

THE POWER OF PROMPTS

Using Behavioral Insights to Encourage People to Participate

OPRE Report 2015 75

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EXECUTIVE SUMMARY

The Behavioral Interventions to Advance Self-Sufficiency (BIAS) project is the first major opportunity to use a behavioral economics lens to examine programs that serve poor and vulnerable people in the United States. Sponsored by the Office of Planning, Research and Evaluation of the Administration for Children and Families in the U.S. Department of Health and Human Services and led by MDRC, the project applies behavioral insights to issues related to the operations, implementation, and efficacy of social service programs and policies. The goal is to learn how tools from behavioral science can be used to deliver programs more effectively and, ultimately, to improve the well-being of low-income children, adults, and families.

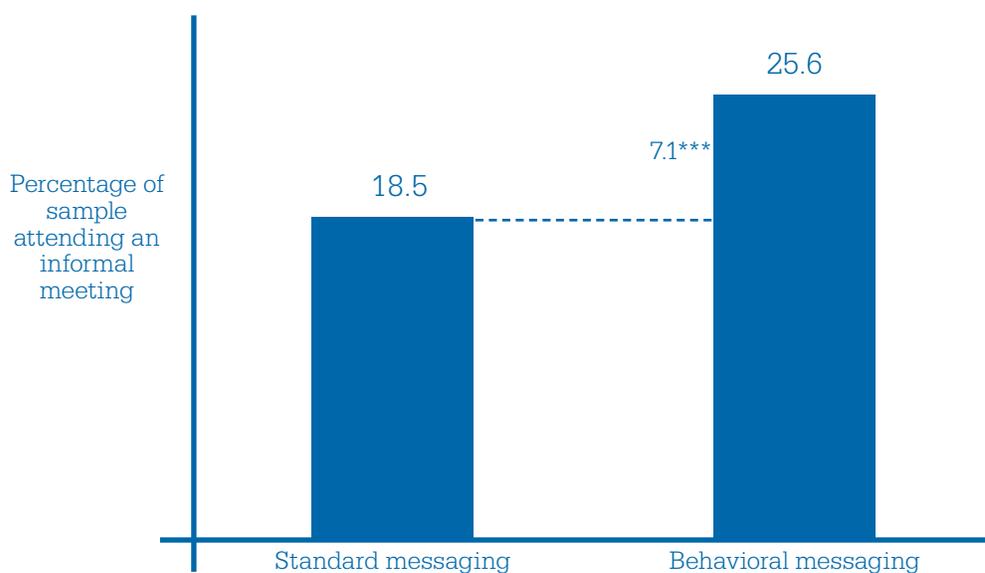
This report presents findings from behavioral interventions designed to increase the number of participants who attended an informational meeting about a program they enrolled in called the Paycheck Plus Demonstration. The Paycheck Plus Demonstration is evaluating whether offering single New Yorkers a generous earnings supplement on top of the existing earned income tax credit (EITC) improves their economic well-being and encourages employment. Eligible participants qualify to receive up to \$2,000 a year for three years if they work, earn wages within an income cap, and file taxes. Enrollment into the program took place in late 2013 and early 2014. Since participants enrolled about a year before they could receive their first bonus payment (in the spring of 2015), Paycheck Plus program operators invited them to a meeting to remind them of the program's benefits, review its participation requirements, and encourage them to find work or to continue working if they were already employed. The meeting was optional and there was a \$50 incentive to encourage attendance.

Program operators anticipated that many participants would not attend the meeting, even when they explained the purpose and offered a monetary incentive. The central question for this BIAS intervention is whether behavioral techniques can be used to increase the attendance rate. Using a process called behavioral diagnosis and design, the team collected quantitative and qualitative data about the EITC and Paycheck Plus programs, and spoke to participants, administrators, and experts. To identify areas where bottlenecks may have occurred, the BIAS team mapped the steps participants needed to take to complete a meeting and hypothesized behavioral reasons for not attending.

The first round of experimentation started in March 2014 and lasted one month. The BIAS team designed two types of postcards: one meant to reflect a typical message that program operators would have produced in the absence of a BIAS intervention (the "standard" version), and one that incorporated concepts from behavioral economics (defined in Appendix Table A.1), including implementation prompting, loss aversion, and prominent deadlines (the "behavioral" version). Additionally, half of the participants were sent text messages. The study contained four research groups. Group 1 was sent only behavioral postcards, and Group 2 was sent behavioral postcards and behavioral text messages. Group 3 was sent only standard postcards, and Group 4 was sent standard postcards and standard text messages.

Figure ES.1 shows the overall effect of using any type of behavioral messaging (Group 1 and Group 2), compared with using any type of standard messaging (Group 3 and Group 4). Behavioral messaging led to a 7 percentage point increase in meeting attendance (over a base of 18.5 percent), compared with standard messaging.

