

Nudging makes a difference in our lives

By Jim Nowlan

Have you ever been nudged? Sure you have, probably daily, by the choices you make or don't make. You are, for example, nudged (pushed gently) at the check-out counter at the supermarket, where the candy bars have been placed strategically. You have just finished a trying shopping excursion and are vulnerable to thinking you deserve a treat. You choose a Snicker's that you wouldn't have if the candy bars were all displayed back at the front end of the store.

That is called "choice architecture," or the structuring of choices we make, and two University of Chicago professors have written a brilliant book titled "Nudge" about how we can structure choices for people in beneficial ways through gentle nudges. Authors Richard Thaler and Cass Sunstein contend that humans tend to be lazy, avoid complicated choices and do what others do, that is, follow the herd. We humans are also susceptible to how choices are framed and primed. Some illustrations, in brief.

Since we generally don't like to confront complicated decisions, humans often opt to do nothing or accept the default option. If, for example, the default option at a new job is non-enrollment in a retirement program, the new employee has to deal with forms and paperwork to enroll, so he often puts it all aside. If, on the other hand, the default option of doing nothing is automatic enrollment in a retirement program, then participation jumps markedly.

In a plan studied in 2001, participation under the non-enrollment default option was only 20 percent, but later when the company switched to an automatic enrollment default option, participation in the retirement program jumped to 90 percent.

Texas had a big problem with highway littering. Pleas to convince drivers that it was their civic duty went unheeded. Most of the litterers were men 18-24.

Texas officials decided they needed a tough talking slogan that would also address the unique spirit of Texas pride. So they put on a media campaign that used popular Dallas Cowboys players in TV ads in which they collected litter and smashed beer cans, growling, “Don’t mess with Texas!” The campaign was stunningly successful. In its first six years, there was a 72 percent reduction in visible roadside litter. Just by nudging the young men to follow their idols and playing up to their pride in Texas.

Much depends upon how issues are framed. Patients and even doctors reacted differently to the idea of a grueling heart operation when told that, “Of 100 patients who have had this operation, 90 are alive after five years,” versus, “Of 100 patients who have had this operation, 10 are dead after five years.” Exactly the same information, framed differently. According to Thaler and Sustein, many more opted for the operation when told that 90 were still alive.

Eating offers another kind of framing. In one study, stale popcorn was given to moviegoers in big buckets or medium-size buckets. Those who received the big buckets, even though they said they didn’t like the stale popcorn, ate 55 percent more popcorn than those given medium-size buckets. Large buckets and large plates mean more eating.

Public opinion surveys can affect behavior, through priming. Surveys are after information, and not to influence behavior, yet social scientists discovered a fascinating

fact. By measuring people's intentions, they affect their conduct. Campaign officials want, for example, to encourage their supporters to vote. It turns out if you ask people, the day before the election, whether they intend to vote, you can increase the probability of their actually voting by as much as 25 percent.

In San Marcos, TX the school superintendent and a college administrator were looking for ways to encourage more of the high school students to enter college. They came up with this nudge: in order to graduate from San Marcos High, a student would have to complete an application to the local community college. The college followed up with financial aid information and other services. In one year, the percentage of San Marcos High students attending college rose 11 percent.

[Most people *say* they want to donate their organs in case of death, yet significantly fewer actually give consent. Here the default option is again key. Most states use what is called "explicit consent," that is, you have to take concrete steps to state your desire to be an organ donor. Many fail to do so.

[If the default rule were "presumed consent," in which all citizens would be presumed to be consenting donors, absent an opportunity to easily register their unwillingness to donate, then organ donations would rise significantly. The authors note that in Germany, which has an explicit consent system, only 12 percent of the citizens gave their consent, whereas in next-door Austria, with presumed consent, 90 percent did so.]

By understanding human nature and nudging people in directions they might want to go anyway, if not for inertia, behavior can be changed dramatically. The Thaler-Sunstein book has scores of illustrations for health care, fund-raising, saving money, and

more. Your business, nonprofit or government unit might well develop some creative nudge ideas from reading this inexpensive paperback.