



Spending & Saving Tracker ***Taxes***

March 2012

A research report prepared for:



March 21, 2012

echo

Research Method



- **This research was completed online among a random sample of consumers aged 18+. A total of 1,500 interviews were completed.**
- **In addition to a general population sample, the sub-group Affluents was targeted and balanced by the general population.**
 - **n= 588: Affluents – defined as having a minimum annual household income of \$100,000**
- **Interviewing was conducted by Echo Research between March 2- 5, 2012.**
- **Overall the results have a margin of error of +/- 2.5 (or 4.0 among Affluents) percentage points at the 95% level of confidence.**

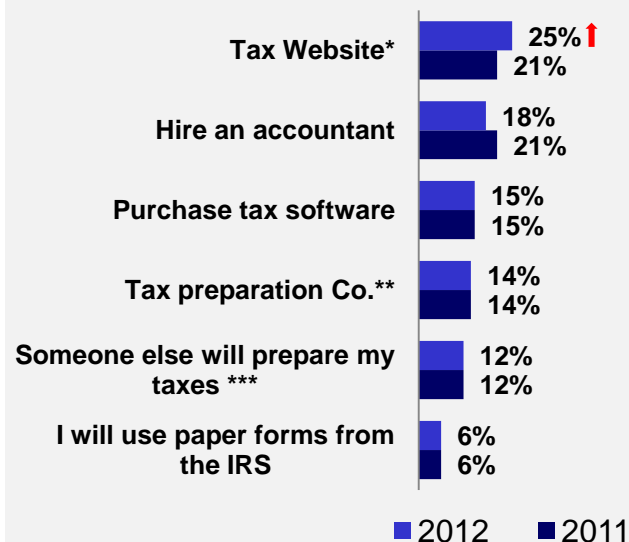
Use of a Tax Website has Emerged as the Top Tax Preparation Resource



In thinking about 2011 taxes, one in four will use a tax website, such as TaxACT.com for preparing their taxes; this is up from last year where about one in five who equally resourced a Tax Website and hired an accountant (21% each).

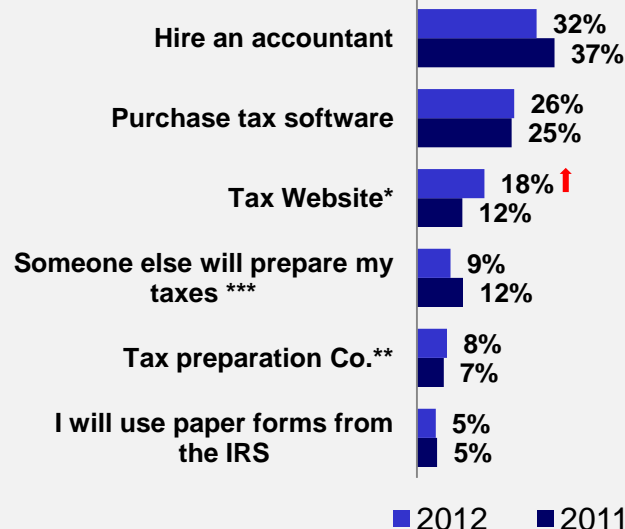
TOTAL

89% Filing a Tax Return



AFFLUENTS

98% Filing a Tax Return



* (i.e. TaxACT.com)

** (i.e. H&R Block)

*** (i.e. spouse, family member, or friend)

Q.T2 Thinking about your 2011 Taxes - what resource will be used for preparing your taxes?

