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# 2005 Home Renovation Sector Study

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## Final Report

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## Introduction

The underground economy (UE) is defined as “unreported revenue for tax purposes.” It includes business and personal economic activity that goes unreported or under reported and is often associated with the exchange of goods and services for cash where no records are kept. The residential construction industry (with particular emphasis on home renovations and repairs) is a high-risk sector for underground economy activity and is considered a priority by the Canada Revenue Agency (CRA). In 1999, the CRA conducted wide-reaching qualitative research on the residential construction sector with Sage Research, and based on these findings, the CRA, in partnership with the Canadian Home Builders Association, launched a national social marketing campaign called *Get it in Writing!* targeting consumers. The primary purpose of the campaign was to raise awareness of the risks involved in engaging under-the-table home renovators. For the residential construction sector, the CRA is currently developing a report-card style product to update the industry on the tools that the CRA uses and the actions that they have taken to address the underground economy.

To direct its continued efforts to combat the underground economy, the CRA is interested in understanding how, if at all, perceptions, attitudes and motivations of consumers and trades people have changed in the five years since the original study was conducted. To that end, the CRA commissioned Corporate Research Associates Inc. to conduct a series of focus groups with homeowners and trades people. More specifically, 2005 research objectives included:

- Understand perceptions, motivators and attitudes towards the underground economy in relation to home renovations;
- Assess perceptions of CRA’s role in combating the underground economy;
- Identify what messages resonate with homeowners and trades people;
- Assess homeowners’ reactions to key messages / information from the *Get it in Writing!* (GIIW) campaign; and
- Determine trades people’s reactions to CRA’s draft report card.

Results will help to direct CRA’s efforts in fine tuning the existing GIIW campaign for homeowners, as well as determine the perceived effectiveness of its messages / information targeted at trades people.

This report includes the detailed findings of the focus group discussions, a series of conclusions and observations based on the findings, an executive summary, and a detailed description of the study methodology. Working documents are appended to the report, including participants’ perceived advantages / disadvantages of the underground economy (Appendices A & B), recruitment screeners (Appendix C), and the moderator’s guides (Appendix D).





## Research Methodology

To meet these objectives, Corporate Research Associates Inc. conducted a series of eight focus groups, specifically four groups with each of trades people and homeowners, between March 14<sup>th</sup> and March 16<sup>th</sup>, 2005. Four groups were conducted in both Toronto (English) and Montreal (French).

For the purposes of this study, **trades people** included individuals working on some or all of the following specialties, as it relates to home renovations: drywalling, deck building, landscaping, painting, roofing, plumbing, window/ door installation, while the **homeowners** groups included those who were planning a renovation project (costing between at least \$1,000 and \$20,000) within the coming twelve months. No homeowners described themselves as “do-it-yourselfers.”

The following table outlines the number of groups conducted by location and group type.

Location	Group Types	# of Groups
Montreal	<ul style="list-style-type: none"><li>• Two groups with <b>trades people</b></li><li>• Two groups with <b>homeowners</b></li></ul>	4
Toronto	<ul style="list-style-type: none"><li>• Two groups with <b>trades people</b></li><li>• Two groups with <b>homeowners</b></li></ul>	4
<b>Total # of Groups</b>		<b>8</b>

Participants in the consumer focus groups were randomly recruited from the general population, while trades people were randomly recruited using a commercially purchased sample. Corporate Research Associates Inc conducted all sampling and recruiting activities.

A total of ten individuals were recruited for each group with a goal of eight to ten attending. Both homeowners and trades people groups were held at 6:00 and 8:00 in the evening and lasted approximately two hours each. Homeowners groups included a mix of participants based on age, income, and gender, while trades people groups included a mix of participants with various years of experience in the industry, as well as a mix of those who were self employed and those who had one to five employees. A cash incentive (\$60 for homeowners, \$75 for trades people) was provided to all participants as a tangible token of appreciation for their time and participation.





## Context of Qualitative Research

Focus groups are intended as moderator-directed, informal, non-threatening discussions with participants whose characteristics, habits and attitudes are considered relevant to the topic of discussion. The primary benefits of focus group discussions are that they allow for in-depth probing with qualifying participants on behavioural habits, usage patterns, perceptions and attitudes related to the subject matter. The discussion allows for flexibility in exploring other areas that may be pertinent to the investigation. Focus groups allow for more complete understanding of the segment in that the thoughts or feelings are expressed in the participants' "own language" and at their "own levels of passion."

The focus group technique is used as a means of developing insight and direction, rather than collecting quantitatively precise data or absolute measures. As a result, the data should not be statistically projected to the larger population of homeowners and trades people.





## Executive Summary

Findings of the **2005 Home Renovation Sector Study** show that perceptions and attitudes towards the home renovation underground economy have changed little in recent years. The results of this study are consistent with those from the 1999 Qualitative Research on The Home Renovation Sector study, conducted by Sage Research.

The underground economy continues to be driven by the homeowner, with **lower costs** acting as the primary motivator to such behaviour. Cash transactions are accepted as a common and growing practice in the home renovation sector and are generally associated with low risk projects (*namely painting, drywalling, roofing, flooring and minor carpentry*).

Homeowners generally choose a trades person based on referrals, personality, availability and cost. Word of mouth referrals play a disproportionately important role in a homeowner's contractor selection and this presents a significant challenge in addressing the underground economy given that trustworthiness and personality are considered paramount.

Contractors and homeowners generally associate minimal risk or harm with the underground economy and are unaware of any efforts undertaken to combat the same. Some homeowners believe using cash transactions presents their only option for affording necessary home renovation work. Many have little problem with the underground economy as it results in consumers having more disposable income to spend in other areas, thus resulting in increased economic spending.

Most consider the **government** to hold primary responsibility for addressing the underground economy problem. That being said, when asked, homeowners recognize that they too have a role to play in ensuring a reduced demand for such activities.

The ***Get it in Writing!*** brochure was generally well liked and considered visually appealing, easy to read and comprehensive. Participants generally appreciated its user-friendly layout and found the brochure to be particularly informative and impactful in its presentation. Participants liked the fact that the brochure emphasized a homeowner's liability and reinforced that the size of the job does not limit the liability faced. That said, Montreal participants were more critical of the brochure and felt it focused primarily on setting up a contractual agreement rather than the underground economy. Participants offered a variety of suggestions as to how the brochure could be further enhanced. Most notably, the copy on the brochure cover was considered too passive and requires a greater sense of urgency and additional contact information.

In contrast, the **draft industry report card** received a mixed response and was criticized for its perceived inability to reach its intended audience. While some contractors considered the brochure informative, clear and well laid out, others criticized the document for its accusatory tone and "government rhetoric" and resented the fact that it presumed





contractors are guilty. While most agreed that the presentation of numbers attracted their attention, some questioned the level of success in combating the underground economy the numbers suggested. Many contractors felt those actively engaged in the underground economy would be unlikely to pick up or read the brochure.

Finally, when considering how government might better address the underground economy, participants offered clear and consistent advice. With low awareness and understanding of the risks associated with the underground economy, it is not surprising that participants strongly suggested that **enhanced public education efforts** are needed to increase awareness of the risks associated with “cash deals.” Homeowners and contractors alike also want to better understand the extent of the problem.

Most participants strongly believe that to truly address (and potentially eliminate) the problem at hand, the government should consider introducing an incentive for homeowners to use legitimate trades people, primarily in the form of an income tax deduction for taxes paid on home renovations or alternatively some form of rebate on taxes. While it is recognized that this would require a regulatory policy change, and was not part of the social marketing campaign initiative of this research, it nonetheless represents an important expectation for compliance by homeowners.



## Conclusions

The following conclusions are based on the detailed findings of the focus groups with homeowners and contractors conducted on behalf of the Canada Revenue Agency.

- ***Homeowners choose a trades person primarily based on referrals, personality, availability and cost.***

Word of mouth referral plays a disproportionately important role in a homeowner's contractor selection. Indeed, most turn to family, friends and colleagues to identify trades people for their home renovation projects. Related to this important referral process, homeowners place significant importance in the experience others have enjoyed, particularly in relation to the quality of work provided and the related value for that work. This is of particular importance when considering the size and complexity of a specific job. Similarly, the personality of a trades person (perceived trustworthiness, professionalism) and his / her company's length of time in business are important considerations in contractor selection. **Cost**, or the perception of value, is also an extremely important selection criterion to homeowners and one that clearly influences final contractor selection. Finally, contractor availability is another factor consistently identified as very important in trades person selection, namely having a contractor that can commit to a firm start and completion date. Of note, homeowners appear to give minimal consideration to factors such as provision of a **contract, warranty details** or **insurance**.

- ***Trades people rely on client referrals for the bulk of their business and turn to their peers, suppliers and trade associations for industry trends / information.***

Contractors concurred that **client referrals** and **repeat business** were paramount to their continued success. A few contractors in each group also indicated that they receive a good portion of their new business from yellow pages advertising, other paid advertising or direct mail initiatives.

When looking for information on changes and trends within their industry, contractors consistently reported relying heavily on their **colleagues/ peers** and local **suppliers**. Local Home Builders' Associations or specific trade associations were also considered a valuable information resource, as was technical support from product suppliers. Of note, the government was not identified as a key information resource when staying abreast of industry changes.





- ***The underground economy is accepted as a common and growing practice in the home renovation sector and is generally associated with low risk projects.***

The underground economy is generally considered to be **common practice** in the home renovation sector, particularly for low risk or lower cost projects such as: painting, drywall, roofing, flooring, landscaping, driveway and minor carpentry. Home renovations that impact the core of a home (electrical, plumbing, heating, additions, etc) are generally considered to be higher risk and more typical of “above ground” projects.

Consistent with previous research findings from the 1999 Sage Research, the underground economy is generally perceived to be driven by the homeowner. Most see the underground economy as having **grown** in recent years primarily because of government’s **increased filing requirements** for small business. Some felt that the underground economy has grown since the introduction of the GST/HST, with the increased tax burden motivating consumers to look for ways to save money and avoid taxes wherever possible. In Toronto, a number of participants attributed growth in the underground economy to the large number of **immigrants that are unable to find legitimate** work in their field. In Montreal, increasing requirements for trades qualification are also viewed as contributing to an increased underground workforce.

Homeowners **associate little or no risks** with the underground economy, particularly for less expensive or more cosmetic projects. Interestingly, most do not perceive that they are doing anything illegal when paying a contractor cash. Conversely, **getting caught** was clearly considered to be the greatest risk facing contractors who partake in the underground economy. This risk, however, is outweighed by a variety of advantages associated with a “cash deal,” primarily because few have ever heard of a contractor being penalized or consider penalties to be minor.

- ***Homeowners are highly motivated by saving money to use the underground economy for low risk home renovation jobs and associate minimal risk or harm with such actions.***

Results clearly show that **saving money** continues to be the primary motivator for engaging the underground economy. Living in what is perceived to be an overtaxed society, homeowners generally consider avoiding paying tax an appealing and harmless option. Some feel using cash transactions presents their only option for affording necessary home renovation work. Many have little problem with the underground economy as it results in consumers having more disposable income to spend in other areas, thus resulting in increased economic spending. Homeowners identify a variety of other key advantages to using the underground economy including quick project turnaround, trades person availability, supporting friends and family or immigrants in need of work, and increased flexibility in changing their mind mid-project.



In contrast, participants did not readily associate serious problems with choosing a “cash deal.” Most recognize that such work typically does not include a contract, warranty or licensed / qualified trades person. As such, homeowners identify that there is some risk of compromising work quality or of having work completed that is not up to code, or not able to pass a legitimate inspection. In addition, most agreed without a contract or warranty in place, homeowners have little recourse if problems occur. That said, in Montreal, there is a perception among some homeowners that warranties apply on work performed underground.

Of note, a homeowner’s liability was not readily identified as a key disadvantage in taking part in the underground economy. In fact, few mentioned the risk associated with a lack of workers’ insurance, on-the-job injury or theft.

- ***Although money is a contractor’s primary motivator for participation in the underground economy, such activities are recognized as unethical, illegal and tax fraud.***

Consistent with previous research findings, contractors identify money (tax-free income, low prices, increased profit) as the primary motivator of participation in the underground economy. Contractors also indicated a variety of other reasons why trades people take part in “under the table” transactions including that it reduces paperwork, allows them to keep clients happy and to remain competitive, as well as providing unqualified or unlicensed trades people with employment.

Contractors readily identified a number of disadvantages associated with involvement in the underground economy. Primary amongst those mentioned in Toronto is the fact that activities are unethical, illegal and are tax fraud. These consequences were not readily mentioned in Montreal as main disadvantages of the underground economy. “Cash deals” are considered to have negative implications on business practices, primarily because contractors must undergo significant administrative efforts to cover up their actions, hide wages and hide additional income. Hiding a company’s net worth in turn, can impede a business’s growth potential resulting in problems when trying to establish credit rating as a result of reduced reported income. As well, businesses are unable to truly assess the growth of a company given that there are no proper records. Contractors also recognize that if they are injured or have equipment stolen on the job site, there is little recourse for the trades person. In addition, given that no contracts or guarantees are in place, contractors have no recourse if they are not paid for work.



- ***There is limited awareness of current efforts to combat the underground economy, but participants are clear in terms of what is required.***

Although participants were generally unable to identify any efforts undertaken to combat the underground economy, most consider the **government** to hold primary responsibility for addressing the issue. That being said, when asked, homeowners recognize that they too have a role to play in ensuring a reduced demand for such activities.

Participants generally agree that public education efforts are needed to create awareness of the risks associated with “cash deals.” In addition, participants want to better understand the extent of the problem. Most strongly believe that to address the problem at hand, the government should provide an incentive to homeowners to use legitimate trades people, primarily in the form of an income tax deduction for home renovations.

The credibility of specific information source groups varies notably, with the local Home Builder Association, the federal government, Better Business Bureau and local municipality being considered **most credible**. In Montreal, homeowners also place a high degree of credibility on the provincial government and insurance companies. Across locations, participants were least likely to indicate that communication from the government (be it provincial, federal or municipal) would impact their actions.

- ***The Get it in Writing! brochure was generally well received, although homeowners offered a variety of suggestions for improvement.***

The *Get it in Writing!* brochure was considered visually appealing, easy to read and comprehensive. Participants generally appreciated its user-friendly layout and found the brochure to be particularly informative and impactful in its presentation. Participants liked the fact that the brochure emphasized a homeowner’s liability and reinforced that the size of the job does not limit the liability faced. That said, Montreal participants suggested that the focus of the brochure be shifted to increase the emphasis of the risks associated with the underground economy. Of note, a number of Toronto participants indicated that the brochure would likely make them reconsider participation in the underground economy, while in Montreal, the brochure’s focus on setting up a contractual agreement did not clearly imply the topic of the underground economy.

Montreal homeowners were slightly more critical of the document than Toronto homeowners. Across groups, the lien regulations information (Step 2) was considered confusing. Most were not aware of what legislative requirements existed or what implications these requirements had for them personally. Participants offered a variety of suggestions as to how the brochure could be further enhanced. Most notably, the text on the brochure cover was considered too passive and requires a greater sense of urgency. As well, additional contact information was suggested for easy reference.





- ***The Report Card received a mixed response and was criticized for its accusatory tone and perceived inability to reach its intended audience.***

Overall the report card received a mixed response. Some contractors considered the brochure informative, clear and well laid out. Others sharply criticized the document for its accusatory tone and “government rhetoric” and resented the fact that it presumed contractors are guilty. The overwhelming use of text and the “official” look of the brochure limited its visual appeal. While most agreed that the presentation of numbers grabbed their attention, some questioned the level of success in combating the underground economy that the numbers suggested. Of note, the numbers were considered small and insignificant in some areas.

