



# Encouraging tax filing at virtual clinics

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October 2020



# Agenda

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- Present results of RCT evaluation on email campaign to encourage tax filing.
- Discuss next steps in light of these results.

# Executive summary

- **Tax filing helps low income people access or maintain benefits.**  
In Ontario alone, there are 41 potential federal and provincial income benefit programs that people with lower incomes can access directly or indirectly through tax filing.
- Oak Park Neighbourhood Centre (OPNC), the United Way Hamilton Halton (UWHH) and the Behavioural Insights Team (BIT) explored the **behavioural and cognitive barriers** associated with accessing tax filing supports, including the psychological effects of **scarcity**, **cognitive overload** and **hassle factors**.
- Based on this assessment of barriers, we designed and tested **two versions** of an **email** to encourage OPNC members to access free tax filing services. A **status quo** email matched the tone and format of previous communications, while the other encouraged recipients to make an **active choice** of whether to seek tax filing support.



## “Status Quo” email

Subject: Help filing your taxes

There's still time to file your taxes.

We can help you file your taxes for free.

If you're interested, reply to this email with your name and phone number, and we'll send you the form you need to get started. |

Call us if you need any help.

Sincerely,

Sue

905 257 6029 x103

## “Active choice” email

**Subject:** Get your tax benefits with help from Oak Park Neighbourhood Centre

Here at Oak Park Neighbourhood Centre, our staff are certified to file your income taxes. This is a free service. Make sure you are not missing out on financial supports and your benefits are not disrupted.

Are you interested in [help](#) with filing your taxes?

### Reply “Yes”

If you are interested in getting the tax benefits your family is owed.

### Reply “No”

If you don't want your tax benefits, or you filed your taxes already.

Please reply to this email with a “Yes” or “No” to let us know if you'd like our help. You can also call us with any questions at 905 257 6029 x103.

Thanks,

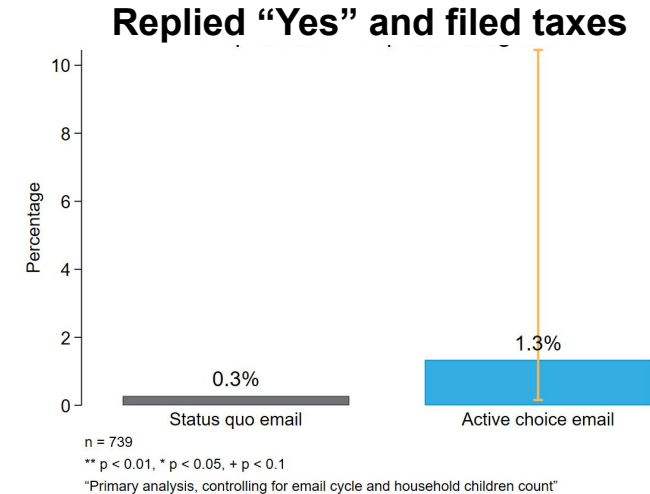
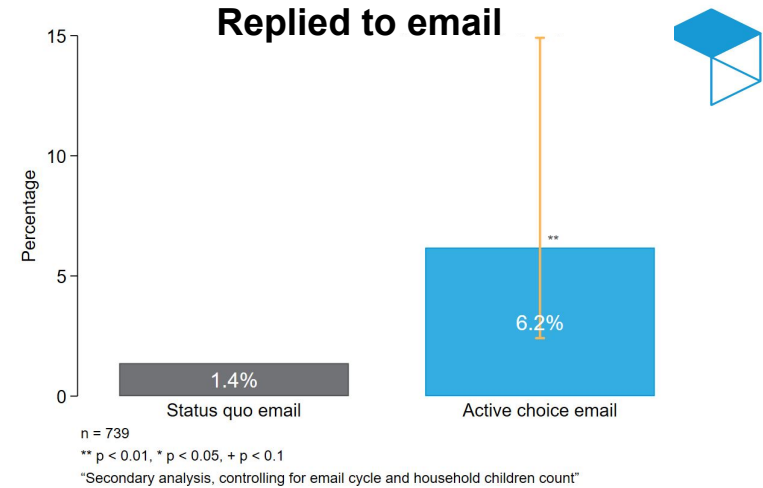
Sue



Content of the two email designs

# Executive summary

- **739 OPNC members** were randomly assigned to receive the status quo or active choice email. OPNC tracked response rates to the email as well as rates of tax filing.
- **The active choice email led to higher engagement.** About 6.2% of recipients replied to the email compared to 1.4% of status quo recipients, which is a statistically significant difference.
- **Active choice recipients requested tax filing help, and filed their taxes through OPNC, at higher rates. However, the differences were not statistically significant.** The different effects of the two emails on tax filing could have been the result of chance.



