

**A Study of Client Satisfaction:  
The Percentage of Income  
Payment Plan**

Prepared for:  
Governor's Office of Energy Assistance  
State of Rhode Island  
December, 1987

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## INTRODUCTION



## INTRODUCTION:

The uniqueness of the PIPP program has attracted attention from many states as they struggle with energy assistance for the elderly, handicapped, and poor. Many of the inquirers are interested in implementing similar programs using the Rhode Island program as a model. For this reason and for internal evaluation, the Governor's Office of Energy Assistance sought a comprehensive study focusing on client satisfaction. The following report details the data collection methodology, the sampling procedure, and the findings of the study. Due to the diversity of clients involved in PIPP, all the data are examined in the aggregate and then selectively by various segments. Special sections detail differences between participants and non-participants, elderly, working poor and public assistance. A final summary and some conclusions are provided.

DATA COLLECTION/ METHODOLOGY



## DATA COLLECTION

Data for this study were collected through telephone interviews using a twenty three item questionnaire. The questionnaire was constructed with participation from all parties involved in the administration and supervision of the PIPP program. Each question was carefully evaluated for its pertinence and usefulness in assessing the attitudes of the participants. (see Appendix A for copy of questionnaire)

Telephone calls were made at various times of the day and early evening. Weekdays as well as weekends were utilized both to accelerate the data collection process and to maximize response rates. A minimum of two call backs were made to any home with a busy line or where there was no answer. Data collection began in September of 1987 and was completed in October 1987.

The overall response rate for the study was 40%. The response rate varied by groups of participants. For the elderly it was 36%, for the working poor it was 70%, and for those classified as public assistance the response rate was 26%. The total number of completed interviews was two hundred and three. When broken down by classification the distribution is fifty elderly, eighty five working poor and sixty four public assistance interviews completed. Four were unclassified. It is interesting to note the number of disconnected telephones or number changes that were encountered. Table 1 itemizes all "non-responses" by exact cause.



TABLE 1 - NONRESPONSES

	<u>ELDERLY</u>	<u>PUBLIC ASSISTANCE</u>	<u>WORKING POOR</u>
Refusals	5	6	2
No answer (busy, answering machine, not at home)	53	106	28
Telephone disconnected	5	37	6
Telephone # changed to unpublished	3	17	0
Wrong number	5	14	3
Other	17	6	0

SAMPLING PROCEDURE

## The Sampling Procedure

A comprehensive list of all participants in the PIPP program was provided through the Rhode Island Office of Energy Assistance. That list of 1,104 names was ordered by the three classifications elderly, working poor and public assistance. A stratified random sample was used to assure a representative sample. Every effort was made to maintain identical proportions of the groups in the final sample that they constituted in the original listing. Quotas were establishing to insure an error level of  $\pm 5\%$ . In all cases the quotas were exceeded, thereby increasing accuracy and further reducing the error level. The final sample includes fifty elderly, eighty five working poor and sixty four public assistance participants. A total of 203 interviews comprise the data for the findings of this study. (see Table 2 for Profile of Sample)



Table 2 Profile of Sample

	<u>Agency Code</u>	<u>Total #'s</u>	<u>% of PIPP Program</u>	<u>Completed<sup>*</sup> Interviews</u>	<u>Response Rate</u>
Elderly	01	252	23%	50	36%
Public Assistance	03	410	37%	64	26%
Working Poor	11	442	40%	85	70%

\* 4 interviews were unclassified

FINDINGS



## Overview

The PIPP program was initially implemented in cooperation with the Warwick community Action Program. It is not surprising then, that 37% of the respondents reported first hearing of the PIPP program through Warwick CAP. Word of mouth communication accounts for another 19% of the respondents and 11% heard about PIPP when applying for fuel assistance. Newspaper announcement of the program attracted another 10%. Other means of disseminating information included radio (2%), letters from the Governor's Office of Energy Assistance (3%), and inserts in utility bills (4%).

Ninety percent of the respondents remember receiving letters from Warwick CAP explaining PIPP, and found those letters helpful.

Two-thirds of those interviewed applied for PIPP in the Fall of the previous year. While September, October and November account for 64% of the applications, it should be noted that applications were filed in virtually every month of the year. Most applicants reported they applied simply because they needed assistance. Some (9%) were referred to the PIPP program from other sources.