Contractors also criticized the use of a brochure in distributing the message. Many felt that the intended audience (those actively engaged in the underground economy) would be unlikely to pick up or read a brochure. In Toronto, contractors mentioned that the immigrant illegal workforce would not be able to read the brochure, given their limited use of the English language.



## Observations

The following observations are based on the detailed findings and conclusions of the focus groups and are presented for Canada Revenue Agency's consideration.

### 1. Employing a multi-media approach in the social marketing campaign to modify public behaviour would be effective.

Results clearly show that there is limited understanding and awareness of the risks associated with the underground economy. Although homeowners primarily drive the underground economy, they associate little risk or harm with "cash deals" primarily because their participation is more prevalent in lower risk home renovation projects. Indeed, homeowners generally considered the primary victim of the underground economy to be the government and expressed little sympathy in that regard.

In 2003 the CRA, in partnership with the Canadian Home Builders Association, launched its *Get it in Writing!* campaign. Participants none-the less revealed low awareness of the risks involved in engaging under-the-table home renovators as outlined in the campaign.

Altogether this suggests that marketing efforts to combat the underground economy should include primarily a **consumer-focused** campaign. This is particularly important given the disproportionate importance of word of mouth referrals and family and friends when selecting a contractor. Clearly communicating the associated risks to consumers and the consequences faced by homeowners will go a long way in attracting attention and modifying behavior. Any campaign should speak directly to the homeowner, evoking strong emotions and showing vivid examples of their liability, risks and consequences.

Equally effective would be the inclusion of a multi-faceted media strategy. The use of print brochures, although well received, would likely be more effective if supported by other mediums. Participants strongly recommended the use of television in educating the public on this topic, and also suggested alignment with home renovation shows such as "Holmes on Homes." This too presents an opportunity for the CRA to capitalize on well-established individuals within the industry to act as a consumer spokesperson.

### 2. The *Get it in Writing!* Brochure

One key component of the social marketing campaign is the printed brochure. This brochure was well received and considered informative, visually appealing and user-friendly. More importantly, the brochure was considered impactful, clearly causing homeowners to contemplate and question their involvement in the underground economy, particularly after learning more of homeowners' liability.

As the CRA moves forward with the reprinting of its *Get it in Writing!* brochure, consideration could be given to some modifications that would increase both its impact and effectiveness. Most notably, the **brochure cover** could include a greater sense of





urgency and prominently communicate that there is risk associated with the underground economy. In addition, the CRA could consider including a more prominent call to action / contact information. Finally some modifications to the text are suggested to shift the focus of the brochure from information on contractual agreements to the risks associated with the underground economy.

### **3. The Industry Report Card**

The proposed industry report card received mixed response and could be modified for greater effectiveness. The content was viewed as informative but somewhat accusatory in tone. Given that some saw the brochure as government propaganda, consideration could be given to make the content less accusing and more informational. Although contractors like the use of numbers in the brochure, their use of the numbers as presented should be reconsidered as they suggest ineffectiveness in current efforts.

Finally, use of brochures as part of a multi-phased approach for trades people may be useful. This group will also be impacted by an effective public education campaign as outlined above.



## Detailed Findings

The following presents the detailed findings of eight focus groups conducted with trades people and homeowners in Montreal and Toronto during March 2005. Differences of opinion are discussed by audience and location, where appropriate.

### Choosing a Trades person

***Homeowners choose a trades person primarily based on referrals, personality, availability and cost.***

#### Finding a Trades Person / Contractor

Across homeowner groups and locations, participants primarily rely on **word of mouth referrals** or **references** when choosing a contractor. Most notably, neighbours, family members, colleagues and friends are turned to for recommendations.

While some indicated that **yellow pages** were an important reference point in choosing a trades person, others strongly disagreed, and felt that you are “taking your chances” when relying on the phone book for names.

*“When you have to resort to the yellow pages you just don’t know what you’ll get. It’s hit and miss. I try to avoid them if I can.”*

*“I’ve had ok luck with anyone I’ve found in the yellow pages, but I know others that haven’t. That’s were I turn if I can’t find a referral.”*

Homeowners mentioned a few other resources including paid advertising, direct mail flyers, Better Business Bureaus and home shows.

#### Choosing a Trades Person / Contractor

Homeowners were asked what factors they consider when choosing a contractor or trades person. Given the disproportionate importance of word of mouth referrals when identifying a contractor, it is not surprising that **references** (including work examples) and **quality of work** are key factors considered. This is of particular importance when considering the size and complexity of a specific job. As would be expected, **cost** is also an important consideration to most homeowners. To that end, a good number of homeowners reported that they typically collect up to three estimates for renovation work to ensure that they are finding the most cost effective solution. Related to cost, homeowners generally consider what payment method options (*namely cash and credit card*) might be available and what terms of payment would be required.





**Availability** is also a key element considered when choosing a contractor. Many homeowners indicated that once they have decided to proceed with a specific project, they are anxious to have it completed in a timely manner. Finding a contractor that places the same degree of urgency as the homeowner and that can commit to a specific start and completion date, was recognized as important. Furthermore, being available evenings and weekends was deemed important for selected consumers in Montreal.

A contractor's **personality** also plays a key role in his / her selection. Homeowners want someone they can trust, and place considerable importance on the individual's rapport and professionalism. Aside from a contractor's individual personality, some homeowners are also interested in better understanding details of the contractor's **company** including its size, length of time in business, and whether or not he/she is licensed.

Other factors considered to a lesser extent include such renovation logistics as the type of materials to be used, who will get the building permit, and whether or not a subcontractor will be used. Comparatively, homeowners appear to give minimal consideration to factors such as provision of a **contract, warranty details** or **insurance**







## Home Renovation Clients

***Trades people rely on client referrals for the bulk of their business and turn to their peers, suppliers and trade associations for industry trends / information.***

Most contractors described their work as being primarily in the home renovation sector. Few either worked exclusively in new home construction, or in both new home construction and home renovation. Prior to discussing the underground economy, trades people were asked where they typically find their clients for home renovation. Across locations, contractors concurred that **client referrals** and **repeat business** were paramount to their continued success. A few contractors in each group also indicated that they get a good portion of their new business from yellow pages advertising, other paid advertising or direct mail initiatives.

*“C’est du bouche-à-oreille de la part de ma clientèle. Je fais quasiment pas d’annonce.” (It is word-of-mouth from my clientele. I do very few advertisements)*

### Information Sources

Most contractors rely heavily on their **colleagues** for information on trends or changes within their industry and consider their peers to be the best resource when looking for information on a specific topic. Local **suppliers** were also recognized as key in staying abreast of industry changes, with many contractors commenting on the strong relationships they enjoyed with salespeople at local suppliers.

Others identified their local Home Builders’ Association or specific **trade associations** as a valuable information resource. Finally, contractors turn to technical support from product suppliers when looking for information. Some contractors also use the Internet to search for specific industry or trade information. Of note, no participant identified the government as a key information resource when staying abreast of industry changes.



## The Underground Economy

***The underground economy is widely accepted as a common and growing practice in the home renovation sector and is generally associated with low risk projects.***

Trades people and homeowners alike were clear in defining the underground economy. Unaided, most considered it to be **cash transactions with the intent of avoiding paying taxes**. When defining the underground economy, a good number of participants identified implications associated with “cash” transactions including lack of insurance, unregulated practices, and that legal recourse is not possible.

*“Goods or services being bought and sold for cash – no taxes being charged or claimed.”*

*“Unregulated, non-tax paying, uninsured, desperate workers.”*

*“Freelancer, under the table, perhaps friends or family members doing the work for you.”*

*“Une façon de se faire payer en argent comptant pour éviter de déclarer les revenus et donc de ne pas payer d’impôts.” (It is a way to get paid cash to avoid having to declare revenues and therefore not pay taxes.)*

A number of participants readily identified the underground economy as also including the use of stolen materials and bartering. No other specific form of underground activity was mentioned.

Across group types and locations, participants concurred that the underground economy is prevalent in the home renovation sector. Homeowners and contractors alike agreed that the homeowner drives the underground economy. That said, a few participants in Montreal suggested that trades people are also actively promoting this form of transaction, through door-to-door contacts in residential areas. Indeed, most felt that “cash” transactions were **common practice** in the home renovation sector, particularly for low risk or lower cost projects.

*“Tout le monde en quelque part à participer au travail au noir.” (Everyone has participated in the underground economy somehow.)*

Consistent with the research findings from the 1999 Sage report, participants agreed that the underground economy is most prevalent with specific home renovation activities that can involve **less specialization** or be more cosmetic in nature including: painting, drywalling, roofing, flooring (tiling / carpeting), landscaping, driveway installation and minor carpentry. For these types of jobs, homeowners recognize that the level of risk associated



with the project is of lower consequence if something goes wrong, both in terms of total cost implications and potential impact on their home.

*“I look at paint and really don’t see much of a risk. What’s the worst that can happen? If it doesn’t turn out I have to buy more paint.”*

*“Some projects are just easier for an unskilled labourer to do. They aren’t as difficult.”*

Comparatively, jobs of higher risk were more often kept “above ground” because of their higher level of specialization and greater cost. These projects often involved the fundamentals of a house (e.g. electrical, plumbing, heating, foundation, major renovations, structural additions) and were seen as something that could prove catastrophic if done incorrectly.

*“If it involves the guts of the house, it’s not something you really want to mess with. You could be taking too much of a risk if something goes wrong.”*

## Changes in the Underground Economy

Participants generally agreed that the underground economy has **grown** in recent years and readily attributed this growth to a number of key factors. Some contractors felt “cash deals” have become more prevalent because of the government’s “onerous,” **increased filing requirements** for small business.

*“They’ve added in all this extra paperwork for contractors to try to help fight the underground economy. Really, I think all it’s done is encourage more people to go underground. There is just too much paperwork.”*

*“You have to submit records of subcontractors and that creates increased hassles and paperwork for small businesses. As well, there are increased costs to being legitimate...increasing insurance liability, bank charges, paperwork.”*

Other contractors felt growth in the underground economy is evident when the industry becomes busy, as homeowners look for alternatives to extended project timelines.

*“When the construction trade is busy it can be hard to find a contractor to do home renovation work. Homeowners seem more compelled to find someone underground so they can get the job done.”*

Homeowners felt strongly that the **tax burden** on the end consumer is excessive, and consumers continuously are motivated to look for ways to save a bit of money and avoid taxes wherever possible. Some felt that the underground economy has grown ever since the introduction of the GST/HST.



*“We pay way too much in taxes! People are just trying to make ends meet, and if that means trying to save a bit, so be it.”*

*“C’est de plus en plus courant. Les gens trouvent que ça coûte déjà cher alors si on rajoute les taxes... les gens ne veulent pas payer les taxes.” (It is increasingly common. People find it is expensive, so if you add in the taxes... people do not want to pay the taxes.)*

In Toronto, a number of participants attributed growth in the underground economy to the large number of **immigrants that are unable to find legitimate** work in their field. These skilled workers, although not licensed in Canada, were seen as providing a cost effective underground workforce.

*“That’s how they’re paying their bills. I don’t see a problem in supporting them.”*

In Montreal, the introduction of tougher skills requirements for licensing was seen as problematic, with contractors indicating that it has resulted in a greater abundance of an underground workforce, considered as experienced as others, but without formal qualifications.

A few homeowners in Toronto believed the underground economy had shrunk in recent years. These participants felt that consumers today are generally cash poor. As a result, they are more inclined to pay for renovations through credit, which in turn, increases the likelihood of legitimate business practices.

## **Who is Impacted by the Underground Economy?**

Homeowners **associate few risks** with the underground economy, particularly for less expensive and more cosmetic projects. Most homeowner participants admitted to having actively engaged in the underground economy for some type of home renovation project. Having to redo a project was by far identified as the greatest risk of undertaking a “cash” deal. Unaided, homeowners were unlikely to associate homeowner liability as a risk with the underground economy. Interestingly, most did not perceive that they were doing anything illegal when paying a contractor for a cash deal that does not include taxes.

**Getting caught** was clearly considered to be the greatest risk facing contractors who partake in the underground economy. This risk, however, was outweighed by a variety of advantages associated with a “cash deal” (*see following section of report*), primarily because few had ever heard of a contractor being penalized or because penalties were perceived as minor and inconsequential.

Participants were asked who they believe is affected or harmed by “cash” transactions. The **government** was most often mentioned as the primary victim of the underground economy,





namely because of uncollected taxes. Some participants acknowledged that uncollected taxes ultimately impact the general public, as it directly results in reduced programs and services. Contractors also suggested that the industry as a whole is negatively impacted by the underground economy, as it artificially reduces competitive rates.

**Homeowners** were generally identified as winners in the underground economy primarily because of the obvious cost savings they enjoyed as a result of a “cash” transaction. In contrast, **contractors** were described as both winners and losers in the underground economy. While those offering “cash deals” were seen as the recipients of tax free income, legitimate trades people were clearly positioned at a disadvantage both in terms of income and possible job reduction.

Finally, a good number of contractors and homeowners also believed that the underground economy has tarnished the reputation of the **construction trade** in general and has resulted in trades people being perceived as less specialized and somewhat dishonest. Indeed, some contractors voiced exception to the “cash deal” practices of some trades people and felt they have hurt the business of legitimate, hard working businesspeople.

*“It’s the unfair practice by others who hurt honest people in this industry.”*

*“It’s driving down the level of professionalism in the trades and taking work away from honest, legitimate tradesmen.”*



## Homeowners' Perceptions

***Homeowners are highly motivated by saving money to use the underground economy for low risk home renovation jobs and associate minimal risk or harm with such actions.***

To better understand homeowners' perceptions of the underground economy, participants were asked to work in teams to discuss why some homeowners choose to take part in the underground economy and what the disadvantages to doing so might include. (*Appendix A outlines what homeowners identified as the pros and cons of the underground economy, by location*).

### Reasons for Taking Part in the Underground Economy

Homeowners identified a variety of reasons for choosing a cash deal for home renovations. Consistent with previous research results, **saving money** is clearly the primary motivator. With increasing costs and limited financial resources, many felt that using the underground economy presents their only option for having necessary home renovation work completed. Many considered the cost differentiation to be significant, representing much more than just a tax savings.

*“When you're given an estimate of say \$4,000 to get it done legitimately or \$2,600 to have it done under the table, there isn't much choice. It really comes down to do you get it done under the table, or do you not get it done.”*

*“C'est une question de prix. Le travail au noir fait baisser les prix.” (It is a cost issue. The black market reduces prices in general.)*

Homeowners consider themselves to live in an over taxed environment. Many find avoiding the tax an appealing option and believe that a cost savings of 15 – 20 percent warrants consideration of a cash deal, particularly for a low risk job. In fact, many homeowners felt that by saving the tax on a home renovation project they have more disposable income to spend in other areas, thus resulting in increased economic spending and minimal harm.

*“If I can save a bit of money by paying cash, that leaves more money for me to spend on other things. So that money is still going in the economy. The person doing the work is also making money that's being spent on food, clothes or gas.”*

Another advantage of paying less for a renovation project mentioned in Montreal is the ability to spend more money on higher quality products and therefore end up with a more luxurious renovation than if paid for legally.



