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Does the Payment of Incentives Create Expectation Effects?¹

ELEANOR SINGER, JOHN VAN HOEWYK AND MARY P. MAHER

Abstract: *Increasing use of incentive payments to survey respondents raises the threat of several unintended consequences, among them the creation of expectations for future payments and the possibility of a deterioration in the quality of response.*

The findings from the present study are somewhat reassuring with respect to both of these unintended outcomes. Although people who have received a monetary incentive in the past are significantly more likely to agree that "people should be paid for doing surveys like this", they are also more likely to participate in a subsequent survey, in spite of receiving no further payments. And respondents who received an incentive six months earlier are no more likely than those who received no incentive to refuse to answer (or to answer Don't Know to) a series of eighteen key questions on the survey. Furthermore, they are more likely than other respondents to express favorable attitudes toward the usefulness of "surveys like this". The generality of these findings, however, needs much further testing.

Keywords: *incentives, nonresponse, survey participation, quality of response, attitudes toward surveys*

1 Introduction

There is some evidence that the difficulty of obtaining cooperation with sample households in the United States and other developed countries is growing over time (de Heer and Israels 1992). In an effort to counter the increasing problem of noncooperation, survey organizations are offering incentives to respondents with increasing frequency, some at the outset of the survey, as has traditionally been done in mail surveys, and some only after the person has refused, in an attempt to convert the refusal. A meta analysis by Church (1993) identified those characteristics of incentives in mail surveys that are associated with greater effects on response rates: prepayment, cash, and larger (vs. smaller) payments. A subsequent examination of the use of incentives in telephone and face-to-face surveys (Singer et al. 1999) demonstrated the utility of incentives in those

¹ An earlier version of this paper was presented at the Ninth Nonresponse Workshop, Mannheim, Germany, September 24, 1997. We would like to thank our colleague, Mick P. Couper, for his helpful comments, and the Survey Research Center for financial support of this research. A revised version of the paper will appear in the Summer 1998 issue of *Public Opinion Quarterly*.

surveys, as well. There appear to be no deleterious effects of incentives on the quality of survey responses, though further research is needed in this area.

Despite these encouraging findings, concerns persist about possible unintended consequences of the use of incentives. Three can be mentioned here.

One is a concern that the use of differential incentives to convert refusals will be perceived as unfair by respondents, and will adversely affect their attitudes toward surveys and their willingness to cooperate (Groves et al. 1997, Singer, Groves and Corning 1998).

A second issue that has aroused some concern among survey researchers is whether the offer of an incentive is likely to replace intrinsic motivation to participate with extrinsic motivation, with a resulting decline in the quality of response. In a study of how framing an incentive affects response, Singer, Gebler, Van Hoewyk and Brown (1997) found suggestive evidence that students who respond to a survey request following receipt of a small gift perceive themselves as having responded primarily because of interest, whereas those who responded following receipt of a check for \$10 perceive themselves as having responded primarily because of the incentive. An analogous finding is reported by Lengacher et al. (1995), who found that the usual measure of enjoyment of the interview is less predictive of Wave 2 participation among respondents who had received a substantial refusal conversion payment in Wave 1 than among those who had received no such incentive.

Still a third concern is that payment of incentives, especially at the outset of a study, may lead to expectations for such incentives in future surveys.

In an investigation of the effects of differential incentives in one wave on participation in a later wave of a longitudinal survey, Lengacher and her colleagues (1995) found no effect of a large refusal conversion payment on subsequent participation, compared to other Wave 1 reluctant respondents. In this paper, we provide further evidence bearing on two hypothesized unintended consequences of the payment of incentives - namely, increased expectations of being rewarded in the future as a result of having been rewarded in the past, and declines in the quality of response.

2 Methods

Because of concerns about declining cooperation with survey requests, the Survey Research Center at the University of Michigan decided in the fall of 1995 to begin monitoring the changing climate for survey research in the United States by adding five evaluative questions at the end of the Survey of Consumer Attitudes, a national telephone

survey administered monthly to a sample of roughly 500 respondents. Of these 500, 300 are newly selected RDD households and the remaining 200 are reinterviews of respondents first interviewed six months earlier. Because of concerns about their possible biasing effects, the five evaluative questions were asked of only the reinterviewed portion of the sample. The questions were added to the survey in January and February of 1996 and repeated in February and March of 1997 in order to measure changes in the climate for survey research over the approximately 12-month period. In principle, one could use changes in the responses to these questions as leading indicators of changes in the climate for survey research, and take proactive steps to counteract such changes.

