

**SAVING IS ~~IMPOSSIBLE~~
~~COMPLEX~~
~~CONFUSING~~
HARD.
BONDS MAKE IT
EASY.**

2011 SAVINGS BOND REPORT



ACKNOWLEDGEMENTS

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Tremendous gratitude is due to the many partner organizations that brought the Bonds Make it Easy campaign to life and to members of the Savings Bond Working Group (www.d2dfund.org/SBWG) who continue to be advocates of U.S. Savings Bonds as a valuable savings instrument for all people, regardless of income or wealth.

ABOUT THE DOORWAYS TO DREAMS FUND (D2D)

The Doorways to Dreams (D2D) Fund strengthens the financial opportunity and security of low and moderate income consumers by innovating, incubating and stimulating new financial products and policies. D2D envisions a world where the financial system promotes lasting social and economic prosperity for every family. D2D works with the financial services industry, national non-profit groups, grassroots community agencies, and public policy organizations to work toward that vision. Finally, D2D would like to acknowledge the efforts of the Asset Building Working Group (ABWG) of the National Community Tax Coalition (NCTC) in building awareness and driving use of the savings bond policy among the volunteer tax preparation community www.d2dfund.org



ABOUT THE BONDS MAKE IT EASY CAMPAIGN/TAX TIME SAVINGS BOND CAMPAIGN

The Tax Time Savings Bond Campaign has a simple purpose- to encourage all Americans to invest a part of their tax refund in U.S. Savings Bonds. The Campaign comprises public outreach, media outreach and tools for nonprofits and voluntary and commercial tax preparers to build awareness of the new savings opportunity and to promote bonds at tax time. The Campaign is coordinated by the Doorways to Dreams (D2D) Fund and the Savings Bond Working Group. The Savings Bond Working Group is a coalition of local and national non-profit organizations, members of the tax preparation industry, and other partners working together to promote savings at tax time through U.S. Savings Bonds. D2D and the Savings Bond Working Group created the Tax Time Savings Bond Campaign in collaboration with colleagues and partners representing the financial services industry, national non-profit groups, grassroots community agencies, and public policy organizations. www.bondsmakeiteasy.org

This paper was prepared by the Doorways to Dreams Fund. Questions, comments and suggestions are welcome at info@d2dfund.org

Design and layout by Daniel Luzier www.dadalu.net.

The cover art is inspired by a mural created by Foundation Communities, Austin Texas. Foundation Communities promoted the savings bond policy at their tax preparation sites.

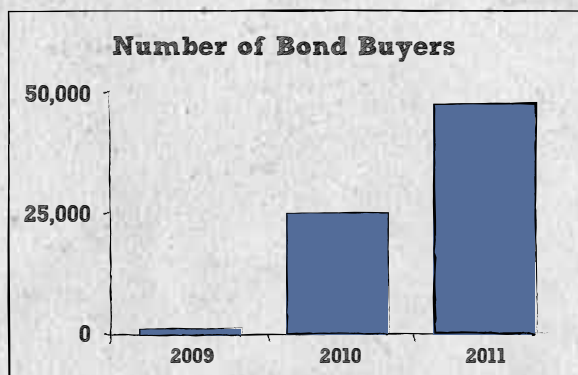
EXECUTIVE SUMMARY

As we continue to experience the worst recession in a generation, nearly all Americans agree that we must strengthen our national and our household balance sheets. Very simply, families need adequate savings, especially those who were already financially vulnerable before the economic crisis hit in 2008. With the 2010 introduction of a national tax time savings infrastructure accessible to all Americans, we have a powerful new opportunity to help working families build their savings and, gradually, a brighter financial future for themselves and their children.

Converting opportunity to impact was the central challenge for the Doorways to Dreams (D2D) Fund and the Savings Bond Working Group (SBWG) as we entered tax season 2011. The result was the Bonds Make it Easy national social marketing campaign, which aims to build awareness and use of the tax time savings bond policy first announced by President Obama in late 2009. The campaign is the opening salvo in a ten year effort to help one million tax filers invest a portion of the refunds each year. Preliminary data show the campaign is on track to achieve its 2011 goal of 50,000 taxpayers saving in U.S. Savings Bonds at tax time.¹ As of late April, nearly 45,000 people have generated \$11 million in savings.

This report details this important achievement and other salient findings, including:

- **The number of Tax Time Bond Buyers is growing dramatically year over year.** 2011 marked the first year of a full featured tax time savings infrastructure, as the IRS offered savings bonds to all tax refund recipients (even those not using direct deposit, such as the un- or underbanked) and allowed savings bonds to be issued in the names of children and others.



¹ Based on tax season 2010, we expect about 10% of total tax time bond orders to be placed by tax filers who submit returns after April 15th.

- **Tax time saving can be habit forming.** Early data show that more than 25% of those who ordered savings bonds at tax time in 2010 did so again in 2011. Given the on-going recession, the newness of the policy and the variability in the size of tax payers' refunds year to year, this is a tremendously encouraging finding. If this repeat buying rate holds – or grows, even – the Bonds Make it Easy campaign will have to reach fewer new prospective savers each year.

- **Tax filers are motivated to save when they can do so for others.** Early data show that nearly half of all tax time savers in 2011 chose to save on behalf of others, a finding corroborated by tax time savings pilots D2D and partners conducted from 2007 to 2009.

- **Lower-income households benefit the most from the Tax Time Savings Bonds policy.** Early tax season data showed more than 80% of the 2011 users of the tax time savings bond policy had household incomes below the national median. As those living on tight incomes often struggle most to save, this finding suggests tax time saving is effective in reaching those who need the most help getting started saving.

2011 was a watershed year in a long-term effort to help working families increase their financial security. A new, full featured national tax time savings policy was complemented by the new Bonds Make it Easy social marketing campaign, a compilation and distillation of years of marketing efforts to encourage saving. An unprecedented number and range of partners contributed untold hours to the effort, directing their energies into a wide range of marketing tactics. Lessons from 2011 will only strengthen the campaign in 2012 and beyond, as tax time savings bonds graduate from a novel new idea to an assumed and essential part of Americans' annual tax preparation rituals.

INTRODUCTION

Imagine a country where every household has the opportunity to experience financial success – success in teaching their children how to save for the future, success in providing a secure future for their family, and success from knowing they make healthy financial decisions, even if only once a year. Such successes are hard to come by at a time when many Americans are wracked with financial worry. Yet a new policy creates the conditions for financial success, allowing Americans expecting a federal tax refund to purchase U.S. Savings Bonds as they file a tax return. The premise is simple: tax payers should have a convenient way to save at a time when they are presented with large lump sums, amounts they wouldn't ordinarily see at other times of the year. Saving becomes simple and hassle free when tax payers can simply mark yes on their form and, for as little as \$50, enjoy an inflation protected, competitive interest rate on a fee-free savings product. Equally important, tax filers can gift savings through their tax return, ordering savings bonds in the name of a child, grandchild or other loved one.