**Quick project turnaround** and **trades person availability** are also considered key advantages to using the underground economy. Across locations, homeowners concurred that doing a “cash deal” often results in a contractor giving greater priority to a project, allowing the project to be completed in a more timely manner. In addition, doing a job under the table typically does not involve getting a building permit, which also creates greater time efficiencies, as well as increased cost savings given that any changes will not result in a higher home assessment.

*“Ils sont plus disponibles et souvent, ils nous mettent en priorité.” (They are more available and often they consider our project as a priority.)*

In Toronto, a number of homeowners mentioned that the **immigrant community** accounts for a significant portion of the underground economy. These individuals may be qualified, but are often unlicensed in Canada and therefore are unable to get legitimate work.

*“It’s not that they are not good – sometimes they are here illegally. That’s often how they get started in Canada. A man’s gotta eat.”*

Others felt that giving friends and family the opportunity to make some cash through “under the table” projects lets homeowners “help them out” financially.

Finally, some participants believed that not having a contract in place can present an advantage for homeowners. In particular, the homeowner has a greater degree of flexibility in changing his / her mind and is able to withhold payment if the project is not done to his / her satisfaction.

## **Disadvantages of Taking Part in the Underground Economy**

Homeowners were also asked to outline what disadvantages there might be in choosing the underground economy for home renovation projects. It is interesting to note that initially, participants did not readily associate serious problems with choosing a “cash deal.” However, after discussion ensued, disadvantages of such activities became more prevalent.

Most notably, homeowners recognized that choosing a cash deal results in the consumer not having a **contract or warranty** in place for the work performed. This could result in having no recourse for substandard work if a problem occurs or simply result in having a trades person disappear with their money.

*“If it’s not done properly, there’s a chance you have to do it again. That doesn’t result in any cost savings!”*

That said, a few participants in Montreal were under the impression that a cash deal whereby taxes are not charged does not necessarily mean forfeiting the warranty on the work done.





*“On peut avoir des garanties de toute façon, même si on engage au noir.” (We can have warranties even though we hire under the table.)*

Participants recognize that with no contract in place a trades person could potentially change the agreed upon project parameters (costing, timing, materials), leaving the homeowner with no recourse. In addition, homeowners mentioned that using a “cash deal” could result in use of lower quality materials for their home renovation project and would mean that permit, insurance and inspection requirements are not met. Furthermore, the lack of receipt is viewed as a disadvantage in the cases where homeowners need to show proof of recent work done on the house to prospective homebuyers when selling a property.

**Compromising work quality** was also identified as a potential disadvantage. Homeowners recognize that trades people working “under the table” are more inclined to be less qualified and unlicensed. Depending on the complexity of the project, this could have implications on the work provided, with work being completed not up to code, or not able to pass a legitimate inspection.

Across homeowner locations, it is interesting to note that a homeowner’s **liability** was not readily identified by most as a key disadvantage in taking part in the underground economy. In fact, few teams mentioned the risk associated with a lack of workers’ insurance, on-the-job injury or theft.





## Contractors' Perceptions

***Although money is a contractor's primary motivator for participation in the underground economy, such activities are recognized as unethical, illegal and tax fraud.***

To ascertain contractors' perceptions of the underground economy, participants were asked to work in teams to discuss why some trades people might choose to take part in the underground economy and what the disadvantages to doing so might include. (*Appendix B outlines what contractors identified as the advantages and disadvantages of the underground economy, by location*).

### Reasons for Taking Part in the Underground Economy

Consistent with previous research findings, contractors identify **money** as the primary motivator of participation in the underground economy. Taking part in "under the table" transactions allows trades people to avoid paying taxes, earn tax-free income, maximize their profits, and keep their prices low, thus remaining competitive. In addition, underground activities typically result in immediate or timelier payment.

A few contractors in Toronto mentioned that current legislation requires them to pay their workers time and a half once an individual's workweek exceeds 40 hours. This was considered problematic to some and an additional motivator to hire workers under the table.

Trades people also saw the underground economy as offering distinct time advantages for contractors, given its **reduced paperwork** requirements. More specifically, contractors felt it resulted in a simplified payroll, no permits and reduced documentation / filing with the government.

Some felt that small contractors are encouraged to take part in the underground economy because of the lack of requirement to be GST-registered if annual income falls under \$30,000. These individuals simply report income up to \$30K, and fail to report any additional income.

Contractors felt performing transactions under the table also allows them to **remain competitive** and keep their **clients happy**. A good number acknowledged that the consumer consistently requests "cash" transactions, and in doing so, some trades people are forced to either comply or lose the business. As previously mentioned, some contractors indicated that they have often prepared an invoice inclusive of tax, but have not shown the tax. This lets the consumer think they have "got a deal," while allowing the contractor to be legitimate.



*“Ne pas perdre un contrat. Tu vas avoir une job et le client te l’offre au noir et si tu acceptes pas, le client a eu une couple d’autres soumission au noir qu’il va considérer.” (To not lose a job. If the client offers to pay you cash and you don’t accept, they may consider one of the other bids they got (for a lower price).)*

Finally, contractors also recognized that working the underground economy gives **unlicensed trades people** an opportunity to make money. In particular, participants felt professionals that moonlight or work shift work are particularly notorious for completing jobs on the side and earning tax-free income.

*“Firemen are the worst. They have the time and do a lot on the side.”*

### **Disadvantages of Taking Part in the Underground Economy**

Although contractors recognize multiple reasons why a trades person would choose to work “under the table,” they readily identify a number of disadvantages associated with involvement in the underground economy. Primary amongst those is the fact that underground economy activities are **unethical, illegal** and are **tax fraud**. As a result, trades people saw the potential of getting caught, or scrutiny from the Canada Revenue Agency, as key disadvantages to partaking in such practices. These disadvantages were less often mentioned among Montreal trades people.

*“It’s against the law. I guess that has to be the biggest disadvantage.”*

Contractors also recognize that the underground economy presents challenges in terms of materials. Most notably, if materials were purchased, the trades person must charge the tax to recoup the expense they have already incurred.

Contractors also identified a number of disadvantages that relate to specific business practices. Most notably, contractors concurred that working in the underground economy resulted in a trades person having to undergo significant **administrative efforts** to cover up their actions, hide wages and hide additional income. Some felt it required two sets of books to be maintained, adding additional administrative burden on the small businessperson.

*“Ça nous impose une double comptabilité. Je dois penser à payer certaines factures cash.” (It requires a dual accounting system. I need to remember to pay certain bills cash.)*

Hiding a company’s net worth however, presents additional challenges for trades people. A number of contractors commented that participating in the underground economy actually **impedes a business’s growth potential**. In fact, contractors indicated that businesses are more likely to experience problems when trying to **establish credit rating** as a result of





reduced reported income. As well, businesses are unable to truly **assess the growth** or potential growth of a company given that there are no proper records. Similarly, some felt it would be hard to establish credible experience when work primarily includes projects that cannot be identified.

*“It’s hard to grow when you don’t know what your business is really doing. That’s why it’s usually the smaller contractor that’s involved in the underground economy.”*

*“Tu dois être capable de justifier tes revenus. Pour avoir tes permis, tu dois avoir fais assez de revenus et si tu demandes un prêt, ça paraît mal si tes revenus sont bas.” (You must be able to justify your revenues. To get your permits, you must have sufficient revenues and if you ask for a loan, it does not look good if your revenues are low.)*

The underground economy also presents additional potential risks for contractors. Contractors in Toronto recognized that if they are injured or had equipment stolen on the job site, there is little recourse for the trades person. In addition, given that no contract or guarantees are in place, contractors have no recourse if they were not paid for work.

Finally, some contractors indicated that when working in the underground economy, trades people generally are not working with professionals. Some felt that partaking in illegal actions suggests less than ideal characteristics of an individual and that doing so has the potential to lose respect of clients.





## Combating the Underground Economy

***There is limited awareness of current efforts to combat the underground economy, but participants are clear in terms of what is required.***

Both homeowners and contractors generally agreed that there is a need to address the underground economy, albeit to varying degrees. Contractors place a greater degree of urgency on addressing the situation, primarily because they see their industry and/or business as suffering as a result.

Participants consider the **government** to hold primary responsibility for combating the underground economy. That being said, homeowners recognize that they too have a role to play in ensuring a reduced demand for such activities and that contractors have the responsibility to stop offering this form of transaction. Contractors generally believe that public education efforts should focus on the general population with a goal of creating awareness of the risks to homeowners associated with “cash deals.” While trades associations could potentially play a role in communicating to its members, most contractors concurred that association members typically include legitimate businesspeople and would simply be preaching to the converted.

Across groups and locations, participants were generally unable to identify efforts that have been taken to combat the underground economy. Only one contractor in Toronto had ever heard of a individual being “caught,” and he recalled minimal fines being charged. Stories of individuals being caught were more prevalent in Montreal, and included being randomly audited, being fined, or being imprisoned. A few trades people, however, reported stories of contractors having to pay a fine who simply filed for bankruptcy and opened another company under a different name.

### Information Source Credibility

Homeowners were asked to imagine that they were receiving some type of written information about the underground economy. When considering a variety of organizations or groups, participants were asked which bodies they considered to be credible and which groups they would take seriously (*in that they could potentially impact homeowners’ actions*).

Results of this exercise show that credibility of specific groups varies notably, with the local Home Builder Association, federal government, Better Business Bureau and local municipality being considered **most credible**. Across locations a few differences warrant mention, with Montreal homeowners also placing a higher degree of credibility on the provincial government and insurance companies.



Across locations, participants were less likely to commit that they take what a specific group says seriously. In fact, only the Better Business Bureau was mentioned by most in each location. Montreal homeowners were more inclined to act on results of their insurance company, while Toronto homeowners placed greater prominence on what their friends and family members say.

It is interesting to note that participants were least likely to indicate that they would take communication from the government seriously, be it provincial, federal or municipal.

The following table outlines the various organizations or groups considered, with dotted areas indicating the opinions of most participants in each location.

● Montreal ● Toronto	Is Credible	I take what they say seriously
	●	
	● ●	
	●	
	●	●
	● ●	● ●
	● ●	
	● ●	
		●

### Advice in Combating Underground Economy

Participants were asked what advice they have for the government in combating the underground economy and what might motivate homeowners to insist on a written contract. Contractors and homeowners alike were very clear that **public education** by way of **mass media** advertising campaign was key in the government taking a stand in the fight against the underground economy. With limited awareness of the risks associated with the underground economy, participants recognized the importance of ensuring that consumers are aware of the implications of asking for cash jobs (on themselves personally, trades people and the trades professions).

*“Improve public awareness through mass media of the ‘Get it in Writing’ campaign. Inform homeowners of the cons of cash deals and inform contractors flying under the radar of the cons of cash deals.” – Trades person*

*“Launch mass media campaign targeting consumers who would commonly offer cash to trades people to avoid paying the tax. Have another mass media campaign targeting ‘cash’ trades people advising them of the consequences.” – Trades person*

Participants felt that enhanced public education will generate awareness of the **societal impact** of hiring contractors who do illegitimate work.



*“Educate the consumer about the effects of asking for ‘cash’ jobs. For example, they get substandard work, no warranties, drive down the level of professionalism in the trade and are taking work away from ‘honest and legitimate’ tradesmen. Essentially, make it socially unacceptable to ask for a cash job.” – Trades person*

*“Show us a reason why we (the little consumer) are contributing to negative societal effects by using the underground economy.” – Homeowner*

Other suggestions for increasing public awareness included collaborating with trade unions and building associations, and bringing the issue into schools for students going into various trades. By educating those going into the industry, many homeowners felt it would lessen the likelihood of them taking part in the underground economy at a later date. In addition, several participants in Toronto suggested the government not overlook the use of multicultural advertisements, ensuring the entire population becomes aware of the issue.

In Toronto groups homeowners consistently mentioned that they would like to better understand how the **loss of tax revenue** from the underground economy affects Canadians. In particular, homeowners expressed a need to understand what implications it has on their neighbourhood.

*“Show explicitly through advertising how the loss of tax revenues affects the average Canadian. The government needs to do more than state the monetary value. Show the other implications as well.”*

*“Make it real to me. What did it mean to my community? Did education suffer as a result? What about health?”*

Others wanted to better understand what the true dollar value of the underground economy was and how much the government has lost as a result.

Montreal homeowners were more apt to suggest highlighting personal benefits of legitimate transactions, notably the ability to get a warranty and legal recourses in the case of work not properly done.

Homeowners provided a wide range of other suggestions to the government as to how it could combat the underground economy, many relating to policy development. Most notably, homeowners and contractors strongly believed that in order to effectively eliminate or address the underground economy, the government must introduce some type of incentive for the general public to hire a legitimate contractor. Across groups participants suggested that home renovations should be tax deductible.

*“Provide homeowners with some form of tax credit or deduction for renovations which would make it easier to hire legitimate contractors.”*

Finally, participants suggested that the government should better enforce the law; making sure illegal activities are identified and dealt with in a more aggressive manner.



## Get it in Writing Campaign

***The Get it in Writing! brochure was generally well received, although homeowners offered a variety of suggestions for improvement.***

In 2003, Canada Revenue Agency, in partnership with the Canadian Home Builders Association, launched a national social marketing campaign called *Get it in Writing!* One key component of the campaign was its print brochure.

During the focus groups, homeowners were presented with a copy of the brochure and asked to review it individually. Prior to group discussion, participants were asked to rate the brochure in terms of its overall appeal (*using a thumbs up, thumbs down five point scale*).

Generally, the *Get it in Writing!* brochure was well received, scoring high in terms of overall appeal. Homeowners described the brochure as visually appealing, easy to read and comprehensive. Participants generally appreciated the pictures used in brochure and its user-friendly layout. Most found the document to be particularly informative on the topic at hand and impactful in its presentation. Participants liked the fact that the brochure emphasized a homeowner's liability and reinforced that the size of the job does not limit the liability faced.



*“Very good. It highlights to potential homeowners some pitfalls when hiring any contractors and helps homeowners to get organized. It’s a subtle way of telling consumers what to look for or what they get when hiring.”*

*“C’est complet, c’est précis, ça donne nos droits de recours et indique la façon de rédiger un contrat.” (It is complete, precise, it gives information on our rights and shows how to write a contract.)*

More importantly perhaps, a good number of participants indicated that the brochure would likely make them reconsider participation in the underground economy. This was however less evident in Montreal, where participants suggested the brochure highlighted how to enter into a contractual agreement with a trades person rather than suggesting the consequences of the underground economy.

Participants clearly saw the brochure as communicating the risks and factors that should be considered when hiring a contractor and most perceived the brochure to be believable. That said, Montreal homeowners suggested that increasing the focus on the negative consequences or the potential risks of the underground economy might help communicate the message.



Other key strengths of the brochure included its three-step process, directions on how to find a good contractor, and its overall visual appeal.

Although participants across homeowner groups were consistently positive about the brochure, Montreal participants were slightly more critical of the document than their Toronto counterparts. In particular, they suggested the title implied hiring practices for general contractors, most often used when undertaking important renovation projects. As such, some homeowners would not automatically associate the brochure with the risk of partaking in underground economy. In addition, visually, the cover of the brochure shows tools and construction sites, making it more relevant to an advertisement for product rather than construction services.

In Toronto, homeowners consistently outlined a number of areas as confusing. More specifically, within Step 2, participants were confused as to what a contractor's **Business Number** was, and what was required by **lien regulations**. Lien information was new to most and homeowners were generally unaware of what implications this had on them personally. Similarly, in Step 3, the bullet referring to lien legislation was consistently earmarked as confusing. Some also criticized Step 3 for appearing overly cumbersome to the homeowner by the extensive nature of the list provided.

