

SESSION

Using Behavioral Science to Improve Outcomes

Frontiers

of social innovation

INCLUSIVE MARKETS—INCLUSIVE SOCIETIES



Ted Robertson
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Lead Social
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World Bank



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What is ideas⁴²?

We use the theories of **behavioral economics** and psychology to **design solutions** to some of the world's most **persistent social problems**.

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Advised by Leading Academics



Antoinette Schoar,
MIT Sloan
(cofounder)



Daniel Kahneman,
Princeton University



Sendhil Mullainathan,
Harvard University
(cofounder)



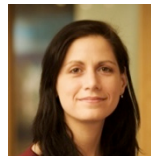
Richard Thaler,
Chicago Booth



Betsy Levy Paluck,
Princeton University



Todd Rogers,
Harvard Kennedy
School



Kate Baicker,
Harvard School of
Public Health



Michael Barr,
University of Michigan
Law School

Across Many Domains



education



health



int'l development



economic mobility



criminal justice



energy / environment



government



consumer finance

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Context Matters

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“Excellent Airmen Commit No Errors”



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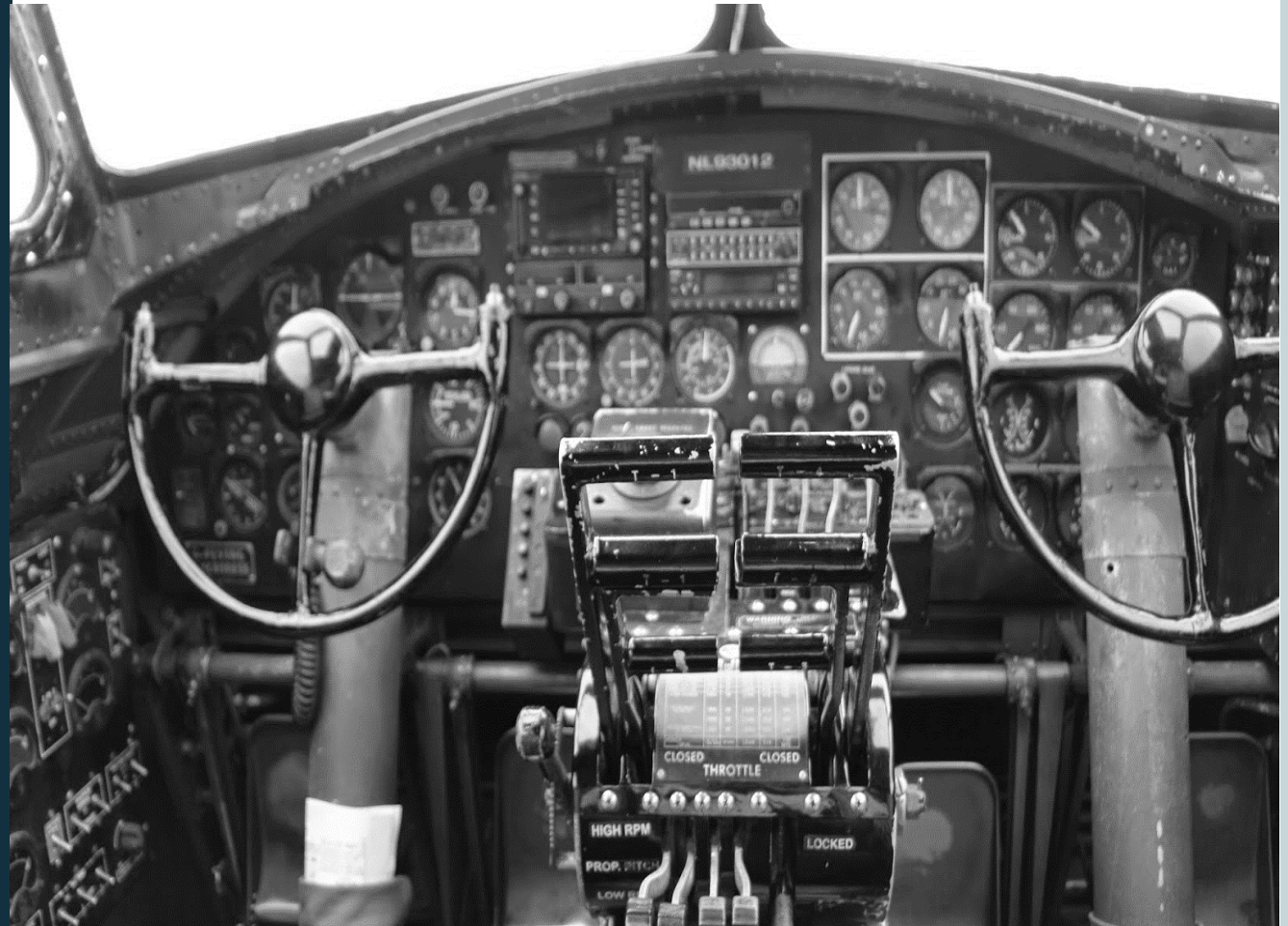
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“Excellent Airmen Commit No Errors”

