

The BIAS project adapts and applies tools from behavioral science to improve the well-being of low-income children, adults, and families.

# behavioral buzz

Brought to you by the BIAS team

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Welcome! This is an email blast about behavioral economics and the **Behavioral Interventions to Advance Self-Sufficiency (BIAS)** project, which is funded by the Administration for Children and Families' Office of Planning, Research and Evaluation. The goal of BIAS is to adapt and apply tools from behavioral science to improve the well-being of low-income children, adults, and families.

## Behavioral Insight

### Make it Easy

One of the key principles in behavioral economics is that people are more likely to do something accurately and on time if it is easy to do. Making a process easier is like inserting a waterfall on a flat riverbed that quickens the pace and focuses the direction of the stream. It creates a "channel factor" that guides people toward a particular outcome. Simplification is especially useful in cases where a process is currently complex or tedious, and people are likely to give up before reaching the conclusion or make mistakes that generate unnecessary costs.

For program users, there is nothing easier than a default. Defaults determine what will happen if the program user doesn't act, and the default can be set so that the outcome is beneficial to the user.<sup>[1]</sup> Unfortunately, defaults are not always possible in social programs. For instance, [in the last issue of the Behavioral Buzz](#), we profiled a behavioral intervention designed to increase the number of incarcerated non-custodial

parents who apply by mail for a downward modification of their child support orders. The simplest solution in this situation would be a default in which incarcerated non-custodial parents automatically receive a modification when they begin their sentences, but this is not possible in many states without legislative action.

Still, there are many ways to simplify a complex process short of creating a default. The following are three examples.

- A team of researchers found that introducing a procedure called “Quick Enrollment” increased enrollment in the company retirement savings plan by 10 to 20 percentage points.<sup>[2]</sup> The procedure involved highlighting a pre-selected contribution level and making it easy for employees to choose this option (in some cases, by simply checking off a box on a postcard).
- Simplified information is especially useful when it is delivered directly to the user at the time they must make a choice. In a pair of experiments, a group of low-income parents whose children attended failing schools were sent a short list (1-3 pages) with each school’s test scores during the registration period.<sup>[3]</sup> The study found that these parents were more likely to choose a higher scoring school than parents who did not get the list, especially when the school was nearby.
- Another technique that has been tested with positive results is to pre-populate some fields of a complex form and offer personal assistance to complete the rest.<sup>[4]</sup>

The first step in simplifying any procedure is to better understand why it is challenging. Program administrators can get clues on what parts of a process could be simplified by looking at the points where clients make mistakes or quit before completion. Conducting a focus group or sending out a client survey would provide even more insight.

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## Accomplishments

### Testing Strategies to Make it Easy to Pay Child Support

Counties all over the nation seek to improve the collection of child support payments owed by non-custodial parents (NCPs). In 2011, the national collection rate was 62.4% of all collections due.<sup>[5]</sup> Though collections in Franklin County, Ohio, have been higher than the national average in recent years (e.g. 65.8% in 2011), millions of dollars are left uncollected in the county, leaving some families without much needed resources. The BIAS team has been working with the Franklin County Child Support Enforcement Agency (FCCSEA) since January 2013 to identify bottlenecks that may create barriers

The behavioral diagnosis work with Franklin County revealed several possible behavioral bottleneck points. First, 75% of NCPs in the county do not receive a monthly statement from the state that their child support payment is due. While NCPs certainly know they must pay their orders, the absence of a notice reduces the salience of the payment and may contribute to budgeting challenges. For the 25% of NCPs who do get a notice, aspects of its design may create barriers for the recipient. The notice is written with a punitive tone, contains jargon, and does not indicate a due date for payment. It comes on letterhead from a state clearinghouse that is likely unfamiliar to the reader, and does not provide any guidance about what to do if he or she cannot pay in full. These features may make the notice harder for NCPs to comprehend, and increase the likelihood NCPs will respond to it with negativity or anxiety.

