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Using Behavioral Economics to Engage TANF Recipients

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Authors: Mary Farrell, Jared Smith, Leigh Reardon, Emmi Obara

Submitted to: Emily Schmitt, Project Officer
Office of Planning, Research and Evaluation
Administration for Children and Families
U.S. Department of Health and Human Services

Project Director: Lashawn Richburg-Hayes
MDRC
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New York, NY 10016

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OVERVIEW

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 families 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.

This report presents findings from an intervention designed to increase the number of Temporary Assistance for Needy Families (TANF) recipients in Los Angeles who "reengaged" in the county's welfare-to-work program. Some adults with young children had been exempt from participating in the welfare-to-work program, but this exemption ended in 2013 due to a change in state policy. In late 2013, Los Angeles County began scheduling appointments with formerly exempt parents to bring them into the welfare-to-work program and engage them in program activities. The county made at least four attempts to contact participants and inform them of the new requirements prior to the appointment: sending two notices, 60 days and 30 days before the appointment, and placing two reminder calls, 10 days and 3 days before the appointment. Despite all of this communication, only about half of the participants who received a reengagement notice between September 2013 and January 2014 attended the scheduled mandatory reengagement appointment.

The BIAS team tested sending additional, behaviorally informed materials to participants one week before the reengagement appointment. The team designed two different notices that employed behavioral techniques; one highlighted the losses participants might experience by not attending the appointment and the other highlighted the benefits they might gain by attending.

Participants were randomly assigned to one of three groups: (1) a program group that received the gain-framed notice; (2) a program group that received the loss-framed notice; or (3) a control group, which did not receive additional materials. The test found that receiving an additional behavioral message increased the percentage of program group members who engaged in the program within 30 days of their scheduled appointment by a statistically significant 3.6 percentage points. This increase was largely driven by the loss notice, which increased engagement at 30 days by 4.4 percentage points, while the gain notice, when compared with the control condition, did not produce a statistically significant impact at 30 days. No impacts were found for either group after 60 and 90 days. The behavioral outreach did not significantly reduce the percentage of participants sanctioned by the program for nonparticipation after 60 and 90 days.

This intervention was added to a fairly intensive campaign to increase engagement among TANF recipients. Given that this was one additional piece of mail on top of at least four other attempts to reach participants and convey the importance of participating, it is notable that it helped participants to engage earlier than they would have otherwise.

ACKNOWLEDGMENTS

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Many people contributed to the development and successful implementation of this study. First and foremost, the administrators and staff at the Los Angeles County Department of Public Social Services have been wonderful partners and collaborators. In particular, we acknowledge Juan Herrera, Jackie Mizell-Burt, Luther Evans, Michael Bono, and Janna de la Paz. 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. Dan Silverman at Arizona State University also provided valuable insights during the design of the study.

We are also grateful to the many MDRC staff members who provided guidance and feedback throughout the study. David Butler provided critical and insightful guidance in developing the interventions. We also thank Shafat Alam, who assisted with the data analysis. Lashawn Richburg-Hayes, Nadine Dechausay, Gordon Berlin, Patrick Landers, Sonya Williams, Vanessa Martin, Asaph Glosser (MEF Associates), and Caitlin Anzelone reviewed early drafts of the report and offered helpful critiques throughout the writing process. We also thank Kelsey Patterson for skillfully coordinating the production of this report. Finally, we thank Daniella Van Gennep, who designed the report, and the publications staff at MDRC, especially Christopher Boland, who edited the report, and Stephanie Cowell and Carolyn Thomas, who prepared it for publication.

The Authors

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 families 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, improve the well-being of low-income children, adults, and families.

