

**EFT Tax Refund Primary Research  
Qualitative Discussion Guide  
TAX PREPARERS  
April 22, 2014**

<b>1. Introduction - warm up respondents and set expectations</b>	<b>10 minutes; 10 total</b>
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**Moderator introduction:**

- o Welcome and thank you for attending
- o Introduce moderator
- o Purpose: to get your thoughts on federal tax refunds
- o Informal – no wrong answers
- o 1 ½ to 2 hours
- o Speak one at a time. Feel free to agree with each other or offer different opinions
- o Confidentiality assured – no connection of what you say with you by name. First names only. **THEIR ANSWERS WILL BE KEPT CONFIDENTIAL AND THEIR INDIVIDUAL RESPONSES WILL NOT BE SHARED WITH ANYONE AS ALLOWED BY LAW.**
- o Audio and videotaping and observers
- o Our topic: use of websites, particularly those that offer data for you to download or analyze for your own purposes.

**Participant Self-introduction:**

- o First name
- o Work synopsis, how long you've lived here, interests

<b>2. Confirming and Cataloging Anchoring Experiences</b>	<b>10 minutes; 20 total</b>
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We're going to be talking a lot about preparing and filing federal taxes today.

1. What is the number of clients for whom you personally prepared their taxes in the most recent tax year?
2. Describe the types of clients you have. Are they individuals, businesses? What other important distinctions are there in how you categorize your clients?
3. What is the percentage of clients for whom you submit tax forms on paper versus online (e-file)? Last year? Last 5 years?

4. Approximately what percentage of your clients who received refunds got them by paper check compared to direct deposit or prepaid card last year? Last 5 years?

<b>3. Cataloging Emotional Experiences</b>
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<b>15 minutes; 35 total</b>
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HAND OUT WORKBOOKS – Write name on cover, don't turn the page until I ask you to do so.

5. When thinking about the entire process your clients go through when gathering financial information, preparing tax documents, the tax return, and receiving their refund, which part of the total process makes do you believe they feel.....(Probe for concrete characteristics and outcomes)

EXERCISE 1 IN WORKBOOK

- i. Most anxious? Why?
  - ii. Most burdened? Why?
  - iii. Most insecure/unsafe? Why?
  - iv. Most organized and in-control? Why?
  - v. Most relieved? Why?
  - vi. Most accomplished? Why
6. (For those aspects that make your clients feel most anxious, burdened, insecure) What things might you do in the future to make these parts of the process less onerous for your clients? How would that help?
  7. (For those aspects that make your clients feel more in-control, relieved and accomplished) Has it always been this way or have you changed how you went about the tasks that made them more positive for your clients? How did or would that help?
  8. Which clients experience the more negative emotions more often when you help them with their taxes? Do they have any specific characteristics? What do you do to help allay their concerns?

<b>4. Electronic Refunds Versus paper Check Refunds</b>
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<b>25 minutes; 60 total</b>
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MODERATOR TO EXPLAIN THE PHRASE ELECTRONIC TAX REFUNDS: I may use the term "electronic tax refund" and by that I mean the U.S. Treasury electronically transfers the refund amount to a bank account or prepaid card. It's also known as direct deposit. I may also use "EFT or Electronic Funds Transfer" which is the electronic transfer of money from one account to another.

9. Does your company offer any other forms of tax refund payments – products other than direct deposit or paper checks? What are those products? What are

the benefits to your clients for choosing them? What are the benefits to you for offering them?

10. What percentage of your clients receive their federal tax refund via direct deposit, prepaid card, or paper check? How many of your clients use their own existing prepaid card? Do you think your clients are aware of this option?
11. Do you recommend direct deposit or paper check across the board, or do you make different recommendations for different clients? Why?
12. How many of your clients have switched back and forth between EFT and checks? Why?
13. Do your clients choose any other form of refund (other than EFT or check) for their state refunds? Why?
14. Discuss other forms offered by the state if applicable (debit cards, etc.); benefits, barriers, experiences.
15. MODERATOR PRESENTS A SHORT, SIMPLE STATEMENT EXPLAINING THE BASICS OF ELECTRONIC REFUNDS AS A COMMON PLATFORM FOR THE GROUP TO USE.

HANDOUT:

Direct Deposit is an alternative to receiving your refund by paper check whereby your refund amount is transferred to your bank account or prepaid card electronically from the U.S. Treasury. Because your refund is transferred directly into your bank account or onto a prepaid card, it is a fast, safe way to receive your money, sometimes in as little as just 10 days.

By following the simple instructions on your return and entering your correct account number and routing numbers on your tax form, your refund goes directly into your bank account or onto your prepaid card. You won't have to make a special trip to cash the check or deposit the money yourself.

Thousands of paper checks are returned to the IRS by the U.S. Postal Service every year as undeliverable mail. Direct Deposit eliminates the possibility of your refund check being lost, stolen or returned to the IRS as undeliverable.