FIGURE ES.1
IMPACT OF BEHAVIORAL MESSAGING, ROUND 1
PAYCHECK PLUS



NOTE: Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

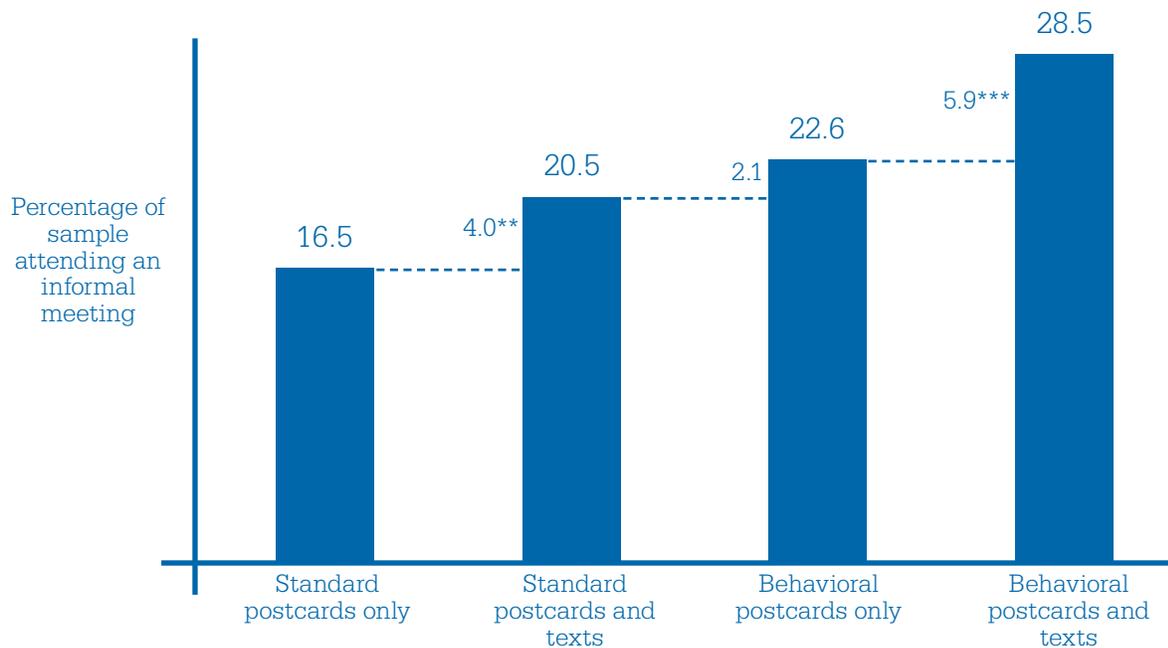
Figure ES.2 presents a further breakdown by each research group. The strongest outcomes were found for the group that was sent *both* behavioral postcards and behavioral text messages. Employing the highest-intensity outreach — sending both behavioral postcards and behavioral texts — resulted in 28.5 percent of the Group 2 sample participating, compared with 16.5 percent who participated in the postcards-only group. As a result, the highest intensity outreach improved response by 12 percentage points (or 73 percent), when compared with the lightest touch, sending only standard postcards. Figure ES.2 also shows that sending text messages with postcards produced statistically significant impacts, compared with sending only postcards, regardless of the type of messaging.

Behavioral messaging led to a large, statistically significant increase in the percentage of participants who attended the meeting. Yet, the overall number of participants who responded to any outreach was still lower than the program operators desired, so the BIAS team immediately launched a second round of outreach to those who did not respond to the first.

Based on a review of findings and feedback from a limited number of participants, the team proposed an intervention that aimed to significantly reduce hassle factors associated with in-person meeting participation by offering a phone conversation instead.

Participants who did not attend a meeting during Round 1 were randomly assigned to one of two conditions: (1) meeting by phone, or (2) meeting in person. In light of the effectiveness of the behavioral

FIGURE ES.2
IMPACTS BY RESEARCH GROUP, ROUND 1
PAYCHECK PLUS



NOTE: Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; and *** = 1 percent.

principles used in Round 1, *all participants in Round 2* received communications that were designed using behavioral concepts. This round included several different forms of outreach using all communication channels for which the participant had provided contact information and consent — mail, e-mail, text, and robocalls.

The second round of experimentation started in May 2014 and lasted six weeks. The findings showed that:

- Launching a second round of outreach increased the total number of participants who attended a meeting; 655 participants responded to marketing in Round 1 and an additional 832 participants responded to marketing in Round 2.
- Participants in the phone group responded to the marketing materials more quickly than those in the in-person group, but this effect diminished as the deadline approached.
- In the end, there was no statistically significant difference in response rates between the phone and in-person research groups.

These behavioral experiments reinforce previous findings about the power of behavioral techniques, such as implementation prompts, multiple reminders, and highly publicized deadlines, in helping people to follow through on an action. At the same time, they demonstrate the challenge of engaging a low-income, urban population in supplemental informational meetings, even when offered by phone.

EARLIER PUBLICATIONS

From the Behavioral Interventions to Advance Self-Sufficiency (BIAS) Project

Reminders to Pay: Using Behavioral Economics to Increase Child Support Payments

2015. Peter Baird, Leigh Reardon, Dan Cullinan, Drew McDermott, and Patrick Landers.

Taking the First Step: Using Behavioral Economics to Help Incarcerated Parents Apply for Child Support Order Modifications

2014. Mary Farrell, Caitlin Anzelone, Dan Cullinan, and Jessica Wille.

Behavioral Economics and Social Policy: Designing Innovative Solutions for Programs Supported by the Administration for Children and Families

2014. Lashawn Richburg-Hayes, Caitlin Anzelone, Nadine Dechausay, Saugato Datta, Alexandra Fiorillo, Louis Potok, Matthew Darling, and John Balz.

NOTE: A complete publications list is available from MDRC and on its website (www.mdrc.org), from which copies of reports can also be downloaded.