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Program Awareness, Administrative Burden, and Non-Take-Up of Québec's Supplement to the Work Premium

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ABSTRACT: Program take-up is a necessary condition for program effectiveness. Yet, non-take-up is a significant challenge for many social programs, including Québec's Supplement to the Work Premium (SWP), a refundable tax credit targeted toward long-term welfare clients. Based on interviews with 21 public actors and 46 program participants and nonparticipants, this study explains how low program awareness, the low value of the benefit and the significant administrative burden borne by potential and actual participants contribute to the non-take-up of the SWP in this sample. Moreover, four policy implications and recommendations that can inform the design, implementation, and evaluation of social programs, are derived from this study.

KEYWORDS: Program take-up; social policy; program implementation; activation; compliance costs; social assistance; welfare; welfare-to-work

Program take-up is a crucial public administration, social policy, and social work issue because it is a necessary condition for program effectiveness. Whereas this point may seem trivial, non take-up rates are significant in OECD countries and even more so for means-tested programs such as welfare (Hernanz, Malherbet, & Pellizzari, 2004; Li & Walker, 2017; Matsaganis, Levy, & Flevotomou, 2010). In particular, in light of factors such a low levels of education, instability, social exclusion or the lack of trust in government, long-term welfare clients are more difficult to reach, to inform and to entice into program participation (Danziger & Seefeldt, 2003; Gibson & Weisner, 2002; Taylor & Barusch, 2004). Moreover, welfare clients have a lower capacity to navigate the administrative process necessary for program application (Brodkin & Majmundar, 2010). Another issue is that the eligibility requirements for many programs aimed at "activation" and "self-sufficiency" are conditional upon leaving welfare for work (on activation, see Daigneault, 2014, 2015). Yet, the more time individuals spend on welfare, the greater their odds of remaining on welfare because life patterns "set in" and their human capital depreciates (e.g., Bergmark & Bäckman, 2004; Cooke, 2009).

Québec's Supplement to the Work Premium (SWP), a fiscal program targeted to long-term welfare clients, epitomizes these problems. The SWP is a monthly income supplement of CAN\$200 for up

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to 12 months (for a potential value of CAN\$2,400) which consists of a refundable tax credit that can be paid in advance upon request. The program objectives are, first, to encourage long-term welfare clients to join the labor market and, second, to help these individuals stay in the labor market by supporting the costs of their transition to employment. At the time of this study, the eligibility requirements to the SWP were the following¹: 1) having received last-resort financial assistance² for at least 36 of the 42 months immediately preceding the welfare-to-work transition; 2) having stopped receiving welfare because of a transition to work; 3) possessing a valid claim slip for medical (dental and pharmaceutical) services during the first month of the work transition; and 4) earning a work income of CAN\$200 or more for each month for which the SWP is claimed. The SWP is jointly delivered by the Ministry of Work, Employment and Social Solidarity (MTESS) and its delivery agency Emploi-Québec (EQ), and Québec’s Revenue Agency (RQ).

Using administrative data, the authors calculated that approximately 60% of eligible individuals receive the SWP each year and, among those, only 55% receive advance payments (see Table 1). Moreover, there are few participants annually (4,000–5,000) compared to the large number of “potential” participants (approximately 240,000 long-term welfare clients). Strictly speaking, these potential participants are neither eligible to the SWP nor included in the take-up rate. Yet, they are relevant to non-take-up because public servants must direct their information and outreach efforts toward them (Van Mechelen & Janssens, 2017, p. 5–6). Whereas non-take-up is common for social programs (in Québec, see Expert Committee on Guaranteed Minimum Income, 2017), these figures are puzzling. Indeed, the SWP targets low-income workers who presumably need the benefit for immediate consumption and the stigma attached to this sociofiscal program should be weak.

Table 1. Take-up rates, Supplement to the Work Premium, 2010–2015^a

	2010	2011	2012	2013	2014	2015
Number of Participants, Advance Payments Only	2,414	2,911	2,968	2,600	2,720	2,578
Total Number of Participants, Advance and Lump Sum Payments	5,090	5,166	5,435	4,979	4,382	4,183
Number of RL-5 Slips Emitted	8,046	7,897	9,185	7,899	7,034	6,455
Proportion of Participants Who Claimed Advance Payments (%)	47.4	56.3	54.6	52.2	62.1	61.6
Take-Up Rate (%)	63.3	65.4	59.2	63.0	55.5	64.8

^aAuthors’ calculations based on administrative data from RQ and the MTESS.

This case study seeks to explain why the SWP is beset by low take-up and to derive policy implications and recommendations that can inform the design, implementation, and evaluation of social programs. Based on interviews with public actors, program participants and nonparticipants, this study opened the program’s “black box” to understand its theory and to assess how it is delivered, by whom, and to whom (Rossi, Lipsey, & Freeman, 2004). Moreover, in-depth qualitative methods were used to shed light on the lived experiences of welfare clients and on their perceptions of the SWP (see also Gould-Werth, 2016; Marttila, Whitehead, Canvin, & Burström, 2010). This article is divided into four sections. It first contains a literature review on the non-take-up of social programs. It then presents the research questions and methods, before turning to the results in the third section. The policy implications and recommendations derived from these results are discussed in the fourth section.

