



RAB Instant Background Accountants/Tax Services

Consumer Insights

- ▶ Profiling adults 18+ who used any on-site tax preparation service, CPA or other tax professional in the past year:

Sex:		Age:	
Male	46.6%	18-24	6.5%
Female	53.4%	25-34	16.0%
HH Income:		35-44	17.4%
\$100,000+	32.5%	45-54	21.0%
\$75-99,999	15.2%	55-64	19.3%
\$60-74,999	11.7%	65+	19.8%
\$50-59,999	8.6%	Region:	
\$40-49,999	8.5%	Northeast	19.1%
\$30-39,999	8.8%	Midwest	24.7%
\$20-29,999	8.1%	South	33.7%
Under \$20K	6.6%	West	22.5%
Race:		Marital:	
White	81.5%	Single	18.3%
Black	7.2%	Married	64.0%
Other	11.3%	Sep/Wid/Div	17.7%
Hispanic origin	11.6%		

(Source: GfK MRI, 2014)

- ▶ According to a 2014 National Retail Federation survey of approximately 6,500 consumers, how the respondents planned to prepare their tax returns: Prepare their returns themselves by hand, 11.9%; prepare their returns themselves using computer software, 38.4%; use an accountant, 22.6%; use a tax preparation service, 17.4%; have their spouse, friend or other family relative prepare them, 9.7%.

(Source: National Retail Federation, 2014)

- ▶ According to a 2014 survey by the National Retail Federation, how women planned to prepare their tax return: Prepare it by hand themselves, 11.3%; prepare it themselves using computer software, 35.2%; use an accountant, 24.4%; use a tax preparation

service, 17.5%; have their spouse, friend or other family relative prepare it, 11.6%.

(Source: National Retail Federation, 2014)

- ▶ Based on a 2014 survey by the National Retail Federation, how men planned to prepare their tax return: Prepare it by hand themselves, 12.7%; prepare it themselves using computer software, 41.7%; use a tax preparation service, 17.2%; use an accountant, 20.6%; have their spouse, friend or other family relative prepare it, 7.7%.

(Source: National Retail Federation, 2014)

- ▶ According to a 2014 survey conducted by the National Retail Federation, percentage of the following age groups who planned to use a computer software program to prepare their tax returns: 18-24, 31.9%; 25-34, 43.2%; 35-44, 44.3%; 45-54, 42.8%; 55-64, 35.2%; 65+, 31.1%. By income group: Less than \$50,000, 35.4%; more than \$50,000, 41.4%.

(Source: National Retail Federation, 2014)

- ▶ According to a 2014 survey by the National Retail Federation, percentage of the following age groups who expected to use an accountant to prepare their tax returns: 18-24, 15.7%; 25-34, 17.3%; 35-44, 20.1%; 45-54, 21.9%; 55-64, 27.8%; 65+, 31.1%. By income level: Less than \$50,000, 15.6%; more than \$50,000, 27.5%.

(Source: National Retail Federation, 2014)

- ▶ Based on a 2014 National Retail Federation survey, percentage of the following age groups who planned to use a tax preparation service for their returns: 18-24, 19.5%; 25-34, 19.6%; 35-44, 17.0%; 45-54, 15.9%; 55-64, 16.1%; 65+, 16.8%. By income bracket: Less than \$50,000, 22.7%; more than \$50,000, 13.6%.

(Source: National Retail Federation, 2014)

- ▶ The IRS estimated that 45.2 million taxpayers filed their returns from a home computer in 2013, up 4.6% from the prior year.

(Source: Internal Revenue Service, 2014)

- ▶ According to a survey by the National Society of Accountants, the average fee charged by an accountant to prepare an itemized Form 1040 with Schedule A and a state tax return for the 2013 tax year would be \$261. The average cost for an accountant to prepare a Form 1040 and state return without itemized deductions would be \$152.

