
Sondra G. Beverly, Jennifer L. Romich & Jennifer Tescher

Working Paper No. 03-17

2003
Linking Tax Refunds and Low-Cost Bank Accounts:
A Social Development Strategy for Low-Income Families?

Sondra G. Beverly
University of Kansas School of Social Welfare
Twente Hall, 1545 Lilac Lane
Lawrence, KS 66044
Ph: 785-864-2366
Fax: 785-864-5277
Email: sbeverly@ku.edu

Jennifer L. Romich
University of Washington School of Social Work
Email: romich@u.washington.edu

Jennifer Tescher
ShoreBank Advisory Services
Email: Jennifer_Tescher@sbk.com

Working Paper No. 03-17
2003

Center for Social Development
George Warren Brown School of Social Work
Washington University
One Brookings Drive
Campus Box 1196
St. Louis, MO 63130
tel 314-935-7433
fax 314-935-8661
e-mail: csd@gwbmail.wustl.edu
http://gwbweb.wustl.edu/csd

Acknowledgements: The ECSP was made possible in part by a grant from the Ford Foundation. The Ford Foundation and the Joyce Foundation supported the evaluation research. The authors thank David Mazarzal of the Center for Economic Progress for his vision and dedication to the initiative. Adele Botha, Dequiana Brooks, Emily Burkhalter-Blosser, Thamar King, Judy Martinez, Renell Morgan, Veronica Nelson, Seow Ling Ong, John Ottomaneili, Elizabeth Rossman, Kevin Ruland, Efrain Soto, Nicol Turner, and José Valdez helped collect and prepare the data.
Abstract: This article describes a pilot program encouraging low-income workers to have their tax refunds directly deposited into low-cost bank accounts. The program did not lead to substantial saving and asset accumulation in the short-term. However, surveys and interviews suggest that the program helped some participants spend money more slowly and more thoughtfully, introduced some to account ownership or direct deposit, and encouraged some to obtain other mainstream financial products. Thus, the program may have helped low-income families “get on track” for future saving and asset accumulation.

Keywords: tax refunds, low-cost bank accounts, surveys, interviews, banked/unbanked, financial services, savings, asset accumulation
For low-income households, saving and asset accumulation represent important forms of economic participation and contribute to social integration (Midgley & Sherraden, 2000; Midgley, 2000; Sherraden, 1994). This article describes the Extra Credit Saving Program (ECSP), a program designed to facilitate saving and asset purchases. The ECSP provides low-cost bank accounts to those who arrange for direct deposit of tax refunds and offers a small incentive payment for funds in these accounts. If the ECSP does indeed facilitate saving and asset purchases, then linking tax refunds to low-cost bank accounts may be a viable social development strategy. This article presents evidence from the program’s first year.

Background

Large Tax Refunds
The federal tax system has become an increasingly important channel for transferring resources to low-income families (Rogers & Weil, 2000; Sammartino, Toder, & Maag, 2002). In tax year 1999, the most significant tax benefit for low-income households was the federal Earned Income Tax Credit (EITC). In that year, the maximum EITC benefit was $2,312 for families with one child and $3,816 for families with two or more children (Johnson, 2001). The credit is refundable, so eligible individuals and families receive payments even if they do not owe federal income taxes. An advance payment option is available, but almost all EITC recipients receive a lump-sum refund after filing (Hotz & Scholz, 2002). With EITC benefits, low-income households recruited for the ECSP could have been eligible for tax refunds worth several thousand dollars.

The Extra Credit Saving Program
The ECSP was developed by ShoreBank, a community development financial institution serving under-invested communities in Chicago, and the Center for Economic Progress (CEP, formerly the Center for Law and Human Services), a non-profit organization that seeks to increase the resources of low-income families and individuals by improving access to public benefit programs. CEP offered free tax preparation and electronic tax filing to EITC-eligible individuals twice a week at a ShoreBank branch, where bankers also invited individuals to join the ECSP between January and April 2000. Enrollees opened no-fee, no-minimum-balance saving accounts and arranged to have their 1999 federal tax refunds directly deposited. Funds in ECSP accounts earned a market rate of interest (2.5 percent), and a no-fee ATM card was available. As an extra saving incentive, participants received an additional 10 percent bonus on funds remaining in the account on December 31, 2000 (up to a maximum bonus of $100). Enrollment in the ECSP was voluntary and was not limited to those without bank accounts.

