# Intro

* Dual roles
  + MA student in Sociology completing thesis research on the nonprofit sector’s role in facilitating access to government benefits by low-income community members.
    - Key person interviews with people working in the field
    - Document analysis
    - Literature review
  + Information Manager at SEED Winnipeg
    - co-founded SEED’s Access to Benefits program
    - experience providing tax filing through CVITP
* Pleased to acknowledge the financial support I received from the Social Sciences and Humanities Research Council of Canada (SSHRC)

## What is Realist Analysis?

* Draw upon Pawson and Tilley’s *Realistic Evaluation*, which asks
  + “*why* a program works for *whom* and in *what* circumstances.” (Pawson and Tilley 1997, xvi)
* Without delving too deep into methodology, realist evaluation attempts to explain social patterns by focusing on:
  + the **context** in which a social program takes place and “the existing social processes”
  + the **mechanisms for change** triggered by a program
  + program **outcomes** (desired and realized)
* While I draw upon Pawson and Tilley’s framework, my research is not an evaluation.
* In this presentation, I highlight a few preliminary findings to demonstrate how a realist analysis can facilitate an understanding of nonprofit tax filing services for low income community members, opportunities and constraints faced by nonprofits.
* I’ll conclude by suggesting a few future research directions and policy solutions.

# Diagram

## 1: Context

* Canada as a “social liberal” welfare state (Olsen)
  + Universal, in-kind services such as public education and public health care
  + “Residual” cash transfers that augment market income
* Canada Revenue Agency administers a variety of income transfers to Canadians on behalf of the Government of Canada and subnational governments
* Two broad forms (Titmuss)
  + “social welfare” of direct cash transfers
    - CCB & GST/HST Credit
  + “fiscal welfare” benefits that function as indirect cash transfers
    - favorable tax treatment, exemptions and deductions from taxable income, (non)-refundable credits (Sinfield 2018)

## 2: Self-service

* One group takes up these cash transfers through self-service channels
  + Filing income tax returns themselves using software such as TurboTax
  + Filling out benefit applications (CCB)
* Others may receive informal support from friends or family

## 3: Paid help

* A second group takes up their entitlements by paying for assistance
  + Variety of options available, that may be better or worse for vulnerable community members
    - CPAs
    - Retail tax preparation services
    - Tax rebate discounters

## 4: Community / nonprofit supports

* Third, we see that many low-income Canadians turn to the nonprofit sector and other community service providers to take-up these benefits
  + A prime example is CVITP, and the significant outputs of this program have been higlighted by my co-panelists
* In order to deliver these services, nonprofit organizations rely upon several parties for financial and in-kind supports
  + Financial support
    - Contracts with federal agencies and subnational governments
    - Grant funding from charitable foundations & private donations
      * Often publicly subsidized by the tax treatment of charitable donations
  + In-kind support
    - CRA (CVITP) – software, training, support
    - Volunteer labour

## 5: No access

* Finally, there is a remaining group that does not take-up the benefits to which they are entitled, due to barriers such as those mentioned in the previous session.