The non-take-up of social programs

Non-take-up refers to the phenomenon by which eligible individuals do not participate in a program (van Oorschot, 1991). It may take three forms that are ordered sequentially: 1) eligible individuals are not aware of the program's existence nor of its features (*non-knowledge*); 2) eligible individuals are aware of the program's existence but choose not to apply (*non-demand*); 3) eligible individuals apply for the program but do not receive the ascribed benefits (*non-reception/non-receipt*) (Daigneault, Jacob, & Tereraho, 2012; Warin, 2016). Most studies focus on nonknowledge and non-demand, possibly because they come first in the sequence leading up to non-take-up and because their measurement is less challenging than non-reception/ non-receipt.

Non-take-up is frequently understood through a rational perspective according to which individuals weigh the costs and benefits of participating or not in a program (Currie, 2004; Daigneault et al., 2012; Hernanz et al., 2004). With respect to this rational calculus, the concept of administrative burden, defined as "an individual's experience of policy implementation as onerous" (Burden, Canon, Mayer, & Moynihan, 2012, p. 742), outlines three type of costs considered by potential participants:

Learning costs arise from engaging in search processes to collect information about public services, and assessing how they are relevant to the individual. *Psychological costs* include the stigma of applying for or participating in a program with negative perceptions, a sense of loss of power or autonomy in interactions with the state, or the stresses of dealing with administrative processes. *Compliance costs* are the burdens of following administrative rules and requirements. For example, for those applying to a program for services, these are the costs of completing forms, or providing documentation of status. (Moynihan, Herd, and Harvey 2015, p. 45–6)

While the magnitude of the administrative burden is significant, the question of who shoulders this burden is equally important. Policymakers and public managers could significantly increase program take-up by shifting the administrative burden to the state (Herd, DeLeire, Harvey, & Moynihan, 2013).

Non-knowledge

Unless enrolment is automatic, individuals who are unaware of a program's existence cannot apply for it, let alone benefit from it (Bertrand, Mullainathan, & Shafir, 2006; Vinck, Lebeer, & Van Lancker, 2019). Moreover, even when they are aware of the existence of a program, individuals may lack information about its benefit structure, eligibility rules and application process (Gibson & Weisner, 2002; Nam, Cancian, & Meyer, 2009). Acquiring such information is more or less costly, depending on whose shoulders the program's design and administrative practices place the administrative burden. Non-knowledge underlines the importance of program promotion and outreach strategies (e.g., information campaigns) and enrolment via community-based organizations. For instance, in their experimental study involving the Earned Income Tax Credit (EITC), Bhargava and Manoli (2015) found that simply offering potential participants a second opportunity to claim the benefit a few months following the initial notice increased program take-up by 22%. They also found that simplifying the information notice and rendering it more visually attractive significantly increased take-up. Herd et al. (2013) found that program and form simplification, better marketing and branding, and community outreach contributed to an increase in Medicaid take-up in Wisconsin. Moreover, informal social networks tend to increase program awareness and take-up. For instance, Figlio, Hamersma, and Roth (2015) concluded that the presence of dense social networks prevented declines in Medicaid take-up rates among Hispanics by mitigating the effect of confusion when eligibility rules were changed.

Non-demand

Eligible individuals may choose not to apply for a program because they perceive its benefits to be too low or its claiming costs too high. On the benefit side, the positive association between a program's pecuniary value and take-up is a robust finding (Dahan & Nisan, 2010; Hernanz et al., 2004). For instance, Riphahn (2001) found that a 20% increase in the expected benefit gained from German social assistance would increase program take-up by 6%. Moreover, how the information about a program's pecuniary value is presented has a considerable impact on program demand. Indeed, because individuals are averse to losses, Bertrand et al. (2006, p. 18) suggested that framing non-take-up in terms of losses – “Not getting food stamps takes good food away from your kids” – rather than forgone gains may generate greater responsiveness among potential program participants. On the cost side, compliance costs play a significant role in an individual's decision to claim benefits or not (Currie, 2004). Indeed, Herd et al. (2013) concluded that measures that decreased compliance costs such as autoenrollment, online access, using a single application form for multiple programs, recruiting community partners to help with program application, and presumptive eligibility (i.e., individuals are enrolled pending verification), contributed to increase Medicaid take-up in Wisconsin.