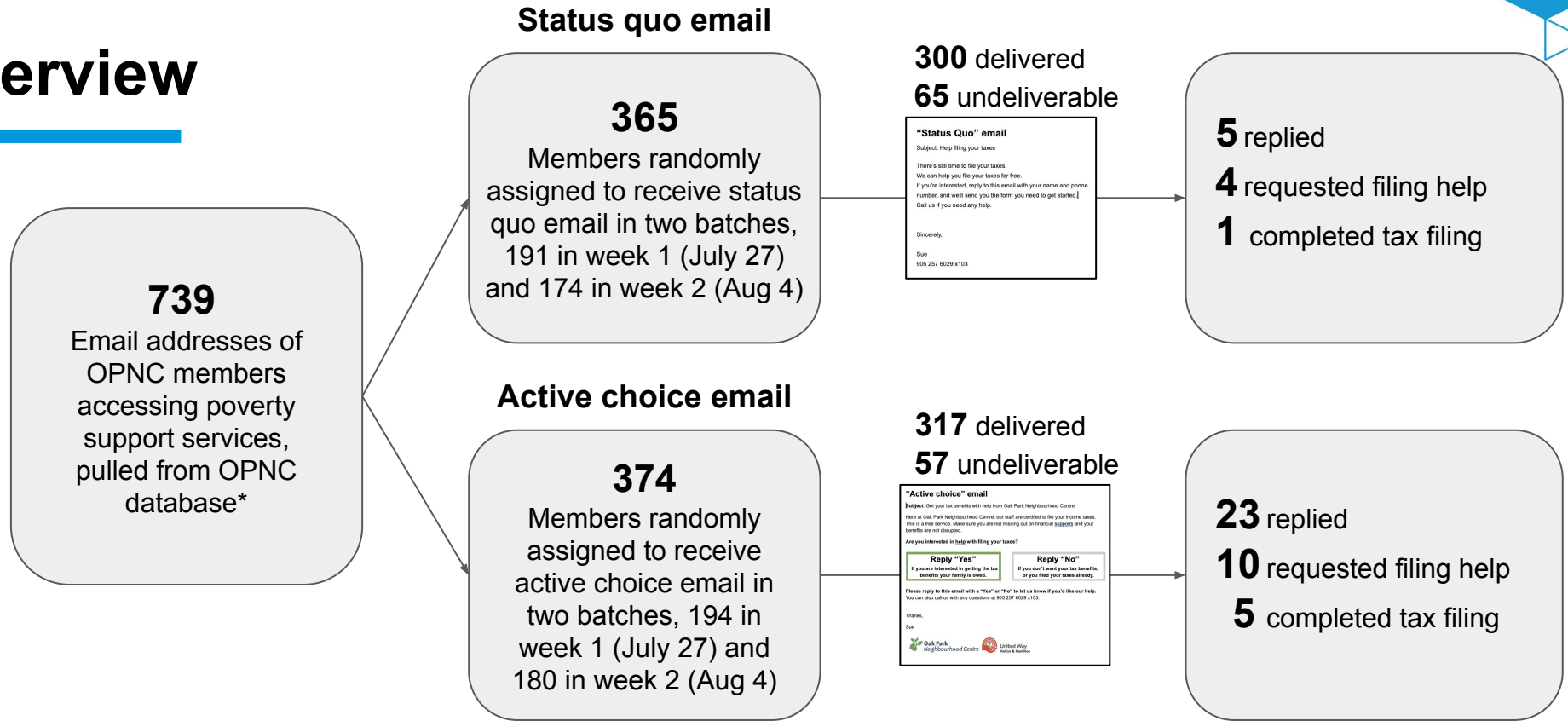


# Trial overview

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Trial design and detailed results

# Trial overview



\*The initial list of members identified for this trial (1,098) included another group of 359 people with only a telephone number listed. Text messages were sent to these members. 2 of these recipients contacted OPNC for tax filing support upon receiving the text message. Email response rates and tax filing rates tracked by OPNC from July 27 until Sept 4



# Results summary

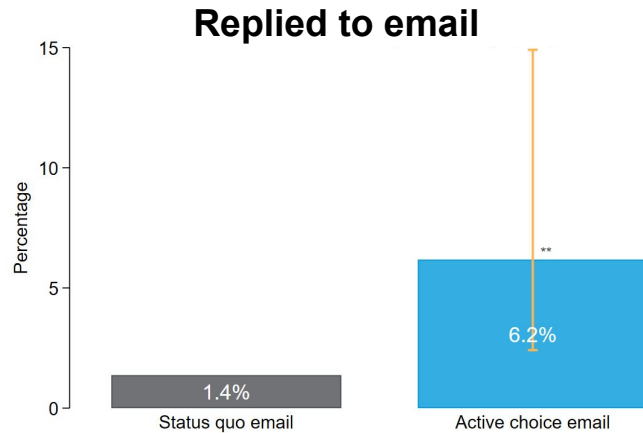
- **“Overall” response rate:** 6.3% of active choice recipients replied (23 of 374), compared to 1.3% of status quo recipients (5 of 365).
- **“Yes” response rate:** 2.7% (10 of 374) of active choice recipients replied “Yes” compared to 1.0% (4 of 365) of status quo recipients.
- **Tax filing:** 1.3% of active choice email recipients filed taxes with OPNC (5 of 374), compared to 0.3% of status quo recipients (1 of 365).