The five monitoring questions, which were systematically rotated during their administration, are as follows:

1. If you had it to do over again, would you have agreed to do the interview or would you have refused?
For each of the following, please tell me whether you agree strongly, agree somewhat, disagree somewhat, or disagree strongly:
2. Surveys like this one provide useful information for decision makers?
3. Surveys like this one are a waste of people's time.
4. People should get paid for doing surveys like this.
- 4a. How much should they get paid?
5. Everyone has a responsibility for answering surveys like this. (Do you agree strongly, agree somewhat, disagree somewhat, or disagree strongly?)

The initial response rate of those reinterviewed in January and February of 1996 was 67.0% six months earlier; their reinterview rate averaged 77.6%. Thus, the effective response rate of the 1996 sample is 52.0%. For the sample reinterviewed in February and March of 1997, the initial response rate averaged 65.3% and the reinterview rate, 76.8%; thus, the effective response rate for the 1997 sample was a slightly lower 50.2%. (The response rate excludes only nonsample cases from the denominator, and is thus a fairly conservative estimate. Noninterviews for reasons of illness or language, for example, are retained in the denominator.) The monitoring questions are, thus, asked primarily of cooperative respondents and of those who are easier to reach at home, and the comparisons discussed in this paper might be somewhat different if it had been possible to include nonrespondents.

Of particular importance for the present study, approximately half the respondents to the March 1997 survey had been promised a \$5 incentive in return for their participation six months earlier, as part of a randomized experiment. In addition, a much smaller number of respondents in three of the four months had received refusal conversion payments of \$20-\$25 six months earlier. Thus, we are able to evaluate the effect of incentives on

subsequent attitudes and behavior, and to do so in the context of what was essentially a randomized experiment for the large majority of respondents.

3 Results

3.1 Changes in expectations about payment for survey participation

Responses to the five questions (and one subquestion) in 1996 and 1997 are shown in Table 1 (see page 5); they represent two cross-sectional measurements of attitudes toward surveys rather than answers by the same respondents at two different times.

Table 1 indicates that on three of the questions, no significant changes took place from one year to the next. Three others, however, show a significant change: Significantly more respondents (45.7% in 1997, compared to 29.7% in 1996) said that respondents should be paid for doing a survey like this, and the amount they stipulated showed a significant increase as well. In addition, a significantly higher proportion of respondents said, in 1997, that everyone has a responsibility for doing surveys like this.

We had anticipated changes in answers to the question about payment for two reasons. First, the practice of paying incentives to respondents in telephone and face-to-face surveys appears to be increasing. To the extent that awareness of this is diffusing throughout the population, a generalized expectation for payment may be developing. Second, as already noted, a large number of respondents to the March 1997 survey had themselves received a \$5 initial incentive payment six months earlier, and a smaller number of respondents in three of the four months had received a refusal conversion payment of \$20-\$25. These respondents might have developed an expectation for payment based on their personal experience.

In order to separate the effect of these two reasons - generalized expectations vs. personal experience - we looked at the responses to the "People should get paid" question among those who had and those who had not been offered an initial incentive. The results are shown in Table 2 (see page 6). In both years, those who had received an incentive were much more likely to say that people should be paid than those who had not; the differences are significant in both years. Differences among people who did not receive any kind of incentive in either year are not significant. Thus, Table 2 demonstrates that the changed expectations apparent in Table 1 are due almost entirely to the responses of those who had themselves received an incentive - in other words, to personal experience rather than diffuse social norms.

Table 1: Responses to five evaluative questions, 1996 and 1997

	1996 (%)	1997 (%)
1. Do over?		
Yes	76.9	76.1
No	23.1	23.9
(N)	(407)	(406)
	n.s.	
2. Useful information?		
Agree strongly	34.6	39.7
All other	65.4	60.3
(N)	(405)	(401)
	n.s.	
3. Waste of time?		
Disagree strongly	28.6	30.4
Other	71.4	69.6
(N)	(402)	(395)
	n.s.	
4. Get paid?		
Agree	29.7	45.7
Disagree	70.3	54.3
(N)	(411)	(396)
	$\chi^2 = 22.08, df=1, p<.01$	
4a. How much?		
0-5	19.6	22.2
6-10	32.4	19.4
11-20	19.6	35.4
Over 20	28.4	22.9
(N)	(102)	(144)
	$\chi^2 = 10.01, df=3, p<.05$	
5. Responsibility?		
Yes	44.5	51.4
No	55.5	48.6
	$\chi^2 = 3.84, df=1, p<.05$	

**Table 2: Response to "Everyone Should Get Paid...,
by year and prior receipt of incentive**

	Did Not Receive Incentive		Received Incentive	
	1996 (%)	1997 (%)	1996 (%)	1997 (%)
Yes, Should	26.0	31.0	91.3	65.9
No, Should not	74.0	69.0	8.7	34.1
(N)	(388)	(229)	(23)	(167)
	$\chi^2 = 1.77, df=1, p=.18$		$\chi^2 = 6.1, df=1, p<.05$	

