



# Policy by Design

## *The Dawn of Behaviourally-Informed Government*

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## Introduction

The mandates of governments are complicated and diverse, and span the range from economic development, security, international relations and welfare. Not surprisingly, the machinery of governments appears even more daunting to its citizens. That said, it is fairly non-controversial to say that one primary role of government is very simple - to maximize the welfare of citizens by protecting them, improving their well-being, creating fair and efficient marketplaces and helping them plan for the future.

The foundation of caring for citizen welfare is optimal decision-making. In particular, governments encourage citizens, organizations, their own agencies and local businesses to make good choices conditional on the information that is available at the time. Indeed, the fundamental goal of government (and any organization) is to change the behaviour of its stakeholders.

There are four types of behaviours that policymakers and governments are looking to influence (Soman, 2015):

1. **Compliance behaviour.** Governments are interested in getting people, organizations and their own employees to behave in accordance with prescribed standards and by certain deadlines. For instance, a revenue agency wants citizens to file taxes by a deadline, a privacy commissioner wants a website to implement specified consumer protection protocols, and a regulatory agency might want businesses to file appropriate paperwork describing their safety procedures, carbon emission testing procedures or workload policies. Many departments within government see themselves as primarily regulatory and compliance departments.
2. **Switching choices.** In this genre of behaviour change, a government might be interested in replacing an incumbent choice or action with a new one. For instance an objective might be to encourage citizens to file their taxes online rather than on paper, to consume more fruits and vegetables than meats and fatty foods, to reduce their consumption of cigarettes or harmful substances, to take public transit rather than drive, or to save more for the future rather than spend today. While each decision made by any given citizen might seem inconsequential, an aggregate of these behaviours across the entire citizen base can have significant effects of outcomes.



3. **Consumption.** Consumer advocates, ministries of health, and privacy commissioners are examples of government agencies interested in consumption behaviour—from seniors consuming their medications to young people eating healthy food to investors paying attention to disclosure information on financial statements or privacy policies.
4. **Acceleration of decisions.** In many situations, government officials want to accelerate citizens' decisions in important areas—i.e., to open a retirement account, engage in preventive health behaviour, or for businesses to start implementing environmentally-friendly policies sooner rather than later.

Throughout history, governments have predominantly approached behavioural change through the lens of conventional economic models. The traditional approach has been to legislate, regulate and create restrictions to the non-favoured choice. Another popular lever used by governments is using incentives or penalties. In particular, the dominant paradigm in governments is based on the assumption that economic agents are robot-like; unemotional processors of large quantities of information. However, there is an emerging field based upon the science of behaviour, a subject commonly known as behavioural economics, which increasingly governments are leveraging in order to encourage behaviour change and develop better policies.

This report will compare a traditional vs a behavioural approach to policy, outline how governments around the world – including those in Canada – are effectively employing behavioural insights, and discuss the necessary ingredients to establish a behavioural unit in government.



# 1. The Traditional Approach to Policy

The distinction between a traditional approach to viewing the citizen as a decision maker and a more realistic approach can best be illustrated by using terminology first introduced by Richard Thaler and Cass Sunstein in their 2008 book, *Nudge*.

**Econs** are fictitious characters that inhabit the pages of economics textbooks and also form the basis of much of policy and welfare initiatives. They are highly sophisticated decision-makers who consume vast quantities of information with ease and have infinite computing abilities (Thaler & Sunstein, 2009). They also maximize self-interest, are forward-looking and consider the future impact of every decision they make. They are very good at math, calculus, scenario analysis, and they never let emotions sway their decisions. In short, they obey all of the laws of Economics. In contrast, an abundance of research shows that people are emotional, impulsive, cognitively lazy, and have difficulty dealing with large quantities of information or choice options. We refer to these “real” decision-makers as **humans**.

A number of commentators have referred to **Econs** as ‘rational’ and **humans** as ‘irrational’—as if to suggest that human decision making is flawed. However, the fact that humans do not obey the laws of Economics isn’t a surprise, and need not be seen as a flaw. Humans were never designed to solve complex inter-temporal maximization problems or to sift, curate, analyze and act on large volumes of data. The very assumption that humans would actually behave like Econs may *itself* be described as an example of irrationality (Soman, 2015).

