

Make Tax Time Pay Campaign 2007 Evaluation:

Executive Summary

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Brief Program Description

The MAKE TAX TIME PAY (MTTP) campaign was the inaugural project for Vibrant Communities Edmonton (VCE). The campaign is an activity within VCE's Family Economic Supports strategy. The goal of the strategy is to help families stabilize or increase their income.

Benefits and subsidies can effectively increase a family's income by either providing funds to the family or reducing the need to spend money on certain expenses (such as recreation fees, health care premiums, eye or dental care). VCE identified seven existing benefits and subsidies that help people who earn low wages to stabilize or increase their income. Many of the applications are complicated and all require evidence of income, in particular a notice of assessment from Canada Revenue Agency (CRA) after completion of a tax return at the MTTP site.

Through MTTP, VCE partners with CRA through the Community Volunteer Income Tax Program (CVITP) to help people earning low wages to complete their tax return. The MTTP campaign expands the overall number of free tax preparation sites in Edmonton.

VCE created the MTTP binder in 2005. It contains eligibility criteria and application forms for each of seven benefits and subsidies. The Binder Specialist position was created for 2007 because 2006 volunteers did not have enough time to both prepare taxes and help clients complete application forms. Binder Specialist volunteers are trained to help clients (a) determine which benefits/subsidies they could be eligible to receive and (b) complete the corresponding application form.

Rationale for MTTP

VCE has gathered data showing that not all people earning low wages are applying for benefits/subsidies for which they are eligible. For example, it is estimated that only 22.5% of eligible families within the Capital Health Region receive the Alberta Child Health Benefit (Alberta Employment, Immigration and Industry, 2007).¹

MTTP is modelled in part on campaigns in several U.S. cities that assist moderate income working families to take advantage of the Earned Income Tax Credit (EITC). Like MTTP, the EITC campaigns involve inter-sectoral partnerships, strong support from city governments and the federal tax department (IRS in the U.S., CRA in Canada), a large network of volunteers working at multiple tax preparation sites, and promotion of the campaign through multiple channels. Cities with EITC campaigns are seeing outcomes such as (a) more eligible residents receiving the EITC, (b) larger tax refunds, (c) savings on tax preparation costs, (d) awareness of other types of tax benefits and credits for which they may be eligible, and (e) connections to other types of financial services. As well, the IRS has estimated that every EITC dollar received puts \$3 back into local economies.²

VCE contributes to some of the same outcomes reported by EITC programs (tax refunds, tax preparation fee savings). However, MTTP has a broader scope than EITC campaigns. As noted earlier, MTTP not only provides free tax preparation, but also assists low wage earners apply for benefits and

¹ Alberta Employment, Immigration and Industry (2007). Child health benefit uptake by Alberta health region. (Document provided to VCE staff)

² United States Conference of Mayors (no date). Successful EITC campaigns in cities: what experience has shown. [Hhttp://usmayors.org/workforce/documents/EITClessons.pdf](http://usmayors.org/workforce/documents/EITClessons.pdf)

subsidies that go beyond tax credits. Therefore, MTTP clients can realize additional savings that would not be available if they accessed only a tax preparation service.

Evaluation Approach

The evaluation of MTTP had eight components: (1) structured interviews with site coordinators, (2) an on-line survey of volunteers, (3) group discussions with volunteers at Volunteer Appreciation Nights, (4) exit surveys with clients as they left the tax sites, (5) semi-structured interviews with major MTTP project partners, (6) statistics on benefit/subsidy applications and projected savings, tax refunds, and tax preparation cost savings, (7) structured interviews with non-MTTP sites receiving binders, (8) unstructured (open-ended) interview with the MTTP Project Manager³

Questions asked within each above component were based on an overall evaluation framework developed by the MTTP Project Manager and VCE's Executive Director, in collaboration with the evaluation consultant. Data analysis was both quantitative and qualitative. More details of data collection methods and analysis appears in both the *MTTP Evaluation Highlights* report and in a series of data analysis reports specific to each component of the evaluation.