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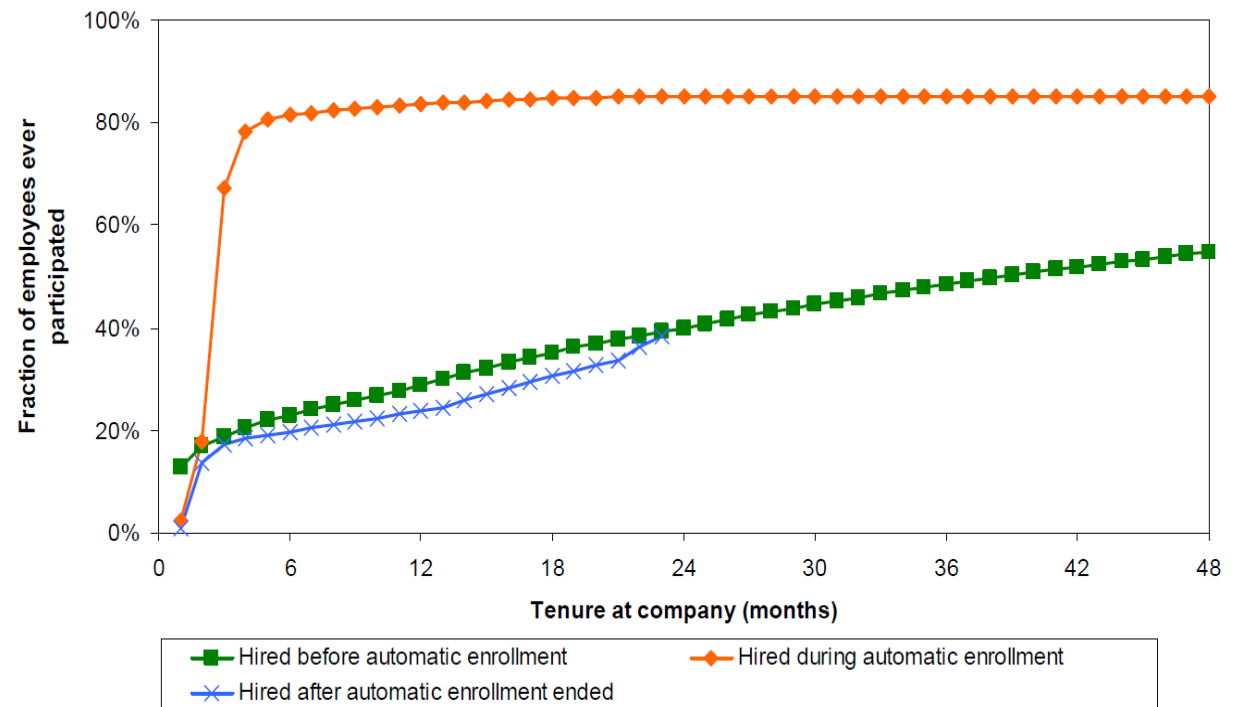
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Behavioral Science in the World: Retirement Savings

