

Findings From The Free File Migration Study

Prepared For:



December, 2008

Table Of Contents

Content	Page #
<u>Introduction: Background, Purpose, Method & Scope</u>	3
<u>Detailed Findings:</u>	
Why Free File Users Migrate Away From Free File.....	5
Future Resumption Of Usage Of Free File.....	10
Barriers To Resumption Of Usage Of Free File.....	14
Communicating With Free File Migrators.....	16
Profiling Free File Migrators.....	17
<u>Key Findings</u>	20
<u>Appendix</u>	
Other Migrator Profiling Data	
Embedded Questionnaire Used In Study	

Introduction

Background, Purpose, Method & Scope

- Since its debut in 2003, Free File has been the point of Federal tax prep and electronic filing for 24M+ returns by Taxpayers with a pre-set AGI – \$52,000 or less in tax year 2006 and \$54,000 or less in tax year 2007, which effectively allows usage by about 70% of all Taxpayers or 97M total.
- Usage data show a large number of Taxpayers using Free File one year, but not returning the next year even though they are still qualified. Most of these “Migrators” (83% of them) used another e-file method (64% Online and 19% Practitioner e-file), with 17% using Paper.
- The purpose of the Free File Migration Study was to determine why Migrators move to non-Free File methods as well as their future intentions toward resuming usage of Free File (and barriers to resumed usage).
- The study was conducted by telephone Sept. 25—Oct. 30, 2008, among a list of Migrators provided by IRS. 1,000 FF Migrators were randomly sampled to represent all Migrators. This yielded a readable sub-sample of those moving to other OLF methods (n=640), but the sub-samples of Migrators to Practitioner e-file and Paper had to be augmented with additional interviews to bring those two groups to readability (at 502 each). The analysis that follows focuses on Total Migrators and those who migrated to OLF, Practitioner e-file, and Paper.

Detailed Findings

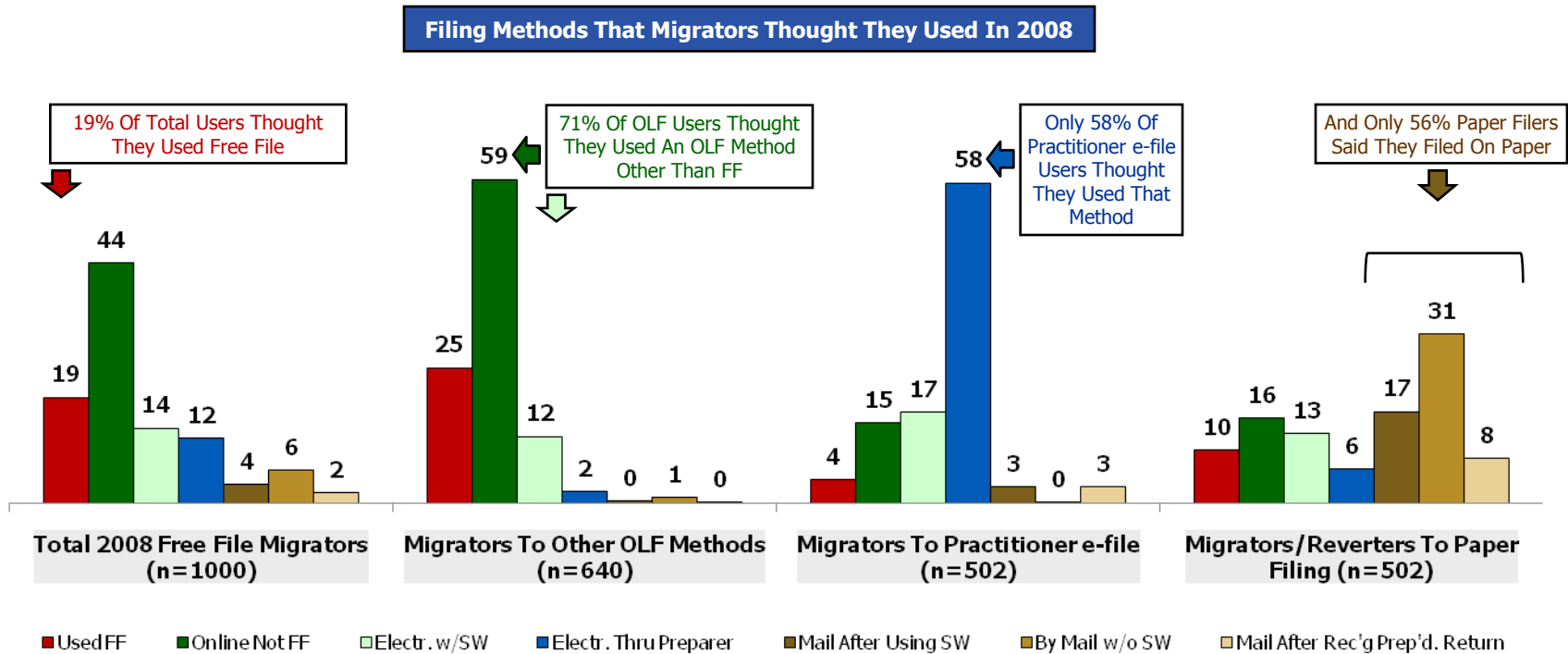
Statistical Notation Used In Detailed Findings

