

# Financial Literacy Center WORKING PAPER

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## Raising Awareness of Government Initiatives and Tax Time Savings Opportunities

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# FINANCIAL LITERACY CENTER

## Final Report

### **E3 Raising Awareness of Government Initiatives and Tax Time Savings Opportunities**

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#### **Abstract (250 Words)**

D2D has worked on tax-time savings initiatives since 2003 and on offering US Savings Bonds at tax-time since 2006. D2D's work contributed to the introduction of IRS Form 8888—an addition to the tax code that allows for directing tax refunds to multiple destinations and was critical infrastructure to enable tax time savings. This work culminated in President Obama's announcement in the fall of 2009 that an option to buy US Savings Bonds would return to the tax form in 2010 and expand in 2011. With the introduction of this trusted, high-value, universally available savings option directly in the tax filing process, D2D is fully focused on helping financially vulnerable Americans understand how and why to save part of their tax refunds.

In 2010, D2D launched a national social marketing campaign, *Bonds Make it Easy*. The campaign targeted consumers directly and consumer “gatekeepers,” such as volunteer and commercial tax preparers, tax software providers, and community-based organizations. Online (web, social media) and offline (printed collateral) marketing plans were developed in tandem with media and promotional events.

Creative new media tools are core part of this campaign, as younger Americans in particular are hard to reach through traditional media and messaging. Because of our prior work, D2D was uniquely positioned to create an effective financial literacy casual video game that raises awareness of and subtly promotes tax time savings opportunities, especially the Saver's Credit and the offer of US Savings Bonds. Continuing its work from Year 1 of the Financial Literacy Center, D2D tapped its development network and testing partners to rapidly develop a game (“Refund Rush”) and deploy it for the first time during Tax Season 2011 (January – April 2011). The game will continue to be used in future years.

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- Game Summary – at the end of 4 rounds, the game ends, and a screen appears telling players how well they advised customers.

*Refund Rush* is specifically designed for a short seat time of 10 to 15 minutes, and can serve two audiences: tax clients and tax preparers (especially volunteer preparers at VITA sites).

### *Refund Rush*: Learning Objectives

The *Refund Rush* design focuses on creating a simulated game experience in which players face the real world tension regarding how to handle a large lump-sum tax refund. Through the advice giving process, players explore the real world tensions between paying off debt, meeting immediate consumption needs, and building long-term savings for children or retirement. For low-income adults, the temptation to spend all of a tax refund is great and the awareness regarding savings opportunities is quite low. Refund Rush allows players to explore the options for splitting a tax refund and handling multiple financial needs. By featuring the player in the role of tax advisor, players learn through the role-playing process of advice giver. The core instructional design content includes:

- Tax-Time as a Savings Opportunity – for those receiving refunds, tax-time is a chance to save part of a refund for a variety of purposes;
- A Refund can be Split – through the game simulations, players learn about the functionality that Form 8888 affords those receive tax refunds – allowing tax filers to pay off debt, meet current spending needs, and save money through the same lump-sum refund;
- US Savings Bonds are available at Tax-time – building on the first-two learning objectives, players gain experience with US Savings Bonds as a tool for saving part of a tax refund.

### *Refund Rush*: Distribution Pilots

Following a tight development timeframe, *Refund Rush* was immediately deployed during the 2011 tax season. Despite the timing challenges, *Refund Rush* saw over 10,000 plays during this first-year launch. During the tax season, four specific distribution pilots were run:

- Added to a national social media campaign called Bonds Make it Easy;
- Provided to five Army installations through their Offices of Community Services;



- Deployed through a computer kiosk at a volunteer income tax assistance (VITA) site in Denver; and
- Offered through alternative casual gaming sites like Kongregate and Newgrounds.

Each of these generated modest results but important lessons for future tax season deployments.

**National Deployment.** During tax season 2011, D2D worked with VITA sites across the US on a social media campaign themed “Bonds Make It Easy” which included a website

([www.bondsmakeiteasy.org](http://www.bondsmakeiteasy.org)) and included

multiple components. Once available, *Refund Rush* was layered into this campaign in late January and a tournament promotion was run. Given this late start, the play results were modest with almost

6,000 plays from 38,000 visits. One hundred and nineteen players participated in the national tournament generating 1,485 plays and spending an average of 15 minutes play a single game—representing over 370 hours spent on *Refund Rush* by these players. D2D believes this testing has laid the important groundwork for future use of *Refund Rush*.



**Military Deployment.** Building off the successful distribution of *Celebrity Calamity* at Fort Hood, D2D engaged five military installations during the tax season, set up a hub portal site ([www.military.financialentertainment.org](http://www.military.financialentertainment.org)) leveraging the Army ACS brand, and ran a small tournament for players (top prize an iPod Touch). The goal was to link game play to the Military Saves campaign, but this could not be accomplished in the project’s short time frame. Despite that, the game was deployed at the following army installations:

- Fort Hood (TX);
- Fort Bragg (NC);
- Fort Jackson (SC);
- Fort Gordon (GA, training installation);
- Camp Henry (South Korea, forward installation).

Through tracking, D2D estimates *Refund Rush* was played 2,784 times during 15,578 visits during tax season. Most interesting, 179 users registered for the tournament and played 807 times with the average game lasting 24 minutes; 65% of these registered users were female. Qualitatively, feedback from this deployment indicated that players desired installation specific web portals; players wanted to know how they were doing compared to



peers on base. In addition, D2D learned that deployment at training bases (Fort Gordon) and forward installations (Camp Henry) are more difficult given the activities and rhythms at these types of bases.

**VITA Deployment.** Late in tax season 2011, the Denver Asset Building Coalition (DABC) leadership agreed to set up *Refund Rush* in a computer kiosk at the main site. While a great deal was learned about operational deployment in this environment and the qualitative feedback was positive, limited data was gathered around play behavior. However, the most interesting learning was that VITA volunteers benefitted greatly from *Refund Rush* as a “training game” allowing them to increase awareness and knowledge about tax-time savings opportunities for clients.

**Game Site Deployment.** Late in tax season 2011, D2D deployed *Refund Rush* through a small number of Flash game sites to try and reach a nontraditional audience. The key lesson from this deployment was that play on these sites generated through links between games and the badges/achievements players earn on these sites. D2D would need to invest additional time and cost in development specifically for these sites with uncertain returns.

**Results.** Overall, the 2011 tax season saw dramatic growth in the use of the tax time savings bond policy. Number of filers who used the policy jumped from about 23,000 to nearly 32,000, while the number of people for whom savings bonds were ordered doubled to 45,000. Public data on use of refund splitting and claiming of the saver’s credit is not yet available. While we cannot with confidence determine the role that *Refund Rush* and its promotion played in driving these numbers, we believe that the relative size of game plays connected to savings bond purchase makes such an impact plausible. We also know anecdotally that *Refund Rush* had a dramatic effect on volunteer tax preparers who used it, engaging them in the tax time savings concept in a way that previous training efforts had not.