(Source: National Society of Accountants, 2013)

- ▶ Based on a survey by the National Society of Accountants, the average accountants' tax return preparation fee for an itemized Form 1040 with Schedule A and a state tax return (for the 2013 tax year), by region: New England, \$251; Middle Atlantic, \$274; South Atlantic, \$270; East South Central, \$294; West South Central, \$242; East North Central, \$238; West North Central, \$208; Mountain, \$245; Pacific, \$303.

(Source: National Society of Accountants, 2013)

Business Information

- ▶ For the 2013 filing season, the Internal Revenue Service received 148,035,000 individual income tax returns, a 0.1% decrease compared to 2012.

(Source: Internal Revenue Service, 2014)

- ▶ For the 2013 tax filing season, the IRS issued 109.563 million refunds, a 0.8% decrease when compared to the prior year.

(Source: Internal Revenue Service, 2014)

- ▶ Based on the results of a 2014 survey of approximately 6,500 consumers, conducted by the National Retail Federation, when the respondents planned to file their taxes: By mid-February, 22.7%; by the end of February, 36.7%; March, 25.9%; April, 14.7%.

(Source: National Retail Federation, 2014)

- ▶ During the 2013 tax filing season, approximately 83.8 million taxpayers chose direct deposit of their refunds, accounting for 77% of all refunds issued, and a 1.2% increase over 2012.

(Source: Internal Revenue Service, 2014)

- ▶ According to a survey of approximately 6,500 adults, conducted by the National Retail Federation, 66.6% of the respondents said they expected a tax refund in 2014, including 75.8% of those ages 18-24, 80.9% of the 25-34-year-old survey participants, and 74.6% of those in the 35-44 age bracket.

(Source: National Retail Federation, 2014)

- ▶ According to the IRS, professional tax return preparers must have a valid PTIN (Preparer Tax Identification Number) if they plan to work on federal tax returns.

(Source: Internal Revenue Service, 2014)

- ▶ Authorized tax professionals e-filed 77.3 million tax returns in 2013, up 1.2% from the previous year.

(Source: Internal Revenue Service, 2014)

- ▶ For the 2013 tax filing season, 83% of the nation's taxpayers filed their returns electronically, up from 81% in 2012 and 77% in 2011.

(Source: Internal Revenue Service, 2014)

- ▶ For the 2013 tax filing season, the Internal Revenue Service certified \$301.9 billion in refunds, down from \$309.6 billion in 2012.

(Source: Internal Revenue Service, 2014)

- ▶ For the 2013 tax filing season, the average tax return refund amount was \$2,755, down from \$2,803 in 2012.

(Source: Internal Revenue Service, 2014)

- ▶ By the end of 2013, the number of Certified Financial Planners in the U.S. had grown to more than 69,000, up from 60,600 at the end of 2009.

(Source: Certified Financial Planner Board, 2014)

- ▶ Based on a study by the Certified Financial Planner Board, 76.4% of Certified Financial Planners are men, and 23.6% are women. Profile of CFPs, by age group: 20-29, 3.0%; 30-39, 18.3%; 40-49, 24.4%; 50-59, 28.2%; 60-69, 17.4%; 70-79, 3.3%; 80+, 0.2%; no age given, 5.2%.

(Source: Certified Financial Planner Board, 2014)

- ▶ States with the greatest number of Certified Financial Planners at the end of 2013: California, 7,860; Florida, 4,715; Texas, 4,663; New York, 4,123; Illinois, 3,534; Pennsylvania, 3,531; New Jersey, 2,986; Ohio, 2,568; Massachusetts, 2,523; North Carolina, 2,449.

(Source: Certified Financial Planner Board, 2014)

- ▶ H&R Block is North America's leading tax preparer, with around 11,000 company-owned and franchised locations in the U.S. H&R Block serves more than 25 million taxpayers worldwide, generating revenues of \$2.901 billion in 2013 (up 0.4% from the previous year). H&R Block has an approximately 15% share of the overall tax preparation market.

(Source: Hoover's, 2014)

- ▶ Jackson Hewitt Inc. ranks second to H&R Block in the U.S. tax preparation business, with approximately a 4% share of the market. The company calculates returns for primarily low- and middle-income customers through more than 6,800 mostly-franchised offices, including some 3,200 locations within Wal-Mart and Sears stores. Jackson Hewitt filed for Chapter 11 bankruptcy protection in 2011, but emerged later during the year.

