USING BEHAVIORAL SCIENCE TO DO GOOD

Poverty and Opportunity Forum
March, 31st, 2015

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TODAY'S SPEAKERS

Allison Daminger
Senior Associate

Jon Hayes
Senior Associate

SESSION AGENDA

I. What is ideas42?

II. What is behavioral science?

III. A few key psychologies

IV. Examples of behavioral interventions in program and policy design

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I. What is ideas42?

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FOUNDED BY VISIONARY ACADEMICS…

Sendhil Mullainathan
Harvard University

Antoinette Schoar
MIT Sloan

Eldar Shafir
Princeton University

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…WITH AN AMBITIOUS GOAL

ACADEMIC THEORIES

A deep understanding of human behavior from research in behavioral economics and psychology.

NEED TO APPLY

TO HELP MILLIONS OF PEOPLE

TO SOLVE HARD PROBLEMS IN:

Consumer Finance
Economic Opportunity
Health
Education
Energy Consumption

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THREE TYPES OF WORK…

EDUCATE	ASSIST	INVENT
Executive Education Make B.Sci. concepts more widely accessible	Improve existing products, policies, and programs "Nudge" projects	Create *new* products, policies, and programs Conduct new research

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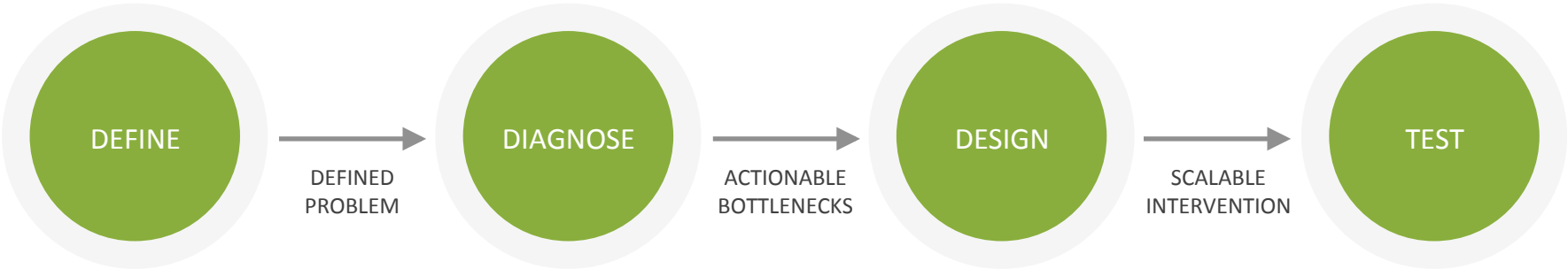
…WITH A WIDE RANGE OF PARTNERS

OUR APPROACH IN ACTION



Disentangling presumptions to arrive at a behavioral problem

Studying the context and identifying key bottlenecks

Creating and refining a workable solution

Testing our solution and learning from the process

II. What is behavioral science?

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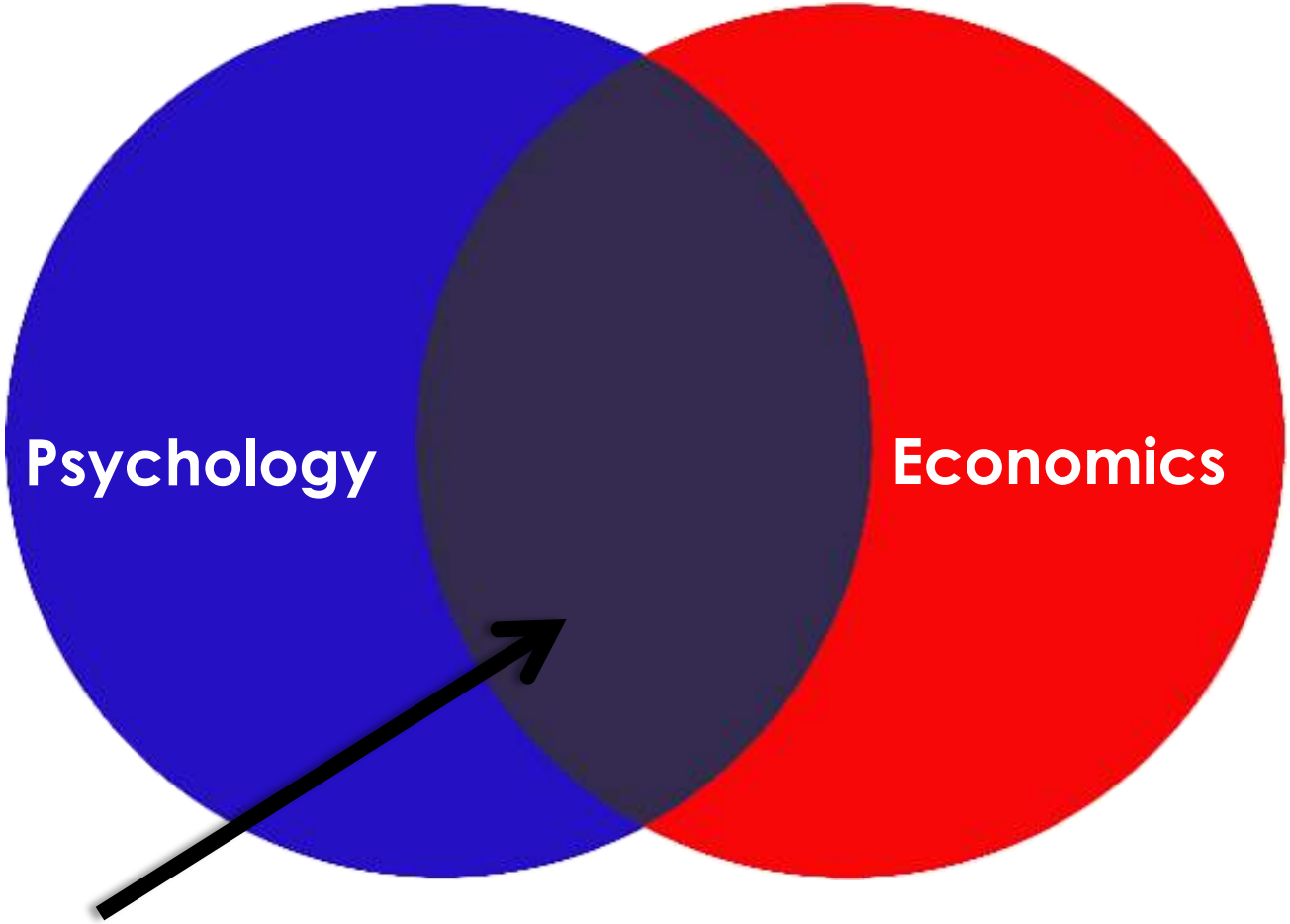
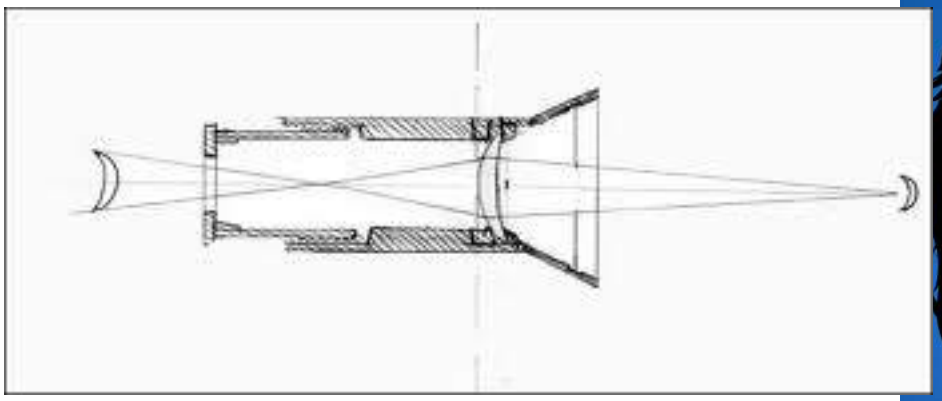