Potential to Promote Saving and Asset Purchases
We expected the ECSP to promote saving and asset purchases for several reasons. Low-income families view tax refunds as an important source of saving or funds for asset purchases (Romich & Weisner, 2000; Smeeding, Phillips, & O’Connor, 2000). Many low-income families do not have bank accounts (Hogarth & O’Donnell, 1999), and, as Smeeding et al. (2000) suggest, the “unbanked” may have difficulty saving or even prioritizing uses of a large tax refund. By waiving the requirement for an up-front opening deposit, the ECSP made account-ownership appealing and feasible for some unbanked individuals. The direct deposit feature is also hypothesized to increase saving by making money less accessible (Beverly, Moore, & Schreiner,
in press). Finally, it was hypothesized that the small year-end bonus might help participants think of their accounts as saving vehicles and support their longer-term asset accumulation goals.

Comparison with IDAs
Compared to the Individual Development Account (IDA) programs discussed elsewhere in this volume, the ECSP is cheaper and targets different client needs. The ECSP lacked case management, provided no financial education, and offered a very small saving incentive. These differences make the ECSP less expensive than IDA programs. ECSP accounts are probably less appealing than IDAs for people with strong motives to save for IDA-approved assets. Because there are no restrictions on withdrawals, ECSP accounts may appeal to a larger and more diverse group than IDAs.

Data and Research Questions
This article summarizes findings related to five research questions:
1. Who chose to participate in the ECSP?
2. How did participants use their accounts?
3. Did the year-end bonus encourage saving in accounts?
4. What obstacles to saving did participants identify?
5. Do participants believe the program changed their attitudes and behaviors related to saving and asset-accumulation?

Sample
The research uses six sources of data from ECSP participants. CEP intake forms and federal tax returns provided demographic data, as well as income and tax information. Monthly Shorebank account statements showed balances and transactions. Account-holders completed 20-minute surveys upon enrollment and five-minute follow-up telephone surveys in November and December 2000. Finally, in-home qualitative interviews were conducted with a subset of participants.

Out of 446 individuals who filed their taxes at a CEP-ShoreBank site, 89 chose to open ECSP accounts for a take-up rate of 20 percent. Eighty-six of these account-openers were adults and therefore eligible study participants. Seventy-two of these eligible individuals completed the informed consent process, resulting in an overall study participation rate of 84 percent. Sixty-nine individuals completed baseline surveys. Some research questions pertain only to the subset of 60 participants whose refunds were directly deposited into ECSP accounts. Our primary sample for questions regarding account activity and refund use consisted of 58 participants. (We excluded two individuals who received refunds smaller than $15.) Of these individuals, 59 percent completed follow-up phone surveys. Comparison of baseline demographics reveals no clear pattern of advantage or disadvantage for these follow-up survey respondents. Relative to non-respondents, respondents were somewhat less likely to receive cash assistance and Food Stamps and more likely to hold bank accounts, at the time of enrollment. However, adjusted gross income and refund amounts were lower for respondents.

Initial analyses of those who did not have bank accounts revealed four patterns of account use, and three potential in-depth interviewees were randomly selected from each group. Of these,
nine (75 percent), were interviewed. Beverly et al. (2001) provide more detail on the selection process and methods used in in-depth interviews.

**Characteristics of ECSP Participants**

Participants were predominantly female, all but one were African-American, and 72 percent were never married. The median age was 34, and the mean number of dependents was 1.2. The group was economically disadvantaged. Half had received Food Stamps in 1999, 29 percent had received a Temporary Assistance for Needy Families grant, and 27 percent had received Medicaid. The median 1999 federal adjusted gross income was $8,570. The median anticipated federal tax refund (based on return information) was $1,206. Sixty-one percent of participants were unbanked at enrollment.

Because study participants chose to enroll in the ECSP, they may have been particularly motivated or financially sophisticated. However, participants were recruited from a group of individuals who sought free tax preparation, not a saving plan. For this reason, we believe that findings regarding saving and asset accumulation are no more biased by self-selection than findings from IDA studies.

**ECSP Account Use**

In this section, we describe deposit and withdrawal patterns for the 58 participants who received non-negligible refunds. We use account statements from January 15, 2000 to June 15, 2001.

