

Improving drastically take up of social benefits through a simple mail: evidence from a French field experiment

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The take-up rate of the French minimum income (the *Revenu de Solidarité Active*) have been evaluated to 0.5 (Bourguignon 2011). We address the role of information in the weak take-up rate of the program. We assess specifically the influence of informational complexity and informational shortage with a randomized control trial. We evaluate response to mailings distributed to 4,032 households claiming the RSA allowance in the county of Seine-et-Marne and entering the income support program between October 2014 and March 2015.

An important part of households entering French income support program fail to follow the steps necessary to stay in the program and to get the allowance. Among our sample of households who apply to receive the minimum income, 45 % do not reach the guidance interview which is compulsory to get the allowance. These households are thus at risk of being excluded from the program and to increase non-take-up. We tested a change in the information set which is send to these households just after they claim for the allocation. We randomly assigned households into three different groups. The first group (control group) received the traditional mail sent by the department. The second group (test group one: the stick) received a very simplified mail stresses the risk of losing the benefit of the minimum wage if the applicant does not participate to the guidance interview. The third group (test

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group two: the carrot) received mail pointing that he or she is entitled to a personalized support in order to help in his/her professional and social integration. This third mail indicate also that the claimer will have a personal attendant to follow her/his integration path and that the benefit of RSA opens up related rights such as free public transport.

While the receipt of the simplified mail (the stick) do not led to significant additional interview attendance, attempts to increase perceived program utility by bringing new information (the carrot) give more contrasted results. Young men increase substantially their participation to the guidance interview. It improves take-up from 0.55 to 0.67 for this category. The effect is not significant for older people or for young women. Considering transition between inactivity and employment we suggest that young men are closer to the labor market and are less often in a situation where they cannot work. They are thus more interested by information concerning professional insertion. Those who get new information with the mailing increase their utility to benefit from the income support and participate to the guidance interview.

The study show that costless actions are able to substantially increase take-up. To be effective, these actions need to target households according to their needs.

References

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