401(k) participation by tenure at firm: Company B



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Two Dominant Views of Behavior Under Poverty

Rational choice view

- Consistency, willpower, well-defined preferences...
- Behavior: calculated adaptation to prevailing circumstances

Pathology view

- Psychological pathologies specific to the poor
- Impatient, no planning, confused
- Behaviors endemic to “culture of poverty”

Alternative view

Neither of the above: Just plain human behavior
under constant scarcity.

Quantifying the Bandwidth Tax

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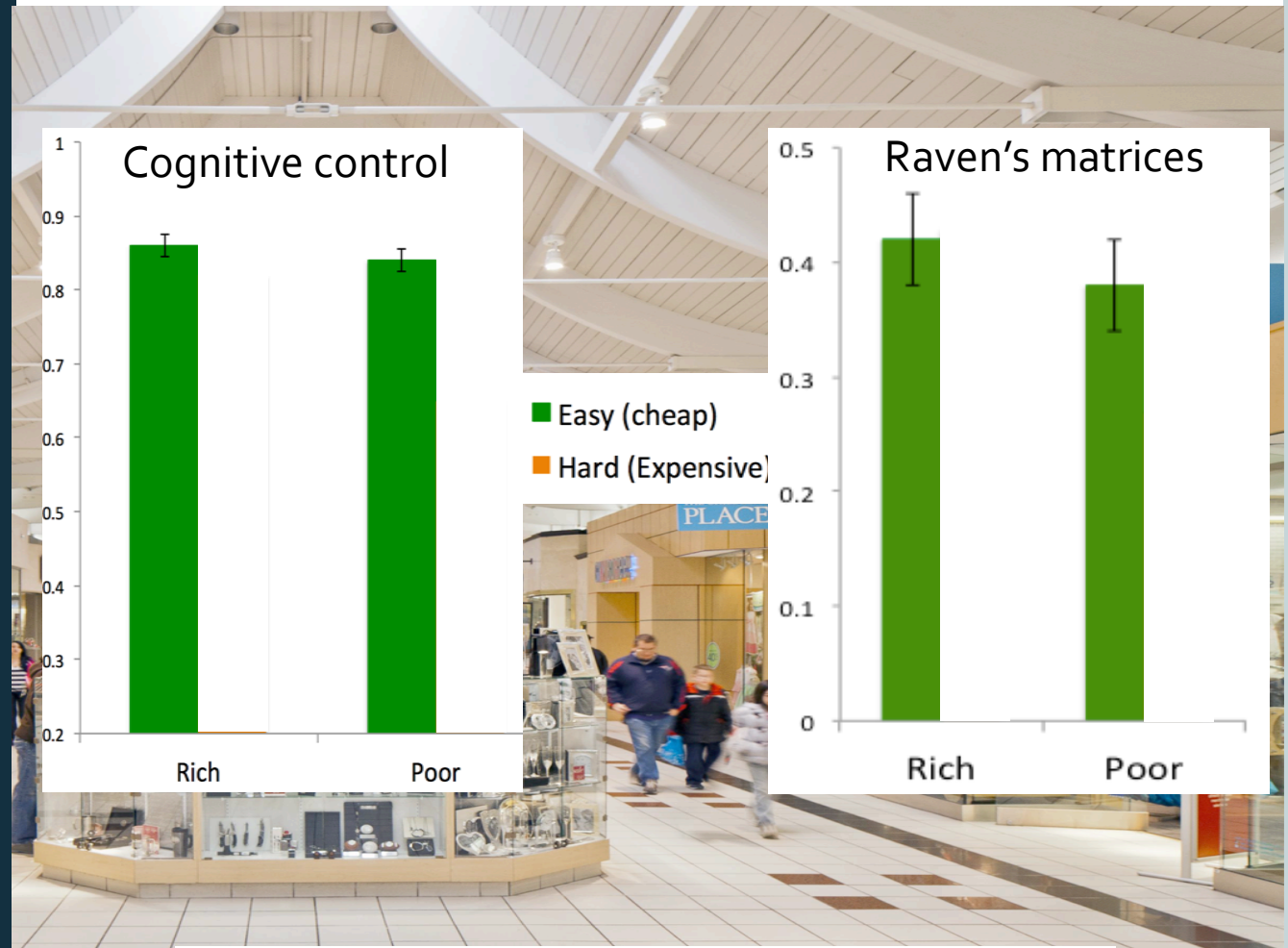
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Quantifying the Bandwidth Tax