Almost all the respondents (93%) had working gas and electric service at the time their PIPP applications were filed. Half (49%) of those interviewed did not have back utility bills when applying for PIPP. Forty two percent did have back bills and most considered the forgiveness aspect of PIPP to be very important.

When asked if there was anything about PIPP they did not understand, 85% responded "no".

Over three quarters of the respondents said they liked being on a budget and making equal payments on their utility bills each month.



Ninety two percent described the person at Warwick CAP that took the application as able, and 71% said the literature pamphlet was helpful.

Eighty four percent find the copayment required under PIPP reasonable, considering their income, and affordable.

When asked if they now had more or less money for other expenses, 60% said they had more. Fourteen percent reported having less money and twenty two percent indicated no change.

PIPP clients said affordable copayments were what they liked best about the program (40%). They also liked the payments being even, year round (17%) and having some protection against shutoffs (14%).

It is interesting to note that 85% of the clients interviewed did not fall behind on their copayments during the first year of PIPP.

The PIPP program is overwhelmingly preferred over the old energy assistance program (70% vs 17%), mostly due to the even copayments.

Half the clients felt they had less chance of a shut off under PIPP or even no chance at all (29%).

There is also much less concern about falling behind on utility bills.

Again, half are less concerned and 30% are not concerned at all.

Utility bills appear to be clear regarding clients requirements under PIPP. Eighty seven percent indicated no problems understanding the bills.

Over half (54%) those interviewed said they were able to keep their homes warmer than they could have prior to PIPP.

There were very few suggestions for improving PIPP. The one mentioned most often was lower copayments.

PARTICIPANTS vs NON-PARTICIPANTS



## Participants vs Non-Participants

In this study, ninety percent of the respondents are participants, ten percent are non-participants. This is an accurate reflection of the entire PIPP population. According to the PIPP manual, the following characteristics describe the important differences between participants and non-participants.

**Participant:** An income eligible client whose copayment is less than or equal to the budget or whose forgivable arrears is greater than 0. A participant is someone who makes payments to a utility equal to or greater than the copayment without falling more than two (2) copayments behind. Participants receive a minimum of \$100.00.

**Non-Participant:** An income eligible client who elects not to participate because their copayment is equal to or greater than their budget. A non-participant has no budgetary or payment obligation under PIPP. Non-participants receive a minimum of \$100.00.

These differences lead to diverse opinions about the PIPP program. When asked to compare the previous energy assistance program (which provided a flat grant to each client) to the new PIPP program, participants overwhelmingly endorsed PIPP with 75% indicating they preferred it. Non-participants were split. Only thirty percent chose PIPP over the old program. Forty four percent of the non-participants preferred the previous flat grant system.

When asked to explain their preference, participants most often cited the consistent co-payments as a major advantage of PIPP. Non-participants indicated they often had some money left over under the old program. This was no longer the case, to their disappointment.

One interesting effect of PIPP has manifested itself in the comfort level of homes in the winter months. Over one half (51%) of the participants reported



keeping their homes warmer under PIPP than the previous energy program. Non-participants report little change in the temperatures of their homes over the past two years. Both participants and non-participants are satisfied with the current PIPP program. Most participants (79%) indicate there are no changes they would suggest. Over half (58%) of non-participants agreed that no significant changes are necessary in the program.

ELDERLY



## Elderly

Nearly half of all elderly people interviewed reported hearing about the PIPP Program through Warwick CAP letters. Word of mouth and radio each accounted for 12% of the responses; 16% did not recall the source of their learning of the program. Utility bill inserts accounted for 2% with the balance (14%) being attributed to other sources. No elderly person reported the newspaper, Governor's Office of Energy Assistance letters, Coalition for Consumer Justice, or "When Applying for Fuel Assistance" as sources.

Eighty eight percent of the elderly responding indicated that they had received either one or two letters from WCAP explaining PIPP. Three fourths found the letters very helpful in understanding the program; an additional 19% found the letters to be moderately helpful.

Forty two percent did not remember when they applied for PIPP. Of those reporting a specific month, September and October together accounted for 42%. The remaining 16% were divided among August (4%), November (6%), December (4%), and February (2%). More than two thirds cited the need for assistance as the reason for applying for PIPP. Sixteen percent were referred to the program while 14% cited other reasons.

Virtually every elderly person had working gas and electric service (96% and 98%, respectively) when he applied for PIPP. Interestingly, the elderly were much more likely to report having no back bills than the average respondent (68% to 49%). Only 10% of the elderly reported back bill forgiveness as having any bearing ("very important") on motivating them to apply for PIPP. Ten percent did not know and twelve percent were non-participants.