If citizens were indeed robot-like Econs, the task of behaviour change for governments would be relatively easy and could involve three simple instruments (Soman, 2015):

1. **Restrictions.** Bans, legal restrictions and other forms of regulation limit access to certain options, thereby creating a behavioural shift towards the other (desired) alternatives.
2. **Incentives.** These can be either positive incentives in the form of ‘carrots’ (i.e. subsidies or fee waivers) or negative incentives in the form of ‘sticks’ (i.e. surcharges or penalties).



3. **Increased Information.** The provision of additional information and sometimes, more options, is widely believed to improve welfare. More information allows the decision-maker to make a better decision.

The problem is that using only these methods means governments struggle with making policy decisions effectively because the above tools work with Econs rather than humans. As such, research is replete with examples of resulting problems. In Canada, the Canada Learning Bond—a welfare program that supported children’s education with ‘free money’—garnered a take-up rate of only 16 per cent in the two years after its launch (*Policy Options*, 2016). And, in the U.S., several welfare programs have suffered from similarly-low take-up rates.

Furthermore, attempts at getting citizens to pay their taxes online—or to get flu shots, donate organs, eat more vegetables, or read privacy policies designed to safeguard their online information—have fallen on seemingly deaf ears, despite large expenditures in advertising and communication.

The reason is simple: the vast majority of policies and programs are designed for Econs, rather than humans who are forgetful, emotional and impulsive; who are influenced by their peers; confused by too much choice; and loathe to consume too much information. Effective policy designs should start with the assumption that people will likely forget, ignore, gloss over, or misunderstand critical pieces of information, and will act impulsively with minimal thought. These policy designs should build safeguards in the system against such behaviour.



## 2. The Behavioural Approach to Policy

When applying behavioural science to policy, ‘choice architecture’ is now a term that commonly comes to mind. This term made its debut in *Nudge*, where Thaler and Sunstein argued that since we know from Psychology that context influences choice, it should be possible to *design contexts* to steer choices towards a desired outcome (Thaler & Sunstein, 2009). Choice architecture therefore refers to the conscious and careful presentation of different options available to a decision-maker, and interventions to change the manner of presenting options are called nudges.

Work on choice architecture draws upon findings from behavioural science to help *design the environments* in which humans make decisions to benefit society. For example, every policy initiative comes to the attention of citizens with a pre-chosen default status: when applying for a driving licence in many jurisdictions you must check the box to donate your organs, if you don’t do anything you don’t donate. Studies have shown that changing that default, so you check the box to opt-out of donations, can have significant effects on behaviour.

Enrollment in 401(k) pension plans in the U.S. is a prime example. Signing up for a 401(k) can be tedious, and retirement seems very far away for many people. By using a default ‘opt-in’ enrollment, employees have been automatically enrolled and participation rates increased significantly. Between 2010 and 2014, the number of companies with an 80 per cent participation rate or higher rose by 14 per cent (*Willis Towers Watson, 2014*).