Highlights of Evaluation Findings

General Organization and Service to Clients

Sites generally ran more smoothly in 2007. Site coordinators with experience both years saw improved role clarity, organization and promotion. The new site manual and laptop computers were a positive addition. Volunteers were generally satisfied with site coordinators and sites. They made suggestions for additional information on benefit/subsidy eligibility and community resources for clients.

MTTP sites did more tax returns in 2007 than 2006; thus more clients were served. Fewer benefit/subsidy applications were completed in 2007, perhaps because some repeat MTTP clients had applied in 2006. Not all clients fell within MTTP's "target market" of low income wage earners.

Appointments generally worked well. There were some challenges with cancellations/no-shows, and with clients missing information they needed for tax returns and benefit/subsidy applications. Some clients preferred to take applications home; others wanted to complete them on site.

Clients gave very positive feedback to site coordinators and volunteers about MTTP service. They were especially pleased to get tax refunds and find out they were eligible for government benefit/subsidies.

Volunteer Recruitment

Site coordinators most commonly recruited volunteers through their own organizations. It was harder to recruit binder specialists than tax preparation volunteers. One third of site coordinators doubled as binder specialists. Site coordinators recruited clients mainly through promoting MTTP in their own communities. It was difficult to find binder specialists who could volunteer during the workday.

³ VCE's Executive Director left the organization prior to completion of the evaluation and was unable to participate in an interview. She did, however, review the notes of the interview with the Project Manager.

MTTP Binder and Related Materials

Site coordinators and volunteers found the MTTP binder and the related tracking sheet easy to use and useful for working with clients. The tracking sheet was revised for 2007, based on volunteer feedback, to make it easier to use. Feedback on this was more positive in 2007. There were some gaps in recording data on the tracking sheets. There was low uptake of binder use by organizations that were not MTTP sites.

CRA Tax Preparation Training

Site coordinators and volunteers were split on the usefulness of the CRA tax preparation training. Some found computer training useful, but most wanted more focus on computers and more practical application. They were less certain of the need for paper training compared to computer training.

Benefit/Subsidy Applications and Projected Savings for Clients

The City of Edmonton Leisure Access Pass was most popular, followed by Alberta Health Insurance Plan Premium subsidy (present or retroactive), and the Alberta Child Health Benefit. One-third of clients interviewed for the exit survey were eligible for at least one benefit/subsidy for which they did not apply.

Projected savings that could be calculated across all eligible clients who applied for benefits/subsidies are: Leisure Access Pass – \$17,212.11 (\$14,109.08 for facility admissions and \$3103.03 for program registrations), current health premiums - \$26,130.24, retroactive health premiums - \$6046. These savings total \$50,756.54. Calculating eligibility for the Alberta Child Health Benefit requires some data beyond what MTTP tracks. However, a rough estimate based on available data suggests savings for clients most likely to be eligible would total \$5157.00.

Income Tax Refunds

MTTP clients realized \$78,357.91 in tax refunds. Though clients could have gotten refunds from other tax preparation services, choosing MTTP allowed them to also take advantage of the opportunity to apply for benefits/subsidies at the same time they had their taxes prepared. Some of the information clients need for tax preparation is the same as what they need for the benefit/subsidy applications. Also, any clients coming to MTTP who might have otherwise gone to a private tax firm saved at least \$60 in fees (if one T4), and more if they had multiple T4s or other income slips.

Volunteer Experience

Volunteering benefited the volunteers. They increased their confidence, met new people, helped others, practised their English, spoke their first language (non-English), and/or did their own taxes. Their experiences could be helpful in making MTTP attractive to new volunteers. There were language and cultural barriers at some sites (discomfort with forms or strangers), which volunteers addressed.

Volunteers could generally complete their work with clients within the time slot of the appointment. This was less of a challenge this year than in 2006. However, the time slot was sometimes too short when volunteers were working with couples or when there was a shortage of volunteers.

Overall, connecting clients with other community services could have worked better. Church sites did this well, as they have information about places to which they can connect people.

Partner Organizations' Feedback

Major partners saw benefits to participating in MTTP, such as stronger relationships and shared delivery and outcomes. They appreciated the binder and site information, and the competency of the volunteers. The main challenge was communication, mainly around site-related information (hours, locations, updates, which sites had space to take appointments versus which were full).

