



Canada Revenue
Agency

Agence du revenu
du Canada

Quantitative and Qualitative Research on Tax Scheme Promoters

Final Report

Prepared for the Canada Revenue Agency

Supplier Name: Earnscliffe Strategy Group

Contract Number: 46558-205488/001/CY

Contract Value: \$73,413.03

Award Date: January 4, 2019

Delivery Date: March 13, 2019

Registration Number: POR 100-18

For more information on this report, please contact the CRA at:

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March 2019

This public opinion research report presents the results of an online survey and focus groups conducted by Earncliffe Strategy Group on behalf of the Canada Revenue Agency. The research was conducted in February 2019.

Cette publication est aussi disponible en français sous le titre : Recherche quantitative et qualitative sur les promoteurs de stratagèmes fiscaux.

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Catalogue Number:

Rv4-130/2019E-PDF

International Standard Book Number (ISBN):

978-0-660-30241-6

Related Publication (Registration Number: POR 100-18)

Catalogue Number: Rv4-130/2019F-PDF (Final Report, French)

International Standard Book Number (ISBN): 978-0-660-30242-3

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EXECUTIVE SUMMARY

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to the Canada Revenue Agency (CRA or The Agency) summarizing the results of the quantitative and qualitative research conducted to help the CRA better understand the issue of tax schemes.

Tax schemes and plans aim to deceive taxpayers by promising to reduce the taxes they owe and are often positioned to appear as legitimate financial products or business opportunities. They are directly advertised to Canadians through direct mail and social media and seem “too good to be true”. Promoters (individuals or corporations) who sell these schemes seek to break or bend the Canadian tax laws, deliberately making false claims to assist their clients in tax cheating, all while obtaining a financial benefit for themselves and their clients.

Research was required to help the CRA address the issue of tax schemes, develop strategies to combat tax avoidance and investigate the effectiveness of current promoter compliance measures, tools, and initiatives. More specifically, this study investigated taxpayers’ awareness and expectations of the Promoter Compliance Program. The CRA believes its ability to communicate about this program and its results in the detection and correction of promoter non-compliance will have an impact on future compliance.

Feedback from this research will help the CRA develop relevant and meaningful communication material with the goal of increasing awareness of tax schemes in general and to enhance the CRA’s Promoter Compliance Program. This study will also help to determine the effectiveness of other compliance tools, measures and initiatives, including Dedicated Promoter Auditors, Tax Alerts and public education ad campaigns. The total cost to conduct this research was \$73,413.03 including HST.

To meet these objectives, Earnscliffe conducted a two-part research program.

The research began with the quantitative phase, an online survey of 1,005 Canadians aged 18 years or older. The survey was conducted using our quantitative subcontractor, Leger’s online proprietary panel. The research was conducted from February 4-10, 2019 and the survey took respondents an average of 13 minutes to complete. The data was weighted by age, gender and region.

Following the survey, we conducted a qualitative phase involving a series of six focus groups with two segments of the Canadian population: those with a household income of less than \$150,000 and those with a household income of \$150,000 or more. The sessions were conducted in: Toronto (February 26); Montreal (February 27); and, Vancouver (February 28). The groups in Montreal were conducted in French.

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.

Current Behaviours Related to Taxes

- **Almost all respondents (91%) have sought advice from someone when it comes to ensuring they pay no more federal tax than necessary. Family and friends are the most common source of tax information or advice (63% have relied on them), followed by the CRA (57%).**
 - Fewer have relied on accounting firms (48%), their own financial institution or bank (49%) or a person/firm focused on tax preparation or reduction (49%).
 - Under half have relied on a financial planner (40%), though both the quantitative and qualitative research suggest that higher income individuals are more likely to have done so.
- **Over half (56%) have paid someone else to help them prepare or find ways to reduce their taxes.**
 - Both the qualitative and quantitative research found that higher income individuals were more likely to rely on a professional to help them with their taxes. Those who had sought professional help explained that having a professional deal with their taxes, which can be complicated, was reassuring.
- **Over half of respondents would rely on the sources of information about taxes that they have used in the past, with the exception of news media (39% would rely on media as a source again).**
- Respondents believe that they are more knowledgeable about determining the taxes they owe (63%) than minimizing the taxes they owe (49%).
 - Over two-thirds (68%) are concerned about paying more in federal taxes than they have to.

Impressions of Tax Schemes

- **Awareness and familiarity with tax schemes is low. Few (14%) clearly recall hearing about financial products or opportunities aimed at helping them reduce the amount of federal tax they pay.**
 - Few survey respondents are very confident (13%) in their ability to recognize an illegal scheme, but over three-quarters (77%) are confident that they have not been invited to participate in one.
 - Most participants in the focus groups were not even familiar with the term “tax schemes” and not all felt the term connoted something negative. Their interpretation largely depended on the language they speak and where they are from. For example, most English-speaking participants tended to view the term negative in its connotation, as in “fraud”, “tax evasion”, “scam”, “illegal”, etc; although, some from other English-speaking parts of the world did view the term positively, as in “strategy”, “plan”, etc. Conversely, French speakers likened the term “stratagème fiscal” to: “optimization”, “maximization”, and, “planning”.
- **Almost two-thirds of survey respondents would be interested in hearing about tax reduction opportunities, but most (80%) would be skeptical or at least unsure of an offer to buy a financial product or make an investment that could reduce their federal taxes.**
 - Participants in the focus groups echoed this hesitation. When provided with an example, they indicated that they were generally skeptical of anything that looks too good to be true. Language such as “guaranteed”, “we do all the work”, “the numbers speak for themselves” and the financials all contributed to their skepticism.

- **Large majorities agree it is important everyone pays their fair share of taxes (84%), but also that it is acceptable to do what one can to legally reduce taxes owed (77%).** Most respondents hold both views concurrently - 83% of those who agree it is important everyone pays their fair share of taxes also agree people should be allowed to do whatever is possible within the confines of the law to reduce their taxes.
- **The quantitative research indicated that respondents have confidence in the CRA to notice when someone is trying to get away with a tax scheme (70% agree) and that penalties are severe (78%).**
 - The discussion groups added nuance to this finding – participants felt it is likely easier for the CRA to catch participants in an illegal tax scheme than apprehend the individuals running the operation.
 - Participants were fairly comfortable with the consequences facing those who knowingly choose to participate in or promote a tax scheme. However, there was a clear sense that the severity of the repercussions should be dependent on their prior knowledge/understanding of their crime.
- Most respondents like to keep their taxes as simple as possible (80%) and almost two-thirds (63%) expect the ways to minimize their taxes are probably complicated.
 - However, the assumption that these methods may be complicated is not a deterrent to hearing more about them – three-quarters of respondents (76%) are always willing to hear about the ways they can minimize the federal taxes they pay.
- Opinion is more divided when it comes to determining whether a product or business opportunity to help reduce federal taxes is too good to be true. **While the plurality (46%) agree the offer may be too good to be true, 36% neither agree nor disagree, and 12% disagree.**
 - Respondents are also split over their confidence in knowing what they are and are not allowed to do to reduce the amount of federal tax that they owe. The plurality (42%) agree that they are confident, but 23% disagree, and 29% neither agree nor disagree.

Testing Video Messages & Alerts

- **Response to all three videos tested in the quantitative phase was overall positive. The majority provided a favourable assessment of each video, found them easy to understand and the messages helpful.**
 - One of the videos was also shown to focus group participants, who provided similarly positive reviews. They described the video as simple, direct, credible and effective at communicating the main messages: to be aware of tax schemes; to get a second opinion; and, for more information about tax schemes, to go to the Government of Canada's, the CRA's website, specifically.
 - After seeing the videos, over half of survey respondents (61%) were more confident in their ability to recognize illegal tax schemes, including among those who were previously not confident in their ability to do so (60%).
- Focus group participants were shown an additional video about the CRA's criminal investigations program. Reactions were mixed but leaned negative.
 - The most troubling aspect seemed to be tied to the production value of the video – it was described as “corny”, “outdated”, and “melodramatic” which caused most to question its credibility.
 - Most found the message contradictory and unclear. Participants questioned to whom the ad was directed – was it directed at Canadians to encourage whistle blower behaviour or was it directed at tax scheme promoters to advise them of the legal ramifications associated with their behaviour?

- Reactions to the alerts tested in the focus groups were overwhelmingly positive. Participants felt that the information was clear, easy to understand, well-presented, and credible. Most really appreciated the examples of tax schemes and felt it was appropriate and important for the CRA to alert Canadians.
 - Some questioned how they would receive these alerts. If only available on the website, many worried they would not see them. As a result, there were suggestions that the CRA’s homepage should feature alerts prominently but that it may also be good to email them or release them to the media or include them with tax forms and tax filing software.

CRA Communications

- The CRA is widely viewed as credible and the appropriate source to communicate with Canadians about tax schemes. Over half of respondents say the Agency is very credible (53%) while a third say it is somewhat credible. Almost three-quarters (73%) feel education from the CRA about tax schemes is very appropriate.
- When asked how they would prefer the CRA communicate with them about tax schemes, those in the lower income focus groups preferred traditional forms of communication (i.e. TV, radio, public transportation) and social media. Those in the higher income groups preferred more direct contact (i.e., mail, email) which they felt was more official because the CRA could use identifiable information that they would see as legitimate.
- There was a sense among participants that connecting with new Canadians needs to be deliberate and targeted. Communications should also be in the target population’s language. Respondents suggested that reaching out to local community centres (including post offices, libraries) and community groups could be more effective.

Research Firm:

Earnscliffe Strategy Group Inc. (Earnscliffe)
Contract Number: 46558-205488/001/CY
Contract award date: January 4, 2019

Statement of Political Neutrality

I hereby certify as a Representative of Earnscliffe Strategy Group that the final deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed:



Date: March 13, 2019

Stephanie Constable
Principal, Earnscliffe

INTRODUCTION

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to the CRA summarizing the results of the quantitative and qualitative research conducted to help the CRA better understand the issue of tax schemes.

Tax schemes and plans aim to deceive taxpayers by promising to reduce the taxes they owe and are often positioned to appear as legitimate financial products or business opportunities. They are directly advertised to Canadians through direct mail and social media and seem “too good to be true”. Promoters (individuals or corporations) who sell these schemes seek to break or bend the Canadian tax laws, deliberately making false claims to assist their clients in tax cheating, all while obtaining a financial benefit for themselves and their clients. Research was needed to help the CRA address the issue of tax schemes, develop strategies to combat tax avoidance and investigate the effectiveness of current promoter compliance measures, tools, and initiatives. More specifically, this study investigated taxpayers’ awareness and expectations of the Promoter Compliance Program. The CRA believes its ability to communicate about this program and its results in the detection and correction of promoter non-compliance will have an impact on future compliance.

The specific objectives of the research were to assess:

- Awareness of the financial risk and tax consequences from participating in abusive tax schemes;
- Taxpayers’ perception of the CRA’s role in the promoter compliance initiative;
- Additional approaches or measures the CRA should consider to detect and address promoter non-compliance;
- Awareness of tax scheme promoters and their role;
- Attitudes toward tax scheme promoters;
- Awareness of the CRA’s Promoter Compliance Program, its tools, initiatives and measures;
- Effectiveness of promoter initiatives, specific communication activities in support of promoter initiatives and promoter non-compliance in general;
- Awareness of CRA tax alerts related to abusive schemes; and
- Awareness of any CRA communications focused on the detection of promoter non-compliance.

Feedback from the research will help the CRA develop relevant and meaningful communication material with the goal of increasing awareness of tax schemes in general and to enhance the CRA’s Promoter Compliance Program. This study will also help to determine the effectiveness of other compliance tools, measures and initiatives, including Dedicated Promoter Auditors, Tax Alerts and public education ad campaigns.

To meet these objectives, Earnscliffe conducted a two-part research program.

The first phase was quantitative and involved an online survey of 1,005 Canadians aged 18 years or older. The survey was conducted online by our sub-contractor, Léger, using their proprietary panel. The research was conducted from February 4-10, 2019 and the survey took respondents an average of 13 minutes to complete. The data was weighted by age, gender and region.

The second phase involved a wave of qualitative research which included a series of six focus groups with two segments of the Canadian population: those with a household income of less than \$150,000 and those with a household income of \$150,000 or more. The sessions were conducted in: Toronto (February 26); Montreal (February 27); and, Vancouver (February 28). The groups in Montreal were conducted in French. Please refer to the Recruitment Screener in the Appendix of this report for all relevant screening and qualifications criteria.

In each city, the group with individuals with a household income of less than \$150,000 began at 5:30 pm and the group with individuals with a household income of \$150,000 or more began at 7:00 pm. The sessions were approximately 1.5 hours in length. Focus group participants were given an honorarium of \$120 as a token of appreciation for their time.

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.

DETAILED FINDINGS

The following presents the combined results for both the quantitative and qualitative phases of research. For purposes of reporting, the qualitative findings are woven throughout where these findings shed light on the quantitative results. The qualitative findings are presented in italicized font.

Current Behaviours Related to Taxes

The vast majority of respondents (91%) say they have relied upon the advice of at least one source to minimize the amount of federal tax they pay. In fact, 80% have relied on more than one source. Respondents are most likely to have relied upon a member of their family or a friend for advice, education or help when it comes to ensuring they pay no more federal tax than necessary. Just under two-thirds (63%) have done so. Among those who have relied on family and friends, over half (62%) would do so again, 30% might or might not and 6% would not rely on their family and friends again. Among the 32% who have not relied on family and friends, half would consider doing so.

Respondents 55 years of age and older are less likely to have relied on family and friends (50% have). Respondents who have a university level education (67%), are a student (71%) or employed (70%) are more likely to have relied on family and friends.

The CRA follows as the second most common source of information to help respondents ensure they pay no more federal tax than necessary – 57% have relied on the CRA. Among those who have, 65% would do so again, 30% might or might not, and 5% would not. Among the 35% who have not relied on the CRA for advice, over two-thirds (68%) would consider getting information from the Agency. Older respondents are more likely to have relied on the CRA – 61% of those 35-54 and 60% of those 55+ have done so, compared to 47% of those 18-34.

