CASE STUDY { **Seattle** Tests Low-Cost Intervention to Increase Pet License Renewals
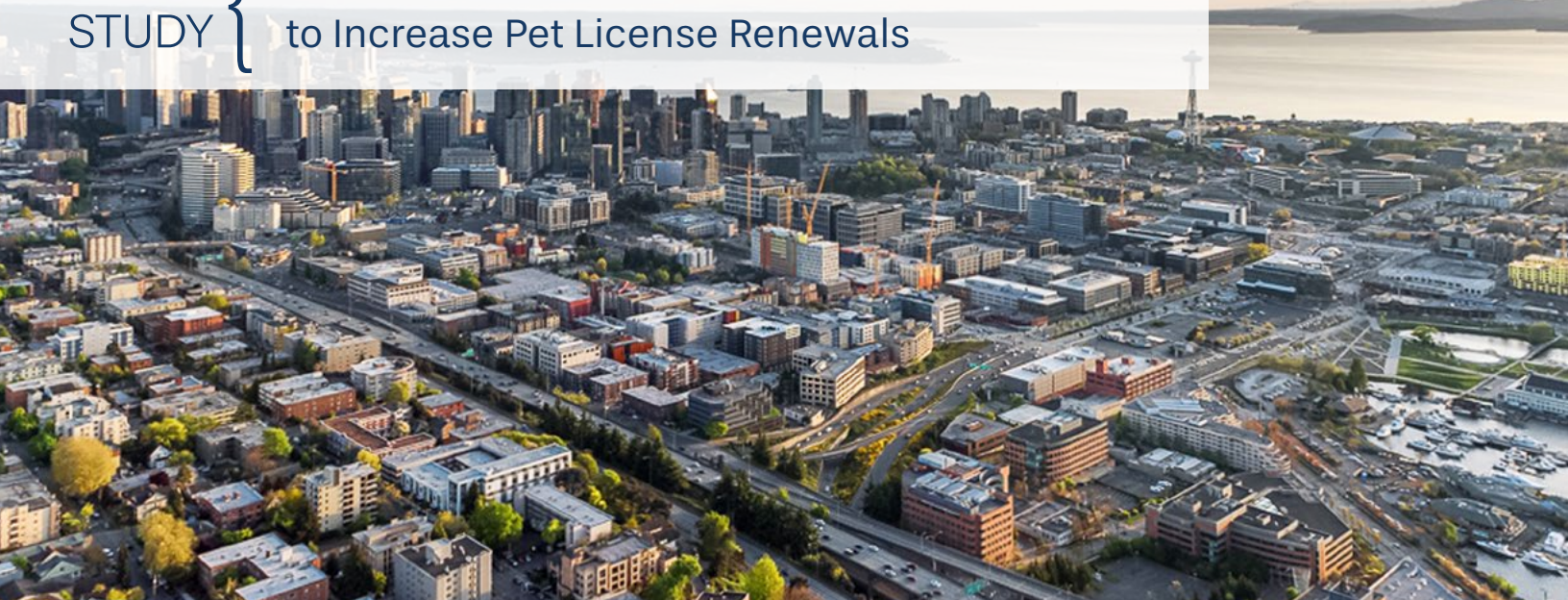
RESULTS FOR AMERICA

December 20, 2018

THE CHALLENGE: The Seattle Animal Shelter was experiencing a leveling off in the number of pet licenses and renewals in recent years. Data indicated that roughly 3,000 pet licenses were expiring every month, and even after accounting for the move out rate of residents, only 60% of licenses were being renewed.[1] Pet licensing is required by the Seattle Municipal Code and the money generated from pet licenses accounts for nearly $1.5 million in annual revenue,[2] all of which goes directly to fund the Seattle Animal Shelter. Seattle Animal Shelter staff sought to increase renewals of pet licenses across Seattle to ensure compliance and help fund their critical operations.