Moreover, Brien and Swann (1999, cited in Currie, 2004, p. 4) found that compliance costs, such as requiring income documentation, decreased the number of applications to the Special Supplemental Nutrition Program for Women, Infants and Children. Others have shown that the decrease in applications for the Aid for Families with Dependent Children (AFDC) program and the Temporary Assistance for Needy Families (TANF) program in the 1990s was caused by an increase in claiming costs as well as administrative hassles prompted by formal rules and the informal practices of street-level bureaucrats (e.g., Brodtkin & Majmundar, 2010; Currie, 2004).

The decision to apply or not to a program is also affected by various psychological costs, in particular, negative perceptions of the government and the stigma associated with welfare programs (Stuber & Kronebusch, 2004; van Oorschot, 1991). Stigma refers to how individuals view themselves and how they are viewed and treated by others (Baumberg, 2016). Stigmatized individuals are less likely to apply for public programs because they fear being treated in a hostile and humiliating way. For example, Stuber and Kronebusch (2004) found that welfare stigma was negatively associated with the take-up of both TANF and Medicaid. In a nationally representative survey conducted in the UK, 26.6% of respondents said that shame or stigma would make them less likely to claim various social benefits and tax credits if they were in need (Baumberg, 2016).

The non-demand for the advance payment option of tax credits is a special case that warrants a separate discussion. Many low-income individuals prefer to receive an end-of-year lump sum payment instead of advance payments for the EITC (Holt, 2009). Indeed, Jones (2010) addressed the information, stigma, and administrative costs associated with the EITC in an experimental study and found that people deliberately forgo advance payments. He suggested two explanations for this finding: 1) recipients might be risk-averse and therefore afraid to have to pay back excess payments at the end of the year; 2) recipients may view the lump sum EITC as a form of short-term forced savings to their benefit. Holt (2009) arrived at a similar conclusion:

By intentionally generating a refund via overwithholding (having more taxes withheld than is necessary to meet annual tax liability), EITC recipients and others effectively use the IRS as a de facto savings account that enforces temporary fiscal discipline. (p. 28).

Similarly, in an ethnographic study of 42 American families, Romich and Weisner (2000) concluded that a significant portion of participants perceive the EITC as a form of wealth/savings, whereas their regular work income was to be used for immediate consumption purposes. The EITC and any refund they could get at the end of the year from the IRS were thus perceived as a bonus that could be used to make large purchases. Overall, these studies suggest that non-take-up of advance payments is a deliberate choice.

Research questions and methods

This study seeks to answer two sets of questions regarding the low take-up of the SWP.

(1) *Non-knowledge*. Do welfare clients and ex-clients know that the program exists? Do potential claimants understand the program's eligibility rules? What learning costs do they face? Do service providers actively propose and "sell" the program to potential claimants?

(2) *Non-demand*. Does the program answer the needs of long-term welfare clients and ex-clients (program relevance)? What are the psychological and compliance costs experienced by potential and actual participants? Is the claiming process sufficiently simple to encourage individuals to apply?

The data used to answer these questions come from 64 semi-structured interviews conducted in 2016–17 with two purposive samples of respondents. The first is composed of 21 public actors (PA) involved in the design, adoption, and implementation of the SWP (see appendix Table A1). The second sample is composed of 22 long-term clients and 24 ex-clients (C) of Québec's Social Assistance Program which, by definition, targets people with a higher propensity to join the labor market. This sample includes both nonparticipants (clients) who will become eligible for the SWP if they transition to work, as well as eligible persons who participate or will likely participate in the program when they fill their income tax return. This sample was assembled following a "maximum variation" logic in terms of sociodemographic characteristics (age, gender, etc.) and geographic location from a list provided by the MTESS, with the authorization of Québec's freedom of information commission (see appendix Table A2). Almost all of the interviews were recorded and integrally transcribed; interview summaries were used in the remaining cases. All interview transcripts and summaries were sent back to respondents to elicit their reactions and allow them to correct inaccuracies. Data were analyzed adopting a thematic perspective based on a top-down approach (Paillé & Mucchielli, 2008) and using NVivo 10 (QSR International, 2012). Most quotations were translated from French to English and edited for readability.

Results

Non-knowledge

Program awareness

The welfare clients and ex-clients who were interviewed had very limited awareness of the SWP, as illustrated by the following: "I didn't even know that it existed" (C8) or "It is not well-known" (C19). Indeed, among welfare clients, only two respondents out of 22 (9%) had reliable knowledge of the SWP. Among ex-clients who transitioned to work, only 9 out of 24 (39%) were unambiguously aware of the SWP's existence, all of whom were receiving advance payments. Moreover, all the ex-clients in the sample became aware of the program *after* their transition to work, mainly through their financial assistance agent. As for the 13 ex-clients who learned of the existence of the SWP during the interview, they would possibly have learned about it eventually, when filling their income tax return for the fiscal year:

C28: [I heard about the program] last year when I went to H&R Block so that they could prepare my tax return. I had this slip – I didn't even know what it was – and the guy from H&R Block told me, "You will receive a refund, but you need to fill in a form if you want to receive it every month."