Led by the Doorways to Dreams (D2D) Fund and its partners in the Savings Bonds Working Group, the "Saving is hard. Bonds Make It Easy" Tax Time Savings Campaign is a multi-year national effort to increase savings among low- and moderate-income (LMI) households by encouraging them to purchase U.S. Savings Bonds at tax time. The campaign was launched in 2010 and, in its first year, employed multiple strategies to build awareness of the new policy² and motivate people to save: social media, point of sale marketing collateral for consumers, and outreach to community partners, tax preparers and legislators.

Lua's story (see sidebar page 5) captures the feeling of success the Tax Time Savings Bond Campaign sought to foster and puts a face to the savings numbers. Already this year 45,000 Americans have saved \$11 million in U.S. Savings Bonds at tax time with a portion of their refund, in the process improving their financial condition by an average \$244 per family.

This paper reports what the campaign accomplished this year, offers key lessons from the experience, and presents opportunities to help more financially vulnerable Americans get on a path to successful saving. The paper also discusses the future and what each of us – tax preparers, tax software providers, community organizations, government at the federal, state and local levels – can do to make tax time savings a success through 2014 and beyond. Saving, and helping people to begin saving, is Hard. However, Bonds are making it Easy!

{ Imagine a country where every household has the opportunity to experience financial success. }

² During President Obama's weekly radio address on September 5, 2009, the President announced new steps to make it easier for American families to save for retirement. One piece of this plan enabled taxpayers to split their federal refunds into U.S. Savings Bonds directly on the tax form.



KIARA THE VETERINARIAN

Kiara's room isn't filled with Barbies or the latest toys- it is full of tigers and cats and movies about animals. With the hopeful and tender focus that comes with being twelve and already having a career ambition, Kiara is very serious about becoming a veterinarian. And her mother, Lua, is very serious about making those dreams come true.

But as a single mother of two, studying full time and working part time, Lua knows firsthand how difficult it can be to get savings started. With limited income, it's difficult to gather up the minimum amount to open a savings account, and once that's actually accomplished, she says there will always be an emergency and savings will go down. What's more, she is wary about the banking system, where often one needs a substantial amount to even open an account and fees seem to come out of nowhere. She feels "banks are just holding your money". But, as she looks around, especially at her peers at school, she realizes that less and less people seem

Not only does Lua feel successful in planting the seed of knowledge and awareness about saving, and in having the ability to gift her children the beginnings of a future, there is, of course, the added bonus of a feeling of security. "Especially with the economy now, the insecurity of investing in the stock market, it is nice to know that they will definitely have something when they grow up. And for those people that are getting their taxes done for free, well, they can use that money they were saving to at least buy one savings bond."

And though Lua thinks first of her children, she knows that the key to success is to plan for all areas of life. Next year she will be purchasing bonds again, and this time, one for just herself: "I'd like to plan for retirement."

"My children know now that when the time comes, they will have that money for college."

- Lua

to appreciate the importance of saving: "They only know about credit and having debt." In line to get her taxes done, Lua tells her peers how important it is to buy a savings bond: "You buy it, you probably even forget about it, but every year it's growing and giving you more interest." And despite starting small, with just \$100 for her daughter and son, there is nothing like that feeling of success - of having taken an essential first step towards building a future. "My children know now that when the time comes, they will have that money for college." Lua sounds proud as she talks about the lesson she is providing her children, and the goals she has already met. Lua likes that with savings bonds, her children know they can't just run out and spend; they aren't just being gifted money- they are being gifted a lesson in self-success. "Each year you can go and check how much you are saving instead of how much you are losing." They are learning now what it means to save.



THE 2010 CAMPAIGN

When we were little, many of us had dreams about what we would accomplish when we grew up; while our dreams may have evolved, the desire to achieve them did not. For many of us, parents and grandparents would do whatever they could to help us pursue our dreams and preserve the feeling that anything is possible. In the culture of savings and thrift in which previous generations grew up, it was natural to help children achieve their goals by setting money aside for their education and future financial security.

But in today's economic environment, saving is hard and many saving opportunities are inaccessible for households with little discretionary income. With the 2010 introduction of the tax time savings bond policy, however, an annual savings opportunity is now available to all, and especially well-suited to saving on behalf of children and grandchildren³. The Bonds Make it Easy campaign is built on this very important connection between savings, children's and grandchildren's futures, and associated feelings of optimism and possibility. Parents and grandparents now have an easy, accessible and universal opportunity to help loved ones secure their dreams.



BONDS MAKE IT EASY FOR TAXPAYERS TO SAVE

The 2010 campaign focused on reaching taxpayers with this message of opportunity, optimism and possibility. It consisted of a multi-faceted approach to reach both consumer gatekeepers, such as tax preparers, and to reach consumers directly with both online and offline activities.

As this was the first year for this campaign, D2D and its Savings Bond Working Group partners tested a range of approaches to learn what is most cost effective and replicable for future years.

³ In the 2007-2009 D2D pilots, between 66% and 72% of pilot bond purchasers ordered bonds "co-owned" with others – mostly children and grandchildren – indicating an interest in securing the financial futures of their offspring. In addition, purchasers saved on average 73% more when saving for and with others as co-owners.

- THE ONLINE CAMPAIGN

Anchored by the "Bonds Make it Easy" (BMIE) web site, www.bondsmakeiteasy.org, the online campaign built significant brand awareness and drove traffic to the BMIE campaign's digital marketing efforts. Online tactics included social media and e-mail marketing outreach and messaging, use of videos, blogging, online public relations, a #WhenIGrowUp video contest, and search engine optimization. Overall, the online campaign yielded more than 120,000 LMI impressions on social media channels, a total of 3,600 facebook, twitter and linkedin fans and followers, and 18 contestants for the #WhenIGrowUp video contest.

Overall, the online campaign yielded more than 120,000 LMI impressions



Figure: The Bonds Make It Easy Facebook page, featuring 2,900+ fans and the "#WhenIGrowUp" contest imagery and the Twitter page, featuring 1,200+ followers.

JESSE HENDERSON, LOCOMOTIVE ENGINEER AND CONTEST WINNER. “#WhenIGrowUp” CONTEST

“They have engines, really big engines. Bigger than cars, maybe even bigger than planes. What does it sound like? Mmmmm. Chugchugchugchug. My name is Jesse and when I grow up I want to be a locomotive engineer! All aboard!” At only 7 years old, Jesse Henderson can tell you everything you need to know about trains- how fast they go, how the engines work, and how big they usually are.

As part of our social media campaign, the #WhenIGrowUp video contest offered the opportunity for one grand prize winner to receive a \$1,000 U.S. Savings Bond and for two runners-up to receive \$50 savings bonds in return for a one minute video of the child telling us what he or she wants to be “#When I Grow Up.” The goal of the contest was twofold: to drive awareness of the Tax Time Savings Bond opportunity by creating online “buzz,” and to get families thinking about their own dreams and the key role savings play in making those dreams possible. The former goal spread the word about the tax time savings bond opportunity, while the latter sought to create passionate evangelists for the campaign.