A similar proportion have used accountants or accounting firms (48%), their own financial institution or bank (49%) and a person/firm focused on tax preparation or reduction (49%) for advice and education when ensuring they pay no more federal tax than they have to. Over half of those who have used these services would do so again. Of note, respondents with a household income of less than \$60,000 per year are less likely to rely on outside help like accounting firms (40%).

Under half of respondents have used a financial planner (40%), but over half (60%) of those who have would do so again. Among the 52% of respondents who have not used a financial planner, almost two-thirds (65%) would consider doing so in the future. Financial planners are a more common source of information among those 55 and older (48%) and those with incomes between \$60,000 and \$99,999 (47%) and \$100,000 and \$199,999 (51%).

Just over a third (38%) have relied on media, and under half of that group would definitely do so again (39%). Those who have not used information from the news media are less keen to trust it as a source – two-thirds (67%) would not consider relying on the news media for tax advice.

Sources of Information about Taxes		
	Have relied upon	Have not relied upon
A member of your family/personal friends	63%	32%
The CRA	57%	35%
Your financial institution or bank	49%	44%
A person/firm focused on tax preparation/reduction	49%	44%
An accountant/accounting firm	48%	46%
A financial planner	40%	52%
The news media	38%	53%

Q5. The first questions are about the kinds of individuals or organizations that people sometimes rely upon for advice, education or help when it comes to ensuring they pay no more federal tax than they have to. For each of the following, please indicate whether you have relied upon them or not in the past and whether you might consider or not. Base: n=1005.

Likelihood of Relying on Sources Previously Used			
	Have relied upon, would again	Have relied upon, might or might not again	Have relied upon, would not again
A member of your family/personal friends (n=629)	62%	30%	6%
The CRA (n=573)	65%	30%	5%
An accountant/accounting firm (n=480)	65%	29%	6%
Your financial institution or bank (n=497)	61%	31%	8%
A person/firm focused on tax preparation/reduction (n=497)	57%	31%	12%
A financial planner (n=407)	60%	33%	8%
The news media (n=377)	39%	50%	11%

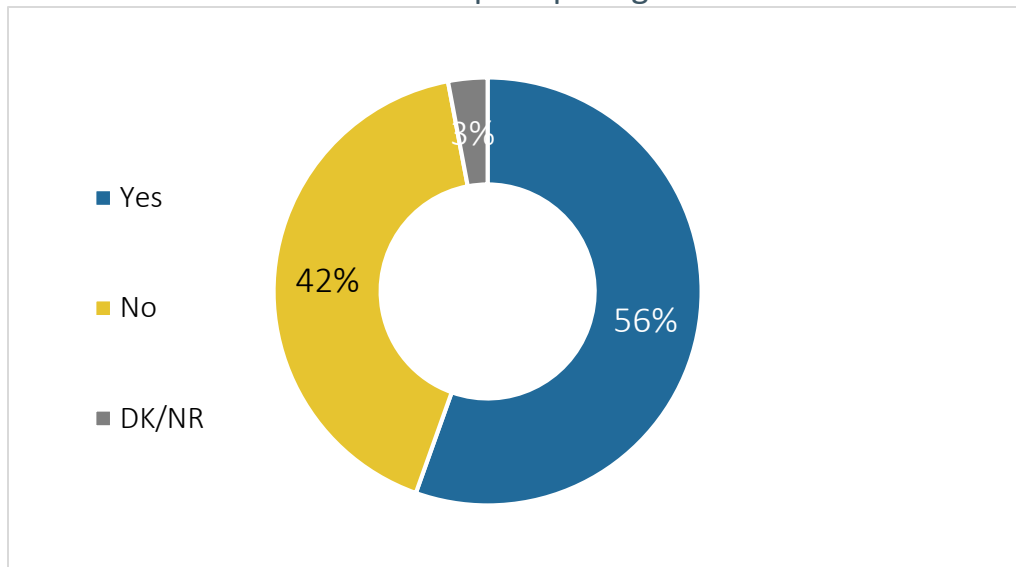
Q5. The first questions are about the kinds of individuals or organizations that people sometimes rely upon for advice, education or help when it comes to ensuring they pay no more federal tax than they have to. For each of the following, please indicate whether you have relied upon them or not in the past and whether you might consider or not.

Likelihood of Relying on Sources Not Previously Used		
	Have not relied upon, would not consider	Have not relied upon, might consider
A member of your family/personal friends (n=322)	50%	50%
The CRA (n=350)	32%	68%
An accountant/accounting firm (n=458)	35%	65%
Your financial institution or bank (n=442)	36%	64%
A person/firm focused on tax preparation/reduction (n=440)	36%	64%
A financial planner (n=517)	35%	65%
The news media (n=534)	67%	33%

Q5. The first questions are about the kinds of individuals or organizations that people sometimes rely upon for advice, education or help when it comes to ensuring they pay no more federal tax than they have to. For each of the following, please indicate whether you have relied upon them or not in the past and whether you might consider or not.

Over half (56%) of respondents have paid someone to help them prepare or reduce their federal taxes. Those in the 35-54 age category are more likely (63%) to have done so, along with Quebeckers (61%). Individuals with incomes between \$60,000-\$99,999 are more likely to have paid someone to help them with their taxes (61%) compared to those with incomes under \$60,000 (53%). Those who have attended college (64%), are self-employed (70%) and employed (60%) are also more likely to have hired someone to help them with their taxes. Over half (58%) of respondents born in Canada have hired help, while fewer of those born outside of Canada have done so (49%). Slightly more respondents who are concerned about paying more tax than necessary (59%) have hired someone compared to those who are not concerned (51%). Similarly, a greater percentage of those who are interested in financial products or businesses that could help them reduce their taxes (60%) have hired someone, compared to 48% of those who are not interested.

Paid for Help Preparing Taxes



Q6. Have you ever paid someone to help you prepare or reduce your federal taxes? Base: n=1005

Qualitative Insights: Current Behaviours Related to Taxes

In terms of tax preparation, those in the higher income groups, particularly in Toronto and Montreal, tended to rely more heavily on professionals to prepare their income tax returns. The reasons they provided for doing so included: a sense that their taxes were too complicated; that they valued the reassurance that comes with having professionals take responsibility; and, the experience of a professional to do whatever they can (legally) to minimize the amount of federal taxes owed.

Those in the lower income groups, as well as those with higher incomes in Vancouver, tended to prepare their own income tax returns. Generally, most seemed to be more aware of what they can and cannot claim on their taxes, although, quite a few mentioned that they have their income tax returns vetted by a professional or an experienced friend or family member; mainly to confirm they prepared their return correctly.

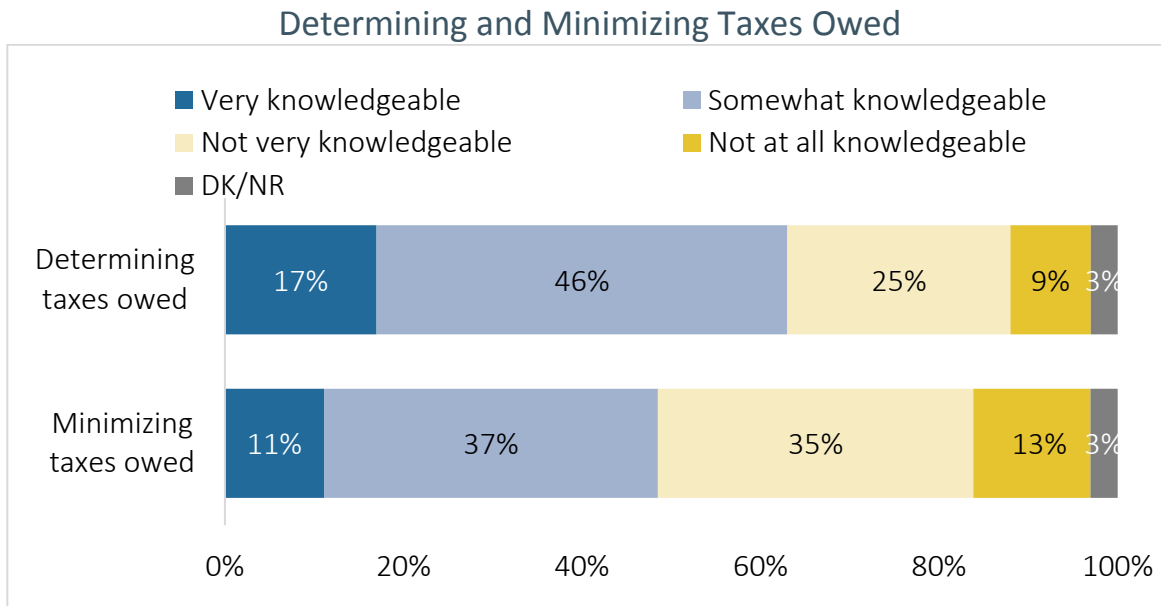
Almost two-thirds (63%) say they are very or somewhat knowledgeable about **determining** the federal taxes they owe. Those most likely to say they are knowledgeable include:

- Men (70%);
- Those 55 or older (70%);
- Those with household incomes between \$60,000-\$99,999 (69%), \$100,000-\$199,999 (68%) and over \$200,000 (72%); and
- Those who have attended university (69%).

Just under half (49%) claim to be very or somewhat knowledgeable about **minimizing** the federal taxes they owe. The demographic groups who say they are more knowledgeable about minimizing their taxes owed closely resembles those who said the same about determining their taxes, and include:

- Men (56%);
- Those 55 and older (58%);
- Those with household incomes between \$100,000-\$199,999 and over \$200,000 (both 59%, though only the difference for those with a household income between \$100,000-\$199,999 is statistically significant); and
- Those who have attended university (54%).

In addition, it is worth noting that more respondents born in Canada (50%) feel knowledgeable about the ways in which they can reduce their taxes compared to those born outside of Canada (42%).



Q7. How knowledgeable would you say you are about determining the federal taxes you owe? Base n=1005

Q8. How knowledgeable would you say you are about how to minimize the amount of federal taxes you owe? Base n=1005

Qualitative Insights: Determining and Minimizing Taxes Owed

Most participants felt that they were generally knowledgeable about determining the amount of federal taxes they owed and how to minimize the amount of federal taxes they owed.

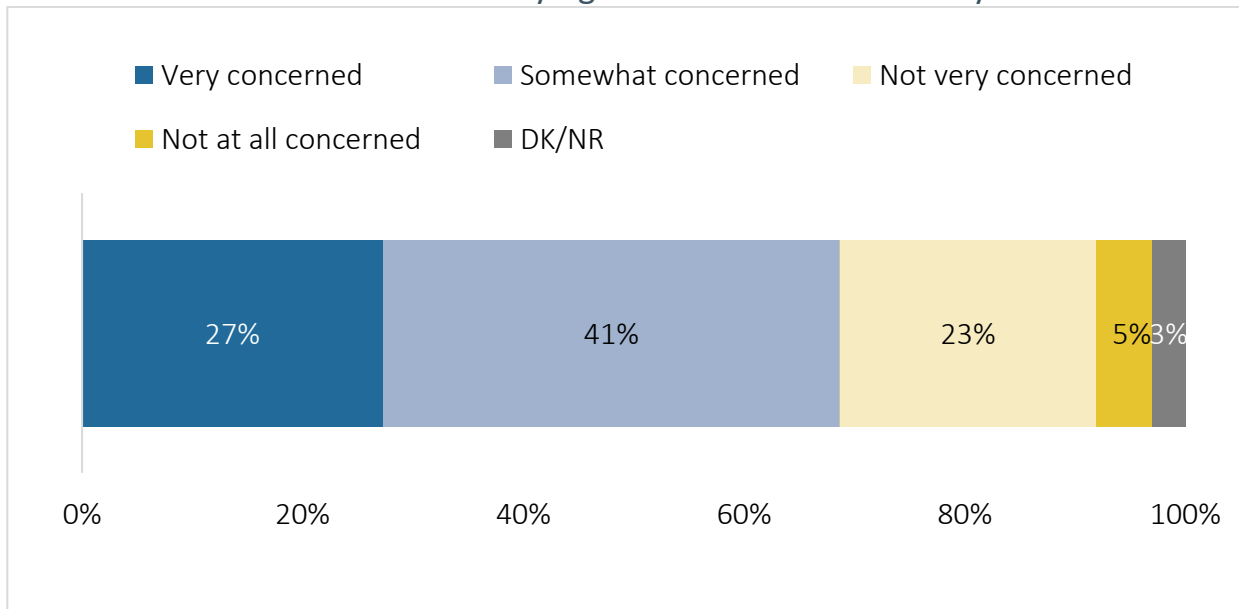
Advice that participants had received to this effect included: Registered Retirement Savings Plan (RRSPs) and Tax-Free Savings Accounts (TFSA) tax credits; federal tuition credit; charitable donations tax credit; and, public transit deductions, although many had heard through the media that this particular deduction was no longer available. Some of those in the higher income groups had also been advised about dividend income and capital gains.

Not surprisingly, in the case of those in the higher income groups, much of their knowledge was gained from their accountant or financial advisor. Those who said they prepare their taxes themselves using online tax filing software said that they had learned a lot based on the intuitive prompts initiated by the software. Others spoke of having received helpful advice (and annual reminders) from advisors and staff at their financial institutions.

Over two-thirds (68%) of respondents are concerned about paying more in federal taxes than necessary. Approximately one quarter (27%) say they are very concerned. Concern about this topic is highest among:

- Respondents aged 35-54 (32% are very concerned);
- Respondents with a household income between \$60,000 and \$99,999 (34% are very concerned);
- Respondents who have paid someone to help them prepare or reduce their taxes (32%); and
- Respondents who are not knowledgeable about reducing their taxes (30%).

Concern about Paying More Tax than Necessary



Q9. How concerned are you about whether you are paying more in federal taxes than you absolutely have to? Base: n=1005.