The experience of EQ's frontline agents is generally consistent with those of clients and ex-clients:

There are many who don't even know what this program is. They find a job and, at some point, they receive the form, note that they are eligible, and fill it in. (PA13)

[The SWP comes into play] when somebody calls me to say that he found a job. [...] I had a call this week from a man who had found a job in Chicoutimi who was saying, "I will incur expenses, I need to buy clothes, do you have something that you could offer me to help me cover these work expenses?" (PA19)

These results suggest that the SWP is not perceived as an incentive for respondents to leave welfare and join the labor market: "In my mind, it [the SWP] didn't exist yesterday, so it doesn't change anything [in my decision to leave welfare or not]" (C38).

Understanding of the program and learning costs

Many welfare clients and ex-clients had trouble understanding the program's nature and eligibility rules, and, sometimes, these difficulties persisted even after the authors explained the program to them. For instance, one respondent (C11) erroneously believed that the SWP is available to only one person per household. Moreover, the name of the program and the fact that it is a tax credit seem to generate significant confusion. For example, a respondent mistakenly thought he had to receive a related program, the Work Premium (which phases out as income rises), to receive the SWP (which does not). These remarks from respondents who transitioned to work are very telling:

Well, for a start, I don't even understand the name [of the program]. You know, I understand a little bit but ... a *Supplement* to the Work Premium?!? (C44) [emphasis added]

Okay, but I am not covered by the SWP [...] because I worked in a social integration company [...] paid by EQ [...] By the way, I received today my RL5 tax slip, or I don't know what. Besides, I don't even know what a RL5 tax slip is. (C46)

Welfare clients and ex-clients face significant costs when it comes to acquiring and processing the information required to understand the program, particularly the notion of advance payments. A respondent even asked what are advance payments (C44). However, the main difficulty for respondents lies in assessing the benefits and costs associated with advance payments and a lump sum payment at the end of the fiscal year. Moreover, many clients were concerned about having to reimburse excess payments at the end of the fiscal year if they chose advance payments (the form contains a note of warning). Quotations from two respondents illustrate these points:

[W]hen I received this paper [the letter from EQ about the SWP], I wondered what it was, if I was entitled to it ... so I went to my parents who finally told me that I am entitled but that I shouldn't [apply] because it would bring I don't know what drawback [...] maybe I was misled by my relatives. (C40)

I received a form [...] what I understood was that it was an advance on the tax return [...]. I did my best to read the document [...] I think that most folks in this situation are not able to understand such a complex document, and to see if there is an advantage for them or not. [...] If it is an advance on the tax return and if we can't really know what the tax return is going to be, so there is a risk that we have to reimburse something. [...] When you've just left welfare, [...] you are poor [...]: the last thing you want is to have to reimburse something. (C7)

Thus, many welfare clients and ex-clients are poorly equipped to understand the SWP's features and, in particular, advance payments.

Promotion and outreach

The low awareness of the SWP among welfare clients and ex-clients in our sample could also partly be explained by the limited promotional and outreach activities conducted by RQ and EQ.

The perspective of public actors from RQ. The role of RQ is limited to providing information on the SWP through brochures and websites so that taxpayers are aware of the program: "Our role is not to 'sell' fiscal measures" (PA16). RQ also provides the Volunteer Program to assist vulnerable people in filling in their tax return. Some respondents believe that this is not their responsibility to promote the program to long-term welfare clients and ex-clients:

It is more so a responsibility, in my opinion, that belongs to the employees of the MTESS to advertise and promote such measures, allowing them to guide their clientele toward the labor market. (PA16)

We are not in contact with this clientele; it is the MTESS who understands a bit more the reality of these people. [...] Even at the operational level, the [RQ] staff is not in contact with them, unless there is a modification to their file such as a change of address. (PA6)

The perspective of public actors from EQ. The data suggest that frontline agents do not actively promote the SWP among welfare clients and ex-clients:

Of course, indirectly, I kind of promote it [the SWP]. When somebody informs me of a new job, [...] I tell them about it but, beyond that, no [...]. So this isn't systematic, but it happens to me regularly to mention it on the phone or in the decision notice we send. (PA19)

The results from this study suggest three explanations for this situation: 1) the SWP's promotion falls between two stools because of the division of tasks at EQ amongst frontline agents; 2) agents do not have the opportunity to conduct personalized, in-depth interventions for each client; and 3) agents perceive the program to be unsuitable or irrelevant to most of their clients.