This report presents findings from a behavioral intervention, developed in collaboration with the Los Angeles County Department of Public Social Services (DPSS). The intervention was designed to increase the number of Temporary Assistance for Needy Families (TANF) recipients in Los Angeles who "reengaged" in the county's welfare-to-work program (called Greater Avenues to Independence, or GAIN). Some adults with young children had been exempt and did not have to participate in GAIN work activities, but lost this exemption in 2013 due to a change in state policy. BIAS evaluated the impact on reengagement of using two different messaging strategies that both employed behavioral techniques; one highlighted the losses participants might experience by not attending a required appointment and the other highlighted the benefits they might receive by attending.

California Reengagement Process

In July 2009, California temporarily exempted from its welfare-to-work program all families who were receiving cash assistance and who had a young child between 12 and 23 months old or two or more children under age 6. The state made this change in policy in order to temporarily save money on child care and transportation costs. In 2013, after the state's fiscal condition improved, the temporary exemption ended and the state instructed counties to notify formerly exempt parents of this change and reengage them into the county's GAIN program by December 2014. To begin the reengagement process, DPSS scheduled appointments with these parents from October 2013 through September 2014.

DPSS made four attempts to contact participants and inform them of the new requirements prior to the appointment: (1) a complicated 3-page letter was mailed 60 days before the appointment informing them of the change in policy; (2) a 10-page packet of information was mailed 30 days before the appointment with the specific appointment time and date; (3) a system-generated reminder call was made 10 days before the appointment; and (4) a personal call from a GAIN worker was made 3 days before the appointment.

Participants who attended the appointment began the process of developing a plan, referred to as a welfare-to-work plan, designed to put participants on a pathway to self-sufficiency. Some participants provided evidence qualifying them for a different exemption or were referred and connected to specialized support services for substance abuse, mental health, domestic violence, or homelessness issues. Signing a welfare-to-work plan, qualifying for an exemption, or being referred to specialized support services ended the reengagement process. This report refers to participants who achieved one of these three outcomes as "positively engaged." Note that DPSS considered as reengaged a participant who failed to attend the appointment and, as a result, was sanctioned for noncompliance, though this study does not categorize sanctions as a positive engagement outcome.

Behavioral Intervention

DPSS expressed interest to the BIAS team in increasing the percentage of participants who attended the initial reengagement appointment. This increase would reduce the staff burden resulting from having to reschedule appointments with participants. Additionally, the county assumed that participants who attended the initial appointment would reengage more quickly. An early review of data collected by DPSS revealed that many participants failed to attend the appointment, leading to noncompliance, which delayed the reengagement process. As a result, because it took time to bring participants into compliance or implement sanctions, DPSS risked failing to meet the state's December 2014 reengagement deadline.

Because of state and county policy, the BIAS team could not alter the existing DPSS notices or amend the reengagement outreach process. However, it could create additional materials to send to participants with reengagement appointments. The BIAS team hypothesized that mailing a simplified, more salient notice to participants would increase the percentage who attended the reengagement appointment. The notice also included a personalized sticky note from the case manager, since research suggests that personalization can help make communications less generic and create a sense of reciprocity.[1] The team designed two sets of notices and sticky notes that differed from one another in that one set emphasized the benefits participants would gain by attending the reengagement appointment and the other set emphasized the losses they might incur by failing to do so. The team chose to test both a gain-framed and loss-framed message because behavioral research has shown that how information is presented can greatly affect decision making and it was not clear which message would be more effective in this setting.[2]

Findings

The test focused on 2,442 participants who were mandated to attend a reengagement appointment scheduled between July 2014 and September 2014. Participants with a scheduled reengagement appointment were randomly assigned to one of three groups:

- Gain group, which received a gain-framed notice with sticky note
- Loss group, which received a loss-framed notice with sticky note
- Control group (status quo), which did not receive additional materials

Participants in the program groups were mailed the notice with a sticky note approximately one week before their scheduled appointment. These materials were sent in addition to the status quo outreach sent by DPSS.

