

A Tale of Two Approaches: Incentive Escalation Strategies for the 2019 Survey of Consumer Finances

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Overview

01 Background: Survey of Consumer Finances

02 Escalation Methods

03 Results

04 Discussion & Next Steps

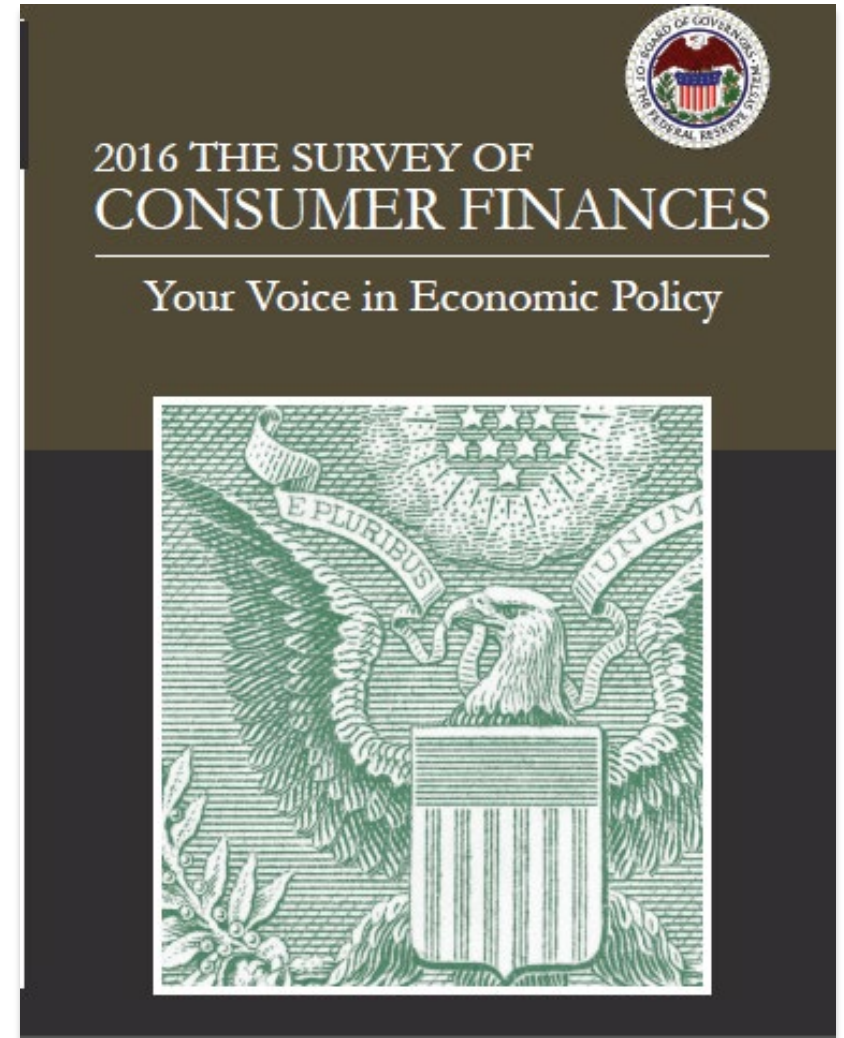


Background: Survey of Consumer Finances (SCF)

Survey of Consumer Finances

- Triennial survey
- Sponsored by the Board of Governors of the Federal Reserve System (FRB)
- Premier source of data on U.S. household finances
- Complex interview
- Dual frame sample
- Public use datasets available through FRB website *

*(see last slide)



Increasing emphasis on monetary incentives since 2016 SCF

- Why?

