

MONEYUP

REDEFINING THE FINISH LINE: MONEYUP'S APPROACH TO THE TAX SEASON AND BEYOND

One of a series of field reports from United Way of New York City's MoneyUP Initiative
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This report discusses the impact and results of redefining free tax preparation to include year-round financial coaching on the lives of working poor New Yorkers.

Any tax preparer can attest that as April 15th draws nearer, there's a collective sense of achievement and relief in the air. But even after filing 3,780 tax returns—over \$4.1 million in refunds to filers—the finish line for MoneyUP preparers lies months away. MoneyUP redefines the “tax season,” and this means that our finish line is not defined by a point in time, but rather a more ambitious goal: achieving financial security for the working poor people we serve.

United Way of New York City's MoneyUP Initiative—in which The Financial Clinic is the lead partner—offers a new approach to tax preparation and, ultimately, financial security. Together, we have created a model that identifies the “tax moment” as a critical time to launch a long-term relationship with the tax filer. MoneyUP provides year-round, on-site financial services and support to tax filers.

Enlisting a tax filer in financial coaching begins at the moment they file their tax return. On-site financial coaches ask tax filers a series of questions about financial goals and how to realize them. In the 2008 and 2009 tax seasons, over 16 percent of our customers—486 people, a number surpassing our initial projections—immediately took advantage of the financial coach's services. Tax filers asked to download their credit reports, be screened for public benefits, and explore savings strategies. This in-the-moment engagement provided a strong foundation for long-term customer relationships.

2008 & 2009 Tax Season Milestones for MoneyUP Customers				Tax Season Educational Opportunities for MoneyUP Customers	
Credit Report Download	Public Benefits Screening	Assessed for AEITC	Bought US Savings Bonds	Split Refunds	Interested in Savers Credit
244	153	32	47	174	182

Naturally, some customers were not interested in immediate financial coaching at the moment they were filing their taxes. We found that giving a simple introduction to our financial services and explaining that coaches would be available year-round encouraged many more customers to return in the post-tax season once they had more time or if they had a financial need.



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After April 15th, financial coaches contacted nearly all the tax filers using a multi-step outreach strategy for follow-up via letters, phone calls, and postcards. Inviting MoneyUP customers to return to the sites to take advantage of the year-round financial coaching services.

For the 2009 tax season, MoneyUP partnered with three community-based organizations: Nazareth Housing, Chinese American Planning Council, and Partnership for the Homeless. Full-time financial coaches are stationed at each of these sites, helping customers transition from deficit-oriented goals (like getting out of debt, resolving problems with the IRS, or accessing denied public benefits) to asset-oriented, action-driven goals (such as buying a home, continuing education, or starting a business). Financial coaches explain the Clinic's coaching approach: Eschewing temporary, "band-aid" solutions in favor of a trajectory to financial security that address the underlying situation that causes a customer's financial problems. Key to this process is a comprehensive financial plan that supports the customer's activities. Then, at each meeting, the coach reviews the strategies and action steps (such as documenting income and expenses, collecting bills, researching banks) that will enable the customer to reach his or her goals.

Milestones are concrete indicators of the progress customers have made along the path toward financial security: Opening bank accounts, tax refunds accessed after the tax season, increasing income, reviewing credit reports, negotiating with creditors, and so on. We measure customers' larger progress via milestones achieved. In 2008, we served 303 customers from the end of the tax season through mid-December—exceeding our goal by over 300 percent—we accomplished 489 milestones with our customers, averaging over one and a half milestones per customer. And through our intensive one-on-one financial coaching services, we helped save \$18,683 through savings and alleviated debt.

"You've been so helpful to me. You've helped me with my money in more ways than one. I don't know what's worth more: Your help in organizing my money life, or your help with cutting my personal maintenance costs by 90 percent!"

—MoneyUP Customer

Customers' accounts of crossing their own finish lines illustrates the strength of the MoneyUP model. One customer who needed guidance with her budget recounts: "You've been so helpful to me. You've helped me with my money in more ways than one. I don't know what's worth more: Your help in organizing my money life, or your help with cutting my personal maintenance costs by 90 percent!"

It is then that a sense of personal victory sets in: Seeing a customer's pride in becoming a steward of her financial future. Energized, customers feel equipped to take on the world and go after any obstacle with a step-by-step approach and the knowledge that no obstacle is too big to handle. This is the true value of the MoneyUP Initiative. This is the finish line we are looking for, one without a definite path or ending, but one that makes the race worth running.

