



Anyone Can Save at Tax Time:

U.S. Savings Bonds Now Easy to Buy with Tax Refund

Some News about U. S. Savings Bonds

Saving is Now Easier and Better for Low and Moderate Income Families

On Sept. 5, the President announced a **new idea** to help Americans save more—the opportunity to easily **buy U. S. Savings Bonds at tax time**. Under the new rules, taxpayers that are receiving refunds can **check a box on the tax form** and order U.S. Savings Bonds with part of their refund. This opportunity will be in effect for the upcoming tax season (2010), and is scheduled to be expanded in 2011.

This is great news for low and moderate income workers, and the national and community organizations that provide free tax preparation services to this population.

The Right Product at the Right Time

The new policy is thrilling because it represents an **important change** for the low and middle income families we serve. This is because Series I U. S. Savings Bonds have some unique features that help small savers and new savers get started on **saving money for the future**. These features include:

- Low minimum purchase (\$50)
- No credit check
- No fees or charges
- Secure (government backed)
- Protected against inflation



And offering Savings Bonds at tax time makes sense, because that is when people typically have the most cash available –tax refund dollars can spike annual income by as much as 30%.

Because the new policy makes bonds so easily available, **impulse saving** is now possible. If we do our job right on the tax site, we can make it **easier for people to say yes than no**.

(For more on Series I Savings Bonds, see the Treasury’s web site: www.treasurydirect.gov/indiv/indiv.htm)

Making it Sing

There is a lot **more work to be done to achieve success** with increasing low and moderate income saving at tax time. For instance, what if we as a nation could:

- In 2010, **help 10% of VITA clients** (more than 100,000 people) to save part of their refund?
- By 2015, **ensure 50% of VITA clients save** part of their refund every year?
- By 2020, **help every American save 10%** of his or her refund?

Evidence from the pilot project that made this change possible indicates these are numbers that can be readily achieved—with one important new ingredient: ***promotion***.

How We Can All Help: *Promote Savings Bonds*

Studies show that 74% of Americans are aware of U. S. Savings Bonds, but **don't know how they work or where to get them**. Even fewer are aware they can now easily buy Savings Bonds at tax time.

Here are three things you can do to help:

1. Tell your clients
 - **Tell your clients**; encourage them to ask tax preparers about Savings Bonds; integrate this simple message into all your existing programs or services.
 - Freely distribute ***informational business cards*** to clients or providers; for this and other downloadable resources, visit www.d2dfund.org/taxtimebonds.
2. Plan for tax season
 - Help your tax preparation sites **make plans to promote Savings Bonds this year**.
 - Sign up to **get free marketing support** from D2D (www.d2dfund.org/taxtimebonds) — downloadable posters, brochures, table toppers—that you can post, and short videos you can show.
 - Use **free computer-aided training** to help your staff and volunteers get the facts about Savings Bonds and how best to promote them.
3. Spread the word
 - **Send emails** to those on your lists whose clients could benefit from the Savings Bond opportunity.
 - Talk about the Savings Bond opportunity at **presentations, conferences, panels and meetings** you address.
 - **Call your local editors** to alert them to the Savings Bond news and request that they write an article about it. **Blog**.
 - **Reach out to local merchants**—banks, paid tax preparers, Chambers of Commerce—to alert them to the Savings Bond opportunity and ask them to help promote it by doing a mailing, a print campaign, or offering a Savings Bond prize at a local event.

A Few Useful Facts

- IRS Form 8888, revised for Tax Season 2010, will be used to order bonds at tax time
- People will get paper bonds in the mail a few weeks after receiving their electronic refund (note that direct deposit is required to participate in this opportunity)
- The IRS FAQ on tax time bonds is available on D2D's website: <http://www.d2dfund.org/taxtimebonds>
- The D2D website will post up-to-date info as it becomes available, so check back frequently

For more information on making the Savings Bond opportunity a success, call your local participating VITA organization or visit Savings Bond Central at www.d2dfund.org/taxtimebonds