Ninety two percent responded "no" when asked if there were anything that they did not understand about PIPP.

Seventy nine percent of the elderly favor being on a budget and making equal payments each month.

More than three fourths of the elderly reported WCAP workers as being "very able" to answer questions regarding PIPP. Only 2% found WCAP workers to be unable to answer questions.

The elderly differed greatly from the overall sample regarding their opinions of the helpfulness of the Questions and Answers Pamphlet. Only 39% found it helpful (compared to 71% overall), while forty one percent did not know (compared to only 15% for the overall sample). The percentage of elderly people reporting not having received the pamphlet was double that of the overall sample.

Eighty two percent of the elderly feel that the monthly copayments are reasonable. While 12% of the overall sample felt that they were unreasonable, only 2% of the elderly agreed.

While half of the elderly reported having more money to spend on other expenses, more than one third reported no change. The overall sample reported 60% and 22%, respectively.

Eighty four percent reported their monthly copayments to be affordable.

One-fourth reported affordable copayments to be what they liked best about PIPP; 18% cited year-round payments, 16% felt that the program was good overall. More than one third cited "other". Ninety percent had no dislikes.

Only 4% of the elderly fell behind on their copayments during the first year of PIPP, compared to 15% for the overall sample.

The elderly differed greatly from the overall sample in their preference of the PIPP Program over the Energy Assistance Program. The elderly preferred PIPP over EAP 42% to 24% with 35% responding "don't know". The overall sample preferred PIPP 70 % to 17% with only 13% responding "don't know".



The elderly also differed from the overall sample by having no one report a greater chance of utility service shutoff now under the PIPP Program. Nearly half reported "no chance" of a shutoff and 29% reported no change from before PIPP. While 50% of the overall sample reported a lessened change of utility service shutoff under PIPP, only 22% of the elderly felt similarly.

More than half of the elderly reported no concern about falling behind on their utility bills, compared with only 30% of the overall sample feeling the same way. Thirty two percent felt less concerned, and only 4% felt more concerned.

Eighty percent felt that their utility bills clearly explained their requirements; only 6% saw the bills as unclear.

Slightly more than half reported their homes to be warmer and more comfortable than they were in the past, and the remainder reported little or no change. No elderly person reported a colder home.

Though the elderly had very few suggestions for improving the Program, 6% did suggest that the monthly copayments be lowered.

WORKING POOR



## Working Poor

Those clients classified as working poor found out about the PIPP Program through the Warwick Community Action Program letters (24%) by word of mouth (20%), or through the newspaper (16%). These clients had the highest rate of newspaper usage for information on the program. The remainder got information from the radio (4%), the Governor's Office of Energy Assistance letter (4%), when applying for fuel assistance (13%) or from the utility bill insert (6%).

Most (85%) of the respondents remembered receiving letters explaining the program, and described those letters as helpful.

About two thirds of the working poor applied for PIPP in September, October, or November. Applications were filed as early as August and as late as March.

The reason given most often for applying to PIPP was that they were in need of assistance (84%), 4% were referred, 5% thought they were eligible.

Virtually all these clients had gas and electric service when they applied for PIPP (98% and 91% respectively).

Forty five percent reported no back bills. For those with back bills, seventy five percent said the forgiveness aspect was important to them. Reasons given for falling behind included high rent, change in income and medical bills.

While eighty percent indicated there was nothing about the program they didn't understand, some clients cited confusion about emergency grants (5%), and the year-round payments (5%).

Approximately three quarters of the working poor like being on a budget and making equal payment on their utility bills each month. Almost 20% did not like that system. Eighty four percent described their copayments as reasonable, 16% as unreasonable.

The same responses were received when asking if the copayments were affordable.

When asked if PIPP allows them more or less money to use for other household expenses, 57% reported more, 19% reported less and 20% said no change.

The system of copayments and protection against shutoffs were cited as the best features of PIPP. Twenty five percent had complaints and those were distributed between the unaffordable copayments, paying year-round, and less energy assistance dollars.

The PIPP Program is preferred over the old Energy Assistance Program (74% vs 13%). Many respondents couldn't decide or had not participated in both so could not comment.

Most felt their chances of a shutoff were substantially reduced under PIPP, and were also less concerned about falling behind on their utility bills.