**Initial Account Activity**

The first column of Table 1 summarizes account activity in the first 30 days after refund receipt. The median number of withdrawals was three, and the mean was 4.3. Withdrawals were fairly small. Fifteen individuals (26 percent) made at least one deposit (not including interest payments) in the first month. Individual deposits (N=23) ranged from $1 to $1,500 (median $150, mean $292). Three individuals received paychecks or public transfer payments via direct deposit within the first thirty days.

Initial account activity fell into three categories: maintenance, decline, and depletion. Eleven refund recipients (19 percent) left their refunds virtually untouched and/or had thirty-day ending balances that exceeded their refund amounts. Sixteen (28 percent) withdrew some of their refunds, but did not deplete their accounts. Thirty (53 percent) had thirty-day ending balances that were less than 15 percent of refund amount including one individual who closed her account and six others with balances below $5.

**Subsequent Account Activity**

This section describes withdrawals, deposits, and ending balances in the first 60, 90, and 120 days and presents overall patterns of account activity. We focus on the extent to which individuals used ECSP accounts as something more than a short-term holding place for tax refunds.
Withdrawals, Deposits, and Ending Balances

The second, third, and fourth columns of Table 1 summarize cumulative account activity in the first 60, 90, and 120 days. As one would expect, the number of individuals with no withdrawals declined over time. Still, four participants (7 percent) did not make any withdrawals in the first three months, and two (3 percent) did not make any withdrawals in the first four months. The median withdrawal amount changed very little, in absolute or percentage terms.

The number of individuals who had made one or more deposits increased over time, as did the number who had received direct deposit paychecks. No additional accounts were closed in the second, third, and fourth months, but the number of individuals with less than $5 increased to 16 (28 percent). The median ending balance declined substantially over time. After 120 days, only half of the participants had ending balances greater than $19, and only half had ending balances greater than 2 percent of refund amount. The mean balance after 120 days was $271, and the mean balance as a percent of refund was 29 percent.

Overall Patterns of Account Activity

Individual account activity between the date of refund receipt and November 15, 2000 fell into one of four patterns: (1) rapid spend-down, (2) slow spend-down, (3) transaction, and (4) saving. These patterns are based on the average daily balance (ADB), ADB as a percentage of refund amount, and the number of account transactions per month between the date of refund receipt and November 15, 2000.

The most common pattern is rapid spend-down. The 24 individuals in this group (41 percent of the sample) depleted their accounts (i.e., account balance fell below 15 percent of refund amount) in the first 30 days, and their accounts were largely inactive from this point on. Six of these individuals made at least one deposit, but funds were quickly withdrawn. To a large extent, these ECSP participants used their accounts solely as a short-term holding place for tax refunds.

The second pattern is slow spend-down. The 13 individuals in this group (22 percent) did not deplete their accounts in the first 30 days, but their account activity was dominated by withdrawals. Almost all had balances of at least $500 two months after refund receipt, and many had balances of at least $500 after three months. Like ECSP participants who spent their refunds very quickly, these individuals used their accounts to store tax refunds, but funds remained in accounts longer. This postponed consumption might be viewed as saving, especially since ADBs were fairly high (median $618, mean $727).

The third overall pattern of account activity is transaction. The 13 individuals in this group (22 percent) rapidly withdrew their tax refunds, but in later months had frequent deposits and withdrawals. Median ADB for this group was $188. These individuals were essentially using their ECSP accounts like checking accounts. Nine of these individuals received direct deposit paychecks or transfer payments.

Eight individuals (14 percent) fell into the fourth pattern—saving. All of these individuals had periods of time when account balances were increasing, and all had account balances on November 15 that were greater than 15 percent of their refund amounts. The median ADB was...
$537, and the median ADB as a percent of refund was 55. We assume that these individuals were attempting to save in their ECSP accounts.

In sum, about two-fifths of ECSP participants used their accounts simply as a short-term holding place for tax refunds. One-fifth of participants made frequent deposits and withdrawals into their ECSP accounts and might be good candidates for checking accounts. One-fourth of participants used their accounts largely to store refunds, but many of these individuals held substantial balances for two months or longer. Several had periods of at least 30 days where account balances remained steady and above $500. When these individuals are combined with the 15 percent who had periods of increasing account balances, we believe that about one-third of participants could be viewed as saving in ECSP accounts.

