

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

1. Introduction - warm up respondents and set expectations	10 minutes; 10 total
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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

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, current occupation, interests

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

1. Thinking of different ways of preparing your tax returns:
 - i. Did you prepare your return by yourself on paper?
 - ii. Tax software?
 - iii. Family or friend?
 - iv. Professional preparer?
2. How about submitting tax forms on paper or online? Last year? Last 5 years?
3. How many received a federal refund last year? Last 5 years?

4. How did you receive your refund? Was it a paper check or direct deposit/prepaid card last year? Last 5 years?

3. Cataloging Emotional Experiences
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15 minutes; 35 total

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 of gathering your financial information, preparing your tax returns and receiving your refund, which part of the total process makes you feel...(Probe for concrete characteristics and outcomes)

EXERCISE 1 IN WORKBOOK

- v. Most anxious? Why?
 - vi. Most burdened? Why?
 - vii. Most insecure/unsafe? Why?
 - viii. Most organized and in-control? Why?
 - ix. Most relieved? Why?
 - x. Most accomplished? Why?
6. (For those aspects that make respondents feel most anxious, burdened, insecure) What things might you do in the future to make these parts of the process less onerous? How would that help?
 7. (For those aspects that make respondents 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? How did or would that help?
 8. Turn to Exercise 2 in your workbook and rate the potential changes listed in terms of how much they would or did impact your perceptions of the process (either positively or negatively)

EXERCISE 2 IN WORKBOOK

- i. Utilize a better document/receipt system to maintain and organize important records for tax filing purposes? Why?
- ii. Work with a professional tax preparer? Why?
- iii. File online? Why?
- iv. Decided to get your refund via direct deposit to a bank account or on a prepaid card instead of a paper check? Why?

4. Electronic Refunds Versus paper Check Refunds

25 minutes; 60 total

9. Again, how many of you have ever received your federal tax refund via direct deposit to a bank account or on a prepaid card? Did you know (before today) that you could have your federal tax refund deposited onto a prepaid card? Have you ever received your state refund in a similar way?

MODERATOR TO EXPLAIN THE PHRASE ELECTRONIC TAX REFUNDS: I may use the term “electronic tax refund” and by that I mean that the U.S. Treasury electronically transfers your refund amount to your bank account or prepaid card. It’s also known as direct deposit because the funds are directly deposited into your account or onto your prepaid card.

10. For those who have never tried, how familiar are you with the way electronic tax refunds, such as direct deposit to a bank account or a prepaid card, work?

11. 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.

EXERCISE 3 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

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

On the negative:

- i. Specific operational barriers to switching to direct deposit of 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 <u>Opportunities</u>	15 minutes; 75 total
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Respondents will first respond to the following four questions individually in their workbooks, then review with moderator for group discussion

EXERCISE 4 IN WORKBOOK

13. What characteristic about direct deposit or prepaid cards is most compelling to you as a reason to consider using direct deposit or prepaid cards instead of paper check refunds?

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

6. Laddering Exercise #2 – Electronic Refund <u>Barriers</u>	15 minutes; 90 total
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Respondents will first respond to the following four questions individually in their workbooks, then review with moderator for group discussion.

EXERCISE 5 IN WORKBOOK

14. What characteristic about direct deposit or prepaid cards is least attractive or most troubling when considering using direct deposit or prepaid cards instead of a paper check refund?

- i. What specific outcome would you experience from that characteristic? How would you be at risk or worse off in a tangible, concrete way?
- ii. How would you feel about the process if you experienced that tangible risk or outcome? How would it affect your mood in the moment and your outlook for the future?
- iii. Why would these tangible and emotional changes matter so much to you? How would they affect you and your life in any really meaningful way? Ultimately, what does it mean to you?

7. Probe Segment Specific Issues	10 minutes; 100 total
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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:)

- 15. How many of you receive social security benefits?
- 16. Tell me how you receive those benefits? Are they directly deposited to your bank account or something else? [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.)*]
- 17. If you get your social security benefits directly deposited, why do you opt for getting your tax refund by paper check?

SWITCHERS (IF NOT COVERED EARLIER ASK:)

- 18. You mentioned that you've received refunds by direct deposit or prepaid card and by paper check in recent years? Please elaborate on how you decide which way to receive your refund? Why did you change?

UNBANKED (IF NOT COVERED EARLIER ASK:)

- 19. Tell me a little bit about your experiences with banks or credit unions. Do you have accounts currently such as a checking account or savings account?
- 20. FOR THOSE WHO RECEIVE A PAPER CHECK: How do you cash your check?
- 21. What would encourage you to use a prepaid card?

8. Role and Value of External Information Sources**10 minutes; 110 total**

EXERCISE 6 IN WORKBOOK

22. Thinking specifically about direct deposit refunds of your federal taxes to an account or prepaid card, rate each of the following sources of information and advice in terms of credibility
- i. Family and friends? Why?
 - ii. Professional tax preparers? Why?
 - iii. The IRS? Why?
 - iv. Other government officials? Why?
 - v. The news media? Why?
 - vi. Articles/blogs on the Internet? Why?
 - vii. Celebrities? Why?
23. 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?

9. Wrap Up**5 minutes; 115 total**

We've been discussing a number of ideas related to tax refunds. Based on everything you've seen tonight, what is your overall reaction?

- Do you have any additional comments or suggestions?
- Thank and release