Over ninety percent found their utility bills clear, and most had no specific suggestions on improving the program. Increasing energy assistance dollars and lower monthly copayments were suggested by some.

When asked if they were able to keep their homes warmer under PIPP, forty percent said yes. Fifty seven percent said their heat was about the same.



PUBLIC ASSISTANCE

## Public Assistance

Because the PIPP program was implemented in cooperation with the Warwick Community Action Program, it is not surprising that 50% of those on Public Assistance who were surveyed heard about PIPP through the warwick CAP . An additional 23% heard about PIPP by word of mouth from friends and relatives. This explains why this group tended to receive additional letters explaining the program as compared to the total survey. Ninety percent of the respondents found the letters that they received from Warwick CAP explaining PIPP to be very helpful.

50% of the participants applied for PIPP just prior to the heating season in September and October, an additional 9% in November, with the balance applying throughout the rest of the year. 85% of those surveyed needed the heating assistance while an additional six percent thought they were eligible to receive some form of assistance. Although on Public Assistance, over 92% interviewed had both gas and electric service when they applied for PIPP.

This group has a twelve percent lower response rate when queried about not having any back bills. This is reflected by an 18% greater importance on back bill forgiveness (53% vs 35%).

Also, this group indicated a "no response" when asked if there was anything about PIPP they did not understand. Eighty five percent said they liked being on a budget and making equal payments as compared with 82% of the total survey.

Of those interviewed 98% felt that the person at Warwick CAP who took their application was able to answer their questions about PIPP. In addition, 78% found the "Question & Answer" pamphlet they were given to be helpful. In comparison, this group had a six percent higher acceptance level than the total survey; this may be attributed to the group's familiarity with Warwick CAP.



82% of the Public Assistance group felt that the copayments they were required to make each month under PIPP were reasonable and affordable considering their income. Because of the reasonable and affordable monthly copayments, 70% responded that they had more money to use on other household expenses compared with a sixty percent response rate for the total survey.

The affordable copayments was the primary reason given as to what they liked best about PIPP. Their response is 18% higher (75% vs 57%) than the total survey. This group placed less emphasis on the importance of year-round payments and shut-off protection. Three quarters of the group sided with the other respondents that there was nothing about PIPP they did not like.

Surprisingly, over 80% of respondents in this category never fell three or more months behind in their copayments during the first year of PIPP. Although this percentage was slightly above the total survey, the reasons given were more varied.

In comparing the Old Energy Assistance Program and the PIPP program, the Public Assistance group responded the same as the total survey; 18% liked the Old Energy Assistance Program. The difference occurred with the PIPP program. Those interviewed expressed an eleven percent greater preference for PIPP because 13% of the total sampling were undecided. Of the eighteen percent who preferred the Old Energy Assistance Program, the majority (61.1%) stated that they had energy assistance dollars left over at the end of the heating season. This same response group expressed a desire to be given the option to decide which program they could enroll in.

Compared to the total survey, significantly higher percentage (75% vs 60%) on Public Assistance felt there was less of a chance that their utility service would be shut off under PIPP. At the same time, they were significantly more concerned about falling behind on their utility bills under PIPP (32% vs 17%). 89% said their

utility bills were clear as to what their requirements were under PIPP.

Only five percent of this group felt that their homes were not as warm or as comfortable as they have been in the past. The level of response for the total survey was 3%. The marked difference between Public Assistance and the total survey is that only half of the total survey as compared with three quarters of the Public Assistance group felt their homes were warmer and more comfortable than they have in the past. Most Public Assistance respondents expressed relief that they or their dependents would not be as sick with a warm home. This has the effect of reducing out of pocket expenses for doctors or medicine caused by a cold home.

Over 80% on Public Assistance liked PIPP very much and could not make any specific suggestions to improve it. Four suggestions were echoed by the balance of this group:

1. The program should be expanded to other cities. One interviewee that had recently moved from Providence wished that the PIPP program had been available when she had lived there.
2. The applicant should be given the choice of the Old Energy Assistance Program or PIPP.
3. The monthly payments should be reduced.
4. Finally, better communication is needed between PIPP and Providence Gas. Several respondents stated that gas company personnel were not aware of PIPP and this caused problems in dealing with billing errors and/or shutoff notices.

In conclusion, the Public Assistance group overwhelmingly approved of PIPP.



