

**TAKING THE FIRST STEP**  
Using Behavioral Economics  
to Help Incarcerated Parents  
Apply for Child Support  
Order Modifications

OPRE Report No. 2014 37  
August 2014

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## *Executive Summary*

# **TAKING THE FIRST STEP**

## Using Behavioral Economics to Help Incarcerated Parents Apply for Child Support Order Modifications

OPRE Report No. 2014-37  
August 2014

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Contract Number: HHSP23320095644WC-23337002T

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Suggested citation: Farrell, Mary, Caitlin Anzelone, Dan Cullinan, and Jessica Wille (2014). *Taking the First Step: Using Behavioral Economics to Help Incarcerated Parents Apply for Child Support Order Modifications*. OPRE Report 2014-37. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

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## FUNDERS

MDRC is conducting the Behavioral Interventions to Advance Self-Sufficiency (BIAS) project under a contract with the Office of Planning, Research and Evaluation, Administration for Children and Families, in the U.S. Department of Health and Human Services (HHS), funded by HHS under a competitive award, Contract No. HHSP23320095644WC-23337002T. The project officer is Emily Schmitt.

The findings and conclusions in this report do not necessarily represent the official positions or policies of HHS.

Dissemination of MDRC publications is supported by the following funders that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Annie E. Casey Foundation, The Harry and Jeannette Weinberg Foundation, Inc., The Kresge Foundation, Laura and John Arnold Foundation, Sandler Foundation, and The Starr Foundation.

In addition, earnings from the MDRC Endowment help sustain our dissemination efforts. Contributors to the MDRC Endowment include Alcoa Foundation, The Ambrose Monell Foundation, Anheuser-Busch Foundation, Bristol-Myers Squibb Foundation, Charles Stewart Mott Foundation, Ford Foundation, The George Gund Foundation, The Grable Foundation, The Lizabeth and Frank Newman Charitable Foundation, The New York Times Company Foundation, Jan Nicholson, Paul H. O'Neill Charitable Foundation, John S. Reed, Sandler Foundation, and The Stupski Family Fund, as well as other individual contributors.

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# ACKNOWLEDGMENTS

The authors would like to thank those who have provided essential feedback to this short report. We are grateful to Emily Schmitt, Mark Fucello, Naomi Goldstein, Nancye Campbell, Jason Despain, and Brendan Kelly at the Office of Planning, Research and Evaluation of the Administration for Children and Families (ACF) for their insightful comments and critical feedback. We also thank Elaine Sorenson, Jennifer Burnszynski, Lauren Antelo, Vicki Turetsky, and Adrienne Noti at the Office of Child Support Enforcement of ACF for their thoughtful review.

Many people contributed to the development and successful implementation of the Texas pilot. First and foremost, the administrators and staff at the Texas Office of Attorney General, Child Support Division, have been wonderful partners and collaborators. In particular, we acknowledge Michael Hayes, Oscar Esquivel, Breanna Wheeler, Lipika Ahuja, Noelita Lugo, and Stephanie Martinez. We thank them for their ongoing enthusiasm, responsiveness to our ongoing requests for data and information, and overall ability to carry out a detailed behavioral pilot. We also thank Clay Voorhees at Michigan State University for his marketing expertise and thoughtful feedback during the launch and implementation of the intervention. We also acknowledge Nadine Dechausay and Shane Crary-Ross of MDRC and Alexandra Fiorillo and Matt Darling of ideas42 for their work during the behavioral diagnosis, design, and planning phases.

Lashawn Richburg-Hayes, Gordon Berlin, Dan Bloom, Ginger Knox, Barbara Goldman, David Butler, and Margaret Bald at MDRC reviewed earlier drafts of this report and provided excellent guidance. We also thank Patrick Landers for his important feedback, skillful coordination, and detailed fact-checking of this report and Amy Taub for programming data and creating exhibits. Finally, we thank the publications staff at MDRC, including Robert Weber, who edited the report, and Stephanie Cowell and Carolyn Thomas, who prepared it for publication.

