Tax Debt Leads vs. Consumer Debt Leads â?? Which Has Higher Close Rates

Description

By James Schulze

This article highlights tax debt leads and consumer debt leads, including their differences and similarities. It also offers insights on close rates and what debt relief companies should expect from a provider of tax debt and consumer debt leads.

While some debt relief companies choose to specialize in tax debt or consumer debt relief, a few firms offer services for both types of debt. But regardless of whether they focus on one or both debt types, they all have at least one thing in common: they want high-converting leads. All debt relief companies can benefit from understanding tax debt and consumer debt leads, as sometimes they are cross-applied for greater targeting. Letâ??s start with a quick explanation of what each lead entails.

What are tax debt leads?

Tax debt leads are consumers who owe money to the Internal Revenue Service (IRS) or state tax agencies. These individuals are often facing serious actions, such as:

- IRS notices
- Wage garnishments, including Social Security benefits and retirement income
- Bank levies
- Penalties and interest

According to the IRS, individuals who have not paid their full tax lien or have not entered into an installment agreement to pay their owed taxes risk suffering the above consequences and even more. The IRS can and will seize property (including real estate, automobiles, boats) and sell it to satisfy a tax debt. This creates urgency and, ultimately, high-intent tax debt leads.

What are consumer debt leads?

Consumer debt leads are individuals who have significant unsecured debt and have opted in to speak with someone about dealing with their debt. This debt includes:

- Credit cards
- Personal loans
- Collections

And while consumer debt is stressful, individuals with unsecured debt often do not face immediate action like those with tax debt. In fact, most individuals carry consumer debt for several years, taking at least 2 to 5 more years to deal with their debt once they are ready to act. In this sense, consumer debt leads have mixed consumer intent. The opt-in to generate the lead does show solid intent, but individuals may still be slow to act and require multiple conversations to close a deal.

Do tax debt leads or consumer debt leads have higher close rates?

Tax debt leads tend to have higher close rates, but consumer debt leads can also have strong close rates. Hereâ??s why:

- **Tax debt leads** â?? Tax debt leads perform well for many reasons. First, consumers face immediate pressure with IRS letters, deadlines, and enforcement tactics. It creates urgency and high intent, because we all know the IRS does *not* go away and they donâ??t â??write downâ?• debt like a credit card company can. Second, there are few options for consumers to address tax debt on their own. Consumers feel overwhelmed and fearful, making them more likely to seek help. And finally, many tax debt leads are call transfers. This means they have been prequalified by an outsourced team. They are already *warmed up* for closing (read our blog, â??What Are Debt Relief Leads? Types, Costs, And Consumer Intent Explainedâ?•).
- **Consumer debt leads** â?? Consumer debt leads are different, but they are still valuable. The target audience is broader. More and more people are struggling with consumer debt, even high income individuals (read our blog, â??Consumer Debt Elimination Opportunities Are Increasing Even With Top Earnersâ?•). That means greater volume and more conversations. Another strength is they are lower cost, as many debt relief shops use aged leads to cost-effectively scale their business. And, these leads provide ample long-term opportunity. Consumers may take longer, but they still convert.

Key similarities between tax debt and consumer debt leads can be helpful

While tax debt leads and consumer debt leads differ in many aspects, there are some similarities too. Both leads are consumers who have at least $10,000 in debt. Both leads require the consumer to be currently employed and earning income, so they can truly address their debt. And, theyâ??ve opted in to speaking with someone about resolving their debt issues.

These similarities provide debt relief companies with a unique opportunity to use tax debt leads to find consumer debt deals. Hereâ??s the logic:

- Most consumers who have federal income tax debt are also struggling with unsecured consumer debt.

- And if they have both types of debt, these consumers likely have among the highest debt loads. The pressure they face is intense, so they have higher intent to take action.
- So, even though consumer debt leads are typically slightly lower in consumer intent, using tax debt leads can help debt relief companies identify the highest potential prospects for their consumer debt relief solutions too.

How The Leads Warehouse can help

Not all lead providers are equal. They differ widely in the quality of the customer experience they offer, from their lead quality to their service levels to the knowledge they share to ensure a debt clientâ??s sales success. At The Leads Warehouse, we focus on delivering a full breadth of lead types for the consumer debt and tax debt verticals. We strive to offer our debt clients the best experience through:

- First-party owned & operated (O&O) lead sources
- Clean data
- Fast delivery systems
- Deep marketing experience, including insights for scripting, technology, and compliance

Conclusion

Debt relief companies all want high-quality leads that convert. Even though tax debt leads and consumer debt leads have different close rates, both can convert at high levels. And, the similarities in both leads â?? income-earning consumers with $10,000 in debt and a willingness to resolve their debt issues â?? gives debt relief companies greater opportunities to target the highest value clients. Are you ready to talk about how you can grow your tax debt sales pipeline?

About the author

James Schulze is the President and CEO of The Leads Warehouse, a marketing data company with over 20 years of experience in bringing lead generation solutions to companies selling into the home, automotive, financial, insurance, health and life, and legal sectors. He works directly with clients to optimize conversion strategies and ROI across multiple verticals.

If you are serious about growing your tax relief business, the right mix of leads is important. Our team works with agencies to maximize their ROI on tax debt sales leads. Call **1-800-884-8371** or visit The Leads Warehouse to get started.

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