- A Circle Indicates That One Migration Sub-Group Is Significantly HIGHER Than The Others At The 95% Confidence Level.
- A Box Indicates That One Migration Sub-Group Is Significantly LOWER Than The Others At The 95% Confidence Level.

Other Graphics Are Also Used To Highlight A Group Or Set Of Groups, Or To Indicate A Notable Data Point.

As Found Last Year, Many Migrators Do Not Know How They Are Filing

- In a finding virtually identical to results from last year’s Migration survey, about one-fifth of all Migrators a-w-a-y from Free File thought they u-s-e-d Free File in 2008. This was highest among Migrators to Other OLF methods, although uncertainty about method was actually more prevalent among those who migrated to Practitioner e-file and Paper. (Keep in mind that the survey was conducted six months after the 2008 filing season, which may account for some of the uncertainty.)



Migrators Also Cannot Easily Identify Why They Move To Other Methods

- Asked to volunteer reasons for not using Free File, 51% of Total Migrators could not name anything (though this was down from the 59% in 2007 – see **red** mentions below). Among remaining Migrators, there were only two reasons with as much as 6% total mentions this year: “went directly to the website of the company I used in 2007” and “didn’t think I qualified on the income requirement” – both of which came mainly from those who migrated to Other Online Filing methods.

Voluntary Reasons For Not Using Free File In 2008

Total Respondents	Total Migrators		Other OLF Methods (640) %	Migrated To...	
	2007 (1000) %	2008 (1000) %		e-file (502) %	Paper (502) %
Top Voluntary Reasons For Not Using Free File IN 2008					
No real reason/I don't know/I don't remember	31	27	30	19	28
Don't know why I did not use Free File in 2008	28	24	28	17	25
TOTAL COULD NOT NAME ANYTHING	59	51	58	36	53
Went directly to the website of the company I used in 2007	6	10	15	0	2
Didn't think I qualified on the income requirement	4	6	7	2	4
Thought I did/I assumed that I did/thought I used it	6	4	6	0	1
Had someone do my taxes for me	4	5	4	9	5
Thought it was going to be free, but it turned out it wasn't free	3	3	4	0	3
Did not remember in 2008 that Free File was a tax filing option	2	2	2	1	1
Tried to use it, but couldn't link to the free websites	2	2	2	0	2
My taxes became too complicated to use it	2	2	1	6	4

Q7: Is there any particular reason why you did NOT choose to file in 2008 using Free File at the IRS website after having used it the year before?

Even After Prompting, Many Migrators Are Still Unclear About Non-Use

- Asked to choose from a list of possible reasons for non-use, uncertainty was still high (see **red** mentions below). The top specific reasons came mainly from migrators to Other OLF Methods – that they went directly to the website of the '07 provider and did not remember that FF was an option. The other segments were even more unclear about their reasons for non-use.

Total (Voluntary Plus Prompted) Reasons For Not Using Free File

	Total Migrators		Other OLF Methods (640) %	Migrated To...	
	2007 (1000) %	2008 (1000) %		e-file (502) %	Paper (502) %
Total Respondents					
Top Voluntary Reasons For Not Using Free File IN 2008					
Went directly to the website of the company I used in 2007	26	33	45	6	12
Was not aware that I had used Free File the year before	27	28	33	23	20
Did not remember in 2008 that Free File was a tax filing option	22	23	28	15	16
Thought it was going to be free, but it turned out that it wasn't	19	18	22	7	14
Don't know why I did not use Free File in 2008	24	18	12	33	27
Could not file both state & federal returns using Free File	17	17	19	8	14
Didn't think I met the Free File income requirement in 2008	15	16	17	10	13
Didn't feel the Free File website was easy to use the year before	11	12	9	14	13
Tried to use Free File in 2008, but couldn't link to the free websites	13	11	13	5	8
Found the Free File website had insufficient or confusing instructions	10	11	10	11	14
Was uncertain about recent tax law changes	na	10	8	17	9
Concerned about getting the correct Stimulus Refund using Free File	na	7	5	11	8
The Free File service did not let me import prior year tax information	8	6	6	3	5
No longer had access to a computer/the Internet	7	5	2	16	8
Had a bad experience with Free File the year before	4	4	2	6	7
Don't trust Free File or have concerns about Internet security	7	4	2	6	9
Wanted a Refund Anticipation Loan but it was no longer offered	3	3	2	8	1
Was concerned about the AMT - the Alternative Minimum Tax	na	2	1	3	2

Q7: Is there any particular reason why you did NOT choose to file in 2008 using Free File at the IRS website after having used it the year before?
 Q8: After I read each one of these, please tell me if it was a reason that you chose NOT to use Free File in 2008 after having used it in 2007.