THE APPROACH: Between November 2017 and February 2018, the Seattle Innovation & Performance unit, located in the Mayor's Office, partnered with the Seattle Animal Shelter to revise the pet license renewal notice, which is mailed monthly to expiring license holders. Using the historical knowledge and expertise of the Seattle Animal Shelter staff, and the analytical skills of the Innovation & Performance staff, the two teams revised the messaging of the pet license renewal reminder mailer using proven behavioral science strategies. Moreover, between December 2017 and February 2018, they conducted a low-cost rigorous evaluation to test if the revised messaging increased pet license renewal rates.

THE RESULTS:[3] The revised pet license renewal reminder pilot program demonstrated positive results. The Seattle Animal Shelter saw a 9% increase in the renewal rates among two-year license holders and an 11% increase in those selecting a two-year license over a one-year license at renewal. As a result of the positive findings, Seattle implemented the revised messaging across all pet license renewal mailers beginning Summer 2018. The increases are expected to deliver approximately $650,000 in additional revenue to the Seattle Animal Shelter.

INTRODUCTION

The Seattle Animal Shelter, the sole city-owned and managed shelter, was experiencing a leveling off in the number of pet licenses and renewals in recent years. This trend was at odds with the growing city population. Seattle Animal Shelter staff believed that the number of pet owners was not declining but, rather, more people were not licensing or renewing their pet licenses as required by law.

Pet licenses are required for all cats, dogs, miniature goats and potbellied pigs per Seattle Municipal Code (Section 9.25.050[4]). The license fee ranges between $24 to $200, depending on various criteria including the type of pet and the period of the license. Failure to license or renew a pet license can result in a $125 citation.[5] The money generated from pet licenses accounts for nearly $1.5 million in annual revenue,[6] all of which goes directly to fund the Seattle Animal Shelter.

Between November 2017 and February 2018, the Seattle Animal Shelter and the Seattle

> " Seattle has always been the City that invents the future – and within City Hall, our Innovation & Performance team is helping invent the future of good governance. Their work with the Seattle Animal Shelter to improve pet license renewal rates shows how data and design can make what we do more effective and efficient. This approach is central to our shared vision of a city of the future: a city that is more innovative and data-driven than ever before. "
>
> — **JENNY DURKAN**
> Mayor of Seattle

Mayor Jenny Durkan and Seattle Animal Shelter Director Ann Graves are joined by two shelter volunteers and foster cat parents during 2018's Kitty Hall event at City Hall.

INTRODUCTION (CONTINUED)

Innovation & Performance unit partnered to identify ways to better communicate with residents about the pet license requirement and the benefits of the revenue generated for local animals in need. Innovation & Performance is comprised of six staff, located in the Mayor's Office, with a mission to partner with City departments to use data and design to creatively solve problems.[7] Together, the two groups worked to refine the messaging of the pet license renewal notice, which is mailed monthly to expiring license holders, and test the effectiveness of the updates using a low-cost rigorous evaluation.

Tina Walha, Seattle's Director of Innovation & Performance and Results for America Local Government Fellow, oversaw the team responsible for developing a more effective way to communicate with residents about the pet license program.

THE CHALLENGE

The Seattle Animal Shelter was experiencing a leveling off in the number of pet licenses and renewals in recent years. Data indicated that roughly 3,000 pet licenses were expiring every month, and even after accounting for the move out rate of residents, only 60% of licenses were being renewed.[8] Seattle Animal Shelter staff believed that the number of pet owners was not declining but, rather, more people were not licensing or renewing their pet license as required by law.

Pet licensing is required by Seattle Municipal Code (Section 9.25.050)[9] and the money generated from the pet licenses accounts for nearly $1.5 million in annual revenue,[10] all of which goes directly to fund the Seattle Animal Shelter. The pet license fee ranges between $24 to $200, depending on the type of animal, length of license, and whether the pet has been spayed or neutered.[11]

Seattle is a pet-friendly city with many charitable and private animal shelters. However, the

Seattle Animal Shelter, which is the sole city-owned and managed shelter, is a shelter of last resort. They accept all animals at any level of distress often at no charge for their services. The money generated from pet licenses is critical to help cover the cost of the shelter's operations including, among other things, caring for sheltered animals as well as investigating and litigating animal welfare and cruelty cases.

