

SaveUSA

Promoting Savings by Low-Income Families

To help increase low-income families' limited savings, the *SaveUSA* program offers eligible individuals a 50 percent match if they deposit a portion of their tax refund into a "SaveUSA Account" and maintain the initial deposit for approximately one year. The decision by *SaveUSA* participants to save a portion of their refund, combined with limited access to the account and a significant match, is expected to start the participants on a pathway to longer-term savings and greater financial stability.

SaveUSA is a tax-time savings program being replicated through the national Social Innovation Fund (SIF). The Social Innovation Fund, administered by the Corporation for National and Community Service, is a public-private partnership to replicate successful programs and build evidence for more impactful ways to reduce poverty and improve communities. The SIF requires a 3:1 private match and its focus on evaluation builds in accountability for results.

Program Providers

New York City

- Food Bank for New York City

Newark, NJ

- Newark Now

San Antonio, TX

- United Way of San Antonio & Bexar County

Tulsa, OK

- Community Action Project of Tulsa

THE SAVEUSA MODEL

SaveUSA is offered during the tax seasons to low-income tax filers at Volunteer Income Tax Assistance (VITA) sites who receive at least a \$200 tax refund from their federal, state, and/or city tax returns. Participants receive a 50 percent match, up to \$500, if they deposit at least \$200 of their tax refund into a "SaveUSA Account" and maintain the initial deposit for approximately one year. Our *SaveUSA* providers work with financial institutions that hold the accounts to facilitate account opening at *SaveUSA* VITA sites. With the close of the 2011 tax season, *SaveUSA* has successfully completed its first year of operation.

SaveUSA builds on early promising findings from a similar program - *SaveNYC* - implemented in New York City by the Department of Consumer Affairs Office of Financial Empowerment. *SaveNYC* attracted 2,200 savers in its three years of operation, 23 percent of whom did not have a bank account, and 40 percent of whom reported having no savings or history of saving when they entered the program. Participants in 2008 and 2009 accumulated more than half a million dollars in savings, in some of New York's poorest communities. The majority of participants (80 percent) saved for at least one year and received the match funds, and 70 percent continued to save even after receiving the match.

New York City's program operating experience suggests that clear procedures, staff training, and intensive and effective marketing were key to the successful implementation of *SaveUSA*. As a result, *SaveUSA* providers required staff and volunteers to complete intensive training prior to the start of the 2011 tax season. Training covered all aspects of *SaveUSA*, including: strategies for marketing the *SaveUSA* Account and overcoming barriers to recruitment (e.g., hesitancy about using banks, products seeming to be "too good to be true," and concerns about sharing information with government agencies); how to respond to anticipated questions from filers; detailed protocols on the account-opening process; and consciousness-raising exercises on the value of asset building in low-income communities.

CEO, the Office of Financial Empowerment, and MDRC provide technical assistance and support to sites in developing marketing and publicity strategies to attract potential savers. Assistance is also provided during the training of staff and volunteers to maximize filer participation and the opening of accounts.

EVALUATION

In New York City, Newark, San Antonio and Tulsa, the evaluation is examining the percentage of eligible individuals who accept the offer of the match, the amounts the individuals save in the specialized accounts, and eventually their patterns of saving over a 3-year period.

In New York City and Tulsa, the effectiveness of *SaveUSA* is being determined using a random assignment research design. In these cities, individuals visiting the VITA sites who are eligible for a refund of \$200 or more and express an interest in savings are being assigned at random to either a program group that is offered the *SaveUSA* match, or a control group that is not offered the special match but is informed about various other savings options normally offered at VITA sites. Over a 4-year period, program effectiveness will be measured in these two cities by comparing the *SaveUSA* group with the control group on outcomes such as the likelihood of having a bank account, paying college tuition, or repaying student loans; and general savings, debt, assets, and overall financial stability.