Suggestions for Action

Enhance Training and Support for Site Coordinators and Volunteers

Increase the computer tax preparation training, including hands-on experience using realistic tax examples relevant to MTTP clients.

Work with site coordinators and volunteers to develop additional types of helpful information, before the campaign. Suggestions from coordinators/volunteers were a one-page "cheat sheet" with eligibility criteria for benefits/subsidies, and information on community resources/supports and affordable housing. Continue providing opportunities for coordinators to link before and during the campaign.

Recruit More Volunteers

Increase volunteer recruitment, particularly binder specialists. In addition, compile a list of organizations and groups (such as seniors, retired accountants) who could provide binder specialist volunteers during the workday. Those volunteers could then be available to MTTP community sites as well as CRA sites during daytime hours.

Recruit More Clients

Increase the number of clients MTTP serves. Expand recruitment channels to better reach MTTP's "target market" of low income wage earners, especially parents. Get into schools and churches and in particular, re-involve libraries (more libraries were involved in 2006 than 2007).

Raise awareness among present and potential clients that MTTP is the main source of free tax preparation sites in Edmonton, and the only program to offer the benefit/subsidy application component. Point out savings to the client of using MTTP versus paying a private firm.

Emphasize to Clients the Benefit/Subsidy Application Process

Have appointment takers explain to clients in advance what kinds of information they need to bring with them to the site in order to fill out benefit/subsidy applications.

Ask tax preparers to strongly encourage clients who appear eligible for benefits/subsidies to stay and see a binder specialist. Ensure consistent availability of a binder specialist, and adequate time to complete applications.

Ask both tax preparation and binder specialist volunteers to encourage clients to fill out benefit/subsidy applications on-site, while still accommodating clients who prefer to take applications home. For clients who take forms home, ask binder specialist volunteers to follow-up (by phone, mail, or e-mail) to make sure they have submitted their applications and to ask if they need further assistance.

Enhance promotion of the ACHB and the LAP to MTTP clients with children. The highest present users of LAP are children. Explore reasons why there are very few applications for some of the benefits/subsidies (such as child and out-of-school care). Clients may not need them, but it is also possible that they do not have much knowledge of those benefit/subsidies.

Continue Responsiveness to Client Diversity

Continue and enhance present efforts to be responsive to language and cultural differences. Some sites did this particularly well and could share their experiences with other sites.

Diversify Promotion of Community Resources and Supports for Clients

Diversify ways of promoting other community resources/supports that may be of interest to clients. Examples could include posting community resource information at the tax sites and/or giving out flyers that list services in the area around the site. For the latter, site co-ordinators could compile lists of resources and VCE could print them.

Improve Consistency of Data Tracking and Consider Additional Data Needs

Emphasize the importance of volunteers completing all tracking sheet data fields. Use a separate sheet for each member of a couple, so each person's income can be seen separately. Consider collecting additional data such as net income (in addition to gross and taxable income already collected), source of income, and child support income received/taxes paid. VCE will need to determine the right balance between collecting additional data for more precise evaluation of benefit/subsidy eligibility, versus the extra work that it would create for volunteers.

Implement Partner Organizations' Recommendations

Implement key recommendations from partners, in particular, (a) continue to strengthen project management (such as continuing to clarify roles and keeping the Implementation Committee), (b) expand community development (do outreach to people not presently reached by MTTP, build community assets, build capacity for MTTP in organizations) and (c) enhance CRA training (have more computer training with small classes, gear training to different tax preparation experience levels).

Revisit the Process of Working with Non-Site Binder Specialists

Explore less expensive ways to distribute binders to non-MTTP sites, such as on CD rather than hard copies. Reconsider the evaluation of non-site binder use. Perhaps follow up with the organizational contacts shortly after they receive their binder (within the first two months). Focus on intended as well as actual use, barriers to using the binder, and feedback on the binder. If uptake of the binder does not improve, re-examine whether distributing it to non-MTTP sites is a worthwhile use of resources.

Encourage the non-site organizations receiving binders to refer low income wage earners to MTTP sites for free tax preparation and assistance with benefit/subsidy applications.