Behavioral Science



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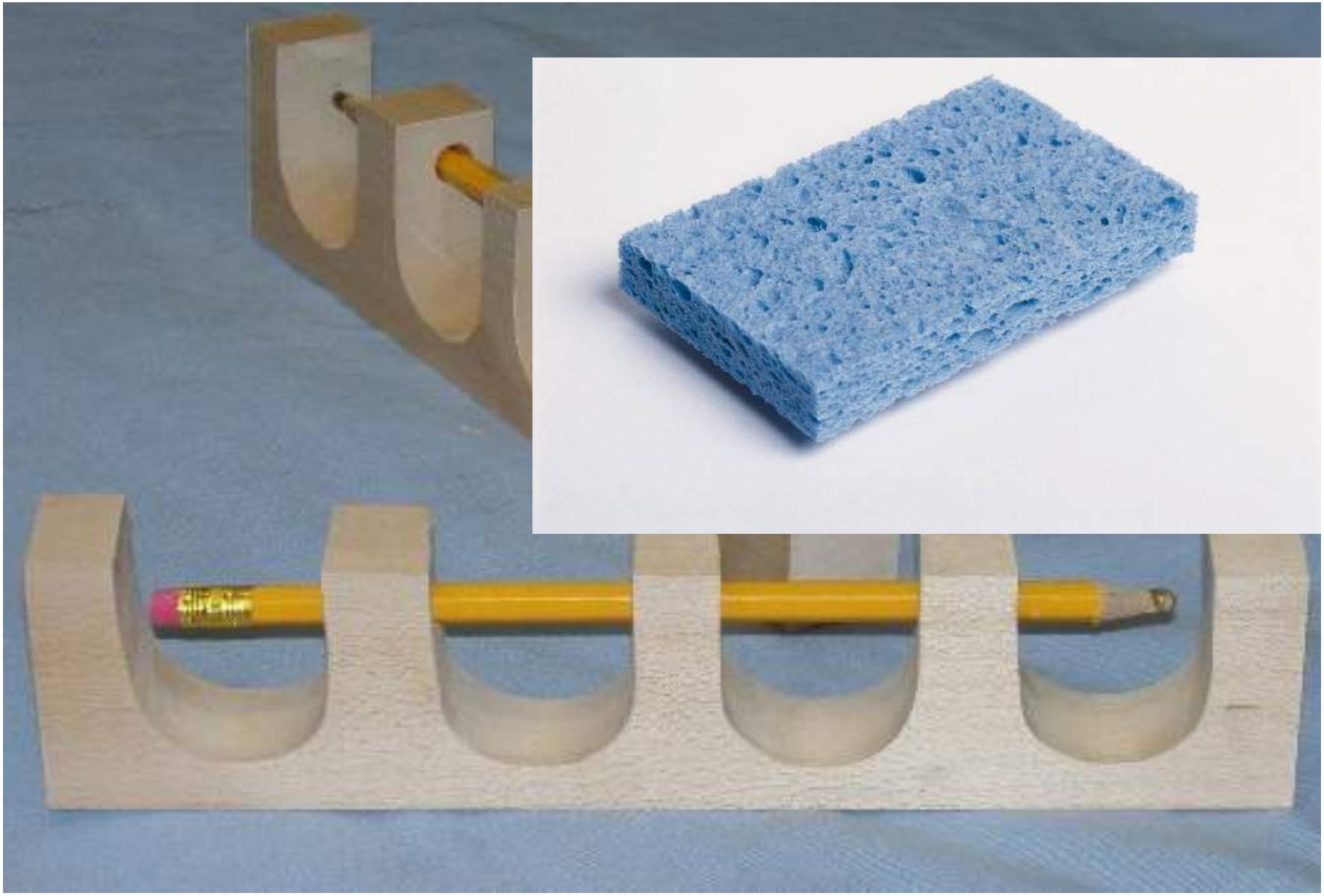

POP QUIZ

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A cup and a saucer cost $1.10 in total. The cup costs a dollar more than the saucer. How much does the saucer cost?

_____ cents

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If it takes 5 machines 5 minutes to make 5 widgets, how long will it take 100 machines to make 100 widgets?

_____ minutes

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In a pond, there is a patch of lily pads. Every day, the patch doubles in size. If it takes 48 days for the patch to cover the entire pond, how long would it take for the patch to cover half the pond?

_____ days

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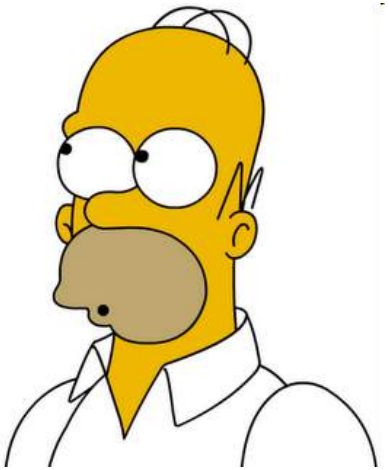

odd choice.

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ARE YOU SMARTER THAN A FIFTH GRADER?

- A cup and a saucer cost $1.10 in total. The cup costs a dollar more than the saucer. How much does the saucer cost?

5 ¢ 10 ¢

- If it takes 5 machines 5 minutes to make 5 widgets, how long will it take 100 machines to make 100 widgets?

5 min. 100 min.

- In Lake Michigan, there is a patch of lily pads. Every day, the patch doubles in size. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half the lake?

47 days 24 days

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24 HOUR
FITNESS

A MODEL OF HUMAN BEHAVIOR

Decision	Action	Outcome
Do I want outcome X?	So what action do I take?	Outcome X then results (or not).