First, the SWP is not actively promoted because of the functional specialization differences between the *financial assistance agents*, who deal with people on welfare from a conformity perspective, and the *employment assistance agents*, who deliver employment services from an activation perspective. Employment assistance agents "inform, sensitize, and convince" welfare clients (PA21). While employment assistance agents are officially responsible for promoting the SWP, they are not always well-informed about the program and they do not systematically meet with welfare clients. Financial assistance agents play a more important, albeit informal, role in promoting the SWP than employment assistance agents because they are in "closer" contact with long-term welfare clients. Moreover, it is the responsibility of financial assistance agents to determine program eligibility when clients transition to work:

[T]he SWP, it is really us [financial assistance agents] [...] Employment assistance agents, they don't know at all what it is, this thing. [...] Well, they surely know that it exists, but they might not know all the eligibility criteria. (PA14)

I think that some [employment assistance] agents have had a good grasp of its [the SWP's] objectives [...] whereas for others, it was simply a fiscal measure, so it was difficult to sell it to clients. For people who were already in employment and who were eligible, [...] the employment support side, it was well understood, but, with respect to the incentive objective, I am indeed aware of some problems. (PA21)

Second, frontline agents do not have the opportunity to conduct personalized, in-depth interventions for each client to help them transition from welfare to work. Financial assistance agents must meet each client in person, individually or in a group, at least annually, but they have few opportunities to help them:

We manage a lot of things: family allowances, housing allowances, etc. We need to know so many things here; it's impressive when you are a financial assistance agent. (PA13)

[W]e have so many files – we cannot spend too much time in our follow-up meetings and motivate clients as much as we would like. (PA14)

Employment assistance agents are available to work with welfare clients who wish to explore training and work opportunities, but this is done on a voluntary basis:

[W]e do follow-up meetings from time to time either to check for file conformity or, me, [...] to encourage my clients to find alternatives to have more money and improve their quality of life. It's clear that when they don't want to, I won't inquire further. (PA14)

Unless forced to so, most clients do not participate in activities to which they are invited: "To be honest, beneficiaries don't come to activities; if you don't hold back their check, only 10 to 20 per cent come" (PA18).

Therefore, forcing clients to pick up their check in person is a lever used by agents to meet with welfare clients. They are individually or collectively summoned at local employment centers and are presented with various employment-related activities. EQ managers generally tend to extend invitations to individuals with a high "employability index", that is, welfare clients who present greater "work readiness" indicators (e.g., education, work experience, age, and time spent on welfare) (see Provencher, 2017). Long-term welfare clients, however, are further from the labor market and are thus less likely to be summoned to participate in employment-related activities:

[We] will look at whether the client has had ten participations in our activities [e.g., meetings, training], whether he/she had mental problems [...] we won't meet someone just to meet someone and to tick boxes on a form. [...] In the end, it is not true that it is always a good idea to activate people toward work [...] we [may] "demolish" them more than anything else; it's not always beneficial, and it's not always realistic either. (PA20)

We make 100 to 200 of them come to pick up their checks on a given day. So we adjust what we do with them ... Some clients [are not ready to leave welfare] so the agent writes down that the person is not ready. Then [...] we say, "If you need help, don't hesitate: you know that we are here for you, that we offer services ... " and so on. It can be as quick as five minutes; that's the minimum in terms of services. We [...] don't do a major effort because with more than ten years on welfare, let me tell you that they need a *revelation* to leave ... it is more complicated, but it happens. On the other side, you have [clients] with what we call a high employability index [...]: have they finished high school, have they learned a trade, do they have two years of work experience? ... (PA18, our emphasis)

Third, frontline agents do not actively promote the SWP because they perceive that it only applies to a few clients. Even among clients who satisfy the long-term eligibility criterion, agents perceive that few want to transition to work. Furthermore, agents doubt the SWP will make a significant difference in the clients' decision to leave welfare and go back to work (more below):

When I do follow-up meetings with clients to check where they are in their [transition] process, [...] then I tell them [about the SWP]. For some others, I tell them only once they are eligible to receive it. [...] It takes the two criteria; therefore I don't do it systematically because if they weren't on welfare long enough, they won't be eligible for it [...] [Interviewer: So, in a year, you don't offer the SWP very often]. No [...] we don't dwell too much on this measure. (PA14)

I don't really know if it [the SWP] is a major incentive that will really convince people to go back [to work] ... it can be one reason among others. [...] The proportion of people who go back to work because of the SWP is [...] far from the majority. (PA13)

[I]t's not part of the selling points. [...] Maybe it's me who does not sell it like I should or that I do not know it sufficiently. [...] It could be a good measure but [...] it is not what is going to activate them: I am convinced of that. (PA20)

Thus, according to agents, the SWP is not an effective incentive for long-term welfare clients to transition to work.

The perspective of welfare clients and ex-clients. Many welfare clients and ex-clients believe that the promotion of the SWP is insufficient, a result that is expected given their low awareness of the program:

[The SWP] is not something that is spoken of; there are not that many people who are aware of that. [...] It is not something that they inform us about. (C41)

In welfare offices, there are often racks with various brochures and forms that provide information on programs. I have already browsed through a couple of those, but I have never seen something on that [program]. (C35)

Faulty memory and comprehension problems could also explain negative opinions regarding program promotion and outreach: "It often happens that people do not read the documents that they receive" (PA13).