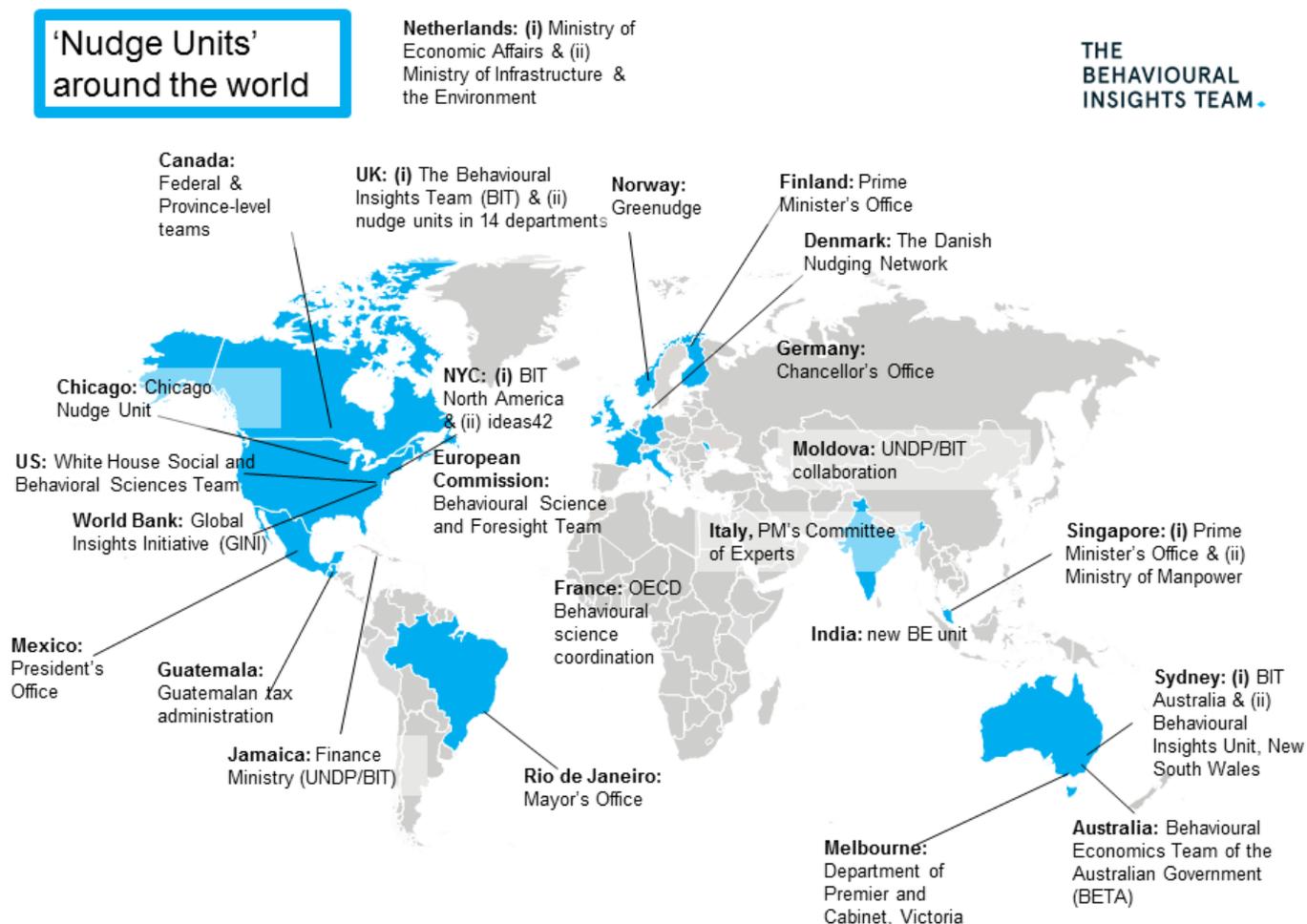
Meanwhile in Canada there have been efforts to apply choice architecture to the decisions its citizens make regarding organ-donor registration. The idea was that tweaks to processes and language—informed by behavioural science and tested for effectiveness—could significantly improve participation rates.

The Canadian province of Ontario has succeeded in increasing organ donor registration rates without changing the default by harnessing two simple behavioural insights to design nudges: first, a message that evokes empathy is likely to get potential donors to think a bit more about the decision encouraging them to volunteer to donate organs; and second, simplifying the application form itself increases the likelihood that the greater thought generated actually gets converted to action (*Behavioural Insights Unit, 2016*).



### 3. Behavioural Units across the World

Figure 1. Behavioural insights around the world



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[Source: Service, 2016]



To date, there are 50+ behavioural units in federal governments across the world, and more are joining the movement. For example, India recently introduced a nudge unit in September 2016. The following will introduce some of these units and highlight notable projects they have completed. The appendices provide an overview on some sample projects worldwide.

### **UK: Behavioural Insights Team**

*Founded: 2010*

*Coordinator: David Halpern*

*Website: <http://www.behaviouralinsights.co.uk/>*

Unofficially known as the Nudge Unit, BIT is the world's first central behavioural unit. It was created within the UK Cabinet Office. The unit became partially privatized in 2014 when it became a mutual venture between the government, BIT's employees, and Nesta, an innovation charity (GOV.UK, 2013). Throughout its time, the BIT has worked on numerous projects, including, but not limited to, increasing tax payments using social norms, encouraging charitable donations in wills, and introducing commitment devices in job centres. The BIT has created the acronym EAST, which stands for Easy, Attractive, Social, and Timely. EAST is a framework to guide policy discussions and decisions. The basic idea is that to encourage any desired behaviour, the choices should be made simple and understandable (easy), salient in citizens' lives (attractive), socially encouraged (social), and present at the key time in the decision-making process (timely)(Halpern & Service, 2016).

