

Title: Improving the Accuracy of Self-declarations: A Natural Field Experiment

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Abstract:

The ISEE (or ICEF) index is an evaluation of the economic situation of an household required in Italy to apply for a wide range of social benefits, such as scholarships, university fee reduction, prescription charge exemption, subsidized housing, and other social services under favorable terms.

Data on income, real and financial personal property, and household composition on which the index is calculated are self-reported, leaving room for profitable noncompliance.

We run a natural field experiment aimed to test strategies to improve accuracy and truthfulness of information provided by citizens.

Specifically, we asked the Fiscal Assistance Centers to hand a letter to all citizens going there to get the ISEE certificate. The content of the letter was manipulated so as to alternatively emphasize aspects such as equity, penalties in case of misstatement, and prevalent others' behavior.

We find that the effectiveness of the letter depends on whether citizens get the index certificate for the first time or they already obtained it in past years. For "inexpert" applicants, all types of letter increases the probability of declaring financial personal property, which is the piece of information most difficult to inspect.

About income declaration, we find that for "expert" applicants, the penalty letter increases the probability to declare income; for "inexpert" applicants, both the equity and the penalty letters successfully increase this probability.

All the best

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