Impressions of Tax Schemes

Few respondents (14%) clearly recall hearing anything about financial products or business opportunities where the main benefit would be to reduce the amount of federal tax they would have to pay. Under a quarter (22%) say they vaguely recall hearing something about this topic, while over half (57%) do not recall hearing anything. Of note, recall is highest in Quebec, where 20% clearly and 27% vaguely recall having heard something about tax reduction opportunities. New Canadians are less likely to recall hearing something about tax reduction opportunities (31% vaguely or clearly recall) compared to those born in Canada (38%).

Recent Experience with Tax Schemes - Recall	
Yes, clearly recall	14%
Yes, vaguely recall	22%
No, do not recall	57%
Don't know/Prefer not to say	7%

Q10. In the past few months, have you seen, read or heard anything about financial products you could buy or business opportunities in which you could invest, where the main benefit would be to reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund? Base: n=1005.

Qualitative Insights: Awareness and Familiarity with Tax Schemes

Focus group participants' awareness of and familiarity with tax schemes were very low. In fact, the term, 'tax schemes', was unknown to most.

Connotations of the term were both positive and negative but seemed to be dependent on language spoken and where a participant had lived before.

The majority of English-speaking participants, born in Canada, tended to view the term negative in its connotation and associated the term with words like: "fraud", "tax evasion", "scam", "illegal", etc. However, some English-speaking participants commented that in some other parts of the world, the word 'scheme' can be interpreted positively, as in "plan", "strategy", or "tactic".

This interpretation was much more in line with that of French-speaking participants who associated the term, 'stratagème fiscal', with "optimization", "maximization", and, "planning".

As a result, for the purposes of our qualitative discussions, 'tax schemes' were referred to as "stratagèmes fiscaux abusifs" in French; although, the characterization of 'abusive' tax schemes was not required in English given their (negative) interpretation of the term.

From a communications perspective, this will be important to bear in mind when communicating about tax schemes in either language and to new Canadians who may not interpret the term as intended.

Among those who did hear something about financial products or business opportunities to help them reduce their taxes, just under half (45%) were given the opportunity to purchase them. Of that 45%, half (51%) bought the product.

Recent Experience with Tax Schemes – Offer to Participate	
Yes	45%
No	47%
Don't know/Prefer not to say	8%

Q11. [IF CLEARLY OR VAGUELY RECALL] Were you offered the chance to buy one of these products or invest in one of these business opportunities? Base: n=365.

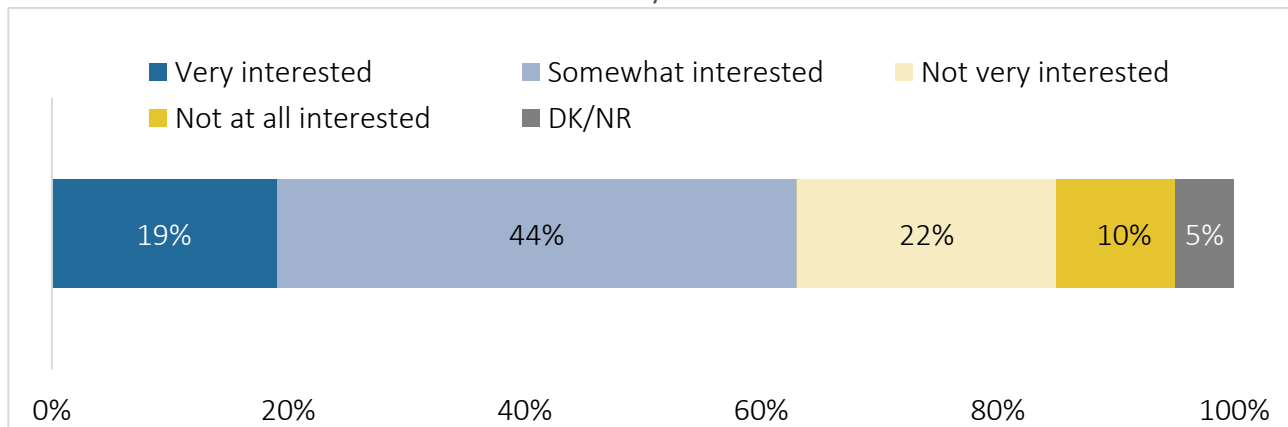
Recent Experience with Tax Schemes – Purchased a Product/Invested	
Yes	51%
No	44%
Don't know/Prefer not to say	5%

Q12. [IF OFFERED THE CHANCE TO BUY] Did you buy one of these products or invest in one of these business opportunities? Base: n=163.

Almost two-thirds (63%) of respondents would be interested in hearing more about tax reduction opportunities. Those who are most interested include:

- Respondents who have attended university (68%);
- Respondents who are employed (69%);
- Respondents with a household income of \$100,000-\$199,999 (71%);
- Respondents between the ages of 18 and 34 (68%); and
- Men (68%).

Interest in Financial Products/Businesses to Reduce Taxes

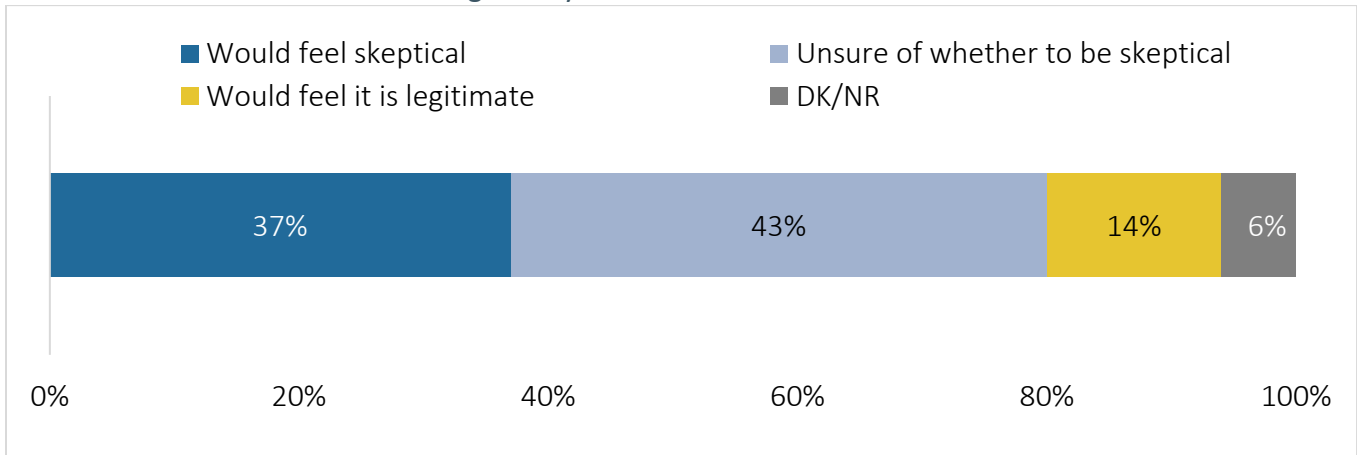


Q13. If offered, how interested would you be in hearing about financial products you could buy or business opportunities in which you could invest, where the main benefit would be to reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund? Base: n=1005.

Over a third (37%) would be skeptical of offers to buy a financial product to reduce their taxes, while another 43% would be unsure whether to believe the offer. Few (14%) feel such an offer would be legitimate. Those more likely to say they would be skeptical of such an offer include:

- Respondents 55 and older (47%);
- Albertans (46%); and
- Individuals who are unemployed (45%).

Legitimacy of Offers to Reduce Taxes



Q14. If a professional you did not know told you there is a financial product you could buy or a business opportunity in which you could invest, that could reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund, how would you feel about that offer? Base: n=1005.

Qualitative Insights: Reactions to a Tax Scheme Example

As part of the focus group discussions, participants were presented with an example of a tax scheme. Participants were shown two slides in PowerPoint (depicted below) and the moderator read the following description:

AMAZING BUSINESS OPPORTUNITY

Purchase a Franchise!

We take care of everything!

Substantial Tax Advantages

Cash Flow Solution

AMAZING BUSINESS OPPORTUNITY

Year 1	Year 2	Year 3	Year 4
GUARANTEED	GUARANTEED	GUARANTEED	PROJECTED
- You pay \$10,000	- You pay \$10,000	- You pay \$6,000	- Income \$17,000
- Deduct \$54,944	- Deduct \$54,944	- Deduct \$1,300	
- Tax savings \$21,420	- Tax savings \$21,420	- Tax savings \$530	
- Tax refund \$11,420	- Tax refund \$11,420	- Tax owing -\$5,470	

Are you interested in an amazing business opportunity with a company in full development that meets the needs of small businesses through an innovative product?

How about an investment without a liquidity problem and impressive tax benefits?

You can be part of this amazing venture through the purchase of a Franchise.

What does your franchise sell? High tech affordable business software to make everyday tasks simpler. Every small business across the country will be signing up!

We take care of everything! You purchase the right to sell to small businesses in a specific region, but we do all the work! We operate the franchise and send you the paperwork you require at tax time. You receive tax benefits due to accelerated depreciation related to the software which also provides a cash flow through the tax advantage. What could be easier?

Most were very skeptical that they would take advantage of an offer like this. Participants indicated that they were generally skeptical of anything that looks too good to be true and that much of this opportunity seemed to fit that description. They pointed to language used to describe the business opportunity (i.e., “guaranteed”, “we do all the work”, and “the numbers speak for themselves”) and the financials as red flags.

Worth noting, some in the higher income groups who had an understanding of capital depreciation were more open to being convinced of the proposition, while maintaining some skepticism.

Large majorities agree that it’s important for everyone to pay their fair share of taxes (84%) and that it is legitimate for people to do everything they can to reduce the amount of taxes they owe (77%). Most respondents hold both views concurrently - 83% of those who agree it is important everyone pays their fair share of taxes also agree people should be allowed to do whatever is possible within the confines of the law to reduce their taxes. Respondents who were born in Canada are more likely to strongly agree that it is legitimate for people to do what they can to minimize their taxes (41%) compared to those who were not born here (32%). Older respondents (55+) are similarly more likely to view this as a legitimate practice (46% strongly agree) compared to 18-34 year olds (32%).

There is confidence in the CRA to catch people trying to get away with illegal tax schemes and widespread belief that the penalties if one is found to be participating in an illegal tax scheme are severe. One third strongly agree, while another 37% somewhat agree, that the CRA is very good at noticing when someone is trying to get away with an illegal tax scheme. Of note, Quebecers are particularly confident in the CRA (83%). The plurality of respondents (44%) expect that the penalties for trying to get away with an illegal tax scheme are severe, and a third (34%) somewhat agree.

Qualitative Insights: Identification of Tax Scheme Promoters and Participants

Discussions in the focus groups suggested that participants were torn as to whether the CRA could easily identify those trying to take advantage of an abusive tax scheme on their taxes or those responsible for promoting abusive tax schemes. Certainly, the majority felt the CRA could more easily identify the former than the latter.

With respect to identifying those trying to take advantage of an abusive tax scheme, many participants assumed that the CRA has technology that can detect unusual patterns on personal income tax returns (i.e. an individual submitting a tax return that was not consistent with their previous returns). Once detected (on an individual return), participants thought the CRA could use that information to detect others trying to take advantage of the same tax scheme.

Conversely, most felt that it would be more challenging for the CRA to identify those responsible for promoting abusive tax schemes. Participants had the sense that tax scheme promoters were highly sophisticated, and typically, offshore. Most felt that these promoters had all the latest technology at their disposal to conceal their identities.

Qualitative Insights: Repercussions Associated with Tax Schemes

As part of the focus group discussions, we explored participants' views of the repercussions associated with tax schemes.

Interestingly, participants' views were quite homogenous. The majority of participants were comfortable with the consequences – tax repayment plus interest, penalties, court fines, and jail time – facing those who knowingly choose to participate in or promote a tax scheme. However, there was a clear sense that those who choose to participate in a tax scheme should be treated on a case by case basis and that the severity of repercussions should be dependent on their prior knowledge/understanding of their crime. For example, most had the sense that tax scheme promoters tend to target those unfamiliar with the Canadian tax system (i.e., new Canadians); and, felt that someone who unknowingly participated in a tax scheme should not necessarily be penalized to the full extent of the law (i.e., no jail time).

With respect to tax scheme promoters, the majority of participants felt strongly that they should be penalized to the full extent of the law. Participants also felt that tax scheme promoters' names (organizations' names) should be broadcast publicly as a means of alerting/warning Canadians.

Most respondents like to keep their taxes as simple as possible (80%) and almost two-thirds (63%) expect the ways to minimize their taxes are probably complicated. A slightly higher proportion of those who like to keep their taxes simple think the ways to minimize their taxes could be complicated (68%). More women (84%) than men (77%) like to keep their taxes simple, as well as those 55 and older (85%) compared to those 18-34 (77%).

Three-quarters of respondents (76%) are always willing to hear about the ways they can minimize the federal taxes they pay. A similarly large proportion (70%) admit there are probably ways to reduce their taxes that they are unaware of. More+ respondents aged 18-34 agree with this statement (75%) than those 55 or older (66%). Those who are self-employed are less likely to agree that they are unaware of ways to reduce their taxes (61%), particularly compared with those who have a job, but are not self-employed (74%).

Opinion is more divided when it comes to determining whether a product or business opportunity to help reduce federal taxes is too good to be true. While the plurality (46%) agree the offer may be too good to be true, 36% neither agree nor disagree, and 12% disagree. Of note, respondents who were not born in Canada are slightly more skeptical. Over half (52%) agree that such an offer seems too good to be true, compared to 45% of those born here.

Respondents are also split over their confidence in knowing what they are and are not allowed to do to reduce the amount of federal tax that they owe. The plurality (42%) agree that they are confident, but 23% disagree, and 29% neither agree nor disagree. Older respondents (55 and over) are more confident in their ability (48%) than those aged 18-34 (33%). Those with a household income under \$60,000 are also less confident (37%). Men report a higher level of confidence (46%) than women (38%).

