

**Psychological Frictions and the Incomplete Take-Up of Social Benefits:  
Evidence from an IRS Experiment**

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**ONLINE APPENDIX - TABLES AND FIGURES**

**Appendix Table A1**  
**SURVEY EVIDENCE: PROGRAM AWARENESS AND CONSTRUCTION OF PROGRAM INCENTIVES**

Parameter	PAPER SURVEY FROM TAX CLINICS (N = 1139)			MECH TURK SURVEY (N = 2800)			Correct Information & Notes
	Mean	25%	50%	75%	Median		
<b>Panel A: Program Awareness Prior to Exposure to Experimental Notice</b>							
<b>Program Awareness</b>							
Aware of EITC	0.54				0.64 (mean)		
Aware amongst Eligible	0.56				0.66 (mean)		
Open IRS Mail	0.84				0.85 (mean)		
<b>Panel B: Amongst Those with Program Awareness or Following Exposure to Experimental Notice</b>							
<b>Program Benefits</b>							
"Definitely" or "Probably" Eligible	0.45				0.43		.65 - Tax-Clinic Survey; .38 - Mech Turk Survey
Benefit Size (if eligible)	920	200	400	1000	584		
Expected / Actual Benefit (if eligible)	3.8	0.3	0.8	1.5	0.6		
Hypothetical Benefit Calculation	\$1,725	\$450	\$1,000	\$2,000	\$500		\$3043
<b>Program Costs</b>							
Worksheet Claiming Time	~24 mins	< 30 mins	< 30 mins	30 to 60 mins	~15 mins		Worksheet requires < 10 minutes
Willingness to Pay for Worksheet	\$61	\$25	\$50	\$70	\$20		
Audit Rate (amongst aware)	0.25	0.05	0.15	0.50	0.23		1.1% - All Filers; 1.8% - EITC Filers
Worry of Penalty/Audit	2.2	2.0	2.0	3.0	--		
(1 -Strongly Disagree to 4 - Strongly Agree)							
<b>Complexity</b>							
Fail to Follow Instruction (Round to nearest \$1k)	0.20				--		
Did Not Complete Page Following Sample Notice	0.41				--		
Correct Answer to Comprehension Question	0.60				0.67 (mean)		
<b>Program Stigma</b>							
Recipients of Benefits Respected	2.6	2.0	3.0	3.0	76		
Don't Care if Friends Know	2.8	2.0	3.0	3.0	(1 to 100 scale)		
(1 -Strongly Disagree to 4 - Strongly Agree)							

Notes: This table provides data on EITC awareness as well as the perception of EITC cost and benefit parameters from respondents of both surveys. Please refer to the text for a description of the survey design and sample.

**Appendix Table A2**

**SURVEY EVIDENCE: CANDIDATE EXPLANATIONS FOR INCOMPLETE TAKE-UP**

EXPLANATION	ALL SAMPLE		ELIGIBLE SAMPLE	
	Why Others Fail to Claim (1)	Why I Will Not Claim (2)	Why Others Fail to Claim (3)	Why I Will Not Claim (4)
Perceived Ineligibility	0.46	0.52	0.43	0.44
Forms too Confusing	0.17	0.19	0.16	0.24
Benefits "Too Small" for Effort	0.09	0.05	0.05	0.07
Fear of Penalty/Audit	0.05	0.06	0.05	0.07
Don't "Need" Government Help	0.01	0.02	0.00	0.02
Non-Response	0.22	0.16	0.31	0.16
N	N = 524	N = 187	N = 357	N = 119

**Notes:** This table reports results of a question from the Tax-Clinic Survey regarding respondent beliefs about the causes of incomplete take-up. The survey question included a menu of five responses along with an option to indicate "Other" and write-in a response. Results of the top panel are scaled to reflect results excluding item non-response which is reported separately in the second panel. Eligible sample is estimated from economic and household information elicited in the survey.

**Appendix Table A3**

**BALANCING CHECK OF EXPERIMENTAL TREATMENTS**

Panel A: Regressions using Indicators of Intervention Categories (Notice, Worksheet, Envelope)