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# EXECUTIVE SUMMARY

The Behavioral Interventions to Advance Self-Sufficiency (BIAS) project, sponsored by the Office of Planning, Research and Evaluation of the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services, is the first major opportunity to apply a behavioral economics lens to programs that serve poor and vulnerable families in the United States. Led by MDRC, the project applies behavioral insights to issues related to the operations, implementation, and efficacy of selected social service programs and policies, with the goal of learning 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 a behavioral intervention designed to increase the number of incarcerated noncustodial parents in Texas who apply for modifications to reduce the amount of their child support orders. Incarcerated noncustodial parents have a limited ability to pay their child support orders each month, due to their incarceration, which can lead to the accumulation of significant child support debt. The debt on release poses a serious barrier to reentry into society and regular employment, which, in turn, affects the parents' ability to provide adequate financial support to their children.

The Texas Office of the Attorney General's (OAG's) Child Support Division operates a program that contacts incarcerated noncustodial parents via mail, informs them of the option to apply for order modifications, and provides instructions on how to begin the process. In the past, less than one-third of contacted parents responded to the outreach and applied for a modification — less than expected, given the benefits they gain from modifying their orders. This intervention was tested using a random assignment design in which a group of incarcerated noncustodial parents was divided between a control group that received standard materials informing them of the modification process and a program group that received a revised packet of behaviorally informed materials.

## The BIAS Diagnosis and Design Process

The BIAS research team used a method called “behavioral diagnosis and design” to diagnose potential behavioral bottlenecks in the child support order modification process and to design a low-cost, behaviorally informed change intended to improve the process.<sup>1</sup> As depicted in Figure ES.1, the process comprises four phases. Rather than being linear, as the figure suggests, in the ideal case, the actual process is iterative, allowing for multiple rounds of hypothesis testing.

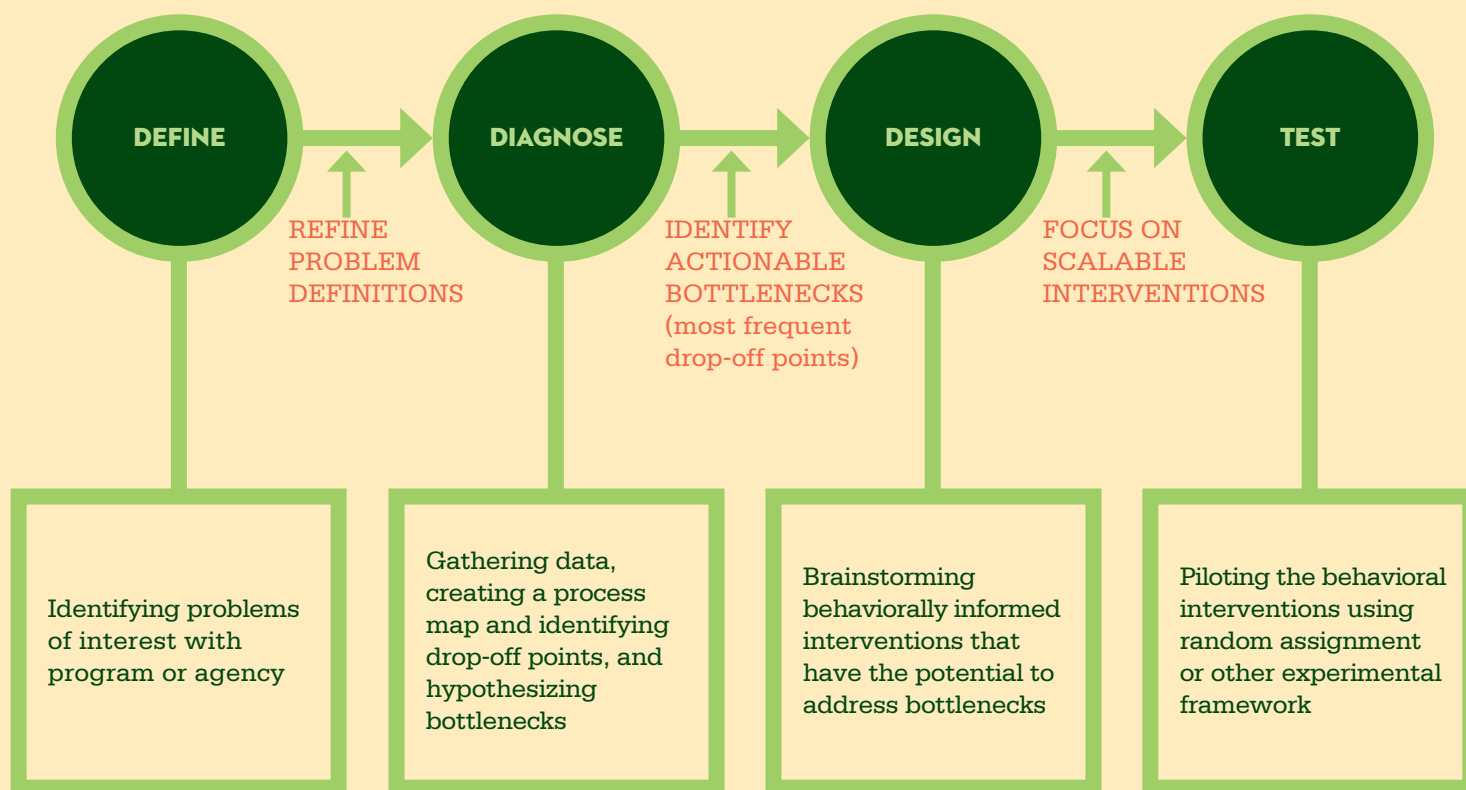
In the first phase, the BIAS team defines the problem in a way that is precise enough to be testable. In the diagnosis phase, the team collects both qualitative and quantitative data to identify what is causing the problem. In the design phase, the BIAS team suggests theories about why bottlenecks are occurring, based on behavioral research, and uses behavioral insights to develop the intervention. Lastly, in the test phase, the team evaluates the behavioral intervention using rigorous scientific methods.<sup>2</sup> The behavioral diagnosis and design process aims to connect the problem, the behavioral bottleneck, and