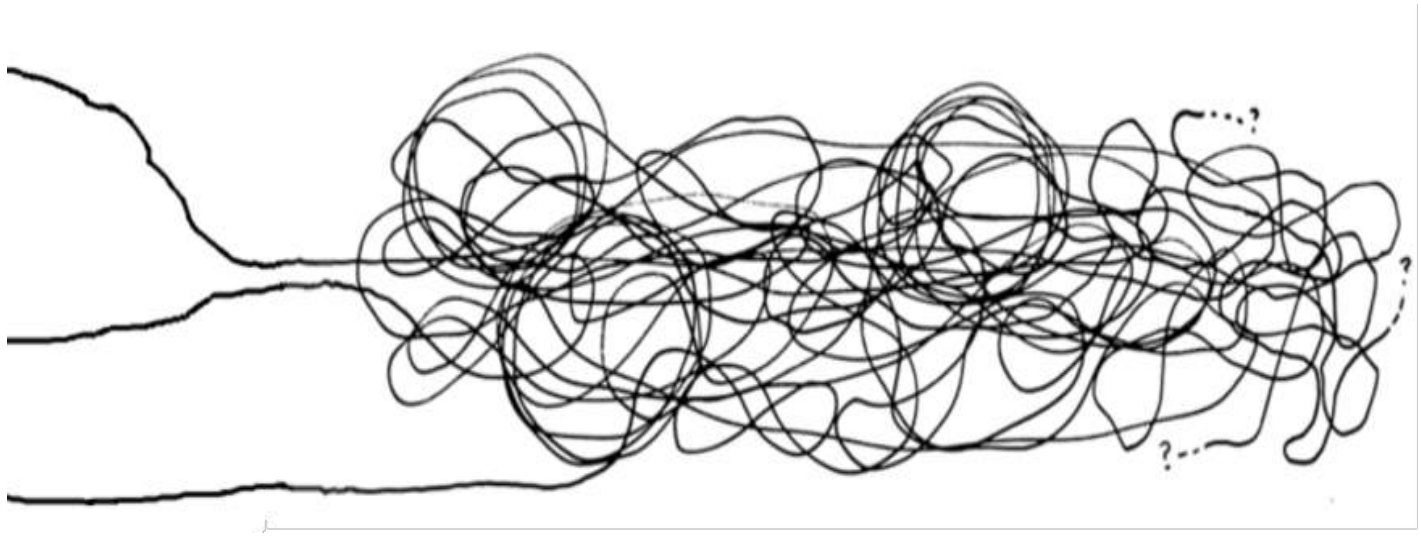
How hard is it?

Am I in the mood?

Yes

No

I don't know



Will it take long?

Can I put it off?

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III. A few key psychologies

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#1 - PROCRASTINATION

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“SMALL” DECISIONS ADD UP QUICKLY

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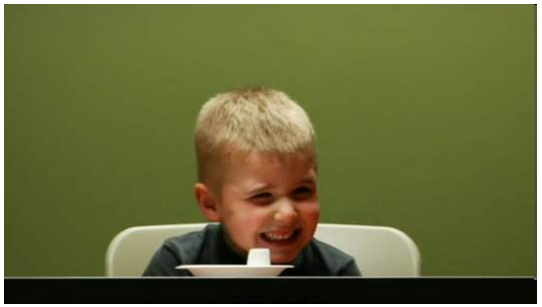
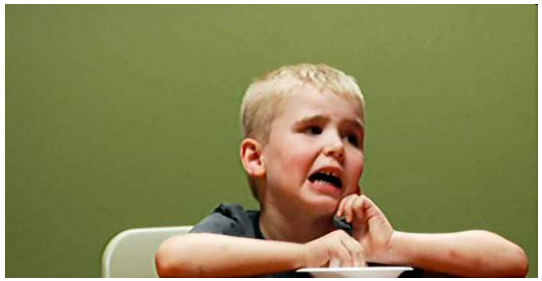
#2 - PRESENT BIAS





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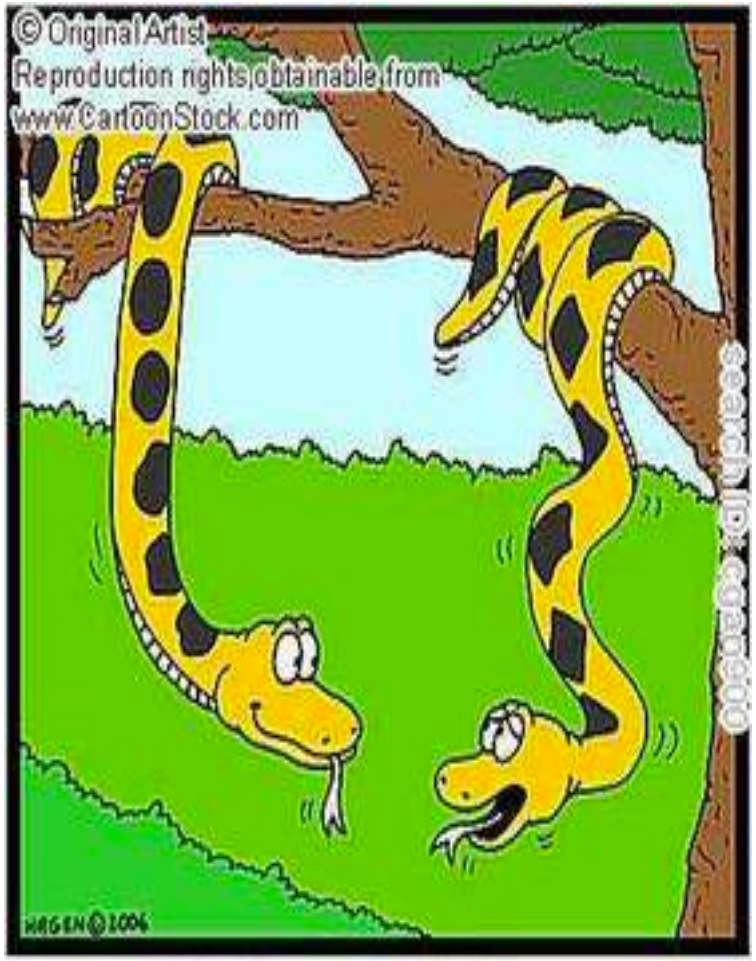
#3 - PROSPECTIVE MEMORY



I can't remember it right now,
but it's on the tips of my tongue...

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PROSPECTIVE MEMORY

This is about forgetting to take an action (one time or regularly occurring).

Usually do not forget altogether, we remember at the wrong time.

