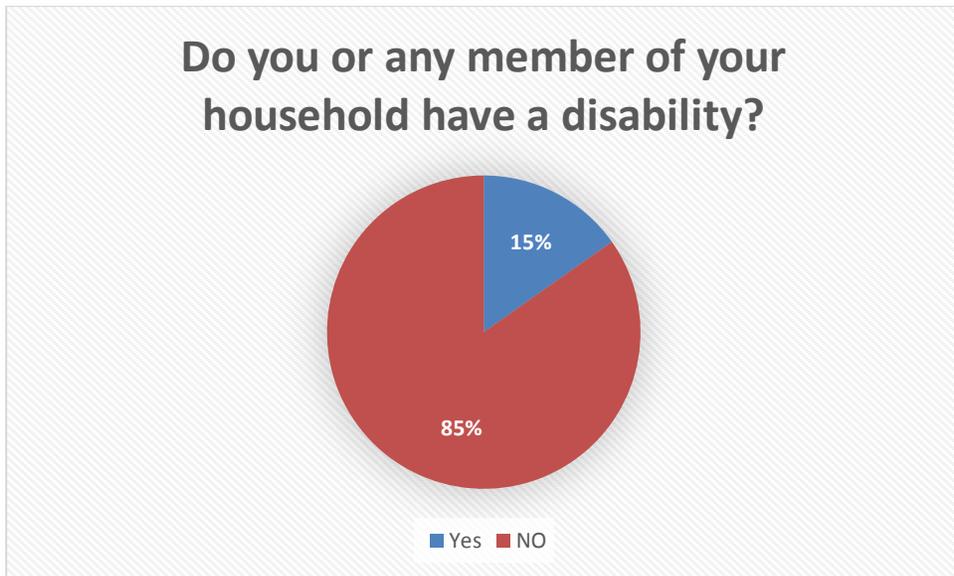
conducted in three rounds. Each round consisted of 16 hours of training split across a Saturday and Sunday.

Client Questionnaire

Clients were asked to complete a short questionnaire, the results of which are summarized below.

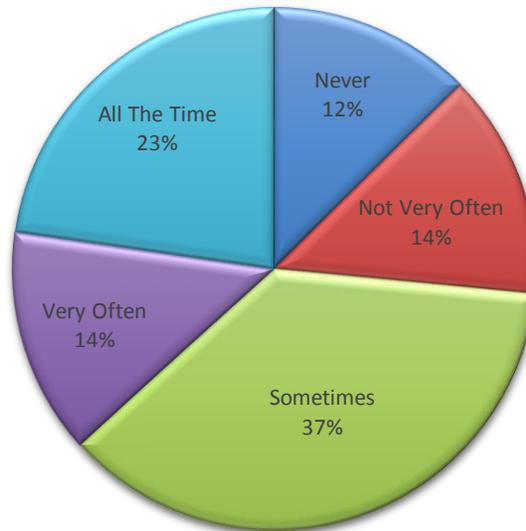


7% of clients reported that they are veterans of the United States Armed Forces.



15% of clients reported that they are someone in their household have a disability.

