



Opportunity made here.

Canada Tax Clinic Mission

February 2019

Prosper Canada, Woodgreen Community Services, Intuit



MISSION

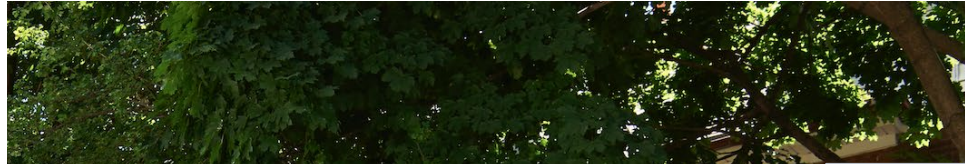
Expanding economic opportunity for Canadians living in poverty through program and policy innovation.





WOODGREEN

Opportunity made here.



Mission :

Enhance self-sufficiency, promote well-being and reduce poverty through innovative solutions to critical social needs



Powering Prosperity Around the World

TOGETHER OUR MISSION

Help improve Tax Clinics so more
Canadians who qualify for their services,
file their taxes and access the financial
benefits to which they are entitled.

Current challenge

Canada's wealth distribution system is increasingly dependent on people doing their taxes to access our social programs.

Thousands of Canadians, in particular those that need it most, do not complete their taxes.

This is for a variety of reasons, such as lack of access to technology, inertia, and fear of doing it wrong.

Several organizations, along with government, help solve these problems by providing free tax clinics. **There are thousands of tax clinics being run in Canada each year**, supported by organizations such as the CRA, CPA Canada, non-profit community agencies, Prosper Canada, and others.

Not filing or incorrect filing can mean lost income. Using the Canadian Revenue Agency child and family benefits calculator, **tax credits** could make up as much as **40 percent** of a household's income .

Tax returns are often the **single biggest cash payment into a low - income household's earnings each year** . Households can use these refunds for savings, especially to smooth unpredictable finances that are a result of precarious work and income shocks.