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#4 - ANCHORING

10% Off - Sale

Limit 12 Per Customer → 7 cans per customer

No Limit → 3.5 cans per customer

Wansink, Brian. Kent, R.J. & Hoch, S. J. (1998) "An Anchoring and Adjustment Model of Purchase Quantity Decisions". Journal of Marketing Research. Vol. XXXV, 71-81

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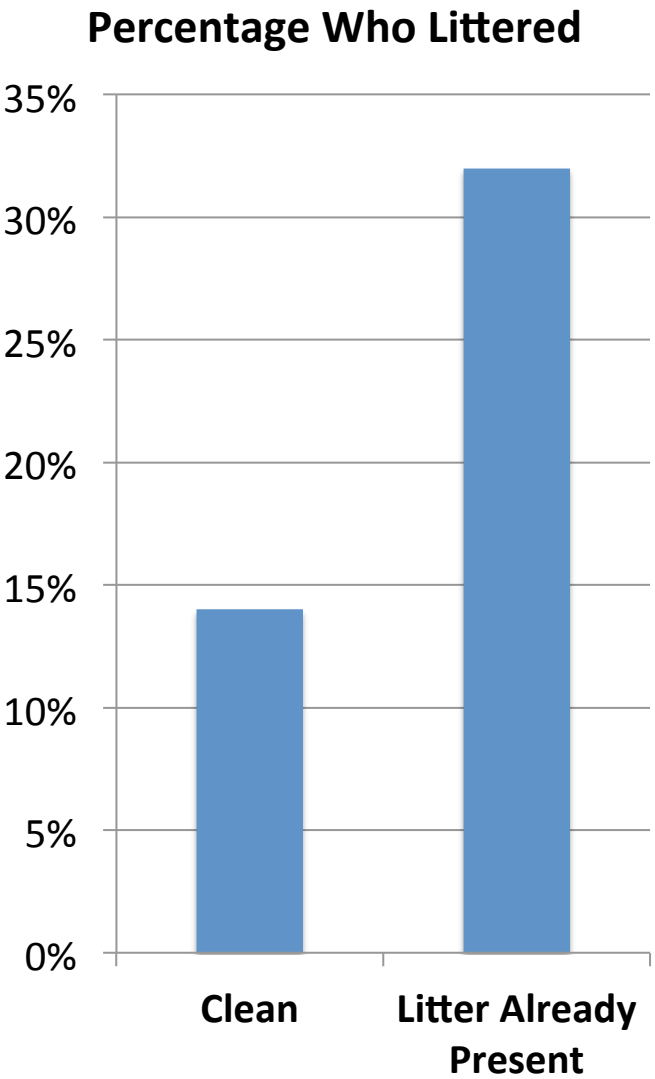
#5 - SOCIAL NORMS



Cialdini, Robert, B; Reno, R. Kallgren, C (1990) "A focus theory of normative conduct: Recycling the concept of norms to reduce littering in public spaces." Journal of Personality and Social Psychology, Vol 58(6): 1015-1026

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BEWARE OF NEGATIVE NORMS

7000 high school students drop out every school day.

That's a stack of desks 12 Empire State buildings high.

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#6 - INTRINSIC VS. EXTRINSIC MOTIVATION

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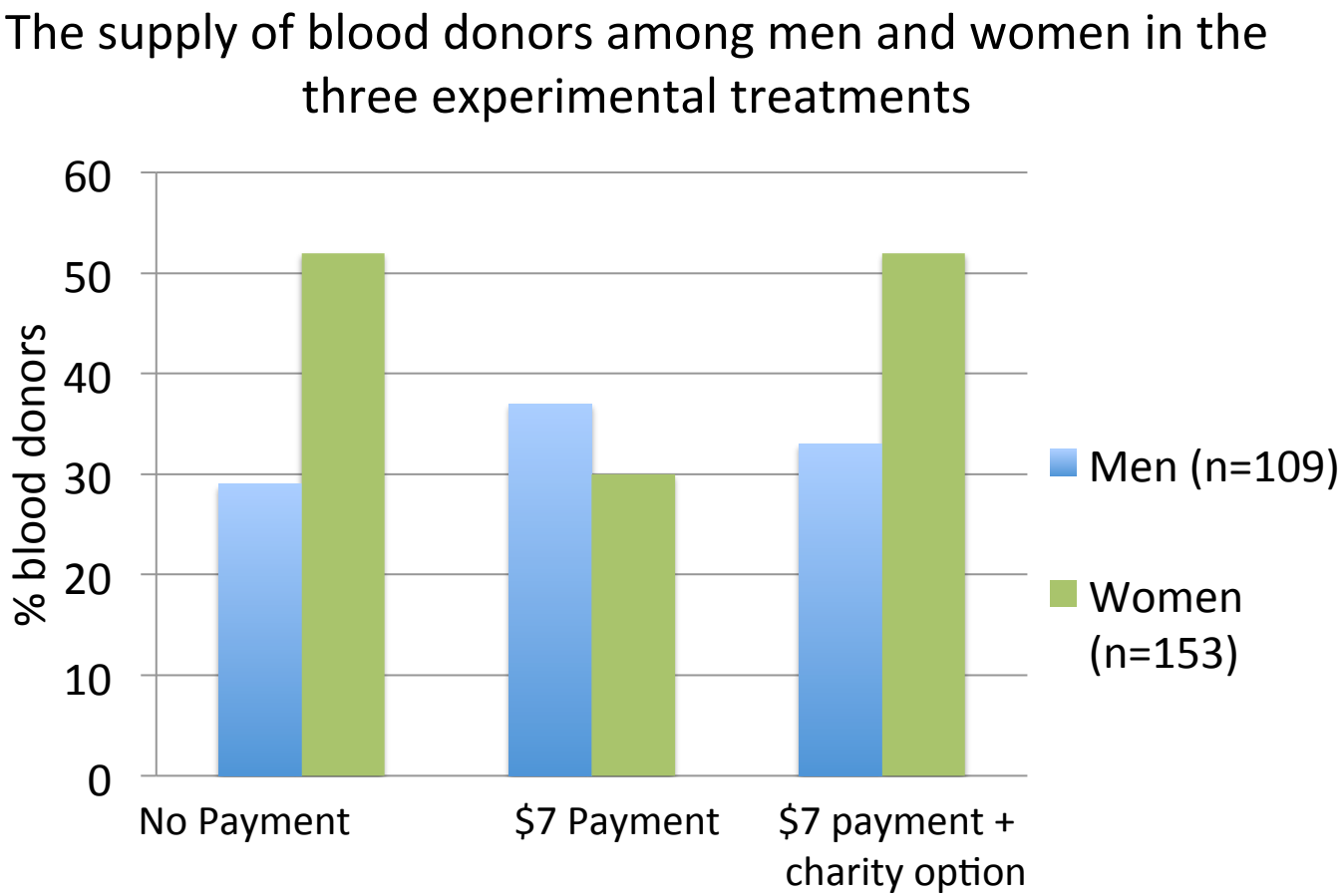
INCENTIVES DON'T ALWAYS WORK AS EXPECTED



Mellström & Johannesson, (2008). "Crowding Out in Blood Donation: Was Titmuss Right?," Journal of the European Economic Association, MIT Press, vol. 6(4), pages 845-863, 06

IV. Examples of behavioral interventions in program and policy design

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CHALLENGE #1: CONSUMER FINANCE

Borrowers forget to pay their monthly bill on time.

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STRATEGY: TIMELY REMINDERS

A Friendly Reminder: Your Accion Payment is Due!

Accion Texas <BorrowerServices@acciontexas.org>
To: JoeSmith@gmail.com

Tue, Apr 23, 2013 at 9:00 AM

ACCION

Dear Joe,

Thank you for your business. Your Accion loan payment is due in 10 days!