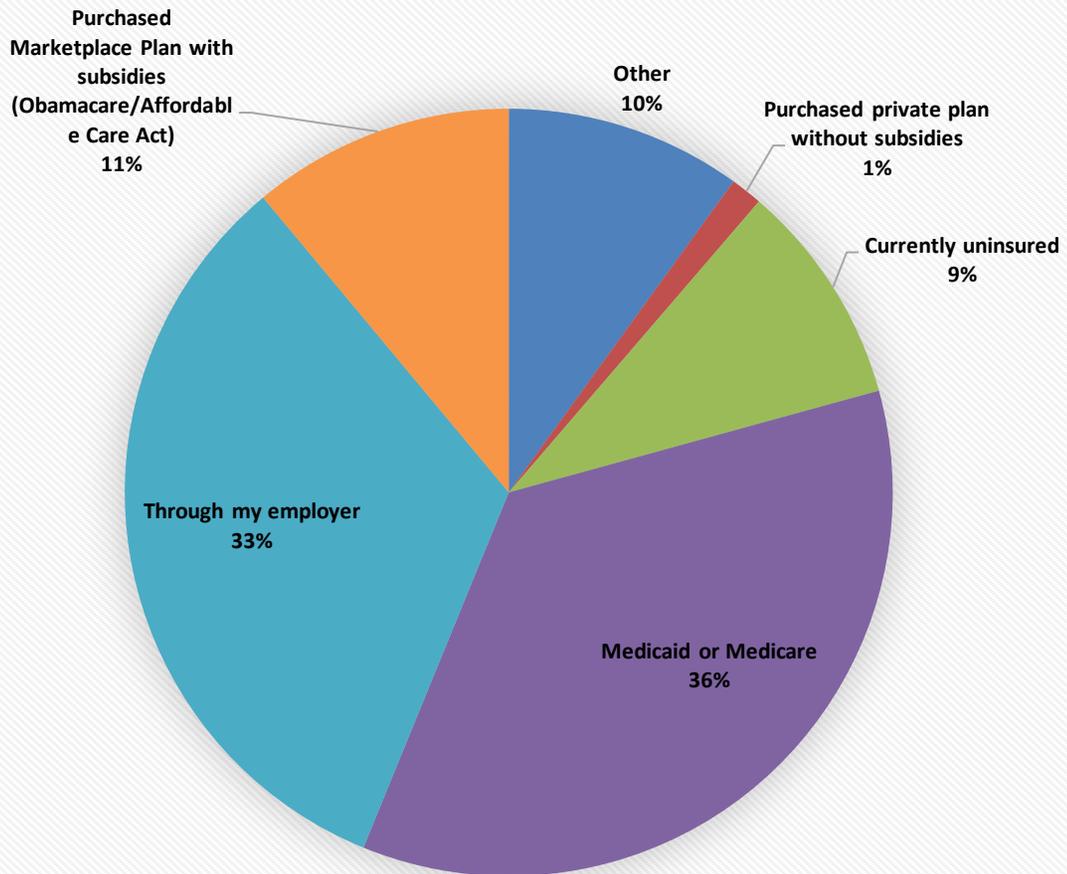
How often do you worry about having enough money to cover your basic expenses?



■ Never ■ Not Very Often ■ Sometimes ■ Very Often ■ All The Time

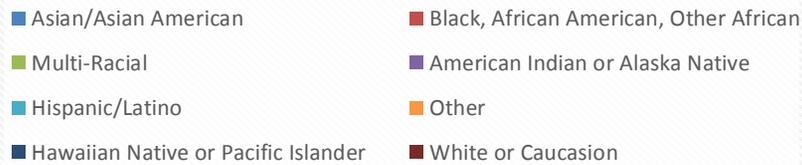
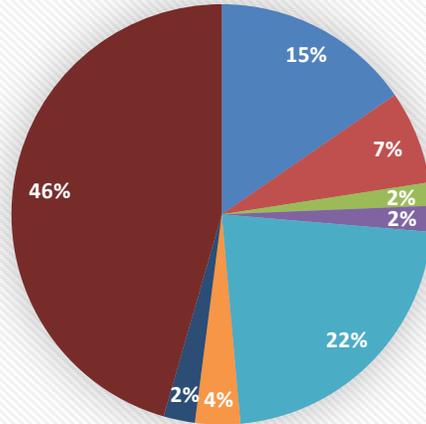
37% of clients reported they were “very often” or “all the time” about having enough money to cover their basic needs. Another 37% said they worry about this “sometimes.”

Do you currently have health insurance?



36% of clients, the largest share, are covered by Medicaid or Medicare. Only 33% have employer-sponsored health care. 11% report they purchased plans through Obamacare, and 9% are currently uninsured.

