

Legacy Treasury Direct Accounts

Default call-in appointments encourage account holder response

Agency Objective. Determine if letters work to encourage account transfers by securities holders.

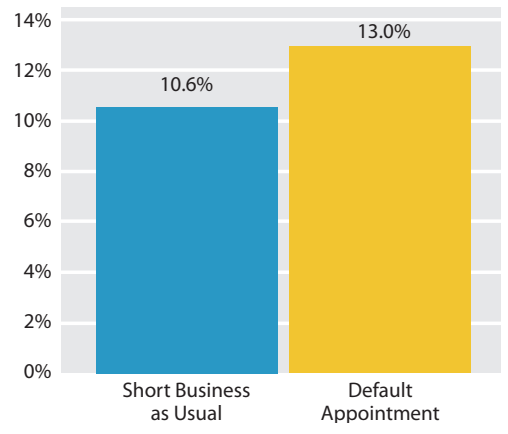
Background. The Department of the Treasury’s Legacy Treasury Direct (LTD) program allowed investors to purchase marketable securities directly from the Treasury, via mail, fax, and phone.⁷² The program was phased out starting in 2011, before being decommissioned in late 2014. Before and during the phase out, Treasury sent several letters to LTD account holders encouraging them to transition their accounts to, among other places, TreasuryDirect, an online system opened in 2002.

Methods. In an effort to move customers to the all-electronic system, the Bureau of the Fiscal Service (Fiscal Service) at the Treasury collaborated with the Office of Evaluation Sciences (OES) to develop two letters for LTD account holders. First, a *Clarified Standard* letter, a simplified version of the previous years’ letters. Second, a *Default Appointment* letter, with similar text as the first, and which also gave recipients an appointment with their Treasury representative during a low call volume time window at the Fiscal Service call center. The *Default Appointment* letter builds on behavioral science research finding that individuals are more likely to follow through on plans that identify specific moments of action.⁷³

The letters were mailed to the 33,500 remaining LTD account holders over 16 business days, with each of the two letters mailed to batches of 1,000 accounts by zip code in sequential numerical order. Fiscal Service’s call center collected data on LTD account holder call-in actions, including indicators for actions taken by or indicated by the caller, such as whether the caller indicated an interest in taking any account actions, and whether the

caller established an online account. Using letter identification numbers printed on each letter (e.g., 9965 or 8865 in the top right corner of the letter), the type of letter (*Clarified Standard* or *Default Appointment*) was linked to data on call-in actions, which allowed for observation of differences in call-in actions by letter type.

Results. Compared with the *Clarified Standard* letter, the *Default Appointment* letter resulted in a call-in rate that was 2.37 percentage points higher ($p < 0.05$, 95% CI [1.69, 3.07]), an increase of 23 percent. Fewer than 5 percent of the LTD account holders who called in (across both treatment groups) said they would definitely switch to the online Treasury Direct system.



Conclusions. Creating a moment of action for calling in resulted in more investors calling in to discuss account options with Treasury representatives. However, the mailings did not result in significant customer account changes from LTD to TreasuryDirect. There are no further LTD mailings planned.



⁷²For more information on the LTD program, see: treasurydirect.gov/indiv/myaccount/myaccount_legacytd.htm

⁷³Todd Rogers, Katherine L. Milkman, Leslie K. John, and Michael I. Norton, “Making the Best Laid Plans Better: How Plan-Making Increases Follow-Through,” *Behavioral Science and Policy* (forthcoming).