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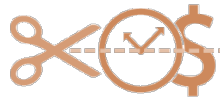
Mani, Mullainathan, Shafir, & Zhao, Science, 2013

Fighting Poverty

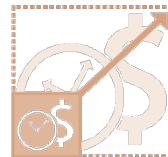
Problem

The scarcity caused by poverty takes up mental capacity and causes tunneling.

Behavioral Approach



Cut the Costs



Create Slack



Reframe and Empower

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Similar Challenges in Two Very Different Contexts



Madagascar

Cash transfers create slack, but how can we help the world's poorest use it most effectively?



San Francisco State University

Being a freshman is tough; how can we put them in the right mindset to overcome short-term challenges?

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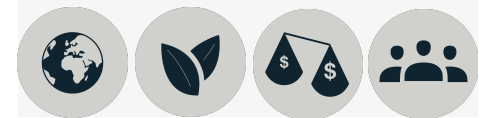
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Lead Social Protection
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Cash and Change

*Financial support and new behaviors for
Madagascar's poorest*

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- Extreme poverty: 78% live on less than \$1,90 per day
- Less than half the students reach Grade 5
- Malnutrition rate is the 4th highest in the world

Interventions and Outcomes

Intervention



Bimonthly Cash (18x)



Mother Leaders



Nudges (16x)



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Why Behavioral Interventions?

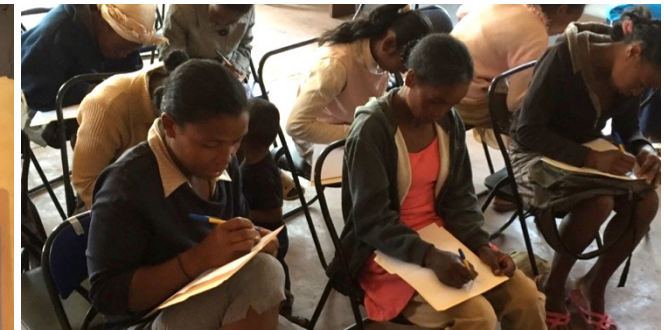
- Traditional approaches of “training” and “information” have not always been successful in changing behaviors.
- Getting results by expanding “bandwidth” of extreme poor (beyond “buying more rice”)
- Cost-effective: light touch reminders rather than heavy-handed “conditionality.”
- Isolation and lack of social services in Africa require new ways to reach the poor

Nudge Activities



Self-Affirmation

The ability to act in response to one's needs and environment.



Plan-Making

The ability to set goals and determine the actions necessary to realize those goals.

