

**Earned Income Tax Credit (EITC) Research Studies:  
EITC Marketing Focus Groups  
TIRNO-05-Z00003, Task Order 10**

**OMB Package**

**I. Introduction**

**Background/overview.** In 2006 the Internal Revenue Service (IRS) implemented new marketing strategies in an effort to increase public awareness about the Earned Income Tax Credit (EITC), which was created in 1975 to offset Social Security taxes for low-income, working singles and families. To qualify for the tax credit taxpayers must make less than a certain amount of money a year and meet other special requirements (e.g. have a valid Social Security #). The IRS estimates that 20-25% of taxpayers who are eligible for EITC don't file for it. The products and activities generated by the EITC marketing campaigns are intended to increase awareness about the tax credit, and to reach taxpayers who may not be aware that they qualify. It is anticipated that increasing awareness about the tax credit could also help decrease the number of EITC claims that are paid in error.

Since 2006 the IRS has continued to refine its EITC marketing strategies to ensure that it is effectively reaching the targeted audiences, including taxpayers with limited English proficiency, different ethnic groups, urban and rural taxpayers, and families, including the non-traditional and those without children. The IRS has been working with a public relations firm to revise some of their marketing strategies, and is in the process of choosing a new marketing campaign for EITC. Some of changes that IRS made to its marketing strategies were inspired by feedback collected from EITC-eligible taxpayers. The IRS now wants to learn what taxpayers think about some of its latest marketing ideas.

The purpose of Task Order 10 is to plan, conduct, analyze, and report on eight focus groups with English-speaking and Spanish-speaking taxpayers to obtain their feedback about the effectiveness of 2 EITC marketing themes. Results from the focus groups are expected to provide a qualitative assessment of the effectiveness of each theme with regard to how well they resonate with EITC-eligible taxpayers, and whether they motivate taxpayers to learn more about and file for the tax credit.

**Objectives of data collection.** The objectives of these focus groups are to supply IRS with insights into eligible taxpayers' awareness of EITC, and the kinds of strategies that could motivate taxpayers to file for the tax credit. These focus groups present an opportunity for the IRS to solicit qualitative feedback from taxpayers about issues such as:

- Taxpayers awareness of EITC and how they learned about it, including any experiences with current EITC marketing materials;
- Actions taxpayers may have taken to learn about EITC on their own, such as going to [www.irs.gov/eitc](http://www.irs.gov/eitc), or calling an IRS toll-free line;

- Feedback about how well each marketing theme brings to mind, and is recognizable as being related to “EITC” (e.g. “brand recognition”);
- Feedback about each theme’s ability to motivate taxpayers to learn more about and/or file for the tax credit;
- Feedback about each theme’s ability to effectively reach targeted demographics, such as taxpayers with limited English proficiency;
- Suggestions about media types (e.g., print, radio and TV) that should be used to reach EITC-eligible taxpayers; and,
- Suggestions for enhancing these marketing strategies so they can most effectively inform eligible taxpayers about EITC and motivate participation.

## II. Methodology

### Sample design.

Eight focus groups will be conducted around the continental U.S. (1 group per state) with taxpayers who are potentially eligible to receive EITC. The eight locations will be selected by the IRS to provide representation of taxpayers residing within the 4 geographic regions within the continental United States<sup>1</sup> (Northeast, Midwest, South, West). No more than 10 respondents will participate in each discussion group. Participants will represent taxpayers who may or may not have ever filed for EITC. Six of the discussions will be conducted in English and two will be in Spanish.

In recruiting participants, we will strive to include individuals who represent:

- EITC-eligible taxpayers who have filed for the tax credit;
- EITC-eligible taxpayers who have not filed for the tax credit;
- Taxpayers from urban, suburban, and rural areas;
- Taxpayers for whom English is a second language;
- Taxpayers with and without children;
- Taxpayers residing in cities where campaigns to market EITC have been implemented; and,
- Taxpayers residing in areas served by IRS community partners, such as organizations that support the IRS Volunteer Income Tax Assistance (VITA) Program.