This is a friendly reminder to make sure you have enough funds in your account for the payment.

If you have any questions or concerns, please call us TODAY at 1-888-215-2373.

Warm regards,
Accion

Click here if you don't wish to receive these messages in the future.

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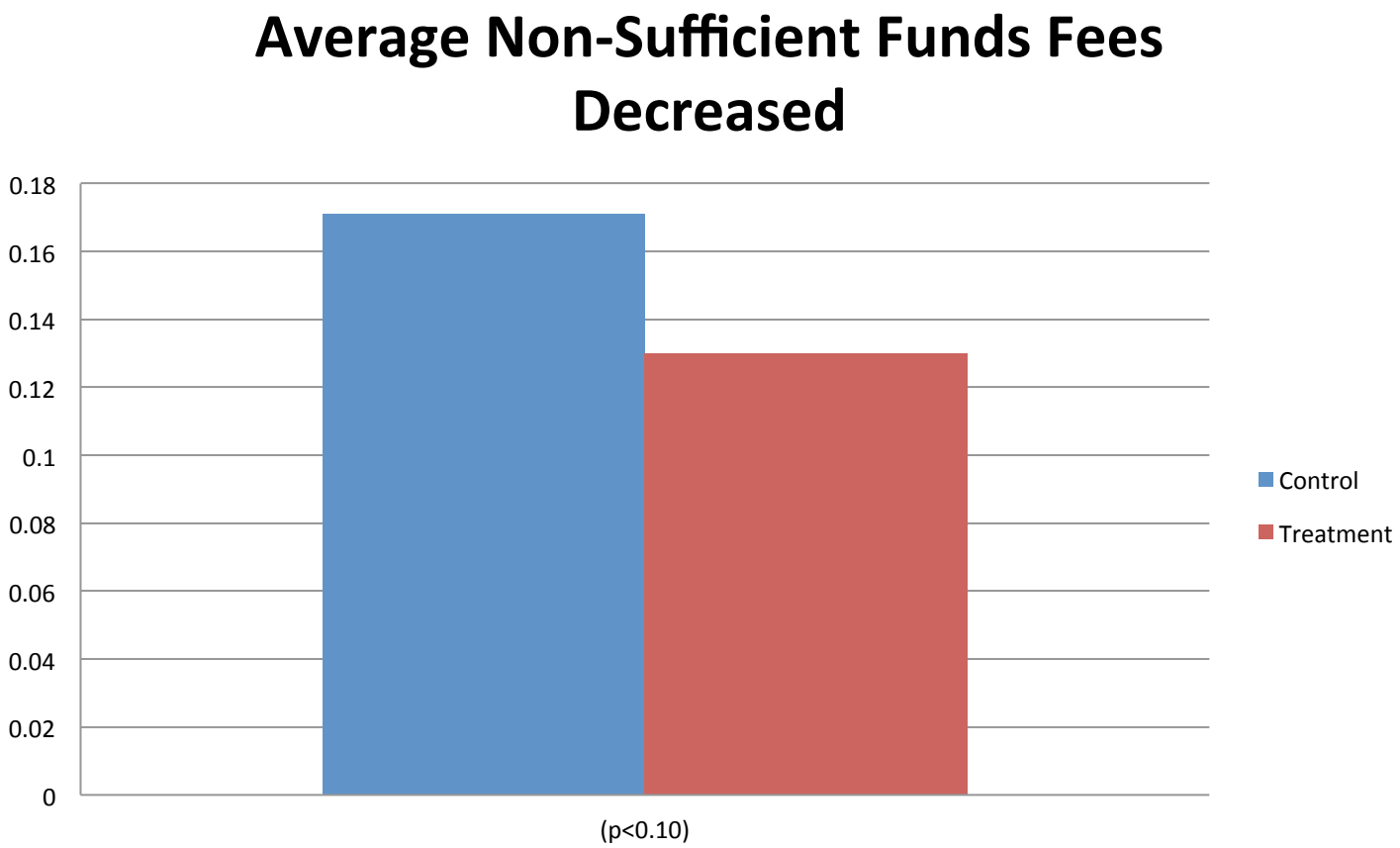
RESULTS



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CHALLENGE #2: SCHOOL NUTRITION

Kids do not eat enough vegetables during school lunch.

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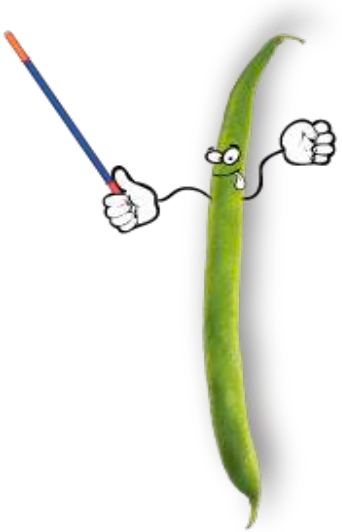
STRATEGY: INCREASE SALIENCE

Power Punch Broccoli



Silly Dilly Green Beans

X-ray Vision Carrots

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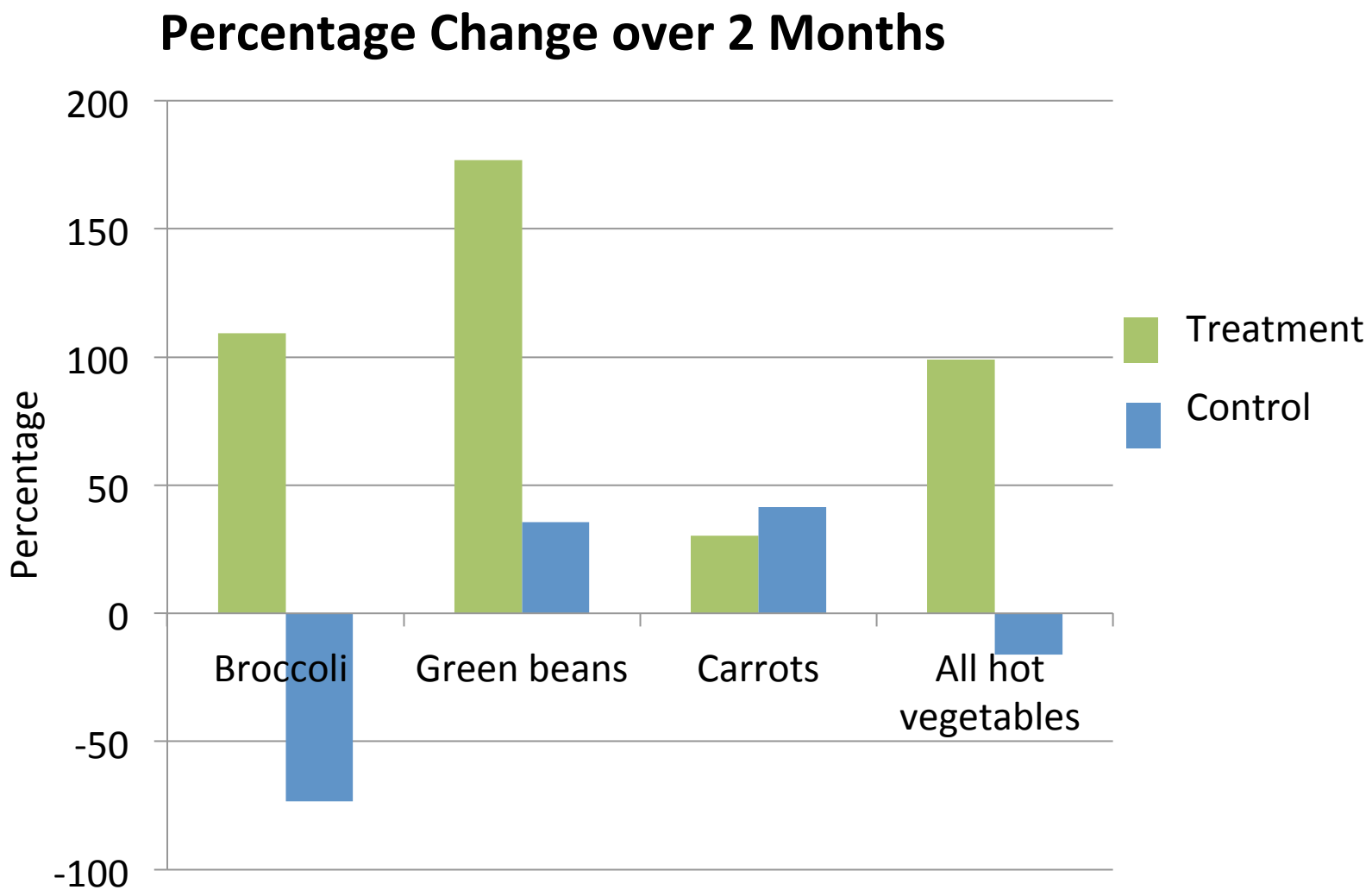
RESULTS



