Justification for Survey Participation Cash Incentive

The Food and Nutrition Service (FNS) is requesting the use cash incentives to increase survey response rates in the Evaluation of the Food Insecurity Nutrition Incentive Grant Program. While the use of cash incentives is currently not the preferred method by OMB for increasing response rates, FNS believes that for this study population of low-income households cash incentives are the most appropriate way to ensure that the response rate is high enough to provide reliable and generalizable results.

Cash is better than checks as a medium for incentives for low-income populations because many low-income households are unbanked. For instance, over a quarter of households with incomes of $15,000 or less are unbanked[[1]](#footnote-1). If these households are to monetize their checks, they often must use check cashing services that often require customers to pay substantial service charges in order to cash a check[[2]](#footnote-2)[[3]](#footnote-3). Cash incentives are also preferable to pre-paid gift cards as cash has shown to provide a higher response rate than prepaid vouchers[[4]](#footnote-4) or gift cards[[5]](#footnote-5).

Achieving high recruitment and retention rates is critical to data quality. Providing an extrinsic incentive can improve these rates, especially in populations defined as being in poverty[[6]](#footnote-6)[[7]](#footnote-7); and a monetary incentive even more so[[8]](#footnote-8). In addition, incentives disproportionately encourage those less interested in the research to participate, thus reducing non-response bias[[9]](#footnote-9). Finally, the research suggests that individuals receiving an incentive are more co-operative in providing contact information that will allow tracking their whereabouts for successive rounds of a survey[[10]](#footnote-10). Given that research suggests that cash incentives are the best medium for increasing survey response rates among low-income populations, FNS requests approval to use cash incentives to maximize response rates and ensure that the survey provides reliable and generalizable results.

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