But It IS Clear That No Single “Bad Experience” Causes Migration

- For the second year in a row, even after prompting, only 4% (or 42) Migrators selected “had a bad experience” as a reason for moving from Free File. This base is so small that results can be analyzed only at a qualitative level to see what constitutes a “bad experience” – but they do show (as in last year’s survey) that the top objection related to confusion, especially confusion in instructions.

Descriptions Of Bad Experiences With Free File
 CAUTION: Small Base – Read Qualitatively Only

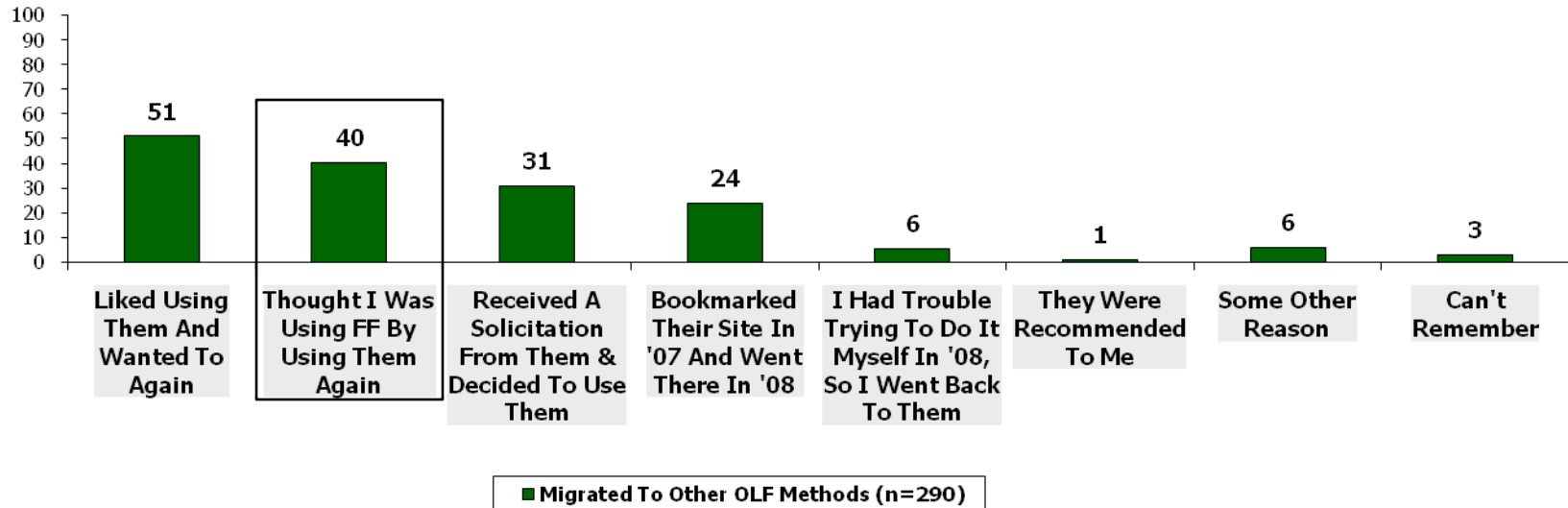
	Total Migrators
Total Who Had A Bad Free File Experience	(42) %
Confusing/instructions were confusing	16
It was supposed to be free, but it wasn’t	10
Prefer another method	7
Had problems linking to/navigating/downloading from the site	7
Not user friendly	5
Took a very long time to get refund/refund came late	5
Problems entering information	5
It charged me for state/there's a fee to file state	5
Got bigger refund using other method	5

Q9: Can you describe in detail the type of bad experience that you had?

Those Who Migrated To The Prior-Year Provider Like That Provider

- As noted before, the top specific reason for moving away from Free File was “went directly to the website of the company I used in 2007” – with this mention coming mainly from Migrators to Other OLF Methods.
- Focusing on just the Migrators to Other OLF Methods and looking at why they returned to their '07 provider, we see that most of their reasons related to liking that provider. Interestingly, 40% thought they w-e-r-e using Free File by going back to that provider.