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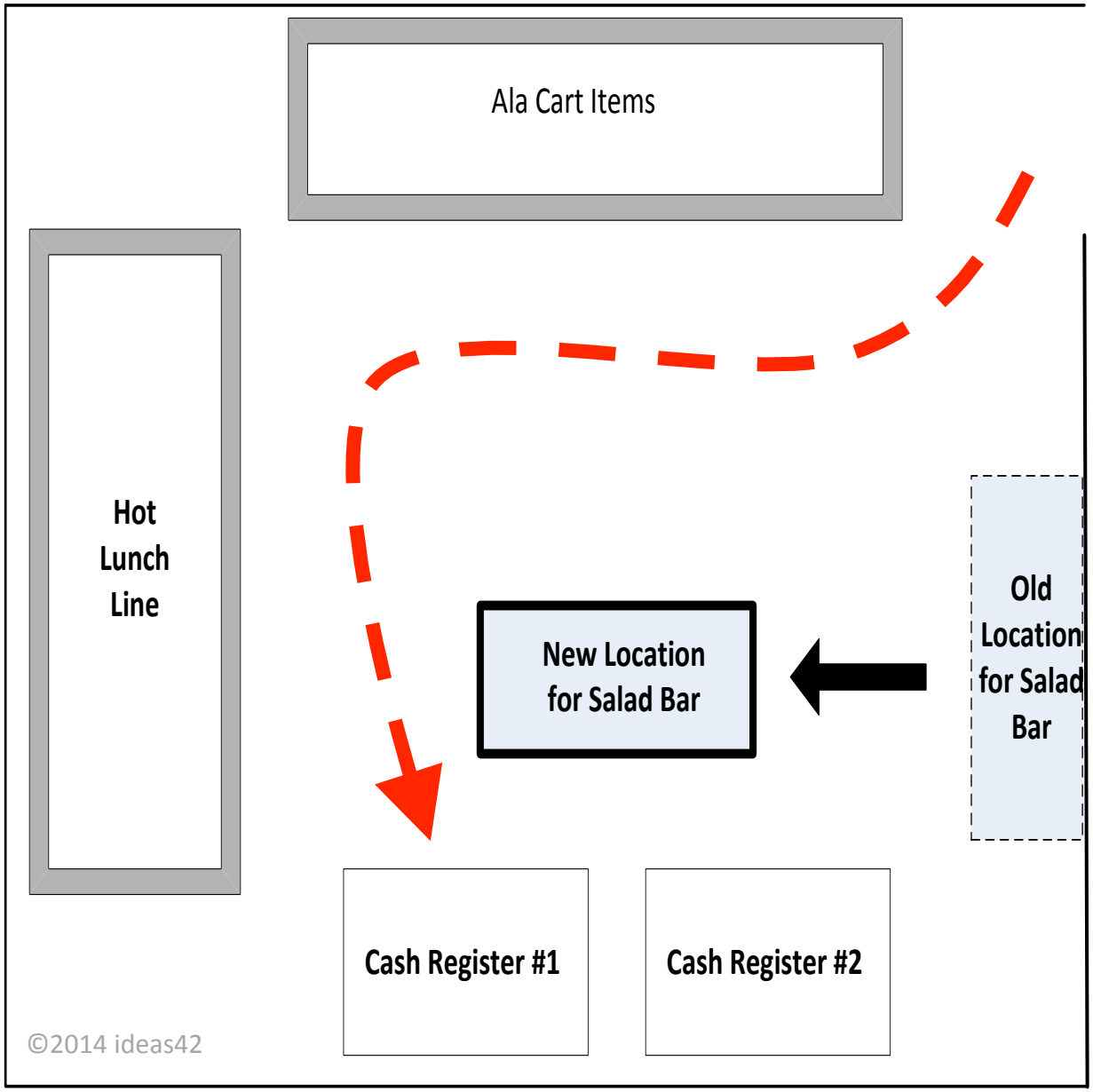
Wansink et al. (2012). "Attractive names sustain increased vegetable intake in schools." Preventative Medicine doi: 10. 1016

STRATEGY: ELIMINATE HASSLES



Result:
Number of Salads Purchased Tripled

Hanks, Just, Smith, and Wansink, B. (2012). "Healthy convenience: Nudging students toward healthier choices in the lunchroom." J Public Health, 34(3): 370-376.

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CHALLENGE #3: ORGAN DONATION

Although 85% of Americans approve of organ donation, only 28% had granted permission by signing a donor card.

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Johnson & Goldstein (2003) "Do Defaults Save Lives?" Science 302: 1338-1339.