*“There is lots of information here – but it’s a little too long. In Step 3 the items listed seem overwhelming and may scare people from doing it. It looks like too much work.”*

When asked how the brochure could be further enhanced, participants offered a variety of suggestions. Most notably, participants consistently mentioned that the brochure cover is too passive in its title and requires a greater sense of urgency. Suggestions also included emphasizing the risk to homeowners and that such risks apply to both small and large scale work.

Other suggestions involved providing additional contact information for further reference, including a 1-800 number and relevant industry Web sites. Giving greater prominence to the Web site and having the site address in lower case were also mentioned.

Suggestions for improvements to the layout included adding people into the photos to depict trades rather than tools, shortening text, increasing use of bullets, and use of a checklist format for the blue panel. Provision of a contract template, either attached to the brochure or online was mentioned, as was referring to homeowners' recourse against trades persons.

Homeowners generally agreed that the brochure would likely grab their attention if they were considering hiring a contractor. Most would expect to see it at their local home building suppliers such as Home Depot or Réno-Dépot. In addition, participants felt strongly that this type of information would also be appropriate in a mass media campaign





that included television and radio. In any medium, however, considerable emphasis must be placed on the homeowners' potential risks.

Finally, participants consistently mentioned that the risk message associated with the underground economy would also be particularly relevant if associated with a variety of home renovation shows (e.g. Holmes on Homes).

## Trades People Report Card

***The Report Card received a mixed response and was criticized for its accusatory tone and perceived inability to reach its intended audience.***

The CRA has developed a draft trades print brochure that provides contractors with a report card on CRA's activities in combating the underground economy. During the focus groups, contractors were presented with a draft copy of the brochure and asked to review it individually. Once again, prior to group discussion, participants were asked to rate the brochure in terms of its overall appeal (*using a thumbs up, thumbs down five point scale*).

Overall the brochure received a mixed response across contractors. Some participants considered the brochure informative, clear and well laid out. The Voluntary Disclosure Program was generally well received.



*“It’s informative and well laid out for the laymen, but no good for the converted.”*

*“Ce dépliant explique bien les conséquences reliées aux travaux non déclarés.” (This brochure gives a good explanation of consequences of work that is not reported.)*

*“C’est un peu rébarbatif; qui va le lire jusqu’au bout?” (It is a little bit daunting; who is going to read it up to the end?)*

Others sharply criticized the document for its accusatory tone and “government rhetoric” and resented the fact that it presumed contractors are guilty.

*“This is too much stick, not enough carrot. Again, painting contractors as villains. It should be targeting ‘the boss’. That’s the consumer asking for the cash job.”*

*“You’re speaking to the converted. The reasons outlined are exactly why we pay our taxes (business and personal).”*





While most agreed that the presentation of numbers in the brochure grabbed their attention, some questioned the level of success in combating the underground economy that the numbers suggested. Most notably, the numbers were considered small and insignificant in some areas. Some questioned whether the size of the problem actually justified the cost of addressing the issue.

*“If this is success than maybe it’s not that big of a problem!”*

*“It doesn’t seem that significant what they accomplished. I would expect it to be more. Seeing only two people jailed.”*

Contractors also criticized the use of a brochure in distributing the message. Many felt that the intended audience (those actively engaged in the underground economy) would be unlikely to pick up or read a brochure. As well, in Toronto, contractors mentioned that the immigrant illegal workforce would not be able to read the brochure, given their limited use of the English language.

One contractor suggested that he would be better served if provided with a small card (e.g. business card size) that outlines the risks associated with cash deals. That, he felt, would be more effective in addressing the problem, as he could distribute it to the homeowner when preparing quotes. In addition, he felt that could prevent the homeowner from asking for a cash deal.

Contractors expressed no interest in passing the brochure to other trades persons and indicated that they would not likely report a contractor involved in the underground economy if that opportunity were available.

When asked what could be done to better communicate such a message to trades people, contractors offered limited suggestions.

*“If you really want to get the underground economy, give general contractors an incentive to report all income – a tax rebate.”*



**Appendix A:  
Homeowners' Advantages &  
Disadvantages of Underground  
Economy**

# Appendix A

## Homeowners' Advantages & Disadvantages of Underground Economy

The following table outlines what homeowners considered the advantages and disadvantages of the underground economy, by location. Highlighted items include those considered to be the greatest advantages and disadvantages of homeowners taking part in the underground economy.

Homeowners' Advantages & Disadvantages of Underground Economy	
<p><b>PROS ~ REASONS FOR TAKING PART</b></p> <p><b>Toronto</b></p> <ul style="list-style-type: none"> <li>➤ Better price / more affordable / cheaper / save money</li> <li>➤ Faster completion time (lack of permits) / quicker turnaround / more available</li> <li>➤ No contract – not binding; homeowner can change their mind</li> <li>➤ May be good workers that are here illegally</li> <li>➤ Can provide jobs to qualified but unlicensed contractors</li> <li>➤ Helping family / neighbours</li> </ul> <p><b>Montreal</b></p> <ul style="list-style-type: none"> <li>➤ Encourager des connaissances</li> <li>➤ Disponibilité / rapidité</li> <li>➤ Coûts / Coût de revient (\$/h) / Meilleur prix de revient (\$/h) / Économies / Sauver les taxes</li> <li>➤ Garantie de toute façon</li> <li>➤ Applicable si on a pas de maison à revenus</li> <li>➤ Petite revanche sur le gouvernement</li> <li>➤ Baisse des prix en général</li> <li>➤ Bon service</li> <li>➤ Pouvoir de négociation</li> <li>➤ Augmenter la qualité</li> <li>➤ Versatilité</li> <li>➤ Même tarif en tout temps</li> <li>➤ Travaux simples et fréquents (peinture, lavage des vitre, etc)</li> </ul>	<p><b>CONS ~ DISADVANTAGES</b></p> <p><b>Toronto</b></p> <ul style="list-style-type: none"> <li>➤ No recourse for substandard work /Can't take to court</li> <li>➤ Can't locate when something goes wrong</li> <li>➤ No integrity in work / questionable qualifications / poor quality</li> <li>➤ No guarantees / can simply disappear with your money</li> <li>➤ No permits</li> <li>➤ No insurance</li> <li>➤ Won't pass inspection / No inspection</li> <li>➤ No up to code / not meet bylaw standards</li> <li>➤ May not be licensed</li> <li>➤ With no contract, can change final price or time frame / possible increase in estimate</li> <li>➤ No warranty</li> <li>➤ Home owner can be liable for accidents</li> <li>➤ Bonded?</li> <li>➤ Greater chance of inferior materials</li> <li>➤ Potentially more expensive in long run because of need to redo work / fix errors</li> <li>➤ Can lose down payment</li> </ul> <p><b>Montreal</b></p> <ul style="list-style-type: none"> <li>➤ Garanties non honorées / Pas de recours légaux</li> <li>➤ Qualité douteuse des matériaux</li> <li>➤ Va-t-il être en affaire dans 1 ans? / Compagnie qui peut disparaître</li> <li>➤ Travaux risquent d'être mal faits / qualité douteuse</li> <li>➤ Pas de facture</li> <li>➤ Pas de garantie / Moins de recours (garanties)</li> <li>➤ Pas d'assurance</li> <li>➤ Fait baisser les prix du marché / industrie moins forte / Impact sur l'économie globale</li> <li>➤ Mode de paiement limité</li> <li>➤ Hors la loi</li> <li>➤ Manque à gagner pour le gouvernement</li> <li>➤ Travaux complexes moins possible</li> <li>➤ Moins de choix de produits</li> <li>➤ Parfois travail bâclé</li> <li>➤ Cercle vicieux, empire</li> <li>➤ Non déclarable</li> </ul>



**Appendix B:  
Contractors' Advantages &  
Disadvantages of Underground  
Economy**

# Appendix B

## Contractors' Advantages & Disadvantages of Underground Economy

The following table outlines what contractors considered the advantages and disadvantages of the underground economy, by location. Highlighted items include those considered to be the greatest advantages and disadvantages of contractors taking part in the underground economy.

Contractors' Advantages & Disadvantages of Underground Economy	
<p><b>PROS ~ ADVANTAGES</b></p> <p><b>Toronto</b></p> <ul style="list-style-type: none"> <li>➤ Avoid / save paying taxes / tax free income</li> <li>➤ Keep prices low</li> <li>➤ Immediate payment</li> <li>➤ Convenient (if add on to a job)</li> <li>➤ Customer is happy / customer driven</li> <li>➤ Make more money / maximize profits / pure profit</li> <li>➤ For small contractors, they might be motivated to remain under \$30,000 and not be GST registered</li> <li>➤ Unqualified tradesmen</li> <li>➤ Avoid permits / less paperwork</li> <li>➤ Easy / simplifies payroll</li> <li>➤ Avoid liability</li> <li>➤ Customer demands it / customer persuasion / some customers have surplus cash to use (investors / criminals)</li> </ul> <p><b>Montreal</b></p> <ul style="list-style-type: none"> <li>➤ Refus de payer des taxes / Pas de taxes</li> <li>➤ Accommoder le client</li> <li>➤ Pour pouvoir vivre des fruits de l'entreprise</li> <li>➤ Avoir plus d'argent / Argent cash / Économique</li> <li>➤ Ne pas perdre de contrats / Travail</li> <li>➤ Payer hommes sous traitant / Pour payer les gars au noir</li> <li>➤ Sauver frais d'administration</li> <li>➤ Entrée rapide d'argent</li> <li>➤ Passer des balances de matériaux</li> </ul>	<p><b>CONS ~ DISADVANTAGES</b></p> <p><b>Toronto</b></p> <ul style="list-style-type: none"> <li>➤ Have to 'cover up' your actions / hide wages</li> <li>➤ Have to mess with your books / Hide the cash / keep two sets of books</li> <li>➤ Hard to establish credit rating because of low reported income</li> <li>➤ Tax fraud / illegal / Cheating public / Not ethical</li> <li>➤ No contract</li> <li>➤ No guarantees / no recourse if not paid</li> <li>➤ No insurance coverage</li> <li>➤ Not working with professionals</li> <li>➤ Revenue Canada scrutiny</li> <li>➤ Experience is unrecognized</li> <li>➤ Loose customer trust</li> <li>➤ Don't know what the business is doing; no proper records</li> <li>➤ Hiding material purchases</li> <li>➤ Paid GST on materials, so have to collect</li> </ul> <p><b>Montreal</b></p> <ul style="list-style-type: none"> <li>➤ Pas de chômage / d'avantages sociaux</li> <li>➤ Se faire prendre</li> <li>➤ L'argent vite gagné, vite dépensé</li> <li>➤ Ne pas être capable de justifier les revenus</li> <li>➤ Engagements vis-à-vis de RBQ</li> <li>➤ Manque à gagner pour le gouvernement</li> <li>➤ Perte d'ouvrage</li> <li>➤ Moins de travail pour ceux qui paient des taxes</li> <li>➤ Couverture douteuse (garantie)</li> <li>➤ Comptabilité douteuse / complexe</li> </ul>



**Appendix C:  
Recruitment Screeners  
(French and English)**

## Questionnaire de sélection FINAL – Groupes de consommateurs

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Nom : \_\_\_\_\_

Groupe 6 8

Tél. (M) : \_\_\_\_\_ Tél. (B) : \_\_\_\_\_

**Montréal, Québec****Date :** Le mardi 15 mars 2005**Heure :** Groupe 6 : 20 h

**Endroit :** Centre de Recherches Contemporaines  
1250, rue Guy  
Bureau 802  
(800) 932-7511

**Montréal, Québec****Date :** Le mercredi 16 mars 2005**Heure :** Groupe 8 : 20 h

**Endroit :** Centre de Recherches Contemporaines  
1250, rue Guy  
Bureau 802  
(800) 932-7511

**\* Tous les participants prévoient entreprendre des rénovations domiciliaires au cours des 12 prochains mois**

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Bonjour, je me nomme \_\_\_\_\_ et je vous appelle du Centre de Recherches Contemporaines, une société d'étude de marché. Nous effectuons une étude sur les rénovations domiciliaires, commanditée par le gouvernement du Canada, et nous aimerions parler à la personne de votre foyer qui est responsable de prendre les décisions dans le foyer. Puis-je vous poser quelques brèves questions? Merci.

Votre participation à cette recherche est entièrement volontaire et votre décision d'y participer ou non n'affectera en rien les interactions que vous pourriez avoir avec le Centre de Recherches Contemporaines. Tous les renseignements recueillis, utilisés et/ou divulgués serviront à des fins de recherche uniquement et seront traités conformément aux exigences de la Loi sur la protection des renseignements personnels. Nous vous demanderons également de signer un abandon de recours par lequel vous reconnaissez être au courant qu'il se peut que l'on vous enregistre sur bande audio et/ou vidéo pendant la séance et que votre participation au Registre central de recherche qualitative est requise.

**Sexe** (par observation) :

Femme ..... 1    En recruter 5

Homme ..... 2    En recruter 5

**Pour commencer :**

1. Est-ce que vous, quelqu'un de votre foyer, un parent ou un ami proche, travaillez actuellement ou avez déjà travaillé dans l'un des secteurs d'activité suivants?

Marketing/étude de marché ..... 1

Relations publiques ..... 2

Publicité..... 3

Média (télévision, radio, journal) ..... 4

Construction/rénovation domiciliaire ..... 5





~ **SI OUI À L'UN DES SECTEURS CI-DESSUS, REMERCIER ET TERMINER** ~

2. Auquel des groupes d'âge suivants appartenez-vous? Avez-vous...?

- |                       |   |   |
|-----------------------|---|---|
| Moins de 18 ans ..... | 1 | <b>Remercier et terminer</b>                    |
| 18 à 24 ans.....      | 2 | } <b>Recruter un mélange pour chaque groupe</b> |
| 25 à 34 ans .....     | 3 |   |
| 35 à 44 ans .....     | 4 |   |
| 45 à 54 ans .....     | 5 |   |
| 55 à 64 ans .....     | 6 |   |
| 60 à 64 ans .....     | 7 |   |
| 65 ans et + .....     | 8 | <b>Remercier et terminer</b>                    |

3. Êtes-vous actuellement propriétaire de votre maison?

- |          |   |                              |
|----------|---|------------------------------|
| Oui..... | 1 | <b>CONTINUER</b>             |
| Non..... | 2 | <b>REMERCIER ET TERMINER</b> |

4. Prévoyez-vous entreprendre des travaux de rénovation domiciliaire au cours des douze prochains mois?

- |          |   |                              |
|----------|---|------------------------------|
| Oui..... | 1 | <b>CONTINUER</b>             |
| Non..... | 2 | <b>REMERCIER ET TERMINER</b> |

5. Prévoyez-vous embaucher un entrepreneur ou un corps de métier pour effectuer une partie ou la totalité de vos travaux de rénovation domiciliaire?

