



Canada Revenue
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Communicating with Youth about Taxes - Youth Marketing Research

Executive Summary

Prepared for the Canada Revenue Agency

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Canada

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March 2022

The Canada Revenue Agency (CRA) commissioned Kantar to help the CRA better understand preferred marketing and communications for youth about tax-related information. A total of 1,001 Canadians, aged 18-24, were surveyed online in February and March 2022. This publication reports on the findings of that public opinion research survey.

Cette publication est aussi disponible en français sous le titre : **Recherche en marketing auprès des jeunes.**

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1. Executive Summary

1.1 Background

Despite high overall financial literacy among youth in Canada, a need exists for additional financial education among this age group. Of particular relevance to the CRA, a need has been identified among youth for a better understanding of tax structures within Canada and how to file taxes.

To this end, in 2019 the CRA undertook consultations that aimed to uncover ways to improve its service, with the feedback clearly indicating a need for greater communication and education about the Canadian tax system among youth. This was supported through the CRA's annual research, where participants suggested that negative sentiments around tax filing could be mitigated through courses, resources, and webinars targeted at youth.

Coming out of the 2019 research, the CRA developed their Youth Strategy to support government wide initiatives and recent mandate letters of the Minister of National Revenue. The Youth Strategy aims to increase financial literacy through disseminating practical and simple content to youth, with further goals of helping youth better understand the function of taxes and what their obligations are, raising awareness of benefits, and educating youth about self-filing taxes.

1.2 Research Objectives

The primary objective of the research was to help the CRA better understand preferred marketing and communications for youth about tax-related information. More specifically, the objectives were to:

- Establish a baseline measurement regarding tax filing habits and awareness of tax-related topics among youth;
- Test key messages and existing marketing products with youth 18-24 to ensure marketing and communications materials were developed in a way that resonate with youth;
- Identify the tone, style, and formats most preferred by youth when it comes to consuming tax information; and
- Identify knowledge gaps to develop future content.

In addition to informing marketing and communications approaches for youth, the results of the survey will serve as a baseline for Key Performance Indicators (KPI) and help the CRA validate the way it is currently developing content and testing key messages for those 18-24 years old.

1.3 Methodological Overview

An online survey was conducted among 1,001 Canadians aged 18-24 years of age. The survey was conducted online using a panel sample. As such this constitutes a non-probability sample, and margin of error therefore cannot be calculated and conclusions from these results cannot be generalized to any population.

A pre-test was undertaken on February 23-24, 2022, obtaining 10 English and 10 French completions, including probing questions. Based on the results of the pre-test, no changes were required and as such the results of the 20 completes were included in the final data set. The survey was in field from February 24 to March 8, 2022. A detailed methodology can be found in Appendix A.

Please note: Analysis was undertaken to establish the extent of the relationship among variables such as gender, age, region, and level of education attained. Only differences significant at the 95% confidence level are presented in this report. Any differences that are statistically significant between subgroups are indicated with an uppercase letter to refer to the applicable column.

The numbers presented throughout this report are rounded to the closest full number. Due to this rounding, in some cases it may appear that ratings collapsed together are different by a percentage point from when they are presented individually, and totals may not add up to 100%.

1.4 Contract Value

The total contract value for the project was **\$53,515.39** including applicable taxes.

1.5 Statement of Political Neutrality

I hereby certify as a representative of Kantar that the 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, standing with the electorate or ratings of the performance of a political party or its leaders.



Tanya Whitehead

Kantar

Vice President, Public Practice Leader

2. Key Findings

Awareness

Slightly more than one-third (36%) of Canadian youth surveyed (18-24) are aware that the Canada Revenue Agency (CRA) has an online learning tool that can teach them how to do their own taxes. Among those who are aware of CRA's online learning tool, half (50%) have visited the website.

Tax filing behaviors and attitudes

Approximately two-thirds (65%) of youth aged 18-24 have completed their taxes before. On average, youth file their first tax return at 18 years of age, with three-quarters (77%) filing their first tax return before the age of 20.

Forty-one per cent of youth surveyed filed their most recent taxes on their own, either electronically with a tax preparation software (33%) or a paper return (8%). Many receive help from an accountant or tax professional (30%), a family member (25%), a friend (4%) or a volunteer at a free tax clinic (1%).

Independence in tax filing occurs at varying ages for the youth surveyed, with the large majority (70%) filing their taxes independently by the age of 20.

Not unexpectedly, those who file their own taxes are quite confident in doing so (63% very or somewhat confident). However, there is still room to build confidence among tax filers, as 17 per cent continue to be under confident (not at all or somewhat) despite filing their own taxes. Among those who do not file their own taxes, confidence is much lower. Only one-in-five of them are confident they could file their own taxes (21% very or somewhat confident), while more than half (54%) are not confident (not at all or somewhat unconfident).