Key findings from the pilot include the following:

- As Figure ES. 1 shows, the additional behavioral outreach increased the percentage of program group members who took action and became positively engaged 30 days after their scheduled appointment by 3.6 percentage points, from 25.6 percent to 29.2 percent, a difference that is statistically significant. There was no statistically significant difference after 60 days (not shown). Thus, the behavioral materials encouraged some participants to attend the appointment or provide evidence of an exemption earlier than they would have without the additional notice.
- The loss notice, when compared with no additional outreach, increased positive engagement at 30 days by 4.4 percentage points. The gain notice, when compared with no additional outreach, did not produce a statistically significant impact at 30 days. No impacts were found for either group after 60 and 90 days. The findings suggest that participants responded more to the threat of losing benefits than the promise of receiving benefits.

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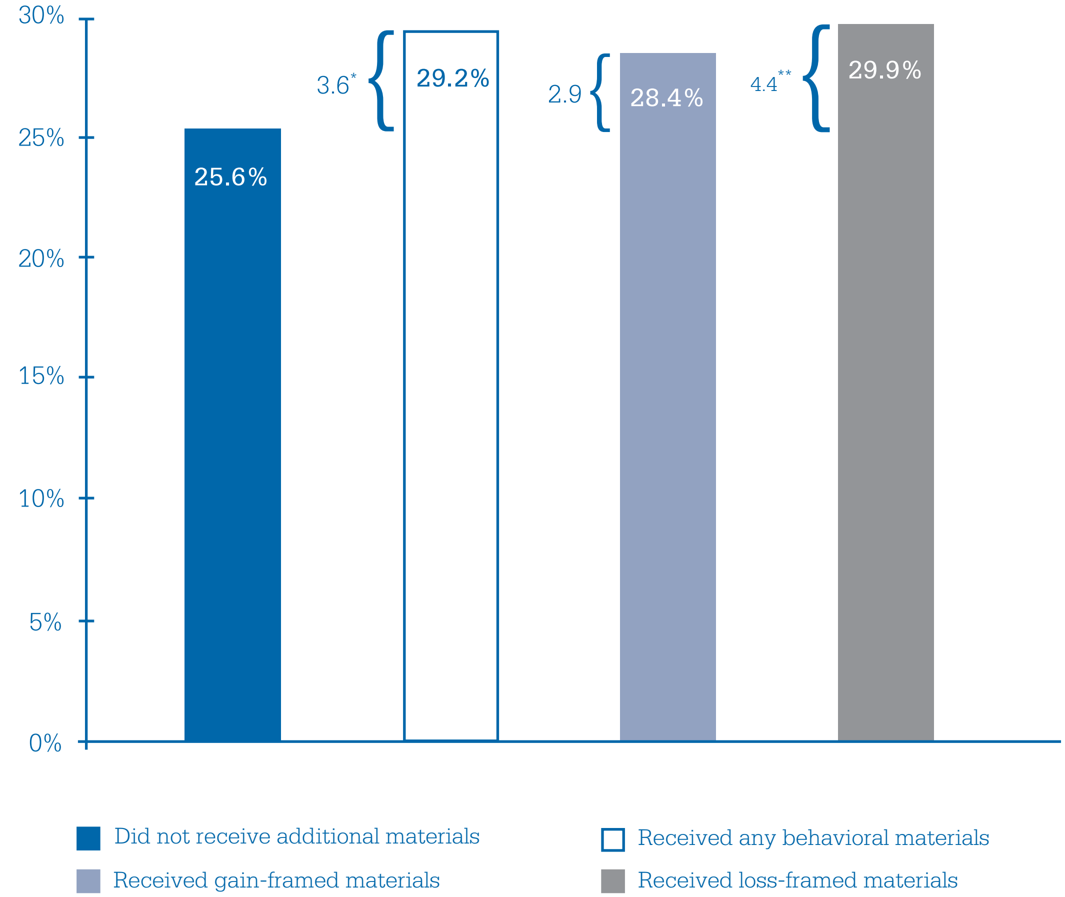
1 Randy Garner, "Post-it Note Persuasion: A Sticky Influence," *Journal of Consumer Psychology* 15, 3: 230-237 (2005).