Attitudinal Statements About Tax Schemes						
	Strongly agree	Agree	Neither	Disagree	Strongly disagree	Don't know/Prefer not to say
It's important that everyone pays their fair share of federal taxes	49%	35%	9%	2%	2%	3%
I expect the penalties are pretty severe for anyone who gets caught trying to get away with an illegal tax scheme in Canada	44%	34%	9%	5%	3%	5%
It's perfectly acceptable for someone to do everything they can to legally reduce the amount of federal taxes they owe	39%	38%	14%	3%	3%	4%
I like to keep my tax planning and tax returns as simple and uncomplicated as possible	37%	43%	12%	3%	1%	3%
I expect that the Canada Revenue Agency is very good at noticing when someone is trying to get away with an illegal tax scheme	33%	37%	16%	7%	3%	5%
I'm always willing to hear about ways I can reduce the amount of federal taxes I pay	26%	50%	17%	2%	2%	4%
I expect that there probably are ways to reduce my federal taxes that I'm not aware of	21%	49%	18%	6%	2%	4%
I expect some of the legal ways to minimize the federal taxes I pay could be pretty complicated	18%	45%	21%	7%	1%	7%

Attitudinal Statements About Tax Schemes						
	Strongly agree	Agree	Neither	Disagree	Strongly disagree	Don't know/Prefer not to say
The idea that there is a financial product or a business opportunity that could reduce the amount of federal tax I would have to pay is too good to be true	13%	33%	36%	10%	2%	6%
I'm confident I know what I'm allowed and not allowed to do to reduce the amount of federal tax I pay	10%	32%	29%	18%	5%	6%

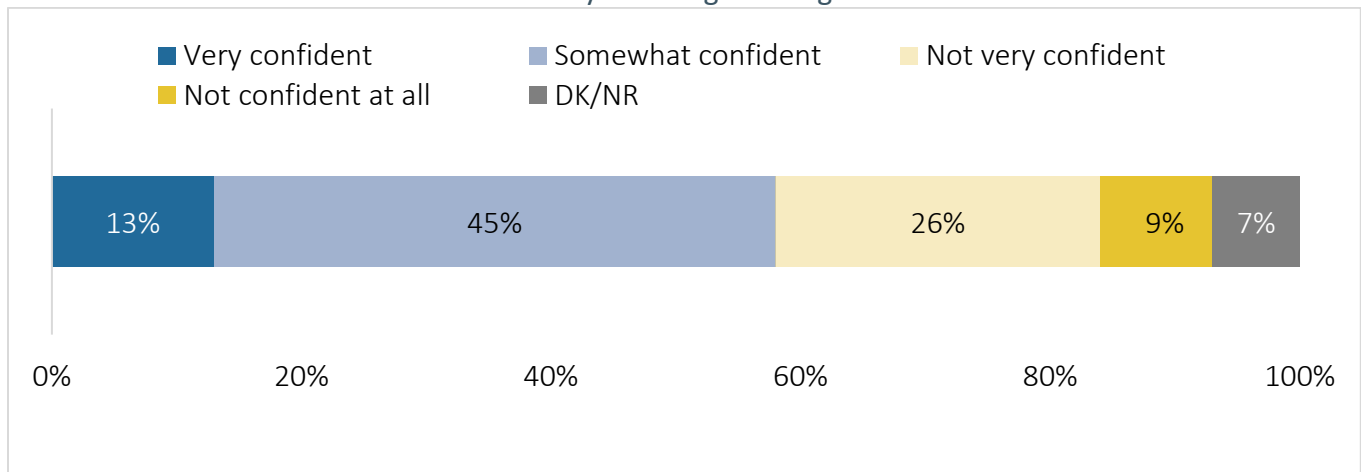
Q15. Please indicate how strongly you agree or disagree with each of the following statements. Base: n=1005.

Avoiding Illegal Tax Schemes

Few (13%) are very confident they could tell the difference between an illegal tax scheme and a legal offer to help them reduce their taxes, though the plurality are somewhat confident (45%). One quarter (26%) are not very confident, and 9% are not confident at all. Those who express higher levels of confidence include:

- Men (64%);
- Respondents aged 35-54 (62%);
- Ontarians (62%); and
- Respondents who are employed (62%).

Confidence in Ability to Recognize Illegal Tax Schemes



Q16. How confident would you say you are that you could tell the difference between the offer of an illegal tax scheme and the offer to help you reduce the federal taxes you owe or pay that the law allows? Base: n=1005.

About one in six (16%) believe they have been invited to participate in an illegal tax scheme at some point. Over three-quarters (77%) do not believe they have ever been invited to participate in a tax scheme. Respondents aged 18-34 are more likely to think they have been invited to participate in an illegal tax scheme (22%) compared to those 55+ (10%), along with those who are employed (21%) compared to those who are not (10%) and those whose household income is between \$60,000 and \$99,999 (22%), compared to those with a household income under \$60,000 (14%).

Invited to Participate in an Illegal Tax Scheme	
Yes, I definitely have	6%
Yes, I think I have	10%
No	77%
Don't know/Prefer not to say	6%

Q17. To the best of your knowledge, have you ever been invited to participate in an illegal tax scheme – either by mail, email, telephone, in-person or online? Base: n=1005.

Three-quarters claim they have not been given advice on how to avoid being part of an illegal tax scheme. One in five believe they definitely have or think they may have received such information. Respondents aged 18-34 are slightly more likely (28%) to claim that they have received advice, along with Albertans (30%).

Received Advice About Avoiding Illegal Tax Schemes	
Yes, I definitely have	8%
Yes, I think I have	12%
No, I have not	75%
Don't know/Prefer not to say	5%

Q18. Have you ever been given advice on how to avoid being part of an illegal tax scheme – either by mail, email, telephone, in-person or online? Base: n=1005.

Among those who recall having received advice about avoiding illegal tax schemes, the Government of Canada, including the CRA, and news media are the top sources (36%). Financial institutions (25%) and financial planners or advisers follow (22%). Accounting firms are the least common source of information (13%). Those who have attended university (30%) and men (28%) are more likely to have received advice from a financial planner.

Avoiding Illegal Tax Schemes – Sources of Information	
Government of Canada/Canada Revenue Agency	36%
News media	36%
Financial institution (e.g. your bank)	25%
Financial adviser or planner	22%
Accounting firm	13%
Other (Specify)	8%
Don't know/Prefer not to say	17%

Q19. [IF RECEIVED ADVICE ABOUT AVOIDING TAX SCHEMES] Have you received advice on how to avoid being part of an illegal tax scheme from the following? Base: n=196.

Testing Video Messages

The quantitative portion of this research tested respondents' reaction to three different videos:

Video A: How to Recognize a Tax Scheme Promoter



Video B: What is a Tax Scheme?



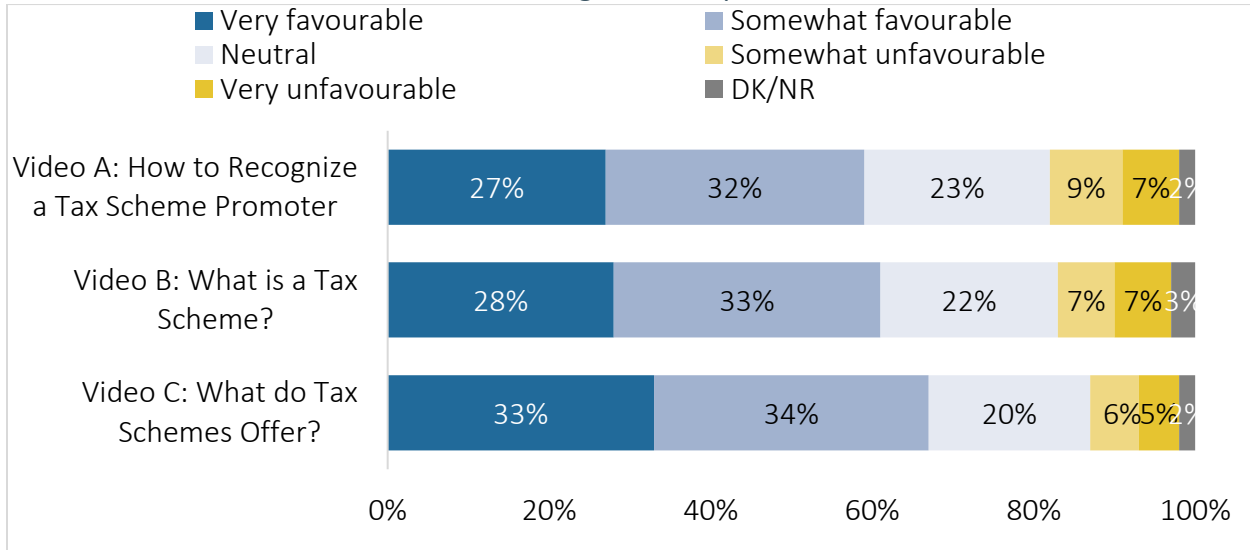
Video C: What do Tax Schemes Offer?



Reaction to each of the videos was similar, but positive. The majority hold favourable opinions of both videos A (59%) and B (61%), while just over two-thirds (67%) view video C in a favourable light. Those who are interested in products or business opportunities that could help them reduce their taxes have a more favourable opinion of the videos than those who are not interested:

- Video A: 65% have a favourable view (vs. 52% of those not interested)
- Video B: 66% have a favourable view (vs. 54% of those not interested)
- Video C: 71% have a favourable view (vs. 61% of those not interested)

Video Testing: Initial Impressions

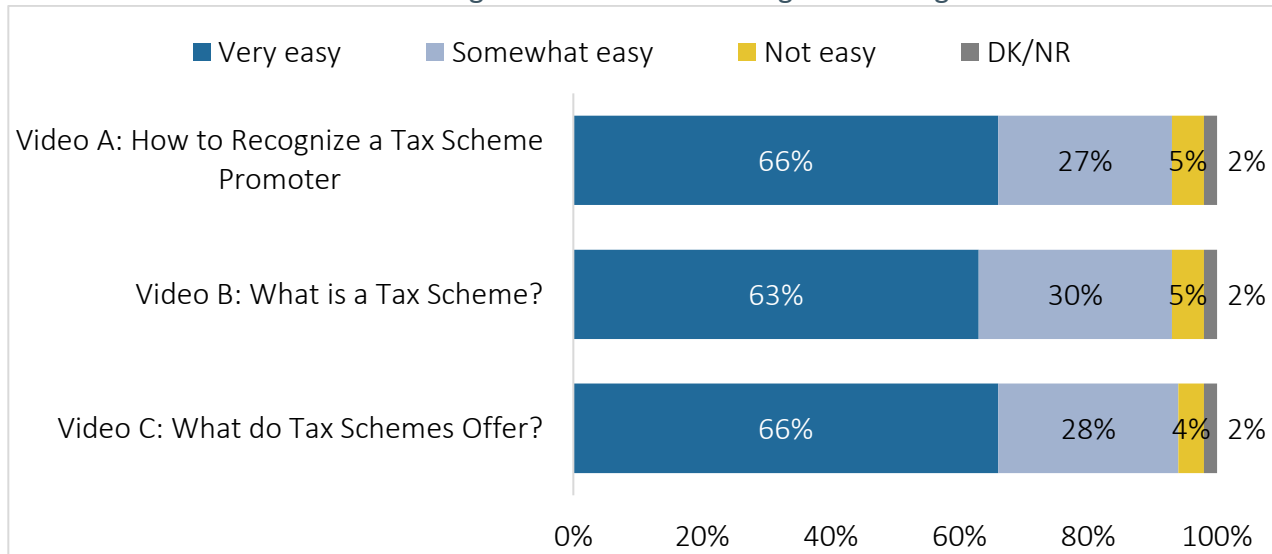


Q20, Q24, Q28. Overall, what is your impression of this video? Base: n=1005.

Overall, the vast majority of respondents found the messages in the videos easy to understand. That said, there is a gap between French and English speakers – more English speakers found the videos very easy to understand, compared to French speakers:

- Video A: 71% of English speakers found the video very easy to understand, compared to 49% of French speakers.
- Video B: 66% of English speakers found the video very easy to understand, compared to 49% of French speakers.
- Video C: 70% of English speakers found the video very easy to understand, compared to 54% of French speakers.

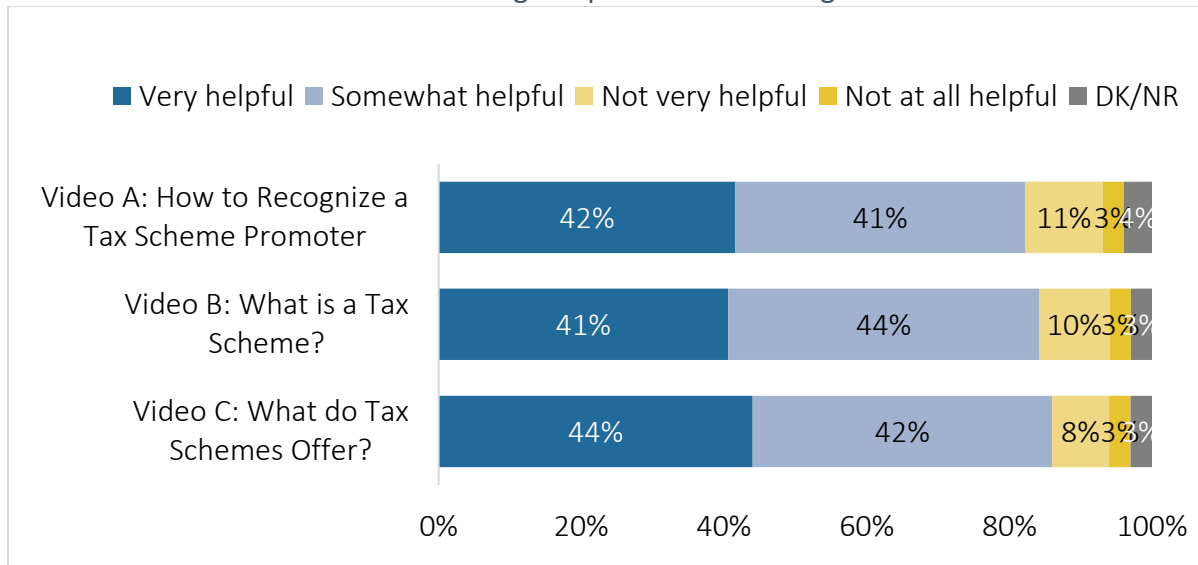
Video Testing: Ease of Understanding the Messages



Q21, 25, 29. How easy was it to understand the messages presented in this video? Base: n=1005.