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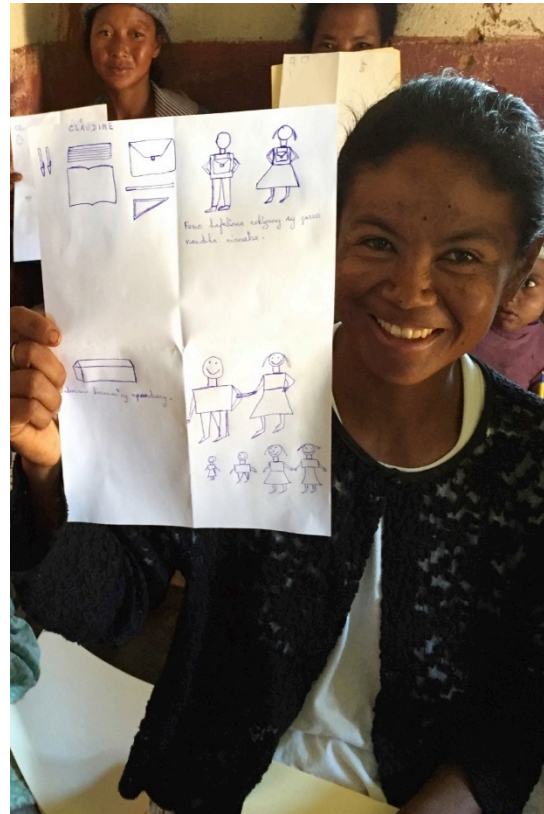


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Self-Affirmation: Drawing



Desired Outcome:

Women make a strong connection between their spending choices and the direct impact on their children. This reinforces their identities as guardians and reminds them that they have the power to affect their children's lives.

Session Overview:

- The beneficiaries draw:
 - (1) A good spending choice with the last transfer
 - (2) How this spending choice made their children feel
- Group sharing

Self-Affirmation: Cards



Business Skills
(fahaizana mitantana raharaha)



Good Parenting
(fahaizana mitaiza)



Relations w/ friends and family

(fifandraisana @ namana/ Havana)



Generosity
(fahalalahan-tsaina)

Desired Outcome:

Women develop a more positive self-concept after identifying a positive value that is personally important and thinking about concrete ways in which they have exhibited that value.

Session Overview:

- Thinking about primary identity
- Prioritizing values in order of importance
- Group sharing

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Plan-Making: Drawing



Desired Outcome:

Women better visualize the goals they wish to achieve with the transfer, as well as draw out concrete intermediary steps to achieve these goals.

Session Overview:

- The beneficiaries draw:
 - (1) Their current lives
 - (2) The desired goal
 - (3) Action steps connecting current to desired lives
- Group sharing

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Plan-Making: Cards



Desired Outcome:

Offering prudent options spending cash helps establish social norms.

- Nutritious foods
- School supplies
- Soap
- Savings

Conclusions

- 1 - Behavioral nudges are important complementary interventions
- 2 - Impact evaluation through randomized controlled trial
- 3 - Beneficiaries enjoy activities
- 4 - Could be applied in wide range of World Bank supported programs

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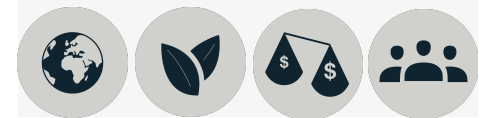
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Shawn Whalen
Senior Program Officer,
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@stwhalen



