

TAX TIME

The Right Moment for Savings



SaveUSA, a tax-time matched savings program piloted in 4 cities, provides strong, rigorous evidence that families with low incomes (*average income of only \$18,000*) can and will save for the short term.

A randomized control trial evaluation shows that SaveUSA works.



Tax Time Savings Works

SaveUSA Participants:

- Were 8 percentage points more likely to save than the control group
- Had \$522 more in savings than the control group
- Experienced a 6% reduction in liquid asset poverty



SaveUSA Improved Savings Habits

SaveUSA Participants:

- Saved more consistently during the follow-up period than the control group
- Were more likely to have a savings account by the end of the study
- Were more likely to have cash on hand to pay expenses for at least one month



How Participants Used Their Match

- 44% used the match to pay debts or bills
- Participants did not incur debt to receive the match: the study found no negative effects of financial hardship to receive the match

**at 42-month follow up*

The Program is Simple

- 1 Eligible tax filers at participating tax preparation sites open a SaveUSA account and deposit part of their refund.
- 2 Participants receive a 50% match on the initial deposit if they save for a year.
- 3 Participants can always withdraw their money for emergencies with no penalty, and there are no restrictions on use of funds.