### **USA: Social and Behavioural Sciences Team**

*Founded: 2015*

*Coordinator: Maya Shankar*

*Website: <https://sbst.gov/> [Archived and "frozen" 20 January, 2017]*

Following the success of BIT, the US launched its own behavioural unit. Within its first operational year, it worked on projects such as encouraging more federal employees to participate in a workplace savings plan, improving post-secondary education enrollment rates amongst low-income students, and increasing veteran uptake of education and career counselling benefits (Social and Behavioural Sciences Team, 2015). Since February 2017, the unit operates



under the Office of Evaluation Sciences as part of the GSA.  
(<https://oes.gsa.gov/>)

## **Australia**

*Founded: 2012*

*Coordinator: Alex King*

*Website: <http://bi.dpc.nsw.gov.au/>*

In 2012, BIT partnered with New South Wales' Department of Premier and Cabinet (DPC) to create a Behavioural Insights Unit. The unit has conducted trials on improving the return-to-work process after injury, encouraging people to attend their hospital appointments, increasing diversity in the workplace.

## **The World Bank: Global Insights Initiative (GINI)**

*Founded: 2015*

*Coordinator: Varun Gauri*

*Website: <http://www.worldbank.org/en/programs/gini>*

In 2015, following the publication of World Development Report: Mind, Society, and Behavior, the World Bank also launched a Global Insights Initiative to incorporate behavioural insights into the World Bank's problems and to assist governments in accessing behavioural economics resources and implementing behavioural interventions. The initiative works with several branches of the World Bank and with partner governments.

## **Singapore**

*Founded: 2016*

*Coordinator: Samuel Hanes*

*Website: <http://www.behaviouralinsights.co.uk/singapore/>*

In 2016, BIT partnered with the Singapore Ministry of Manpower on an inaugural behavioural insights project encouraging job-seekers to commit to the job search process. The results led to a 17 percentage point difference between the committed group and the control group. The unit is now working with Public Services Division of the Prime Minister's Office and the Ministry of Home Affairs.



## **Organization for Economic Co-operation and Development**

*Founded: 2014*

*Coordinator: Faisal Naru*

*Website: <http://www.oecd.org/gov/regulatory-policy/behavioural-insights.htm>*

The OECD supports the application of behavioural science in public bodies through finding insights, guidance and dissemination of behavioural work internationally. They regularly publish reports and host seminars on using behavioural insights, exposing governments, regulators, and other bodies/institutions to behavioural research. Most recently, their report titled “Behavioural Insights and Public Policy: Lessons from Around the World” highlights over 100 case studies globally in areas such as tax, education, health and safety, environment, and public service delivery. The OECD has also helped enhance the Consumer Protection regime in Colombia’s Communications Market using behaviourally informed interventions.

### **Other nations**

There are several other nudge units established in governments across the world, and numerous more subcommittees or individual projects pursuing the application of behavioural sciences to public policy. For example, The European Nudging Network (TEN) highlights various projects in Austria, Belgium, Denmark, France, Germany, Hungary, Italy, Netherlands, Poland, and Sweden. France also has its own Nudge Project, a team dedicated to academic research and promotion of behavioural science through seminars and conferences. Recently in September 2016, India also launched its own nudge unit, jointly set up by NITI Aayog, a policy think-tank established by Prime Minister Narendra Modi, and the Bill & Melinda Gates Foundation.



## 4. Spotlight on Canada's Units

The Canadian government has started a number of hubs and labs in an effort to ensure that policies and programs are as behaviourally informed as they could be. Many highly significant initiatives have been established to create behavioural units across the country on both the federal and provincial levels.

### *Privy Council Office – Innovation Hub*

Website: <http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=innovation>

The Innovation Hub was borne out of Blueprint 2020, a national mandate to transform the Public Service in Canada by embracing innovation and continuous change. Although applying behavioural insights to policy is one of the hub's goals, it also aims to support a greater trend towards innovation within Canada's public sector and encourage the use of design thinking and data analytics to develop better policy. In 2016, the Innovation Hub launched the Behavioural Insights Community of Practice (BI CoP), a network of employees, practitioners, and researchers across various government agencies. The Innovation Hub's recent projects include increasing uptake of the Canada Learning Bond, money directly deposited into RESPs (education savings plans) for low-income families, increasing the number of women recruited into the Canadian Armed Forces, and improving the organizational culture within the Public Service in respect to the way employees with disabilities are treated.