BASE: Total respondents

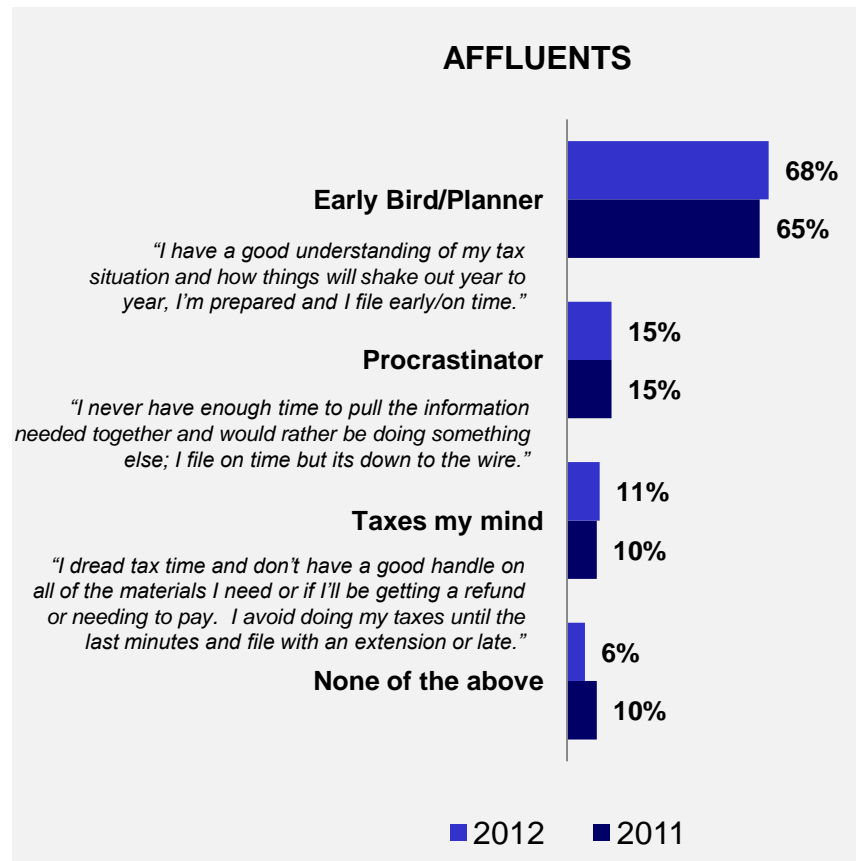
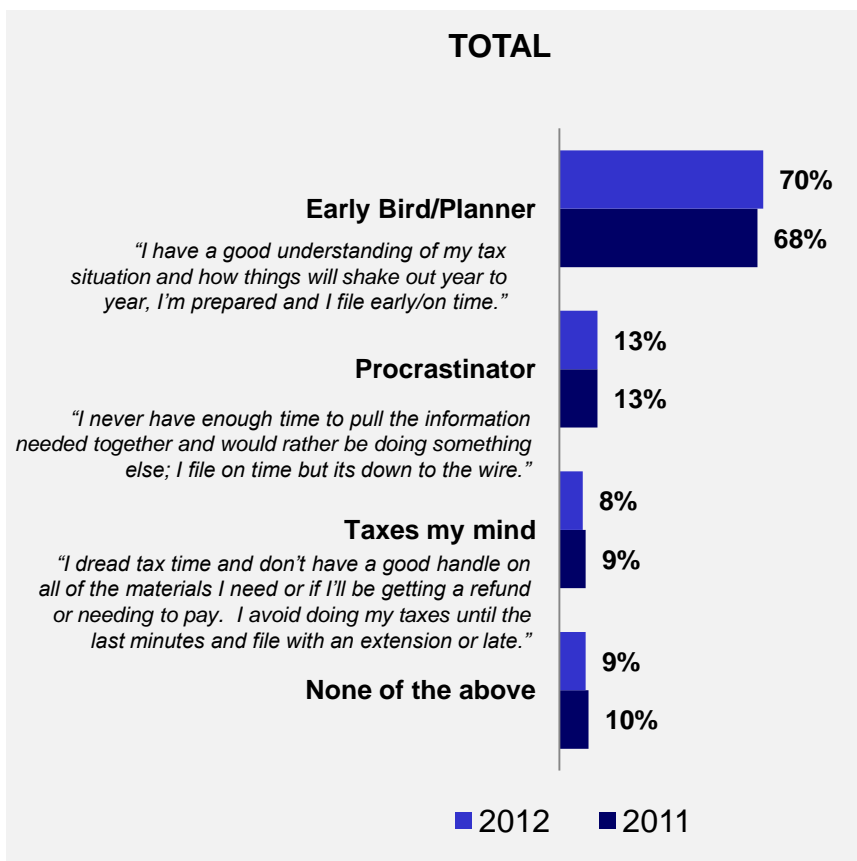
↑ ↓ Significantly higher / lower at the 95% confidence level (2012 versus 2011)

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“Early Bird/ Planner” Best describes the Tax Personality among Most Tax Filers



Most consumers continue to have a good understanding of their tax situation, how things will shake out year to year, and feel prepared for filing early or on-time – “early bird/planner” (70% vs. 68% last year).

