



Office of the Treasury Board

Proposed OESP Enrollment Trial for Social Assistance Clients

MCSS & Ontario's Behavioural Insights Unit (BIU)
March 2018

Purpose / Table of Contents



To provide an overview of the proposed OESP enrollment Trial for Social Assistance Clients – a collaborative effort between MCSS and Ontario’s Behavioural Insights Unit to increase OESP applications.

1

Project Context / Objectives

What is the context / behavioural challenge, and what is the focus of this project? What is Behavioural Insights, and how is it applied?

3

Trial Rationale & Logistics

Why test six variants of the letter? What does timing and operations look like for MCSS and the BIU?

2

Proposed Solutions

What are the proposed solutions for testing?

4

Next Steps / Approvals Required

What are the next steps required to move forward?

Project Context / Objective

Project Context:

- Approximately 90,000 existing social assistance clients are eligible, but have yet to sign up for the Ontario Electricity Support Program.
 - MCSS operates the Social Assistance Team for OESP call centre and a targeted mailing campaign with the intention of registering as many clients as possible by June 2018.
 - Approximately 20% of clients receiving targeted mailings contact the call centre to enroll.
- 

Project Objective:

- Is it possible to enroll more social assistance clients by making low-to-no-cost changes to the targeted mailing campaign?^A
- Can learnings from this project be extended to this program beyond June 2018 and to other social assistance programs more generally?

A. Additional opportunities for consideration were identified through a behavioural mapping exercise (see Appendix). The targeted mailing campaign was prioritized due to its anticipated benefits and feasibility over the short-term.



A person's behaviour...

- . *Is often automatic, and based on common cognitive shortcuts.*
- . *Depends on their mental, emotional and physical context.*
- . *Is not always consistent with their attitudes, beliefs or intentions.*



A Behavioural Insights (BI) intervention...

- . *Is often a subtle, but calculated change to a decision point, product, or process.*
- . *Works best when rigorously tested against possible alternatives, and iterated upon through a scientific process.*
- . *Is not a silver bullet, and often just “one link in the chain” to improved outcomes.*



A good candidate for a BI intervention is...

- . *When you are trying to change an observable, measurable action.*
- . *When you have touchpoints (i.e., interactions via form, e-mail, service kiosk) with a large number of people*
- . *When there isn't a stand-out solution that would likely work better than a nudge - and you don't need to test this to find out!*

Current OESP Letter

1. Utilizes formal language and formatting with which recipients may be familiar as “typical” government communications.
2. Has a grade 11 reading level.⁸

Letter A

<Office Name>
<Office ID>
<PO Box – RR# – Unit#>
<Street#- Suffix- Street Name>
<City, Province, Postal Code>

<Letter Date>

RE: <Member ID>

<Recipient's Name>
<PO Box- RR# - Unit#>
<Street#-Suffix- Street Name>
<City, Province, Postal Code>

Would you like to receive between \$35 and \$75 off your monthly electricity bill? If you would like to receive this credit, please call our toll-free number at 1-844-274-0599 or speak to your caseworker.

Dear <Recipient's Name>:

The Ontario Electricity Support Program (OESP) offers assistance to lower-income households that pay an electricity bill by applying a monthly credit directly to their bill. As part of Ontario's Fair Hydro plan, changes were recently made that will make it easier for social assistance recipients to receive this credit.

In order to receive this credit, you or a member of your benefit unit must have an electricity utility account in your or their name.

The OESP credit will not be deducted from your monthly social assistance payment, as it is exempt as income under social assistance.

The amount of the monthly credit depends on how many people live in your home and your total household income. An enhanced OESP credit is available if you or a family member living in your house is an Indigenous person, if you heat your home with electricity, or if you require the use of certain medical devices that are powered by electricity.

If you have recently applied for the OESP credit, or have already been approved, you do not need to reapply until your OESP term ends. Your utility company will send a letter about 60 days before your OESP term ends so you know when to reapply.

To apply for the credit, you will need to provide a copy of a recent electricity bill by email, mail or fax.

If you would like to receive this credit, call 1-844-274-0599 or speak to your caseworker today!

Sincerely,

Jeffrey Bowen
Director, Social Assistance and Municipal Operations Branch

Proposed Letter: Annual Aggregate

1. People can allocate monetary value across different categories in a process called mental accounting. This can change the way they perceive, spend and save money.⁹ In the case of the OESP program, aggregation may help recipients understand the full value of the program.

Letter B

<Office Name>
<Office ID>
<PO Box - RR# - Unit#>
<Street#- Suffix- Street Name>
<City, Province, Postal Code>

<Letter Date>

RE: <Member ID>

<Recipient's Name>
<PO Box- RR# - Unit#>
<Street#-Suffix- Street Name>
<City, Province, Postal Code>

1

Would you like to receive up to \$1,356 off your annual electricity bill? If you would like to receive this credit, please call our toll-free number at 1-844-274-0599 or speak to your caseworker.

