

## **The Impact of Bill Receipt Timing Among Low-Income and Aged Households: New Evidence from Administrative Electricity Bill Data**

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### **Key Findings and Policy Implications**

This paper examines whether receiving utility bills closer to the date of government benefits receipt has an impact on whether the bill is paid in full, or on subsequent collections activity or disconnection. It uses anonymized administrative data on billing, payments, and collections from a major residential electricity provider from 2015 to 2018. The paper finds that:

- Accounts which receive their electricity bill within 1 day on either side of the first of the month are significantly less likely to have a late payment, have significantly lower outstanding balances, and are much less likely to have a notice of electricity disconnection or an actual electricity disconnection.
- These effects are concentrated in high-poverty neighborhoods. Among those living in block groups with below median income levels, receiving a bill on or within a day of the first of the month reduces the probability that a bill is not paid on time by 36%, reduces by 67% the outstanding unpaid balances, reduces by 43% the probability of being eligible for electricity disconnection, and reduces by 64% the probability of having electricity disconnected. For accounts located in high-median-income block groups, measures of late payment and disconnection are substantially lower, and the relationship between timing of bill receipt and the first of the month nearly vanishes.
- Because Social Security payments are more likely to arrive at a different point in the month than other benefits (such as SNAP), neighborhoods with a high concentration of older residents are less likely to see as large of a first-of-the-month impact. Still, in neighborhoods with an older population and below-median income, receiving a bill at the first of the month reduces the probability of having an unpaid bill by 31%, reduces the overdue amount outstanding by 50%, and reduces the probability of having electricity disconnected by 45%.

Nearly half of all Americans live paycheck to paycheck with little savings to smooth over expenditure fluctuations. This study adds to a growing literature suggesting that government benefits programs and/or private industry could innovate in ways to help lower income households balance budgets throughout the month and avoid potential poverty traps.

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