However, there are also instances whereby frontline agents also had limited program knowledge about the SWP, for instance:

I asked him [the EQ agent] about the form for the SWP, and he didn't even know that it existed. [...] He called someone else, his supervisor, to inquire about this form. The other person did not know about it either, so I gave him the papers [I had received]. He went to fetch something in the back office, and he came back with a piece of paper ... he was surprised to have found the form, and he made a copy in case someone else asked about it. (C3)

Moreover, of the five individuals who told us they had contacted EQ to apply for a related program, the Return to Work Supplement (now terminated), three (eligible) respondents were not informed of the SWP's existence, for instance:

I had heard that they would give me \$500 when I found a job. [...] They told me that it [the Return to Work Supplement] had been abolished since 2–3 years. [Interviewer: That's correct but there is the SWP, which is similar in intent]. Yes but they haven't told me. [...] He just told me: "However, your claim slip will be valid for six months." (C44)

Non-demand

Program relevance

The interviews with public actors, welfare clients and ex-clients reveal that while the program supports people who leave welfare to join the labor market, it does not seem to influence their decision to leave welfare, as summarized by this quotation: "It wouldn't have a significant impact on my wish to go back to work or not, but it would probably be an incentive to stay in the labor market once I had taken my decision" (C39). On the one hand, the SWP helps ex-clients cover their work-related expenses such as transportation and childcare, thereby reducing financial stress, improving their quality of life, and, ultimately, encouraging them to remain employed:

[The SWP] will allow them to settle down into employment and to start a job better equipped. (PA20)

[W]hen you start a job, you have many more expenses [...] your transport, your lunch, your work outfit, etc. (C24)

It helped me to get credit [...] it helped me to pay the rent. [...] I was also able to buy a few little things here and there. (C1)

[The SWP] [...] inflates your food budget and allows you to be a little bit freer mentally so that you can focus on work ... [rather than] like how I am going to pay the rent. (C2)

Beyond supporting the consumption of basic necessities, the SWP is perceived by many clients and ex-clients as a little “bonus” or “gift” that allowed them to treat themselves or to dream about the future:

Yes, the extra \$200, it’s a kind of gift. You can invest in little things to treat yourself. (C30)

That’s the thing with money – it’s always useful [...] I have renewed my wardrobe [...]. I see that as a nice gift. (C12)

It’s a cool bonus [...] I would buy a nice guitar, I don’t know. (C38)

Therefore, these respondents perceive the SWP as a form of savings or wealth rather than income, a point which resonates with Romich and Weisner's (2000) finding that the EITC is a bonus used to make large purchases. These results help explain why the advance payment option is unpopular among program participants.

On the other hand, a strong majority of respondents doubt that the SWP encourages people to leave welfare for work, even if the program was better known. As explained above, many agents doubt that the SWP plays a significant role in welfare-to-work transitions. A program designer explained: “The problem with these fiscal programs is that the person receives the ‘reward’ 18 months after having started work. So individuals do not make any link between their income, the program, and their work effort” (PA1). Welfare clients and ex-clients in the sample share this pessimistic vision. Whereas many respondents think that the SWP could help some other people (not them), the limited value and duration of the benefit did not/ would not make a big difference in their decision to leave welfare:

I don’t have any security on the other side [the labor market]. If I had a regular, permanent, job with good pay: yes, no problem. But if you get a job and nothing is certain – especially as I have self-esteem problems – forget about it. I am going to lose my subsidized housing and end up on the street, with my little daughter and my girlfriend. [...] [The SWP] can help other people, but not me. (C15)

In my case, it [the SWP] doesn’t change anything. [...] I wouldn’t be stupid enough to go work at minimum wage just to get \$200 [more] per month. (C24)

It’s a first small step that they have made, but the step is not large enough. [...] It would take ... maybe more than a year [of payments] because a year, it goes fast. [...] You get used to a lifestyle that is a little bit better for a year, and then they cut it, ciao bye! They pull the rug from under your feet. (C16)

Moreover, clients are prone to mention that personal circumstances such as mental health problems, family responsibilities and low self-confidence prevent them from transitioning to work:

I find [the SWP] interesting. It’s an extra [source of] motivation [...] but it is clear that [for] me, no. I am limited by my energy level. [...] My situation is not the same as a healthy person’s ... (C34)

Finally, many argue that their own intrinsic motivations are more important in their decision to leave welfare than any financial incentive:

I am already trying to find a job so the [SWP] doesn't change my motivation for seeking employment [...] It is an extra, which helps me out. (C3)

[O]ne of my first priorities, it's autonomy, it's freedom. [...] I don't need a money supplement to tell me "Hey! Go back to work!" I will go back anyway, but let's say that it helps. It helps a lot. (C2)