Dear <Recipient's Name>:

The Ontario Electricity Support Program (OESP) offers assistance to lower-income households that pay an electricity bill by applying a monthly credit directly to their bill. As part of Ontario's Fair Hydro plan, changes were recently made that will make it easier for social assistance recipients to receive this credit.

In order to receive this credit, you or a member of your benefit unit must have an electricity utility account in your or their name.

The OESP credit will not be deducted from your monthly social assistance payment, as it is exempt as income under social assistance.

The amount of the monthly credit depends on how many people live in your home and your total household income. An enhanced OESP credit is available if you or a family member living in your house is an Indigenous person, if you heat your home with electricity, or if you require the use of certain medical devices that are powered by electricity.

If you have recently applied for the OESP credit, or have already been approved, you do not need to reapply until your OESP term ends. Your utility company will send a letter about 60 days before your OESP term ends so you know when to reapply.

To apply for the credit, you will need to provide a copy of a recent electricity bill by email, mail or fax.

If you would like to receive this credit, call 1-844-274-0599 or speak to your caseworker today!

Sincerely,

Jeffrey Bowen
Director, Social Assistance and Municipal Operations Branch

Proposed Letter: Behaviourally Informed

1. Use of colour, large font, icons, and call-outs to make key information salient.
2. Providing annualized mental accounting⁹ to help recipients appreciate the significant size of the monthly credits.
3. Suggesting a social norm showing that similar others value the OESP.
4. Simplified, less formal language: grade 9 reading level.
5. Explicit connection to government programs with which recipients are familiar potentially increases perceived legitimacy and avoids confusion.
6. Emphasized call to action.
7. Framing of incentive as something to be lost potentially makes it more motivating.

Letters C & D

4

2

7

5

3

6

1

Proposed Letter: Escalation of Commitment

1. Use of colour, large font, icons, and call-outs to make key information salient.
2. Providing annualized mental accounting⁹ to help recipients appreciate the significant size of the monthly credits.
3. Suggesting a social norm showing that similar others value the OESP.
4. Engaging recipients in a small initial step that may lead to escalation of commitment and a sense of self-achieved progress.
5. Simplified, less formal language: grade 9 reading level.
6. Explicit connection to government programs with which recipients are familiar potentially increases perceived legitimacy.
7. Emphasized call to action.

Letters E & F



6 Letters Will Be Compared in the Trial



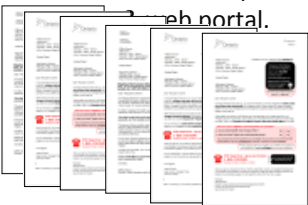
Rationale for Testing 6 letters:

- Testing more letter variants increases the likelihood of improving response rates, while pinpointing the component of the letter that is motivating behaviour, so that MCSS may apply lessons learned to future communications;
- As demonstrated on the previous pages, the differences between letters are very slight, which decreases the review/approvals and translation burden; and
- Testing 6 letters requires no extra effort from SAMO or the call centre from a trial operations perspective.

	Loss Framed Incentive	Gain Framed Incentive	Current Formatting
Ease of qualification emphasized	C	D	A
Escalation of commitment	E	F	B