Response type	Status Quo		Active choice		Total	
	Count	%	Count	%	Count	%
Any response	5	1.3%	23	6.3%	28	3.8%
Replied “yes” (overall)	4	1.0%	10	2.7%	14	1.9%
Replied “yes” and filed	1	0.3%	5	1.3%	6	0.8%
Replied “yes” but did not file	3	0.8%	5	1.3%	8	1.1%
Replied to seek advice but not filing help	0	0%	1	0.3%	1	0.1%
Replied “no”	1	0.3%	12	3.2%	13	1.8%
No response	360	98.6%	351	93.9%	711	96.2%
Total	365	100%	374	100%	739	100%

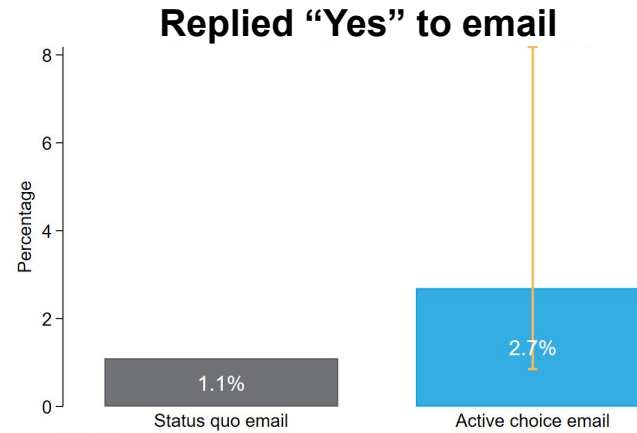


# Interpretation of results

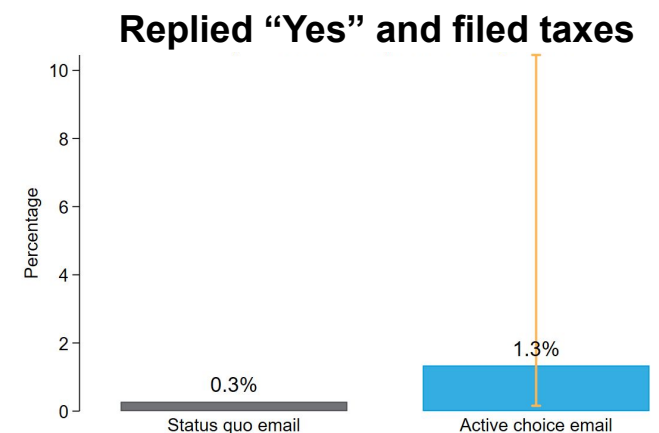
- **The active choice email led to higher engagement.** About 6.2% of recipients replied to the email compared to 1.4% of status quo recipients, which is a statistically significant difference.
- **Compared to status quo recipients, more active choice recipients requested tax filing help (by replying “Yes” to the email), and completed filing, but these differences were not statistically significant.** The different effects of the two emails on tax filing could have been due to chance.



n = 739  
\*\* p < 0.01, \* p < 0.05, + p < 0.1  
"Secondary analysis, controlling for email cycle and household children count"



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# Descriptive results of the email campaign

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- During the trial period (July 27-Sept 4), 6 people filed taxes as a result of the email campaign, 2 filed as a result of the text campaign, and 31 were referred through other channels (not by the text or email campaign). The email campaign referred about **15% of total OPNC tax filers** during this period.
- The **average refund** for email recipients who filed through OPNC was **\$1,278**. In total, email recipients who filed taxes through OPNC accessed **over \$5,000** in tax refunds (Note: one filing needs to be revised and was excluded from this total count).



# Discussion and next steps

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Outlining potential side-projects



# Next steps for discussion

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- **For OPNC:**
  - Continue running email and text campaigns as a low-cost way to engage members.
  - Use active choice framing in communications to increase engagement with OPNC services.
  - To boost tax filing rates, consider broadening the outreach pool if possible, as well as looking at ways to further reduce barriers between expressing interest and filing. For example, follow up with members who replied “No” to the email, or who failed to file even after replying “Yes,” in order to better understand their needs.
- **For UWHH:**
  - Share a version of these results with other community agencies (BIT can support).
  - For next tax filing season, consider recruiting a larger number of tax filing agencies to run this email trial as part of next RCT of the FEPS initiative.
  - In general, consider moving to a multi-organization model for subsequent RCTs as part of the FEPS initiative, to ensure enough sample size to detect effects reliably.
- **For all:**
  - Co-author article / blog about this project to share learnings, and outline the opportunities and challenges of doing rigorous behavioural science work in community organizations.



# Appendix

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Links to Target, Explore and Solution phase summaries



# Links to supporting materials

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The [shared project folder](#) contains the following background materials on the project.

- Project scoping brief
- Exploring barriers to tax filing research summary
- Finalized email designs