- Curb general decline in response rates for household surveys
- Pressure among federal agencies to gain efficiencies in surveys
- Positive impacts on survey response are well-documented in literature (Godwin, 1979; Church, 1993; Goritz, 2006; Singer and Couper, 2008)
- SCF experience:
 - Gain cooperation from hardest-to-reach households
 - Achieve high-quality financial data

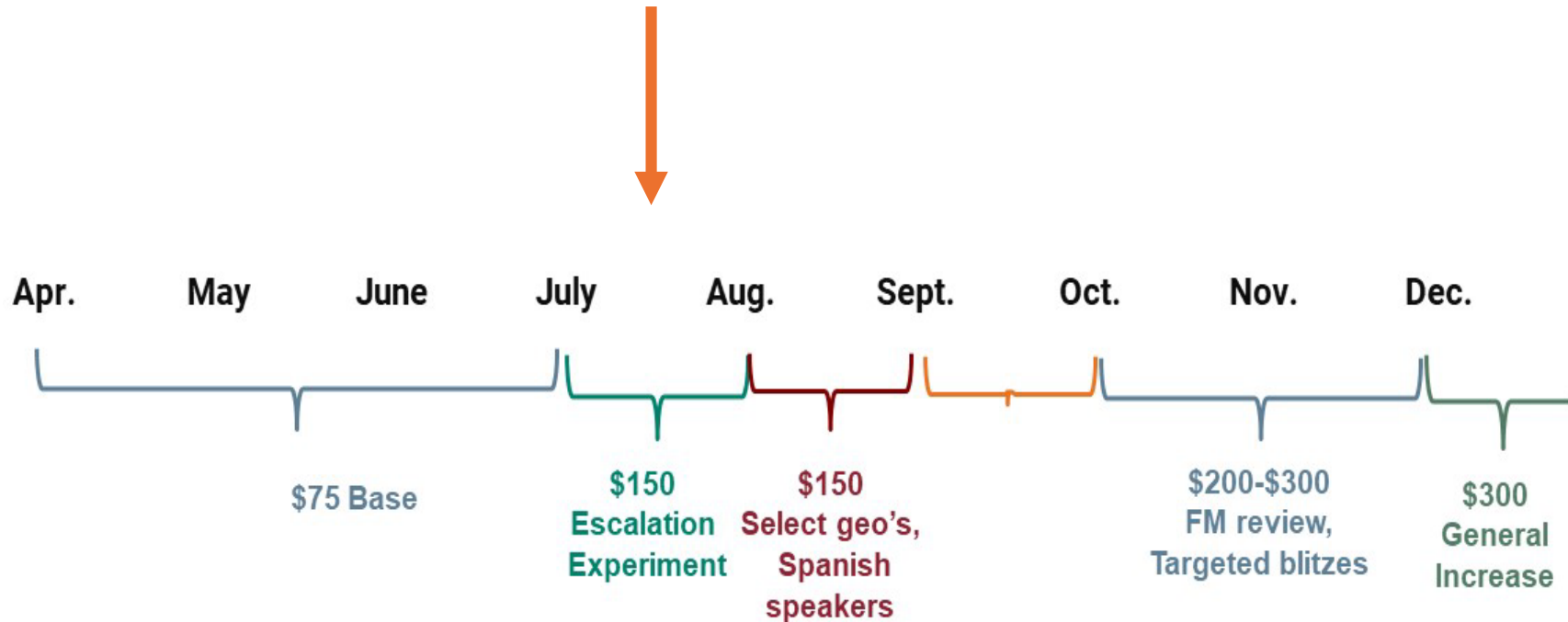
- In practice:

- Post incentive tripled between 2007 and 2019, from \$25 to \$75
- \$5 cash prepaid incentive introduced for 2016 SCF, offered again in 2019
- Post incentive amounts in excess of \$300 were offered to limited number of the most reluctant respondents in 2019

Escalation Methods for 2019 SCF:

Two Approaches

First Approach: Algorithm

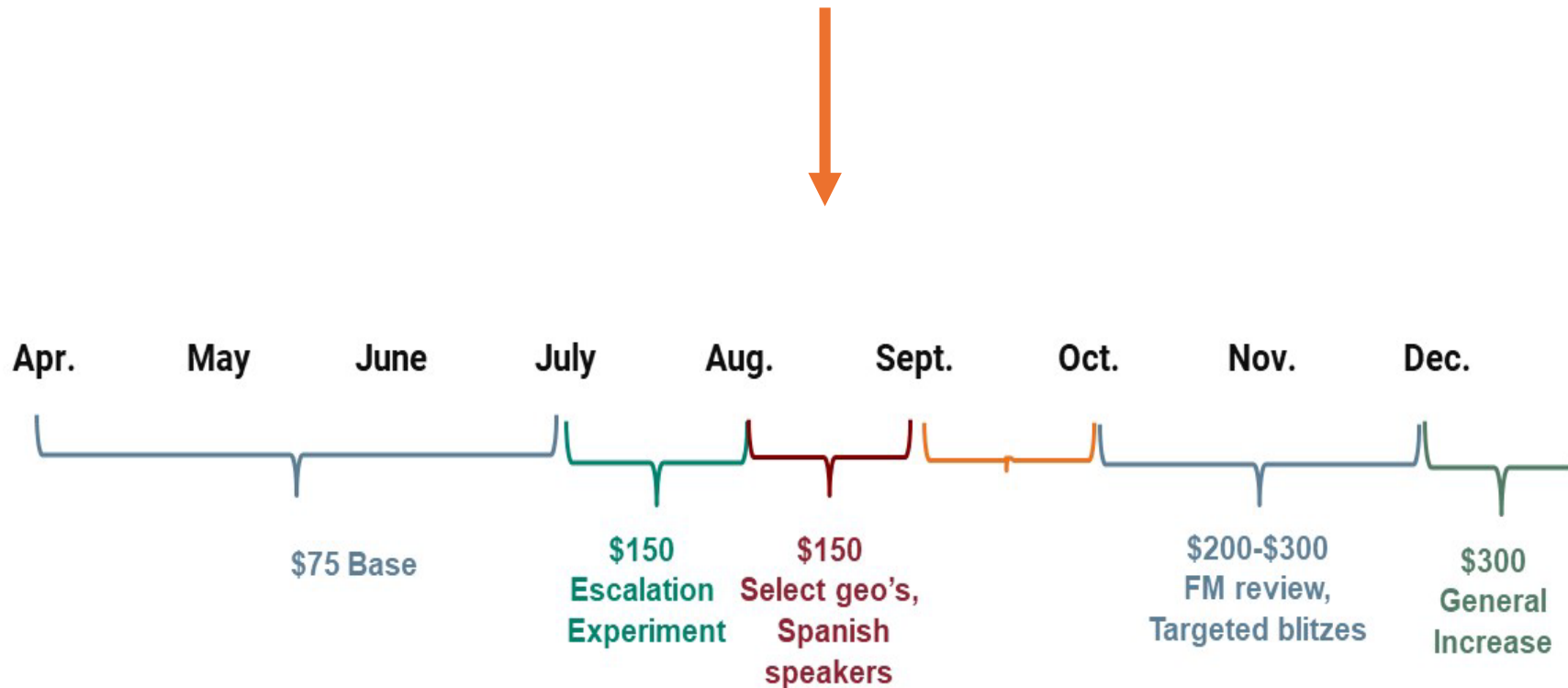


Note: In some instances, efforts overlapped.

First Approach: Algorithm

Design	Sample Type	Area Probability		List: Bottom 4 Strata		List: Top 3 Strata	
Phase 1	Pre-Incentive	\$5	\$5	\$5	\$5	None	None
		\$75	\$75	\$75	\$75	None	None
Escalation Experiment							
Phase 3	Escalation Need Score	Bottom Half		Top Half		None	None
	Sub-Selection	Control: (n - 200)	Treatment: 200	Control: 25%	Treatment: 75%	None	None
	Instruction in Case Management System	None	Offer \$150	None	Offer \$150	None	None