The question of interest for this paper, however, is what interpretation should be placed on these responses. Should they, that is, be understood as reflecting changed expectations for the future, or rather as normative statements justifying past behavior? We tested these alternative interpretations by examining the cooperation rate of people to the March 1997 survey. Among people recontacted in March 1997, 139 had received an initial incentive six months earlier and 98 had not; 28 received a refusal conversion payment in March. If the earlier payment of an incentive led to (unmet) expectations for payment in the future, we would expect cooperation rates (without an incentive) in March to be lower among those who had received an initial incentive the preceding September than among those who had not. However, among those who had received an initial incentive in September and who were contacted by interviewers, 81.0% were reinterviewed without an additional incentive in March; among those who had received no incentive in September, the cooperation rate without an additional incentive in March was 66.3%. The difference between those receiving *no* incentive in September and those receiving \$5 is significant; $\chi^2 = 5.43, df=1, p<.05$; those who had received a five dollar initial incentive six months earlier were significantly more likely to cooperate in March than those who had received no incentive. Thus, these data provide no evidence that responses to the question about whether or not respondents should get paid reflect expectations about future behavior, at least in the context of a request for a second interview by the same survey organization.

Because the increase in the percentage saying people should be paid seems to conflict with the increased tendency, also documented in Table 1, to say that everyone has a responsibility to participate in "surveys like this", we cross-tabulated the responses to these two questions in both years. The association is significant in neither year. In both years, people who agree that respondents should be paid for doing a survey like this are neither more nor less likely than those who disagree to say that everyone has a

responsibility for participating in a "survey like this". Nor were there any significant associations between the judgment that respondents should be paid and responses to any of the other monitoring questions.

3.2 Payment of incentives and data quality

We also examined the effect of the payment of incentives, whether offered at the outset of the study or as a refusal conversion payment, on the quality of responses, as measured by an index of nonresponse.² We found no effect of either refusal conversion payments or initial incentives on this index. For 1996, when only refusal conversion payments were offered, $B=.90$, $S.E.=1.29$, $p=.49$; for 1997 refusal conversion payments, $B= -.03$, $S.E.=.62$, $p=.96$; for initial incentives, $B= -.24$, $S.E.=.66$, $p=.71$.

3.3 Payment of incentives and attitudes toward surveys

In both years, the payment of incentives affected responses to two of the five evaluative questions in addition to whether or not respondents should get paid. In 1996, respondents who had six months earlier received refusal conversion payments were significantly more likely to say surveys are useful and to disagree that they are a waste of time. In 1997, respondents who had received any type of incentive six months earlier were significantly more likely to agree that surveys are useful and to say that everyone has a responsibility to take part in surveys like this. Thus, payment of incentives seems to lead to more favorable attitudes toward surveys, at least "surveys like this" - i.e., the one for which the respondent has received payment.

4 Summary and conclusions

Increasing use of incentive payments to survey respondents raises the threat of several unintended consequences, among them the creation of expectations for future payments and the possibility of a deterioration in the quality of response. Such deterioration may

² The index of nonresponse is the percentage of don't knows and no answers to 18 key questions in the Survey of Consumer Attitudes. The questions, whose tabulated responses appear in each SCA monthly report, indicate, among other things, respondents' assessment of their current and future family finances and income, the nation's business and employment conditions, and the government's role in affecting the country's economy.

come about either as a direct result of substituting external for internal motivation, or as a consequence of expectations for rewards that go unmet by the survey organization.

The findings from the present study are somewhat reassuring with respect to both of these unintended outcomes. Although people who have received a monetary incentive in the past are significantly more likely than those who have not to endorse the statement that "people should be paid for doing surveys like this", they are actually more likely to participate in a subsequent wave of the survey, even when they receive no further payments. Thus, it may be that respondents interpret the earlier payment as covering their current participation, as well. Respondents who received an incentive six months earlier are no more likely than those who received no incentive to refuse to answer (or to answer Don't Know to) a series of eighteen key questions on the survey. Furthermore, they are more likely than other respondents to express favorable attitudes toward the usefulness of "surveys like this".

The results of the present study are not, however, grounds for complacency. Payment of incentives is still a rather novel experience for respondents to telephone or personal interviews. Although few organizations would undertake a mail survey without enclosing some monetary or nonmonetary incentive with the advance letter or the questionnaire, interviewer-mediated surveys most commonly reserve incentives for refusal conversion efforts. Whether the absence of negative results observed in the present study will survive the more widespread use of incentives in such surveys remains very much an open question, one deserving continued research.

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