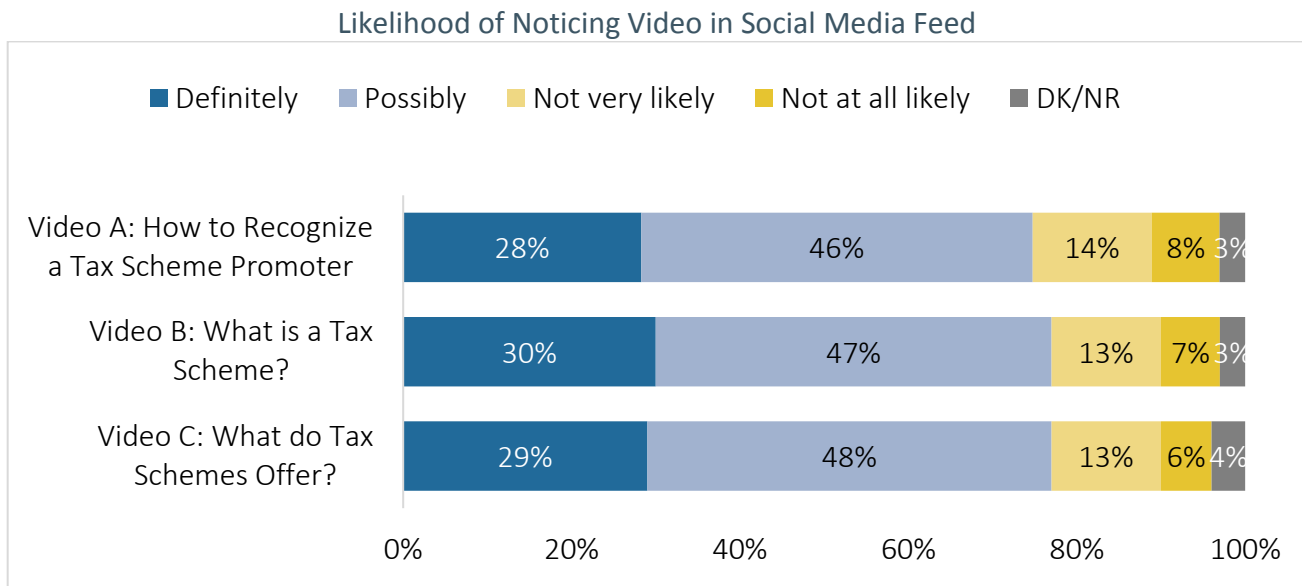
Large majorities found the videos very or somewhat helpful. Again, French respondents did not find the messages in the video as helpful as English respondents. For example, 43% of English speakers found the messages in video B very helpful, compared to 32% of French speakers. Those who are interested in opportunities to reduce their taxes and those who have paid someone to prepare or reduce their taxes found the messages more helpful. For example, 44% of those who are interested in opportunities to reduce their taxes found the messages in video A very helpful, compared to 33% of those who are not interested. Almost half (49%) of those who have paid someone to help them prepare their taxes found the messages in video C very helpful, compared to 38% of those who have not paid someone to help them.

Video Testing: Helpfulness of Messages



Q22, 26, 30. How helpful are the messages presented in this video? Base: n=1005.

For each of the videos, over one quarter would definitely notice them in their social media feeds, while just under half might notice them. Of note, those 55 and older say they are more likely to notice any of the videos – 34% say they would definitely notice video A and video B, and 35% would notice video C.



Q23, 27, 31. How likely would you be to notice this if you came across a link to it as an online ad or in your social media feed? Base: n=1005.

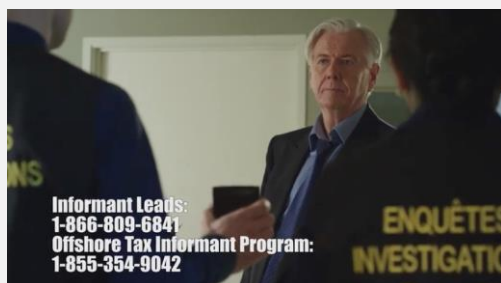
Qualitative Insights: Reactions to the CRA’s Video Messages

One of the three videos tested in the quantitative phase was tested in the qualitative phase, **Video A: How to recognize a tax scheme promoter.**

Overall reactions were quite favourable, with the exception of those in the higher income group in Toronto. Participants described the video as simple, direct, credible and effective at communicating the main messages: to be aware of tax schemes; to get a second opinion; and, for more information about tax schemes, to go to the Government of Canada’s, the CRA’s website, specifically. Participants appreciated the simplicity of the ad and felt the animation approach was attention-grabbing and modern.

Those in the higher income group in Toronto felt the animation approach and the message were too soft; not hard-hitting enough.

Focus group participants were also shown another video, **Video D: Criminal Investigations Program – Promoters of Tax Evasion Schemes.**

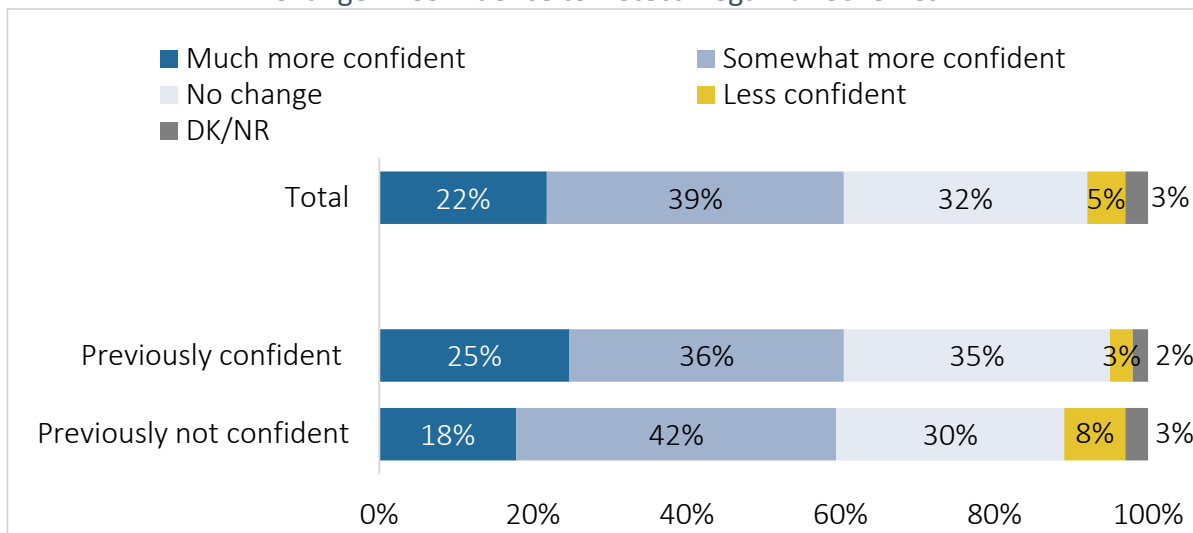


Reactions to this video were mixed but leaned negative. Most found the message contradictory and unclear. Participants questioned to whom the ad was directed – was it directed at Canadians to encourage whistle blower behaviour or was it directed at tax scheme promoters to advise them of the legal ramifications? The most troubling aspect of the video, for participants, however, seemed to be tied to the production value. There was a sense that the approach was a little “corny”, “outdated” and “melodramatic” which caused most to question its credibility and whether they would notice this ad online or in their social media feeds.

Worth noting, however, those in the higher income group in Toronto appreciated the more serious tone. Indeed, many came away with an understanding of the seriousness of the issue and the fact that it is a bigger issue than they thought.

After having watched these videos, over half (61%) claim to be more confident in their ability to recognize illegal tax schemes, including among those who were previously not confident in their ability to do so (60%). Respondents aged 18-34 are more likely to report feeling more confident (66%). Respondents aged 55 or older are more likely than respondents in younger age categories to say that the videos have not changed their confidence level (38% vs. 25% of those 18-34). French speakers are less likely than English speakers to feel more confident – 54% report that they are somewhat more or much more confident, compared to 62% of English speakers.

Change in Confidence to Detect Illegal Tax Schemes



Q32. After having watched these three videos, how much more or less confident are you that you know when to be suspicious of an offer to help you reduce your federal taxes? Base: n=1005.

CRA as a Source of Information

The CRA is widely viewed as credible when it is communicating about illegal tax schemes. Over half say the Agency is very credible (53%) while a third say it is somewhat credible. The proportion who view the CRA as very credible is slightly lower among respondents aged 18-34 (48%) and Quebeckers (43%).

Credibility of the CRA Communication About Tax Schemes	
Very credible	53%
Somewhat credible	33%
Not very credible	6%
Not at all credible	2%
Don't know/Prefer not to say	6%

Q33. How would you rate the credibility of the Canada Revenue Agency when they communicate about illegal tax schemes? Base: n=1005.

Almost all respondents feel it is appropriate for the CRA to educate Canadians about illegal tax schemes. In fact, almost three-quarters (73%) feel education from the CRA is very appropriate. Any demographic variations in this view are a matter of degree, not direction. Slightly fewer men (67%), Quebeckers (63%) and French speakers (60%) view the CRA's education as very appropriate, but in each case the vast majority feel it is at least somewhat appropriate.

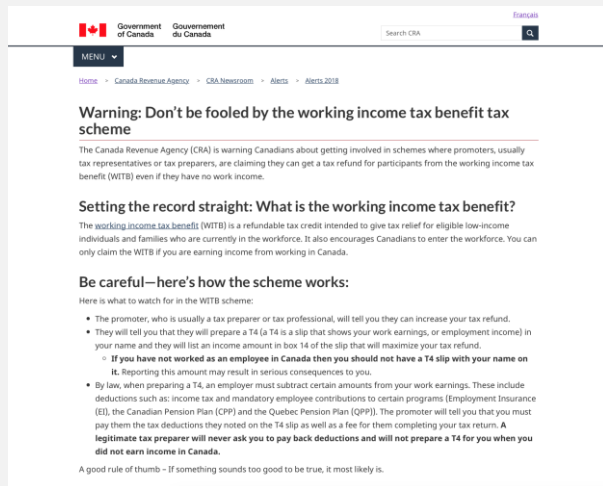
CRA Education About Illegal Tax Schemes	
Very appropriate	73%
Somewhat appropriate	19%
Not appropriate	4%
Don't know/Prefer not to say	3%

Q34. How appropriate is it for the Canada Revenue Agency to educate Canadians about illegal tax schemes? Base: n=1005.

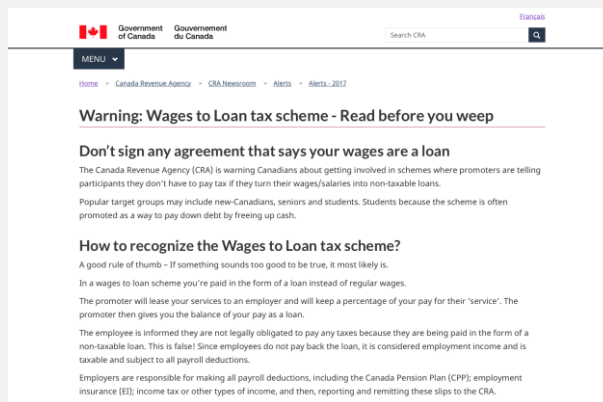
Qualitative Insights: CRA Tax Alerts

As part of the discussion groups, participants were asked to review the content of two different alerts that are available on the CRA’s website. The following are screen shots of part of the content; the alerts can be accessed through the hyperlinked titles provided below, and can also be found amongst others at the alerts website of Canada.ca <https://www.canada.ca/en/revenue-agency/news/newsroom/alerts.html>.

Alert: Income Tax Benefit Tax Scheme



Alert: Wages to Loan Tax Scheme



Reactions to the alerts were overwhelmingly positive. Participants felt that the information was clear, easy to understand, well presented and credible. Most really appreciated the examples of tax schemes and felt it was appropriate and important for the CRA to alert Canadians.

Some questioned how they would receive these alerts. If only available on the website, many worried they would not see them. As a result, there were suggestions that the CRA’s homepage should feature alerts prominently but that it may also be good to email them or release them to the media (as is done for food recalls). Some also suggested including the alerts with the tax forms (mentioned as available in the post office) and as part of the online tax filing software/process; notes users have to read before preparing their income taxes.

Qualitative Insights: Preferred Modes of Communication

In terms of preferred modes of communication, participants provided a variety of suggestions.

Those in the lower income groups seemed to prefer traditional forms of communication such as television, radio, and public transportation, as well as, social media (i.e., Instagram, Facebook and YouTube).

Those in the higher income groups seemed to prefer more direct contact such as mail and email as they felt it was more official because the CRA could use identifiable information that they would see as legitimate.

There was a sense that connecting with new Canadians needs to be deliberate and targeted. Some participants reinforced the need for communications in the target population’s language. They suggested reaching out to local community centres, including post offices, libraries and community groups as a more effective way to reach new Canadians.

CONCLUSIONS AND RECOMMENDATIONS

The CRA commissioned this research to address the issue of tax schemes, develop strategies to combat tax avoidance, investigate the effectiveness of current promoter compliance measures, tools, and initiatives and determine how best to communicate with Canadians about these topics. The research suggests that awareness of and familiarity with tax schemes is low and that the CRA is well positioned to educate the population about tax schemes and how to recognize them.

The study demonstrates that paying federal taxes is widely accepted as a responsibility shared by all, but the results also clearly indicate that most are concerned about paying more than is absolutely necessary. Most agree it is important that everyone pays their fair share of taxes, but also view taking any legal steps to minimize the taxes they owe as legitimate.

Although well over half of respondents describe themselves as knowledgeable about how to prepare their own taxes, about half feel they are either not very or not at all knowledgeable about how to minimize the amount of federal taxes they pay. As a result, it is not surprising to see that the majority of respondents indicate they would be interested in hearing about opportunities to reduce the amount they owe. Taken together, it means a fairly large segment of respondents are receptive to information on reducing their federal taxes.

