

Supporting Statement
OMB Information Collection (ICR) Approval Request to Conduct
Cognitive-Psychological Research (OMB# 1545-1349)

Gig Economy Worker Focus Groups

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Internal Revenue Service (IRS) enlists a balanced measurement system consisting of business results, customer satisfaction and employee satisfaction. This initiative is part of the Service-wide effort to maintain a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act (RRA) of 1998. This is also a result of Executive Order 12862 that requires all government agencies to survey their customers.

The Gig Economy is an emerging issue with exponential and continued growth projected for the future. In response to this, SB/SE developed the Gig Economy Compliance Strategy Team. This team would like to identify where gig economy workers receive federal tax information as well as determine their understanding of tax obligations and what the IRS can do to assist them in meeting their tax obligations.

2. Purpose and Use of the Information Collection

SB/SE Research will be conducting contractor assisted online focus groups with gig economy workers. The market segment of interest for this research consists of recent gig economy workers who participate in the gig economy. If possible, we will include a variety of platform-based gig economy workers with various work schedules. During the focus groups we would like to gain insight into the resources the workers use to comply with their tax obligations, how the workers maintain their financial records, and what information IRS can provide both new and experienced gig economy workers to help them file and pay their taxes timely and accurately.

3. Consideration Given to Information Technology

The focus groups will be conducted online, in a virtual setting. Conducting online focus groups allows interaction which can help elicit in-depth thoughts and discussions while also following social distancing COVID-19 CDC guidelines. There is also an opportunity to probe participant responses and can yield richer data than paper or electronic surveys.

4. Duplication of Information

The focus group sessions with recent and current gig economy workers will provide valuable information that is not available in any internal IRS data source. Previous focus groups solicited feedback from tax practitioners and tax preparation organizations but none directly from gig economy workers themselves.

5. Reducing the Burden on Small Entities

Small entities are not included in this collection of information.

6. Consequences of Not Conducting Collection

SB/SE initiatives fall under the IRS' goal to "improve service to make voluntary compliance easier and enforce the law to ensure everyone meets their obligation to pay taxes." If the focus group is not approved, SB/SE will not have the necessary data to help further understand the needs of gig economy workers, and what IRS can do to help them comply with their tax obligations.

7. Special Circumstances

There are no special circumstances relating to this request. The participation in the focus group and the information collected will be voluntary.

8. Consultations with Persons Outside the Agency

A contractor currently included in an approved Blanket Purchase Agreement (BPA) will be used to solicit, recruit, and secure focus group participants. The contractor will also moderate all focus group sessions and has an optional task of providing recordings of feedback sessions, transcripts, and a summary deliverable. All privacy rules will be followed, per the BPA, awarded contract, and PCLIA.

9. Payment or Gift:

The IRS will not provide an honorarium or non-monetary incentives to the participants however the marketing firm the IRS is partnering with will pay an honorarium of \$100.

10. Confidentiality:

The IRS will apply and meet fair information and record-keeping practices to ensure privacy to the extent allowed by law and protection of all taxpayers to the extent allowed by law. This includes criteria for disclosure – laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code – all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

The focus group questions do not request tax return or taxpayer information. Focus group participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research objectives. We will carefully safeguard the security of data utilized as well as the privacy to the extent allowed by law of the focus group participants.

11. Sensitive Nature

No questions will be asked that are of a personal or sensitive nature.

12. Burden of Information Collection

A total of six online focus groups will be conducted with 8 - 12 participants per session. The total burden hours estimated is 78 burden hours.

The estimated time to screen a person is 3 minutes. Based on past experience, we will assume that 60 people will be screened for each session (60 people x 6 sessions = 360 people) before 20 invitations are issued. We will assume that 20 invitations will need to be issued to ensure that 10 people will be present for each focus group. The burden for screening potential participants is 18 hours (360 people x 3 min screening / 60 min).

The estimated time for participating in each of the focus group is 1 hour. We will assume a maximum number of 10 participants in each of the six focus groups. The total participation burden is 60 hours (60 participants x 60 minutes / 60 minutes).

Type of Collection	Participation	Response Time (minutes)	Total Burden (hours)
Potential Respondents Contacted	360	3	18
Expected Participants	60	60	60
Grand Total Burden			78

13. Costs to Respondents

There is no dollar cost to respondents. The total estimated annual cost burden to respondents is \$1,948.44. The surveys take place across the United States with all cross-sections of society. This estimate was created using the mean hourly wage for all occupations (\$24.98) from the BLS May 2018 National Occupational Employment and Wage Estimates - United States.

14. Cost of Federal Government

The total estimated cost allocation for this focus group project is \$50,000.

15. Reason for Change

No change is being requested. This is a new request

16. Tabulation of Results, Schedule, Analysis Plans

At the completion of focus group(s), the responses will be released in a report as summary observations and categorized by the topic of discussion in the moderator’s guide. The report will not contain any individually identifying information such as name, address, or taxpayer / practitioner identification number. The moderator ensures that the gig economy workers participating in the focus group are guaranteed anonymity. Upon completion of data collection and delivery of the report, the focus group data will remain on a secured IRS server for three years.

17. Display of OMB Approval Date

IRS is seeking approval to not display the expiration date for OMB approval, as this is a one-time, limited-duration collection

18. Exceptions to Certification for Paperwork Reduction Act Submissions

These activities comply with the requirements in 5 CFR 1320.9.

19. Dates Collection of Information will Begin and End

Data collection will begin August 2020 and end October 2020.

B. STATISTICAL METHODS

1. Universe and Respondent Selection

Focus groups participants will be identified, screened, and recruited by a marketing firm. They will rescreen the participants in each of the online group sessions, moderate the focus groups, and capture responses. The contractor has an optional task of providing transcripts, recordings, and a summary report.

2. Procedures for Collecting Information

The contractor's focus group moderators will rescreen the participants in the focus group sessions, moderate the focus groups, and capture responses. There will be two SB/SE Research analysts observing each session. SB/SE Research will also capture responses, analyze responses, and incorporate contractor provided report information with the final report for the customer.

3. Methods to Maximize Response

The moderator's guide contains open ended questions to obtain candid opinions and suggestions about the topic of discussion. Additionally, some of the questions contain probes to be used by the moderator if responses are minimal. The probes also serve as memory joggers for the focus group participants.

4. Testing of Procedures

The screener and moderator guides were developed by SB/SE Research with the assistance from the Gig Economy Compliance Strategy Team. If changes are made to the moderator guide, they will be minimal. Revising a question to make it understandable is one example of a potential change.

5. Contacts for Statistical Aspects and Data Collection

For questions regarding the study or focus group questions or methodology, contact:

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