### *Canada Revenue Agency*

The Canada Revenue Agency (CRA) has also embraced behavioural insights, with a team working on projects examining increased tax compliance by looking at revamping the agency's ADA, or automated dialing announcement. The CRA is also using behavioural insights to encourage channel shift in the tax filing process, moving consumers away from traditional paper/mail methods to digital processing. The CRA is also looking to increase usage of MyAccount, an online tax filing platform. This has the promise to save both taxpayer time and public funds by making the process more efficient.



## *Employment and Social Development Canada*

Employment and Social Development Canada (ESDC), the government branch responsible for ensuring the wellbeing of Canadians and the efficiency and inclusivity of the labour market, is partnering with the Innovation Hub to increase uptake of the Canada Learning Bond. The ESDC has also worked on increasing interest in Job Bank, an employment search portal, using nudges on mainframe website, and encouraging completion of registration process for Job Bank through salient reminder emails.

## *Ontario Behavioural Insights Unit*

The inaugural behavioural insights unit in Canada, the Behavioural Insights Unit (BIU) is part of the Treasury Board Secretariat of Ontario. The BIU has worked on several projects. Three pilot projects stand out; one with regards to increasing the number of online license plate sticker renewals and another on increasing organ donor registration, and a third on informing citizens about the risks of using unlicensed home roofers.



## 5. Success Factors

The gold standard of applying insights from behavioural science involves the use of Randomized Controlled Trials (RCTs). A RCT allocates people to a group completely by random assignment, and each group is exposed to a different version of what is being tested. This might be different messages or different offers. The results from those groups seeing a version being tested are then compared to the results from the control group, which is the group that received either the status quo treatment or no treatment at all. This comparison is used to determine if the different versions made a difference to some outcome of relevance, such as adoption of a program or use of online versus paper submission. RCT's are no different from the trials used in the world of medicine to test for the efficacy of new drugs, or the A/B tests used by online businesses to test layouts of webpages.

The various options tested are designed to encourage certain behaviours amongst a sample population. This often entails very subtle changes to materials or to the context, such as creating multiple versions of the intervention (say versions of an application form, a brochure, or an application process) and then trying all the versions simultaneously with randomly selected groups.

One of the key strengths of applying behavioural insights is the ability to test nudges on a sample of real-life users, prior to the full implementation of a program. This allows an organization to receive valuable feedback on the effectiveness of its proposed changes and to gauge the potential impact of any changes before widespread implementation. It allows the benefits of innovation to be gained while limiting the potential downside if the proposed change doesn't work.

That said, there are often situations in which randomized control trials are difficult to run or simply not feasible. The behavioural insights world offers other avenues for testing – the analysis of datasets, design workshops, laboratory experiments or ethnographic techniques. As long as the data collection procedure allows for the comparison of multiple versions of the policy or program (say, a control and treatment condition), it will allow for the learning of the underlying psychological process that can drive success.

Why do we not see as many RCT's given their obvious benefits? Much like businesses, governments can constantly iterate on their service offerings and



procedures. Testing different nudges provides an outlet to review the status quo and look for new ways to improve interactions with the public. Few would argue with this logic of continuous improvement, but if this is the case, why have different policy and service executions in government rarely been tested before now?

The answer is likely *inertia* and the need to change mindsets. Given that many policy makers have been conditioned to think about citizens as Econs, they are also conditioned to think that economic theory can predict the best way of creating behaviour change. Once a policy or program has been approved, the thought of having to test it for effectiveness in the field and designing a scientific experiment to do so may seem agonizingly daunting, unnecessary or threatening.

The fact is, using behavioural science to uncover policy insights requires a certain degree of humility. Governments are often divided into silos, with subject experts operating in each area. The status quo expectation is that government branches inherently know how to improve or implement new programs because of their past experience. Given each agency works with so many different citizens—all of whom behave differently in different contexts—this assumption that the agency knows best is often wrong. Past experience does not necessarily predict future outcomes and it certainly doesn't encourage innovation or allow articles of faith to be questioned.

The dangers of not testing, and assuming "common sense" is a good guide, are significant. An example is the Scared Straight program of the 1970s in the U.S., whereby young people committing minor offences were taken to prisons and introduced to inmates. The idea, which has a logic many find appealing, was based upon the hope that the experience of seeing the lives of inmates would scare the young people from committing future crimes. Little testing was conducted on the effectiveness of the program—which in hindsight, seems to have only normalized the idea of a life of crime with some of the young people. Some young people, now able to better visualize the lifestyle, may have added criminal as a possibility to consider in their career choices. The result of implementing a flawed policy was disastrously costly: the Washington State Institute for Public Policy estimated in 2004 that every dollar spent on Scared Straight programs incurred a further crime cost of \$203.51.

