

The BIAS project 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 | July 2013

## Welcome!

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.



**CONTACT US**

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[bias.info@mdrc.org](mailto:bias.info@mdrc.org)

## Behavioral Insight

### Can reminders help us follow through?

Despite our best intentions, we sometimes forget a task or fail to follow through, and the job goes undone. In many cases, the task is small like watering houseplants or going to the post office, but the problem of "forgetting to remember" can have bigger consequences. One study showed that almost 20% of major recent airline accidents were caused by pilots forgetting a step in the standard operating procedures.<sup>1</sup> At other times, we may procrastinate, always putting things off to another day. People often delay going to the gym, going to their dentist for a check-up, signing up for their 401(k), or cancelling a subscription to a magazine they never read. This tendency to procrastinate is further exacerbated when it is a hassle to complete the task. For low-income people, forgetting to follow through or putting off a task can mean losing benefits for which they are eligible or missing out on valuable opportunities, such as job fairs or training programs.<sup>2</sup>

The behavioral economics literature suggests that social service providers can use low-cost reminders to encourage clients to follow through on their intentions and avoid

procrastination. This was found in a study that looked at whether text message reminders could be used to help borrowers repay loans on time.<sup>3</sup> The researchers tested several different manipulations — they varied the number of days prior to the due date that the message was sent, whether it included the bank name or the loan officer’s name, and whether the reminder emphasized the penalty for missing a payment or the benefits of paying on time. In the end, they found that including the loan officer’s name in the text message significantly decreased delinquency for repeat borrowers. The personalized message worked for borrowers familiar with their loan officer because it triggered feelings of social obligation and reciprocity.

Case managers in human services programs can try to leverage their personal relationships with clients to increase the power of their reminders. Whether the reminders are delivered by mail, text message, phone, or email, saying that a particular staff person is waiting for the client on the date of the appointment could encourage greater follow through on the part of clients without relying on punitive language.

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## Accomplishments

### Behavioral Challenge: Increasing Requests for Child Support Order Modifications by Incarcerated Non-Custodial Parents

Four years ago, the Texas Office of the Attorney General (OAG), which is the state’s child support enforcement agency, began mailing letters to a small number of incarcerated non-custodial parents (NCPs) with information on how to apply for a modification of their child support order. NCPs often become unable to make their monthly child support payments when they are incarcerated, and, if they do not request and obtain a downward order modification, they may leave prison with significant child support arrearages that follow them for years. Despite the clear benefits of this pilot program for NCPs, only a small percentage of incarcerated NCPs who were contacted by OAG applied for a modification. The BIAS team has partnered with OAG to determine whether the tools of behavioral economics can be used to increase the overall response rate of incarcerated NCPs, as well as the accuracy and timeliness of their application materials.

BIAS and OAG analyzed every step in the modification request process from the wording of the outreach letter and application to the actions the NCP must take within the prison to get an application notarized by a law librarian and returned to OAG by mail. The team identified several potential “bottleneck” points at which NCPs may not follow through with the process, a few of which are discussed below:

- **The NCP may receive the letter but decide not to open it.** Because the NCP likely associates OAG with child support enforcement, seeing a letter from this agency may stimulate a **negative affective response** and the **ostrich effect**<sup>4</sup> (the

the NCP may perceive the **deliberation costs** in time and mental effort to be too high to fully examine the letter.

- **The NCP may not decide to act on the letter.** The letter mentions the NCP's incarceration several times, identifying him as a prisoner rather than a parent. This increases the saliency of their prisoner **identity**,<sup>5</sup> which may reduce their motivation to act.
- **The NCP may not follow through.** Even if the NCP is interested in applying for a modification, he may **procrastinate**<sup>6</sup> in completing the application or forget to request an appointment with the law librarian because this is not part of his everyday routine.
- **The NCP may not successfully submit the application.** After the NCP attends the appointment, the law librarian may find that the application is incomplete and the NCP will need to complete the application and return it at another time. The NCP may forget to request notarization or even forget to drop the completed application in the mail.
- **The NCP may see the future when they are released from prison as too distant to plan for.** NCPs may exhibit some degree of **present bias** — overweighing the present with respect to the future. When the projected release date is **psychologically distant**, the NCP may think about it abstractly, and neglect to consider the negative effects of accrued arrears.

The team has redesigned the materials that are sent to incarcerated NCPs to address these bottlenecks in ways that are informed by behavioral economics. Some of the changes include:

- Mailing the letters in envelopes without the OAG logo.
- Simplifying the language in the letter to make it easier to read and understand.
- Providing a list of "Four Easy Steps" for submitting a modification request, to make the process seem non-threatening and understandable.
- Sending a postcard before the letter and application materials to notify NCPs that information will be coming that can save them money, as well as sending a postcard after receipt of the letter to remind them to complete the application.
- Pre-filling the application with some of the required information in order to increase the likelihood that the application will be completed correctly and reduce the need to get some information from family members or the custodial parent.
- Reminding NCPs through the postcards and letter about how much money they are potentially losing for every month they miss out on acquiring a modification.

The BIAS team and OAG are currently conducting a random assignment study that will determine whether these changes in the application materials can lead to a change in the incarcerated NCPs' behavior and increase the number of modification applications received by OAG.

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## Upcoming Milestones

In addition to our work in Texas with the Office of the Attorney General, the BIAS project will continue to engage in behavioral diagnosis and design — a process to identify behavioral bottlenecks and possible solutions — with existing partners, including the National Domestic Violence Hotline and the Franklin County Child Support Enforcement Agency in Ohio. Pilot-testing of the resulting behavioral interventions is expected to begin in the summer of 2013. We are also recruiting additional pilot sites.

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<sup>1</sup> Dismukes, Key. 2006. "Concurrent Task Management and Prospective Memory: Pilot Error as a Model for the Vulnerability of Experts." Pages 909-913 in *Proceedings of the Human Factors and Ergonomics Society Annual Meeting*, 50, 9. San Francisco, CA: HFES.

<sup>2</sup> Bertrand, Marianne, Sendhil Mullainathan, and Eldar Shafir. 2004. "A Behavioral-Economics View of Poverty." *American Economic Review* 94, 2: 419-423.

<sup>3</sup> Karlan, Dean, Melanie Morten, and Jonathan Zinman. 2012. "A Personal Touch: Text Messaging for Loan Repayment." National Bureau of Economic Research Working Paper No. 17952.

<sup>4</sup> Karlsson, Niklas, George Loewenstein, and Duane Seppi. 2009. "The Ostrich Effect: Selective Attention to Information." *Journal of Risk and Uncertainty* 38, 2: 95-115.

<sup>5</sup> Benjamin, Daniel J., James J. Choi, and A. Joshua Strickland. 2010. "Social Identity and Preferences." *American Economic Review*, 100, 4: 1913-28.

<sup>6</sup> Brandimonte, Maria A., Gilles O. Einstein, and Mark A. McDaniel. 1996. *Prospective Memory: Theory and Applications*. Mahwah, NJ: Lawrence Erlbaum Associates, Inc.

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