## Bureaucratic Disentitlement

* My analysis of CRA’s Reports on Plans and Priorities and Reports to Parliament evince a broader trend of “bureaucratic disentitlement” (Lipsky 1984).
  + bureaucratic decisions that “*have sustained implications for the relationship of poor people to the state*” and
  + “bureaucracies become less accessible”
* Example: Changes in the relationship of vulnerable community members to CRA
  + The channels through which community members can get information about taxes and benefits from CRA have changed markedly over the years.
  + Tendency to redirect Individual Tax and Benefits Enquiries to “more cost-effective channels” since 2006-07 RPP
    - *2006-2007 Report on Plan and Priorities*:
      * Discontinuing walk-in enquiries at Tax Services Offices (TSOs); shift to appointment-only in-person service.
        + “To reduce costs, we will encourage increased use of self-service options. At the same time, we recognize that some of the public prefer in-person service. Accordingly, **we will continue to offer such service by appointment**, but we will organize targeted outreach and educational programs to promote and encourage the use of assisted self-service.”
    - *2012-2013 Annual Report to Parliament*
      * Developing e-service channels (My Account) but maintaining traditional channels including in-person help and telephone assistance
        + “While our service delivery model is evolving, Canadians who want to use our traditional services will not be left behind. They will continue to be able to talk to one of our well-trained call centre agents, **make an appointment to receive in-person help at one of our tax services offices**, and order printed copies of their income tax and benefit packages.”
    - *2013-2014 to 2015-2016 Corporate Business Plan*
      * Discontinuing counter enquiries entirely as part of service rationalization
        + “As we rationalize our services, **discontinuing services like TELEFILE and counter enquiries**, we will ensure that taxpayers are informed and supported in choosing from the other options available.” (emphasis added)
    - *2017-2018 Departmental Results Report*
      * Auditor General’s Fall 2017 report on quality of service issues related to CRA telephone services
      * “Using the Tax Administration Diagnostic Assessment Tool, the Agency found that it did not meet the TADAT standard of responding to telephone enquiries in a timely fashion.” (18)
      * New performance indicators expected in 2019
    - Who is affected by these changes?
      * (As presented earlier), vulnerable community members face barriers to accessing self-service channels
      * Findings from interviews suggest that these changes have had negative effects on vulnerable community members access’ to necessary information and documentation.

# Tax Filing through the “Shadow State”

* Trend of “third-party government” by which state agencies have continued to procure and distribute funds for social programs, but have contracted out delivery of these programs to the private and non-profit sector (Salamon 1995).
* “[t]he voluntary sector has in effect become a shadow state … *a para-state apparatus with collective service responsibilities previously shouldered by the public sector, administered outside democratic politics, but yet controlled in both formal and informal ways by the state.*” (Wolch 1989:201)
* Non-profits need to build bureaucratic capacity to administer these programs, which requires resources.
  + “tax empire”
    - Training
    - Resource procurement
    - Volunteer recruitment
    - Coodination
  + Requires resources
    - Charitable grants
    - Government contracts
    - In-kind donations
    - Volunteer labour
* Serves as a parallel system to the mainstream personal income tax system.
  + Investment in CVITP since ~2014, including dedicated phone line for volunteers
    - …but only for volunteers.
    - Community members must go through a CVITP clinic to benefit from this investment.
  + Participants reported difficulty obtaining the information and documentation needed to support individual clients from government agencies and benefit systems
  + Participant concerns
    - Providing services to low-income community members through community-based alternatives removes these community members from the mainstream systems through which benefits are typically administered
    - The success of community-based organizations in reaching vulnerable community members could dissuade government agencies from making the changes needed to better serve this demographic

# Opportunities

* Increasing the availability of programs and services (over 3000 organizations!),
* Trusted organizations
  + Interview participants reported that:
    - Many service users felt fear, distrust, and discomfort of government agencies that administer benefits and private sector businesses that file tax returns and apply for benefits.
    - In contrast, service users are comfortable with and trust community service providers
    - Service users are often referred by other community organizations
    - Feeling that community-based service providers will work on their behalf and stick up for them rather than working on behalf of the government.
* Culturally relevant
  + Sense that community service providers understand and value their life situations
  + Key tenet of the work is treating vulnerable service users with respect, empathy, and patience.
  + Using social work skills (active listening, supportive counselling) during program delivery
* Adaptation
  + A degree of local control and participation by embedding programs within community organizations
  + Offers additional flexibility to adapt these programs to meet local conditions
  + With linguistic and cultural interpretation (for refugees new to Canada)
  + Different models tailored to local contexts (drop-in, appointment, drop-off, partnering and embedding within other social service agencies, combined with other FE services, standalone tax filing)
* Gateway towards other outcomes
  + Bridge to other financial empowerment interventions – financial literacy education, asset building, mainstream financial inclusion
  + Observed outcomes:
    - Increased knowledge, skills, confidence to navigate the income tax system and other benefits systems; reduced stress; increased hope for the future
    - Spin-off effects – increasing resilience, and sharing knowledge with other community members

# Constraints

## Philanthropic Insufficiency

### Concept

* Problems with securing funding without recourse to taxation
* Reliant on government contracts, charitable funding, business activities to fund service provision
* Nonprofits have marginal reach and capacity compared to the state