Seattle Animal Shelter staff sought to increase renewals of pet licenses across Seattle to ensure compliance and help fund their critical operations, but they needed help analyzing their administrative data for insights on how best to approach this challenge.

THE APPROACH

Between November 2017 and February 2018, Innovation & Performance partnered with the Seattle Animal Shelter staff to identify solutions to improve the rate of pet license renewal. Innovation & Performance is comprised of six staff, located in the Mayor's Office, with a mission to partner with City departments to use data and design to creatively solve problems.[12] The Innovation & Performance team brought a unique skillset of applying behavioral science, evaluation design, and statistical analysis to the pet license renewal problem.

The two teams worked closely to identify the specific challenges facing the Seattle Animal Shelter. They began with discussions about the assumptions, strengths, and weaknesses of the current system for communicating about the pet license program. Then, Innovation & Performance reviewed data stored on an externally-housed database that hosts and maintains the Seattle Animal Shelter's records on licensed animals, shelter animals, veterinary clients, and pet licenses.[13] Data analysis uncovered trends over time, such as who was leaving the program and why, and clarified the real pet license renewal rate.
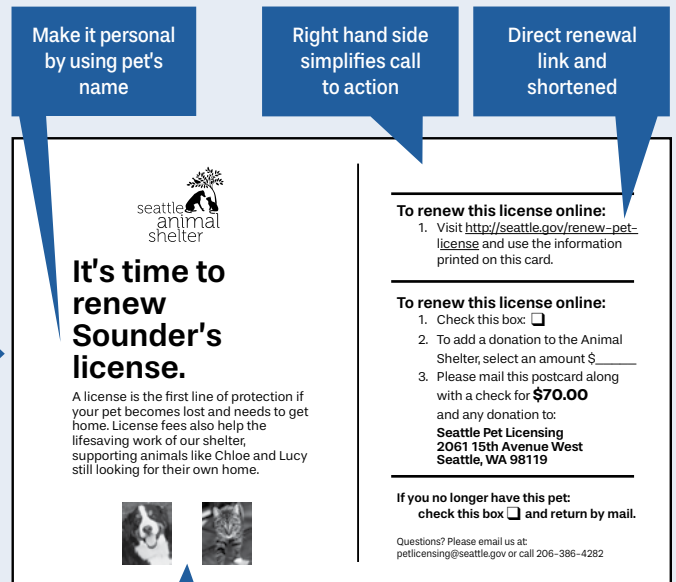
Comparison of old (left) and new (right) pet license renewal reminder cards

THE APPROACH (CONTINUED)

After compiling and analyzing the Seattle Animal Shelter administrative data, the two teams jointly defined the specific problem statement to help develop a targeted intervention: Seattle seeks to increase pet license renewals to ensure compliance and help fund critical operations. Secondly, they also wanted to better understand the customers who purchase a two-year license versus a one-year license at no discount (62% renewal rate vs. 56% for one-year purchasers, per a 17,793 sample size of license holders),[14] and try to encourage more people to register for a two-year license to increase overall compliance.

