



Canada Revenue
Agency

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du Canada

Canada Revenue Agency Digital Acceleration Research Executive Summary

Prepared for the Canada Revenue Agency

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July 2021

This public opinion research report presents the results of the telephone survey conducted by Earnscliffe Strategy Group on behalf of the Canada Revenue Agency. The research was conducted in May and June 2021.

Cette publication est aussi disponible en français sous le titre : Recherche sur l'accélération numérique de l'Agence du revenu du Canada.

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Executive Summary

Earnscliffe Strategy Group (Earnscliffe) is pleased to present this report to the Canada Revenue Agency (CRA) summarizing the results of the quantitative research aimed at better understanding the habits and behaviours of paper-tax filers as well as the likelihood of them switching to file online in the future.

Background and Research Objectives

Given the current environment and as more Canadians make use of online services, CRA wished to take the opportunity to reach out to Canadians to determine their communication channel preferences when interacting with the Agency. There is still a sizeable proportion of taxpayers who are conducting their business with the CRA through paper, rather than taking advantage of digital services which are much more timely and efficient. In fact, CRA spent \$6,947,903 and mailed out 1,399,705 T1 packages in 2019-2020. With this information in mind, the objectives of the research were to better understand why paper filers are still choosing to conduct business and meet their tax obligations using paper and better understand what the barriers and challenges are to moving to digital processes.

This research will help CRA meet the expectations and the needs of Canadians as it relates to service delivery and digital offerings. More specifically, research results will provide CRA with a better understanding of the barriers to using online services that exist with paper filers. For those who do not have barriers to online, but prefer paper-based processes, the research will demonstrate which particular processes paper-users are most agreeable to switch to online and which are not. This can help determine where support, outreach and education are most required.

The total contract value of this research project was \$130,060.74 including HST.

Research Methodology

To meet the research objectives, Earnscliffe conducted a telephone survey of 2,000 Canadians who did not file their 2019 personal income taxes online, using a list of 697,715 individuals provided by CRA. The survey was conducted in collaboration with our sub-contractor, Léger. The telephone survey was conducted from Léger's centralized call-centre using their state-of-the-art Computer Aided Telephone Interviewing (CATI) system. The survey was conducted from May 11 to June 2, 2021, and the average length of interview was 16 minutes. The margin of error for this sample of 2,000 Canadians who filed their 2019 return by paper/mail is +/-2.19%, 19 times of out 20.

The final data was weighted to reflect the demographic composition (age and gender within region) of the list of paper tax filers provided by CRA.

The key findings from the research are presented below.

Key Findings

- About three-quarters (74%) of respondents last submitted their personal income taxes by mail. Over one-in-five (23%) claim they last submitted them online.

- When it comes to how they received forms needed for the preparation of their taxes, most (73%) had forms mailed to them.
- The vast majority (79%) are satisfied with the way in which they file their personal income taxes.
- Just over half (54%) prepared their last income taxes on their own, while the other 46% received help.
 - 62% of those who submitted their last returns by paper prepared them on their own, compared to 31% of those who submitted online.
 - Among those who did receive help, 61% say the person who helped them also submitted their taxes for them.
- Half (50%) have never visited the tax pages of Canada.ca or the CRA website for information on tax-related matters. The other half say they have (49%).
 - About half (49%) of all respondents have registered with CRA's MyAccount online services. Amongst those who submitted their last returns online, 62% report having registered, compared to 45% who last submitted by mail.
 - Most (83%) of those who file their taxes by mail have never submitted a form electronically to the CRA.
- Over half have the hardware they would need to file electronically. Three-quarters have a computer (74%). About two-thirds have high speed internet (69%) and a tablet or mobile device (65%). Over half (57%) say they have a printer.
- About half (51%) say they use online banking services frequently, while 17% say they use it sometimes or rarely. A third (31%) do not use online banking at all.
 - In contrast, about a third (30%) say they bank in person frequently, while more than half (59%) say they do it sometimes or rarely. Very few (9%) do not bank in-person at all.
- One-in-five (20%) say they make online purchases frequently. Slightly less than half (45%) do so sometimes or rarely and over a third (34%) never make online purchases.
- Those who submit their taxes by mail most often say they use paper rather than filing electronically because it is simply how they prefer to do it (39%) (e.g., they do it out of habit, because it's what they are comfortable with it, they like it, etc.).
 - Just 13% cite security issues and slightly fewer say they do not have the right equipment, that the paper method is easier or that it is the preferred method of the person who does their taxes (all 11%).
- The most important factors influencing why respondents file by paper instead of online are disinterest in filing online (65% major factor or a factor), concern about privacy or security risk (60%), not having the software (57%) and not feeling confident in their ability to file online (55%), and that it seems too stressful (51%) or too difficult (50%).
 - Under half (41%) say that concern over cost is a major factor.
 - Concerns about complexity (38%), forms getting lost (39%) and not having an internet connection (29%) are less often noted as factors preventing respondents from filing online.

- About a third (32%) of those who reported last filing by paper say it is likely they would switch to filing online. This segment, which may represent the most promising target for immediate conversion, represents a quarter (25%) of the total sample of paper/online filers.
- The things that would make current paper filers most likely or certain to switch to filing online are:
 - If CRA would pre-fill their information (43% more likely/certain to switch).
 - If using CRA MyAccount was easy (43% more likely/certain to switch)
 - If they knew all forms could be submitted electronically (39% more likely/certain to switch).
- Only about a third of current paper filers say that having help from someone else (35%) and if they could be certain that their forms were received by CRA (35%) would make them certain or more likely to file electronically.
- Over two-thirds (67%) of current paper filers say that the ability to submit forms via their online banking website would not make them any more likely to switch.
- Analysis of those likely to switch to filing electronically demonstrates that:
 - The most significant barriers are: not having the software they need (58%), concerns about privacy (51%), lack of interest (50%) and lack of confidence in their ability to do it (50%). The most influential factors that would make them certain or more likely to file online are knowing that My Account is easy to use (72%), that all their forms can be filled out electronically (69%) and CRA's ability to pre-fill returns (67%).

Political Neutrality Statement and Contact Information

Research Firm:

Earnscliffe Strategy Group Inc. (Earnscliffe)
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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: July 16, 2021



Doug Anderson
Principal, Earnscliffe