2 For an example of research that found participants responded to losses, see Tanjim Hossain and John A. List, "The Behavioralist Visits the Factory: Increasing Productivity Using Simple Framing Manipulations," NBER Working Paper No. 15623. (Cambridge, MA: National Bureau of Economic Research, 2009). For an example of research that found participants responded to gains, see Benjamin A. Toll, Stephanie S. O'Malley, Nicole A. Katulak, Ran Wu, Joel A. Dubin, Amy Latimer, Boris Meandzija, Tony P. George, Peter Jatlow, Judith L. Cooney, and Peter Salovey, "Comparing Gain- and Loss-Framed Messages for Smoking Cessation with Sustained-Release Bupropion: A Randomized Controlled Trial," *Psychology of Addictive Behaviors* 21, 4: 534-544 (2007).

FIGURE ES.1
PERCENTAGE POSITIVELY ENGAGED 30 DAYS AFTER SCHEDULED APPOINTMENT DATE, BY RESEARCH GROUP

LOS ANGELES COUNTY DEPARTMENT OF PUBLIC SOCIAL SERVICES



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.

- The behavioral outreach did not significantly reduce the percentage of participants who were sanctioned. The lack of statistically significant differences on sanctions may reflect the length of time it takes for sanctions to be imposed and the many opportunities for participants to come into compliance once they miss the initial appointments.

This intervention was added to a fairly intensive campaign to increase engagement among the population. Given that this was one additional piece of mail on top of at least four other attempts to reach participants and convey the importance of participating, it is notable that it helped participants positively engage earlier than they would have otherwise.

Behavioral economics provides a new way of thinking about the design of human service programs and a potentially powerful set of tools for improving program outcomes. The BIAS project offers the opportunity for continued hypothesis testing grounded in behavioral economics and takes advantage of the low-cost, iterative nature of rapid-cycle experimentation. In addition to the Los Angeles TANF research and work covered in earlier reports (see the list of previously published research at the back of this report), the BIAS project has completed evaluations with other partners, including the Indiana Office of Early Childhood and Out-of-School Learning and the Washington State Division of Child Support. Results from these evaluations will be published as they become available to further inform this rapidly developing field.

EARLIER PUBLICATIONS

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

Nudges for Child Support: Applying Behavioral Insights to Increase Collections
2016. Baird, Peter, Dan Cullinan, Patrick Landers, Leigh Reardon. OPRE Report 2016-01. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services

Engaging Providers and Clients: Using Behavioral Economics to Increase On-Time Child Care Subsidy Renewals
2015. Mayer, Alex, Dan Cullinan, Elizabeth Calmeyer, Kelsey Patterson. OPRE Report 2015-73. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services

The Power of Prompts: Using Behavioral Insights to Encourage People to Participate
2015. Dechausay, Nadine, Caitlin Anzelone, Leigh Reardon. OPRE Report 2015-75. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services

Reminders to Pay: Using Behavioral Economics to Increase Child Support Payments
2015. Baird, Peter, Leigh Reardon, Dan Cullinan, Drew McDermott, and Patrick Landers. OPRE Report 2015-20. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services

Taking the First Step: Using Behavioral Economics to Help Incarcerated Parents Apply for Child Support Order Modifications
2014. Farrell, Mary, Caitlin Anzelone, Dan Cullinan, and Jessica Wille. 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

Behavioral Economics and Social Policy: Designing Innovative Solutions for Programs Supported by the Administration for Children and Families
2014. Richburg-Hayes, Lashawn, Caitlin Anzelone, Nadine Dechausay, Saugato Datta, Alexandra Fiorillo, Louis Potok, Matthew Darling, and John Balz. OPRE Report 2014-16a. 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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