Reasons For Choosing To Go Directly To Prior-Year Provider

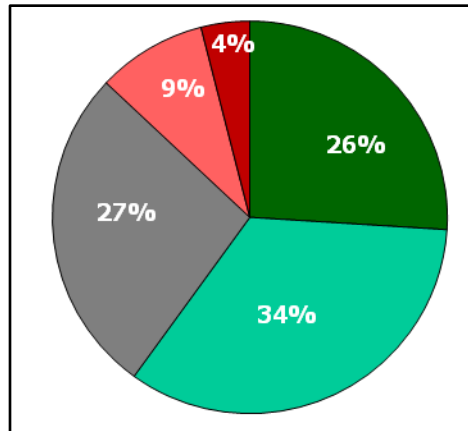


Q10: Which if any of the following describes why you chose to go directly to that company in 2008?

Once Again, Migrators Are NOT Negative Toward Future Use Of Free File

- As found in last year's survey, very few Migrators (only 13%) were negative to future use of Free File (and there was a slight increase in those who said they "definitely will" use it again).
- Likelihood of future use varied across migration segments, with those who migrated to Other OLF Methods being significantly more positive/less negative to future use of Free File than the other two segments (especially those who moved to Practitioner e-file).

Likelihood Of Using Free File Again In Future



Total Respondents

- Definitely Will
- Probably Will
- Might Or Might Not
- Probably Will Not
- Definitely Will Not

Total Migrators

2007
(1000)
%

2008
(1000)
%

23
35
28
10
4

26
34
27
9
4

Other OLF Methods
(640)
%

Migrated To...

e-file
(502)
%

Paper
(502)
%

30
33
27
8
2

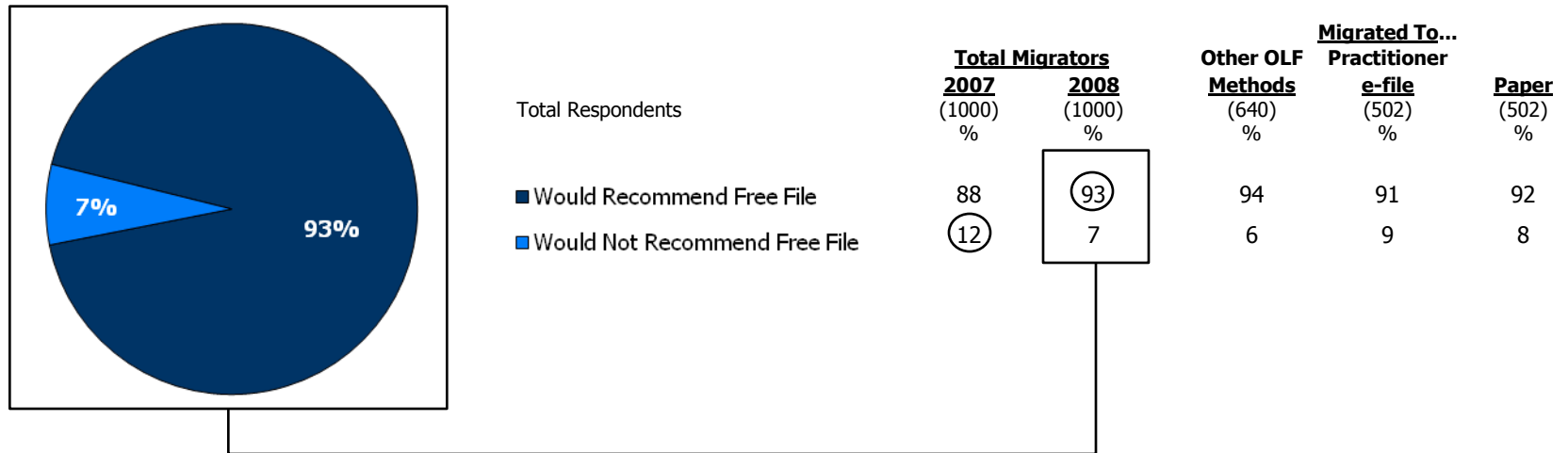
17
36
28
13
6

22
33
32
9
4

There Has Also Been An Increase In Intent To Recommend Free File

- In line with the lack of negative disposition toward Free File, 2008 survey results showed a significant increase in the proportion of Migrators who said they would recommend Free File to a friend or family member – up from 88% in 2007 to 93% in this year’s survey.
- The 93% “would recommend” figure here among Migrators is relatively close to the 98% “would recommend” level found among Free File USERS in the just-completed Free File Satisfaction Study. This underscores the other learning that migration is driven less by DIS-satisfaction and more by lack of attention to (and perhaps ambivalence or aloofness toward) filing method.

Would Migrators Recommend Free File To A Friend Or Relative?