Participants in the saving and slow spend-down groups had higher incomes and may, therefore, have been more able to keep money in their ECSP accounts. Those in the slow spend-down group received relatively large refunds and those in the rapid spend-down group received relatively small refunds. Because it is easy to spend small refunds, refund size may partly explain account activity.

**Year-End Bonus and Related Account Activity**

Of the 72 study participants, 62 (86 percent) received the year-end 10-percent bonus offered by ShoreBank. Most bonuses were small (median $1.30, mean $18) because most account balances were low. Four study participants received the maximum bonus ($100), and another seven received bonuses greater than $50.

Using daily account statements, we looked for individuals who appeared to be building up account balances in anticipation of the year-end bonus. Eight individuals may have been actively working to earn a large bonus. For example, one individual who had not made a deposit since August made five deposits of $25 to $400 between late November and late December. Four of these eight individuals made large withdrawals in January and early February, but four maintained substantial balances at least through February 15. We also observed five individuals who received direct deposit payments in late December and who would have earned substantially larger bonuses if they had postponed withdrawals for three to 10 days. Overall, these data suggest that the bonus failed to substantially influence account activity.

**Use of Accounts for Refunds in Tax Year 2000**

One way to assess comfort with and commitment to ECSP accounts is to note whether participants arranged to have federal refunds for the 2000 tax year directly deposited into their accounts. By June 15, 2001, 16 of the 72 study participants (22 percent) had received tax year 2000 refunds via direct deposit. In addition to the 16 people who received direct deposit federal refunds, 10 account-holders did not receive direct deposit refunds, but made deposits greater than $500 between February 15 and June 15, 2001. These deposits may have come from refunds received by mail.
Participant Perceptions

The results presented thus far may disappoint advocates of programs like the ECSP. Overall ECSP accounts saving was limited, and the bonus did not seem to encourage saving. Here, we use data from the follow-up survey and in-depth interviews to describe obstacles to saving and asset purchases as well as perceived changes in financial behaviors and attitudes.

Obstacles to Saving and Asset Purchases

Financial Constraints
Participant comments reveal that financial constraints shaped refund use and account activity. By targeting low-income participants, the ECSP naturally reached people whose expenses generally equal or exceed income and whose income and expenses often fluctuate. Two of the nine in-depth interviewees had unemployment spells in 2000. Two used the refunds to partly finance maternity leave. One respondent with several children explained the ebb and flow of her financial life, “I pay my bills good, I have a little money in the bank, basically you know I save. I don’t; I do. I have; I don’t have.” This mother and others note that expenses of childrearing make saving difficult. Even those without children said that unexpected expenses sabotaged attempts to save. For example: “I thought I was going to be saving some money, but then different things started happening in the house, and to the cars, … you know, different things.” This finding regarding financial constraints is consistent with findings from IDA programs. In one study of 300 IDA participants, 82 percent said it was difficult to save because most of their money went to necessities (Moore et al., 2001).

Spending Temptations
Variations in spending discipline also seem to have shaped patterns of refund use and account activity. Four follow-up survey respondents (6 percent) volunteered that they had trouble resisting temptations to spend money. Two in-depth interviewees cited splurging as a major barrier to saving. One young woman criticized her own money management, “I just go out and spend money because I have it and say, ‘yeah, I can get it.’ Then when it’s time for me to really need that [money] I don’t have it… dang!” Two others said they too splurged, but only after paying bills. Again, this finding is consistent with evidence from IDA programs targeting low-income families (Moore et al., 2001), and research on consumption in wealthy families (Kennickell, Starr-McCluer, & Sunden, 1997).

Poor Timing of Bonus
When asked to identify the most important ECSP account feature, baseline survey respondents most frequently named features other than the year-end bonus. In-depth interviews confirm that the year-end bonus generally did not encourage saving. Only one of the nine interviewees accurately described the 10 percent structure. Two noted that they had forgotten all about the bonus until they received the reminder letter, when it was too late to save. Other account-holders said it was especially difficult for parents to save during the holiday season. Two noted they had kept money in their accounts explicitly for purchasing their children’s holiday gifts and, therefore, made substantial withdrawals right before the holidays.
Perceived Changes in Financial Behaviors and Attitudes

Despite limited asset accumulation in ECSP accounts, limited asset purchases, and the barriers to saving just described, many participants said that the ECSP had changed their financial behaviors and attitudes.