This year's grand prize #WhenIGrowUp contest winner is, according to his father, “just plain passionate about trains,” and his \$1,000 Savings Bond prize is going straight to his college fund – to become a locomotive engineer and drive trains, of course. In preparation for his future career, Jesse wears an awesome engineer hat he got for Christmas and spends much of his time studying YouTube videos which explain the minutest details about trains. His father, Jesse senior, has been inspired by the contest and has started to think about the role of savings bonds in their future - “a savings bond here, a savings bond there, creates a nest egg for the future.” The success of the #WhenIGrowUp contest reminded us that Tax Time savings bonds can help make dreams come true.

{ Mmmmm. Chugchugchugchug. My name is Jesse and when I grow up I want to be a locomotive engineer! }

– Jesse Henderson



REFUND RUSH

BONDS MAKE IT EASY TO WIN AN IPAD

Developed using strategies learned from D2D's other Financial Entertainment titles, Refund Rush is a casual financial education video game focused on saving at tax time. Players help imaginary tax clients decide how best to split their refunds among paying off debt, saving for the future, and saving for retirement. The game is a non-threatening, fun, fast-paced way to help tax filers and tax preparers think about tax time savings. Through the process of game play one learns that there are multiple ways to save by splitting a tax refund, and that everyone can save in US savings bonds. To encourage people to try out the game, and add an extra element of excitement, D2D held a contest offering an Apple iPad to the player earning the highest score by April 15th.

www.financialentertainment.org



**HIGH SCORE ON APRIL 15
WINS AN APPLE IPAD!**

- THE DEMONSTRATION MARKETS

In demonstration markets, the campaign deployed varying tactics to reach deep into communities with the savings bond message. Community ambassadors⁴ in Boston and "street teams⁵" in Philadelphia helped spread the tax time savings bond message. Street teams were tasked to approach businesses in Philadelphia and ask them to place posters or flyers throughout their locations. Fifty seven percent of businesses responded favorably once they understood the campaign and message, and allowed collateral to be displayed in their establishments free of charge. In addition, in both cities, 41 strategically located local businesses received a small payment to place promotional materials in storefront windows and other high traffic places.

⁴ Community ambassadors were chosen who are integrated into and have strong relationships with immigrant communities in Boston, most of which are unaware of U.S. Savings Bonds. The ambassadors had already been working successfully to build awareness of the Earned Income Tax Credit (EITC) and free tax preparation options across Boston. They integrated the new tax time savings bond message into their outreach efforts by disseminating savings bond flyers and talking directly with community members. Flyers were distributed in seven different languages: Somali, Haitian Creole, Spanish, Portuguese, Cape Verdean Creole, Chinese and Vietnamese.

⁵ Street teams are hired outreach workers commonly used to introduce or drive use of commercial products by placing promotional materials in strategic community locations.

AMBASSADORS AND STREET TEAMS IN DEMO CITIES

Street Teams

In Philadelphia, outreach teams walked the streets of target neighborhoods asking local businesses to position posters and flyers in areas frequently visited by consumers and where consumers spent a good amount of time. This included hair and nail salons, laundromats and local markets. Their strategy was to surround commercial tax preparation sites with the savings bond message and to build awareness of the opportunity with as many people as possible before they visited these sites to file their taxes. The street teams were also successful in persuading many tax preparation stores to place the savings bond material in their offices at no cost to the campaign. Through the teams' efforts, about 22,400 consumers received the savings bond message; while successful in building awareness, it is difficult to know at this stage what impact the consumer impressions had on bond take-up rates.



Ambassadors

In Boston, outreach ambassadors worked within their geographic and ethnic communities to spread the savings bond message and educate consumers about the new savings opportunity. Ambassadors were selected who are well known and trusted in their communities, and work with the Earned Income Tax Coalition to build awareness of Volunteer Income Tax Assistance (VITA) sites and tax credit opportunities. Their work in Boston tested the impact of reaching a subset of the population who have no history with savings bonds and are learning about both the policy and product at the same time. Sharing the message through local media, the distribution of over

4,500 flyers, and hands-on education in and outside of tax preparation sites, ambassadors reached an estimated 6,800

"Savings bonds are an essential tool for asset building. The savings bond policy provides easy and accessible savings opportunities for our taxpayers and their families"

**- Mimi Turchinetz
Director, Boston EITC Coalition**

consumers. While take-up is hard to measure, several ambassadors were linked to the VITA sites where the majority of Boston bond purchases at VITA sites were made. Faced with a difficult, first-time task, they succeeded in planting a seed which generated a few first adopters who in future years can themselves serve as ambassadors to their communities for the tax time savings bond message.



BONDS MAKE IT EASY FOR TAX PREPARERS TO ENCOURAGE SAVING.

Tax preparers are essential for the long-term scale and success of the tax time bonds policy. In 2010, the campaign established relationships with commercial tax preparers and software providers such as H&R Block, Jackson Hewitt, Liberty Tax, and other third party software providers including Drake Software, CCH Small Firm Services (the developers of TaxWise used at VITA sites), Cross-link and Intuit (the makers of TurboTax). Many helped spread the savings bond message to their tax preparer communities by disseminating outreach campaign messages in newsletters and e-mail communication. The campaign will re-engage them in 2012, and continue to explore ways they can educate their workforce, customers and users about the tax time saving opportunity.

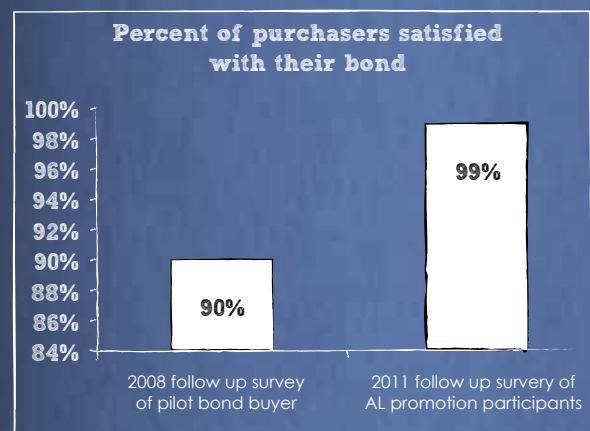


Intuit has been a leader in incorporating the savings bond message into its products and has been a strong campaign partner both this year and last year. See the Intuit Case Study (page 12) for details on how they incorporated the savings bond message in their TurboTax software,

Street teams in Philadelphia surrounded tax preparation sites with information about the campaign and also approached tax preparation stores themselves, including H&R Block, Jackson Hewitt and Liberty Tax, as well as local community tax preparers. Twenty-two tax sites voluntarily put up campaign posters or made flyers accessible to their clients.

SAVENOW, WINLATER ALABAMA PROMOTION SPURS FIRST TIME SAVERS AND BUILDS AWARENESS

A promotion run by Impact Alabama, a nonprofit organization dedicated to substantive service-learning projects for students, and co-sponsored by the University of Alabama is an excellent example of how contests can motivate savings. Through SaveNow, WinLater, tax filers could earn a chance to win a \$20,000 grand prize and two \$1,000 prizes (awarded in February and March) for every \$50 invested in savings bonds between January 15th and April 14th. The number of chances to win was unlimited. 553 low-income taxpayers purchased bonds totaling over \$51,000 in savings. In a survey conducted after tax season, 56% of respondents said the contest contributed to their decision to save in tax time savings bonds. Further, 79% of buyers said they would buy a bond in following years regardless of the continued existence of the contest and 86% of respondents reported never having saved a portion of their refunds before.



