Zero-Two-Five
Which Pre-Pay Amount Gets You More for Your Money?

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Overview

- Telephone survey of people who applied for Unemployment Insurance benefits in past 4 years
- Participants and matched comparison groups
- Proposed a $25 post-pay incentive, agreed to conduct an incentive experiment
- 3 groups: $25 post-pay, $2 pre-pay/$25 post-pay, $5 pre-pay/$20 post-pay
- Same data collection procedures
- Anticipated results
## Table 2
### Highlights from the Experiment

<table>
<thead>
<tr>
<th>Percent of Sample</th>
<th>Incentive Group</th>
<th>Response Rates</th>
<th>Average Number of Calls per Complete</th>
<th>Refusal Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>60%</td>
<td>1 - $25 post pay</td>
<td>39.3 %</td>
<td>4.8</td>
<td>11.8% *</td>
</tr>
<tr>
<td>20%</td>
<td>2 - $2 pre-pay/$25 post-pay</td>
<td>44.4 %**</td>
<td>4.7</td>
<td>8.8%</td>
</tr>
<tr>
<td>20%</td>
<td>3 - $5 pre-pay/$20 post-pay</td>
<td>42.9 %***</td>
<td>4.5</td>
<td>8.9%</td>
</tr>
</tbody>
</table>

* = Group 1 compared to groups 2 and 3: difference is statistically significant at the .01 level.

** = Group 2 compared to group 1: difference is statistically significant at the .01 level.

*** = Group 3 compared to group 1: difference is statistically significant at the .01 level.
Figure 1
Response Rates by Month

Response Rate %

End of:

- Month 1: 4/11/08
- Month 2: 5/9/08
- Month 3: 6/6/08
- Month 4: 7/4/08
- Month 5: 8/1/08
- Month 6: 8/29/08
- Month 7: 9/19/08

Group 1 ($0/$25)
Group 2 ($2/$25)
Group 3 ($5/$20)
Figure 2
Refusal Rate by Incentive Group and Type of Refusal

Refusal Rate (%)

- Group 1 ($0/$25)
- Group 2 ($2/$25)
- Group 3 ($5/$20)

* = Group 1 compared to groups 2 and 3: difference is statistically significant at the .01 level.
Conclusions

- Pre-paid incentives, combined with a post-payment had small, but positive effect on response rates
- Send $2, not $5, if using cash in advance letter, when post-pay amounts comparable
- Refusal rates lower with a pre-pay
- Additional incentive experiment