Changes in Refund Use

In the follow-up survey, we asked those who said they had saved some or all of their tax refunds (n=14) whether they would have saved as much in the absence of the account. One respondent said she would have been very likely to save this much of her refund without the ECSP account, two said they would have been somewhat likely, five said they would have been somewhat unlikely, and five said they would have been very unlikely.

In addition, we asked all 34 follow-up survey respondents the following question: “Overall, did having the Extra Credit Saving Account at South Shore Bank change the way you used your tax refund?” Twenty-five respondents (74 percent) answered affirmatively. A follow-up question asked these individuals how the account had changed the way they used their tax refunds. We also asked all respondents if they had any other comments, positive or negative, about the ECSP, and we classified a few of these comments as changes in refund use.

Twenty-one follow-up survey respondents (62 percent of follow-up survey sample) implied that ECSP participation changed their spending patterns or helped them save. Three individuals (9 percent) suggested that the ECSP helped them save by creating an incentive or a goal. Four (12 percent) said that having an account helped them to save, but did not say how or why. The majority, however, described changes in spending. For example, 13 respondents (38 percent) said they had fewer spending temptations or spent the money more slowly than they otherwise would have (e.g., “Couldn’t spend the money on a whim”, “By keeping it in the bank, I had to go and get it instead of having it in hand; I didn’t have the urge to spend it all at once”). In addition, three individuals (9 percent) said ECSP participation helped them prioritize spending in favor of “more important things, like appliances.” Three individuals (9 percent) mentioned having other accounts and implied that physical accounting (i.e., using separate accounts for specific purposes) helped them achieve financial goals.

Thinking ahead to next year’s refund is also important because it suggests that programs like the ECSP may have longer-run positive effects on saving and asset accumulation. Four follow-up survey respondents (12 percent) implied that they were thinking ahead to next year’s refund (e.g., “This year I’m going to do it a little differently”, “I’ll save more next time”). This sentiment was echoed by over half of the in-depth interviewees, particularly with regard to the bonus. One woman who did not actively save for the bonus payment explains, “They sent me a letter in the mail, I was like ‘oh okay, it is a little late for that,’ but okay next year come around, I’ll be all good.”

Changes in Other Financial Behaviors and Attitudes

In addition to naming ways ECSP participation had changed refund use, some follow-up survey respondents described changes in other financial behaviors and attitudes. One respondent said the program “helps people get back on the right track.” This notion of getting back on track was
also mentioned in in-depth interviews. Among participants who had never had a bank account, in-depth interviews revealed an increased familiarity with banks. For example: “I always thought all banks you had to put an amount of money in them, that you couldn’t spend it or touch it, so it gave me another outlook on it.” Two spoke about positive interactions with ShoreBank tellers, calling them “helpful” and “classy.”

In-depth interviews also suggest that many account-holders viewed the ECSP as a bridge to other mainstream financial products and services. For example, one respondent said she was thinking about opening a checking account, and another commented on the benefits of direct deposit: “Now I have an account. I have my work check deposited. It’s been a little better. It’s helping me to save more.” Another interviewee attributed her decision to sign up for direct deposit to her positive experience with the ECSP account. Others said that having a saving account helped them establish credit, obtain a legal lease, and obtain credit cards. Whether participants would have sought other routes in the absence of the ShoreBank offer is unclear, but participation in the ECSP may represent an important step toward participation in a full range of financial services.

Discussion

Asset accumulation is increasingly viewed as an important long-term anti-poverty and social development strategy, and participation in mainstream financial systems is a principal prerequisite. This research suggests that the short-term effects on saving and asset accumulation of programs linking tax refunds to low-cost saving accounts will be small. However, by helping individuals spend money more slowly and more thoughtfully, introducing some to account ownership or direct deposit, and encouraging some to obtain other mainstream financial products, programs like the ECSP may help low-income families “get on track” for future saving and asset accumulation.

We believe programs such as the ECSP have promise for other reasons as well. All participants, even those who used their accounts simply as a short-term holding place for tax refunds, received some benefits. They did not have to pay to cash their refund checks, and they received refunds quickly—without the fee charged by commercial rapid-refund providers. More importantly, some ECSP participants said that the program helped them get “back on track”, and some described looking ahead to next year’s refunds. These findings suggest that programs like the ECSP may have positive effects on saving and asset accumulation beyond any observed in the first year.