CRA's Canadian Volunteer Income Tax Program

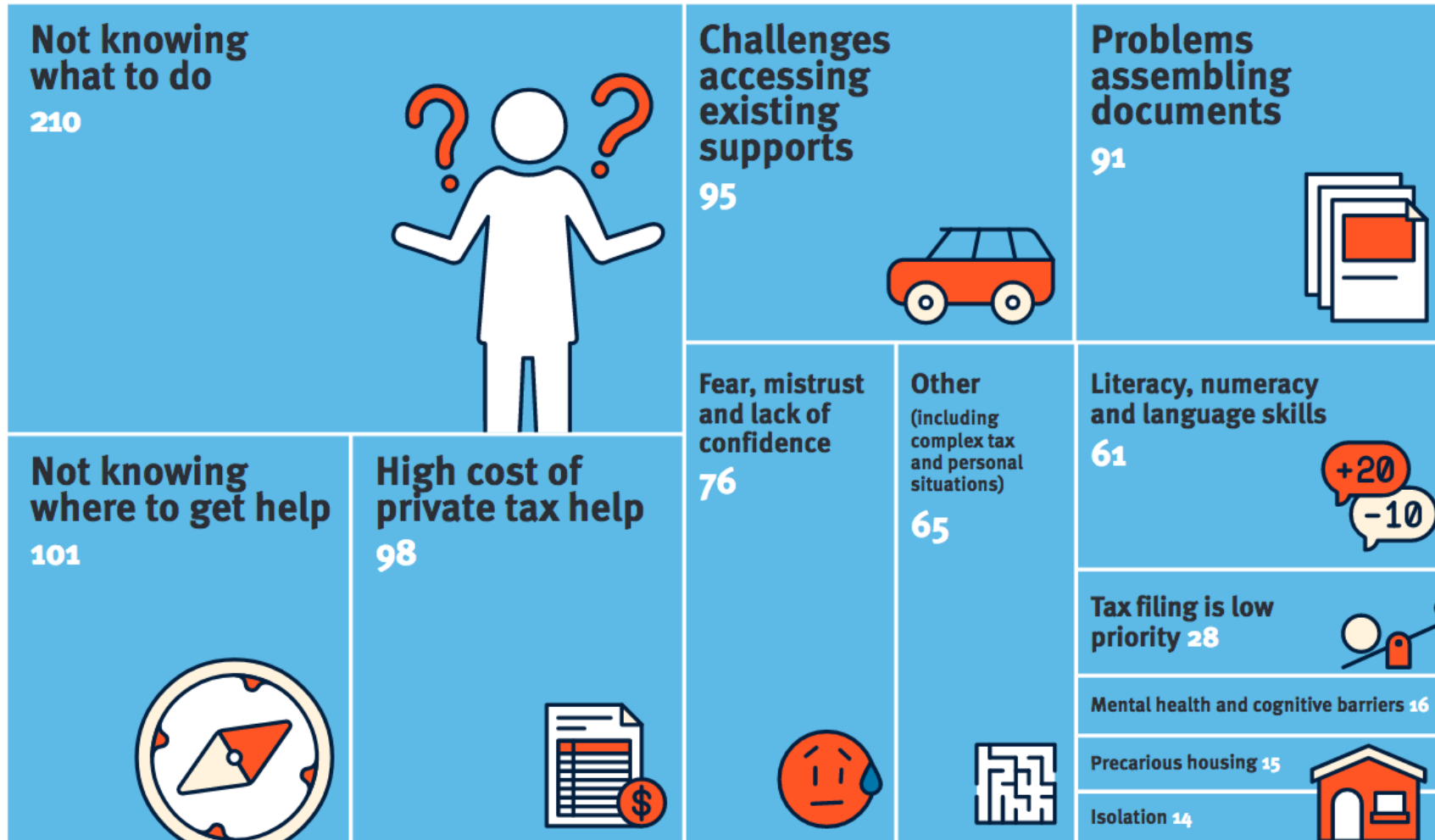


Even if we could get all Canadians, who qualify, to participate in the tax clinics, the current tax clinic model is not scalable to meet the demand :

- 2,400 community organizations
- 15,000 volunteers
- 750,000 tax returns filed yearly
- ~45 minutes per interaction
- Volunteers donate 1 work week of their time to complete 50 returns annually
- Government of Canada's stated intent in 2017 Budget is to double the impact of the CVITP

Barriers to tax filing for people living on low incomes

According to 321 community service providers



Potential areas of focus for our team:

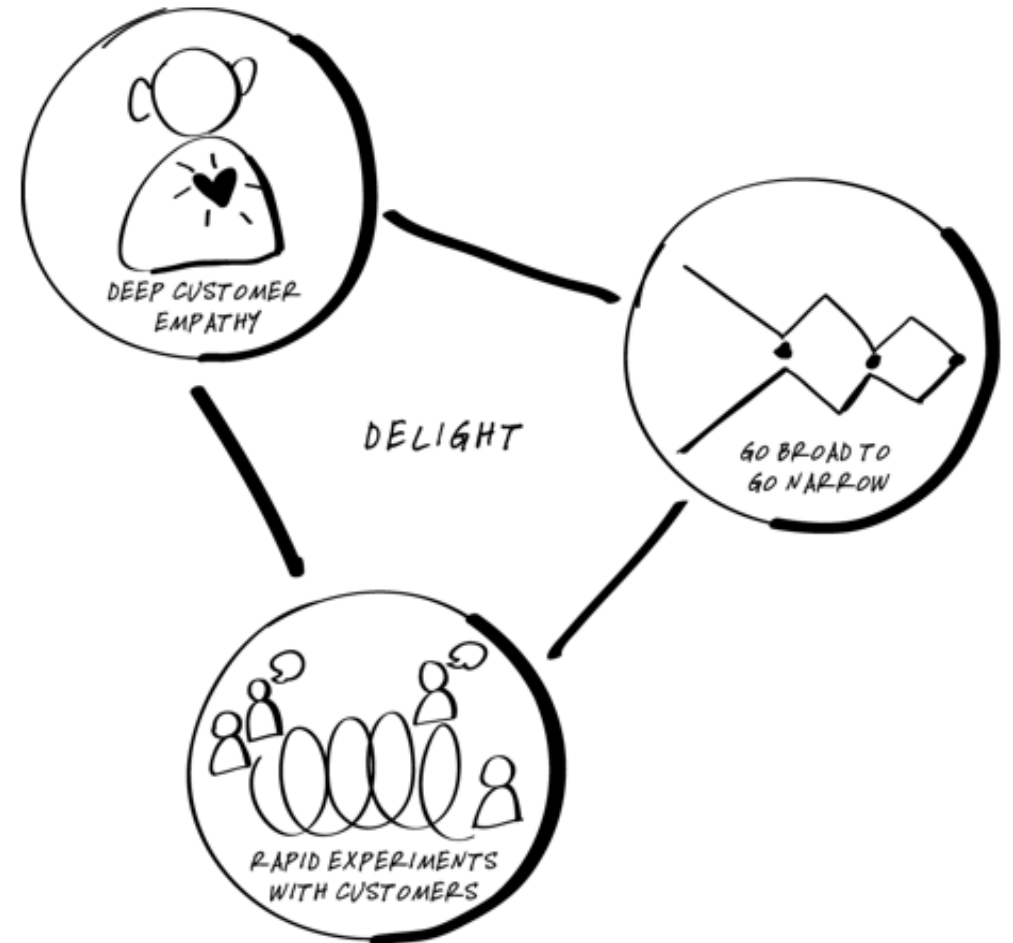
- Complexity of tax system
- Problems assembling documents
- Insufficient access

Intuit's Innovation Methodology Solves BIG Customer Pain

Customer Driven Innovation



Design for Delight



Understanding the current Tax Clinic environment

We sought to understand how tax clinics currently operate with the goal of uncovering their biggest pain point:

DEEP CUSTOMER EMPATHY

Observe Customers
Savor Surprises and
Understand Why



- **“Follow Me Homes”**: Tax-clinic interviews and direct observation
 - Conducted interviews with, and examined how 10 clinics tax coordinators in AB and ON worked with clients
 - In-person clinic visits to observe how they operate
 - Review of Intuit’s own CVITP Tax Clinic experiences
- **Interviews with organizations that provide volunteers** to the CVITP
 - Provincial CPA Organizations
 - Community organizations like Prosper Canada and WoodGreen
- **Collect insights and begin to define the problem space**

Interviews and Tax Clinic Observations

“Savor the surprises”

- Coordinators are frustrated by myriad impediments **limiting their ability to manage the current volume of tax filers and the time it takes to file a return**
- Some of the most successful tax clinics are those that offer **non-scheduled on-demand services** (drop-in format) and serve Canadians outside of Tax season
- Clients are **living in the moment**; cannot prioritize responsibilities or plan ahead as they move from crisis to crisis; taxes and financial wellness are not top of mind
- **Volunteers need two skill sets** to effectively serve clients: tax-filing knowledge and the ability to be compassionate, lead with empathy
- The majority of Tax Clinic **clients arrive without any documentation, requiring a call to the CRA** Contact Centre to access tax slip data, resulting in **calls to CRA of over 30 minutes**
- Due to program restrictions, clinics must turn away a **growing number of clients presenting complex tax situations** (self-employed, sold residence, deceased spouse, unable to physically access the clinic, multi-year filings)
- Intake practices at clinics vary greatly and present a potential **missed opportunity to engage with attendees on financial literacy** (a key concern of every Clinic Coordinator we interviewed)

Who would a solution solve for?

