

INCREASING TIMELY REPORTING BY LOCAL GOVERNMENTS THROUGH PEER COMPARISONS AND ENCOURAGEMENTS



Adding peer comparisons and information that registering is quick and easy to emails did not increase submission of spending reports

Target a Priority Outcome

As part of the American Rescue Plan (ARP), the Department of the Treasury (“Treasury”) is administering the State and Local Fiscal Recovery Funds program (SLFRF), which provides \$350 billion in funding for eligible state, local, territorial, and Tribal governments to support their response to and recovery from the COVID-19 public health emergency. Approximately 27,000 small cities and towns – referred to as non-entitlement units (NEUs) of local government¹ – were allocated \$19.5 billion of this funding. Treasury seeks to support NEUs to meet their reporting requirements in order to promote transparency, responsibility, and equity in the use of funds.² NEUs must submit their Project & Expenditure reports (“spending reports”) on Treasury’s American Rescue Plan (ARP) Reporting and Compliance Portal.

Translate Behavioral Insights

Peer comparisons have been shown to be effective in changing behaviors across a range of contexts, from electricity consumption to opioid prescription.^{3,4} Peer comparisons typically compare the receiver’s behavior to other users to prompt receivers to reflect on whether they should change their behavior to conform to socially accepted levels. Treatments that share information on the cost (e.g., time or money) that are necessary to

complete an action can also spur recipients to undertake actions thought to be costly. The Office of Evaluation Sciences (OES) and Treasury collaborated to redesign emails to encourage NEUs to submit their spending reports. In addition to the business-as-usual email, OES created two alternative email versions: 1) including an emphasis on peer comparisons in the email body and subject line (the “peer comparison” message); 2) including information on how submitting spending reports is quick and easy (the “quick and easy” message). The peer comparison message noted that 97% of SLFRF recipients with a prior reporting deadline submitted their reports on time. The quick and easy message stated that submitting should take less than 30 minutes and that there are resources available to help them. OES predicted that these additions should prompt recipients to submit their spending reports before Treasury’s reporting deadline.

Embed Evaluation

OES evaluated the effectiveness of these two changes using a clustered and blocked three arm trial.⁵ NEUs were clustered based on shared email addresses and divided into one of three treatment groups within each block: the business-as-usual (N=8,720 NEUs); peer comparison (N=8,715 NEUs); and quick and easy (N=8,711 NEUs). Treasury sent the emails on April 18, 2022 and report submission was measured six days after sending, on April 24, 2022, before additional emails were sent, and again one day after the reporting deadline (on May 1, 2022, approximately two weeks after the email was sent).

¹ Non-entitlement units of local government (NEUs), defined in section 603(g)(5) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021 are local governments typically serving populations of less than 50,000. NEUs include cities, villages, towns, townships, or other types of local governments.

²[U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds.](#)

³ Sacarny, Adam, et al. "Effect of peer comparison letters for high-volume primary care prescribers of quetiapine in older and disabled adults: a randomized clinical trial." *JAMA psychiatry* 75.10 (2018): 1003-1011.

⁴ Ayres, Ian, Sophie Raseman, and Alice Shih. "Evidence from two large field experiments that peer comparison feedback can reduce residential energy usage." *The Journal of Law, Economics, and Organization* 29.5 (2013): 992-1022.

⁵ The same email address might be included on carbon copy (cc'd) on emails to multiple NEUs. We clustered NEUs based on shared email addresses to avoid assigning the same address to multiple treatment conditions. Within states, we organized clusters into a block of singletons and a block of non-singleton networks. This blocking scheme mitigates bias from correlation between cluster size and treatment effects.

Analyze Using Existing Data

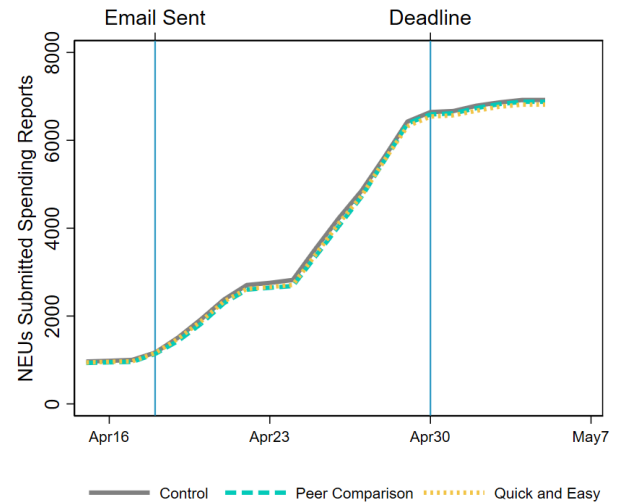
The analysis uses data from Treasury's ARP Reporting and Compliance Portal. The primary analyses focus on the proportion of NEUs who submitted a spending report one week after the email was sent and the day after the reporting deadline. We compare: 1) NEUs who received the peer comparison emails to control; and, 2) NEUs who received the quick and easy emails to control.

Results

We find no evidence that the alternative messaging increased timely report submission. One week after the email was sent, the proportion of NEUs that had submitted their spending reports among the group receiving the control email was 32.4%. The estimated effect of the peer comparison treatment was small, negative, and statistically insignificant (-0.01, $p = 0.092$; 95% CI [-0.020, 0.002]). For the quick and easy treatment, the estimated effect was negative 1.2 percentage points, which is statistically significant (-0.012, $p = 0.046$; 95% CI [-0.023, 0.002]).

Two weeks later, which is one day after the deadline, we find no statistically evidence of an effect for either treatment. The proportion of NEUs that had submitted their reports among the group that received the control email was 76%. The 95% confidence interval on the estimated effect of including a peer comparison message ranged from negative 0.02 to positive 0.003 (-0.010, $p = 0.12$; 95% CI [-0.020, 0.003]) and for the quick and easy treatment it ranged from negative 0.02 to positive 0.008 (-0.004, $p = 0.49$; 95% CI [-0.016, 0.008]). Taken together, we find no evidence to support the hypotheses that either form of alternative messaging encourages more timely sign-up.

Figure 1: Number of NEUs that submitted spending reports on Treasury's ARP Reporting and Compliance Portal



Build Evidence

This evaluation finds evidence that peer comparisons and providing information that submitting spending reports is quick and easy led recipients to delay their filing by a week. All email messages included in this study contained to-do lists and calls to action in the subject line that were found to be effective in a separate randomization. Additional messaging beyond information on the steps necessary to submit may actually deter recipients from submitting reports in the short run.