What ethnicity do you consider yourself?



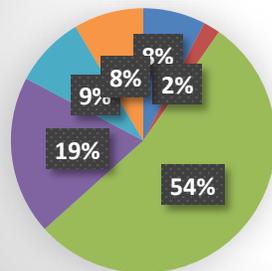
Minority groups are a larger share of the tax program client population compared to their share of Snohomish County's population.

Marketing Strategies

Marketing Strategies

Several different marketing strategies were used to advertise to potential clients. When clients came to a tax site, they were asked to indicate how they had heard of United Way's free tax services. The majority of our clients reported themselves as either returning clients from a previous year (54%), or referred to the site by a friend or family member (19%).

6. How did you hear about this service?



Print and Social Media Strategies

Fliers were developed and distributed to partner agencies to recruit clients and assist in referral-making to our tax sites. These included information such as hours of operations, required documents, and the benefits and scope of our free service. They were printed in both Spanish and English. Fliers were distributed through partners including school districts (to target families enrolled in free or reduced price school meals), housing authorities, senior centers, and other agencies that serve low-income populations.

A flier was also mailed to previous-season clients inviting them to return for service and advising them to call 2-1-1 to find the closest tax site to their home or work.

CLIENT/ VOLUNTEER / SITE MANAGER FEEDBACK

Client Feedback

Out of 28 respondents to an anonymous, online survey, 24 were very satisfied with their experience using the Free Tax Preparation Campaign, 3 were somewhat satisfied, and 1 was not satisfied.

Examples of open-ended client feedback

“The person that helped me is very kind and helpful and went out on the way to help me in every aspect that they could.”

“Very cordial, cooperative and wonderful people.”

“It was my first time filing and the volunteer was very clear and made the process quick and efficient.”

“The preparers were very helpful and the fact that it was free was extraordinarily great. They were more knowledgeable than H and R Block which was excessively expensive for me. Thank You so much for this service.”

Volunteer Feedback

Overall, volunteers felt that the training provided to them was good: 23% found it excellent, 57% found it good, 17% ok, and 3% poor.

Volunteers were somewhat divided on TaxSlayer, the new tax preparation software: 60% felt it was an improvement over TaxWise, while 40% felt it was not as good.

Site Manager Feedback

We also asked our site managers to give us feedback on what they experienced throughout the season and to give us general comments about how we could improve our service for the 2018 Campaign. All staff were issued an identical survey that allowed them to provide thorough and honest feedback.

Some suggestions for 2018 include:

- More extensive volunteer training
- Let volunteers take required tests on their own
- More thoroughly address site safety and security during training (de-escalation)
- Begin shifts with the huddle to discuss new issues, software concerns, etc.
- Provide bottled water for staff/volunteers at sites

Overall, feedback received from volunteers and staff was highly positive.

Final Notes

2017 was a challenging season with new tax software to learn. Making matters worse, the software vendor didn't appear to have their product truly finalized or tested, offering updates throughout the season that changed its functionality. Staying on top of these changes was difficult for volunteers who were already new to the system.

Still, there were major successes. In volunteer recruitment, we set a record that was largely led by an increase in students from the Beta Alpha Psi program at UW Bothell. This relationship should be nurtured going forward.

Looking Ahead

As this program looks at integrating with United Way's new focus on a two-generation, collaborative approach to breaking the cycle of poverty, there are clear areas of connection. But the program will likely need to evolve. Some major challenges/possibilities:

- This program has traditionally served many single, working-age adults without dependents. Can we and should we limit our services only to those with children?
- This program has many strong partnerships with host agencies and volunteer sources. How can we leverage these or forge new ones to reach our desired client population?
- If funding requires a reduced role for United Way, what capacity do our partners have to pick up the slack? Can this program be run without paid site managers, similar to AARP's model? Can we locate tax sites in rent-free facilities?