Compliance costs

Compliance costs do matter when clients decide whether to claim benefits from the program. When asked whether she intended to apply for the SWP, a respondent replied, "It depends. [...] Is going through the process long? [...] Is the process complicated, do you think?" (C37). The road from welfare to receiving the SWP is both long and complex. First, welfare clients must inform their frontline agent at EQ that they have started employment *and* must have diligently provided the adequate supporting evidence with respect to their income. Second, they need to ask for, and receive, a medical claim slip, which is an important eligibility criterion regardless of their actual need for said slip. Third, the information system operated by a small centralized unit within EQ automatically establishes eligibility to the SWP – although errors can occur –, which then activates the mailing process to send out the SWP information letter and advance payments form. Fourth, ex-clients must read and understand the information letter and, if they wish to receive advance payments, fill out the form and send it back to EQ. Therefore, not only is the claiming process complex, but most of the administrative burden is borne by citizens. Moreover, the joint responsibility of RQ-EQ for delivering the SWP makes the burden heavier for citizens who sometimes must juggle between two organizations:

[M]y file has been suspended in September because I didn't submit my income statement on time. [...] Now my file is reenacted, but the SWP is still suspended. The two organizations pass the buck to each other because when I speak to my [EQ] agent, he tells me that it is RQ who is in charge. But then I call RQ, and they say, "Ah, yes, I see that it is suspended but we can't do anything; it is the welfare office [EQ] which takes care of that." Then I call welfare [EQ] to explain that, and I get "No, it's RQ which takes care of advance payments and manages everything." [...] I call back RQ: "No, we just do the payments, we do not deliver the [eligibility] authorizations." I call back [EQ]: "Oh, well, drop by the office, submit a new application and it should be reenacted." So now I am at the stage where I filled in the form for a second time last week, and I wait for it to go forward, maybe ... (C3)

It stopped the payments ... the EQ messages did not get through to RQ. [...] It was all mixed up. Whenever I asked questions to my [EQ] agent, he had no idea what I was talking about; I absolutely needed to speak with RQ who then passed the buck to the [local employment center] and so it's the way they operated. [...] You need to write down everything if you don't want to lose control. [...] It is almost a full-time job. To put things bluntly, I spent as much time on the phone with EQ as I spent doing job interviews. (C2)

Psychological costs

The stigma associated with the SWP is generally very low. However, for a minority (3/46) of respondents, learning about, applying for, or claiming the SWP seems to generate psychological costs because they associate the program to welfare. These individuals work and believe they can manage without the government's help:

I received a letter from the welfare office, which said that I had that much time to claim the SWP. [...] I haven't taken the steps to get it. I am not even 100% sure of what it is [...] [Interviewer: You

told me earlier that this is the kind of letter that you don't want to read] Yes, I don't care. I have nothing to do with welfare anymore ... (C37)

The SWP [...] to me, it's like a gift but – pfft! – it is not something I am looking for. (C19)

I'm working. I do not need that one. [...] I'm satisfied with what I have [...] I've already stayed for two-three years on welfare, I'm somewhere else. I'm a young guy and to stay on welfare [makes me] a little bit [...] ashamed, you know. (C25)

Discussion

This case study provided an explanation for the low program take-up of the SWP based on 64 interviews with public actors, program participants, and nonparticipants. Because the sample is nonrandom, the results presented here cannot be statistically generalized to the entire population of long-term welfare clients and ex-clients in Québec. However, in-depth qualitative methods shed light on the lived experiences of welfare clients and ex-clients and the analysis identified the main drivers of non-take-up in the sample. The first is nonknowledge: most welfare clients and ex-clients were not aware of the SWP's existence and, among those who were, many did not fully understand the program's eligibility rules and characteristics. Second, various factors contribute to the non-demand for the program. Although respondents perceived the program as useful to support a welfare-to-work transition, they expressed deep reservations about its role as an incentive that would trigger this transition. Moreover, significant compliance costs associated with the SWP were identified and these costs could deter eligible individuals from applying to the program.

Policy implications and recommendations

Four general policy implications and recommendations that are relevant for the take-up of social programs are derived from these results.

The take-up of all social programs should be closely monitored

It is argued that closely monitoring program take-up would help public actors identify take-up problems and address these. If take-up is not monitored or even calculated, as it has been the case with the SWP, then take-up problems that hinder program effectiveness go undetected. This oversight is surprising in the context of increased performance management and the greater onus on program results.

The promotion of social programs should be active and rely on various outreach activities

Both the literature and the results from this study suggest that passive promotion – producing a brochure about a program and offering on-demand employment counseling, services and programs – is likely to lead to non-take-up. Indeed, this strategy is premised on the idea that target groups already know that a program exists (or will actively seek information about its existence) and feel that they need the program. Rather, public authorities should not only actively inform potential participants of the existence of the program through various means (in-person meetings, phone calls, etc.), but also “sell” them the program, that is, help them see its value. Cognitive tools such as framing benefits in negative terms, as people generally value avoiding monetary losses more than achieving monetary gains, is also worth exploring (see Bertrand et al., 2006).