Another challenge that governments may face is a variety of technical constraints, such as the availability of data. Hasti Rahbar, Research Advisor at



the EDSC Hub [Employment and Social Development Canada] told us that often, the data required for designing the appropriate nudge for a particular problem isn't readily available—or even being measured.

In British Columbia, where the provincial government recently launched its own behavioural unit, one of the challenges faced as it started on its initial roster of projects was access to data. For understandable privacy reasons, data is often held separately and securely. This means that “the process to acquire the required data can take longer than expected,” says Heather Devine, Head of BC's Behavioural Insights Group.

Governments may also struggle with having sufficient touchpoints, or points of contact between the government and its citizens. (A touchpoint might be via email, a phone call or face-to-face interactions). Behaviourally-informed approaches can most easily be implemented at these touchpoints. On the federal and provincial level, there are limitations to the number and variety of touchpoints with citizens. Sometimes, the results of a proposed behavioural intervention cannot be analyzed simply because the touchpoints are not there to adequately record what happened.

Even where these limitations are impossible to overcome, the world of behavioural insights and design offers a number of other avenues to pursue. If an RCT is not possible, perhaps a laboratory experiment, a series of design workshops or a natural experiment might be possible. As long as data is collected to compare multiple nudges with the status-quo (control) condition, governments have the ability to learn, iterate, adapt and launch interventions that have been tested to ensure they are as effective as possible.



## 6. Conclusion

Even though governments the world over are starting to realize the power of applying behavioural insights to policy and the importance of testing, much more can be done to enable progress in this space. Two key areas of best practice are

- A) collaboration and joint initiatives between behavioural units and
- B) the role of academia.

Often times, problems encountered in government are not unique to a single level or branch of government, and collaboration on projects can lead to shared learning and greater improvement. In Canada, hubs at the provincial level work on projects in tandem with hubs at the federal level, pooling their resources and knowledge. There is also vast potential in establishing hubs at the municipal level: Municipalities have access to many more readily-available touchpoints, opening up a wide variety of opportunities to incorporate and test behavioural science principles as they relate to policy improvement.

Another trend worldwide is the central role that academic institutions can play. Behavioural units in the UK, U.S. and elsewhere have tapped into the expertise of the academic community to identify and develop a framework for problems, to design trials and to analyze, interpret and iterate on the learnings. In Canada, the Behavioural Economics in Action centre at Rotman (BEAR) collaborates with the Ontario government; Rotman Professor Nina Mazar was appointed as a behavioural scientist at the World Bank; and she and one of the authors [Prof. Soman] serve as advisors to the federal government's Innovation Hub at the Privy Council Office.

Behavioural Economics can simplify procedures for citizens and better clarify *what they are being asked to do and why they should do it*. As the world becomes increasingly digital, governments could seek to add an additional channel of communication through mobile technologies, such as SMS. Behavioural insights can also help significantly in pressing policy areas such as poverty alleviation, education, and public safety. By using approaches tailored to how citizens actually think and act—not how policymakers believe they *should* think and act—governments can provide better services at lower expense.



Behavioural hubs in governments and other global development agencies are demonstrating that innovation isn't reserved for Silicon Valley or Fortune 500 companies. With better data and improved ability to test, behavioural insights will play an increased role in improving policy and services to ensure a better life for every global citizen.



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# Appendices



## Appendix 1 – Case Study: BIT1 – Encouraging Donor Registrations in the U.K.

UK – Behavioural Insights Team

Project: Encouraging organ donation through the use of reciprocity

Behavioural principles used: social influences

In the UK, organ donation works on an opt-in system, which means that citizens must actively choose to become an organ donor. The option to opt-in is present at numerous touchpoints, but one of these takes place on a redirected webpage after citizens have renewed their vehicle tax or registered for a driving licence online.

On this redirected webpage, the BIT in partnership with the Department of Health tested 8 message variants (see Figure A1.1). Some of the variants harness the power of social norms, others the power of salient images, and others loss aversion.