Improving Higher Education Outcomes

*Reducing Attrition Rates at
San Francisco State University*

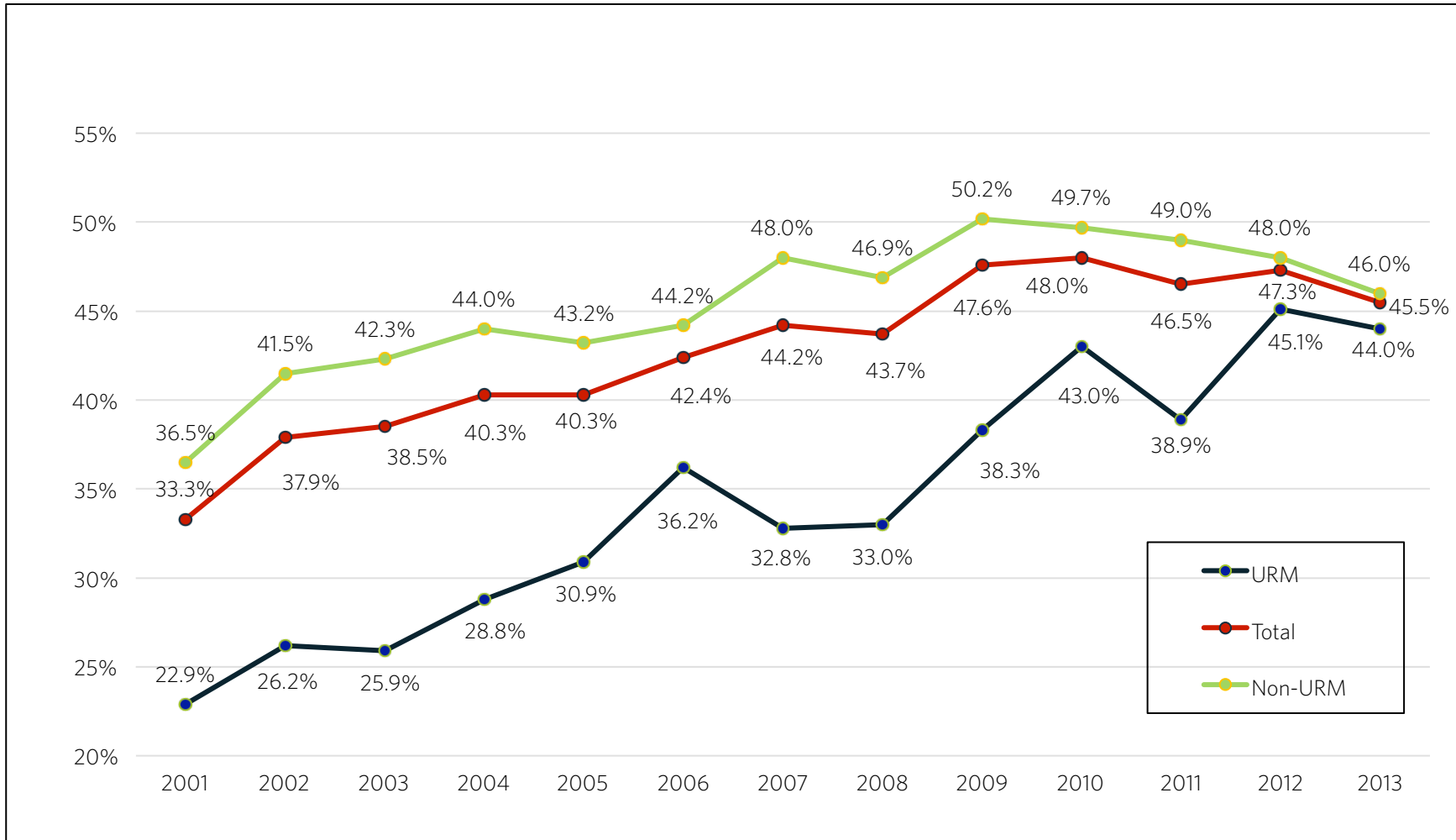
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The Problem: Post-Secondary Completion