Though they are open to learning more about tax reduction opportunities, most respondents are skeptical or unsure of offers that seem “too good to be true”. Upon studying the examples of tax schemes presented in the focus group, most felt that terms such as, “guaranteed”, “we do all the work”, and “the numbers speak for themselves” and the financials were red flags. That said, few feel very confident in their ability to recognize a tax scheme and awareness of the term itself is low. In fact, Francophone participants did not feel the term necessarily has a negative connotation.

While respondents themselves may not feel confident they can identify an illegitimate scheme when they see one, there is certainly confidence that the CRA identifies such schemes. Further, the findings suggest there is an important role for the CRA to play in educating Canadians about tax schemes and that the language the Agency uses may need to be adjusted in order to communicate clearly with some audiences.

Respondents and focus group participants appreciated the video messages although some approaches were felt to be more effective than others. For the most part, the messages were clear and the information useful. More respondents reported feeling very confident in their ability to recognize a tax scheme after seeing the videos. Participants in the groups also responded favourably to the CRA Tax Alerts but might not see them if they are only posted to the CRA’s website. They suggested wider distribution to the media, organizations involved in tax preparation and tax software tools. Unlike the videos about tax schemes and the CRA Tax Alerts, the video about the Criminal Investigations Program received mostly negative feedback – participants in the focus groups had difficulty identifying the target audience and found the low production quality undermined the information being presented. Overall, the communications tools were met with generally positive feedback, but some could be further refined to ensure they both reach the intended audience and communicate the intended messages clearly.

Over half of the respondents in this study already rely on the CRA for advice about their taxes and most view the Agency as both a credible and appropriate source of information about tax schemes. However, the CRA should also note that an even greater proportion rely on family and friends for tax advice, and that those with higher incomes are more likely to pay someone, whether a financial advisor or accountant, to help them prepare or minimize their taxes. Consequently, the CRA should consider what information Canadians receive from these sources in its communication strategy around tax schemes.

APPENDIX A: SURVEY METHODOLOGY REPORT

Survey Methodology

Earnscliffe Strategy Group’s overall approach for this study was to conduct an online survey of Canadians aged 18 years or older using Léger’s online proprietary panel. A detailed discussion of the approach used to complete this research is presented below.

Questionnaire Design

The questionnaire for this study was designed by Earnscliffe in consultation with the CRA and provided for fielding to Léger. The survey was offered to respondents in both English and French and completed based on their preferences.

Sample Design and Selection

The sampling plan for the study was designed by Earnscliffe in collaboration with the CRA. The sample was drawn by Leger based on Earnscliffe’s instructions from their proprietary online panel.

Data Collection

The online survey was conducted in English and French from February 4-10, 2019. The survey was undertaken by Leger.

Targets/Weighting

The sample was targeted to the region, age and gender quotas.

The final data were weighted based on 2016 Census information. Weighting was applied based on region, age and gender statistics to help ensure that the final dataset was in proportion to the Canadian population aged 18 and older.

Quality Controls

Leger conducted a soft-launch pre-test of the survey, and Earnscliffe reviewed the data to ensure that all skip patterns were working and that all respondents were completing the survey in an appropriate amount of time.

Results

FINAL DISPOSITIONS

A total of 1,557 individuals entered the online survey, of which 1,005 qualified as eligible and completed the survey.

Disposition	Count
Total Entered Survey	1557
Completed	1005
Not Qualified/Screen out/over quota	449
Suspend/Drop-off	103

NON RESPONSE

Respondents for the online survey were selected from among those who have volunteered to participate in online surveys by joining an online opt-in panel. The notion of non response is more complex than for random probability studies that begin with a sample universe that can, at least theoretically, include the entire population being studied. In such cases, non response can occur at a number of points before being invited to participate in this particular survey, let alone in deciding to answer any particular question within the survey.

That being said, in order to provide some indication of whether the final sample is unduly influenced by a detectable non response bias, we provide the tables below comparing the unweighted and weighted distributions of each sample’s demographic characteristics.

All weighting was determined based upon the most recent Census data available from Statistics Canada. The variables used for the weighting of each sample were age and gender within each region.

SAMPLE PROFILE: UNWEIGHTED VERSUS WEIGHTED DISTRIBUTIONS

Region	Online	
	Unweighted Sample	Weighted Sample
Atlantic	67	68
Quebec	234	235
Ontario	386	388
Manitoba/Saskatchewan	65	66
Alberta	114	114
British Columbia	139	134

Age	Online	
	Unweighted Sample	Weighted Sample
18-34	277	289
35-54	343	346
55+	385	370

Gender	Online	
	Unweighted Sample	Weighted Sample
Male	491	494
Female	514	511

Education	Online	
	Unweighted Sample	Weighted Sample
Some high school/High school diploma	258	258
Apprenticeship/Trade cert/College/CEGEP	310	308
Some/Graduated university (Bachelor’s level)	325	326
Post graduate degree above bachelor’s level	103	103
Prefer not to answer	9	9

Employment Status	Online	
	Unweighted Sample	Weighted Sample
Working full-time, that is, 35 or more hours per week	367	373
Working part-time, that is, less than 35 hours per week	87	87
Self-employed	71	72
Unemployed, but looking for work	38	39
A student attending school full-time	95	97
Retired	251	241
Not in the workforce (full-time homemaker, unemployed, not looking for work, unable to work)	84	84
Don’t know/Prefer not to answer	12	12

Income	Online	
	Unweighted Sample	Weighted Sample
Under \$40,000	251	251
\$40,000-\$60,000	148	149
\$60,000-\$80,000	125	125
\$80,000-\$100,000	135	134
\$100,000-\$150,000	141	141
\$150,000+	84	85
Prefer not to answer	121	120

MARGIN OF ERROR

Respondents for the online survey were selected from among those who have volunteered to participate/registered to participate in online surveys. The data have been weighted to reflect the demographic composition of the Canadian population aged 18 and older. Because the sample is based on those who initially self-selected for participation in the panel, no estimates of sampling error can be calculated. The treatment here of the non-probability sample is aligned with the Standards for the Conduct of Government of Canada Public Opinion Research for online surveys.

SURVEY DURATION

The mean length of survey was 13 minutes.

APPENDIX B: SURVEY INSTRUMENT

Landing Page

Thank you for agreeing to take part in this survey. We anticipate that the survey will take approximately 10 minutes to complete.

[NEXT]

Introduction

Background information

This research is being conducted by Earnscliffe Strategy Group, a Canadian public opinion research firm on behalf of the Canada Revenue Agency, a department of the Government of Canada.

The purpose of this online survey is to better understand Canadians' opinions and behaviours relating to personal finances.

How does the online survey work?

- You are being asked to offer your opinions and experiences through an online survey.
- We anticipate that the survey will take 10 minutes to complete.
- Your participation in the survey is completely voluntary.
- Your decision on whether or not to participate will not affect any dealings you may have with the Government of Canada or the Canada Revenue Agency.

What about your personal information?

- The personal information you provide is governed in accordance with the Privacy Act and is being collected in accordance with the Treasury Board Directive on Privacy Practices. We only collect the information we need to conduct the research project.
- Purpose of collection: We require your personal information such as demographic information to better understand the topic of the research. However, your responses are always combined with the responses of others for analysis and reporting; you will never be identified.
- For more information: This personal information collection is described in the standard personal information bank Public Communications – PSU 914, in Info Source, available online at infosource.gc.ca.
- Your rights under the Privacy Act: In addition to protecting your personal information, the Privacy Act gives you the right to request access to and correction of your personal information. You also have the right to file a complaint with the Privacy Commissioner of Canada if you think your personal information has been handled improperly.

If you have any questions about the survey, you may contact Earnscliffe at research@earnsccliffe.ca.

Your help is greatly appreciated, and we look forward to receiving your feedback. **[CONTINUE TO Q1]**

Section 1: Screening

1. Do you or does someone in your household or immediate family work for any of the following? [SELECT ALL THAT APPLY.]

A marketing research firm	1
A magazine or newspaper	2
An advertising agency or graphic design firm	3
A political party	4
A radio or television station	5
A public relations company	6
The federal, provincial or municipal government	7
An accounting firm or tax preparation organization	8
None of these organizations	9

IF Q1=9 CONTINUE, OTHERWISE THANK AND TERMINATE.

2. What gender do you identify with?

Male	1
Female	2
Other gender identity	3
Prefer not to answer	9

3. In what year were you born?

[INSERT YEAR]

4. Which of the following provinces or territories do you live in?

Newfoundland and Labrador	1
Nova Scotia	2
Prince Edward Island	3
New Brunswick	4
Quebec	5
Ontario	6
Manitoba	7
Saskatchewan	8
Alberta	9
British Columbia	10
Yukon	11
Nunavut	12
Northwest Territories	13
Prefer not to say [TERMINATE]	99

Section 2: Current Behaviours

5. The first questions are about the kinds of individuals or organizations that people sometimes rely upon for advice, education or help when it comes to ensuring they pay no more federal tax than they have to. For each of the following, please indicate whether you have relied upon them or not in the past and whether you might consider or not. [RANDOMIZE]

- a) Your financial institution or bank
- b) An accountant or accounting firm
- c) A financial planner
- d) A member of your family or a personal friend
- e) The Canada Revenue Agency (e.g., CRA website, call-centre, printed material, etc.)
- f) The news media
- g) A person or firm focused primarily on tax preparation or tax reduction

Have not relied upon and would not consider it	1
Have not relied upon, but might consider it	2
Have relied upon and would NOT do so again	3
Have relied upon and might or might not do so again	4
Have relied upon and would do so again	5
Prefer not to say	8
Don't know	9

6. Have you ever paid someone to help you prepare or reduce your federal taxes?

No	1
Yes	2
Prefer not to say	8
Don't know	9

7. How knowledgeable would you say you are about determining the federal taxes you owe?

Not at all knowledgeable	1
Not very knowledgeable	2
Somewhat knowledgeable	3
Very knowledgeable	4
Prefer not to say	8
Don't know	9

8. How knowledgeable would you say you are about how to minimize the amount of federal taxes you owe?

Not at all knowledgeable	1
Not very knowledgeable	2
Somewhat knowledgeable	3
Very knowledgeable	4
Prefer not to say	8
Don't know	9

9. How concerned are you about whether you are paying more in federal taxes than you absolutely have to?

Not at all concerned	1
Not very concerned	2
Somewhat concerned	3
Very concerned	4
Prefer not to say	8
Don't know	9

Section 3: Impressions of Tax Schemes

10. In the past few months, have you seen, read or heard anything about financial products you could buy or business opportunities in which you could invest, where the main benefit would be to reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund?

No, do not recall	1
Yes, vaguely recall	2
Yes, clearly recall	3
Prefer not to say	8
Don't know	9

11. [IF Q10=2 or 3] Were you offered the chance to buy one of these products or invest in one of these business opportunities?

No	1
Yes	2
Prefer not to say	8
Don't know	9

12. [IF Q11=2] Did you buy one of these products or invest in one of these business opportunities?

No	1
Yes	2
Prefer not to say	8
Don't know	9

13. If offered, how interested would you be in hearing about financial products you could buy or business opportunities in which you could invest, where the main benefit would be to reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund?

Not at all interested	1
Not very interested	2
Somewhat interested	3
Very interested	4
Prefer not to say	8
Don't know	9

14. If a professional you did not know told you there is a financial product you could buy or a business opportunity in which you could invest, that could reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund, how would you feel about that offer?

Would feel skeptical of that offer	1
Unsure of whether to be skeptical or not	2
Would feel it is legitimate	3
Prefer not to say	8
Don't know	9

15. Please indicate how strongly you agree or disagree with each of the following statements. [RANDOMIZE]

- a) I expect that there probably are ways to reduce my federal taxes that I'm not aware of
- b) The idea that there is a financial product or a business opportunity that could reduce the amount of federal tax I would have to pay is too good to be true
- c) I'm always willing to hear about ways I can reduce the amount of federal taxes I pay
- d) It's important that everyone pays their fair share of federal taxes
- e) It's perfectly acceptable for someone to do everything they can to legally reduce the amount of federal taxes they owe
- f) I like to keep my tax planning and tax returns as simple and uncomplicated as possible
- g) I'm confident I know what I'm allowed and not allowed to do to reduce the amount of federal tax I pay
- h) I expect some of the legal ways to minimize the federal taxes I pay could be pretty complicated
- i) I expect that the Canada Revenue Agency is very good at noticing when someone is trying to get away with an illegal tax scheme
- j) I expect the penalties are pretty severe for anyone who gets caught trying to get away with an illegal tax scheme in Canada

Strongly disagree	1
Disagree	2
Neither agree nor disagree	3
Agree	4
Strongly agree	5
Prefer not to say	8
Don't know	9

Section 4: Avoiding Illegal Tax Schemes

16. How confident would you say you are that you could tell the difference between the offer of an illegal tax scheme and the offer to help you reduce the federal taxes you owe or pay that the law allows?

Not confident at all	1
Not very confident	2
Somewhat confident	3
Very confident	4
Prefer not to say	8
Don't know	9

17. To the best of your knowledge, have you ever been invited to participate in an illegal tax scheme – either by mail, email, telephone, in-person or online?

No, I have not	1
Yes, I think I have	2
Yes, I definitely have	3
Prefer not to say	8
Don't know	9

18. Have you ever been given advice on how to avoid being part of an illegal tax scheme – either by mail, email, telephone, in-person or online?

No, I have not	1
Yes, I think I have	2
Yes, I definitely have	3
Prefer not to say	8
Don't know	9

19. [IF Q18=2 or 3] Have you received advice on how to avoid being part of an illegal tax scheme from the following? [SELECT ALL THAT APPLY]

Government of Canada/Canada Revenue Agency	1
Financial institution (e.g., your bank)	2
Financial adviser or planner	3
Accounting firm	4
News media	5
Other (SPECIFY)	6
Prefer not to say	8
Don't know	9

Section 5: Testing Video Messages

The next few questions are to gather your impressions of messages that the Canada Revenue Agency (CRA) has shared to help Canadians avoid being part of an illegal tax scheme.