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1 ideas42 developed a methodology called “behavioral diagnosis and design” for applying insights from behavioral economics to improve programs and achieve impacts at scale. ideas42 was engaged in the early phases of the BIAS project and led the behavioral diagnosis and design process for Texas. The process presented in this document — also called “behavioral diagnosis and design” — is a version of that same process that has been adapted for the BIAS project.

2 Under the BIAS project, most behavioral interventions will be tested using a random assignment design, whereby some portion of a given sample will receive the intervention and the rest will continue with business as usual. Randomized controlled trials are considered the most rigorous form of evaluation and the most accurate way to detect the impact of an intervention.

**FIGURE ES.1  
THE BEHAVIORAL DIAGNOSIS AND DESIGN PROCESS**



SOURCE: This figure was adapted from a figure created by ideas42.

NOTE: The behavioral diagnosis and design process is intended to be iterative, not linear as the figure suggests.

the design solution together in a coherent way.<sup>3</sup> The rest of this section describes how the BIAS research team applied this process in Texas to the child support modification application process for incarcerated noncustodial parents.

### Definition

In Texas, when noncustodial parents are incarcerated, their child support order remains in effect until they request a modification and the order is modified. The OAG identified increasing modifications for incarcerated parents as an important strategy for right-sizing child support orders. The Family Initiatives Section within the OAG's Child Support Division operates a program that invites incarcerated noncustodial parents to request a child support order modification on the basis of the substantial change in their financial circumstances due to incarceration. The office mails incarcerated noncustodial parents a packet that informs them of the option to apply for a modification, and it provides instructions on how to begin the process.

### Diagnosis

An analysis of OAG administrative records in April 2012 demonstrated that fewer than a third of eligible inmates who were sent a letter in May 2011 had completed the application. The BIAS team and the Texas OAG worked to identify potential behavioral bottlenecks in the process of requesting an order modification, to determine whether changes to the process could lead to significant increases in the

<sup>3</sup> For a more detailed description of behavioral diagnosis and design, see Lashawn Richburg-Hayes, Caitlin Anzelone, Nadine Dechausay, Saugato Datta, Alexandra Fiorillo, Louis Potok, Matthew Darling, and John Balz, *Behavioral Economics and Social Policy: Designing Innovative Solutions for Programs Supported by the Administration for Children and Families*, OPRE Report No. 2014-16a (Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2014).