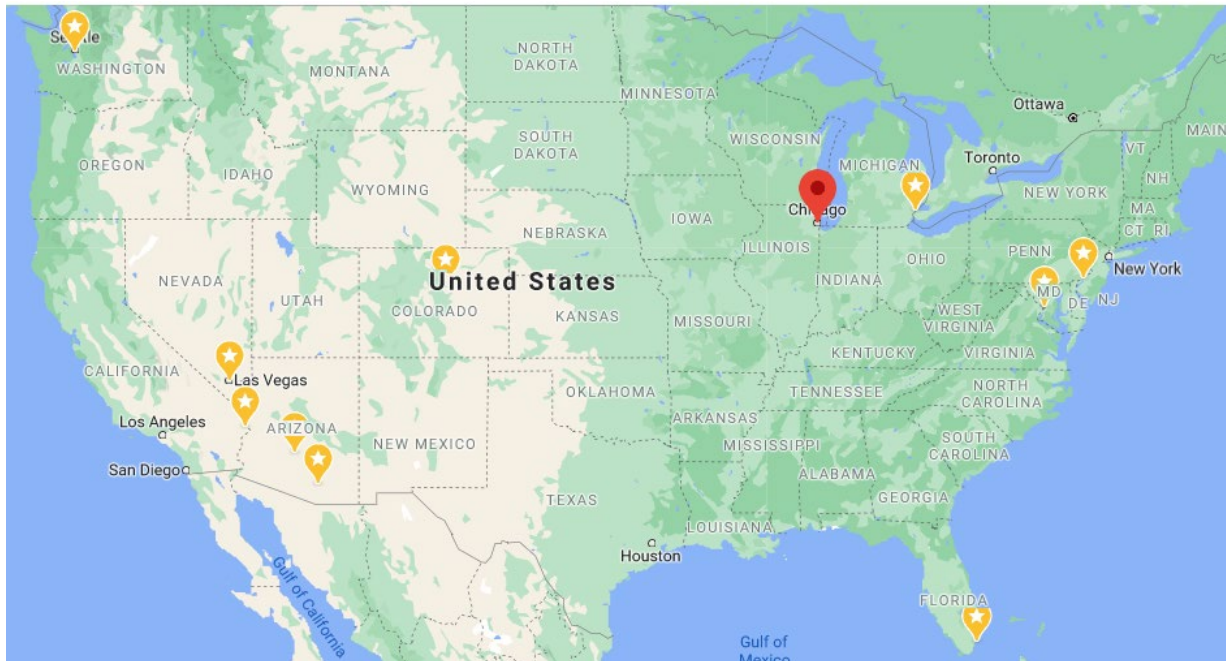
Second Approach: Localized efforts



Note: In some instances, efforts overlapped.

Second Approach: Localized Efforts

- ✓ Select cases based on shared geography
- ✓ Mobilize interviewers on the ground
- ✓ Set the stage for a positive encounter with the interviewer



	SECOND APPROACH	
	2A	2B
Selection Method	Field Managers	Field Managers
Geographic Foci	Detroit, Philadelphia	Phoenix, Tuscon, and Lake Havasu; Seattle and Denver
Material(s) Mailed	\$150 Letter	\$200/\$300 postcard in orange envelope
Additional Recruitment Materials	None	Personalized FI Intro Letter
Incentive Offered	\$150	\$200 or \$300

Selection Method

Geographic Foci

Material(s) Mailed

Additional Recruitment Materials

Incentive Offered

Field Managers

Detroit, Philadelphia

\$150 Letter

None

\$150

Field Managers

Phoenix, Tuscon, and Lake Havasu; Seattle and Denver

\$200/\$300 postcard in orange envelope

Personalized FI Intro Letter

\$200 or \$300

Results

1st Approach

Table 1. Status of Cases Eligible for Early Incentive Escalation Experiment after One Month¹ (unweighted)

	Treatment (Offered \$150)			Control (Not Offered \$150)		
	Count	%	Adjusted	Count	%	Adjusted
			% ²			%
Complete ³	166	16.8	16.9 ***	126	11.5	11.6
Targeted NFA						
Not Targeted	91	54.8	n/a	114	90.5	n/a
Targeted	75	45.2	n/a	12	9.5	n/a
Escalation need score						
Bottom half	33	19.9	n/a	106	84.1	n/a
Top half	133	80.1	n/a	20	15.9	n/a
Mode						
Phone	47	28.3	n/a	34	27.0	n/a
In Person	119	71.7	n/a	92	73.0	n/a
Interview in Progress ⁴	2	0.2	0.2	2	0.2	0.2
Appointment scheduled	9	0.9	0.9	15	1.4	1.4
Final non-interview ⁵	35	3.5	n/a	28	2.6	n/a
Final out of scope ⁶	10	1.0	n/a	8	0.7	n/a
Other Pending ⁷	768	77.6	78.4	914	83.6	84.2
Total	990	100.0	100.0	1093	100.0	100.0

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Notes: Available upon request

Table 3. Logistic Regression with Region, Sample Type, and Incentive Escalation Predicting Survey Completion Within One Month^a Among Cases with Escalation Need Scores in Bottom Half (unweighted)