You're going to be shown three different videos. In each case, you will be asked your overall favourability as well as questions about how easy it is to understand the message and how helpful the information is for knowing when to be suspicious of an offer to reduce your federal taxes. [RANDOMIZE ORDER OF TESTING EACH SPOT]

Click NEXT to continue to the first video.

VIDEO A: How to recognize a tax scheme promoter

<https://www.youtube.com/watch?v=ZKLaN-5I1uQ&index=4&list=PLWsWrJHQsliuyqKIM--nKyCtJUwmO8CXI>

20. Overall, what is your impression of this video?

Very unfavourable	1
Somewhat unfavourable	2
Neutral	3
Somewhat favourable	4
Very favourable	5
Prefer not to say	8
Don't know	9

21. How easy was it to understand the messages presented in this video?

Not at all easy	1
Not very easy	2
Somewhat easy	3
Very easy	4
Prefer not to say	8
Don't know	9

22. How helpful are the messages presented in this video?

Not at all helpful	1
Not very helpful	2
Somewhat helpful	3
Very helpful	4
Prefer not to say	8
Don't know	9

23. How likely would you be to notice this if you came across a link to it as an online ad or in your social media feed?

Not at all likely	1
Not very likely	2
Possibly	3
Definitely	4
Prefer not to say	8
Don't know	9

VIDEO B: What is a tax scheme?

<https://www.youtube.com/watch?v=InkTg01Xwik&list=PLWsWrJHQsliuyqKlM--nKyCtJUwmO8CXI&index=1>

24. Overall, how favourable or unfavourable an impression do you have of this video?

Very unfavourable	1
Somewhat unfavourable	2
Neutral	3
Somewhat favourable	4
Very favourable	5
Prefer not to say	8
Don't know	9

25. How easy was it to understand the messages presented in this video?

Not at all easy	1
Not very easy	2
Somewhat easy	3
Very easy	4
Prefer not to say	8
Don't know	9

26. How helpful are the messages presented in this video?

Not at all helpful	1
Not very helpful	2
Somewhat helpful	3
Very helpful	4
Prefer not to say	8
Don't know	9

27. How likely would you be to notice this if you came across a link to it as an online ad or in your social media feed?

Not at all likely	1
Not very likely	2
Possibly	3
Definitely	4
Prefer not to say	8
Don't know	9

VIDEO C: What do tax schemes offer?

https://www.youtube.com/watch?v=LEM_I8qk2Ik&list=PLWsWrJHQSluyqKIM--nKyCtJUwmO8CXI&index=2

28. Overall, how favourable or unfavourable an impression do you have of this video?

Very unfavourable	1
Somewhat unfavourable	2
Neutral	3
Somewhat favourable	4
Very favourable	5
Prefer not to say	8
Don't know	9

29. How easy was it to understand the messages presented in this video?

Not at all easy	1
Not very easy	2
Somewhat easy	3
Very easy	4
Prefer not to say	8
Don't know	9

30. How helpful are the messages presented in this video?

Not at all helpful	1
Not very helpful	2
Somewhat helpful	3
Very helpful	4
Prefer not to say	8
Don't know	9

31. How likely would you be to notice this if you came across a link to it as an online ad or in your social media feed?

Not at all likely	1
Not very likely	2
Possibly	3
Definitely	4
Prefer not to say	8
Don't know	9

32. After having watched these three videos, how much more or less confident are you that you know when to be suspicious of an offer to help you reduce your federal taxes?

Much less confident	1
Somewhat less confident	2
These videos have not changed my level of confidence	3
Somewhat more confident	4
Much more confident	5
Prefer not to say	8
Don't know	9

Section 6: CRA as a Source of Information

33. How would you rate the credibility of the Canada Revenue Agency when they communicate about illegal tax schemes?

Not at all credible	1
Not very credible	2
Somewhat credible	3
Very credible	4
Prefer not to say	8
Don't know	9

34. How appropriate is it for the Canada Revenue Agency to educate Canadians about illegal tax schemes?

Not at all appropriate	1
Not very appropriate	2
Somewhat appropriate	3
Very appropriate	4
Prefer not to say	8
Don't know	9

Section 7: Demographics

The last few questions are strictly for statistical purposes. All of your answers are completely confidential.

35. What is the language you speak most often at home?

English	1
French	2
Other (SPECIFY)	3
Prefer not to answer	9

36. What is the highest level of schooling that you have completed?

Grade 8 or less	1
Some high school	2
High school diploma or equivalent	3
Registered apprenticeship or other trades certificate or diploma	4
College, CEGEP or other non-university certificate or diploma	5
University certificate or diploma below bachelor's level	6
Bachelor's degree	7
Post graduate degree above bachelor's level	8
Prefer not to say	9

37. What is your current employment status?

Student	1
Self-employed	2
Employed (full time)	3
Employed (part time)	4
Unemployed (looking for work)	5
Unemployed (not currently looking for work)	6
Unable to work	7
Retired	8
Homemaker	9
Prefer not to say	88
Don't know	99

38. What are the first three digits of your postal code?

[INSERT FIRST THREE DIGITS OF POSTAL CODE. FORMAT A1A]	
Prefer not to answer	9

39. Which of the following categories best describes your total household income for 2018? That is, the total income of all persons in your household combined, before taxes?

Under \$20,000	1
\$20,000 to just under \$40,000	2
\$40,000 to just under \$60,000	3
\$60,000 to just under \$80,000	4
\$80,000 to just under \$100,000	5
\$100,000 to just under \$150,000	6
\$150,000 to just under \$200,000	7
\$200,000 and above	8
Prefer not to answer	9

40. Were you...?

Born in Canada	1
Born outside of Canada	2
Prefer not to answer	9

41. [IF Q40=2] For how many years have you lived in Canada?

Less than a year	1
1-5 years	2
6-10 years	3
Over 10 years	4
Prefer not to answer	9

This concludes the survey. Thank you for your participation!

Looking for information about tax schemes and how to avoid them?

Visit <https://www.canada.ca/en/revenue-agency/campaigns/tax-schemes.html>.

APPENDIX C: DISCUSSION GUIDE

INTRODUCTION	10 MIN	10 MIN
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Moderator introduces herself and her role: role of moderator is to ask questions, make sure everyone has a chance to express themselves, keep track of the time, be objective/no special interest.

- The name of the firm the moderator works for, and the type of firm that employs them (i.e. an independent marketing research firm)
- The research purpose and research sponsor, described, at a minimum (in this case as the Government of Canada).
- Role of participants: speak openly and frankly about opinions, remember that there are no wrong answers and no need to agree with each other
- Results are confidential and reported all together/individuals are not identified/participation is voluntary.
- The length of the session (1.5 hours)
- The presence of any observers, their role and purpose, and the means of observation (one-way mirror, teleconference/webstreaming; colleagues viewing in the back room and listening in remotely)
- The presence and purpose of any recording being made of the session (audio and video taping of the discussion)
- Turn off cell phones for the duration of the discussion

Moderator will go around the table and ask participants to introduce themselves.

WARM-UP: GENERAL CONTEXT	10 MIN	20 MIN
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Tonight, we are going to be discussing income taxes.

- First, can you tell me whether you prepare your income tax return yourself or if you get help? [IF GET HELP:] Who helps you? Probe: an accountant/accounting firm; a tax preparation company (e.g. H&R Block), a financial planner; a member of your family/personal friend, a volunteer, etc.).
- Now, how knowledgeable would you say you are about determining the federal taxes you owe?
- And how knowledgeable would you say you are about how to minimize the amount of federal taxes you owe?
 - Where did you get this knowledge?
 - Is minimizing or reducing the amount of federal taxes you owe something you try to do? Describe what you do.
 - Have you ever relied on someone else for advice about how to minimize the amount of federal taxes you owe? Why or why not?
 - Whose advice did you rely on?
 - What advice did they give you?
 - Do you ever receive marketing or advertising or pitches from a company or person offering advice about how to minimize the amount of federal taxes you owe?
 - If so, what kind of people or companies are you thinking of?
 - What do you think of these offers or pitches? (Credible? Of interest?)
 - Is this something for you or for someone else or is this something no one should do? Why do you say that?

AWARENESS OF TAX SCHEMES

10 MIN

30 MIN

- [HANDS UP] Has anyone read, heard or seen anything about financial products you could buy or business opportunities in which you could invest, where the main benefit would be to reduce the amount of federal taxes you would have to pay, possibly even resulting in a tax refund?
 - Where did you hear about it?
 - What did you hear? What was the main message?
 - What do you think about the product(s)? Probe: interest; appeal; fit for you
- [HANDS UP] Has anyone been offered the chance to buy one of these products or invest in one of these business opportunities?
- [HANDS UP] Has anyone ever bought one of these products or invested in one of these business opportunities? Why or why not?
- If a professional you did not know told you there was a financial product you could buy or a business opportunity in which you could invest, that could reduce the amount of federal tax you would have to pay, possibly even resulting in a tax refund, how would you feel about that offer? Why do you say that?

These products or business opportunities are sometimes referred to as “tax schemes”.

- When you hear that term, “tax schemes”, what do you think of? What do you think it refers to?
 - Do you associate it with something positive or negative? Why do you say that?

IMPRESSIONS OF TAX SCHEMES

20 MIN

50 MIN

- How confident would you say you are that you could tell the difference between the offer of an abusive tax scheme and the offer to help reduce the federal taxes you owe or pay that the law allows? Why do you feel that way?
 - In what circumstances would you be concerned about whether someone was not legitimate and when would you not (be concerned)?
 - If you were not sure, what would you do?
- To the best of your knowledge, have you ever been invited to participate in an abusive tax scheme – either by mail, email, telephone or online?

I’d like to show you an example of a tax scheme. It could go something like this:

[SHOW SLIDE 1] *Are you interested in an amazing business opportunity with a company in full development that meets the needs of small businesses through an innovative product?*

How about an investment without a liquidity problem and impressive tax benefits?

You can be a part of this amazing venture through the purchase of a Franchise.

What does your franchise sell? High tech yet affordable business software to make everyday tasks simpler. Every small business across the country will be signing up!

We take care of everything! You purchase the right to sell to small businesses in a specific Region but we do all the work! We operate the franchise and send you the paperwork you require at tax time. You receive tax benefits due to accelerated depreciation related to the software which also provides a cash flow through the tax advantage. What could be easier?

[SHOW SLIDE 2] The numbers speak for themselves! You can purchase however many franchises you need to meet your needs!

- Based on this example, what do you think of these kinds of abusive tax schemes? Why?
- How does it make you feel?
- Could you see yourself taking advantage of something like this? Why or why not?
- Have you ever received advice on how to avoid being part of an abusive tax scheme?
 - From whom? *Probe: Government of Canada/Canada Revenue Agency; a financial institution; a financial adviser or planner; an accountant/accounting firm; the news media, other*
 - How did the topic come up?
 - What advice did they give you?

REACTIONS TO VIDEO MESSAGES

15 MIN

65 MIN

Now, we will be reviewing video messages that were developed by the Canada Revenue Agency. We have two different concepts to show you. We will look at each one-by-one.

[MODERATOR TO PLAY EACH VIDEO TWICE. ORDER OF VIDEOS WILL BE SHOWN IN RANDOMIZED ORDER. MODERATOR TO LEAD A DISCUSSION ABOUT EACH VIDEO BASED ON THE FOLLOWING PROMPTS.]

- What is your overall impression of this video? Why do you say that?
- What was the main message(s) or idea(s) conveyed by the video?
- What did you like/dislike?
- What about the approach taken/tone of the ad? Was it appropriate? Why or why not?
- Was it credible/believable? Why or why not?
- Would this video capture your attention if you came across a link to it online or in your social media feed? Why or why not?
- Is it appropriate for the Canada Revenue Agency/Government of Canada to provide this kind of information? Why or why not?
- If you saw this ad, would it motivate you to take action? Why or why not?
 - What type of actions? *Probe: talk to someone, look for more information, etc.?*

REPERCUSSIONS OF ABUSIVE TAX SCHEMES

10 MIN

75 MIN

- How easy do you think it is for the Canada Revenue Agency to identify those trying to take advantage of an abusive tax scheme on their taxes? Why?
- How likely is it that someone participating in one of these schemes is ever investigated or prosecuted?
- What do you think are the repercussions for those found guilty of an abusive tax scheme on their taxes?
 - For the people who buy the products?
 - For the people who sell the products?
- How easy or hard do you think it is to identify those responsible for abusive tax schemes? Why?
 - What do you think the Canada Revenue Agency is doing to locate and penalize those responsible for these abusive tax schemes? Why?
 - How effective do you think they are?

- Those who choose to participate in these schemes, as well as those who promote these schemes, face serious consequences, including penalties, court fines and even jail time. Participants are also required to pay back the taxes they owe with interest. What do you think about this? Why?

REACTIONS TO TAX ALERTS

10 MIN

85 MIN

I would like to take a few minutes to review a couple of tax alerts that the CRA has produced to educate Canadians about abusive tax schemes.

[MODERATOR TO SHOW EACH TAX ALERT ON SCREEN ONE AT A TIME.]

- [HANDS UP] Has anyone ever seen one of these alerts before? [IF YES] Where?
- What is your overall impression? What do you think of the information presented here? Why do you say that?
- What was/were the main message(s) or idea(s) conveyed?
- Is the information clear and easy to understand? Why or why not?
- Was it credible/believable? Why or why not?
- Is it appropriate for the Canada Revenue Agency/Government of Canada to provide this kind of information? Why or why not?
- If you saw this alert, would it motivate you to take action? Why or why not?
 - What type of actions? Probe: talk to someone, look for more information, etc.?
- Do you have any suggestions for improvements to these alerts?

COMMUNICATIONS NEEDS

5 MIN

90 MIN

- How best would you like to receive this kind of information from the Government? What is the best way for them to reach you?
- What are your preferred sources of information? Probe: specific sources if respondents mention general categories such as newspaper, radio, television, social media, etc.