The BIAS team, in partnership with the FCCSEA, has developed several behaviorally-informed modifications to the notification system and will soon launch two evaluations. One evaluation is a test of alternative types of phone and letter reminders for NCPs who do not currently receive monthly notices. The second is directed to NCPs who do currently receive notices and tests changes to the notice that are designed to make it more simple, positive, and easy to return. The treatment group will receive notices that:

- **Include a specific due date:** The current notice does not include a specific due date although it says that payments should be received by the end of the month. The revamped notices will include one of two due dates—the 15<sup>th</sup> or 30<sup>th</sup>. The earlier due date may help clients who struggle to plan their expenditures over the course of the month by encouraging them to pay sooner, when more funds may be available. A firm due date at the end of the month may increase the salience of the payment and give NCPs a specific deadline to aim for.
- **Simplify the information:** The text has been edited in an effort to make it more straightforward and easy to understand. The new intervention notice itemizes every charge that is included in the monthly total with a clear explanation. For example, the phrase “ORDERED PMT CHD SUPP ARRS” has been changed to “Monthly Back Support Payment” so that the reader understands that this amount is for arrears owed to the agency.

Unnecessary and confusing details have also been removed from the new version of the notice. The new notice has replaced the logo and name of Child Support Payment Central (the statewide processing center for child support payments) with the FCCSEA logo, since NCPs are likely to be more familiar with the county office.

- **Clarify the instructions for making payment:** On the current notice, the instructions for making a payment are in small font at the top right corner of the page. The intervention notice has been redesigned to direct clients to make payment through the most commonly used option - a mailed check or money order. There is a distinct section in the middle of the page called “How To Make

requirements except the amount, which the NCP must fill in. In addition, in several places on the notice clients are directed to contact FCCSEA if they have questions about making a payment or paying with a different method.

- **Provide paid postage:** The new notice will include a pre-addressed envelope and paid postage to remove another potential barrier for NCPs. When NCPs are ready to make a payment they will not have to search for an address or postage and can simply enter the payment amount on the detachable portion and include their payment.

Both BIAS pilot tests in Ohio will begin in January 2014, and run for four months. Future publications will report on the results.

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## Upcoming Milestones

In addition to our work in Franklin County, the BIAS project will soon launch pilots with other partners, including the National Domestic Violence Hotline, the Oklahoma Department of Human Services, and the Indiana Bureau of Child Care. Results from the BIAS project's pilot test with the Texas Office of the Attorney General's incarcerated NCP program are expected in 2014.

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## BIAS in the News

Since the last installment of the Behavioral Buzz, the BIAS project has generated a great deal of excitement in the news! The work of the BIAS team with the National Domestic Violence Hotline was described in a [New York Times](#) article by distinguished behavioral economist Richard Thaler, as well as by [Government Executive](#), a news resource for federal employees.

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## Notes

[1]Madrian, Brigitte C., and Dennis F. Shea. 2001. "The Power of Suggestion: Inertia in 401(k) Participation and Savings Behavior." *Quarterly Journal of Economics* 116, 4: 1149-1187.

[2]Beshears, John, James J. Choi, David Laibson, and Brigitte C. Madrian. 2006. "Simplification and Saving." *National Bureau of Economic Research Working Paper No. 12659*.

and Academic Achievement: Evidence from Two Experiments." *Quarterly Journal of Economics* 123, 4: 1373-1414.

[4] Bettinger, Eric P., Bridget T. Long, Philip Oreopoulos, and Lisa Sanbonmatsu. 2009. "The Role of Simplification and Information in College Decisions: Results from the H&R Block FAFSA experiment." *National Bureau of Economic Research Working Paper No.* 15361.

[5] National Conference of State Legislatures. 2013. *State by state data on child support collections, 2011*. Web site: <http://www.ncsl.org/issues-research/human-services/state-by-state-data-on-child-support-collecti.aspx>

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