With a clear assessment of the data and a defined problem statement, the two teams focused on revising the language and layout of the license renewal notice, which is mailed out each month to customers whose license is set to expire the following month. Innovation & Performance, with support from the Behavioral Insights Team made possible through the Bloomberg Philanthropies funded What Works Cities initiative, used their expertise in behavioral science, evaluation design, and statistical analysis to develop a revised renewal notice. Specifically, they used three key behavioral science messaging techniques – make it easy, make it timely, and make it personal – to refine the pet license process.[15]

Behavioral science involves research on how people make judgments and decisions, and how they interact with one another. Research in this area draws on theory and methods from cognitive and social psychology, economics, and other related fields. Behavioral science applies these disciplines to study human behavior in a wide range of managerial and organizational contexts, including its applications to public policy and government programs.[17]

THE APPROACH (CONTINUED)

To assess the effectiveness of the revised mailer, Innovation & Performance designed and implemented a low-cost rigorous evaluation. Between December 2017 and February 2018, the Seattle Animal Shelter distributed two mailers — one randomly selected group of 2,500 customers received a mailer with the standard language (the control group), and another randomly selected group of 2,500 customers received a mailer with the revised messaging (the test group).[16]

TIPS FOR REPLICATION

- **Combine Practitioner Expertise with Technical Analysis:** By leveraging the operational knowledge and expertise of departmental staff together with the data and evaluation expertise of another team, new value can be created. The operational expertise of the Seattle Animal Shelter staff was critical in creating a targeted problem statement that would lead to a practical and applicable solution. Innovation & Performance, on the other hand, had the expertise and skillset to unlock the potential of an externally-housed database that hosts and maintains the Seattle Animal Shelter's records on licensed animals, shelter animals, veterinary clients and pet licenses.[18] Innovation & Performance was also skilled in applying the insights from behavioral science to the challenge faced by Seattle Animal Shelter staff and to run a low-cost rigorous evaluation to understand the impact of the pilot pet license renewal mailer.

- **Low Cost is Key; New Revenue is Even Better:** Most local government departments work within tight budgets without excess resources to spend on additional projects or project modifications. Keeping this in mind, Innovation & Performance identified creative ways to do more with the existing

> " *Leveraging behavioral insights to inform our outreach is an example of how Seattle city government is using constituent-focused design to improve services and results.* "
>
> — **TINA WALHA**
> Seattle Director of
> Innovation & Performance

resources of the Seattle Animal Shelter to test a modification to an already existing monthly mailer. As an added benefit, the project generated additional revenue from the positive impact of the intervention.

- **Personalization Adds Value:** A key finding from behavioral science literature is the value of personalized messaging to attract attention and make it easier for a person to imagine the costs or benefits of a particular action. Innovation & Performance applied this knowledge to revise the pet license renewal mailer by including the name of the pet whose license was set to expire.

- **Peers Can Encourage Adoption of New Ideas:** New approaches to tackling long-standing issues can take time to socialize and, often times, having a trusted peer attest to the value of a new approach can help encourage more adoption. Innovation & Performance benefits from the positive reviews by Seattle Animal Shelter staff of their work and is using its successful partnership with the Seattle Animal Shelter to demonstrate their value and expertise, and to gain new partnerships with other departments within Seattle city government. For example, they are currently working with the Seattle Municipal Court to address traffic and parking tickets.

A Seattle resident and his furry friend finish Seattle's 19th Furry 5K, a fundraiser
for the Seattle Animal Shelter Help the Animals Fund on June 10, 2018.

THE RESULTS

The four-month partnership between the Seattle Animal Shelter and Innovation & Performance team demonstrated positive results. Specifically, the two teams had three questions they wanted to assess as a result of the revised renewal notice:

1. Do a greater proportion of people renew their license?

2. Do a greater proportion of people choose a two-year license over a one-year license?

3. Did the changes made to messaging reduce the time it took customers to renew a pet license? This third question was used as a proxy to assess if Seattle had made the renewal process easier to navigate.

As a result of Seattle's revised pet license renewal mailer pilot program, the Seattle Animal Shelter saw a 9% increase in the renewal rates among two-year license holders and an 11% uptick of two-year license renewals compared with one-year renewals. Combined, these results are expected to generate an additional $650,000 in revenue to the shelter.[19]

However, there was no significant increase in the speed with which people renewed their pet license. Innovation & Performance inferred from these results that the personalization of the mailer and the emphasis on messaging the important work of the shelter, made possible through licensing fees, was more of a motivator to renew pet licenses than there was a need to make the process easier to navigate.