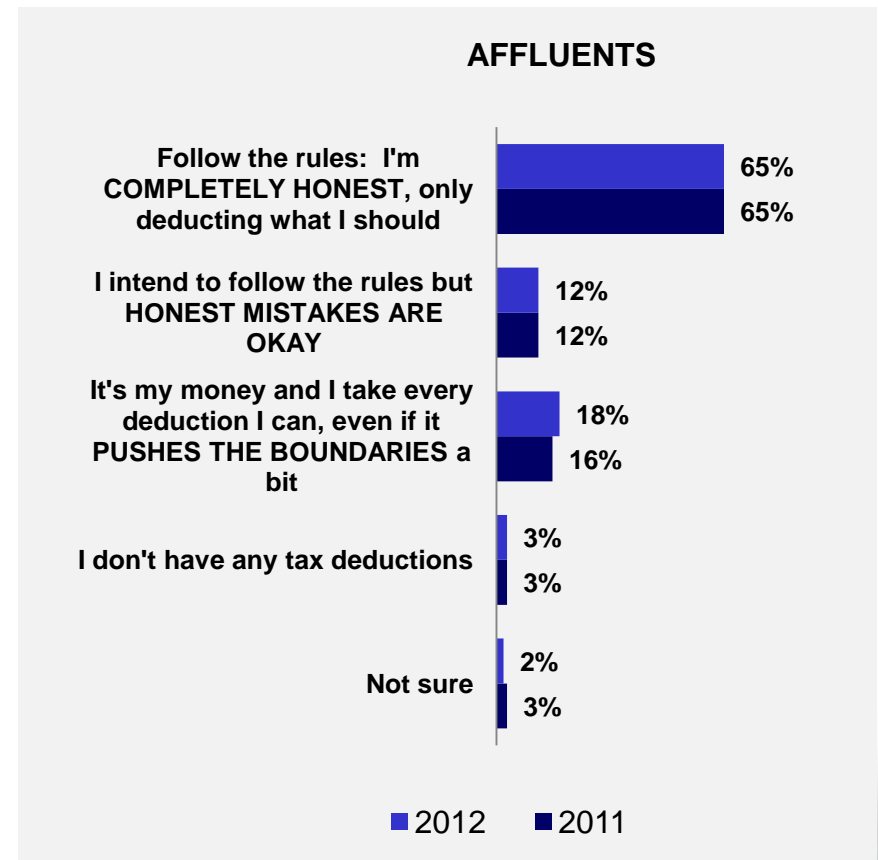
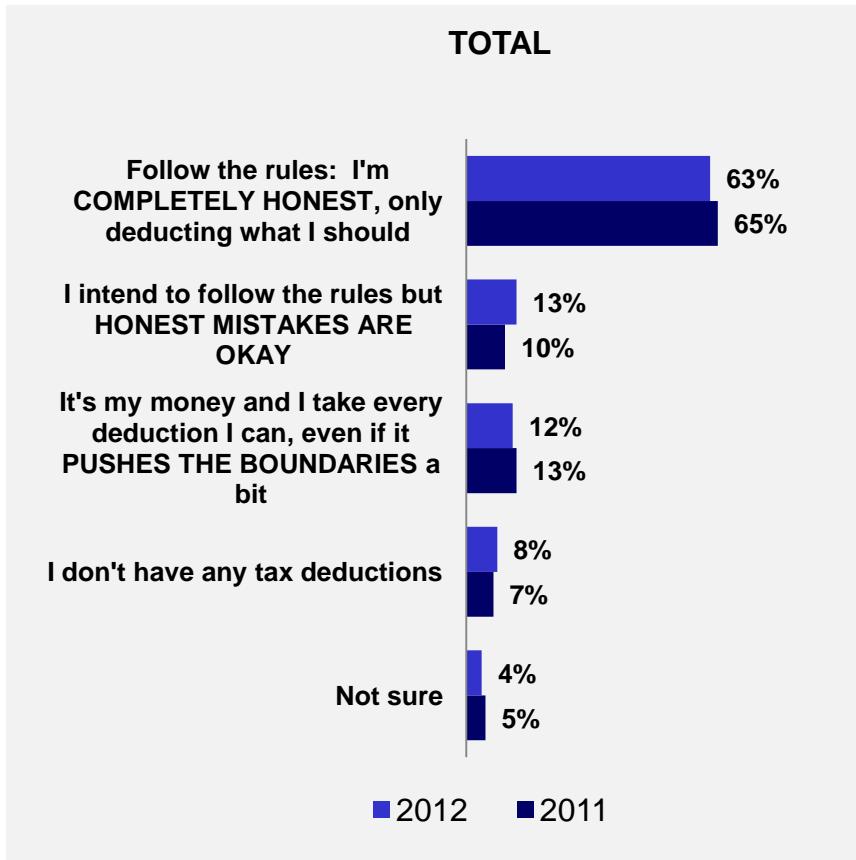


