

Nonprofit Prepare + Prosper helps Minnesota families claim \$24.6 million at tax time



[Audrey Kenyon, with son Mason, has steadied her finances with help from Prepare + Prosper. "It's completely life-changing."](#)

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The tedious annual ritual of tax preparation is a chore for many Minnesotans.

Nonprofit [Prepare + Prosper](#) sees the yearly accounting as something else — a multimillion dollar "money moment," when families in need get some help on tax preparation and, with a return coming their way, some financial coaching on savings, emergency funds and a more stable future.

"There is no better time to think about saving," said Prepare + Prosper Executive Director Tracy Fischman. "We really have an opportunity to focus on the financial well-being of low- and moderate-income families."

The nonprofit helped people claim \$24.6 million in tax returns last year and expects to match those results this tax season. Prepare + Prosper does taxes for free for about 13,000 families and individuals, helping them avoid costly preparation fees and shady operators. To do the work, the nonprofit relies on the help of nearly 600 trained volunteers supervised by staff.

Leo Gabriel, a Bethel University professor of business and economics, has volunteered for nearly two decades and now requires his students to volunteer.

"The quality of the work done here is outstanding," Gabriel said. "That is what keeps me here as a volunteer."

The nonprofit also helps its clients build their savings and their financial skills. Gabriel said he appreciates that it offers a hand up instead of a handout.

Prepare + Prosper was started in 1971 by a group of "social justice-minded accountants" who initially helped small business owners file their taxes.

It soon added free individual tax preparation for low- to moderate-income taxpayers. It now has 21 full-time staff and 42 seasonal employees working at its headquarters on University Avenue in St. Paul and service centers in Minneapolis, Bloomington and Hopkins. Its annual budget is about \$2.2 million.

Over time, Prepare + Prosper's mission has evolved to include financial counseling that helps clients avoid costly alternatives, including payday lending and check-cashing services. Last year, a group of nearly 1,000 Prepare + Prosper clients saved more than \$1.5 million. Another 150 people seeking longer-term financial planning signed up for its Money Mentors program.

The nonprofit is now partnering with [Sunrise Banks](#) to offer checking and savings accounts and other products for clients who are re-establishing their finances — and often their credit.

"We are establishing pathways for people to become more financially secure," Fischman said.

The need is huge, Fischman said. Almost 55 percent of American households don't have enough liquid savings to replace even one month of their income, according to a 2015 [report](#) for the Pew Charitable Trusts that concludes, "most families feel vulnerable and stressed, and could not withstand a serious financial emergency." Nearly half are "income-constrained," having reported spending as much as or more than they made over the past year.

Audrey Kenyon, of Brooklyn Park, limped from paycheck to paycheck in her early adult years, but it all fell apart when her son, Mason, started day care. Child-care bills coupled with the mortgage on her new townhouse and student loan debt left her in the red most months.

She sold things online to make ends meet. She racked up more credit card debt and prioritized bills, paying some and skipping others.

"I started to feel like I was drowning and going backwards each month," she said. "It was terrifying."

Kenyon, who works in the printing industry, found Prepare + Prosper online. They helped her do her taxes and she enrolled in Money Mentors. She met with her coach regularly and came up with a budget. She cut back on spending, started feeding her retirement account at work to take advantage of her company's match, created an emergency savings account and set up a little college fund for her son.

Kenyon, 30, has now paid off more than \$16,000 in debt including credit cards and student loans. She tracks her continuing progress against her "debt snowball" on a whiteboard displayed prominently in her kitchen. It's a relief, she said, to have money left in the account at the end of the month.

She's now training to be a volunteer Money Mentors coach with Prepare + Prosper.

"The Money Mentors program is incredible. It's completely life-changing," Kenyon said. "I sleep better."

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