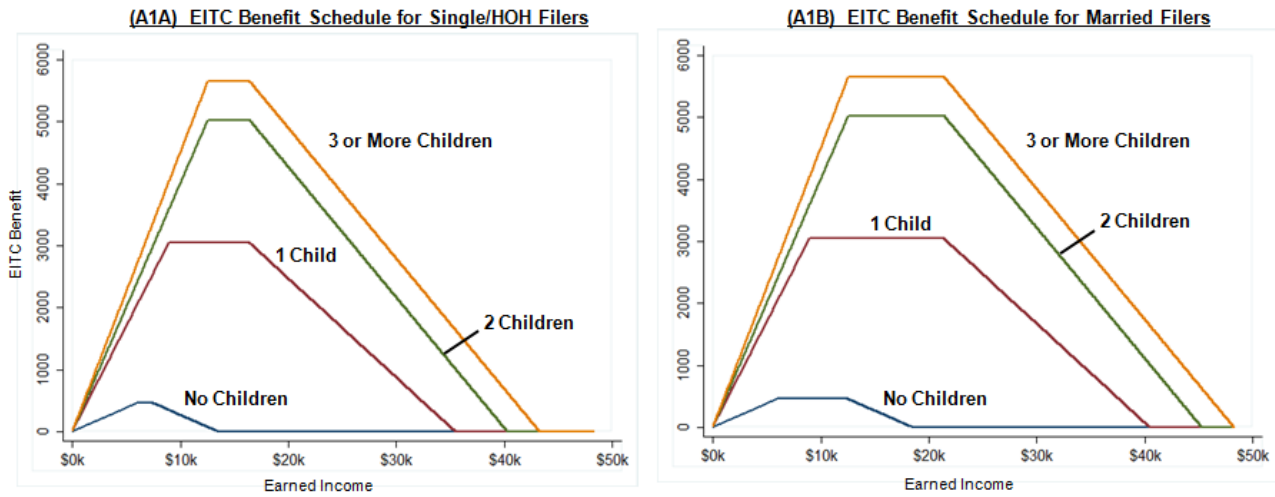
INTERVENTION	DEPENDENT VARIABLE - TAX VARIABLES (OLS)						
	INCOME AND BENEFITS			FILING STATUS			CLAIMING
	AGI (1)	Earned Inc (2)	Exp Benefits (3)	Single (4)	Married (5)	HOH (6)	Past 3 Yrs (7)
[Simple Notice, Simple Worksheet, Plain Envelope - Excluded]							
Complex Notice	322 (698)	46 (199)	-11 (19)	-0.001 (0.007)	-0.001 (0.008)	0.001 (0.006)	-0.003 (0.008)
Benefit Display [Low]	1322** (524)	105 (213)	-5 (20)	-0.003 (0.008)	0.007 (0.008)	-0.004 (0.006)	0.003 (0.009)
Benefit Display [High]	750 (596)	-43 (202)	12 (19)	-0.004 (0.007)	-0.001 (0.008)	0.005 (0.006)	0.001 (0.008)
Program Stigma [Hard Work]	257 (893)	213 (273)	25 (26)	-0.013 (0.010)	0.018* (0.011)	-0.006 (0.008)	0.030*** (0.011)
Social Stigma [4 out of 5]	-560 (1261)	-19 (263)	46* (27)	-0.011 (0.010)	0.011 (0.010)	-0.001 (0.008)	0.011 (0.011)
Transaction Costs [10 min]	-360 (832)	-261 (288)	-2 (25)	-0.005 (0.011)	0.004 (0.011)	0.001 (0.008)	0.015 (0.012)
Transaction Costs [60 min]	932 (784)	-5 (275)	-18 (26)	-0.002 (0.010)	-0.004 (0.011)	0.006 (0.008)	0.010 (0.011)
Complex Worksheet	306 (511)	146 (125)	-14 (12)	-0.001 (0.005)	0.007 (0.005)	-0.006 (0.004)	-0.001 (0.005)
Indemnification Message	-392 (432)	-304*** (117)	-18 (11)	0.005 (0.004)	0.002 (0.005)	-0.006 (0.004)	-0.014*** (0.005)
Informational Flyer	-1106 (1081)	84 (199)	8 (20)	-0.010 (0.007)	0.0138* (0.008)	-0.004 (0.006)	0.007 (0.008)
Envelope Message	-293 (443)	185.5* (108)	14 (11)	-0.004 (0.004)	0.006 (0.004)	-0.002 (0.003)	0.002 (0.005)
Observations	35050	35050	35050	35050	35050	35050	35050
R <sup>2</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F(11, 2152)	1.34	1.22	1.04	0.53	0.96	0.77	1.72

Panel B: Regressions using Indicators for each Unique Intervention Bundle

	DEPENDENT VARIABLE - TAX VARIABLES (OLS)						
	AGI	Earned Inc	Exp Benefits	Single	Married	HOH	Past 3 Yrs
Indicators for Unique Treatment	X	X	X	X	X	X	X
Observations	35050	35050	35050	35050	35050	35050	35050
R <sup>2</sup>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
F(71, 2152)	1.23	1.01	1.16	1.01	1.15	0.86	1.45

**Notes:** This table reports the outcome of a series of regressions meant to test whether the experimental randomization produced balanced treatment groups across a number of observable economic and tax filing variables of interest. The upper panel presents results of regressions on indicators for each mailing component. The lower panel presents results of regressions on dummy variables which indicate each unique treatment bundle. There are 72 unique treatment bundles; this results from the interactions between 9 types of notices (the informational flyer is counted as a notice in the randomization), 4 types of worksheets and 2 types of envelopes. Standard errors are robust and clustered at the zipcode level; there are 2153 unique zipcodes in the sample.

Appendix Figure A1. EITC Benefit Schedule by Filing Status



Appendix Figure A2. Experimental Response and Hispanic Density of Households in Los Angeles