THE RESULTS (CONTINUED)

In addition to direct increases in renewal rates, the Seattle Animal Shelter and Innovation & Performance gained value from their partnership in other ways. For example, the ability to rapidly collect robust results using the regular mail-out cycles and simple randomization across two license reminder mailings allowed the two teams to generate useful results as to what works in licensing renewal in a short amount of time.[20] The pilot of mailer messaging was also at no added cost to the Seattle Animal Shelter.[21] The partnership also allowed Innovation & Performance to share their expertise and capacity to extract insights from a database that hosts and maintains the Seattle Animal Shelter's records, which had previously proved challenging for the Seattle Animal Shelter team.

All Seattle pet owners now receive the revised renewal notice as of June 2018. Innovation & Performance is also using the success of this project to identify new opportunities to enhance city services. Currently, they are designing trials with the Seattle Municipal Court to improve outcomes for the roughly 600,000 annual parking and traffic tickets.[22] Ultimately, they hope to integrate this type of work into all Seattle departments and use data and evidence to create more effective and efficient ways to deliver City services to residents.

A dog at Seattle's 19th Furry 5K, a fundraiser for the
Seattle Animal Shelter Help the Animals Fund on June 10, 2018.

ABOUT RESULTS FOR AMERICA'S
LOCAL GOVERNMENT FELLOWSHIP PROGRAM

Results for America's Local Government Fellows program was founded in September 2014 to provide an advanced group of local government leaders in diverse and influential cities and counties across the country the knowledge and support to implement strategies that consistently use data and evidence to drive policy and budget decisions on major policy challenges.

With the support and guidance of Results for America, the Local Government Fellows lead their governments toward advanced stages of data–driven and evidence–based policymaking in order to address major policy challenges in their communities. The 16 cities and counties represented in the Fellowship collectively represent more than 28 million people and $148 billion in local government spending.

RFA engages its local government Fellows in:
- Defining short– and long–term policy goals;
- Developing research partnerships with academics;

- Sharing best practices and demonstration projects;
- Problem solving among peers;
- Receiving individual feedback and coaching; and
- Participating in a national network and peer cohort.

Seattle has also worked with Results for America, the Center for Government Excellence at Johns Hopkins University (GovEx), the Government Performance Lab (GPL) at the Harvard Kennedy School, the Sunlight Foundation and the Behavioral Insights Team (BIT) through Bloomberg Philanthropies' What Works Cities initiative to craft and adopt a formal open data policy, develop the capacity to conduct low–cost real time program evaluations, develop a performance management system and adopt results–driven contracting. You can find more information here: https://whatworkscities. bloomberg.org/works–city–feature–seattle/.

ACKNOWLEDGEMENTS

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- Richard Todd, Data Analytics Lead, Innovation & Performance

- Tina Walha, Director, Innovation & Performance

ADDITIONAL RESOURCES

- A Seattle resident? Visit the Seattle Animal Shelter website and consider adopting, fostering, or donating here: https://www. seattle.gov/animalshelter.

- Visit the Seattle Innovation & Performance team blog to read about their work and experiences here: http://innovation– performance.seattle.gov/.

- Learn more about Bloomberg Philanthropies' What Works Cities initiative at https://whatworkscities.bloomberg.org.

- Learn more about Results for America's **Local Government Fellowship** at https:// results4america.org/.

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PHOTOS

ABOUT THE INVEST IN WHAT WORKS POLICY SERIES

This report is part of Results for America's Invest in What Works Policy Series, which provides ideas and supporting research to policymakers to drive public funds toward evidence-based, results-driven solutions. Results for America is committed to improving outcomes for young people, their families, and communities by shifting public resources toward programs and practices that use evidence and data to improve quality and get better results.

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