Understanding the problem starts with defining the customer experiencing it

Primary Customer:

Dedicated, compassionate and “eager to help” organizations and individual Canadians who coordinate and volunteer in tax clinics

Customer Benefit:

Immediate access to the tools, resources and technology needed to the people in my community improve their finances and help lift them out of poverty

Secondary Customer:

Marginalized, underserved and low - income Canadian non -filers missing out on significant government benefits

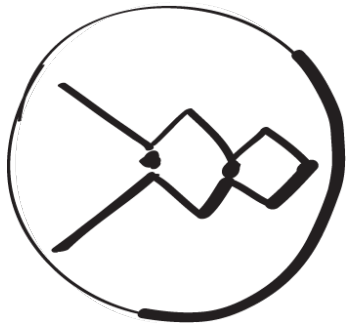
Customer Benefit:

Receiving a tax refund, government benefits and community support to face financial challenges and start thinking about the future

Narrowing in to a key Customer Problem to solve

GO BROAD
Get Many Ideas

GO NARROW
Get Uncomfortably
Narrow



Design for Delight: Getting to an uncomfortably narrow problem

- Collected and prioritized the feedback from our FMH and interviews about the challenges that clinics and their customers face
- Get Uncomfortably Narrow: Develop a hyper-focused, well defined problem statement
- Develop Test Plan/Solution: Using problem statement, develop test proposal, and share with stakeholders

Customer Problem Statement

I AM a social services agency with 700 employees who serve clients living on low income.

I AM TRYING TO offer free, year round, consistently high quality professional tax preparation and financial counseling services to individuals that would not otherwise be able to afford them,

BUT I have to turn away clients who are not able to meet with me in person,

BECAUSE the current program is designed to only support clients who can physically attend the tax clinic,

WHICH MAKES ME FEEL frustrated that I can't do more to help every client who reaches us; like I would have to work outside the program to truly serve my clients; fearful that the current program is harming to clients who can't access it, putting them at financial risk.

Ideal State

In a perfect world:

Zero clients get turned away because they can't be served by my tax clinic

The biggest benefit to me is:

I can help Canadians benefit from my tax clinic services regardless of their location or tax filing situation (self-employed, multi-year, etc.) namely filing taxes with assistance and accessing the benefits they are entitled to receive

Which makes me feel:

Empowered that I'm able to do more to help every client who reaches us; like the program I'm operating under allows me to serve my clients; excited that I can shift my focus to deliver convenient high quality professional expertise and unlock benefits on my clients' path to achieve financial stability.

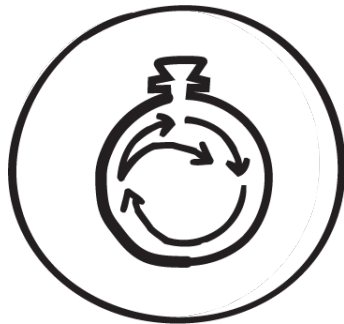
Grand Idea:

Tax clinic provides services to all participants whether they can be onsite or offsite

Current Experiment Loop – In Progress

RAPID EXPERIMENTS WITH CUSTOMERS

Define Leap of Faith Assumptions
Be Fast and Frugal
Learn and Decide



Riskiest Leap of Faith Assumption: Clients would agree to have their taxes done by a stranger when they are not at a clinic (less in-person human-to-human interaction)

Experiment Design: Leverage WoodGreen social workers who work at remote sites to reach out to existing 50 remote participants, offer the virtual tax prep option and eliminate the current paper ferrying option to existing/new participants to learn their reaction (whether they accept virtual over ferrying paper). **Pilot in this February through April during tax season**

Hypothesis: If the WoodGreen social workers offer a choice of the virtual tax preparation service or the paper ferrying service to 50 existing remote participants, **then** 75% would sign up for the virtual tax preparation option, **which we will measure by** the number of participants who sign and send the consent document to have their taxes done virtually. **The success metric** will be 37 participants (75%) sign/email the consent document with name /email/phone number back to the social worker.