	Model 1			Model 2		
	Coefficient	Standard Error	Odds Ratio	Coefficient	Standard Error	Odds Ratio
<i>Intercept</i>	-1.791 ***	0.163	0.167	-1.867 ***	0.172	0.155
Geographic Region						
Northeast	0.087	0.257	1.091	0.098	0.257	1.103
South	-0.012	0.227	0.988	0.001	0.228	1.001
West	-0.411	0.300	0.663	-0.396	0.300	0.673
Sample Type						
Bottom four list strata	-0.134	0.234	0.875	-0.142	0.234	0.868
Incentive Escalation						
Treatment (\$150)	n/a	n/a	n/a	0.328	0.218	1.388
n	1,040 ^{b,c}			1,040		
-2 Log Likelihood	814.54			812.37		
Degrees of Freedom	4			5		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Notes: Available upon request

Table 4. Logistic Regression with Region, Sample Type, and Incentive Escalation Predicting Survey Completion Within One Month^a Among Cases with Escalation Need Scores in Top Half (unweighted)

	Model 1			Model 2		
	Coefficient	Standard Error	Odds Ratio	Coefficient	Standard Error	Odds Ratio
<i>Intercept</i>	-1.9414 ***	0.186	0.144	-2.596 ***	0.284	0.075
Geographic Region						
Northeast	0.2569	0.2588	1.293	0.237	0.261	1.267
South	0.033	0.239	1.034	0.016	0.241	1.016
West	-0.161	0.261	0.852	-0.168	0.263	0.845
Targeted NFA	0.475 *	0.186	1.607	0.474 *	0.187	1.606
Sample Type						
Bottom four list strata	-0.519	0.289	0.595	-0.529	0.291	0.589
Incentive Escalation						
Treatment (\$150)	n/a	n/a	n/a	0.821 **	0.253	2.272
n	1,025 ^{b,c}			1,025		
-2 Log Likelihood	851.83			839.59		
Degrees of Freedom	5			6		

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$
 Notes: Available upon request

Table 5. Status of Cases Selected for Incentive Escalation after One Month (unweighted)

	FIRST APPROACH		SECOND APPROACH			
	1		2A		2B	
Selection Method	Algorithm		Field Managers		Field Managers	
Geographic Foci	Prioritized 25 NFAs		Detroit, Philadelphia		Phoenix, Tuscon, and Lake Havasu; Seattle and Denver	
Material(s) Mailed	\$150 Letter		\$150 Letter		\$200/\$300 postcard in orange envelope	
Additional Recruitment Materials	None		None		Personalized FI Intro Letter	
Incentive Offered	\$150		\$150		\$200 or \$300	
	Count	%	Count	%	Count	%
Complete ¹	165	16.8	5	9.3 ²	111	17.0 ³
Interview in Progress ⁴ /Apt. scheduled	11	1.1	0	0.0	2	0.3
Final non-interview ⁵ /Out of scope ⁶	45	4.6	6	11.1 ^{3,4}	58	8.9 ^{3,4}
Other Pending ⁷	761	77.5	43	79.6	483	73.9
Total	982	100.0	54	100.0	654	100.0

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Discussion & Next Steps

First Approach

- Pros:
 - Can readily identify large number of eligible cases
 - Broad, uniform intervention
- Cons:
 - Can be challenging to ensure consistent treatment across broad intervention
 - Rigidity in selection/design may hinder interviewer's autonomy

Second Approach

- Pros:
 - Useful for resolving cases as complete or NIR/OOS
 - Intensive, targeted effort to provide every selected household an opportunity to participate
- Cons:
 - Considerable fixed costs; returns varied
 - Timing matters a lot



What did we learn?

Next Steps

1. Analysis of Second Approach:

- **Identify pseudo control group** (Compare households within the localized areas in the 2nd Approach with a comparable set of households within areas that did *not* receive the 2nd Approach)
- **Logistic regression modeling**
- **Cost analysis** (Did the additional costs invested through incentives and focused interviewer effort lead to higher completion rates in targeted areas relative to comparable, non-targeted areas?)