CONCLUSION

MODERATOR TO CHECK IN THE BACK ROOM AND PROBE ON ANY ADDITIONAL AREAS OF INTEREST.

- This concludes what we needed to cover tonight. We really appreciate you taking the time to come down here to share your views. Your input is very important.
- Reminder to those in the first group about reserving comments so as not to influence those waiting at reception for the next group.

APPENDIX D: SCREENER

GROUP 1 NON-AFFLUENT	GROUP 2 AFFLUENT
<ul style="list-style-type: none"> ▪ Canadians with family gross income of LESS THAN \$150,000 (QS5) ▪ Aim for 2 new Canadians (QS6 & QS7) ▪ Good mix of demos (gender, age, household situation, ethnicity, etc.) ▪ Recruit 8 for 6 to show ▪ Honorarium is \$120 	<ul style="list-style-type: none"> ▪ Canadians with family gross income of MORE THAN \$150,000 (QS5) ▪ Aim for 2 new Canadians (QS6 & QS7) ▪ Good mix of demos (gender, age, household situation, ethnicity, etc.) ▪ Recruit 8 for 6 to show ▪ Honorarium is \$120
Toronto Tuesday, February 26, 2019	
Group 1: Non-affluent	5:30 pm
Group 2: Affluent	7:00 pm
MONTREAL Wednesday, February 27, 2019	
Group 1: Non-affluent	5:30 pm
Group 2: Affluent	7:00 pm
VANCOUVER Thursday, February 28, 2019	
Group 1: Non-affluent	5:30pm
Group 2: Affluent	7:00pm

Respondent's name:	Interviewer:
Respondent's phone number: (home)	Date:
Respondent's phone number: (work)	Validated:
Respondent's fax number:	Quality
Respondent's email:	Central:
Sample source: panel random client referral	On list:
	On quotas:

Hello/Bonjour, my name is _____ and I'm calling on behalf of the Earnscliffe Strategy Group, a national public opinion research firm.

Would you prefer that I continue in English or French? Préférez-vous continuer en français ou en anglais? **[IF FRENCH, CONTINUE IN FRENCH OR ARRANGE A CALL BACK WITH FRENCH INTERVIEWER: Nous vous rappellerons pour mener cet entretien en français. Merci. Au revoir].**

We are organizing a series of discussion groups on behalf of the Canada Revenue Agency. The Canada Revenue Agency is interested in understanding Canadians' awareness of and attitudes towards tax schemes. We are looking for people who would be willing to participate in a discussion group that will last up to an hour and a half. These people must be 18 years of age or older. Up to 8 participants will be taking part and, as a token of our appreciation for their time, they will receive an honorarium. May I continue?

Yes CONTINUE
 No THANK AND TERMINATE

Participation is voluntary. We are interested in hearing your opinions; no attempt will be made to sell you anything or change your point of view. The format is a 'round table' discussion led by a research professional. All information collected, used and/or disclosed will be used for research purposes only and the research is entirely

confidential. But before we invite you to attend, we need to ask you a few questions to ensure that we get a good mix and variety of people. May I ask you a few questions? This should only take 5 minutes.

- Yes CONTINUE
- No THANK AND TERMINATE

READ TO ALL: “This call may be monitored or audio taped for quality control and evaluation purposes. ADDITIONAL CLARIFICATION IF NEEDED:

- To ensure that I (the interviewer) am reading the questions correctly and collecting your answers accurately;
- To assess my (the interviewer) work for performance evaluation;
- To ensure that the questionnaire is accurate/correct (i.e. evaluation of programming – we’re asking the right questions to meet our clients’ research requirements – kind of like pre-testing)
- If the call is audio taped, it is only for the purposes of playback to the interviewer for a performance evaluation immediately after the interview is conducted or it can be used by the Project Manager/client to evaluate the questionnaire if they are unavailable at the time of the interview – all audio tapes are destroyed after the evaluation.

S1. Do you or any member of your household currently work for or have you or has any member of your household ever worked for...

	Yes	No
A marketing research firm, a communications or a creative agency	1	2
A magazine or newspaper, online or print	1	2
A radio or television station	1	2
A public relations company	1	2
An online media company or as a blog writer	1	2
The government, whether federal, provincial or municipal	1	2
An accounting firm or tax preparation organization (e.g. H&R Block)	1	2

IF “YES” TO ANY OF THE ABOVE, THANK AND TERMINATE.

S2. **DO NOT ASK – NOTE GENDER**

- Male 1 *ENSURE GOOD MIX OF GENDER*
- Female 2

S3. Could you please tell me which of the following age categories you fall into? Are you...

- | | | |
|-------------|---|-------------------------------|
| 18-24 years | 1 | <i>ENSURE GOOD MIX OF AGE</i> |
| 25-29 years | 2 | |
| 30-34 years | 3 | |
| 35-44 years | 4 | |
| 45-54 years | 5 | |
| 55-64 years | 6 | |
| 65-74 years | 7 | |
| 75+ | 8 | THANK AND TERMINATE |
| DK/NR | 9 | THANK AND TERMINATE |

S4. What is your current employment status?

- | | | |
|------------------------|---|---------------------|
| Working full-time | 1 | |
| Working part-time | 2 | |
| Self-employed | 3 | |
| Retired | 4 | |
| Unemployed | 5 | |
| Student | 6 | |
| Stay at home parent | 7 | |
| Other (please specify) | 8 | |
| DK/NR | 9 | THANK AND TERMINATE |

S5. Which of the following categories best describes your total household income? That is, the total income of all persons in your household combined, before taxes? **READ LIST**

- | | | |
|------------------------------|----|------------------------------------|
| Under \$20,000 | 1 | } CONTINUE FOR GROUP 1, ENSURE MIX |
| \$20,000 to under \$40,000 | 2 | |
| \$40,000 to under \$60,000 | 3 | |
| \$60,000 to under \$80,000 | 4 | |
| \$80,000 to under \$100,000 | 5 | |
| \$100,000 to under \$150,000 | 6 | |
| \$150,000 to under \$200,000 | 7 | } CONTINUE FOR GROUP 2, ENSURE MIX |
| \$200,000 to under \$250,000 | 8 | |
| \$250,000 to under \$300,000 | 9 | |
| \$300,000 or more | 10 | |
| DK/NR | 99 | THANK AND TERMINATE |

GROUP 1 [NON-AFFLUENT]: HOUSEHOLD INCOME IS LESS THAN \$150,000

GROUP 2 [AFFLUENT]: HOUSEHOLD INCOME IS \$150,000 OR MORE

S6. Were you:

Born in Canada	1	[PROCEED TO S9]
Born outside of Canada	2	[PROCEED TO S8]
DK/NR	9	THANK AND TERMINATE

S7. [IF BORN OUTSIDE CANADA] For how many years have you lived in Canada?

Less than a year	1	
1-5 years	2	
6-10 years	3	
Over 10 years	4	
DK/NR	9	THANK AND TERMINATE

AIM FOR 2 NEW CANADIANS [HAVE BEEN IN CANADA 10 YEARS OR LESS] PER GROUP.

S8. What is the last level of education that you have completed?

Elementary school	1	ENSURE GOOD MIX OF EDUCATION
Some high school only	2	
Completed high school	3	
Some college/university	4	
Completed college/university	5	
Post-graduate studies	6	
DK/NR	9	THANK AND TERMINATE

S9. To make sure that we speak to a diversity of people, could you tell me what is your ethnic background?

DO NOT READ

Caucasian	1	ENSURE GOOD MIX OF ETHNICITY
Chinese	2	
South Asian (i.e., East Indian, Pakistani, etc.)	3	
Black	4	
Filipino	5	
Latin American	6	
Southeast Asian (i.e. Vietnamese, etc.)	7	
Arab	8	
West Asian (i.e. Iranian, Afghan, etc.)	9	
Korean	10	
Japanese	11	
Indigenous (First Nations, Métis, or Inuit)	12	
Other (please specify)	13	
DK/NR	14	

S10. Have you participated in a discussion or focus group before? A discussion group brings together a few people in order to know their opinion about a given subject.

- | | | |
|-------|---|--|
| Yes | 1 | (MAX 1/3 PER GROUP, ASK S11, S12, S13) |
| No | 2 | SKIP TO S14 |
| DK/NR | 9 | THANK AND TERMINATE |

S11. When was the last time you attended a discussion or focus group? **DO NOT READ**

- | | | |
|---------------------------------|---|---------------------|
| If within the last 6 months | 1 | THANK AND TERMINATE |
| If not within the last 6 months | 2 | CONTINUE |
| DK/NR | 9 | THANK AND TERMINATE |

S12. How many of these sessions have you attended in the last five years? **DO NOT READ**

- | | | |
|--------------|---|---------------------|
| If 4 or less | 1 | CONTINUE |
| If 5 or more | 2 | THANK AND TERMINATE |
| DK/NR | 9 | THANK AND TERMINATE |

S13. And what was/were the main topic(s) of discussion in those groups?

IF RELATED TO CANADA REVENUE AGENCY (CRA) OR TAXES, TERMINATE.

INVITATION

S14. Participants in discussion groups are asked to voice their opinions and thoughts. How comfortable are you in voicing your opinions in front of others? Are you... **READ LIST**

- | | | |
|------------------------|---|---------------------|
| Very comfortable | 1 | MINIMUM 4 PER GROUP |
| Fairly comfortable | 2 | CONTINUE |
| Comfortable | 3 | CONTINUE |
| Not very comfortable | 4 | THANK AND TERMINATE |
| Not at all comfortable | 5 | THANK AND TERMINATE |
| DK/NR | 9 | THANK AND TERMINATE |

S15. Sometimes participants are asked to read text and/or review images during the discussion. Is there any reason why you could not participate?

- | | | |
|-------|---|---------------------|
| Yes | 1 | THANK AND TERMINATE |
| No | 2 | CONTINUE |
| DK/NR | 9 | THANK AND TERMINATE |

S16. Based on your responses, it looks like you have the profile we are looking for. I would like to invite you to participate in a small group discussion, called a focus group, we are conducting at [TIME], on [DATE].

As you may know, focus groups are used to gather information on a particular subject matter; in this case, understanding of and attitudes about tax schemes. The discussion will consist of 6 to 8 people and will be very informal. It will last up to ninety minutes, refreshments will be served and you will receive \$120 as a thank you for your time. Would you be willing to attend?

Yes	1	RECRUIT
No	2	THANK AND TERMINATE
DK/NR	9	THANK AND TERMINATE

PRIVACY QUESTIONS

Now I have a few questions that relate to privacy, your personal information and the research process. We will need your consent on a few issues that enable us to conduct our research. As I run through these questions, please feel free to ask me any questions you would like clarified.

P1) First, we will be providing the hosting facility and session moderator with a list of respondents’ names and profiles (screener responses) so that they can sign you into the group. This information will not be shared with the Government of Canada department organizing this research. Do we have your permission to do this? I assure you it will be kept strictly confidential.

Yes	1	GO TO P2
No	2	GO TO P1A

We need to provide the facility hosting the session and the moderator with the names and background of the people attending the focus group because only the individuals invited are allowed in the session and the facility and moderator must have this information for verification purposes. Please be assured that this information will be kept strictly confidential. GO TO P1A

P1a) Now that I’ve explained this, do I have your permission to provide your name and profile to the facility?

Yes	1	GO TO P2
No	2	THANK & TERMINATE

P2) An audio and/or video tape of the group session will be produced for research purposes. The tapes will be used only by the research professional to assist in preparing a report on the research findings and will be destroyed once the report is completed.

Do you agree to be audio and/or video taped for research purposes only?

Yes	1	THANK & GO TO P3
No	2	READ RESPONDENT INFO BELOW & GO TO P2A

It is necessary for the research process for us to audio/video tape the session as the researcher needs this material to complete the report.

P2a) Now that I’ve explained this, do I have your permission for audio/video taping?

- Yes 1 THANK & GO TO P3
- No 2 THANK & TERMINATE

P3) Employees from the CRA and/or the Government of Canada may be onsite to observe the groups in-person from behind a one-way mirror.

Do you agree to be observed by Government of Canada employees?

- Yes 1 THANK & GO TO INVITATION
- No 2 GO TO P3A

P3a) It is standard qualitative procedure to invite clients, in this case, Government of Canada employees, to observe the groups in person. They will be seated in a separate room and observe from behind a one-way mirror. They will be there simply to hear your opinions first hand although they may take their own notes and confer with the moderator on occasion to discuss whether there are any additional questions to ask the group.

Do you agree to be observed by Government of Canada employees?

- Yes 1 THANK & GO TO INVITATION
- No 2 THANK & TERMINATE

Invitation:

Wonderful, you qualify to participate in one of our discussion sessions. As I mentioned earlier, the group discussion will take place the evening of **[Day, Month, Date] @ [Time]** for up to one a half hours.

Do you have a pen handy so that I can give you the address where the group will be held? It will be held at:

TORONTO Tuesday, February 26, 2019	Honorarium: \$120 5:30 pm 7:00 pm
MONTREAL Wednesday, February 27, 2019	Honorarium: \$120 5:30 pm 7:00 pm
VANCOUVER Thursday, February 28, 2019	Honorarium: \$120 5:30 pm 7:00 pm

We ask that you arrive fifteen minutes early to be sure you find parking, locate the facility and have time to check-in with the hosts. The hosts may be checking respondents' identification prior to the group, so please be sure to bring some personal identification with you (for example, a driver's license). If you require glasses for reading make sure you bring them with you as well.

As we are only inviting a small number of people, your participation is very important to us. If for some reason you are unable to attend, please call us so that we may get someone to replace you. You can reach us at **[INSERT PHONE NUMBER]** at our office. Please ask for **[NAME]**. Someone will call you in the days leading up to the discussion to remind you.

So that we can call you to remind you about the discussion group or contact you should there be any changes, can you please confirm your name and contact information for me?

First name

Last Name

email

Daytime phone number

Evening phone number

If the respondent refuses to give his/her first or last name or phone number please assure them that this information will be kept strictly confidential in accordance with the privacy law and that it is used strictly to contact them to confirm their attendance and to inform them of any changes to the discussion group. If they still refuse THANK & TERMINATE.