You can deposit your refund into multiple accounts. With the split refund option, taxpayers can divide their refunds among as many as three checking or savings accounts and up to three different U.S. financial institutions.

16. Is this how you would define EFT to your clients, or do you use a different approach/definition?

EXERCISE 2 IN WORKBOOK (respondent to complete this exercise individually)

Based upon the description and anything else you have heard or experienced...

- i. How favorable/unfavorable are you to the idea of direct deposit to a bank account or a prepaid card over paper check refunds?
- ii. What is the main reason you hold that opinion
- iii. What would say is the biggest positive about direct deposit?
- iv. What would you say is the biggest negative about direct deposit?
- v. What more would you need to know/believe about direct deposit or prepaid cards to make you switch (switch back) to them in the future

17. MODERATOR REVIEWS WORKBOOK ANSWERS AND DISCUSSES, PROBING ESPECIALLY FOR....

On the negative:

- i. Specific operational barriers to switching to electronic refunds, such as not knowing how to accomplish switching, not having the banking infrastructure, etc.
- ii. Specific emotional barriers to switching such as fearing a loss of privacy, distrust of government competence, concerns about technology, etc.
- iii. Specific external barriers such as advice from family, friends and tax preparers, Internet myths, etc.

On the positive:

- i. Specific operational advantages to direct deposit/prepaid cards
- ii. Specific emotional satisfiers gained from switching to direct deposit/prepaid cards over paper checks

**5. Laddering Exercise #1 – Electronic Refund Opportunities**

**15 minutes; 75 total**

***Respondents will first respond to the following four questions individually in their workbooks, then review with moderator for group discussion***

EXERCISE 3 IN WORKBOOK

18. What characteristic about direct deposit is most compelling to you as a reason to recommend your clients use that as opposed to paper check refunds?

- i. What specific benefits would your clients gain from that characteristic? How would they be better off in a tangible, concrete way?
- ii. How would they feel about the process if they experienced that tangible benefit? How would it affect their mood in the moment and their outlook for future?
- iii. Why would these tangible and emotional changes matter so much to your clients? How would they affect their lives in any really meaningful ways? Ultimately, what does it mean to them?

**Respondents will first respond to the following four questions individually in their workbooks, then review with moderator for group discussion.**

EXERCISE 4 IN WORKBOOK

19. What characteristic about direct deposit or prepaid cards is least attractive or most troubling when considering whether to recommend that your clients use direct deposit or prepaid cards instead of a paper check refund?
- i. What specific outcome would they experience from that characteristic? How would your clients be at risk or worse off in a tangible, concrete way?
  - ii. How would your clients feel about the process if they experienced that tangible risk or outcome? How would it affect their mood in the moment and their outlook for the future?
  - iii. Why would these tangible and emotional changes matter so much to your clients? How would they affect their lives in any really meaningful way? Ultimately, what does it mean to them?

MODERATOR: SOME OF THESE ISSUES MAY COME UP AS PART OF EARLIER CONVERSATIONS, IF SO, ASK THESE QUESTIONS THEN AS PART OF THE NATURAL CONVERSATION, BUT IF NOT, COVER HERE

**SOCIAL SECURITY (IF NOT COVERED EARLIER ASK:)**

20. How many of your clients receive social security benefits?
21. If the majority of your client gets their social security benefits directly deposited, why do they opt for getting their tax refunds by paper check? [NOTE TO MODERATOR: The Direct Express card may be mentioned, but no need to probe on it if it's not mentioned in the group. (*The Treasury-recommended Direct Express® card is a prepaid debit card payment option for federal benefit recipients who don't have a bank or credit union account.*)]

**SWITCHERS (IF NOT COVERED EARLIER ASK:)**

22. You mentioned that some of your clients switch between receiving refunds by direct deposit or prepaid card and by paper check in recent years? Why do they switch back and forth?

**UNBANKED (IF NOT COVERED EARLIER ASK:)**

- 23. Tell me a little bit about your experiences with clients that don't have an account at a bank or credit unions.
- 24. How do they usually opt to receive their refund? How do they cash their checks?
- 25. What would encourage them to use a prepaid card?

<b>8. Role and Value of Tax Preparer's Advice for EFT</b>	<b>10 minutes; 110 total</b>
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- 26. If you recommend direct deposit to your clients for their tax refunds, what is in it for you? How do you benefit?
- 27. What are the barriers for you if you recommend direct deposit to your clients? What could be done to mitigate these?
- 28. What one piece of information or assurance would your most credible source have to provide to you to get you to seriously consider switching to direct deposit or prepaid cards?

<b>9. Wrap Up</b>	<b>5 minutes; 115 total</b>
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- We've been discussing a number of ideas related to tax refunds. Based on everything you've seen tonight, what is your overall reaction?
- o Do you have any additional comments or suggestions?
  - o Thank and release