



**Federal Reserve Bank of St. Louis  
Investment Connection Proposal**

Proposal title	Tax Time Saving at Louisville VITA Sites
Contact	Brittany Sims
Title	Program Director
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Organization name/address	Louisville Asset Building Coalition Louisville, KY 40203
Mission statement	To to promote stability through economic success.
Overview of organization	Louisville Asset Building Coalition (LABC) is a 501(c)(3) organization that is a broad public/private collaboration dedicated to promoting financial stability and asset building for individuals and families. By providing direct services and linkages to other community resources, LABC strives to build an economic foundation that will allow residents of our community to reach their highest potential. Based in Louisville, KY, LABC serves low to moderate incomes in Jefferson and surrounding counties (KY and IN).
Website	<a href="http://www.labcservices.org">www.labcservices.org</a>
Social media link(s)	Facebook <a href="https://www.facebook.com/labcservices/">https://www.facebook.com/labcservices/</a>
Location of project/activity	Louisville/Jefferson County, KY-IN (MSA) Kentucky Jefferson County
Geographic Impact	Countywide
Support request	Grant

Requested dollar amount	\$5,000
Proposal description and structure	<p>In the upcoming 2018-19 tax season, LABC will promote tax time savings to VITA consumers at all Louisville area sites. This project will likely be supported by the CFPB for a second year. We expect to be accepted into a Tax Time Savings Cohort which will provide educational materials, training, and technical assistance to 75 VITA programs across the country that are committed to promoting saving.</p> <p>Consumers will receive communication about saving opportunities before they arrive at the tax site and during the tax filling process. Staff are already being trained on the benefits of savings and how to discuss saving options with consumers, and similar training will be required for all volunteers. All consumers who choose to save at least \$50 of their refund through Form 8888 (split refund) will have the option to enter in an incentive program. Education materials provided by the CFPB will be heavily utilized at all tax sites and distributed to consumers.</p>
Issues addressed	Financial Access, Capability and Empowerment
Target population/geography	<p>The focus of Louisville Asset Building Coalition’s (LABC) Volunteer Income Tax Assistance (VITA) program is on those who are claiming the Earned Income Tax Credit (EITC), which is a refundable tax credit that increases the income of low-to-moderate income working families through the provision of tax reductions and wage supplements.</p> <p>Free tax preparation assistance services through the VITA program are available to any household that earned less than \$64,000 during the year for which they are filing a tax return. The average annual income of our families was approximately \$23,000 Tax Year 2018 with more than 94% having incomes that were below \$50,000. Our services are not limited based on residency, however most of the individuals and families that we serve reside in the Louisville/Jefferson County area.</p>
Population served including income	Free tax preparation assistance services through the VITA program are available to any household that earned less than \$64,000 during the year for which they are filing a tax return. The average annual income of our families was approximately \$23,000 Tax Year 2018 with more than 94% having incomes that were below \$50,000. Our services are not limited based on residency, however

	<p>most of the individuals and families that we serve reside in the Louisville/Jefferson County area.</p>
<p>Anticipated outcomes/impact</p>	<p>Our goal for this project is that 2% of consumers that file their tax return at one of our VITA sites will save a portion of their refund. Research presented by the CFPB shows that having even a small amount of savings in a reserve has a number of beneficial effects, including increased resiliency, reduced used of high-cost financial services in response to a financial emergency and reduced household stress.</p> <p>Tax time offers a unique opportunity for many consumers to save because the majority of tax filers receive a lump sum refund. While many households use this income to reduce debt and maintain current financial obligations, there are opportunities for many to do these things while also establishing a small nest egg for financial goals that at other times during the year may only be aspirations. Many tax filers mentally set aside money for savings at tax time, but are not offered or may not be aware of the opportunity to save while filing their tax return.</p>
<p>How will the program be evaluated</p>	<p>This program will be evaluated in two different ways: measurable savings and consumer intent to save. Our goal for measurable savings is that 2% of consumers that file their return at one of our VITA sites will save a portion of their refund. The IRS provides choices for filers to designate portions of their refund to be automatically deposited into up to three separate accounts. This is done through IRS Form 8888.</p> <p>Consumer intent to save is harder to measure. We believe that we will benefit some of our consumers by having a savings conversation with them at the tax site, but they will not save when filing their return. We plan to measure consumer intent to save by surveying consumers before they leave the tax site. We will ask if they intended to save a portion of their refund before they came to our tax site and whether or not the saving education that they received increased the likelihood that they would start saving or increase the amount that they are saving over the next year.</p>
<p>Project time frame</p>	<p>Existing Program Project Duration: Ongoing Program</p>
<p>Other significant partners in the proposal</p>	<p>Consumer Financial Protection Bureau (CFPB) Technical Assistance/Expertise <a href="https://www.consumerfinance.gov/">https://www.consumerfinance.gov/</a></p>

	<p>Louisville Metro Government Office of Resilience and Community Services Funding <a href="https://louisvilleky.gov/government/resilience-and-community-services">https://louisvilleky.gov/government/resilience-and-community-services</a></p> <p>Internal Revenue Services Funding <a href="https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers">https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers</a></p>
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