(Source: Hoover's, 2014)

- ▶ Liberty Tax Service is the third largest of the tax preparation chains, with more than 4,200 offices in the U.S. and Canada. Liberty Tax was founded in 1997 by John Hewitt (former founder of Jackson Hewitt).

(Source: Hoover's, 2014)

- ▶ Intuit is the No. 1 maker of personal finance software, producing the well-known Quicken personal finance program, QuickBooks small-business accounting software and tax filing application TurboTax. Intuit claims more than 45 million users for its products, which also include industry-specific software for accounting and management applications and payroll services. The company generated 2013 sales of \$4.171 billion, up 0.5% from 2012.

(Source: Hoover's, 2014)

- ▶ PricewaterhouseCoopers is one of the Big 4 accounting, auditing and consulting firms. Its 2013 U.S. revenues totaled \$4.389 billion.

(Source: Hoover's, 2014)

- ▶ Another of the Big 4 accounting organizations is Deloitte. The company's 2013 U.S. revenues totaled \$4.650 billion.

(Source: Hoover's, 2014)

- ▶ Ernst & Young ranks among the Big Four accounting firms. E&Y generated U.S. revenues of \$3.020 billion in 2013.

(Source: Hoover's, 2014)

- ▶ KPMG International is the smallest of the Big Four accounting firms. The company had 2013 U.S. revenues of \$2.630 billion.

(Source: Hoover's, 2014)

- ▶ Automatic Data Processing (ADP) ranks among the largest payroll and tax filing processors in the world, with more than 620,000 clients and 2013 revenues of \$11.310 billion (up 6.1% from 2012).

(Source: Hoover's, 2014)

- ▶ Advertising:

Total ad spending by tax preparation services (both consumer and business) amounted to \$195.8 million in 2013, down 1.4% from 2012 spending of \$198.6 million. Overall ad spending by accounting and auditing services (both consumer and business) totaled \$17.0 million in 2013, an increase of 32.4% from the previous year.

(Source: Kantar Media, 2014)

- ▶ Advertising:

Businesses in the "Personal Services" category, on average, spend 10.0% of their total sales revenue on advertising (which equates to 26.1% of their profit margin).

(Source: Schonfeld and Associates, Advertising Ratios and Budgets, 2014)

Why Radio

- ▶ Radio has established itself as an excellent vehicle for advertisers to deliver their messages to an increasing number of potential buyers. Each week, radio reaches 91.5% of persons ages 12+, and 67.1% of these consumers on a daily basis. In all, 244,000,000 Americans ages 12-and-older listen to radio every week.

(Source: Nielsen Audio, 2014)

- ▶ Radio's weekly reach includes 84.1% of adults 18+ who utilized any on-site tax preparation service, CPA or other tax professional in the previous year, along with 84.4% of consumers who have used a financial planner or advisor.

(Source: GfK MRI, 2014)

Miscellaneous Industry Facts or Category Trivia

- ▶ Approximately 74% of those who filed individual income tax returns received a refund in 2013.

(Source: Internal Revenue Service, 2014)

- ▶ The U.S. Internal Revenue Service audited 0.96% of individual tax returns in fiscal 2013, declining for the second straight year and reaching the lowest rate since 2005.

(Source: Bloomberg, 2014)

- ▶ Based on a 2014 survey conducted by the National Retail Federation, how taxpayers planned to spend their tax refund checks, if they receive one (more than one answer possible): Put the money into savings, 46.0%; pay down debt, 37.7%; use it for everyday expenses, 25.3%; spend it on a vacation, 12.8%; make a major purchase (TV, furniture, car, etc.), 10.7%; other 5.2%.

(Source: National Retail Federation, 2014)

Relevant Links

- ▶ National Retail Federation:

www.nrf.com

Internal Revenue Service:

www.irs.gov

National Society of Accountants:

www.nsacct.org

Certified Financial Planner Board:

www.cfp.net

(Source: RAB, 2014)

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