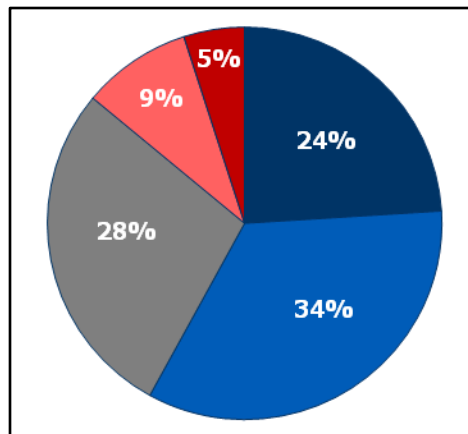


Q13: Would you recommend the Free File program to a friend or family member?

Migrators Still Do Not Indicate High Loyalty To The '08 Method

- Asked how likely they would be to use the prep and filing method they used in '08 again in the future, there was a VERY similar response to that of Free File earlier AND very similar response to that of last year's survey. Only 24% said they "definitely" would re-use the '08 method (vs. 26% in the same measure earlier for Free File), with no significant change here from last year.
- However, there were differences by segment, with Migrators to Paper having far less interest in using their '08 method than Migrators to Other OLF and Migrators to Practitioner e-file.

Likelihood Of Re-Using The Same Non-Free File Method As In 2008



	Total Migrators		Other OLF Methods (640) %	Migrated To... Practitioner	
	2007 (1000) %	2008 (1000) %		e-file (502) %	Paper (502) %
Total Respondents					
Definitely Will	26	24	28	22	14
Probably Will	32	34	38	27	30
Might Or Might Not	27	28	24	28	36
Probably Will Not	10	9	8	13	15
Definitely Will Not	5	5	2	10	6

So, What Drives Interest In Other Methods Compared To Free File?

- We compared the drivers-to-use of Free File vs. the migrated methods by looking at Migrators likely to use/re-use each one. This showed that, for the bulk of Migrators – those migrating to Other Online methods, the Other Online methods have a clear advantage in terms of Ease/Convenience that apparently outweighs the Cost advantages of Free File. The same was not true in the drivers comparison of Free File vs. Practitioner e-file and Paper, where Free File is perceived as both easier/more convenient and lower cost.

Reasons For Using Free File In Future vs. Reasons For Using The 2008 Method

	Migrated To Other OLF		Migrated To Pract e-file		Migrated To Paper	
	Def/Prob Will Use	Def/Prob Will Use	Def/Prob Will Use	Def/Prob Will Use	Def/Prob Will Use	Def/Prob Will Use
	Free File	Other OLF Methods	Free File	e-file Pract'r.	Free File	Paper
Total Definitely/Probably Would Use (Method) In Future	(403) %	(427) %	(267) %	(246) %	(277) %	(218) %
Ease/Convenience (net) It's easier/more convenient (unspecified)	29 22	57 38	43 32	34 21	45 34	30 16
Cost (net) It's free/like idea of not paying to do taxes Cheap/cheaper than others	25 22	7 4	28 18	4 3	13 12	4 2
Speed – Can Do Return Faster/Get Refund Faster (net)	5	11	4	11	12	2
Miscellaneous Positive Mentions						
Habit/preference/best way for me to do my taxes	3	6	3	2	5	5
Prefer that someone else does it/that's method they like	0	3	0	18	0	7

Are There Other Clear Barriers To Resumption Of Usage Of Free File?

- Looking for barriers to use among Migrators neutral or negative to future use (just 27% and 13% of Migrators, respectively), two findings stood out and they were the same as in last year's survey: (1) virtually all Neutrals were ambivalent with no real barriers to use; (2) while the Negatives had no clear single barrier – aside from the 41% of Practitioner e-file Migrators who said they prefer having someone to guide them in their return prep and filing.

Assessing Barriers To Future Use

	<u>Total Migrators</u>		<u>Other OLF</u>	<u>Migrated To...</u>	
	<u>2007</u>	<u>2008</u>		<u>e-file</u>	<u>Paper</u>
Reasons For Neutral Stance Toward Free File – Total <u>Might/Might Not Use</u> In Future	(277)	(267)	(170)	(142)	(160)
	%	%	%	%	%
Total with completely neutral mentions as response*	68	52	53	44	59
Depends on situation/deductions/when I get my W-2/how I feel/etc.	16	19	15	19	28
It's up to the person who helps me with my taxes (preparer/spouse/friend)	18	7	6	9	13
Just haven't decided yet	6	5	5	4	8
Prefer using software/have purchased SW already	4	5	8	0	2
Prefer having professional/someone else help with doing my taxes	4	4	3	10	2
Will try it again if it's truly free	5	3	5	1	2
Reasons For Negative Stance – Total <u>Definitely/Probably Would Not Use</u> In Future	(153)	(127)	(67)	(93)	(65)
Total with completely negative mentions as response*	94	94	93	91	94
Prefer having a professional/someone else help with doing my taxes	28	20	15	41	25
Prefer using software/have already purchased the software	6	8	12	0	6
Free File is too confusing/hard to use/too much hassle	17	7	3	14	14
Financial situation/life has changed and taxes more complex now	14	4	4	5	6
Not comfortable enough/familiar enough with it	6	2	1	9	2

* Note: not all responses to neutral ratings were neutral and not all response to negative ratings were negative.