- |          |   |                              |
|----------|---|------------------------------|
| Oui..... | 1 | <b>CONTINUER</b>             |
| Non..... | 2 | <b>REMERCIER ET TERMINER</b> |

6. Environ combien prévoyez-vous dépenser pour vos travaux de rénovation domiciliaire?

- |                            |   |                              |
|----------------------------|---|------------------------------|
| Moins de 1 000 \$ .....    | 1 | <b>REMERCIER ET TERMINER</b> |
| 1 000 \$ à 4 999 \$.....   | 1 | } <b>Recruter un mélange</b> |
| 5 000 \$ à 9 999 \$.....   | 1 |                              |
| 10 000 \$ à 14 999 \$..... | 1 |                              |
| 15 000 \$ à 19 999 \$..... | 1 |                              |
| Plus de 20 000 \$.....     | 1 | <b>REMERCIER ET TERMINER</b> |

Le sujet de cette recherche est l'embauche et les pratiques commerciales associées à la rénovation domiciliaire. L'un des aspects de la discussion sera ce qu'on appelle « l'économie clandestine » qui a cours dans le secteur de la rénovation domiciliaire et qui se définit plus communément comme l'utilisation de transactions au comptant dans le but d'éviter de payer les taxes.

*Par exemple, un entrepreneur ou un corps de métier qui effectue des travaux de rénovation domiciliaire peut demander d'être payé en argent comptant plutôt que par chèque. Ou encore, il peut offrir un prix plus bas s'il est payé comptant. De cette façon, il peut éviter de payer les taxes sur une partie ou la totalité de l'argent qu'il reçoit.*



7. Avez-vous entendu parler de ces types de pratiques commerciales de l'économie clandestine qui ont cours dans le secteur de la rénovation domiciliaire?

Oui..... 1 **CONTINUER**  
 Non..... 2 **REMERCIER ET TERMINER**

**À présent, quelques dernières questions qui nous aideront à analyser cette étude :**

8. Parmi les choix suivants, lequel décrit le mieux votre situation professionnelle actuelle? Êtes-vous...?

Employé(e) à temps plein..... 1 **Minimum de 7 employés**  
 Employé(e) à temps partiel..... 2  
 Au foyer ..... 3  
 Sans emploi..... 4  
 Étudiant(e) ..... 5  
 Retraité(e)..... 6

Si employé(e), demander...

Quelle est votre profession actuelle? \_\_\_\_\_ **RECRUTER UN MÉLANGE**

**TERMINER SI OCCUPATIONS CRITIQUES DE LA Q1**

9. Parmi les choix suivants, lequel décrit le mieux le revenu total de votre foyer avant impôts pour l'année 2004? Diriez-vous que c'est...?

Jusqu'à 24 999 \$ ..... 1 **REMERCIER ET TERMINER**  
 25 000 \$ à 34 999 \$ ..... 2  
 35 000 \$ à 44 999 \$ ..... 3  
 45 000 \$ à 54 999 \$ ..... 4  
 55 000 \$ à 64 999 \$ ..... 5  
 65 000 \$ et + ..... 6

} **Recruter un mélange**

10. Avez-vous déjà participé à un groupe de discussion pour lequel vous avez reçu une compensation monétaire?

Oui..... 1 **Continuer**  
 Non ..... 2 **Passer à l'invitation**

11. À combien de groupes de discussion avez-vous participé? \_\_\_\_\_

12. Quel était/quels étaient le(s) sujet(s) du(des) groupe(s)? \_\_\_\_\_

13. À quand remonte la dernière fois où vous avez participé à un groupe de discussion?  
 \_\_\_\_\_

**SI A PARTICIPÉ À UN GROUPE AU COURS DES 6 DERNIERS MOIS; REMERCIER ET TERMINER,**

**SI A PARTICIPÉ À 3 GROUPE(S) OU PLUS; REMERCIER ET TERMINER,**

**SI A PARTICIPÉ À UN GROUPE DONT LE SUJET ÉTAIT LES RÉNOVATIONS DOMICILIAIRES;  
 REMERCIER ET TERMINER.**



## INVITATION

J'aimerais vous inviter à participer à un groupe de discussion que nous organisons à \_\_\_\_\_ le \_\_\_\_\_. Comme vous le savez, un groupe de discussion est un outil de recherche qui consiste à tenir une rencontre décontractée dans le but de recueillir de l'information sur un sujet en particulier; dans le cas qui nous occupe, l'embauche et les pratiques commerciales associées à la rénovation domiciliaire.

La discussion réunira 8 à 10 personnes et se déroulera dans un contexte très décontracté. Le groupe durera deux heures environ et des rafraîchissements vous seront servis. En guise de remerciement, vous recevrez la somme de **60 \$**. Seriez-vous intéressé à y participer? *Si non, remercier et terminer.*

La discussion à laquelle vous participerez sera enregistrée sur bande audio à des fins d'usage interne uniquement. Soyez assuré que vos commentaires et vos réponses demeureront strictement confidentiels. Parallèlement, nous vous demandons de ne pas divulguer les documents et les sujets dont il aura été question pendant le groupe de discussion.

La discussion aura lieu dans une salle de groupe qui sera équipée d'un miroir sans tain pour le bénéfice des observateurs. Ces mesures sont prises à des fins de recherche uniquement. Y voyez-vous un problème? **(SI OUI, REMERCIER ET TERMINER)**

On demande parfois aux participants de lire des documents ou de répondre par écrit à un questionnaire. Serez-vous en mesure de prendre part à ces activités en français si on vous demande de le faire pendant la discussion? **(SI NON, REMERCIER ET TERMINER)**

Étant donné que nous demandons aux participants des groupes de discussion d'exprimer leur point de vue et leur opinion librement dans un contexte décontracté devant d'autres personnes, nous aimerions savoir dans quelle mesure vous êtes à l'aise de vous adonner à un tel exercice. Diriez-vous que vous êtes... ?

Très à l'aise.....	1	<b>CONTINUER</b>
À l'aise .....	3	<b>CONTINUER</b>
Pas très à l'aise.....	4	<b>REMERCIER ET TERMINER</b>
Pas du tout à l'aise.....	5	<b>REMERCIER ET TERMINER</b>

Comme il s'agit de petits groupes, l'absence d'une seule personne risque de compromettre la réussite du projet. C'est pourquoi il est essentiel que vous respectiez votre engagement à participer une fois que vous avez donné votre accord. Advenant le cas où vous seriez dans l'impossibilité de vous présenter au groupe, veuillez nous en aviser le plus tôt possible au numéro sans frais suivant \_\_\_\_\_ afin que nous puissions vous trouver un remplaçant.

### À L'ATTENTION DES RECRUTEURS

1. Recruter **10** participants dans chaque groupe.
2. S'assurer que les participants s'expriment bien et qu'ils savent écrire (en cas de doute, NE PAS LES INVITER).
3. Ne pas inscrire de noms sur les feuilles de profil à moins que vous ayez un engagement ferme de la part des répondants.
4. Répéter la date, l'heure et l'endroit avant de raccrocher.
5. Vérifier les points clés au moment de confirmer.

#### Confirmation

1. Confirmer la présence en **début de journée**, la veille de la tenue du groupe.
2. Confirmer toutes les questions d'admissibilité.
3. Vérifier l'heure et l'endroit (demander s'ils savent comment s'y rendre).



**FINAL Screener – Consumer Groups**

Name: \_\_\_\_\_

Group      2      4      6      8

Tel. (H): \_\_\_\_\_

Tel. (W): \_\_\_\_\_

**Toronto, Ontario**

**Date:** Monday, March 14, 2005

**Time:** Group 2: 8:00 p.m.

**Location:** Consumer Vision  
1255 Bay Street  
Suite 300  
416-967-1596

**Toronto, Ontario**

**Date:** Tuesday, March 15, 2005

**Time:** Group 4: 8:00 p.m.

**Location:** Consumer Vision  
1255 Bay Street  
Suite 300  
416-967-1596

**Montreal, Quebec**

**Date:** Tuesday, March 15, 2005

**Time:** Group 6: 8:00 p.m.

**Location:** Contemporary Research Centre  
1250 Guy Street  
Suite 802  
800-932-7511

**Montreal, Quebec**

**Date:** Wednesday, March 16, 2005

**Time:** Group 8: 8:00 p.m.

**Location:** Contemporary Research Centre  
1250 Guy Street  
Suite 802  
800-932-7511

***\* All participants plan to undertake a home renovation in the next 12 months***

Hello, my name is \_\_\_\_\_ and I am with Corporate Research Associates Inc., a public opinion and market research firm. We are conducting a study on home renovations, sponsored by the Government of Canada, and would like to speak to the person in your household who is responsible for making household decisions. May I ask you a few brief questions? Thank you

**Gender (By Observation):**

Female ..... 1      Recruit 5  
Male ..... 2      Recruit 5



**To begin:**

1. Are you, anyone in your household, relative or close friend currently or have you ever been employed in any of the following types of industries...?

- Marketing/market research ..... 1
- Public relations ..... 2
- Advertising ..... 3
- Media (TV, Radio, Newspaper)..... 4
- Construction/Home renovation ..... 5

**~ IF YES TO ANY OF THE ABOVE, THANK AND TERMINATE ~**

2. Into which of the following age groups do you fall? Are you...?

- Less than 18..... 1 **Thank & terminate**
  - 18-24 ..... 2
  - 25-34..... 3
  - 35-44..... 4
  - 45-54..... 5
  - 55-64..... 6
  - 60-64..... 7
  - 65+..... 8 **Thank & terminate**
- } **Recruit Mix for each Group**

3. Do you currently own your own home?

- Yes ..... 1 **CONTINUE**
- No..... 2 **THANK & TERMINATE**

4. Do you plan to undertake any home renovation projects within the next twelve months?

- Yes ..... 1 **CONTINUE**
- No..... 2 **THANK & TERMINATE**

5. Do you plan to hire a contractor or trades person for some or all of your home renovation projects?

- Yes ..... 1 **CONTINUE**
- No..... 2 **THANK & TERMINATE**

6. Approximately how much do you plan to pay for your home renovation project?

- Less than \$1,000 ..... 1 **THANK & TERMINATE**
  - \$1,000 - \$4,999 ..... 1
  - \$5,000 - \$9,999 ..... 1
  - \$10,000 - \$14,999 ..... 1
  - \$15,000 - \$19,999 ..... 1
  - Over \$20,000..... 1 **THANK & TERMINATE**
- } **Require mix**



The subject of this research is hiring and business practices associated with home renovation. One of the areas to be discussed is the so-called 'underground economy' that can be found in the home renovation sector; most commonly defined as 'the use of cash transactions to avoid paying tax...

*For example, a contractor or trade person doing home renovation work might ask to be paid in cash rather than by cheque. Or, they might offer a lower price if they are paid in cash. They might then avoid paying tax on some or all of the money paid.*

7. Have you heard of these sorts of underground economy business practices happening in the home renovation sector?

- Yes ..... 1 **CONTINUE**
- No ..... 2 **THANK & TERMINATE**

**Now a final few questions to help us analyse this study:**

8. Which of the following best describes your current employment status? Are you...?

- Employed full time ..... 1 **Minimum of 7 employed**
- Employed part-time ..... 2
- Homemaker ..... 3
- Unemployed ..... 4
- Student ..... 5
- Retired ..... 6

If employed, ask...

What is your current occupation? \_\_\_\_\_ **REQUIRE MIX**

**TERMINATE IF SENSITIVE OCCUPATIONS IN Q1**

9. Which of the following best describes your total household income before taxes in 2004? Would you say...?

- Up to \$24,999 ..... 1 **THANK AND TERMINATE**
  - \$25,000-\$34,999 ..... 2
  - \$35,000-\$44,999 ..... 3
  - \$45,000-\$54,999 ..... 4
  - \$55,000-\$64,999 ..... 5
  - \$60,000+ ..... 6
- } **Require Mix**

10. Have you ever attended a focus group discussion for which you received a sum of money?

- Yes ..... 1 **Continue**
- No ..... 2 **Go To Invitation**

11. How many focus groups have you attended? \_\_\_\_\_

12. What was / were the subject(s) of the group(s)? \_\_\_\_\_

13. When was the last time you attended a focus group? \_\_\_\_\_



**IF THEY HAVE BEEN TO A GROUP IN THE PAST 6 MONTHS; THANK & TERMINATE,**

**IF THEY HAVE BEEN TO 3 OR MORE GROUPS; THANK & TERMINATE,**

**IF THEY HAVE ATTENDED ONE RELATED TO HOME RENOVATIONS; THANK AND TERMINATE.**

### **INVITATION**

I would like to invite you to participate in a focus group discussion we are holding at \_\_\_\_\_ on \_\_\_\_\_. As you may know, a focus group is a research tool, which uses an informal meeting to gather information on a particular subject matter, in this case hiring and business practices associated with home renovation.

The discussion will consist of 8 to 10 people and will be very informal. This group will last approximately 2 hours. Refreshments will be served and you will receive **\$60** as a thank you for your time. Would you be interested in attending? *If no, Thank and terminate*

The discussion in which you will be participating will be audio recorded for internal reference only. Please be assured your comments and responses are strictly confidential and we require the material and topics discussed in the focus group be held in confidence by you.

The discussion will take place in a focus group room and is equipped with a one-way mirror for observation. These measures are being undertaken for research purposes only. Would this be a problem for you? **(IF YES, THANK AND TERMINATE)**

Participants are sometimes asked to read materials, or write out responses. Would it be possible for you to take part in these activities in English if they are part of the discussion? **(IF NO, THANK AND TERMINATE)**

Since participants in focus groups are asked to express their thoughts and opinions freely in an informal setting with others, we'd like to know how comfortable you are with such an exercise? Would you say you are...?

Very comfortable.....	1	<b>CONTINUE</b>
Comfortable .....	3	<b>CONTINUE</b>
Not very comfortable.....	4	<b>THANK AND TERMINATE</b>
Not at all comfortable .....	5	<b>THANK AND TERMINATE</b>

As these are small groups and with even one person missing, the overall success of the group may be affected, I would ask that once you have decided to attend that you make every effort. In the event you are unable to attend, please call \_\_\_\_\_ (collect) at \_\_\_\_\_ as soon as possible in order that a replacement may be found.

### **ATTENTION RECRUITERS**

1. Recruit **10** participants for each group
2. Ensure participant has a good speaking & written ability (If in doubt, **DO NOT INVITE**)
3. Do not put names on profile sheet unless you have a firm commitment.
4. Repeat the date, time and location before hanging up.
5. Verify key information when confirming.

#### *Confirming*

1. Confirm at the **beginning of the day** prior to the day of the groups
2. Confirm all key qualifying questions
3. Verify time and location (ask if they are familiar)



## Questionnaire de sélection FINAL – Groupes de CORPS DE MÉTIER

Nom : \_\_\_\_\_ Groupe 5 7

Tél. (M) : \_\_\_\_\_ Tél. (B) : \_\_\_\_\_

### Montréal, Québec

**Date :** Le mardi 15 mars 2005

**Heure :** Groupe 5 : 18 h

**Endroit :** Centre de Recherches Contemporaines  
1250, rue Guy  
Bureau 802  
(800) 932-7511

### Montréal, Québec

**Date :** Le mercredi 16 mars 2005

**Heure :** Groupe 7 : 18 h

**Endroit :** Centre de Recherches Contemporaines  
1250, rue Guy  
Bureau 802  
(800) 932-7511

Bonjour, je me nomme \_\_\_\_ et je vous appelle du Centre de Recherches Contemporaines, une société d'étude de marché. Nous organisons des groupes de discussion pour le compte du gouvernement du Canada. Le sujet de cette recherche est l'embauche et les pratiques commerciales associées à la rénovation domiciliaire. Nous aimerions parler à un entrepreneur indépendant ou à un sous-contractant. Puis-je vous poser quelques brèves questions? Merci.