## TABLE ES.1 HYPOTHESIZED BOTTLENECKS AND BEHAVIORAL CONCEPTS

TEXAS OFFICE OF THE ATTORNEY GENERAL, CHILD SUPPORT DIVISION

BOTTLENECK	BEHAVIORAL REASONS FOR BOTTLENECK
1. Noncustodial parent receives letter but does not open it, or parent opens letter but does not read it.	<ul style="list-style-type: none"> <li>• Experiences negative <b>affective response</b></li> <li>• Avoids letter due to <b>ostrich effect</b></li> </ul>
2. Noncustodial parent reads letter but does not understand it.	<ul style="list-style-type: none"> <li>• Faces high <b>cognitive load</b></li> <li>• Faces high <b>deliberation costs</b></li> </ul>
3. Noncustodial parent decides not to act on letter.	<ul style="list-style-type: none"> <li>• Associates with <b>identity</b> as an inmate rather than as a parent</li> <li>• Experiences high <b>deliberation costs</b> as result of complex process described in letter</li> <li>• Views benefits of taking action as <b>psychologically distant</b></li> </ul>
4. Noncustodial parent decides to act but fails to fill out application and request appointment with law librarian.	<ul style="list-style-type: none"> <li>• Exhibits <b>present bias</b> or procrastinates</li> <li>• Forgets due to <b>prospective memory</b> failure</li> <li>• Encounters procedural <b>hassle factors</b></li> </ul>
5. Noncustodial parent makes appointment but does not show up.	<ul style="list-style-type: none"> <li>• Not in the same state of mind (<b>hot-cold empathy gap</b>)</li> </ul>
6. Noncustodial parent attends appointment but does not submit application.	<ul style="list-style-type: none"> <li>• Experiences <b>hassle factors</b> associated with completing, notarizing, and sending application to OAG</li> </ul>

number of submitted completed applications. In the standard process, a parent who receives a letter from the OAG must complete the following steps to successfully submit an application: (1) complete the application; (2) request an appointment with the prison's law librarian; (3) meet with the law librarian, who notarizes the application; and (4) mail the completed and notarized application to the OAG state office in a prepaid envelope provided with the letter.

As shown in Table ES.1, the team came up with six potential bottlenecks in this process and hypothesized behavioral reasons for the bottlenecks. Behavioral terms used in this table and elsewhere in the Executive Summary are in bold type; full definitions of these terms are presented in Table 1 of the full report.

### Design

The team developed components of a behaviorally informed intervention by linking hypothesized bottlenecks and behavioral concepts to proposed intervention components. In order to develop an intervention with the greatest chance of having an impact, the intervention employed many behavioral techniques to try to increase response rates. The BIAS team evaluated these strategies as one bundled intervention.

### Test

The pilot was launched in May 2013; materials were mailed from May through July; and data were collected through December 2013. The intervention targeted incarcerated noncustodial parents with open child support orders in four regions of the state,<sup>4</sup> identifying 1,904 individuals for the study. The pilot was evaluated using a random assignment design, where roughly half of the incarcerated parents were randomly assigned to the control group (941) and the other half were assigned to the BIAS program group (963). Those in the control group received the standard materials that were sent to incarcerated noncustodial parents in the spring of 2013 (including a letter, instructions on how to apply, and an application), while the BIAS group received a revised packet, described below.

<sup>4</sup> These include child support offices in Region 1 (Abilene, Lubbock, and San Angelo), Region 3 (Corpus Christi and Laredo), Region 5 (Tyler and Paris), and Region 6 (Houston).

- **Teaser postcard.** One week before the letter and application were sent, noncustodial parents in the BIAS program group were mailed a postcard, with the intent of reducing the number of parents who disregard the letter and application that they would receive one week later. The postcard could influence the decision through the **mere-exposure effect** — increasing their awareness of the offer before receiving the letter.
- **Revised modification packet.** Some of the changes to the BIAS program group packet included printing the letter and application on blue paper so that it would stand out (addressing **limited cognition**); simplifying the language in the letter (reducing **cognitive load**); mentioning that other parents had their orders reduced (leveraging **social influence**); providing a list of “Four Easy Steps” for submitting a modification request (supporting **plan-making**); and prefilling the application with some of the required information (reducing **hassle factors**).
- **Reminder postcard.** Lastly, if noncustodial parents in the BIAS program group did not return an application to the OAG within one month, the OAG sent a follow-up postcard with a reminder to submit the application (countering **prospective memory** failure).

The additional cost to the state to send the additional mailings and pre-populate the application was low, about \$1,630 (less than \$2 per person) — though this reflects the fact that the state was already conducting outreach to this population. A state that was starting a new outreach effort would experience higher costs.