Q12: You said you (Might/Might Not OR Probably/Definitely Would Not) use Free File again. Why do you feel that way?

Suggestions For Improvement Also Show No Strong Barriers To Re-Use

- Results from the Suggestions For Improvement measures were virtually the same as last year, with only 42% suggesting any improvements and with specific suggestions all very low in mention – the top ones being to make Free File easier to use and increase Taxpayer awareness of it.

Suggested Improvements To Free File

Total Respondents	Total Migrators		Migrated To...		
	2007 (1000) %	2008 (1000) %	Other OLF (640) %	Practitioner e-file (502) %	Paper (502) %
Total Who Had No Suggestions For Improvement	57	57	57	67	62
Total Suggested Any Improvement	43	42	43	33	38
Top Mentions...					
Make it easier/less complicated to use (net) <i>(Includes mentions of make it easier to get onto the site, make it more user-friendly, eliminate third parties, save info from year to year, improve navigation, and allow more forms)</i>	11	9	10	4	9
IRS needs to increase Taxpayer awareness of Free File	6	8	9	6	4
Need clear/better instructions at the site	5	4	3	5	4
Don't tell us it's "free" when it's not really free	3	4	4	1	3
Expand qualification criteria	3	4	4	1	3
Allow all-in-one Fed-State prep and submission	3	3	3	2	2

Mail Is Still The Preferred Outreach Method, But e-Methods Are Gaining

- Next, when 2008 Migrators were asked to choose the best ways for IRS to communicate with them, their top mention was again “in the mail” or regular mail. However, e-mail and Web methods had higher mentions this year – which was likely due, in some part, to a younger survey sample. Note that regular mail had far fewer mentions among Migrators to Other OLF Methods, who might be expected to be more e-advanced than the other segments.

Best Methods Of Communicating With Free File Migrators

Total Respondents	<u>Total Migrators</u>		<u>Migrated To...</u>		
	<u>2007</u> (1000) %	<u>2008</u> (1000) %	<u>Other OLF</u> (640) %	<u>e-file Practitioner</u> (502) %	<u>Paper</u> (502) %
<u>Best Way To Be Contacted By The IRS</u>					
In the mail	76	63	58	70	74
Via e-mail	23	41	46	33	31
From the IRS’s website – irs.gov	14	34	36	32	30
From news articles	5	16	16	15	13
Be available for you to pick up at a post office/library	10	15	13	17	17
From advertising	5	14	14	15	10
From software companies	3	9	10	6	5
Via electronic bulletin board	2	7	7	6	3
From other Internet websites	2	6	5	5	4
Be available for you to pick up at an IRS office	2	6	5	7	6
From contact with an IRS tax specialist/IRS employee	3	5	4	8	5

Q17: If the IRS wanted to send you information about filing Federal Tax Returns how would you prefer to receive this information?

Demographically, This Year's Migrators Were Younger

- A comparison of the demographics of this year's randomly-selected Migrator sample vs. those of last year showed a significantly lower average age in the 2008 sample – 36 vs. the 40-41 of a year ago. As noted before, this may have impacted the Preferred Methods of Communication, though it did not appear to affect most other year-to-year overall measures, which were generally stable. Note the differences in age by migration segment, with the Migrators to Paper notably older.

Demographic Characteristics Of Free File Migrators

	<u>Total Migrators</u>		<u>Migrators To...</u>		
	<u>2007</u> (1000) %	<u>2008</u> (1000) %	<u>Other OLF</u> <u>Methods</u> (640) %	<u>Practitioner</u> <u>e-file</u> (502) %	<u>Paper</u> (502) %
Total Respondents					
<u>Gender</u>					
Male	46	49	50	50	48
Female	54	51	50	50	52
<u>Mean Age</u>	40.5	35.9	34.7	31.8	42.3

Q1: For the record, are you male or female?
 Q2: Which of the following categories best describes your age?
 Area: Captured via State Codes.

List Appends Show Differences In Migration By Return Complexity

- Finally, the IRS lists used in the study contained a range of appended Migrator data – all of which is shown in the Appendix and most of it showing very little year-to-year change.
- However, one new append in 2008 was return complexity and this showed that while the majority of each level of return complexity migrated to Other OLF Methods, those with Complex Returns were at least directionally more likely to migrate to Paper than those with Simple or Intermediate returns.