First-Time Freshmen 6-Year Graduation Rates



Traditional Tools Exhausted

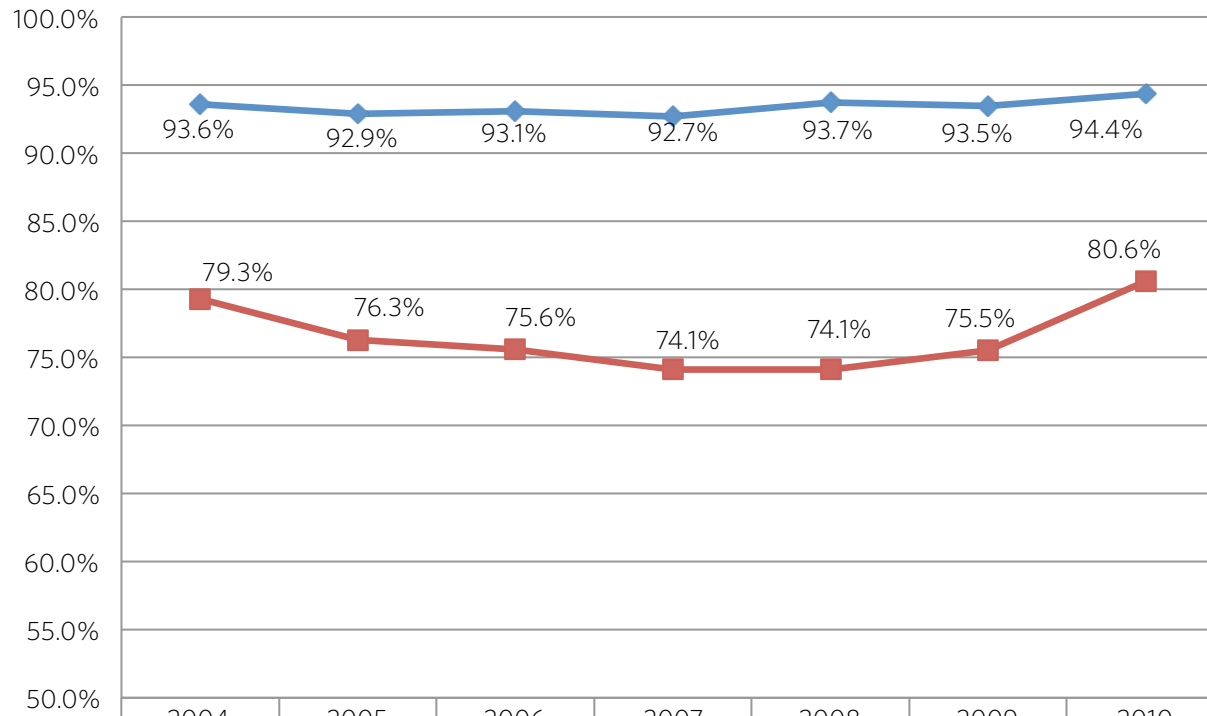
- Traditional Levers
 - Academic advising and support interventions
 - Curriculum revision and degree maps
 - Enrollment management and registration policy

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Third Semester Attrition Rates



Experimental Group

- 3031 FTF students
- 5.5% African American
- 25% White, Non-Latino
- 28% Hispanic/Latino
- 32% Asian
- 45% Low Income

	2004	2005	2006	2007	2008	2009	2010
Continuation Term 2	93.6%	92.9%	93.1%	92.7%	93.7%	93.5%	94.4%
Continuation Term 3	79.3%	76.3%	75.6%	74.1%	74.1%	75.5%	80.6%

STUDENT PERSPECTIVES

at San Francisco State University



ALEX
Class of 2017



JAMIE
Class of 2017



MICHAEL
Class of 2014



PATRICK
Class of 2014

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ANTHONY
Class of 2014

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The Survey

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- Share your expertise with high school seniors?
- Many students like to get reminders in text messages—can we have your cell number?
- Any advice for your “future self”?

The Results

Positive Trends:
More credit accumulation
Higher GPA
Higher retention



SF STATE

Metro Academy Cohort

- 10% increase in retention
- 7% increase in GPA

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Behavioral Insights for Higher Education

- A new perspective for institutional messaging
- Structuring student choices or wandering exploration?
- Increasing engagement through student-centered channels
- Connecting engagement strategies with predictive analytics

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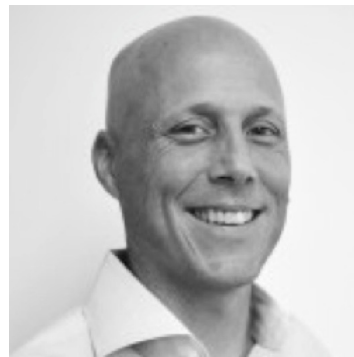


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Panel Discussion



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