Intuit Case Study⁶

When D2D realized its victory on Labor Day 2009 – the day President Obama announced that federal tax forms would begin offering taxpayers the option to use part of their tax refund to buy savings bonds – it sought a partner in the industry that could help encourage people—especially lower-income taxpayers—to actually take advantage of the savings bond option. Intuit stepped forward, as one of the nation's largest makers of tax preparation software and a founding member of the IRS Free File Alliance, a public/private partnership with the IRS through which online tax software companies donate their tax filing services to 70% of all taxpayers.



Intuit was a logical partner. Its mission is to improve peoples' financial lives so that they cannot imagine going back to the old way of doing things. Consequently, the company saw the savings bond option as a valuable way to help people make the best of their tax refund. Together, Intuit and D2D resolved to promote the option nationwide.

Intuit worked to understand what messaging would encourage taxpayers to purchase savings bonds with part of their refund. This messaging was an especially important addition to TurboTax Freedom Edition (the software it offers through the IRS Free File and 21 state Free File programs), which is designed for lower- and moderate-income taxpayers. The results have been positive.

In 2010, taxpayers purchased 11,671 savings bonds through TurboTax. One year later, the number of savings bonds purchased had nearly doubled, to 22,480.

Intuit attributes part of this growth to incorporating messaging about the gifting option, which was an enhancement to the savings bond program this year. As the screen shot below shows, Intuit designed the savings bond message in its Free File edition to remind taxpayers about the savings bond opportunity, as well as a new option that allows them to buy bonds as gifts for family members. The reminder worked: in 2011, lower-income taxpayers using TurboTax Freedom Edition purchased 5,440 savings bonds with a total value of \$744,908.

Across all Intuit software versions, total savings bond purchases totaled nearly \$6 million in Tax Year 2010. The following chart breaks down the purchases by taxpayer demographics.

Intuit has been an important partner in the growth of the savings bond campaign. The year-over-year growth in savings bond purchases reflects the key role the tax preparation industry plays in encouraging taxpayers to invest in their future. And the growth also reinforces the belief that taxpayers are hearing the message loud and clear.

2011 Savings Bond Customers		15,243
Total Bonds Purchased	22,480	1.47 bonds/customer
Average Bond Purchase Amount	~\$260	
Average Refund Amount	\$3,177	
Average Total Income	\$44,989	
EIC Filers	4,434	29%
Child Tax Credit Filers	3,706	24%
Filing Status		
- Single	48.03%	
- Married Filing Jointly	29.5%	
- Married Filing Separately	1.16%	
- Head of Household	21.22%	
- Widow(er)	.09%	

Contributed by Intuit and the Intuit Financial Freedom Foundation

⁶ Statistical compilations disclosed in this case study relate directly to the bona fide research of and public policy discussions concerning the promotion of increased savings in connection with the tax compliance process. All compilations are anonymous, and do not disclose cells containing data from fewer than ten tax returns. IRS Reg. 301.7216

BONDS MAKE IT EASY FOR PARTNERS TO PROMOTE SAVINGS

A range of organizations around the country work to increase the assets and financial security of lower-income Americans, and are constantly seeking innovative ways to help working families save. Tax-time savings bonds provide a scalable and measurable opportunity for these organizations to promote saving, combining the infrastructure of a payment delivery system (tax refunds) with a universally available savings product (U.S. Savings Bonds). Some of these organizations are themselves tax preparers, allowing them to promote this opportunity at the moment an individual can make a saving decision. The combination of a measurable and scalable saving opportunity is a challenge to find. Plus, tax-time savings bonds have demonstrated success in increasing savings for LMI taxpayers, creating savers that are happy and confident with their purchases and become "repeat buyers," saving from one tax season to the next. Early data from the Bureau of Public Debt reinforces findings from D2D pilot data that approximately 25% of buyers from last tax season purchased bonds this tax season. It is no surprise that a diverse coalition of organizations joined together to promote this turnkey savings solution to their constituents, members, and clients.

"It is incredibly important and encouraging that the Savings Bond purchase opportunity has been designed into the tax return process. Tax preparers whether they are paid, volunteers or even taxpayers themselves now have such an easy way to help taxpayers save by buying bonds with some of their tax refund, right in the tax process!"

– Bonnie Speedy, Vice-President, AARP Tax-Aide National Director

Over 120 organizations joined the Bonds Make It Easy Campaign. Partners included national organizations such as AARP, United Way Worldwide, and the National League of Cities; tax preparation industry partners such as Intuit; local government agencies including several community action agencies; and local organizations such as the Baltimore CASH Campaign, the Tennessee Alliance for Financial Independence and the Denver Asset Building Coalition. Each partner contributed something unique and of value to the campaign – whether it was media outreach, direct consumer outreach, social media, or promotional material distribution – and represented a different constituency. Many campaign partners were integral to the development of the campaign which was kicked off with a planning meeting in July 2010. Partners hosted focus groups of taxpayers and tax preparers, reviewed and contributed to draft planning documents, helped in training and outreach, and participated in regular planning meetings.

"Rather than limiting savings opportunities to those with existing formal banking relationships, offering U.S. Savings Bonds at our sites gives all of our customers the opportunity to begin saving for their long term goals. It is a value added for the families we see and an important part of expanding the impact our agency has on our customers' financial health."
– Khadijah Jones, Director, the Campaign for Working Families

Media Campaign

The Bonds Make It Easy Campaign distributed press releases and op-eds to increase coverage of the tax time savings bond option. The media campaign complemented the IRS's communication strategy that distributed regular reminders to tax preparers and taxpayers as well as press releases connected with the beginning of tax season.

Material Distribution

In partnership with the Asset Building Working Group⁷ (ABWG) of the National Community Tax Coalition, the Bonds Make It Easy Campaign hosted webinars and training sessions for Volunteer Income Tax Assistance sites and distributed campaign material to more than 75 VITA sites in 34 states. The ABWG-sponsored campaign resulted in 2,300 bond purchases and savings of \$310,000 within the VITA community. The ABWG is a strong campaign partner and will play a central role in the success and sustainability of the campaign in future years.

"The Asset Building Working Group was pleased to partner with D2D to spread the word about the availability of savings bonds through IRS Form 8888. As a network of individuals who are passionate about finding effective tools for helping families build assets, it was a natural fit for us to jump on the savings bond band wagon. The marketing materials provided by D2D were crucial to allowing programs to present the option as professional, trustworthy and convenient".

- Megan Kiesel, Co-chair, the Asset Building Working Group

Outreach Education and Training

Several campaign partners hosted webinars or in-person trainings for their members and community leaders to help educate them about tax time savings bonds. These trainings helped build an on-the-ground "sales force" in local community groups, churches, and social service organizations to promote savings bonds and reinforce the additional community efforts.