Q.T3 Which of the following describes your "tax personality" in handling your 2011 taxes?
BASE: Total filing taxes

Complete Honesty is the Best Practice for Tax Filers



Most tax filers continue to follow the rules in handling their tax deductions, and are completely honest, only deducting what they should (63% vs. 65% last year).



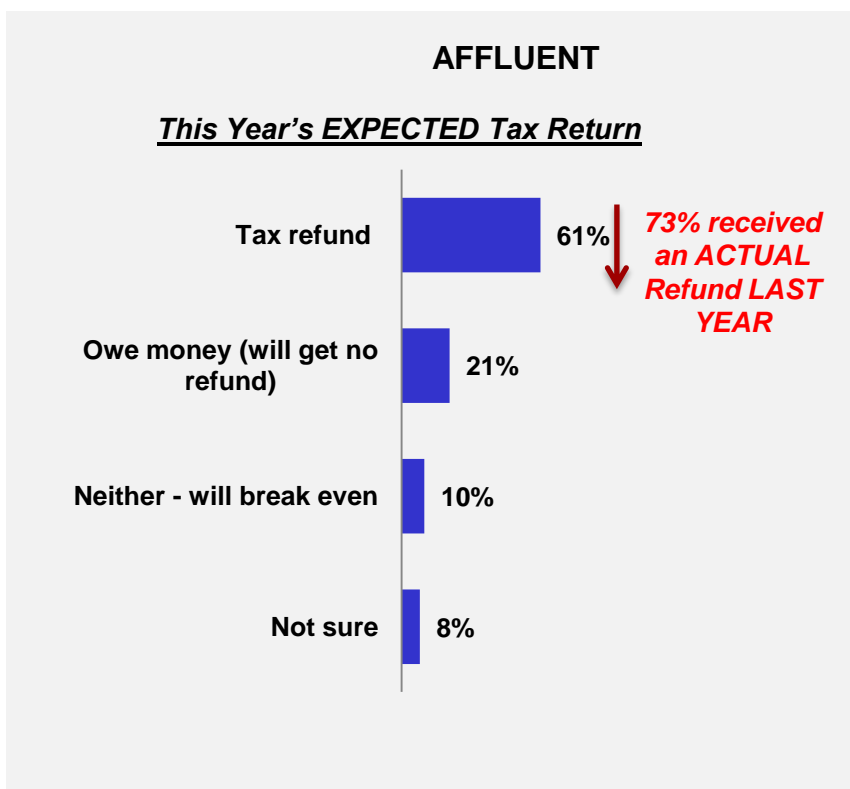
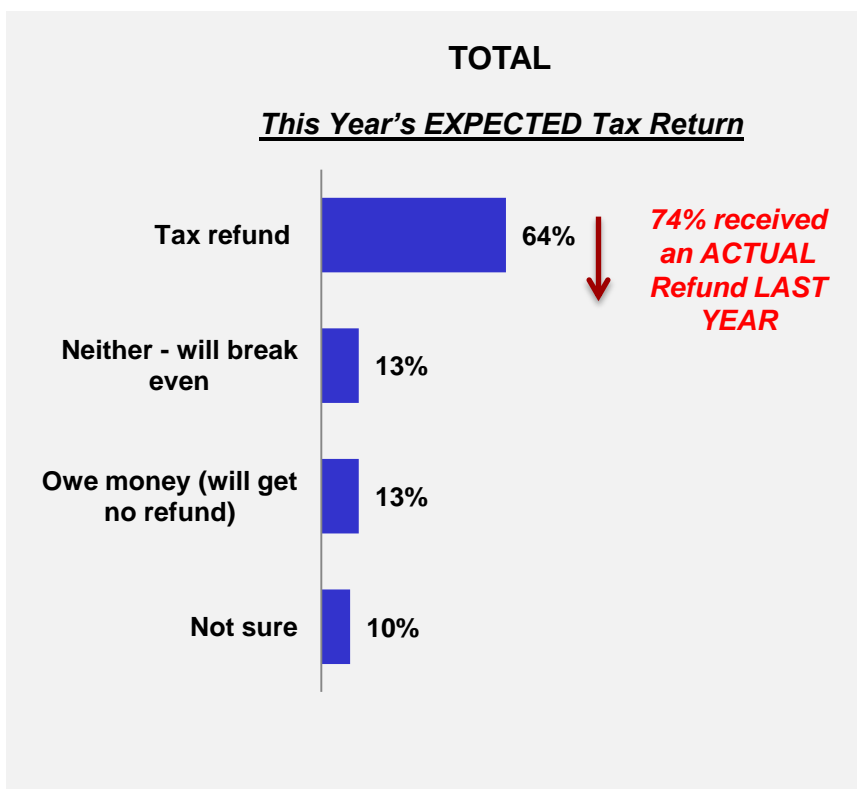
Q.T4 Which of the following best describes your handling of tax deductions?
BASE: Total filing taxes