Votre participation à cette recherche est entièrement volontaire et votre décision d'y participer ou non n'affectera en rien les interactions que vous pourriez avoir avec le Centre de Recherches Contemporaines. Tous les renseignements recueillis, utilisés et/ou divulgués serviront à des fins de recherche uniquement et seront traités conformément aux exigences de la Loi sur la protection des renseignements personnels. Nous vous demanderons également de signer un abandon de recours par lequel vous reconnaissez être au courant qu'il se peut que l'on vous enregistre sur bande audio et/ou vidéo pendant la séance et que votre participation au Registre central de recherche qualitative est requise.

**Sexe** (par observation) :

Femme ..... 1

Homme.....2 **Prédominance des hommes**

**Pour commencer :**

1. Effectuez-vous des projets de rénovation domiciliaire?

Oui..... 1 **CONTINUER**

Non..... 2 **REMERCIER ET TERMINER**

2. Êtes-vous un entrepreneur indépendant ou un sous-contractant, ou êtes-vous un employé d'une compagnie?

Entrepreneur indépendant/sous-contractant..... 1 **CONTINUER**

Employé ..... 2 **REMERCIER ET TERMINER**





3. Avez-vous des employés qui effectuent des travaux de rénovation domiciliaire pour vous?

- Oui..... 1 **CONTINUER**
- Non..... 2 **PASSER À LA Q.5**

4. Parmi vos d'employés, combien effectuent des travaux de rénovation domiciliaire pour vous?

- Aucun/indépendant ..... 1
  - 1 à 5 ..... 2
  - 6 à 10 ..... 2
  - Plus de 10 ..... 3
- } **Recruter un mélange d'indépendants et de 1 à 5**  
**REMERCIER ET TERMINER**  
**REMERCIER ET TERMINER**

5. Quel est le principal type de travail que vous effectuez personnellement dans le secteur de la rénovation domiciliaire? **Encercler une réponse**

6. Le cas échéant, quels autres types de travaux effectuez-vous personnellement dans le secteur de la rénovation domiciliaire?

	Q.5 – Principal	Q.6 – Autres
Cloison sèche et ruban .....	1	1
Pavage d'entrée de cour.....	2	2
Peinture.....	3	3
Toiture .....	4	4
Revêtement de sol souple et pose de tapis.....	5	5
Pose de papier peint .....	6	6
Menuiserie.....	7	7
Charpente .....	8	8
Installation d'armoires .....	9	9
Plomberie.....	10	10
Électricité.....	11	11

L'un des aspects de la discussion sera ce qu'on appelle « l'économie clandestine » qui a cours dans le secteur de la rénovation domiciliaire et qui se définit plus communément comme l'utilisation de transactions au comptant dans le but d'éviter de payer les taxes...

7. Avez-vous entendu parler de ces types de pratiques commerciales de l'économie clandestine qui ont cours dans le secteur de la rénovation domiciliaire?

- Oui..... 1 **CONTINUER**
- Non..... 2 **REMERCIER ET TERMINER**

8. Dans quelle mesure diriez-vous que les pratiques commerciales de l'économie clandestine sont courantes dans votre corps de métier du secteur de la rénovation domiciliaire? Diriez-vous que ces pratiques sont...? **[LIRE]**

- Pas du tout courantes ..... 1 **REMERCIER ET TERMINER**
- Assez courantes..... 2
- Ou, très courantes ..... 3

9. Avez-vous déjà participé à un groupe de discussion pour lequel vous avez reçu une compensation monétaire?

- Oui..... 1 **Continuer**
- Non ..... 2 **Passer à l'invitation**



10. À combien de groupes de discussion avez-vous participé? \_\_\_\_\_
11. Quel était/quels étaient le(s) sujet(s) du(des) groupe(s)? \_\_\_\_\_
12. À quand remonte la dernière fois où vous avez participé à un groupe de discussion?  
\_\_\_\_\_

**SI A PARTICIPÉ À UN GROUPE AU COURS DES 6 DERNIERS MOIS; REMERCIER ET TERMINER,  
SI A PARTICIPÉ À 3 GROUPE OU PLUS; REMERCIER ET TERMINER,  
SI A PARTICIPÉ À UN GROUPE DONT LE SUJET ÉTAIT LES RÉNOVATIONS DOMICILIAIRES;  
REMERCIER ET TERMINER.**

### INVITATION

J'aimerais vous inviter à participer à un groupe de discussion que nous organisons à \_\_\_\_\_ le \_\_\_\_\_. Comme vous le savez, un groupe de discussion est un outil de recherche qui consiste à tenir une rencontre décontractée dans le but de recueillir de l'information sur un sujet en particulier; dans le cas qui nous occupe, l'embauche et les pratiques commerciales associées à la rénovation domiciliaire.

La discussion réunira 8 à 10 personnes et se déroulera dans un contexte très décontracté. Le groupe durera deux heures environ et des rafraîchissements vous seront servis. En guise de remerciement, vous recevrez la somme de **75 \$**. Seriez-vous intéressé à y participer? *Si non, remercier et terminer.*

La discussion à laquelle vous participerez sera enregistrée sur bande audio à des fins d'usage interne uniquement. Soyez assuré que vos commentaires et vos réponses demeureront strictement confidentiels. Parallèlement, nous vous demandons de ne pas divulguer les documents et les sujets dont il aura été question pendant le groupe de discussion.

La discussion aura lieu dans une salle de groupe qui sera équipée d'un miroir sans tain pour le bénéfice des observateurs. Ces mesures sont prises à des fins de recherche uniquement. Y voyez-vous un problème? **(SI OUI, REMERCIER ET TERMINER)**

On demande parfois aux participants de lire des documents ou de répondre par écrit à un questionnaire. Serez-vous en mesure de prendre part à ces activités en français si on vous demande de le faire pendant la discussion? **(SI NON, REMERCIER ET TERMINER)**

Étant donné que nous demandons aux participants des groupes de discussion d'exprimer leur point de vue et leur opinion librement dans un contexte décontracté devant d'autres personnes, nous aimerions savoir dans quelle mesure vous êtes à l'aise de vous adonner à un tel exercice. Diriez-vous que vous êtes...?

- |                            |   |                              |
|----------------------------|---|------------------------------|
| Très à l'aise .....        | 1 | <b>CONTINUER</b>             |
| À l'aise .....             | 3 | <b>CONTINUER</b>             |
| Pas très à l'aise .....    | 4 | <b>REMERCIER ET TERMINER</b> |
| Pas du tout à l'aise ..... | 5 | <b>REMERCIER ET TERMINER</b> |

Comme il s'agit de petits groupes, l'absence d'une seule personne risque de compromettre la réussite du projet. C'est pourquoi il est essentiel que vous respectiez votre engagement à participer une fois que vous avez donné votre accord. Advenant le cas où vous seriez dans l'impossibilité de vous présenter au groupe, veuillez nous en aviser le plus tôt possible au numéro sans frais suivant \_\_\_\_\_ afin que nous puissions vous trouver un remplaçant.



## À L'ATTENTION DES RECRUTEURS

1. Recruter **10** participants dans chaque groupe.
2. S'assurer que les participants s'expriment bien et qu'ils savent écrire (en cas de doute, **NE PAS LES INVITER**).
3. Ne pas inscrire de noms sur les feuilles de profil à moins que vous ayez un engagement ferme de la part des répondants.
4. Répéter la date, l'heure et l'endroit avant de raccrocher.
5. Vérifier les points clés au moment de confirmer.

### *Confirmation*

1. Confirmer la présence en **début de journée**, la veille de la tenue du groupe.
2. Confirmer toutes les questions d'admissibilité.
3. Vérifier l'heure et l'endroit (demander s'ils savent comment s'y rendre).



**FINAL Screener – TRADES Groups**

Name: \_\_\_\_\_ Group 5 6 7 8

Tel. (H): \_\_\_\_\_ Tel. (W): \_\_\_\_\_

**Toronto, Ontario**

**Date:** Tuesday, March 15, 2005  
**Time:** Group 5: 6:00 p.m.  
 Group 6: 8:00 p.m.

**Location:** Consumer Vision  
 1255 Bay Street  
 Suite 300  
 416-967-1596

**Montreal, Quebec**

**Date:** Wednesday, March 16, 2005  
**Time:** Group 7: 6:00 p.m.  
 Group 8: 8:00 p.m.

**Location:** Contemporary Research Centre  
 1250 Guy Street  
 Suite 802  
 800-932-7511

Hello, my name is \_\_\_\_\_ and I am with Corporate Research Associates Inc., a public opinion and market research firm. We are conducting focus groups on behalf of the Government of Canada. The subject of this research is hiring and business practices associated with home renovations. We would like to speak to an independent or sub-contractor? May I ask you a few brief questions? Thank you

**Gender (By Observation):**

Female ..... 1  
 Male ..... 2 **Will skew male**

**To begin:**

1. Do you work on home renovation projects?

Yes ..... 1 **CONTINUE**  
 No ..... 2 **THANK & TERMINATE**

2. Are you an independent contractor or sub-contractor, or are you an employee of a company ?

Independent contractor / sub-contractor ..... 1 **CONTINUE**  
 Employee ..... 2 **THANK & TERMINATE**

3. Do you have any employees who do home renovation work for you?

Yes ..... 1 **CONTINUE**  
 No ..... 2 **SKIP TO Q#5**



4. How many employees do you have who do home renovation work for you?

- None / independent ..... 1
- 1 - 5 ..... 2 } **Recruit mix of independents & 1-5**
- 6 - 10 ..... 2 } **THANK & TERMINATE**
- More than 10 ..... 3 } **THANK & TERMINATE**

5. What is the main type of work that you personally do in the home renovation area?  
**Circle one**

6. What, if any, other types of work do you personally do in the home renovation area?

	Q#5—Main	Q#6—Others
Drywall and taping .....	1	1
Driveway Paving .....	2	2
Painting .....	3	3
Roofing .....	4	4
Resilient flooring & carpet-laying .....	5	5
Wallpapering .....	6	6
Carpentry.....	7	7
Framing .....	8	8
Cabinet installation .....	9	9
Plumbing .....	10	10
Electrical Work .....	11	11

One of the areas to be discussed is the so-called ‘underground economy’ that can be found in the home renovation sector; most commonly defined as ‘the use of cash transactions to avoid paying tax...

7. Have you heard of these sorts of underground economy business practices happening in the home renovation sector?

- Yes ..... 1 **CONTINUE**
- No..... 2 **THANK & TERMINATE**

8. How common would you say underground economy business practices are in your trade in the home renovation sector? Would you say these practices are...? **[READ]**

- Very uncommon ..... 1 **THANK & TERMINATE**
- Somewhat common..... 2
- Or, quite common..... 3

9. Have you ever attended a focus group discussion for which you received a sum of money?

- Yes ..... 1 **Continue**
- No ..... 2 **Go To Invitation**

10. How many focus groups have you attended? \_\_\_\_\_

11. What was / were the subject(s) of the group(s)? \_\_\_\_\_

12. When was the last time you attended a focus group? \_\_\_\_\_



**IF THEY HAVE BEEN TO A GROUP IN THE PAST 6 MONTHS; THANK & TERMINATE,  
IF THEY HAVE BEEN TO 3 OR MORE GROUPS; THANK & TERMINATE,  
IF THEY HAVE ATTENDED ONE RELATED TO HOME RENOVATIONS; THANK AND TERMINATE.**

## INVITATION

I would like to invite you to participate in a focus group discussion we are holding at \_\_\_\_\_ on \_\_\_\_\_. As you may know, a focus group is a research tool, which uses an informal meeting to gather information on a particular subject matter, in this case hiring and business practices associated with home renovation.

The discussion will consist of 8 to 10 people and will be very informal. This group will last approximately 2 hours. Refreshments will be served and you will receive **\$75** as a thank you for your time. Would you be interested in attending? *If no, Thank and terminate*

The discussion in which you will be participating will be audio recorded and may be video taped for internal reference only. Please be assured your comments and responses are strictly confidential and we require the material and topics discussed in the focus group be held in confidence by you.

The discussion will take place in a focus group room and is equipped with a one-way mirror for observation. These measures are being undertaken for research purposes only. Would this be a problem for you? **(IF YES, THANK AND TERMINATE)**

Participants are sometimes asked to read materials, or write out responses. Would it be possible for you to take part in these activities in English if they are part of the discussion? **(IF NO, THANK AND TERMINATE)**

Since participants in focus groups are asked to express their thoughts and opinions freely in an informal setting with others, we'd like to know how comfortable you are with such an exercise? Would you say you are...?

Very comfortable.....	1	<b>CONTINUE</b>
Comfortable .....	3	<b>CONTINUE</b>
Not very comfortable.....	4	<b>THANK AND TERMINATE</b>
Not at all comfortable .....	5	<b>THANK AND TERMINATE</b>

As these are small groups and with even one person missing, the overall success of the group may be affected, I would ask that once you have decided to attend that you make every effort. In the event you are unable to attend, please call \_\_\_\_\_ (collect) at \_\_\_\_\_ as soon as possible in order that a replacement may be found.

## ATTENTION RECRUITERS

1. Recruit **10** participants for each group
2. Ensure participant has a good speaking & written ability (If in doubt, DO NOT INVITE)
3. Do not put names on profile sheet unless you have a firm commitment.
4. Repeat the date, time and location before hanging up.
5. Verify key information when confirming.

### Confirming

1. Confirm at the **beginning of the day** prior to the day of the groups
2. Confirm all key qualifying questions
3. Verify time and location (ask if they are familiar)



**Appendix D:  
Moderator's Guides  
(French and English)**

## Guide des animateurs - final Économie clandestine - propriétaires

### Introduction et mise en train

10 minutes

- Présentez-vous et expliquez votre rôle en tant qu'animateur – recueillir les opinions des participants.
- But des discussions du groupe de consultation (toutes les opinions sont importantes; cherchez une variété d'opinions; vous devez comprendre pourquoi les participants sont d'accord ou non.
- Expliquez le fonctionnement des activités du groupe de discussion : table ronde, non une période de questions et réponses.
- Expliquez la disposition de la salle; enregistrement; confidentialité, les noms ne figureront pas au rapport; miroir; employés du gouvernement du Canada derrière le miroir. Expliquer pratiques de recrutement.
- Aujourd'hui nous abordons la question des **pratiques d'embauche des propriétaires**, notamment lorsqu'ils entreprennent des **travaux de rénovation domiciliaire** ;
- Présentation des participants : demandez aux participants de se présenter; nom, personnes qui habitent dans leur maison, le type de travaux de rénovation qu'ils prévoient faire à leur maison prévus au cours des deux prochaines années.

### Rénovations domiciliaires

15 minutes

Vous avez tous l'intention d'entreprendre des travaux de rénovation domiciliaire bientôt. Imaginez que vous commencerez ces travaux demain.

- Où chercheriez-vous une personne de métier (par exemple un peintre, un menuisier, un électricien, un plombier, etc.)?
- Comment choisiriez-vous la personne de métier/un entrepreneur général qui vous aiderait à faire vos travaux?
- Quels seraient vos critères de sélection? (*L'animateur inscrit les réponses sur un tableau de conférence*) (Insistez : y en a-t-il d'autres?)

**Exercice n° 1** : Je voudrais savoir ce qui est le plus important pour vous, selon cette liste. Sur votre propre feuille d'exercice, notez les **cinq principaux** critères, par ordre d'importance. Je vous donne quelques minutes.

- À votre avis, quel sont les critères les **plus** importants? Pourquoi?

