

**Earn It! Keep It! Save It!
Volunteer Income Tax Assistance Program
Sonoma, Mendocino, Lake, Humboldt, and Del Norte Counties of California**

2016 Program Evaluation for 2015 Tax Year

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United Way of the Wine Country**

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Executive Summary

The Volunteer Income Tax Assistance (VITA) program offers low- to moderate-income individuals and families making \$54,000 or less per year with free tax preparation services, mostly through the hard work of volunteers. In 1969, Congress recognized the need for free filing assistance and created the VITA program. For much of its history, VITA was managed by local IRS Taxpayer Education offices. IRS personnel would recruit and train volunteer tax preparers and assign them to sites in the community such as libraries and community centers. Today, the IRS partners with community organizations and coalitions such as the Earn It! Keep It! Save It! (EKS) Program to operate VITA sites throughout the country during tax season. EKS volunteers go through extensive training with materials provided by the IRS and must pass a certification test in order to insure all tax returns are prepared accurately.

EKS is a coalition of organizations in Sonoma, Lake, Mendocino, Humboldt, and Del Norte counties which have come together to offer free tax assistance by hosting and promoting VITA sites. Each of these partner organizations offers a unique set of services to the target population of low- to moderate-income families and individuals, in addition to serving as a VITA site or outreach partner during tax season. In an effort to alleviate poverty, the tax sites ensure eligible taxpayers claim the Earned Income Tax Credit (EITC), one of the federal government's largest resources for low-income residents, as well as the California EITC (Cal EITC). Both tax credits reduce the amount of income tax low- to moderate-income families are required to pay, and provides a wage supplement to eligible families.

This evaluation of United Way of the Wine Country's (UWWC) implementation of its 2016 Earn It! Keep It! Save It! (EKS) Volunteer Income Tax Assistance (VITA) Program for Tax Year 2015 in Sonoma, Mendocino, Lake, Humboldt, and Del Norte Counties was conducted to determine the effectiveness of credits such as the EITC and Child Tax Credit (CTC) in lifting working families and individuals out of poverty. The evaluation is also designed to determine the extent to which the VITA program can

encourage savings and provide an effective vehicle for reaching low- to moderate-income families and individuals with additional services or products.

This evaluation explores the following: (1) the ways in which VITA clients receive their tax refunds; (2) how VITA clients plan to use their refunds; (3) the extent to which VITA clients are interested in and/or receive additional services to help improve their financial stability. In

addition, this evaluation explores the extent to which the volunteers working in the VITA program are satisfied with their volunteer experience and the retention rate of volunteers from one year to the next.



When clients arrived at any of the free tax preparation sites for their tax appointment, they were welcomed by a greeter, who provided them with a client survey in the appropriate language (English or Spanish), along with an IRS Intake and Interview Form. A total of 1,987 surveys were completed by clients, representing a 38.6% completion rate. In the client surveys, a total of 712 clients indicated their willingness to participate in a post-survey that would be sent to them via a link to Survey Monkey in an email and/or text message. A total of 100 client post-surveys were received, representing a 14% response rate. In addition to collecting data from client surveys, client data was made available by the IRS through monthly TaxWise reports.

The following are key findings from the 2016 EKS program evaluation for the 2015 tax year:

1. In 2016, a total of 5,154 individuals received free tax preparation services at 43 locations throughout the 5 counties. That represents an 11% increase in the number of clients served in 2016 compared to 2015.
2. 82% of clients who received free tax preparation services through the UWWC EKS program received a refund. The average refund per client was \$1,824.
3. A total of \$6.8 million was returned into the local community as a result of the 2016 EKS tax program, representing an increase of 17% over the prior year.
4. A total of \$2.5 million from claimed Earned Income Tax Credits (EITC) was returned to eligible households as a result of the 2016 EKS tax program, representing an increase of 9% over the prior year. A total of \$1.8 million from

claimed Child Tax Credits (CTC) was returned into the local community as a result of the 2016 EKS tax program, representing an increase of 29% over the prior year.

5. In 2016, the average gross income of tax clients was \$22,535.
6. Of the clients who received refunds, 68% of them received their refunds via direct deposit, compared to the 2015 direct deposit rate of 65%
7. The 2016 EKS program served approximately 3.6% of eligible households in the five-county region.
8. 34% of the clients served through the 2016 EKS program paid for tax preparation services in the prior year, representing a total estimated cost saving of \$610,044.
9. Approximately 43% of clients indicated that they planned to save their tax refund and approximately 26% indicated that they planned to use their refund to pay off debts/credit cards.
10. Slightly over 67% of 2016 EKS clients receive some public benefit to supplement their income.
11. Less than 12% of the 2016 EKS clients report that they have no bank account of any kind.
12. Slightly over 14% of the 2016 clients reported that they received additional services while at the tax site. These services included health insurance information; food/nutrition and CalFresh information; a resource guide; a free bankcard/Focus Card; savings information; My Free Taxes--self-facilitated tax filing; and Savings Sweepstakes enrollment/Save Your Refund information.
13. Over 99% of the 2016 EKS clients reported they would recommend the free tax preparation service to others.
14. A total of 190 volunteers participated in the 2016 EKS program, an 11% increase over 2015, with a retention rate of 45% over the prior year.
15. Approximately 69% of volunteers indicated they plan to volunteer again in 2017.
16. In general, 87.76% of the volunteers reported they were satisfied or very satisfied with their volunteer experience.