Migration Of Specific Return Types

	Migrators With Simple <u>Returns</u>	Migrators With Intermediate <u>Returns</u>	Migrators With Complex <u>Returns</u>
Total Respondents	(478) %	(344) %	(178) %

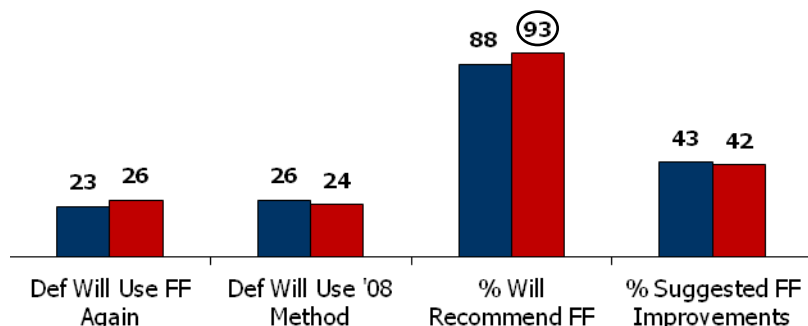
How Each Return Type Migrated:

To Other OLF Methods	66	64	58
To Practitioner e-file	16	23	19
To Paper	18	← 13	← 23

Key Findings

Key Findings

In year-to-year results, Migrators remain as positive toward Free File as they are toward the methods they migrate to. In addition, the level of recommendation is even higher, while the suggestions for improvements are unchanged.

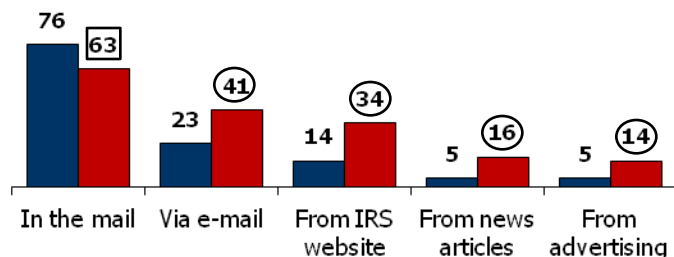


Those generally positive attitudes toward Free File and lack of loyalty to the '08 method, together with a lack of rationale for moving away from Free File, indicates the same aloofness toward filing method that we found among Migrators in last year's survey.

This was evident in their inability to recall why they migrated or to point to any "bad experience" or shortcoming of Free File, and in their lack of clear recall of how they actually filed during the past tax season – with about one-fifth of them thinking that they DID use Free File (though, in fairness, that filing occurred 6 months earlier and this may be affecting recall).



Finally, in terms of how to reach Migrators, there was a drop in mentions of regular mail in '08 and increases for all e-methods – though some of this may be a result of a younger survey sample.



Still, looking at key drivers of Free File vs. those of the method migrated to, there is one difference which could be accounting for at least some part of migration...

- **Among Migrators to Other OLF Methods** (i.e., two-thirds of all Migrators), the "Other OLF Method" has a clear advantage in terms of Ease And Convenience which may be outweighing the Cost advantages of Free File.

On the other hand, given their lack of focus on method, Ease/Convenience may simply be what Migrators remember most about a filing method used 6 months ago.

Appendix

Other Migrator Profiling Data

Migrator Profiling

Characteristics Of Free File Migrators Appended To IRS Sampling Lists

	<u>Total Migrators</u>		<u>Total Migrators To...</u>		
	<u>2007</u> (1000) %	<u>2008</u> (1000) %	<u>Other OLF</u> <u>Methods</u> (640) %	<u>Practitioner</u> <u>e-file</u> (502) %	<u>Paper</u> (502) %
Total Respondents					
<u>Filing Method:</u>					
Online Filing	59	64	100	-	-
Standard ELF	20	19	-	100	-
<u>Paper Return</u> (net)					
V-Code	na	9	-	-	100
Not V-Code	na	8	-	-	45
<u>Form Type:</u>					
1040EZ	26	22	24	17	25
1040A	23	29	30	23	23
1040	52	50	45	60	52
<u>% Of Returns Which Were V-Coded:</u>					
	9	9	-	-	55
<u>Filing Status:</u>					
Single	60	63	64	59	65
Married filing jointly	24	22	22	19	25
Married filing separately	1	1	1	2	3
Head of household	15	14	13	21	7
<u>Preparer Type:</u>					
Self or VITA prepared tax return	78	79	100	2	85
Paid prepared tax return	22	21	-	98	15

Source: Data appended to IRS sampling lists.

Migrator Profiling (Cont'd.)