### Économie clandestine

40 minutes

Un des sujets dont j'aimerais discuter avec vous est ce qu'on appelle « l'économie clandestine » que l'on trouve parfois dans le domaine de la rénovation domiciliaire. Avant de commencer, sur votre feuille d'exercice individuelle (exercice 2) prenez quelques minutes pour inscrire ce que vous savez de l'économie clandestine. Je vous donne un moment.





- En pensant au domaine des rénovations domiciliaires, que considérez-vous être l'économie clandestine / qu'est-ce que ça comprend?

On entend par économie clandestine les transactions en espèces pour éviter de payer des impôts ou du travail effectué sous la table. Par exemple, un entrepreneur ou une personne de métier effectuant des rénovations pourrait offrir un prix moins élevé s'ils étaient rémunérés comptant, sans donner de reçu.

- Selon vous, est-ce une **pratique courante** ou **inhabituelle** dans le secteur de la rénovation domiciliaire?
  - Pourquoi êtes-vous de cet avis?
- D'autres genres de transactions pourraient-elles être effectuées dans l'économie clandestine des rénovations domiciliaires, autre que des transactions en espèces? (Insistez : le troc, etc.)

J'aimerais obtenir votre avis au sujet de l'économie clandestine. Je vous demanderais maintenant de travailler en équipes. Sur la grande feuille de papier que je vous ai donnée, dessinez une ligne verticale qui sépare votre page en deux colonnes. D'un côté, énumérez les raisons pour lesquelles les consommateurs pourraient **décider d'effectuer une transaction en espèces**. De l'autre côté, énumérez les **désavantages** que vous associez aux transactions en espèce ou au travail sous la table. Je vous donne de 8 à 10 minutes. Avez-vous des questions?

*(À la fin de l'activité) :* Avant de discuter de vos réponses, examinez ce que vous avez inscrit et encerclez la **principale raison pour laquelle les gens décident d'effectuer des transactions en espèces** et le **plus grand désavantage**. Je recherche une opinion personnelle et non une opinion d'équipe. Vous pouvez encercler plusieurs réponses. Je vous donne quelques minutes.

*Chaque équipe affiche sa feuille au mur et explique ses réponses au groupe.*

### **Quand chaque équipe présente ses idées, insistez sur les points suivants :**

- Pourquoi certains consommateurs **décident de proposer ou d'accepter des transactions en espèces** pour les travaux de rénovation? Y a-t-il d'autres raisons?
  - Quelle est la raison la **plus motivante**?
- Pourquoi d'autres décident-ils de ne pas faire ce genre de transaction?
- Quels sont les autres risques ou désavantages associés à la participation à l'économie clandestine?
- Y a-t-il des risques qui sont plus importants que d'autres?
  - Si oui, lesquels et pourquoi?
- Est-il plus acceptable de payer certains travaux de rénovation en argent comptant que d'autres?
  - Si oui, quel genre de travaux et pourquoi?
- Selon vous, pourquoi les propriétaires sont-ils prêts à prendre ces risques?
- Que pensez-vous des consommateurs qui choisissent de payer en argent comptant?
  - Ont-ils tort de le faire?
- Ce genre de transactions en espèces nuisent à qui?
  - Qui profite de la situation? Qui est pénalisé?
  - Quelles sont d'autres conséquences possibles?



**Lutter contre l'économie clandestine**

**20 minutes**

- Selon vous, est-il nécessaire de traiter du problème que représente l'économie clandestine?
  - Pourquoi?
- Quelles mesures sont prises pour lutter contre l'économie clandestine?
- Avez-vous vu ou entendu parler de telles mesures?
  - Si oui, qui prend ces mesures? Veuillez expliquer.
- Comment vous attendriez-vous à trouver des renseignements à ce sujet? Y a-t-il d'autres façons?
- Qui est responsable de régler le problème de l'économie clandestine actuellement?
  - Qui **devrait** l'être? Quelqu'un d'autre devrait-il intervenir?
- Selon vous, quel rôle devrait assumer les consommateurs?
  - Comment devraient-ils intervenir?
- Et les gens de métier ou les entrepreneurs?
- Y a-t-il un rôle pour les association de métier (association de la construction, association de plombiers, etc.)? Parlez-moi de votre opinion.

Supposons que vous recevez une forme d'information écrite sur l'économie clandestine. Pensez à différents groupes qui pourraient vous donner des renseignements à ce sujet. **Exercice n° 3** : sur votre feuille d'exercice, vous voyez un tableau qui présente différents groupes ou organismes. Il y a deux colonnes : 1 – Crédibles; et 2 – Je les prendrais au sérieux. Prenez quelques minutes pour cocher une réponse à côté de chaque groupe ou organisme (vous pouvez cocher aucune réponse, une réponse ou deux réponses pour chaque groupe). Je vous donne quelques minutes.

- Certains groupes sont-ils plus crédibles que d'autres?
  - Pourquoi?
  - Quel est le groupe le **plus** crédible? Pourquoi?
- Certains groupes attireraient-ils votre attention plus que d'autres? Seriez-vous plus porté à les prendre au sérieux? Si oui, lesquels et pourquoi?

Passons maintenant à un autre exercice individuel ou je vous demanderai de penser aux contrats pour des rénovations domiciliaires. **Exercice n° 4** – veuillez prendre la question suivante en note : quels éléments pourraient motiver les consommateurs à insister de conclure un contrat par écrit? Je vous donne quelques minutes.

- Quels éléments pourraient les motiver? Quels sont les avantages d'obtenir un contrat par écrit?/les désavantages?

**Par écrit, s.v.p.**

**25 minutes**

Pour terminer notre discussion, j'aimerais obtenir vos commentaires sur une brochure concernant l'économie clandestine. Regardez la brochure avec moi et attendez avant d'intervenir. En regardant la brochure, veuillez :

1. **encercler** tout élément qui porte à confusion, selon vous;
2. **surligner** tout élément qui vous intéresse en particulier.



Nous en discuterons bientôt.

J'aimerais d'abord que vous fassiez un autre exercice individuel. À **l'exercice n° 5**, évaluez l'attrait général de la brochure (*bon ou pas bon*). Ensuite, notez **pourquoi** vous l'évaluez de cette façon. Je vous donne quelques minutes.

- Quelle est votre impression générale?
- Quel est le **principal message** de la brochure?
- Les renseignements sont-ils crédibles? Pourquoi?
- Quels sont les éléments de la brochure que vous **aimez**? Lesquels **n'aimez-vous pas**?
  - Obtenez des commentaires sur le ton, le format, la longueur, le vocabulaire, etc.
- Suite à la lecture de cette brochure, quelle est votre opinion à l'égard de l'économie clandestine?
- Est-ce que la lecture de cette brochure changerait votre comportement? Si oui, comment?  
(*Arrêter la participation / faites-les penser*)
- Des renseignements vous ont-ils surpris? Veuillez m'en parler.
- Certains renseignements portent-ils à confusion? Comment pourrait-on les rendre plus faciles à comprendre?
- Qu'avez-vous vu ou entendu qui rend cette brochure davantage pertinente? Moins pertinente?
- À qui s'adresse cette brochure? À une personne comme vous ou à quelqu'un d'autre?
- Cette brochure attirerait-elle votre attention?
  - Quels éléments attirent votre attention?
  - Où pourriez-vous vous attendre à trouver ou aimeriez-vous retrouver cette brochure?
  - Est-ce le genre de chose que vous liriez? Si vous verriez cette brochure chez Rona, la consulteriez-vous?
  
- Y a-t-il des éléments manquants à cette brochure? Qu'aimeriez-vous y trouver?
- Outre cette brochure, avez-vous des suggestions sur la façon dont les propriétaires domiciliaires aimeraient recevoir ce genre d'information? D'autres endroits?
- Avez-vous d'autres commentaires ou suggestions?

## Remerciement et conclusion

Au nom de l'Agence du revenu du Canada, je tiens à remercier chacun d'entre vous pour vos commentaires. L'hôtesse vous donnera une compensation afin de vous remercier avant que vous ne partiez. Je vous remercie de votre participation!



## FINAL Moderator's Guide Underground Economy - Homeowners

### Introduction & Warm-up:

10 minutes

- Introduce self and function of a moderator – to get your opinions;
- Role of focus group discussions (all opinions are important; look for a variety of opinions; important to understand how you agree as well as disagree).
- Explain process of focus groups: round table discussion, not a question and answer period;
- Explain room set-up; taping; confidentiality, names will not appear in any reports; mirrored glass; people working with me who are sitting behind the mirror.
- Today we are going to talk about **homeowners' hiring practices**, specifically when doing **home renovation projects**.
- Participant introduction: Ask them to introduce themselves including; name, who lives in their house, what kind of home renovation projects they are planning for their home within the next two years.

### Home Renovations

15 minutes

All of you are planning to undertake some type of home renovation project in the near future. Imagine that you were going to begin your home renovations tomorrow in the next couple of weeks.

- Where would you look for a tradesperson or contractor (for example a painter, carpenter, electrician, plumber, etc)?
- How would you go about choosing a tradesperson/contractor to help with your project?
- What would you look for / consider prior to selecting a tradesperson? (*Moderator records on flip chart*) (Probe: anything else?)

**Exercise #1:** Looking at this list, I'm interesting in hearing what's most important to you personally. On your individual exercise sheet, jot down your **top five** considerations in order. I'll give you a moment.

- What was **most** important to you? Why?

### The Underground Economy

40 minutes

One of the areas I would like to discuss with you is the so-called 'underground economy' that can be found in the home renovation sector. Before we begin, on your individual exercise sheet (**exercise #2**) I'll like you to take a moment and jot down what, if anything, **underground economy** means to you. I'll give you a moment.

- **Thinking of the home renovation industry**, what do you consider the underground economy to be? / What does it include?



The underground economy is most often defined as the use of cash transactions to avoid paying tax or work being done under the table. For example, a contractor or tradesperson doing home renovation work might offer a lower price if they are paid in cash, without issuing a receipt.

- Would you consider this to be **common practice** in the home renovation sector or **unusual practice**?
  - Why do you say that?
- Are there any other types of transactions that might exist in the home renovation underground economy, other than cash deals? (Probe: barter, asked by tradesperson to buy supplies directly etc.)

I'd like to hear your thoughts on the underground economy. To do so, I am going to ask you to work in teams. On the large piece of paper provided, I'd like you and your team to draw a line down the middle and on one side list why you think consumers might **choose to do a 'cash' deal**. On the other side, list what **disadvantages** you'd associate with doing projects **for cash or** under the table. I'll give you 8 – 10 minutes. Any questions?

*(After time limit):* Before we discuss your thoughts, I'd like you and your partners to look at the information you've outlined and circle what you'd consider to be the **greatest motivator to do a cash deal** and the **greatest disadvantage**. I'm not looking for team consensus here. If you have differing opinions, it's ok to circle more than one. I'll give you a moment.

*Each team posts their thoughts on the wall and shares with the group.*

**Probe as each team presents:**

- Why do some consumers **choose to "pay cash" or have work done under the table** for their renovations? Any other reasons?
  - What's the **most compelling** reason to do so?
- Why do some choose not to go for the **"cash deal"**?
- Can you think of any other risks **or disadvantages** you associate with using the underground economy?
- Are some risks greater than others?
  - If so which ones and why?
- Is paying cash more acceptable for some types of renovation work than others?
  - If so, which ones, why?
- Why do you think homeowners are willing to take these risks?
- What do you think of the homeowners choosing to pay cash?
  - Are they doing something wrong?
- Who, if anyone, is affected or harmed by **these types of** cash transactions?
  - Who's the winner? / Who loses?
  - What other consequences might there be?



**Combating The Underground Economy****20 minutes**

- Do you think there is a need to address the underground economy?
  - Why / Why not?
- What's being done to combat the underground economy?
- Have you seen / heard of anything?
  - If so, from who? Tell me about it.
- How would you expect to get information on this topic? Any other way?
- Who **is** responsible for addressing the underground economy today?
  - Who **should** be? Anyone else that should be involved?
- What role do you think the consumer should play?
  - How should they be involved?
- What about tradespeople or contractors?
- Is there a role for trades associations (builders associations, plumbers associations, etc)? Tell me about it.

Imagine that you were receiving some type of written information about the underground economy. I'd like you to consider some different groups that could potentially communicate with you on this topic. **Exercise #3:** On your exercise sheet, you'll see a table listing different groups or organizations. There are two columns: 1 – Is Credible; and 2 - I would take them seriously. Next to each group / organization, I'd like you to take a moment and check which apply. (You can have none, one or both checked for any group.) I'll give you a moment.

- Are some groups more credible than others?
  - What makes them so?
  - Who would be **most** credible? Why?
- Would some groups get your attention more than others? / Would you be more inclined to take some seriously? If so, who and why?

I have another individual exercise for you where we're going to think about contracts for home renovations. **Exercise #4** – please jot down: What might motivate consumers to insist on a written contract? I'll give you a moment.

- What might motivate them? What would you consider to be the **advantages** of getting a written contract? / **Disadvantages**?

**Get It In Writing Campaign****25 minutes**

To finish up I'm interested in hearing your comments on a specific brochure that deals with the underground economy. Please follow through the brochure with me – and hold your thoughts as we do so. As we go through the brochure, I'd like you to do two things.

1. **Circle** anything that is confusing to you.
2. **Highlight** anything that speaks to you

We'll discuss it together shortly.



## Underground Economy Guide

Before we discuss this brochure, I'd like you to complete another individual exercise. On **Exercise #5**, I'd like you to give the brochure a score (*using a thumbs up / thumbs down scale*) in terms of overall appeal. Then, please jot down **why** you gave it that score. I'll give you a moment.

- Overall impressions?
- What is the **main message** of the brochure?
- Do you believe what it is saying? Why / why not?
- What, if anything, did you **like** about the brochure? What about **dislike**?
  - Probe for comments on tone, layout, length, vocabulary, etc.
- How did it make you feel about the underground economy?
- Would reading it change your behavior? How so? (*stop participation / get them thinking*)
- Did anything surprise you? Tell me about that.
- Anything confusing? What would make it less confusing?
- What did you see / hear that made the brochure more relevant? Less relevant?
- Who is this speaking to? Someone like you or someone different?
- Would this brochure get your attention?
  - What about it would do that? /Why not?
  - Where would you expect or want to see this brochure?
  - Would this be something you'd read? If you saw it at Home Depot would you look at it?
  
- What's missing? What else do you need/ would you like to know?
- Other than this brochure, do you have any suggestions for ways that homeowners might want to receive this type of information? Any other sources?
- Do you have any other suggestions, any other comments?

### Thanks & Closure:

On behalf of Canada Revenue Agency, I would like to thank each of you for your input. Please see the hostess on your way out for a more tangible appreciation of your time. Thank you for your participation!



## Guide des animateurs - final

### Économie clandestine – gens de métier

#### Introduction et mise en train

10 minutes

- Présentez-vous et expliquez votre rôle en tant qu'animateur – recueillir les opinions des participants.
- But des discussions du groupe de consultation (toutes les opinions sont importantes; cherchez une variété d'opinions; vous devez comprendre pourquoi les participants sont d'accord ou non).
- Expliquez le fonctionnement des activités du groupe de discussion : table ronde, non une période de questions et réponses.
- Expliquez la disposition de la salle; enregistrement; confidentialité, les noms ne figureront pas au rapport; miroir; employés du gouvernement du Canada derrière le miroir.
- Recrutement : votre nom a été choisi au hasard à partir d'une liste achetée de gens de métier – le gouvernement n'a pas fourni votre nom et les observateurs connaissent seulement votre prénom.
- Aujourd'hui nous abordons la question des **pratiques commerciales du secteur de la rénovation domiciliaire**;
- Présentation des participants : demandez aux participants de se présenter; prénom, type d'emploi dans le secteur de la rénovation domiciliaire et nombre d'années d'expérience dans le domaine.