**Data to be collected.** The discussion protocol will be developed and qualitative data collected that help identify eligible taxpayers’ awareness of EITC, and their reactions to the new marketing themes that have been designed to motivate taxpayers to file for the tax credit. Each focus group discussion will be audio-taped with participants’ signed consent. Based upon the transcripts from the groups, the results will be analyzed to identify themes that arise in the

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<sup>1</sup> As defined by the U.S. Census Bureau

groups about the major topics under discussion (e.g., awareness of EITC; feedback on EITC marketing materials).

**How data will be used.** Results from the focus groups will be used to provide insight about how aware EITC-eligible taxpayers are of the tax credit, and how they respond to materials that the IRS has designed to increase awareness of EITC. While these qualitative results are not generalizable to the entire “EITC-eligible taxpayer population”, they do provide valuable input about the kinds of strategies that could motivate taxpayers to participate in EITC, and ways that the IRS can enhance the effectiveness of EITC outreach efforts.

**How data will be analyzed.** Using content analysis strategies, we will systematically review and analyze the transcripts from each of the 8 focus groups to identify themes that emerge. This procedure begins with analyzing each line of the transcript and generating substantive “open” coding categories. We may also use NVivo 7, a software package that enables the coding, linking, shaping, searching, and modeling of qualitative data.

**Dates of data collection.** A total of 8 focus groups will be conducted – 1 group in each city across the Continental U.S – beginning in October 2008. Data collection is expected to be complete by November 2008.

**Who is conducting the research.** The research is being conducted by Westat. Westat will not be using any subcontractors. Westat is located at 1650 Research Blvd., Rockville, MD 20850.

**Cost of study.** The total estimated cost of this research effort is \$149,655, which will be broken down across 6 tasks.

**Stipend.** A \$100 cash stipend will be provided to each focus group participant. The purpose of the stipend is to encourage participation, and to thank respondents for sharing their time and contributions to the discussion. A stipend of this amount is typical when conducting focus groups with populations that may incur child care and/or transportation expenses to attend the discussion.

**Recruitment efforts.** Westat will initiate recruiting activities using a list of EITC-eligible taxpayers provided by the IRS. Lessons learned while recruiting for similar focus groups under previous IRS task orders indicated that some taxpayers were reluctant to participate in a study sponsored by the IRS. To ensure adequate attendance at the focus group discussions planned for Task Order 10, some recruiting may need to be done “off-list”. To support any needed “off-list” recruiting, Westat will seek out community partners within the eight discussion locations to serve as liaisons to members of underserved and hard-to-reach populations. We anticipate that IRS Stakeholder Partnership, Education and Communications organization (SPEC) partners may be in a position to be especially helpful in this regard. SPEC partners work with local coalitions to help link low-income, elderly, disabled and limited English proficient individuals and families with information about EITC and free tax preparation services.

We will track participation rates for each location and provide reasons that taxpayers give for choosing not to participate. We will also track the number of individuals who were invited to participate in each discussion group and the number who actually ended up participating.

**Location-region/city and facilities.** These discussions will take place in 8 different cities within the continental United States. Locations are pending selection by the IRS, and will represent the Northeast, Midwest, South, and West regions. Westat will seek space within professional focus group facilities in these locations to conduct the groups. If a professional facility is not available in a targeted location, we will secure a facility in which the group discussion can be conducted so as to ensure participants' privacy and confidentiality.

**Methods to maximize response rates.** Since this is a qualitative effort, the calculation of response rate is not relevant. The results from these focus groups will not be representative of the population being studied. Nonetheless, we will still attempt to encourage participation during our recruiting phone calls. In addition, all participants will: (1) be sent a confirmation letter reminding them of the focus group date, time and location; (2) receive a reminder telephone call one business day before the discussion group; and, (3) be provided a stipend when they show up for the group.

**Efforts Not to Duplicate Research.** This project is part of an ongoing, qualitative data collection effort that the IRS is conducting with EITC-eligible taxpayers to learn about their awareness of the tax credit and to gather their feedback about EITC marketing strategies.