⁷ The ABWG is a working group of the National Community Tax Coalition, and forms a central repository of resources and tools for the tax time asset building community

NEW PARTNERSHIPS IN DEMO CITIES

Partners in Philadelphia and Boston led robust efforts to increase knowledge and take-up of tax time savings bonds. In addition to recruiting tax preparation partners, the local campaigns had a diverse set of local government, elected officials, civic agencies and businesses involved in promoting the savings opportunity. In Philadelphia and Boston, a group of nonprofit organizations committed to building awareness of the new tax time opportunity to their members. These organizations work closely with their communities beyond tax season and as trusted sources, they have the potential to educate and build awareness of the tax time opportunity so tax payers know to ask their tax preparers about savings bonds.

Both Philadelphia and Boston partners hosted press events to announce the launch of the tax season and the connection to savings bonds. In Philadelphia, the Mayor issued a proclamation encouraging all residents of the city to take advantage of the savings opportunity and split their refund into savings bonds. In both Boston and Philadelphia, partner organizations participated in radio, newspaper, and television interviews. Many organizations distributed the Bonds Make It Easy promotional materials and used their local and grassroots networks to spread the information deep into the community.

The combination of the impressive mobilization of partners, city leadership, street teams and ambassadors, demonstrated that a concentrated effort can have impact. With some coordination, communities around the country can organize similar efforts or add the Bonds Make It Easy message to an existing campaign (such as America Saves, or efforts to build awareness of free tax preparation organizations). These efforts can not only bring real savings opportunities to cities' residents, but also engage a diverse set of partners around a common goal.



Campaign for Working Families Kick-Off Event, Philadelphia, PA

AMERICA SAVES

America Saves www.americasaves.org is a nationwide social marketing campaign in which a broad coalition of nonprofit, corporate, and government groups encourage individuals and families to save and build wealth. America Saves has over 1,900 partners throughout the country that support local Saves Campaigns as well as other national initiatives such as Military Saves.

"The Bonds Make It Easy Campaign was a great complement to our America Saves program and affiliate programs," said Nancy Register, Associate Director of the Consumer Federation of America that houses America Saves. "Our local partners are always looking for high-quality products to promote with their savings message that serve a range of savers' needs. Since our big social marketing push around savings is during tax season, adding tax-time savings bonds to our message fit perfectly. We saw some partners doing creative activities around savings bonds and savings in general."

"The Bonds Make It Easy Campaign was a great complement to our America Saves program and affiliate programs,"

- Nancy Register

Several America Saves local campaigns, including Chattanooga Saves (TN), DC Saves (Washington, DC), First State Saves (DE), and Lawrence Saves, (MA) added new components to their America Saves Week, tax-time, and year-round efforts to promote the tax-time savings bond opportunity. Activities included: training tax volunteers about savings bonds, media outreach, distribution of materials, and savings bonds promotions. America Saves also included blogs about tax-time savings bonds, education pieces on their new YouTube network, and coordinated training for their campaign managers.

BONDS MAKE IT EASY TO HELP CONSTITUENTS SAVE

Tax time savings bonds offer a solution for elected officials seeking smart saving policy to promote to their constituents. Financially secure households are more stable, and stable households mean more stable communities. But it is often challenging for elected officials to identify policies that are available to all of their constituents (regardless of income or where they live), are safe and trustworthy financial opportunities for consumers, and have demonstrated success and impact. The tax time savings bonds policy meets all of these requirements and offers officials a chance to work with a network of national and local partners.

"Personal savings provide a buffer against emergencies and a pathway to greater economic mobility. Studies have shown that when low- and middle-income households are given the opportunity and infrastructure necessary to save, they do so. Saving at tax time when many families receive tax refunds and using a safe and sound vehicle like U.S. savings bonds makes good economic sense. I applaud Doorways to Dreams and the Bonds Make It Easy Campaign for helping me inform the would-be savers in my district about the opportunity to save directly from their tax forms."

- Representative Niki Tsongas, Member of Congress.



Working with the New America Foundation (see "Savings Bonds at Tax Time - Another Step Forward" on page 16) and with leadership from the Congressional Savings and Ownership Caucus, the Bonds Make It Easy Campaign sponsored a congressional briefing to educate members of Congress and their staff about savings at tax time and how to let constituents know about tax time savings bonds. As part of the event, an outreach toolkit for legislators was produced and distributed (the toolkit is available at bondsmakeiteasy.org/taxpreparers/materials). Legislators were asked to reach out to organizations and directly to taxpayers in their communities by hosting and/or participating in press events, visiting tax preparation sites, putting information in newsletters and other e-communications, and distributing materials.

Several U.S. Senators and Representatives committed to promote tax time savings and U.S. Savings Bonds. Some of the activities included publicly displaying their support through press releases, adding content to their websites and connecting with community organizations in their districts to share the information.

In addition to the effort to get federal legislators involved, local officials in demonstration cities and other partner communities became involved. Mayor Nutter of Philadelphia issued a proclamation declaring January 28, 2011 "Earned Income Tax Credit and Savings Day" in Philadelphia. Massachusetts held an EITC awareness day with savings bonds promoted at multiple EITC events across the state.

SAVINGS BONDS AT TAX TIME- ANOTHER STEP FORWARD

By Justin King, Federal Policy Liaison, Asset Building Program, New America Foundation

For years now, the Asset Building Program at the New America Foundation has developed and advocated policies and practices that promote saving and the development of wealth for all Americans. The Asset Building Program has been an active participant in efforts to promote increased access to the purchase of savings bonds at tax time. Why? Can savings bonds really be a part of a wealth development strategy? Our answer is "yes." The first step in wealth development is protecting what you have, and savings bonds have been proven to be an accessible and trusted vehicle for maintaining principal and building economic security. Families need to have that sound base in place before they can begin to dream big for the future. The simple, safe and repetitive nature of the tax time savings bonds purchase option is a great tool to help families build toward those dreams.

There is another reason we are excited about the progress of the Savings Bond purchase option. It is the next step forward in a long process of rebuilding a culture of savings, thrift, and patient capital in America. The IRS first implemented Direct Deposit for tax refunds, then it became possible to split refunds in 2006. Now that infrastructure can be leveraged to buy savings bonds at tax time. What pro-savings mechanism will be instituted next? Answering that question lies at the heart of our work. This is a success story of slow and steady growth toward greater possibilities for saving and building assets than was possible in the past. Savings bonds are a key part of this foundation, and we're even more excited about what comes next.

FUTURE OF THE SAVINGS BOND POLICY AND THE BONDS MAKE IT EASY CAMPAIGN.

With the tax time bonds policy in place, Americans have an annual, recurring opportunity to build savings. Taxpayers can finally choose to save on impulse and without much forethought, perhaps moved to save solely by an emotional nudge to feel a sense of accomplishment and success at having saved, or the urge to provide a brighter future for their kids. Much like a New Years' resolution, people can commit a portion of their refund to savings, in an easy, non-threatening way once a year, every year during tax time. In tax season 2011, the energy around the campaign was palpable. The Bonds Make It Easy Campaign reached an estimated 6 million (see RE-AIM⁸ table in Appendix II) consumers in different ways: webinars, training sessions, media impressions, promotions, online social media and blogs and by deploying Refund Rush, a tax time savings game developed by D2D. In addition, the Bureau of Public Debt reached an additional 2 million existing bond buyers through direct mail inserts. Overall, at least 45,000 taxpayers made a leap of faith—and added an average of \$244 to their personal savings.