Most Tax Filers are Expecting a Tax Refund although Down From Last Year's Refund



More than three in five (64%) tax filers expect a tax refund for their 2011 tax filing, while 13% will either owe money or break even.

Among those filing a tax return this year – roughly three in four (74%) received a refund last year, but significantly fewer expect to receive one this year (64%).



Q.T5 Thinking about your 2011 tax filing, will you owe money on April 17th - the tax deadline or are you expecting a tax refund?

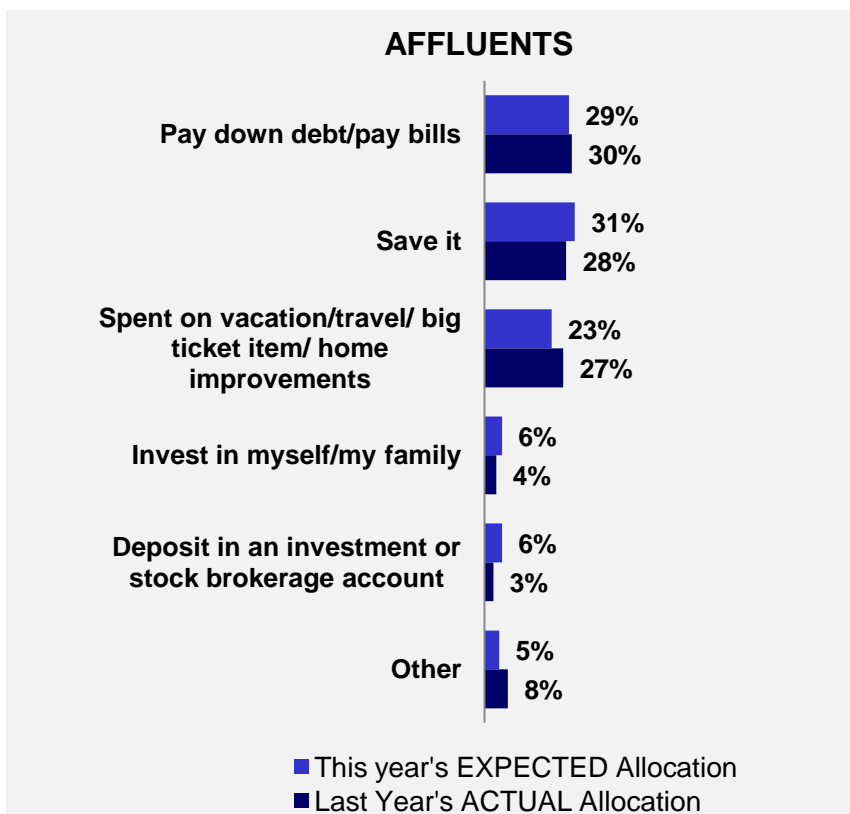
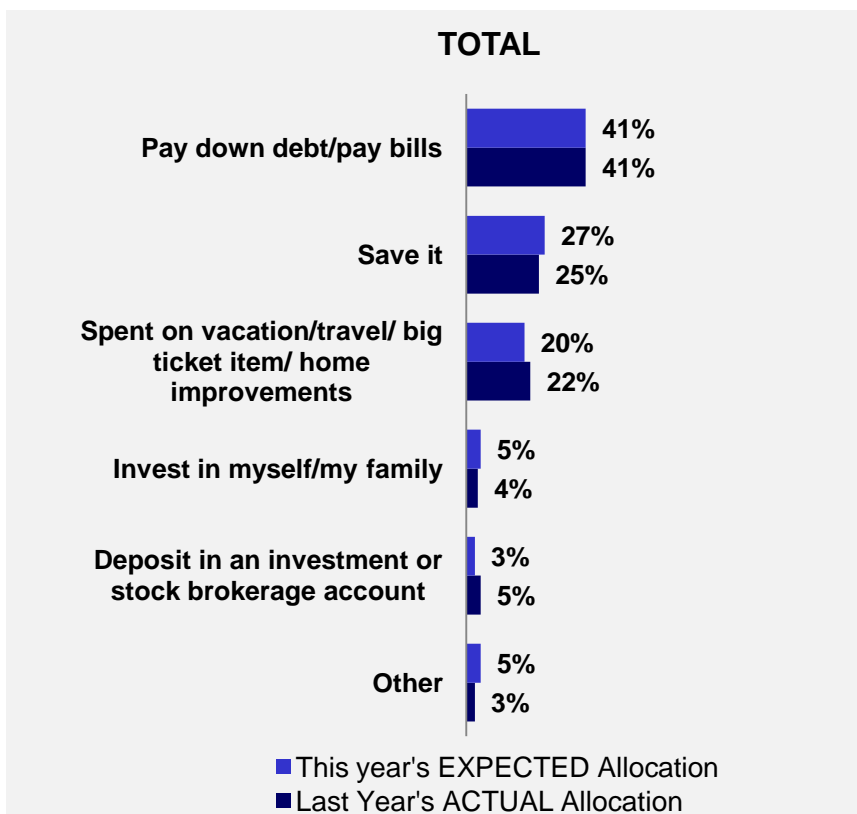
Q.T1a How did you spend your refund you received last year?

[recalculated base: Total filing taxes this year]

More Consumers Choose to Use their Tax Refund to Pay Down Debt than Save



Consumer expectations for allocating their tax refund to paying down debt/bills is on par with last year's refund (41% each); and more than one in four expect to save their refund (27% vs. 25% last year).



Q.T6a-g(2) Please indicate how you will allocate spending and/or saving of your 2011 tax refund?

BASE: Total filing 2011 taxes and expect a refund

Q.T1b How did you spend your refund you received last year?