Timeline – 6 Weeks to Greater Insight



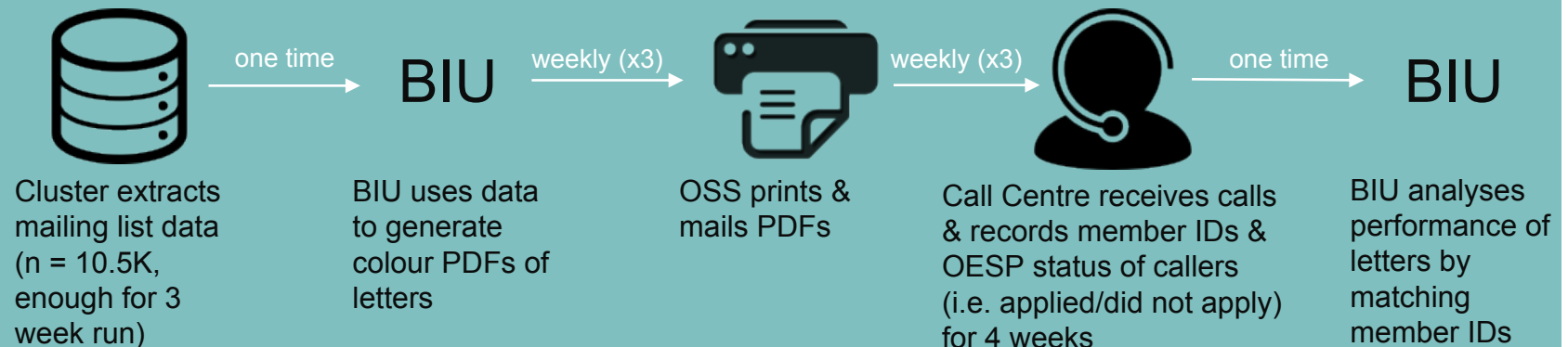
		April			June	
	Current Process	RCT (Randomized Controlled Trial)		Passive Data Collection	Quick-Pass Analysis	Implement Best Letter
Timing	3.5K letters per week promoting call centre	3 weeks (n = 10.5K) Clients randomly assigned to receive different letters. All letters promote both web portal .		1 week pause to allow clients to respond to letters prior to extract.	2 weeks	Immediately and then until all remaining clients have been contacted.
Operations	 ↓ 	 ↓ 		 ↓ 	 ↓ 	 ↓ 
Details	SAMO estimates 20% response rate to letters.	The BIU recommends testing 6 letter variants . No additional administration is required from SAMO. Testing fewer letter variants decreases the likelihood of improving response rates.		Data collection requires no additional effort on behalf of SAMO or call centre staff.	BIU will expedite data analysis to determine which letter produces the greatest response rate.	If a newly designed letter significantly increases response rates, sending the new letter to clients previously contacted with the current letter may be warranted.
BIU	N/A	Send OSS required data.		N/A	Statistical analysis & summary report.	Further analysis and final report writing.
SAMO	Send OSS required data, operate call centre.	Send BIU the same data previously provided directly to printer. Operate call centre.		Same as current process.	Transfer data from data centre to BIU. Otherwise same as current process.	Same as current process.

Current versus Trial Workflows

Current Workflow



Trial Workflow



The trial should require no additional effort for the cluster, and minimal to no additional effort for call centre staff.

APPENDIX

Trial Objectives / Benefits



The primary objective of the trial is to identify which letter version increases OESP enrolment, with statistical certainty. This means that MCSS can expect the same response rate once the “winning letter” is scaled.

- The trial will **test simple differences** in wording and format. Without testing, it is impossible to know which letter version will have the biggest impact on OESP enrolment.
 - Previous letter trials – particularly those targeting low-income populations – have had surprising results, including **backfire effects**. This is because people’s behaviour can be very sensitive to even the smallest changes to their environment, in ways that are difficult or impossible to predict.
 - Trials **manage the risk** associated with counterintuitive results by 1) **including the status quo approach**, which rules out potential confounds like timing or other program changes and 2) **testing on a smaller subset of the population before scaling**.
- SAMO can take the findings from this trial and apply them to various other communications with social assistance clients.
 - Trial planning, logistics, data analysis and reporting will be managed by the BIU, in partnership with MCSS where relevant (e.g., data transfer from call centre to the BIU).

References



1. Mullainathan, S. & Shafir, E. (2014). *Scarcity: The new science of having less and how it defines our lives*. Picador.
2. The Behavioural Insights Team (2014). *EAST: Four simple ways to apply behavioural insights*. Retrieved from http://38r8om2xjhhl25mw24492dir.wpengine.netdna-cdn.com/wp-content/uploads/2015/07/BIT-Publication-EAST_FA_WEB.pdf
3. Institute for Government (2010). *MINDSPACE: Influencing behaviour through public policy*. Retrieved from <http://38r8om2xjhhl25mw24492dir.wpengine.netdna-cdn.com/wp-content/uploads/2015/07/MINDSPACE.pdf>
4. Halpern, D. (2016). Behavioural insights and healthier lives. Retrieved from <http://38r8om2xjhhl25mw24492dir.wpengine.netdna-cdn.com/wp-content/uploads/2016/04/2016-Behavioural-Insights-and-Healthier-Lives.pdf>
5. Norton, M., Mochon, D. & Ariely, D. (2012). The IKEA effect: When labor leads to love. *Journal of Consumer Psychology*, 22(3), 453-460.
6. Bornstein, R. F., & Craver-Lemley, C. (2016). Mere exposure effect. *Cognitive Illusions: Intriguing Phenomena in Judgement, Thinking and Memory*, 256.
7. Sanders, M. & Kirman, E. (2014). I've booked you a place. Good luck: A field experiment applying behavioural science to improve attendance at high-impact recruiting events. Working paper retrieved from: https://s3.amazonaws.com/academia.edu.documents/36371564/Savedyouaplace.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1517426809&Signature=8ZycfbDSwx0gxko8HcpBWCtw1rs%3D&response-content-disposition=inline%3B%20filename%3DIve_Saved_You_a_Place_Good_Luck_a_field.pdf
8. <http://www.readabilityformulas.com/free-readability-formula-tests.php>
9. Gourville, J.T. (1998). Pennies-a-day: The effect of temporal reframing on transaction evaluation. *Journal of Consumer Research*, 24(2), 395-408.