Imagine a world in which ALL Americans are financially secure, and old-fashioned notions of saving and thrift are in vogue once again. The savings bond tax time policy, available to 75 million LMI Americans, is well positioned to help Americans achieve this vision. But to make it real, the campaign will require sustained effort for the foreseeable future. As the campaign matures, D2D and its partners will gradually encourage organizations and institutions that are well positioned to provide such a continuous promotional effort to assume more of a leadership role. Sponsors and institutions whose goals and priorities align well with a mission to help all Americans save and become more financially secure will likely come from government, the financial services industry or non-governmental organizations with national reach.

⁸ D2D used the RE-AIM evaluation framework to assess both qualitative and quantitative impact of the Bonds Make It Easy campaign. RE-AIM stands for REACH, EFFECTIVENESS, ADOPTION, IMPLEMENTATION and MAINTENANCE.

THE ROLE OF THE IRS

Of all of the partners involved in the Bonds Make It Easy Campaign, the Internal Revenue Service (IRS) plays the most central role. The IRS connects to both the tax preparation industry (tax preparers and software providers) and tax payers, and has always been a key player in this effort.

Over the last two years of the tax time savings bond program, the IRS has provided training to tax preparers, promoted the option through its Volunteer Income Tax Assistance Programs, developed and distributed collateral, and provided critical data on savings bond purchases for evaluation purposes. This past tax season, the IRS led an enhanced effort to promote tax time savings bonds. Even before tax season, the IRS was at tax industry trade events and community forums discussing the savings bond option and distributing promotional materials.

{ the role of the IRS will continue to be critical to the success and impact of the savings policy }

As the campaign matures, the role of the IRS will continue to be critical to the success and impact of the savings policy. In addition to the work they are already engaged in, the IRS is now regulating tax preparers and will soon administer continuing education requirements for registered preparers. Through that venue, they have an opportunity to embed savings bond information into training and testing. Additionally, through their established outreach offices, including the EITC outreach office, the IRS could increase the reach of the savings bond campaign. The IRS connects to almost every American, and does so every year. As such, the IRS is positioned to effectively and efficiently help tax payers connect to an annual savings opportunity – more so than any other federal agency or non-profit partner.

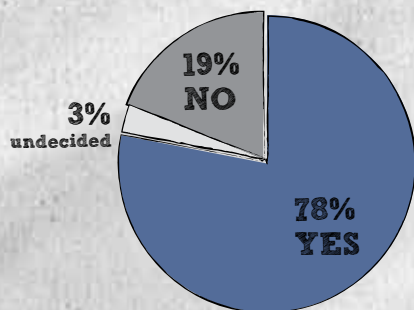
LESSONS LEARNED AND POTENTIAL STRATEGIES FOR 2012

Tax preparers, both volunteer and paid, are critical to widespread use of the policy. Perhaps the biggest challenge facing widespread use of the policy and the Bonds Make It Easy campaign in coming years is its adoption by tax preparers nationally. Tax preparers need to be trained appropriately and motivated to offer bonds to their clients. Forty-six percent (46%) of tax preparers who participated in a promotional campaign by the Maryland CASH coalition said that they would like more training on saving or more in-depth training on savings bonds. There are opportunities to motivate tax preparers during training – fifty-eight percent (58%) of surveyed Maryland CASH tax preparers said that they first heard about the availability of savings bonds as a tax time saving option at their tax general training, with an additional 20% having learned about it during special asset development training. In Boston, all the bond buyers believed in the importance of communicating the opportunity during the tax filing process. It was very important (79.2%) or important (20.8%) to be asked if they wanted to save a portion of their refund in U.S. Savings Bonds at the moment they learn about their refund size. Among commercial tax preparers and software providers, Intuit has been a strong and early supporter of educating tax payers about the chance to order bonds. But true penetration of the policy will require adoption by other independent and commercial tax preparers, and the tax preparation software industry. Continued focus on supporting Intuit and engaging new players in the tax preparation industry will be a priority of the campaign in the coming year.

Promotions can build awareness, drive take-up and attract first-time savers. When marketed correctly, targeted promotions can influence the actions of the tax preparers to promote savings bonds and tax payers to purchase them. But promotions alone are not enough; they must be supported by well-trained and motivated tax preparers, and attention-getting marketing collateral. An important lesson learned from the Impact Alabama promotion is that contests can motivate prospective savings bonds purchasers, but they can also build broader, and perhaps durable, awareness. However, ongoing sustainability of promotions is a challenge. Their utility is in seeding new efforts, raising awareness and attracting first time users of the tax time policy.



Even if there is no contest next tax season, would you buy savings bonds with your federal tax refund?



Changing savings behavior requires sustained marketing, promotion, information dissemination over time.

As a by-product of a series of tax time bond pilots D2D sponsored in the past few years, taxpayers took the initiative to ask about buying bonds at prior pilot locations. For example, at one tax site in Boston and several sites in Philadelphia, clients were familiar with and accustomed to purchasing bonds at tax time, and so asked tax preparers to order them again without needing to be asked. Many of these tax clients have made repeated use of the tax time opportunity to buy savings bonds and build savings. In the Boston site, 38% of bond buyers had saved a portion of their taxes with savings bonds before. Additionally, 93.8% of buyers, both first time buyers and repeat buyers, in Boston said they were

likely to save with bonds next tax season. Nationally, data furnished by the Bureau of Public Debt show that more than 25% of 2010 tax time savings bond purchasers ordered savings bonds again in 2011. In contrast, surveys of clients interviewed at sites that were offering bonds for the first time showed that, while collateral material piqued taxpayers' interest in bonds, a first encounter with the tax time savings bond opportunity wasn't enough to prompt action or change entrenched behaviors.

{ nationally... more than 25% of 2010 bond purchasers ordered savings bonds again in 2011 }

Educating taxpayers is necessary for broad adoption of the policy.

As the ambassador outreach in Boston showed, while familiarity of bonds exists in some generations and communities, it is a completely new and unheard of savings vehicle for many immigrant communities and younger generations. Familiarity requires more than just awareness. For many prospective savers to have genuine comfort with savings bonds, they will need gradual, recurring education about the product and its potential benefits. Limited resources make broad-based and sustained consumer education difficult. But targeted efforts to communities where awareness and comfort levels are low are more feasible.

Plus, information about savings bonds and the tax time bond purchase opportunity can be added to existing programs, services and outreach

efforts of community organizations, increasing the range and variety of vehicles educating consumers about savings bonds. With this backdrop, it will be easier for individuals to inquire about savings bonds at tax time, or respond positively when asked.



CONCLUSION

THE BONDS MAKE IT EASY MOVEMENT

Over the years, Americans have learned to “buckle up,” that “friends don’t let friends drive drunk,” and that “the Surgeon General has determined that cigarette smoking is dangerous to your health.” At the same time, highway fatalities, smoking related illnesses and injuries from drunk driving have fallen dramatically. With these and other examples the lesson is clear: large scale social change, driven by thoughtful public policy and complementary social marketing campaigns, is possible.