Concerns and/or benefits of filing taxes

When it comes to filing taxes, a number of concerns are present among youth. The primary concern among youth surveyed is the fear of making a mistake (67%) while other key concerns include difficulty understanding tax information (39%), not knowing the deductions and credits they may be eligible for (38%), cost of getting taxes done (23%), not knowing where to get help or what services are available (21%), lack of access to a free tax clinic (10%) and/or poor internet access (6%).

Virtually all youth perceive a number of benefits to filing their taxes. Key benefits include:

- To pay for programs and services for people living in Canada (54%);
- To get benefit and credit payments (50%);
- To get a tax refund (49%);

- To follow the rules because everyone should pay their taxes (46%); and/or
- Building RRSP contribution room (29%).

Messaging

Among the three messages tested, “If you have never filed a tax return, you may not know where to begin. The Learn about your taxes online learning tool will help you get started” is slightly more likely to encourage youth to learn more about taxes (37%) compared to the other two messages tested:

- “Imagine Canada without health care, schools, or public safety. Taxes are key to maintaining our quality of life and helping our communities thrive. Find out how tax dollars are spent to pay for the things that we all enjoy in Canada” (32%); or
- “Starting your first job? Learn about benefits and credits and how to do your taxes” (32%).

Further, the process of preparing and submitting your taxes is described equally as 1) doing your taxes (47%) and 2) filing your taxes (53%).

Content and format preferences of learning materials

Topics of interest by the largest proportion of youth are tax benefits, credits and deductions (52%) and how to complete a tax return (45%).

Other topics of interest include RRSPs and TFSAs (39%), services available to help complete and file a tax return (35%), tax information for people who earn income through mobile apps and websites (33%) and tax information for self-employed or new business owners (24%).

Format preference varies but was ranked from most preferred to least interest as follows:

1. How-to videos
2. Web content
3. Infographics
4. Webinars
5. E-newsletters
6. Podcasts

Feedback on the learning about your taxes video

Respondents were asked to view an educational video on paystubs and provide feedback. The vast majority found the video easy to understand (86%) and that the information provided to be helpful (87%). Three-quarters found the video engaging (74%).

Youth liked a variety of things about the video but mainly they liked the content/format (86%) and specifically the explanation (49%), the information (27%) and/or the concise nature of the video (11%). Other positive items included the visuals (17%) and the speaker (8%).

For those who offered recommendations for improvement, recommendations also focused mainly on content and format (37%), more specifically:

- Technical aspects: subtitles, enlarging graphics and/or better lighting/camera angles (6%);
- Length: shorter (5%) or longer (3%)
- Engagement: more engaging, interesting or entertaining (5%)
- Speaker: more engaging or a different voice (4%); and/or
- Visuals: adding more or being more engaging (3%)

Demographic Differences

Tax filing behaviours and attitudes vary by a number of demographics. Notably, age, gender, region, language and education.

Age

- Compared to their younger counterparts, older youth (21-24) have higher awareness of the tool (39% vs 30% among those 18-20), are more likely to have completed their taxes (72% vs 52%) at least once, and are less interested in learning about how to complete a tax return (44% vs 54%).

Gender

- Men aged 18-24 are more likely to file their own taxes electronically using tax preparation software than women (39% vs 27%) and are more likely to cite concerns about lack of access to free tax clinics (13% vs 7%).
- Women aged 18-24 who do not file their own taxes are less confident than men of the same age group (62% vs 47% not at all confident or somewhat unconfident) and are more likely to get help from an accountant or tax professional (36% vs 25%). Further, women are more likely to be afraid of making mistakes (73% vs 61%), cite difficulties in understanding the information (48% vs 30%) and cite not knowing about deductions and credits available (43% vs 33%) than men. Thus, it is not surprising to find that women are also more interested in learning about tax benefits, credits and deductions, how to complete a tax return, and RRSPs and TFSAs than men (56% vs 48%; 50% vs 41%; and 43% vs 35% respectively).
- Benefits of filing taxes also differ between men and women aged 18-24. Women are more likely to believe paying for programs and services for people living in Canada is a benefit of filing taxes (58% vs 51%) while men are more likely to believe following the rules because everyone should pay taxes is a benefit (50% vs 43%).

Region and Language

- Compared to youth living in Quebec, youth living outside of Quebec have higher awareness of learning tools (37-41% vs 26%), are more likely to file their own taxes electronically using tax preparation software (31-38% vs 18%) and to want to learn more about tax benefits, credits and deductions (51-63% vs 42%).
- Further, English respondents are more likely to file electronically using tax preparation software than their French counterparts (35% vs 20%) and are more interested in learning about tax benefits, credits and deductions and tax (56% vs 39%).

Education

- Those respondents with lower levels of education are less likely to be aware of the learning tool, more likely (31% vs 40-59%); and more likely to cite difficulties understanding tax information (43% high school or less vs 36-37% at least some college or university).