The value and duration of social benefits should be sufficiently high to induce take-up

One of the more robust findings in the non-take-up literature is that there is a correlation between a program's value and its take-up (Dahan & Nisan, 2010; Hernanz et al., 2004). Therefore, policymakers should ensure that social benefits are sufficiently high to entice program participation. The low and eroding value of the SWP is a case in point. Increasing the value and duration of this measure could improve the saliency and potential relevance of the SWP for frontline agents, who would then be more likely to actively promote it. In addition, this would increase the incentive for long-term clients to leave welfare for employment and could partly offset the administrative burden that they face. As for the form a more generous SWP would take, a respondent (PA1) explicitly suggested to copy the Action Emploi pilot project (it granted CAN\$390, CAN\$260 and CAN\$130 each month the first, second and third year, respectively), which was effective to put people back to work (e.g., Lacroix & Brouillette, 2011; Lacroix & Vigneault, 2013).

The advantages and disadvantages of tax benefits should be carefully assessed

Fiscal programs are generally cheaper and simpler to manage than regular (budgetary) programs, but they have three drawbacks: 1) filling in tax returns involves significant learning and compliance costs for citizens, which may be greater than those encountered with regular programs; 2) there is a greater temporal disconnect between citizens' behavior and its monetary consequence (i.e., receiving the benefit), thereby diminishing the effectiveness of the benefit; 3) many do not claim advance payments because they fear they will need to reimburse overpayments. A solution to this last drawback would consist of offering citizens "safe harbor" (Holt, 2009), that is, a protection against repayment obligations for those who are truthful in their declaration of income. Moreover, regular programs can help mitigate all of these drawbacks. In this case, it is argued that decisionmakers should explore the possibility of converting the SWP into a regular program administered by the MTESS/EQ. This conversion would not only eliminate the compliance costs associated with the joint delivery by RQMTESS/EQ, but also simplify the claiming process.³

Conclusion

This article concludes on a quote from a public manager in the sample: "One of the advantages of fiscal benefits is that they are simple to manage. But this type of social program must have an impact. The ultimate goal of programs is not to be easy to manage [...] we don't create them for that sole reason" (PA1). Indeed, decisionmakers and public managers need a better understanding of the trade-offs involved in the "fiscalization of social benefits" (Ferrarini, Nelson, & Höög, 2013), that is, using fiscal policy instruments to achieve social policy objectives.

Notes

1. Starting in 2018, the eligibility criteria of the SWP has been expanded to include clients who have received last-resort financial assistance for at least 24 of the 30 months immediately preceding the start of the work transition (Ministère des Finances, Nov. 21 2018, C.33).

2. Québec has two main last-resort financial assistance programs: 1) the Social Assistance Program for those who do not have a severely limited capacity for employment; and 2) the Social Solidarity Program for those who have a severely limited capacity for employment. Since 2009, young adults participating in a third (minor) program, the Youth Alternative (Alternative jeunesse), are also eligible for the SWP but the program has not accepted participants since 2014.

3. In that respect, public authorities should also examine whether the medical claim slip is a barrier to claimants who would be eligible to the SWP without this condition.

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Ethics

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Appendix

Table A1

Role	<i>n</i> (%)	Affiliation	<i>n</i> (%)
Policymakers and Managers	8 (38)	MTESS (without EQ)	10 (48)
Policy Analysts	7 (33)	Emploi-Québec (EQ)	6 (29)
Street-Level Public Servants	5 (24)	Revenu Québec (RQ)	3 (14)
Independent Expert	1 (5)	Ministère des Finances	1 (5)
		Academia	1 (5)
Total	21 (100)	Total	21 (100)

Table A2

Sample Characteristics	Long-Term Welfare Clients	Long-Term Welfare Ex- Clients	<i>n</i> (%)
No Transition to Work (Not Eligible to the SWP)	22		22 (48)
Transition to Work (Eligible to the SWP)		24	24 (52)
Sex			
Female	9	9	18 (39)
Male	13	15	28 (61)
Age (years)			
21 – 29	9	6	15 (33)
30 – 39	3	10	13 (28)
40 – 49	3	4	7 (15)
50 – 59	6	2	8 (17)
60 – 64	1	2	3 (7)
Family Situation			
Single	15	12	27 (59)
Single Parent	4	4	8 (17)
Couple	1	0	1 (2)
Couple with Child(ren)	2	8	10 (22)
Born in the Country			
Yes	19	14	33 (72)
No	3	10	13 (28)
Area			
Québec City	11	14	25 (54)
Mauricie (Selected Rural Areas)	6	3	9 (20)
Montreal	5	7	12 (26)
With A Temporary Limited Capacity	6	2	8 (17)

Without A Temporary Limited Capacity	16	22	38 (83)
Time on Welfare since 1975 (Years)			
3 – 4.9	4	11	15 (33)
5 – 9.9	7	4	11 (24)
10 – 19.9	5	7	12 (26)
20 – 30	6	2	8 (17)