SIGNIFICANT DIFFERENCES

## Significant Differences

The source of information on the PIPP program was different for elderly, working poor, and public assistance clients. For the elderly the radio was an important source. For the working poor, the newspaper, and for those on public assistance the professionals at the local Community Action Program were important. Informal means such as word of mouth was least likely to include the elderly. They do not appear to be tied in to a network for this type of information. See Table 3 for differences in information sources.

Some aspects of the PIPP Program have particular appeal to certain segments. Those on public assistance were most likely to have back bills and consequently rated forgiveness of back bills as an important characteristic of PIPP.

Conversley, the idea of being on a budget and making year-round copayments was disliked more by the working poor than any other group. As a result, they (16%) described the copayments as unreasonable compared to only 2% of the elderly or public assistance who felt that way. The working poor also felt less confident about the amount of money left to pay other bills. While over half (55%) of the working poor reported having more money left, 20% reported having less. Most elderly (50%) and public assistance clients (66%) felt they had more money left and only 6% and 13% respectively, reported having less. See Table 4 and 5 for characteristics clients like most, and least in the PIPP Program. Table 6 displays responses regarding which program participants preferred - the old energy assistance program or PIPP.



TABLE 3<sup>\*</sup>

How did you first learn about the Percentage of Income Payment Plan (PIPP)?

	<u>Elderly</u>	<u>Public Assistance</u>	<u>Working Poor</u>
radio	12% (6)	2% (1)	4% (3)
newspaper	-----	5% (3)	16% (13)
Gov.'s Office of Energy Assistance Letter	-----	-----	4% (3)
Coalition for Consumer Justice	-----	-----	1% (1)
Utility Bill Insert	2% (1)	3% (2)	6% (5)
Warwick CAP letters	44% (22)	50% (32)	24% (20)
Word of Mouth	12% (6)	23% (15)	20% (17)
Don't Remember	16% (8)	16% (10)	7% (6)
Applying for fuel assistance	-----	2% (1)	13% (11)
Other	14% (7)	2% (1)	6% (5)

\* non-response accounts for totals less than 100%

TABLE 4<sup>\*</sup>

Characteristics Clients Liked Best  
About PIPP Program

	<u>Elderly</u>	<u>Public Assistance</u>	<u>Working Poor</u>
Affordable Copayments	25% (12)	64% (40)	33% (28)
Year-Round Payments	18% (9)	11% (7)	19% (16)
More Energy Assistance	-----	2% (1)	2% (2)
Back Bill Forgiveness	-----	5% (3)	12% (10)
Protection Against Shutoffs	4% (2)	11% (7)	21% (18)
Generally Good Program	16% (8)	3% (2)	4% (3)
Other	37% (18)	5% (3)	8% (7)

\* non-response accounts for totals of less than 100%



Table 5<sup>\*</sup>

Characteristics Clients Liked Least  
About PIPP Program

	<u>Elderly</u>	<u>Public Assistance</u>	<u>Working Poor</u>
Unaffordable Copayments	2% (1)	3% (2)	12% (10)
Year-Round Payments	2% (1)	5% (3)	7% (6)
Less Energy Assistance	-----	6% (4)	2% (2)
Nothing	90% (44)	73% (46)	73% (60)
Other	6% (3)	11% (7)	5% (4)

\* non-response accounts for totals less than 100%

TABLE 6<sup>\*</sup>

Which Program do you Prefer - The old energy assistance program or PIPP?

	<u>Old Program</u>	<u>PIPP</u>	<u>don't know/ does not apply</u>
Elderly	24% (7)	42% (12)	35% (10)
Working Poor	13% (10)	74% (59)	14% (11)
Public Assistance	18% (11)	81% (51)	-----

\* non-response accounts for totals less than 100%



## Conclusions

The PIPP Program has been evaluated by its clients and found to be administratively sound, smoothly implemented, and well received.

Clients in the PIPP Program are generally very satisfied with their experience. Most reported they had no complaints. The new PIPP Program was overwhelmingly preferred over the old Energy Assistance Program.

One of the indicators of PIPP's success lies in the actual behavior of its clients. When asked if they were able to keep their homes warmer or more comfortable under PIPP, most said yes. The most dramatic change came in the public assistance group where 73% reported warmer homes under PIPP. If we combine that with 55% of the elderly and 39% of the working poor we have one hundred and five homes where people lived more comfortably than they had been able to in the past.

All indications are that the PIPP Program has experienced a very successful first year, and has positively effected the quality of life for those who have participated.