

Office for Financial Success – Financial Tip of the Week  
A service of the Personal Financial Planning Department  
College of Human Environmental Sciences  
University of Missouri-Columbia  
(05/01/2009)

**MoTax: Financial Education through Taxpayer Assistance**

Occasionally, I have to write about “what’s going on” in our university department, including the Office for Financial Success and the Center for Economic Education, as I am very proud of what we do for our campus and the larger community. As I think about the current economic situation faced by our country and our world, I have to conclude that there are many activities done by each of us that are never counted as a part of our economy. Such broad categories as household production and volunteerism are two that are commonly excluded from national accounts.

One such volunteer effort is MoTax: Financial Education through Taxpayer Assistance; a cooperative effort between our academic department, University of Missouri Extension, the Internal Revenue Service, Central Missouri Community Action, the Certified Financial Planning Board of Standards, and the Center on Budget and Policy Priorities. I will focus on the efforts of our students and I ask you to consider how we each contribute to the development of our total economy by the gift of a few hours of our time, whether it be to our church/synagogue/mosque, Boy/Girl Scouts, Professional Ladies Auxiliary, the Food Bank, Salvation Army, Meals on Wheels, or tutoring youth - the list is endless.

Following completing a course, Tax Planning, and being certified to do tax returns through the IRS’s Volunteer Income Tax Assistance program, fifty-five of our undergraduate students volunteered this spring to prepare tax returns for low and moderate income household in the Columbia area. (Through our Missouri Extension state-wide staff, MoTax is also done at various locations across Missouri, effectively doubling the numbers you’ll read below.) The effort is a part of our academic pedagogy and we have identified three primary outcomes received by our students. First, communication skills are developed as they learn to interact with people from diverse backgrounds. Second, students enter the experience a little scared of doing real tax returns for real people and they end the semester as confident young-adults. Third, once the refund is known, the students engage the individuals in a conversation about what is the best use the household can make of the money they expect to receive. As you’d expect, paying off debt, saving for a down payment on a home, and saving for retirement are often answers. Moreover, these “future financial advisors” are learning skills sought by employers, as most people have never sat across a desk and talked to someone about their money.

What do those who have their returns completed receive? This year, the 1,850 returns completed by our students accounted for federal tax refunds totaling \$1,911,093 with an estimated savings in tax preparation fees of \$254,000. Given the hours our students donated, this amounted to savings for the local economy of \$804 per student volunteer hour. Of course, those of you with a little training in economics know that the total savings, about \$2,165,093, when multiplied by a conservative multiplier of 2.5, results in an economic impact to Central Missouri of \$5,412,732, while improving the financial literacy and outlook of thousands of individuals.

I can't help but call this "Financial Success", as this is more than ten-times the budget of our resident, academic department. I encourage you to think of the things your school is doing, or that you could do, to build the financial- and/or human-capital of your local community to lead our country to continued financial success.

Now you know one more reason why I am so proud of our little department and why we have the Office for Financial Success.

- Robert O. Weagley, Ph.D., CFP(r)

Chair, Personal Financial Planning

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