IMPROVING DELIVERY OF THE SOCIAL SAFETY NET The Role of Stigma

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In response to the Covid-19 pandemic, the federal government directed an unprecedented amount of funding to emergency rental assistance programs across the country – so much so that some cities had trouble disbursing their funds to residents who needed them. Within this unique context, we conducted two large-scale field experiments (N = 117,073) to test the impact of reducing information costs and psychological costs (stigma) on program participation. We found that providing status quo information about rental assistance programs increased applications for assistance relative to providing no information. Outreach that included subtle language changes that reduced internalized stigma significantly increased engagement with the message and directionally increased program applications over and above providing information alone.

CONTEXT

Means-tested government programs have been shown to be highly effective at mitigating the effects of poverty in the United States.^{1,2} But an estimated 20%–50% of households do not take advantage of government benefits programs for which they are eligible.^{3,4,5}A growing body of evidence documents large barriers to accessing government programs, including a lack of information (*learning costs*), burdensome administrative processes (*compliance costs*), and the stigma or shame associated with being labeled as a recipient of government assistance (*psychological costs*).⁶

In this study, we focus on the role of stigma. We distinguish among three types of stigma: *Societal stigma* refers to the negative beliefs society holds about beneficiaries of government benefits programs; *anticipated stigma* refers to the fear of being the target of prejudice or discrimination as a result of association with a benefit program; and *internalized stigma* refers to the application of negative societal stereotypes about benefit programs to oneself. Although the existence of "welfare stigma" has been well documented, less is known about the extent to which it affects participation in government programs.

KEY TAKEAWAYS

- Light-touch informational outreach increased take-up of rental assistance programs.
- Subtle language changes to target and reduce stigma may increase take-up over and above providing information alone.
 - Some evidence suggests the effects of destigmatizing outreach may be larger for renters of color.

The People Lab



RESEARCH

In 2020 and 2021, we collaborated with the Denver Department of Housing Stability and Office of Social Equity and Innovation, as well as the Austin Department of Housing and Planning, to co-design and test outreach aimed at increasing applications for rental assistance.



In **Study 1**, conducted in Denver, Colorado, 62,715 renters across the city were randomly assigned to one of three groups: The *Control* group did not receive any communication; the *Information Only* group received a postcard that provided basic information about the city's rental assistance program and a link to learn more; and the *Information + Stigma* group received a postcard with the same information as in the *Information Only* group, but with subtle language changes aimed at reducing potential sources of internalized and anticipated stigma (see Figure 1). For instance, language emphasized that "it's not your fault" if you need assistance. We then measured differences in application rates between the three groups in the eight weeks after sending the postcards.

FIGURE 1

The front of the postcards sent in Study 1



RESEARCH (cont.)

STUDY

Study 2, conducted in Austin, Texas, built on Study 1 to directly test the difference between the *Information Only* and *Information + Stigma* messages in a context where we were able to observe immediate engagement with the outreach material. In total, 54,544 residents were randomly assigned to receive one of two emails: The *Information Only* email included basic information about the city's rental assistance program and a link to apply; the *Information + Stigma* email provided the same information but again included subtle language changes targeting potential sources of stigma. We then measured differences in engagement – defined as clicks on the application link embedded in the email – between the two groups.

Through Studies 1 and 2, we were able to examine the impact of the *Information Only* and *Information + Stigma* messages on behavior. But because of the nature of field experiments, we could not disentangle the channels through which the different messages affected behavior.



In **Studies 3** and **4** (N = 832, N = 791), conducted via Amazon Mechanical Turk, we tested whether the *Information + Stigma* message influenced stigma or other beliefs about the program, relative to the *Information Only* message. In both studies, online survey participants were assigned to see either the *Information Only* or *Information + Stigma* postcard from Study 1. We then measured internalized stigma, anticipated stigma, and perceptions of (1) the difficulty of the application process, (2) the credibility of the postcard, and (3) the likelihood of receiving money if they applied.

WHAT WE FOUND

In Study 1, we find the following:

- Households that received the *Information Only* postcard were 0.47 percentage points, or 52%, more likely to request an application for rental assistance than households that did not receive any communication (see Figure 2).
- Households that received the *Information + Stigma* postcard were 0.25 percentage points, or 18%, more likely to request an application for rental assistance than households that received the *Information Only* postcard, although this difference was not statistically significant (see Figure 2).
- The effects of each message were smaller, but persisted, for downstream outcomes: Households that received the *Information Only* postcard were 0.13 percentage points, or 24%, more likely to submit an application for rental assistance than households that received no communication, and households that received the *Information + Stigma* postcard were 0.07 percentage points, or 11% more, likely to submit an application relative to households that received the *Information Only* postcard. However, neither of these differences was statistically significant.

FIGURE 2



Study 1 results: Effect of treatment assignment on application requests

Each bar represents the proportion of households that requested an application for rental assistance in the six weeks after the mailers were sent (total N = 25,229). Bars reflect 95% confidence intervals.

These findings suggest that (a) reducing learning costs associated with rental assistance affects take-up behavior, and (b) reframing informational outreach to reduce potential sources of stigma associated with assistance may influence behavior above and beyond providing information alone.

Because stigma associated with government assistance has been found to be highly racialized,⁷ we also examine any differences in the effect of outreach by race. First, we find that the effect of the *Information + Stigma* mailer on application requests was significantly larger in census tracts with a higher proportion of minority residents. Second, we examine the distribution of submitted applications by race for each mailer condition. We find that just 5% of submitted applications among households in the *Control* group came from Black or African-American residents, compared to 17% of submitted applications from households that were sent the *Information Only* postcard and 26% of submitted applications from households that promising area for further research.

Building on these results, in **Study 2** we examine the impact of the *Information + Stigma* message on immediate engagement with the communication. We find 2.2% of residents that received the *Information Only* email engaged (defined as clicking on one of the embedded application links in the message), compared to 3.0% of residents who received the *Information + Stigma* email – a highly significant 36% increase.

Finally, in **Studies 3** and **4**, we find that the *Information + Stigma* message significantly reduced internalized stigma relative to the *Information Only* message, without changing other perceptions of the program, including the perceived difficulty of applying for the program, the likelihood of receiving money from it, participant comprehension, and the credibility of the communication.

WHAT'S NEXT

Across two field experiments, we find that a one-time communication aimed at reducing learning costs increased applications for rental assistance. Meanwhile, outreach that aimed to reduce both learning and psychological costs – namely, the stigma associated with government assistance – significantly increased engagement and directionally increased applications relative to providing information alone. Further research is needed to understand when and for whom destigmatizing interventions are most effective, as well as to more thoroughly explore differential effects by race and ethnicity. We are also currently conducting research to examine the role of stigma as a barrier to participation in other government programs.

SOURCES

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