What then are today’s big social issues in need of our attention and ripe for behavior change? Toward what end might we draw on the lessons of past successful campaigns to shape Americans’ choices and change our social norms?

In the aftermath of the financial crisis and subsequent Great Recession, it’s not hard to appreciate the tremendous toll that inadequate saving has taken on American families, especially those who were already financially vulnerable. We have strayed far from our historical roots as a thrifty nation, one anticipating – and investing for – a bright, more prosperous future. But Americans still value financial prudence and long for financial security.

With the federal government’s introduction of a national tax time savings infrastructure, linking the tremendous annual flow of tax refund dollars to the quintessential American saving product, we have an historic opportunity to gradually reorient – indeed, perhaps reset – America’s financial behavior away from overconsumption and toward prudent saving. As with other major campaigns to change people’s behavior, smart public policy creates the conditions necessary for change.

But for change to take root, the opportunity must translate into individuals taking action, into a million or more discrete choices by tax filers to set aside for the future a portion of their precious refunds. Fortunately, Bonds do Make it Easy. The national policy now in place allows tax filers to make quick, hassle-free, and impulsive choices to save.

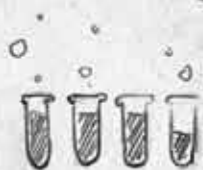
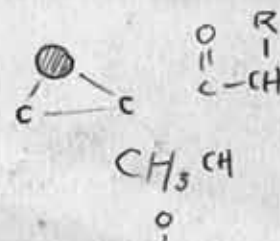
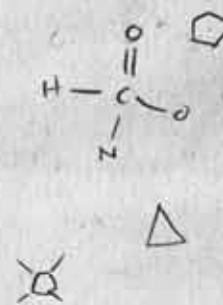
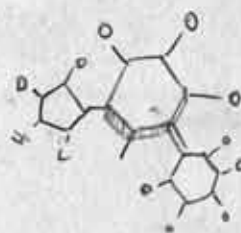
Of course, people didn’t quit smoking until they become aware of its dangers. They didn’t buckle up until they learned about the risks of driving without a seat belt. And people will not make a choice to save unless they understand and appreciate the opportunity tax time savings bonds represent.

To build this awareness, the Bonds Make it Easy campaign – and other complementary efforts – must grow and continue to flourish. Continued campaign growth, in turn, requires support and cooperation of a wide range of stakeholders.

- **Do you prepare taxes?** Go to **www.bondsmakeiteasy.org** to view brief tutorials about the policy and download collateral to hand to your clients.
- **Do you control a tax software program?** Join industry giants like Intuit in featuring the tax time savings bond opportunity in your software.
- **Do you have employees who need to save more?** Visit **www.bondsmakeiteasy.org** to download campaign posters for your workplace and articles to include in employee newsletters.
- **Do you work in the media?** Cover this story on your program or in your publication, or mention the story idea to colleagues who cover personal finance, or tax policy.
- **Do you serve a community that includes working families?** Consider when and how you can share the campaign message with your clients and stakeholders, accessing materials from **www.bondsmakeiteasy.org**
- **Do you hold a public office?** Use your bully pulpit and the power of your office to spread the word to constituents; download the legislator toolkit from **www.bondsmakeiteasy.org** for background and ideas.

In 1975 Congress enacted a modest new tax credit to help working poor families, the Earned Income Tax Credit (EITC). By 2010, this simple tax credit had grown to have a \$59 billion impact on over 26 million working Americans, making it perhaps the biggest and most successful antipoverty program in modern US history. Thoughtful public policy, a sustained, creative and multi-sector marketing effort, and the individual choices of millions of Americans combined to create this success.

Thirty five years later, the US tax filing system is once again offering Americans – this time all 100 million tax filers – a modest new policy to help working families build financial security for themselves and their families. Once again, linking policy to a vibrant and long-term social marketing effort holds the potential to have a transformative impact on the well-being and behavior of future generations. And once again, the key to unlocking this potential lies in the willingness of regular Americans – both individuals and institutions – to spread the word about a tremendous tax time opportunity. That is the way we will reach our ten year goal to help one million tax filers collectively invest \$500MM for the future.



APPENDIX 1: CAMPAIGN PARTNERS

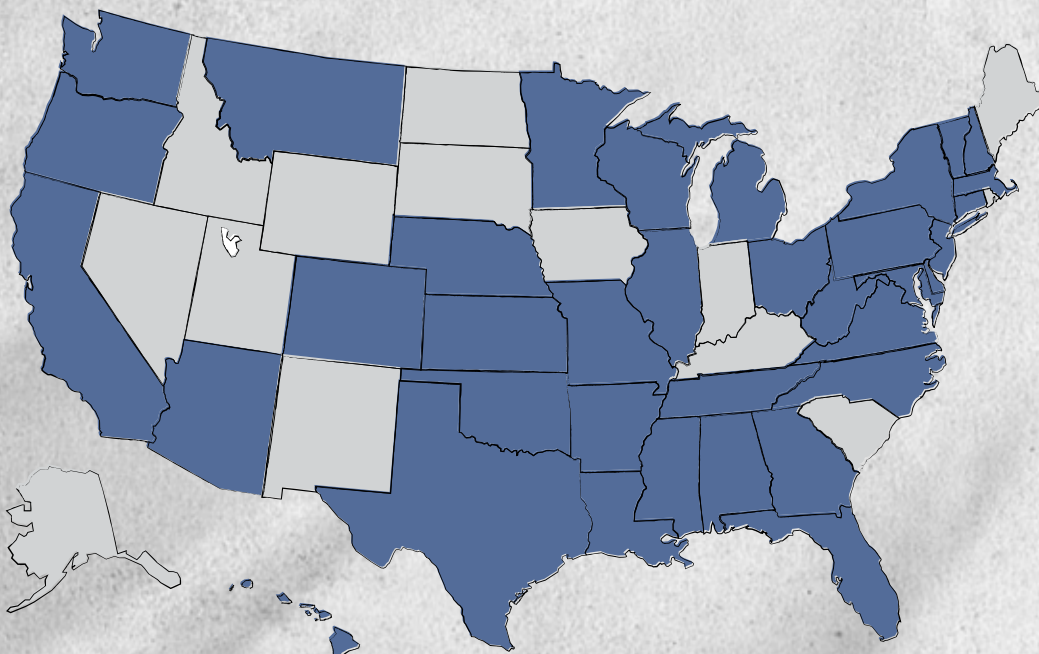
The Savings Bond Working Group (SBWG)

The Savings Bond Working Group, led by D2D, is a coalition of national and grassroots non-profit organizations, commercial tax preparers, tax software firms, and public officials who share a goal to encourage saving by all Americans, especially low and moderate income families, using U. S. Savings Bonds purchase at tax time.

