



Canada Revenue  
Agency

Agence du revenu  
du Canada

# Non-Filer Benefit Letter Initiative – Qualitative Research

## Executive Summary

Prepared for the Canada Revenue Agency

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Canada 

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October 2018

This public opinion research report presents the results of focus groups conducted by Earncliffe Strategy Group on behalf of Canada Revenue Agency. The research was conducted in September 2018.

Cette publication est aussi disponible en français sous le titre : Recherche qualitative sur l'initiative de lettres de prestations pour les non-déclarants.

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## EXECUTIVE SUMMARY

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to the Canada Revenue Agency summarizing the results of the qualitative research on the Non-Filer Benefit Letter Initiative.

The Minister of National Revenue is committed to “Ensuring that the Canada Revenue Agency (CRA) is a client-focused agency that will proactively contact Canadians who are entitled to, but are not receiving, tax benefits.” To meet this commitment, the Department embarked on a letter initiative encouraging low income non-filers to file an income tax and benefit return so that they could receive benefits to which they may be potentially entitled. The CRA wanted to better understand why certain individuals responded to the letter and others did not. The purpose of this research was to better understand whether there are any barriers or motivators to filing and what they are, as well as, changes that could be made to the letters to encourage more people to file. The total cost to conduct this research was \$63,391.31, including HST.

The objective of the research was to gauge the effectiveness of, and refine as necessary, the wording of the communication material that is being sent to recipients who have not filed their taxes. The specific objectives were to:

- discover what might be the reasoning behind people not filing their taxes;
- evaluate the two different letters being sent to non-filers; and in doing so
  - determine if they are clearly understood by the audience, credible, relevant and of value to the audience,
  - utilize the right tone, and
  - able to motivate the audience to act and file their taxes.

Earnscliffe also set out to explore any barriers; and, if so, what they were, as well as if the information provided in the letter was sufficient or overwhelming for the audience.

To meet these objectives, Earnscliffe conducted a series of eight focus groups in four cities across Canada: Halifax, NS (September 18); Toronto, ON (September 19); Calgary, AB (September 24); and, Montreal, QC (September 27). The focus groups in Montreal were conducted in French.

The focus groups were conducted with Canadians eighteen years of age and older. In each city, one focus group was conducted with participants who received a letter but did not file a return; the other was conducted with participants who received a letter and filed a return. However, given that some of the contact information was outdated, we were required to supplement recruits in Calgary and Montreal with members of the general population. For each group, we tried to ensure a mix of demographics including sexes, ages, and education levels.

*It is important to note that qualitative research is a form of scientific, social, policy and public opinion research. Focus group research is not designed to help a group reach a consensus or to make decisions, but rather to elicit the full range of ideas, attitudes, experiences and opinions of a selected sample of participants on a defined topic. Because of the small numbers involved the participants cannot be expected to be thoroughly representative in a statistical sense of the larger population from which they are drawn and findings cannot reliably be generalized beyond their number.*

The key findings from the research are presented below.

- **Unaided thoughts and feelings about filing taxes tended to be more negative than positive.** Those who typically relied on others to file their taxes or who were tech-savvy and comfortable filing their taxes online, tended to have neutral to positive thoughts. Those who expressed negative thoughts and feelings tended to complain about a lengthy, time-consuming process; confusion and uncertainty as to what can and cannot be claimed; and, frustration in dealing with the CRA.
- **The overwhelming majority of participants did not recall receiving one of the benefits letters from CRA.** Of the handful who did, they described receiving it, skimming it, and recycling it once they discerned the intent of the letter (to encourage them to file their taxes). There was only one individual (across all of the groups) who claimed that receiving the letter was a helpful reminder that encouraged them to file their taxes right away.
- **Though most did not recall receiving the letters, there was consensus that when one does receive something from CRA in the mail, it is felt to be important and something that likely requires their attention.**
- **In this sense, the majority of participants deemed the letters to be credible.** The CRA logo was visible and recognizable and the overall graphics, font, and general layout was typical of Government communications.
- **However, it is important to note that many participants found the content to be overly promotional which made participants question the credibility of the letter and CRA’s intent.** When participants were asked to describe the main message of the letters, most described them as a reminder to file their taxes under the guise of an invitation to earn credits and financial benefits.
- **Participants attributed this perception to a sense that the letters did not appear to be personalized or relevant to every individual; described as a form letter.** For example, participants who were not parents or who were high income earners felt that the child and/or GST/HST credits promoted in the letters did not apply to them. This disconnect caused confusion in that most questioned the point of the letter. It also caused frustration because most were under the impression CRA knows enough about them (i.e., what their annual income is and whether they had kids) to be able to tailor the letter. Many came away feeling that if the point of the letter was to remind and encourage people to file their taxes, the CRA could be more to the point and simply state something to the effect of “Our records indicate you did not file your taxes for 2015.”
- **When asked which letter they preferred, most tended to lean towards Letter 2. Participants described Letter 2 as being clearer, inviting to read, and visually appealing.** They explained that having the credits and benefits centred on the letter helped accentuate and draw their attention to those aspects of the letter. They also felt that Letter 2 provided more clarity around eligibility of each credit/benefit. The addition of information about the benefits calculator and volunteer tax completion services was new information for most and particularly interesting. Indeed, these two services were very much in line with what participants suggested when asked how the CRA could help improve with personal tax preparation.
- **Reactions to Letter 1 were neutral to negative.** Participants felt Letter 1 came off as more of a sales pitch than informational letter. There were many who found it difficult to determine the ‘call to action’ of the letter. Most found the credits and benefits sections to be particularly confusing particularly in terms of eligibility which bolded ‘child’ throughout and gave the impression one must have children to be eligible for all of the

credits and benefits mentioned. Of the few participants who preferred Letter 1, their reasoning included that it looked more professional and serious.

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Signed: 

Date: October 19, 2018

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Principal, Earnscliffe