2. Develop enhanced approach that leverages the Pros of both designs:

First Approach:

- ✓ Breadth
- ✓ Uniformity

Second Approach:

- ✓ Exhaustiveness
- ✓ Physical presence of field staff

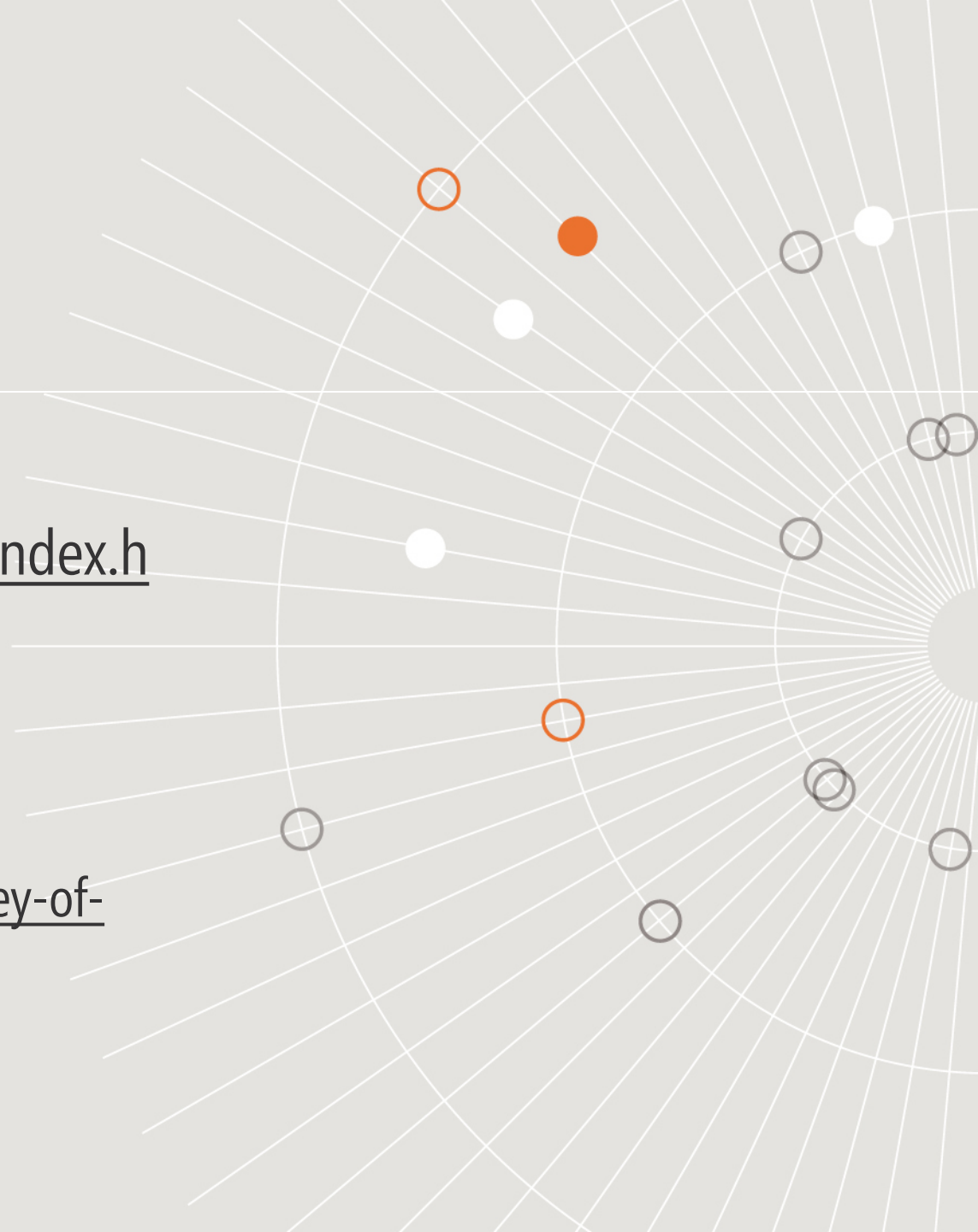
More info

Get the public-use SCF data at:

<https://www.federalreserve.gov/econres/scfindex.htm>

Learn more about NORC's involvement at:

<http://www.norc.org/Research/Projects/Pages/survey-of-consumer-finances-SCF.aspx>



Thank you.

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