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# Virtual Focus Groups on the Canada Workers Benefit

## Finance Canada

*Executive Summary*

October 2022

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*Ce rapport est aussi disponible en français.*

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This public opinion research report presents the results of 12 online focus groups conducted by Quorus Consulting Group on behalf of Finance Canada. The sessions were from September 28<sup>th</sup> to October 6<sup>th</sup>, 2022 with eligible CWB recipients, aged 19 and older.

Cette publication est aussi disponible en français sous le titre : Groupes de discussion virtuels sur l'Allocation canadienne pour les travailleurs

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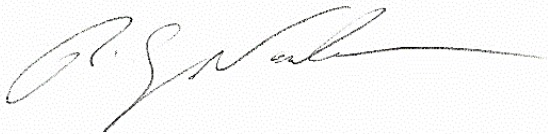


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Specifically, the deliverables do not include information on electoral voting intentions, political party preferences, standings with the electorate or ratings of the performance of a political party or its leaders.

Signed:

A handwritten signature in black ink, appearing to read "Rick Nadeau", is centered within a rectangular area that has a light gray, dotted background. The signature is fluid and cursive.

October 21, 2022  
Rick Nadeau, President  
Quorus Consulting Group Inc.

# Executive summary

## Background and research objectives

The Canada Workers Benefit (CWB) is a refundable tax credit that makes work more rewarding and attractive for modest-income workers while providing an important source of income support to its beneficiaries. The CWB is generally available to those aged 19 or older who were resident of Canada for the entire tax year and who were not full-time students for a period of more than 13 weeks in the year.

This project served to understand the experiences and views of Canadians who meet the CWB criteria and to provide evidence that will allow the government to improve the delivery of the CWB, in particular the use of the advance payment option, which is currently under-utilized.

The research is to help inform future improvements to the delivery of the CWB as well as future awareness raising efforts.

## Methodology

This report is based on 12 online focus groups that Quorus completed between September 28<sup>th</sup> and October 6<sup>th</sup>, 2022. Participants consisted of individuals likely to have been eligible for the CWB for the 2021 tax year, aged 19 and older from across the country. In total, 99 individuals participated in the focus groups. English sessions were held with participants living in all provinces and territories across Canada, including one session with Anglophones living in Quebec. Three French sessions were held, including two with participants living in Quebec and one with participants in Atlantic Canada. More details can be found in the Methodology section of the report.

## Research results

### General impressions of the CWB

Participants were provided a general description of the Canada Workers Benefit (CWB). The general results related to the program revealed the following key themes:

- Awareness of the CWB was low to moderate.
- Among those aware, not everyone believed they in fact received it.
- Those who were aware of the CWB and who recalled receiving it did not always know what it was or how they became eligible to receive it. Some remember seeing the “tax credit” on their notice of assessment or remember their tax preparation provider refer to it but did not know what it was exactly.
- Given the information provided by the moderator, most participants felt the CWB was a good idea, especially since it is specifically focused on modest income workers. Most also

agreed that the amounts were meaningful and could make a difference in their household's finances.

- That said, a few of the participants did explain that the upper income threshold should be increased to allow more workers to become eligible. It was also suggested that the amounts to which workers are entitled should be increased.

### General awareness and understanding of advance payments

There was also very low awareness among all participants of the option for workers to receive a portion of their CWB through advance payments. In a few instances, those who recalled receiving a CWB entitlement also remembered receiving instalments throughout the 2022 tax year.

- Even among those who remembered receiving advance payments, they did not always know what the instalments were for and why they were receiving them. They suspected their spouse or their accountant arranged them.
- Among the few who did recall receiving advance payments, most seemed to appreciate receiving them. In a few instances, participants would not do it again, mostly because they have had to repay some of it back in the past.

A detailed description of the advance payments option proved quite informative to nearly all participants, including a number of the few participants who had been receiving advance payments. Based on the information provided, the following high-level themes were revealed:

- The concept was fairly easy for participants to understand.
- Only a few still believed that the process seemed too complicated for what it was worth.
- Although many felt the concept was easy to understand, not very cumbersome to apply for and well-intentioned, interest in advance payments was low to moderate at best. Most explained that while they can see how some workers in Canada might be able to benefit from this, they did not see a need for it themselves.
- The most important concern participants had was the potential for having to reimburse some or all of the funds received through advance payments. Even though they would only receive half of their entitlement through advance payments and even though they could apply as late as August, participants felt the "risk" of having to pay something back outweighed the benefit of gaining access to a portion of their CWB ahead of time.