#### Rénovations domiciliaires

10 minutes

Comme je l'ai mentionné, aujourd'hui nous allons discuter du secteur de la rénovation domiciliaire.

- Votre travail est-il principalement en rénovation domiciliaire, en construction de maisons neuves ou les deux?
- Comment trouvez-vous habituellement vos clients de rénovation?
  - Comment découvre-t-il votre entreprise? (Insistez : quelle est l'importance du bouche à oreille? Les clients qui reviennent?)
- Où obtenez-vous les renseignements sur votre industrie?
  - Comment suivez-vous les tendances ou les changements relatifs à l'industrie?
  - Y a-t-il des sources d'information plus valables / crédibles que d'autres? Si oui, lesquelles? Pourquoi?

#### Économie clandestine

40 minutes

Ce soir, j'aimerais savoir ce que vous pensez de ce qu'on appelle « l'économie clandestine » et son rôle dans le secteur de la rénovation domiciliaire. Je voudrais mieux comprendre les points de vue au sein de l'industrie. Sur votre feuille d'exercice (Exercice 1) prenez quelques minutes pour inscrire ce que vous savez de l'économie clandestine. Je vous donne un moment.

- Que considérez-vous être l'économie clandestine? Qu'est-ce que ça comprend?

On entend par économie clandestine les transactions en espèces pour éviter de payer des impôts ou du travail effectué sous la table.





- Selon vous, l'économie clandestine est-elle une **pratique courante** ou **inhabituelle** dans le secteur de la rénovation domiciliaire?
  - Pourquoi êtes-vous de cet avis?
  - Selon vous, est-ce que de **nombreux** gens de métier participent **parfois** à l'économie clandestine ou est-ce que **quelques-uns** d'entre y participent **souvent**, ou les deux?
- Comment l'économie clandestine a-t-elle changé au cours des dernières années, s'il y a lieu? (Insistez : accru, diminué, aucun changement).
  - Si elle a changé, qu'est-ce qui a provoqué ces changements?
- Selon vous, existent-ils des secteurs dans lesquels l'économie clandestine est plus courante? Si oui, lesquels?

J'aimerais obtenir votre avis au sujet de l'économie clandestine. Je vous demanderais maintenant de travailler en équipes. Sur la grande feuille de papier que je vous ai donnée, dessinez une ligne verticale qui sépare votre page en deux colonnes. D'un côté, énumérez les raisons pour lesquelles les gens de métier pourraient **décider d'effectuer une transaction en espèces**. De l'autre côté, énumérez les **désavantages** associés à ce genre de transactions. Je vous donne de 8 à 10 minutes. Avez-vous des questions?

(*À la fin de l'activité*) : Avant de discuter de vos réponses, examinez ce que vous avez inscrit et encerclez la **principale raison pour laquelle les gens décident d'effectuer des transactions en espèces** et le **plus grand désavantage**. Je ne cherche pas à obtenir un consensus au sein de notre groupe. Vous pouvez encercler plusieurs réponses. Je vous donne quelques minutes.

*Chaque équipe affiche sa feuille au mur et explique ses réponses au groupe.*

### **Quand chaque équipe présente ses idées, insistez sur les points suivants :**

- Pourquoi certains gens de métiers **décident de proposer ou d'accepter des transactions en espèces** pour les travaux de rénovation? Y a-t-il d'autres raisons?
  - Quelle est la raison la **plus motivante**?
- Pourquoi est-ce que certains gens de métier décident de ne pas y participer?
- Quels **risques** ou désavantages sont associés à l'économie clandestine?
- Certains risques sont-ils plus grands que d'autres?
  - Si oui, lesquels et pourquoi?
- Qui propose habituellement la transaction en espèces?
- Est-il plus acceptable de faire payer certains travaux de rénovation en espèces ou que d'autres ou pour le travail sous la table?
  - Si oui, quel genre de travaux et pourquoi?
- Quelles sont les conséquences possibles d'une telle participation?
- Selon vous, pourquoi les gens de métier sont-ils prêts à prendre ces risques?
- Selon vous, certains gens de métier participent-ils à l'économie clandestine à contrecœur?
  - Si oui, pourquoi?
- Que pensez-vous des gens de métier qui choisissent de faire payer leurs clients en argent comptant?
  - Ont-ils tort de le faire?
  - Qu'en est-il des propriétaires qui acceptent de payer en argent comptant?
- Les transactions en espèces nuisent à qui?
  - Qui profite de la situation? Qui est pénalisé?



## Lutter contre l'économie clandestine

20 minutes

- Selon vous, est-il nécessaire de traiter du problème que représente l'économie clandestine?
- Quelles mesures sont prises pour lutter contre l'économie clandestine?
- Avez-vous vu ou entendu parler de telles mesures?
  - Si oui, qui prend ces mesures? Veuillez expliquer.
  - Les mesures ont-elles eu des répercussions au sein de l'industrie?
- Avez-vous appris que quelqu'un avait été accusé d'avoir participé à l'économie clandestine?
  - (Si oui) Comment en avez-vous entendu parlé? (*changer l'ordre de la question*)
  - Comment ont-ils été pris?
  - Quelles sont les conséquences pour cette personne?
  - Est-ce que les sanctions sont efficaces? Pourquoi/pourquoi pas?
  - Les conséquences sont-elles proportionnelles au crime?
  - Si non, qu'est-ce qui pourrait être plus approprié?
- Qui est responsable de régler le problème de l'économie clandestine actuellement?
  - Qui **devrait** l'être? Quelqu'un d'autre devrait-il intervenir?
- Selon vous, quel rôle devrait assumer les consommateurs?
  - Comment devraient-ils intervenir?
- Qu'en est-il des gens de métier?
- Et qu'en est-il des associations de métier?
  - Est-ce que les associations devraient être plus fortes? (Devraient-elles déterminer des standards, avoir des accréditations, etc)

Je vous donne un autre exercice individuel. **Exercice n° 2** – veuillez prendre la question suivante en note : selon vous, le gouvernement fédéral devrait-il prendre des mesures pour encourager les gens à NE PAS participer à l'économie clandestine? Si oui, quelles mesures pourrait-il prendre? Je vous donne quelques minutes.

- Que doit-il se passer pour que les gens ne fassent plus de transactions en espèces?
- Quelles autres mesures pourraient encourager les gens à ne pas participer à l'économie clandestine?

## Bulletin des gens de métier

25 minutes

Pour terminer notre discussion, j'aimerais obtenir vos commentaires sur une brochure destinée aux gens de métier concernant l'économie clandestine. Regardez la brochure avec moi et attendez avant d'intervenir. Pendant que nous regardons la brochure, veuillez :

1. **encercler** tout élément qui vous pose problème;
2. **surligner** tout élément qui attire votre attention ou qui vous intéresse en particulier.

Nous allons en discuter bientôt.

J'aimerais d'abord que vous fassiez un autre exercice individuel. À **l'exercice n° 3**, évaluez l'attrait général de la brochure (*bon ou pas bon*). Ensuite, notez **pourquoi** vous l'évaluez de cette façon. Je vous donne quelques minutes.



- Quelle est votre impression générale?
- Quel est le principal message de la brochure?
- Quels sont les éléments de la brochure que vous aimez? Lesquels n'aimez-vous pas?
  - Obtenez des commentaires sur le ton, le format, etc.
- À votre avis, les renseignements sont-ils véridiques? Pourquoi ou pourquoi pas?
- À la suite de la lecture de cette brochure, quelle est votre opinion à l'égard de l'économie clandestine?
- Des renseignements vous ont-ils surpris? Veuillez m'en parler.
- Certains renseignements portent-ils à confusion? Comment pourrait-on les rendre plus faciles à comprendre?
- Qu'avez-vous vu ou entendu qui rend cette brochure davantage pertinente? Moins pertinente?
- En regardant le tableau avec les chiffres, quelle information vous touche? Qu'est-ce qui est moins intéressant?
- Cette brochure attirerait-elle votre attention?
  - Quels éléments attirent votre attention?
  - Quels messages pourraient inciter les gens de métier à examiner les conséquences de l'économie clandestine?
- Y a-t-il des éléments manquants à cette brochure? Qu'aimeriez-vous y trouver?
- Où vous attendriez-vous à trouver cette brochure?
  - Seriez-vous porter à la lire?
  - Quelles autres méthodes pourrait-on utiliser pour fournir ce genre d'information aux gens de métier?
- Suite à la lecture de cette brochure, que pensez-vous du gouvernement et des mesures qu'il prend pour lutter contre l'économie clandestine?
- Avez-vous d'autres commentaires ou suggestions?

## Remerciement et conclusion

Au nom de l'Agence du revenu du Canada, je tiens à remercier chacun d'entre vous pour vos commentaires. L'hôtesse vous donnera un cadeau de remerciement avant que vous ne partiez. Je vous remercie de votre participation!



## FINAL Moderator's Guide Underground Economy – Tradespeople

### Introduction & Warm-up:

10 minutes

- Introduce self and function of a moderator – to get your opinions;
- Role of focus group discussions (all opinions are important; look for a variety of opinions; important to understand how you agree as well as disagree).
- Explain process of focus groups: round table discussion, not a question and answer period
- Explain room set-up; taping; confidentiality, names will not appear in any reports; mirrored glass; people working for the Government of Canada who are sitting behind the mirror.
- Recruitment: You have been recruited randomly from a purchased list of tradespeople – Your name was not provided **by** the Government, nor do observers know anything about you other than your first name.
- Today we are going to talk about **business practices in the home renovation sector**.  
Participant introduction: Ask them to introduce themselves including; first name, type of work you do in the home renovation area, and how long you've worked in that field.

### Home Renovations

10 minutes

As I mentioned, today we are going to be discussing the home renovation sector in particular.

- Would you describe your work as primarily being in home renovation, new home construction or a mix of both?
- How do you typically get your clients for home renovation?
  - How do they find out about you? (Probe: how significant is word of mouth referrals/ what about repeat business?)
- Where do you get information on your industry?
  - How do you keep abreast of any changes or trends in the industry?
  - Are some information sources more valuable / credible than others? If so, which ones / why?

### The Underground Economy

40 minutes

Tonight I'd like to get your thoughts on the so-called 'underground economy' in the home renovation sector, to better understand views within the industry. To begin, I would like to better understand how you define the underground economy. On your individual exercise sheet (**exercise #1**) I'll like you to take a moment and jot down what **underground economy** means to you. I'll give you a moment.

- What do you consider the underground economy to be? / What does it include?

The underground economy is most often defined as the use of cash transactions to avoid paying tax or work being done under the table. But it's more than just not paying taxes. It means work is untraceable – for all those involved.



## Underground Economy Guide

- Would you consider the underground economy to be **common practice** in the home renovation sector or **unusual practice**?
  - Why do you say that?
  - Would you say that **many** tradespeople are doing it some of the time, a **minority** is doing it most of the time, or both?
- How, if at all, has the underground economy changed in recent years? (Probe: grown, shrunk, stayed the same).
  - If changed, what's caused that shift?
- Are there some areas where you think the underground economy is more common? If so, which ones?

I'd like to hear your thoughts on the underground economy. To do so, I am going to ask you to work in teams. On the large piece of paper provided, I'd like you and your team to draw a line down the middle and on one side list why you think tradespeople might **choose to do a 'cash' deal**. On the other side, list what **risks** you'd associate with doing so. I'll give you 8 – 10 minutes. Any questions?

*(After time limit):* Before we discuss your thoughts, I'd like you and your partners to look at the information you've outlined and circle what you'd consider to be the **greatest motivator to do a cash deal** and the **greatest risk**. I'm not looking for team consensus here. If you have differing opinions, it's ok to circle more than one. I'll give you a moment.

*Each team posts their thoughts on the wall and shares with the group.*

### **Probe as each team presents:**

- Why do some tradespeople **choose to offer or accept cash deals** for their renovations? Any other reasons?
  - What's the **most compelling** reason to do so?
- Why do others choose not to?
- Who usually initiates a cash deal?
- Is charging cash more acceptable for some types of renovation work than others?
  - If so, which ones, why?
- What **risks** do you associate with the underground economy?
- What are the possible consequences of participating?
- Are some risks greater than others?
  - If so which ones and why?
- Why do you think tradespeople are willing to take these risks?
- Do you think some tradespeople take part in the underground economy unwillingly?
  - If so, why?
- What do you think of the tradespeople choosing to charge cash?
  - Are they doing something wrong?
  - What about the homeowners choosing to pay cash?
- Who is affected or harmed by cash transactions?
  - Who's the winner? / Who loses?



**Combating The Underground Economy****20 minutes**

- Do you think there is a need to address the underground economy?
- What's being done to combat the underground economy?
- Have you seen / heard of any actions?
  - If so, from who? Tell me about it.
  - Have they made a difference within the industry?
- Have you heard of anyone getting caught?
  - (If yes) How were they caught?
  - How did you hear about it?
  - What kind of consequences do they face?
  - Are these sanctions effective? Why / why not?
  - Do the consequences suit the crime?
  - If not, what would be more appropriate?
- Who is responsible for addressing the underground economy today?
  - Who **should** be? Anyone else that should be involved?
- What role do you think the consumer should play?
  - How should they be involved?
- What about tradespeople?
- What about trade associations?
  - Should they be self-regulating? Should associations be stronger?

I have another individual exercise for you. **Exercise #2** – please jot down: What, if anything, you think the federal government could do to encourage tradespeople not to participate in the underground economy. I'll give you a moment.

- What needs to happen?
- What else might encourage compliance?

**Tradespeople Report Card****25 minutes**

To finish our discussion I'm interested in hearing your comments on a brochure for tradespeople that deals with the underground economy. Please follow through the brochure with me – and hold your thoughts as we do so. As we go through the pamphlet, I'd like you to do two things.

1. **Circle** anything that you might have a problem with; and
2. **Highlight** anything that attracts your attention or speaks to you.

We'll discuss it together shortly.

Before we discuss this brochure, I'd like you to complete another individual exercise. On **exercise #3**, I'd like you to give the pamphlet a score (*using a thumbs up / thumbs down scale*) in terms of overall appeal. Then, please jot down **why** you gave it that score. I'll give you a moment.

- Overall reaction?
- What is the main message of the brochure?



## Underground Economy Guide

- What, if anything, did you like about the brochure? What about dislike?
  - Probe for comments on tone, layout, etc.
- Do you believe what it is saying? Why / why not?
- How did it make you feel about the underground economy?
- Did anything surprise you? Tell me about that.
- Anything confusing? What would make it less confusing?
- What did you see / hear that made the brochure more relevant? Less relevant?
- Are seeing the #'s important? How do they change the way you feel? Are there other statistics that would be more impactful for you?
- Would this brochure get your attention?
  - What about it would do that? /Why not?
  - Which messages might make tradespeople think twice?
- What's missing? What else do you need/ would you like to know?
- Where would you expect to see this brochure?
  - Would this be something you'd read?
  - How else should a message like this be communicated to tradespeople?
- How does this brochure make you feel about the Government and its actions in combating the underground economy?
- Any other comments or suggestions?

### Thanks & Closure:

On behalf of Canada Revenue Agency, I would like to thank each of you for your input. Please see the hostess on your way out for a more tangible appreciation of your time. Thank you for your participation!