STRATEGY: CHANGE THE DEFAULT

Use defaults: Opt-out versus opt-in model

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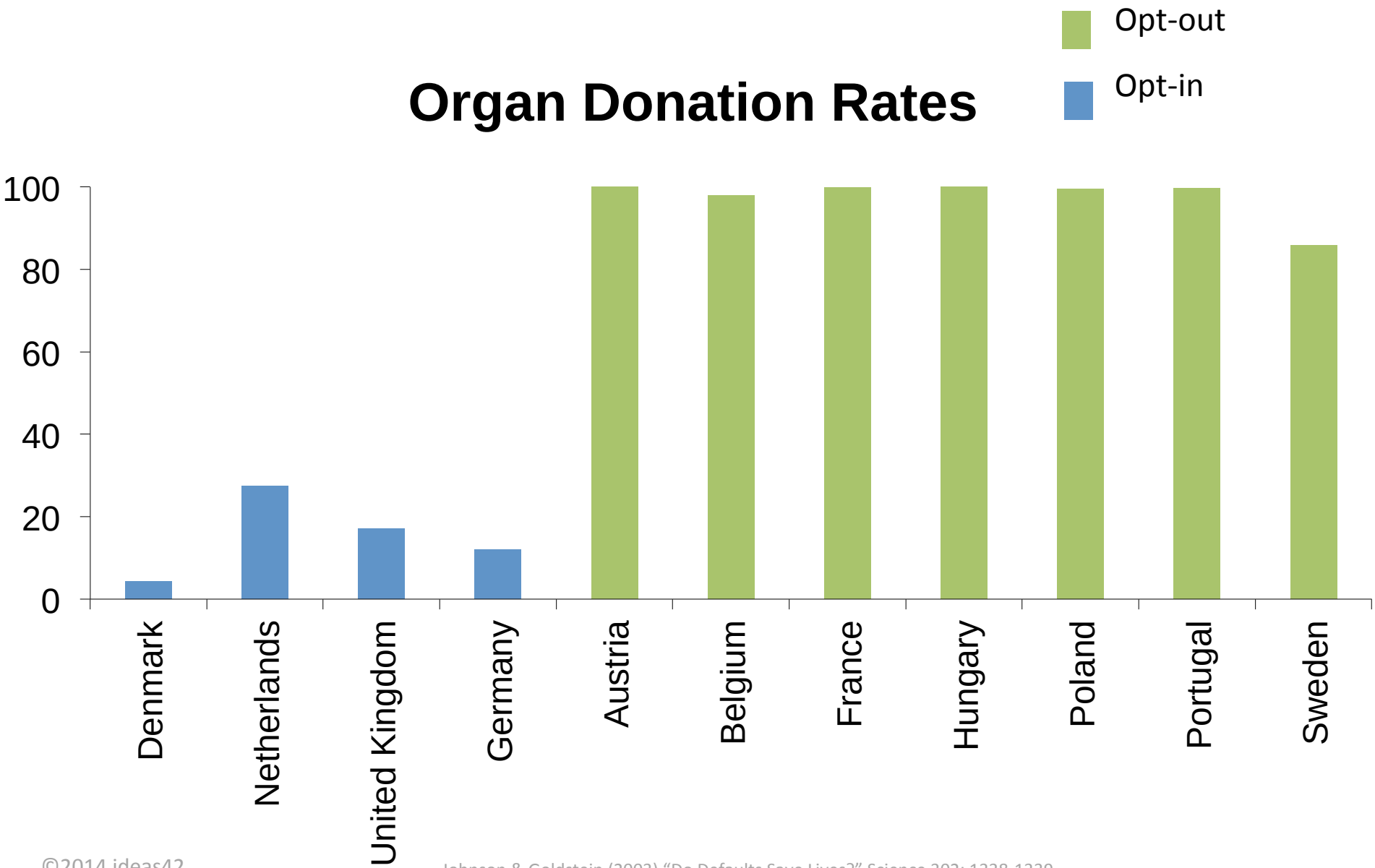
RESULTS



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Johnson & Goldstein (2003) "Do Defaults Save Lives?" Science 302: 1338-1339.

CHALLENGE #4: REDUCING ENERGY CONSUMPTION

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STRATEGY: INVOKE SOCIAL NORMS

People have no sense of what others are doing.

In this context, people respond to social norms.

2.7% reduction in energy consumption

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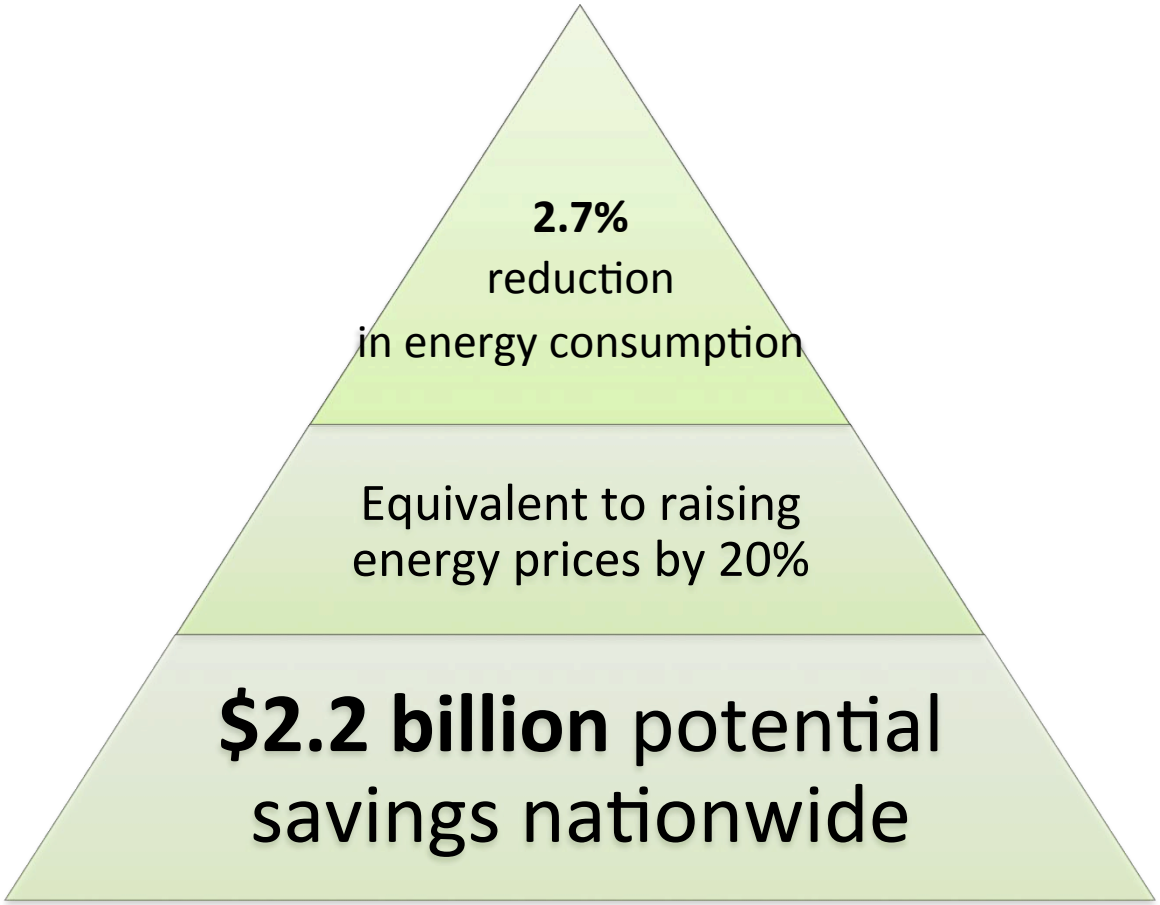
Allcott, Hunt (2011). "Social Norms and Energy Conservation." Journal of Public Economics, Vol. 95, No 9-10 (October), pages 1982-1095.