- When it came to explaining their concern related to reimbursement, many participants felt their income was too unpredictable to accurately estimate in the application form (e.g., they did seasonal work, contract work, shift work, etc.).
- Some felt that the amounts they would end up receiving at each instalment through advance payments did not make it worthwhile for them to run the risk of repaying some or all of these funds when they file their tax return. A few also felt that the low amounts they would receive at each instalment would not be worth the “hassle” of completing the application form for advance payments.
- Many participants also explained that they did not need the funds in advance and would prefer to wait until they file their tax return to receive their full CWB, if in fact they do receive anything at all.
- Some participants felt that a larger lump sum received when they file their tax return is more likely to be impactful and useful compared to receiving smaller amounts throughout the course of the year. There was a sense that smaller amounts are less likely to be noticed and more likely to be diluted in everyday debits and credits.
- A few participants also explained how recent experiences with the Canada Emergency Response Benefit (CERB) and other programs that led to some people having to repay funds to the Canada Revenue Agency (CRA) have left them skeptical of considering a program that could involve repaying funds.
- The options to complete their application via My Account or by completing a paper form and sending it to the CRA were acceptable to participants. Many participants confirmed having and occasionally using the My Account service and would be comfortable using it should they want to apply for advance payments.

It should be noted that some of the individuals who had already received advance payments were not aware of the potential for having to repay funds when they file their tax return. Learning this information discouraged a few from considering advance payments in the future.

Participants did not have many suggestions to improve the advance payments option. A few ideas that surfaced included:

- Better and more communication about the advance payments option, ensuring that those who do apply understand the potential for having to repay some or all of their advanced funds when they file their tax return.
- Make it easier to apply for advance payments – for instance, by ticking a box when they file their tax return.

- Making it easy to opt-out partway through the year if the recipient feels they might be moving in a direction that might lead to having to repay funds.
- A few felt that, similar to GST rebates and the Canada child benefit (CCB), the CRA should automatically enroll individuals in instalments.
- Ensure that those who need to repay funds have access to reasonable payment terms, i.e., they do not have to repay everything at once.

Participants were asked if advance payments could serve as a form of interest free loan from the Government of Canada, or whether they would see the CWB as a *de facto* interest-free loan that they likely did not have to repay, or at least not in full. Although many were intrigued by the underlying concept of an interest-free loan, most did not feel advance payments on their CWB was equivalent to an interest-free loan. The lack of clarity in terms of *if they would need to repay anything, when they would need to repay and how much* they would need to repay left most participants uninterested in the idea of viewing the advance payments as a form of interest-free loan.

However, many did feel that it was important to make applicants and recipients of the advance payments aware that if they would have to make repayments, that they would be interest-free.

### Communications

There was strong support for more communication from the Government of Canada regarding the CWB and the option for advance payments. Some of the more common suggestions on this front included:

- Encouraging tax preparation companies and accountants to better explain to their clients the CWB and the pros and cons regarding advance payments.
- Providing more information with notices of assessment.
- There should be better coordination with tax preparation software packages so that those who prepare their own tax return are better informed.
- Sending regular notifications via My Account, including a direct link to the application form.
- Sending information through the mail – participants agreed that they always open any envelope coming from the CRA. Some felt that the CRA probably has a good sense of which households would be eligible for the CWB and could specifically target those households.
- Using mass media including television, radio advertising and social media to cast a wide net.



- Using targeted advertising for modest income Canadian workers, including advertising on public transportation, in employment centers, in training centers, etc.

#### **Qualitative research disclaimer**

Qualitative research seeks to develop insight and direction rather than quantitatively projectable measures. The purpose is not to generate “statistics” but to hear the full range of opinions on a topic, understand the language participants use, gauge degrees of passion and engagement and to leverage the power of the group to inspire ideas. Participants are encouraged to voice their opinions, irrespective of whether or not that view is shared by others.

Due to the sample size, the special recruitment methods used, and the study objectives themselves, it is clearly understood that the work under discussion is exploratory in nature. The findings are not, nor were they intended to be, projectable to a larger population.

Specifically, it is inappropriate to suggest or to infer that few (or many) real world users would behave in one way simply because few (or many) participants behaved in this way during the sessions. This kind of projection is strictly the prerogative of quantitative research.

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