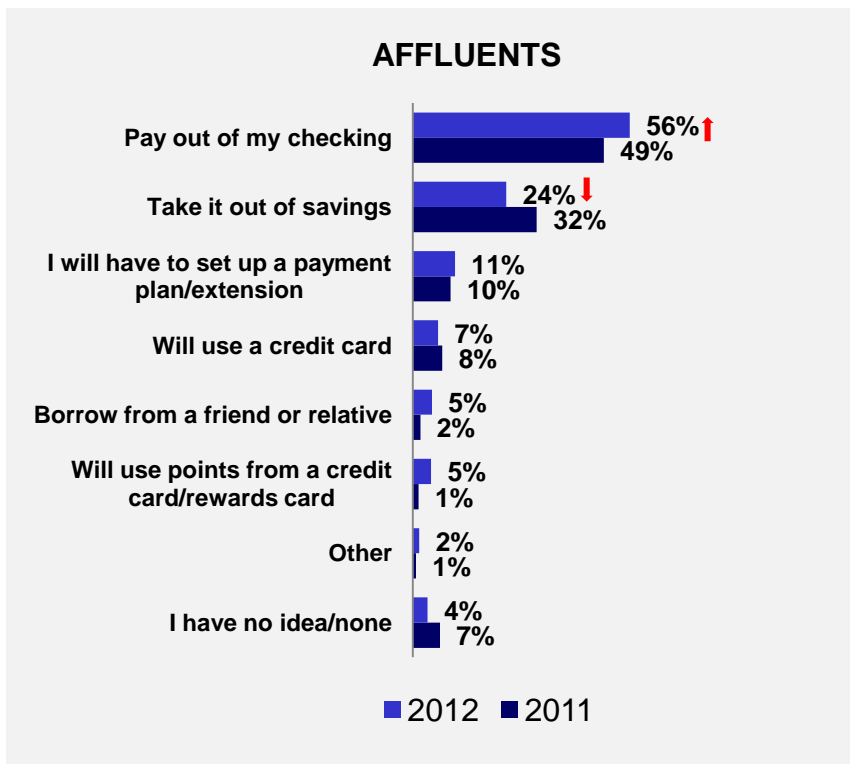
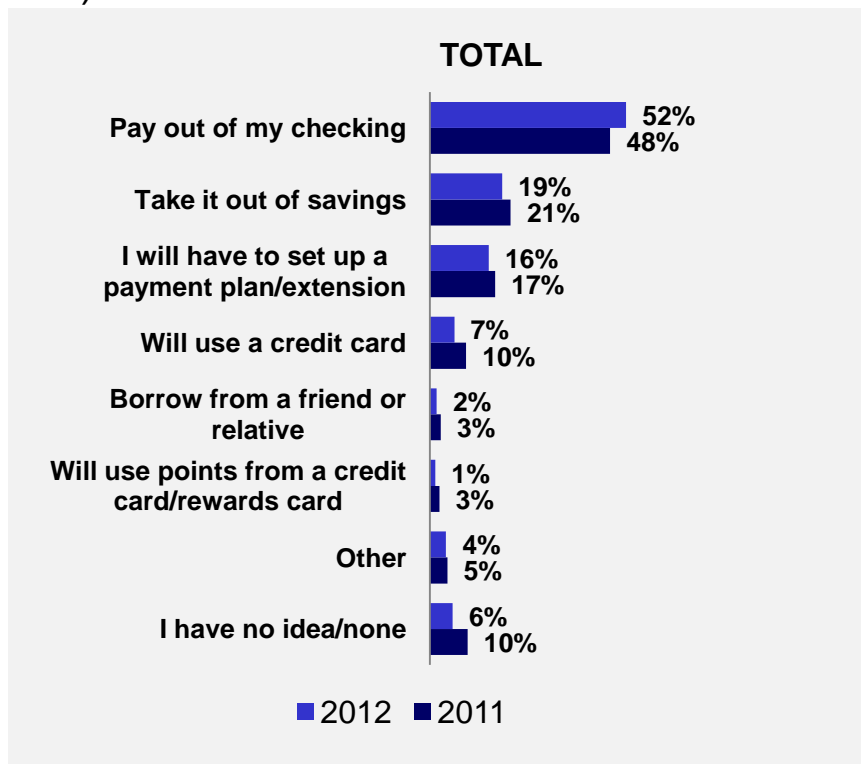
[recalculated base: Total filing taxes this year and received a refund last year]

Most Expect to Pay Taxes Owed via their Checking Account



Among the general population who expect to owe money on their 2011 taxes, most will pay using their checking (52%), and about one in five will dip into their savings (19%).

Compared to last year, fewer Affluents expect to dip into their savings to pay for their owed taxes (24% vs. 32% last year), and more expect to pay out of their checking this year (56% vs. 49%).



Q.T7 How do you expect to pay your 2011 taxes owed?
BASE: Total filing 2011 taxes and owe money

↑ ↓ Significantly higher / lower at the 95% confidence level (2012 versus 2011)

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