## Findings from the Pilot

The main findings of the data analysis follow:

- The BIAS intervention was implemented as designed.
- The BIAS intervention increased the percentage of incarcerated noncustodial parents who sent in a completed modification application by 11 percentage points, from 28 percent to 39 percent. (See Table ES.2.)
- The BIAS intervention resulted in slightly higher impacts on applications sent from state jails than from state prisons; the intervention did not have an impact on applications sent from transfer facilities.

## Conclusion

The Texas OAG implemented a package of behaviorally informed changes to the modification application process that were designed to address potential bottlenecks and increase the response rate for submitting applications. The pilot had a modest goal — to implement a low-cost and simple intervention that would increase the percentage of noncustodial parents who applied for a child support order modification — and it achieved this goal. The intervention produced a highly statistically significant impact at relatively low cost and demonstrated the promise of applying behavioral economics principles to improve program implementation and outcomes.

It is important to understand the limitations of this test. The behavioral intervention was designed to get the incarcerated noncustodial parents on the pathway that leads to a child support order modification. The first step to an order modification is to apply for one. However, this evaluation does not determine whether the longer-term outcome — increases in child support order modifications — was achieved. Nor will parents be followed postrelease to know whether they leave jail or prison with less child support debt, leading, in turn, to a greater likelihood of working and supporting their children. The long-term effects on modifications were beyond the scope of this study, given the early follow-up and what can be a lengthy judicial and incarceration process.

## TABLE ES.2 APPLICATION OUTCOMES

### TEXAS OFFICE OF THE ATTORNEY GENERAL, CHILD SUPPORT DIVISION

OUTCOME	PROGRAM GROUP	CONTROL GROUP	DIFFERENCE	STANDARD ERROR	SUBGROUP DIFFERENCE <sup>a</sup>
<b>Application submitted<sup>b</sup> (%)</b>	39.5	30.5	9.1***	2.1	
Application complete - mailed to field office	38.7	27.7	11.0***	2.1	
Application returned to NCP - not notarized	0.6	2.5	-1.9***	0.5	
Application returned to NCP - incomplete	0.3	0.3	0.0	0.3	
<b>Applications submitted, by subgroup</b>					
<b>Prison type</b>					
Prison	41.6	29.6	12.0***	3.4	††
Jail	37.7	23.3	14.3***	3.8	††
Transfer and Other	38.8	38.7	0.1	4.0	††
<b>Monthly child support order amount<sup>c</sup></b>					
Less than \$246	35.2	28.6	6.5**	3.1	
\$246 or more	43.0	33.2	9.9***	3.1	
<b>Arrears amount<sup>c</sup></b>					
Less than \$17,564	42.1	30.7	11.4***	3.1	
\$17,564 or more	36.9	30.3	6.6**	3.1	
<b>Sentence length<sup>c</sup></b>					
Less than 8 years	42.2	32.9	9.3***	3.6	
8 years or longer	41.5	33.3	8.2**	3.5	
<b>Sample size<sup>d</sup></b>	941	963			

SOURCE: MDRC calculations using data from the Texas Office of the Attorney General, Child Support Division.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Statistical significance levels are indicated as follows: \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

NCP = noncustodial parent.

<sup>a</sup>Tests of differences in impact estimates across subgroups were conducted. Statistical significance levels are indicated as follows:

††† = 1 percent; †† = 5 percent; † = 10 percent.

<sup>b</sup>These outcomes reflect the final result for each application. If a sample member sent back an application that was complete but not notarized or was incompletely filled out, OAG would mail the application back to the inmate and explain what was needed to resubmit. If a sample member re-sent the application to OAG and it was complete and notarized, it is reflected in the "application complete" row.

<sup>c</sup>Subgroup cutoffs were determined using median splits. Child support orders ranged from \$10 to \$1,500; arrears ranged from \$0 to \$167,832; and sentence length ranged from 1 year to 99 years.

<sup>d</sup>Due to missing data values, program and control group sample sizes for prison type are 939 and 963, respectively, and for sentence length they are 790 and 791, respectively.

### Looking Forward

Behavioral economics provides a new way of thinking about human services program design and a potentially powerful set of tools for improving program outcomes. In addition to the work in Texas, the BIAS project is launching pilots with other partners, including the Oklahoma Department of Human Services, the Indiana Office of Early Childhood and Out of School Learning, the Franklin County (Ohio) Child Support Enforcement Agency, the New York City Center for Economic Opportunity, and the Los Angeles County (California) Department of Public Social Services. Results will be published as they become available, to further inform this burgeoning field.

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