RESULTS

Significant reduction in energy use.



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Allcott, Hunt (2011). "Social Norms and Energy Conservation." Journal of Public Economics, Vol. 95, No 9-10 (October), pages 1982-1095.

CHALLENGE #5: PUBLIC HEALTH

People don't get their flu shot…even when they say they will.

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STRATEGY: PLAN-MAKING

Prompting to act: Vaccination

Control Condition	Date Plan Condition	Time Plan Condition
[Company Name] IS HOLDING A FREE FLU SHOT CLINIC. Flu shots will be available on site at the [location of relevant free flu shot clinic] at the following times: Monday, October 26th 7:00 am – 3:30 pm Wednesday, October 28th 7:00 am – 3:30 pm Friday, October 30th 7:00 am – 3:30 pm Tuesday, November 3rd 7:00 am – 3:30 pm Thursday, November 5th 7:00 am – 3:30 pm	[Company Name] IS HOLDING A FREE FLU SHOT CLINIC. Many people find it helpful to make a plan for getting their shot. You can write yours here: _____, _____ _____ (day of the week) (month) (day) Flu shots will be available on site at the [location of relevant free flu shot clinic] at the following times: Monday, October 26th 7:00 am – 3:30 pm Wednesday, October 28th 7:00 am – 3:30 pm Friday, October 30th 7:00 am – 3:30 pm Tuesday, November 3rd 7:00 am – 3:30 pm Thursday, November 5th 7:00 am – 3:30 pm	[Company Name] IS HOLDING A FREE FLU SHOT CLINIC. Many people find it helpful to make a plan for getting their shot. You can write yours here: _____, _____ _____ at _____ (day of the week) (month) (day) (time) Flu shots will be available on site at the [location of relevant free flu shot clinic] at the following times: Monday, October 26th 7:00 am – 3:30 pm Wednesday, October 28th 7:00 am – 3:30 pm Friday, October 30th 7:00 am – 3:30 pm Tuesday, November 3rd 7:00 am – 3:30 pm Thursday, November 5th 7:00 am – 3:30 pm

[1]The location, dates, and times of the influenza vaccination clinics were personalized in each mailer

Milkman, Katherine L., et al. (2011) "Using implementation intentions prompts to enhance influenza vaccination rates." Proceedings of the National Academy of Sciences 108(26): 10415-10420.

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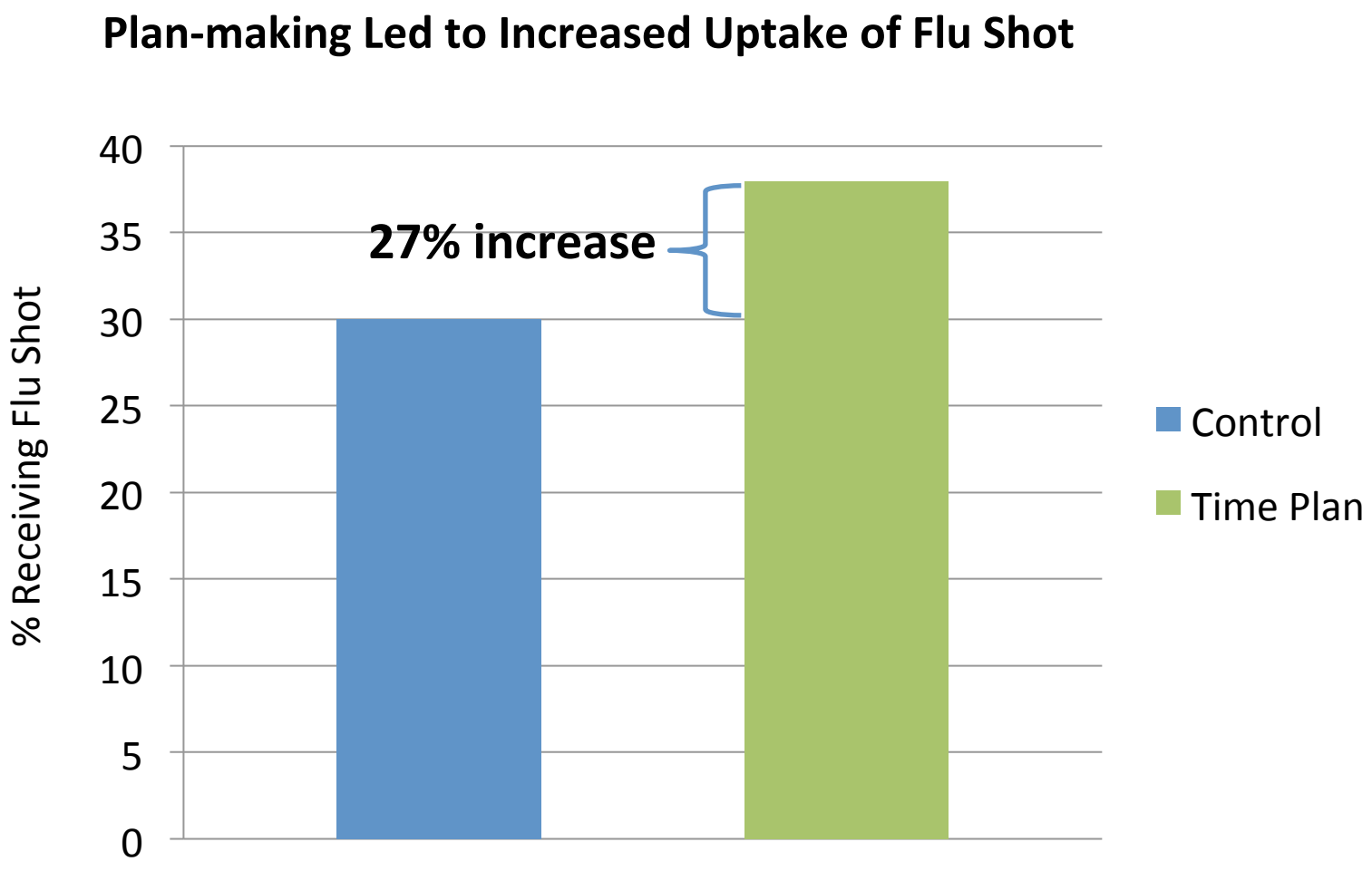
RESULTS



Milkman, Katherine L., et al. (2011) "Using implementation intentions prompts to enhance influenza vaccination rates." Proceedings of the National Academy of Sciences 108(26): 10415-10420.

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- Individually, brainstorm and write down a typical intention-action gap at your agency.

- Share your intention-action gap example with your table group.

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QUESTIONS?

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