AARP	Advent Financial Services	American Savings Education Council
Annie E Casey Foundation	Aspen Institute Initiative on Financial Security	Baltimore CASH Campaign
Bon Secours	Boston EITC Coalition	Campaign for Working Families
Catholic Community Services	CCCS Delaware Valley	Center for Economic Progress
Center for Financial Services Innovation	CFED	Cities for Financial Empowerment
City of Burlington	Community Action Partnership of Tulsa County	Consumer Credit Counseling Service Delaware Valley
Consumer Federation of America/ America Saves	D2D Fund	Denver Asset Building Coalition
FINRA Foundation	H&R Block Bank	Intuit
La Raza/Lawrence Community Works	Maryland CASH	Military Saves
National Community Tax Coalition	National Council of La Raza	National League of Cities
Nehemiah Gateway	New America Foundation	New York State Community Action Association
Newark Now	Oweesta	Rochester CASH
Rural Dynamics	Seedco	The Financial Clinic
United Way of King County	United Way Snohomish County	Washington University
Women's Institute for a Secure Retirement		

In addition to the Savings Bond Working Group members, many other organizations from around the country joined the campaign. These groups represent 39 states and the District of Columbia.

CAMPAIGN PARTNERS:

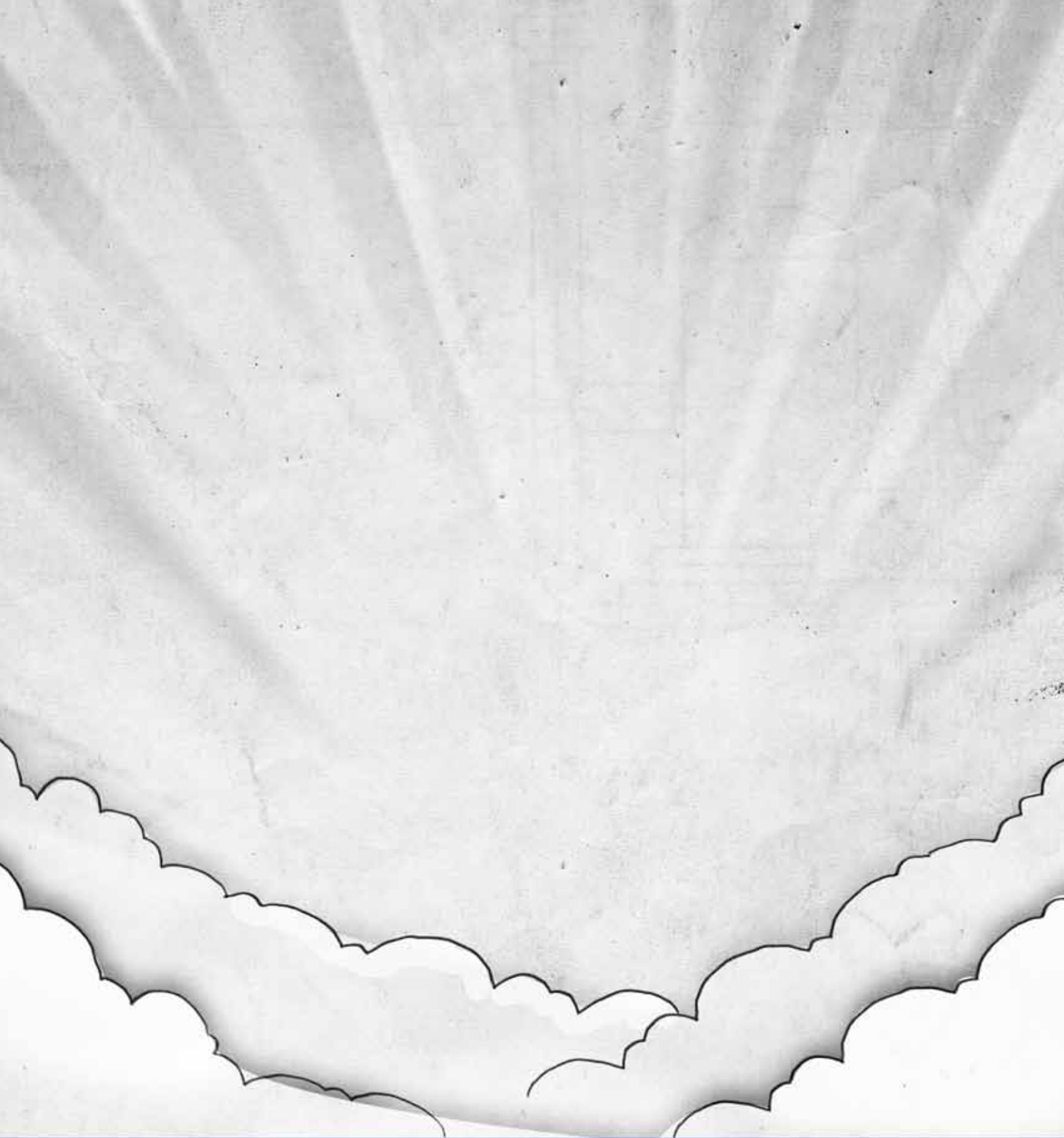


APPENDIX 2: RE-AIM TABLE

ELEMENT	DEFINITION	ACTION	RESULTS (All Figures Approximate)
Reach - 6 MM impressions	Number of consumers/ taxpayers reached through online and offline campaigns ¹	Material dissemination through the Asset Building Working Group of NCTC	100,000
		Offline Media Reach	350,000
		Numbers reached through media outreach in demo markets and grassroots poster / flyer placement	575,000
		Numbers reach by promotions	13,000
		Online social media reach	120,000
		Online press reach	5,200,000
		Numbers reached by Refund Rush	8,000
Effectiveness	The impact, on important outcomes, of the bond purchase option: Seeking information about bonds, gaining additional knowledge about bonds and purchasing bonds	Seeking information: number of web hits, page views, social media channel traffic	38,200
		Seeking Knowledge: as measured by surveying tax clients at vita sites	25% of those surveyed at VITA sites were interested in buying bonds in the future
		Number of bond buyers in 2011	45,000 (as of May, 2011)
		Total \$\$ saved in 2011	\$11 MM
		Average \$\$ saved per taxpayer	\$244
		Promotion Effectiveness: Two statewide promotions: Alabama, Maryland	823 bond buyers, 6% take-up overall; \$58,300 saved
Adoption	Number and percentage of tax preparers, community partners, other stakeholders who "adopted" tools - materials, website, trainings, Refund Rush	Number of partners who adopted tools	More than 70 partners used the marketing collateral at VITA sites; 21 commercial tax preparers posted collateral in storefront windows
Implementation Effectiveness	Cost ² and sustainability of program as measured by key metrics: cost per taxpayer reached, cost per media impression, cost per taxpayer and cost per \$ saved	Total cost of campaign:	125,000
		Cost per demo market media impression	\$0.012
		Cost per grassroots media impression (flyers/posters)	\$0.163
		Cost per \$\$ saved	\$0.01
		Cost per bond purchased	\$2.50
Maintenance	Continued program participation	Repeat buyer percentage (2010 - 2011)	more than 25%

¹ Measured in terms of consumers reached, media impressions and Refund Rush game plays

² Costs include creative, production and vendor costs of the Bonds Make It Easy Campaign.



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