### **III. Participants Criteria**

Participants will represent taxpayers residing within the eight locations pending selection by the IRS; the locations will represent the 4 geographic regions (Northeast, Midwest, South, and West) within the continental United States. The criteria for participation are based on a person "potentially" being eligible to file for EITC. Westat will initiate recruiting activities using a list of EITC-eligible taxpayers provided by the IRS; however, we anticipate that, in order to achieve an adequate response rate, some recruiting may need to be conducted off-list with the support of community organizations, such as IRS SPEC partners. Because IRS SPEC partnerships work with local coalitions to help link low-income, elderly, disabled and limited English proficient individuals and families with information about EITC and free tax preparation services, taxpayers who are recruited off-list in this manner will be considered to be "potentially eligible" for EITC and deemed appropriate focus group members.

At screening we will be asking potential participants whether they filed a tax return last year (a Yes/No item; no details will be asked), whether they remember filing for EITC last year, and about household composition (with regard to children under age 18). The IRS wants to include individuals in these discussions who may not have recently filed a tax return, taxpayers who have never filed for EITC, and those that do not have children among those that review the new EITC marketing themes they have developed.

### **IV. Privacy, Security, Disclosure, Confidentiality**

Westat personnel are trained in the importance of protecting data confidentiality. All project staff have signed the Assurance of Confidentiality Pledge, a general assurance of confidentiality. Data collected about respondents (e.g., name, address) will be kept in locked cabinets or areas when

not in use. Once the recruiting task is completed, all respondent names and addresses contained in the screener will be shredded.

During the focus groups, only the first name of participants will be used. In addition, to protect the privacy of the respondents, no names will appear in any report documentation. Audiotapes will be destroyed once the transcripts are completed. No participant identifying information will be contained in the session transcripts.

## V. Estimated Burden Hours

The estimated time to complete the participant screening is 4 minutes and the estimated time for each focus group attendee is 2 ½ hours including travel time (30 minutes each way). We will assume a 50% percent success rate in soliciting participation. We anticipate that we will need to contact a larger than usual number of taxpayers for each focus group since our experiences while recruiting for previous focus groups conducted for the IRS indicated that some taxpayers are reluctant to participate in a study sponsored by the agency. We are hopeful that outreach conducted with community programs will help minimize the number of people that we call and screen for each focus group, since these agencies will be in the capacity to act as liaisons for the study and can deliver a message of credibility and safety to taxpayers.

<b>Screening Burden</b>		
Total number of potential participants screened: [Approx. 350 participants screened for each of 8 focus groups (350 x 8 = 2800)]	2800	People
Estimated time to complete screening	4	Minutes
Estimated participant screening burden (2800 X 4 minutes = 11,200 minutes / 60 = 187 hours)	187	Hours
<b>Focus Group Participation Burden</b>		
Estimated number of participants: 80 participants (n=10 for each focus group). There will be 8 focus groups.	80	People
Time to conduct the focus group (1.5 hours) plus half hour commuting time each way (1 hour)	2.5	Hours
Estimated focus group participant burden (80 X 2.5 =)	200	Hours
<b>Total burden</b> (screening and focus group participation)	<b>387</b>	<b>Hours</b>

## VI. Special Tallies and Other Information

The following information will be provided to the EITC Office at IRS within 60 days after the close of the focus group data collection operations:

1. SOI Control Number
2. Title of study
3. Purpose of study

4. Findings: a brief summary of significant (important) findings that were evidenced in the results.
5. Actions taken or lessons learned: a brief summary of actions taken or lessons learned as a result of the screening and/or focus groups.
6. Number of participants screened.
7. Number of participants who were invited to the focus group.
8. Number of participants who actually participated in the focus group.
9. Date and times of the focus groups.
10. Date the data collection ended.
11. Actual burden hours
12. Estimated costs associated with the data collection.

### **Attachments**

- Attachment 1 – Telephone Screener
- Attachment 2 – Discussion Guide
- Attachment 3 – Consent Form