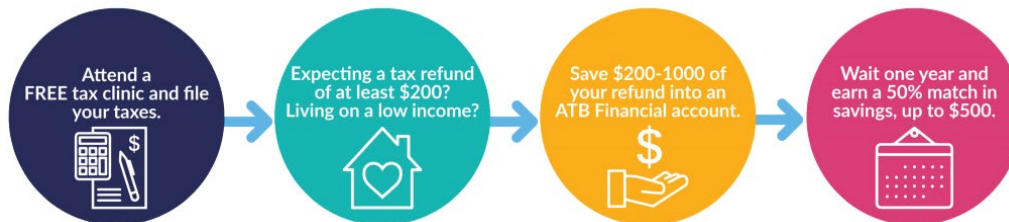


# Tax Time Savings – Final Results (2019 & 2020)

## Overview

In 2018, Momentum, in partnership with **ATB Financial (ATB)** and the **Aspire Calgary Financial Empowerment Collaborative** launched a pilot program called Tax Time Savings (TTS).

Through TTS, low-income tax filers had the opportunity to save \$200 or more of their tax refund into a dedicated personal ATB savings account. If the savings were maintained for a year, TTS participants earned a 50% match on their savings, up to \$500. Further, if participants attend a designated money management program in conjunction with TTS, \$100 was added to the matched savings amount earned at the end of the program (in year 1 only). TTS was inspired by the successful *Save USA Program* from the United States.



## Tax Time Savings Goals

- To incentivize Calgarians living on low incomes to file their taxes and access government benefits
- To incentivize short term savings goals and long-term saving behaviours
- To build sustainable livelihoods of low-income Calgarians and increase financial wellness, skills and confidence
- To test a new innovative program to determine its suitability for long-term inclusion as Financial Empowerment programming in Calgary and to build the capacity of community organizations to deliver programming
- To inform the federal government's interest in savings initiatives linked to tax filing

## Evaluation Highlights

Over 300 participants (or 97%) were successful in completing the TTS program and earning their matched savings and 91% plan to save going forward. Most participants said they felt more confident about saving money because of TTS (97%). The project demonstrated that tax filing is an effective tool to support people living on lower incomes to build personal savings.

“

It gives me an opportunity to save for a family vacation, something our family has never experienced.

-Tax Time Savings Participant

”

## Outcomes

Tax Time Savings Metrics	Results (2019 & 2020)
# of eligible participants who signed up	407
# of participants who enrolled by opening an ATB savings account	324
# of participants that completed 1 year of savings	314
Total participant savings	\$324,438
Total matched savings provided	\$76,836
% who received the maximum match	97%
% of participants that said they felt more confident about saving money because of TTS	97%
% of participants that said they felt more comfortable using a bank because of TTS	91%
% that plan to continue to save going forward	91%
Top participant plans for their savings	<ul style="list-style-type: none"> <li>• Leave it in the bank/save (34%)</li> <li>• Education (23%)</li> <li>• Pay debt/bills (17%)</li> <li>• Use it for an emergency (17%)</li> </ul>
Program partners included: Sunrise Community Link Resource Centre, The Centre for Newcomers, First Lutheran Church Calgary, Momentum, and Aspire	

## Next Steps

Momentum continues to seek and expand opportunities to incentivize low-income tax filers to save their refund through financial empowerment programs. One example is via the Momentum Savings Challenge on the QUBER app.<sup>1</sup>

“

**It was a great opportunity to practice self-discipline when saving money, by giving a stronger incentive to not touch my money.**

*-Tax Time Savings Participant*

”

There are also several policy options that could better enable low-income tax filers to save. Changes to tax refund options for Canadians, such as refund splitting directly into two different bank accounts (one being a savings account), as opposed to one (generally a chequing account), which could reduce barriers to savings. Momentum and other financial empowerment advocates are also keen to support the government's exploration of a Refund to Savings' (R2S) concept which uses insights from behavioral economics to redesign the online tax filing experience to promote savings for low to moderate-income households, as well as help households better manage their debt at tax time.<sup>2</sup>

<sup>1</sup> QUBER is a free personal finance app made for mobile devices that has turned saving money into a game. QUBER users are rewarded with interest on money saved when they complete saving challenges. Momentum has partnered with Quber to offer additional savings incentives for people living on a low-income in the Calgary region. <https://www.quber.ca/challenges>

<sup>2</sup> The R2S initiative began at the Washington University Social Policy Institute which combines lessons from the disciplines of economics, business, medicine, public policy, social work, and sociology to provide a systems-level understanding of policy problems and promotes systems-level solutions. <https://socialpolicyinstitute.wustl.edu/items/refund-to-savings-canada/>