Characteristics Of Free File Migrators Appended To IRS Sampling Lists

	Total Migrators		Total Migrators To...		
	2007 (1000) %	2008 (1000) %	Other OLF Methods (640) %	Practitioner e-file (502) %	Paper (502) %
Total Respondents					
<u>Signature Method:</u>					
Online Self Select PIN Form	46	45	70	-	-
Regular Online Filing Form	14	19	30	-	-
Practitioner PIN Form w/IRS e-file Authentication	18	19	-	99	-
Paper Return	21	17	-	-	100
Self Select PIN by ERO Form	0	0	-	1	-
Filed by ERO That Requires F8453	2	0	-	-	-
<u>Bank Information:</u>					
No bank product issued	66	70	92	61	-
RAL	4	4	0	23	-
RAC	10	9	8	16	-
Paper return	21	17	-	-	100
<u>Direct Deposit:</u>					
Direct debit	2	4	5	1	-
No direct debit	78	79	95	99	-
Paper return	21	17	-	-	100
<u>Return Type:</u>					
Simple	na	48	49	38	55
Intermediate	na	34	35	40	22
Complex	na	18	16	21	23

Source: Data appended to IRS sampling lists.

Best Methods Of Communicating With Free File Migrators – By Age

Best Methods Of Communicating With Free File Migrators

Total Respondents	Total (1000) %	Age Of 2008 Free File Migrators...			
		25 or Under (292) %	26 To 35 (332) %	36 To 55 (266) %	56 Or Older (109) %
<u>Best Way To Be Contacted By The IRS</u>					
In the mail	63	62	57	68	72
Via e-mail	41	43	47	35	30
From the IRS's website – irs.gov	34	34	38	33	28
From news articles	16	14	18	14	17
Be available for you to pick up at a post office/library	15	14	15	14	16
From advertising	14	13	18	10	12
From software companies	9	10	10	8	6
Via electronic bulletin board	7	10	9	3	4
Be available for you to pick up at an IRS office	6	7	7	5	3
From other Internet websites	6	7	7	4	4
From contact with an IRS tax specialist/IRS employee	5	6	5	5	4

Q17: If the IRS wanted to send you information about filing Federal Tax Returns how would you prefer to receive this information?

Comparison: Migrators To Paper vs. Migrators To V-Code

Best Methods Of Communicating With Free File Migrators

	Migrated From Free File To...	
	Paper (227) %	V-Code (275) %
Total Respondents		
<u>Method Used To File 2008 Federal Income Tax Return</u>		
Online using a website and using Free File	9	10
Online using a website but not using Free File	9	21
Electronically using tax preparation software and not at a website	6	19
Electronically through tax preparer	2	9
By mail after using tax preparation software to prepare it	13	20
By mail and did not use tax preparation software to prepare it	56	11
By mail after receiving prepared return from tax preparer	5	11
<u>Specific Reasons For Not Using Free File In 2008 - Total Mentions</u>		
Don't know why I did not use Free File in 2008	30	26
Found the Free File website had insufficient or confusing instructions	18	10
Didn't feel the Free File website was easy to use the year before	17	9
Not aware that you had used Free File the year before	16	24
Thought it was going to be free, but it turned out that it was not free	15	13
Didn't think you qualified on the Free File income requirement in 2008	12	14
No longer had access to a computer/the Internet	12	4
Did not remember in 2008 that Free File was a tax filing option	12	19
Had a bad experience with Free File the year before	11	4
Found you could not file both state & federal returns using Free File	10	18
Tried to use Free File in 2008, but couldn't link to the free websites	9	6
Don't trust Free File or have concerns about Internet security	9	9
Went directly to the site of the company that helped me use Free File in '07	8	15
Was uncertain about recent tax law changes	8	10

Comparison: Migrators To Paper vs. Migrators To V-Code (Cont'd.)

Best Methods Of Communicating With Free File Migrators

	Migrated From Free File To...	
	Paper (227) %	V-Code (275) %
Total Respondents		
% Who Are Likely To Use Free File In The Future (Definitely/Probably Will)	54	56
% Who Would Recommend Free File To A Friend/Relative	91	93
% Who Are Likely To Re-Use Filing Method Used In 2008	41	45
<u>What The IRS Can Do To Improve Free File</u>		
<u>% Who Suggested Improvements</u>	<u>44</u>	<u>33</u>
Make it easier/less complicated to use	12	6
Need clearer/better instructions at the site	4	4
Expand qualification criteria	4	3
Allow all-in-one Fed-State prep and submission	3	2
Increase Awareness of Free File	2	6
Don't tell us it's "free" when it's not really free	3	3
<u>Preferred Method Of Receiving Information About Filing Federal Tax Returns</u>		
In the mail	74	73
From the IRS's website – irs.gov	28	32
Via e-mail	26	35
Be available for you to pick up at a post office/library	22	13
From news articles	14	12
From advertising	10	9
<u>Gender</u>		
Male	48	48
Female	52	52
Mean Age	45.1	40.1