Information Wins the Race in Explaining Non Take-Up

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Abstract
This paper addresses the main empirical challenge faced in the literature on take-up of social benefits of disentangling the marginal effect of stigma, information and administrative costs. The low degree of complexity and negligible role of stigma of the investigated social program reduce significantly the frequent problem of biased estimates due to interactions between various costs of participation. Using two separate quasi-natural experiments further helps to minimize the risk of selection bias in estimating the relative importance of information and administrative costs. The first "experiment" shows that the take-up rate of a household with lower administrative costs is not significantly different from otherwise identical households. In contrast, using the same program, the second "experiment" reveals that the take-up rate of a household that is more likely to be informed is substantially higher compared to otherwise identical households. These findings support the idea that information plays a major role in explaining non take-up of social benefits.

Key Words: Take-up, Social Benefits, Information Costs, Administrative Costs, Stigma.

JEL Classifications: I38