The most successful feature was the combination of electronic filing and direct deposit of refunds. The combination seems to have created an incentive to open accounts, in large part because account-holders could receive refunds in as few as 10 days. Direct deposit allowed participants to precommit to opening accounts before they received tax refunds, when spending temptations were not as strong. They could open accounts without an up-front opening deposit. And, once funds were deposited in a formal account, some participants seem to have viewed refunds differently than cash on-hand. The least successful feature of the ECSP was the year-end bonus. Participants may have earned larger bonuses if the timing had been different, but we remain unconvinced that a 10-percent bonus payable before Christmas would have helped participants view accounts as longer-term saving vehicles.
One last comment on asset purchases is relevant. It is possible that programs linking tax refunds to low-cost bank accounts weaken the connection between refunds and asset purchases. By providing a safe place to hold money, low-cost accounts may actually decrease asset purchases out of tax refunds. Some combination of immediate spending and saving probably appeals to most recipients of large refunds. However, unbanked recipients have few options. Keeping the money in cash increases the likelihood that it will be spent quickly and increases the possibility of loss or theft. Safer methods (e.g., buying and later cashing money orders made out to one’s self or opening an account with minimum-balance fees) can be costly, so a portion of the tax refund is “wasted.” Buying an asset such as living room furniture or a used car is a way to avoid wasting money. The ECSP reduces the costs of saving and may, thus, make asset purchases less common. In helping spread the benefit over time, the ECSP account acts as the advance payment was intended. This observation does not diminish the possible long-term effect of the ECSP as a bridge to other formal financial services.
### Table 1: Summary of Account Activity for Refund Recipients in First 30, 60, 90, and 120 Days Following Refund

<table>
<thead>
<tr>
<th>Withdrawals (N=58)</th>
<th>30 Days</th>
<th>60 Days</th>
<th>90 Days</th>
<th>120 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number (%) with no withdrawals</td>
<td>9 (16)</td>
<td>5 (9)</td>
<td>4 (7)</td>
<td>2 (3)</td>
</tr>
<tr>
<td>Median number of withdrawals</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Median withdrawal amount(^a)</td>
<td>$67</td>
<td>$61</td>
<td>$60</td>
<td>$60</td>
</tr>
<tr>
<td>Median withdrawal amount as % of refund(^a)</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deposits (excluding interest payments) (N=58)</th>
<th>30 Days</th>
<th>60 Days</th>
<th>90 Days</th>
<th>120 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number (%) with one or more deposits</td>
<td>15 (26)</td>
<td>19 (33)</td>
<td>22 (38)</td>
<td>25 (43)</td>
</tr>
<tr>
<td>Number (%) who had received direct deposit paychecks or transfer payments</td>
<td>3 (5)</td>
<td>4 (7)</td>
<td>7 (12)</td>
<td>8 (14)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ending Balance (N=57)</th>
<th>30 Days</th>
<th>60 Days</th>
<th>90 Days</th>
<th>120 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number (%) with closed accounts</td>
<td>1 (2)</td>
<td>1 (2)</td>
<td>1 (2)</td>
<td>1 (2)</td>
</tr>
<tr>
<td>Number (%) with ending balance less than $5(^b)</td>
<td>7 (12)</td>
<td>11 (19)</td>
<td>13 (23)</td>
<td>16 (28)</td>
</tr>
<tr>
<td>Median ending balance</td>
<td>$206</td>
<td>$86</td>
<td>$36</td>
<td>$19</td>
</tr>
<tr>
<td>Mean ending balance</td>
<td>$649</td>
<td>$433</td>
<td>$379</td>
<td>$271</td>
</tr>
<tr>
<td>Median ending balance as % of refund</td>
<td>13</td>
<td>5</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Mean ending balance as % of refund</td>
<td>39</td>
<td>28</td>
<td>41</td>
<td>29</td>
</tr>
<tr>
<td>Number (%) with ending balance greater than refund</td>
<td>10 (18)</td>
<td>7 (12)</td>
<td>6 (11)</td>
<td>4 (7)</td>
</tr>
</tbody>
</table>

Source: ShoreBank account statements through November 15, 2000

\(^a\) Withdrawal amounts are calculated across the sample of withdrawals.

\(^b\) Includes those with closed accounts.
References