### Application

* Participants reported not having enough capacity, including human and financial resources, to meet the needs of the communities they serve
* Community members contend with long lineups and call queues to access CVITP support from nonprofit service providers that have limited capacity to meet demand for services
  + “on Thursday mornings … we have a lineup out the door. And this summer, we had a couple of times where people brought lawn chairs, snacks, games…to wait for the opportunity to get their taxes done for free.”
  + “the doors … open at 9:30 in the morning. By 7:30 in the morning, there’s often 100 people lined up. At 7:30 AM, waiting to get inside. … by 10:00 AM, 200 numbers have been given out and there’ll be, you know . . . so we’re turning people away at 1 o’clock for a service that ends at 3 o’clock. And there will be people waiting there from 10 o’clock till 2 o’clock to get their taxes done.”
* Winnipeg CVITP clinics turn community members away due to insufficient capacity

## Philanthropic Particularism

### Concept

* No universal mandate
* As voluntary organizations, non-profit social service agencies can choose to focus on delivering specific services to particular demographics within bounded geographic areas within specific time periods, resulting in unequal access to vital services (Hall and Reed 1998; Salamon 1995; Wolch 1989)

### Application

* Nonprofit tax filers
  + can cater services to reach specific demographics and geographic areas
  + can choose whether or not to be publicly listed by CRA
  + can file returns for specific tax years only
  + may offer tax filing for only a brief period of time each year

## Philanthropic Amateurism

### Concept

* “Agencies stressing volunteer effort and limited by dependence on contributions from providing adequate wages [may be] in a poor position to attract such professional personnel.” (Salamon 1987, 42)

### Application

* Participants reported that it’s challenging to ensure that service providers have the necessary knowledge and skills to navigate complex and changing benefit systems
* By rule, CVITP volunteers can only file returns for people with simple income tax situations
* I suggest that these limitations on eligibility for CVITP reflect an appraisal of the skillset of volunteers, the amount of responsibility they can reasonably take on, and the training CRA can provide
* Some of the most vulnerable community members may be ineligible for CVITP
  + Surviving spouses / common-law partners of deceased persons
  + Precariously self-employed “independent contractors”
* Challenge:
  + Make sure that volunteers are properly qualified and aren’t burdened with too much responsibility; but limits access for people whose income situations don’t qualify.

## Summary

* These issues make to access entitlements more conditional
  + If someone doesn’t have the financial literacy and technical resources to file taxes themselves…
  + Or the funds to hire an appropriate service in the market…
  + Then:
    - They need to have access to a local community tax clinic
    - They need to have a simple tax situation to be eligible
    - The community tax clinic must have sufficient capacity and availability to meet their needs.
  + If not, no benefits.

# Research Directions and Policy Solutions

* What research directions does a realist analysis open up?
* Which social processes do we need to change?

## Research Questions

* Who is and is not accessing CVITP, and why?
  + Geographically? Demographically?
* Who is providing CVITP?
  + Organization types? Funding sources?
  + CVITP clinics location in relation to where low-income people reside?
* Who is utilizing tax rebate discounters, and why?
  + Geographically? Demographically?
* Who is unable to access information through CRA’s electronic and telephone delivery channels?
* What led to the devolution of CVITP coordination to community organizations?
  + What were the consequences of this devolution?
* Efforts to answer some of these questions would require appropriate data from CRA / Statistics Canada

## Policy Solutions

* What role is the nonprofit sector well-suited to play in connecting Canadians to their benefits?
* Realist evaluation of recent CRA innovations (what worked? for whom? why? in what circumstances?)
  + …File my Return service?
  + …the Auto-fill my Return service?
  + …the Non-filer Benefit Letter initiative?
* How can CRA reduce reliance on the “shadow state” and increase the provision of direct services to vulnerable citizens and residents (not just outreach, but applications and tax filings)?
* How can CRA balance the need to ensure that there isn’t benefit leakage/overpayment without causing undue hardship to eligible Canadians who face barriers to providing necessary information and documentation?
* How does the personal income tax system function in delivering social welfare benefits to low-income citizens and residents? Are there promising alternatives? How does it compare with cash transfers delivered through Service Canada or other agencies (take-up, recipients’ experiences, complexity)?