The trial ran for five weeks, exposing approximately 135,000 people to each variant. The results showed that variant (7), which harnesses the power of reciprocity and fairness to invoke behaviour, was the most effective. The test suggested that if the reciprocity message was exposed to every visitor over the course of a year, there would be a projected 96,000 additional registrations to the organ donor database.

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<sup>1</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/267100/Applying\\_Behavioural\\_Insights\\_to\\_Organ\\_Donation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267100/Applying_Behavioural_Insights_to_Organ_Donation.pdf)



Figure A1.1 Eight versions of organ donation messages

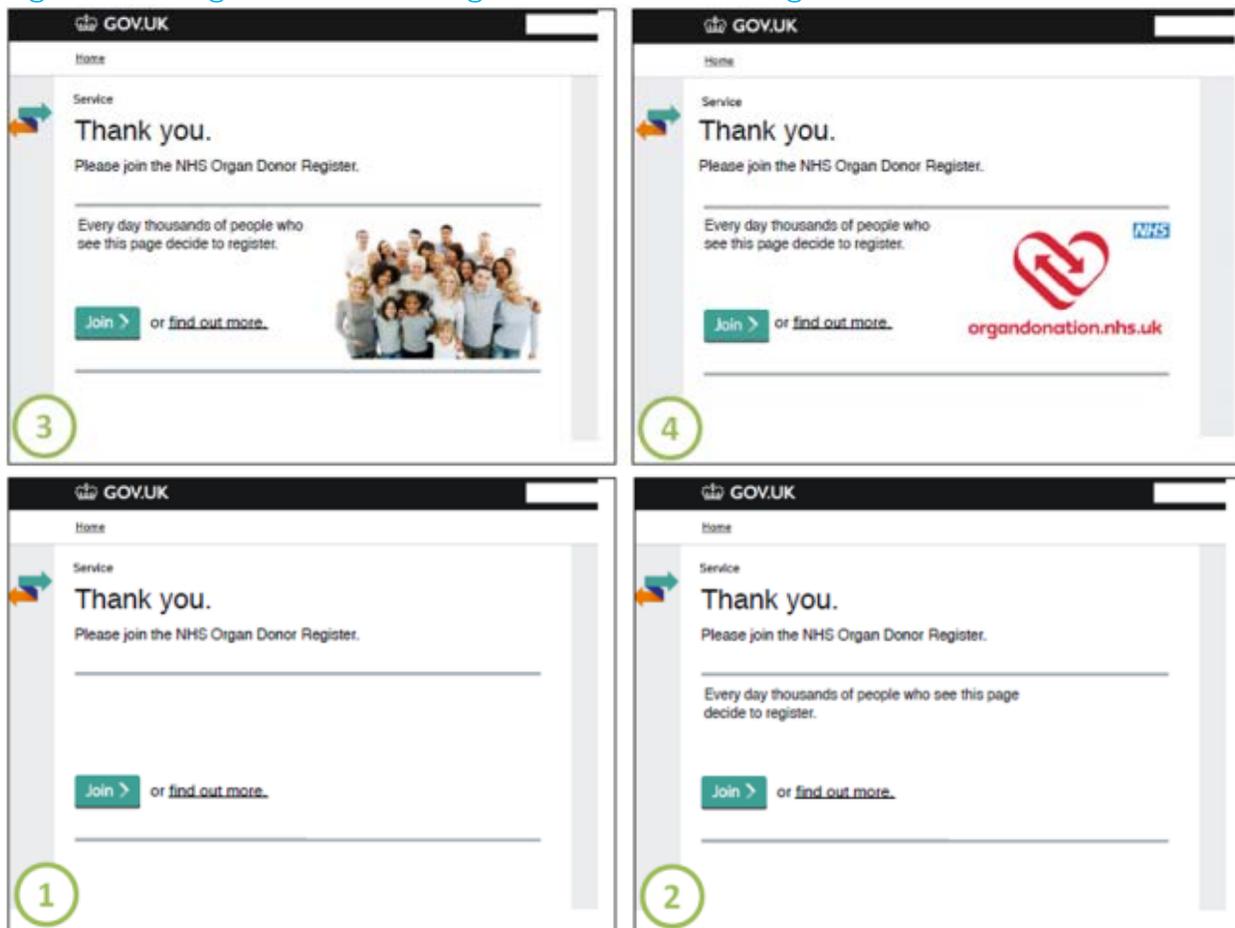
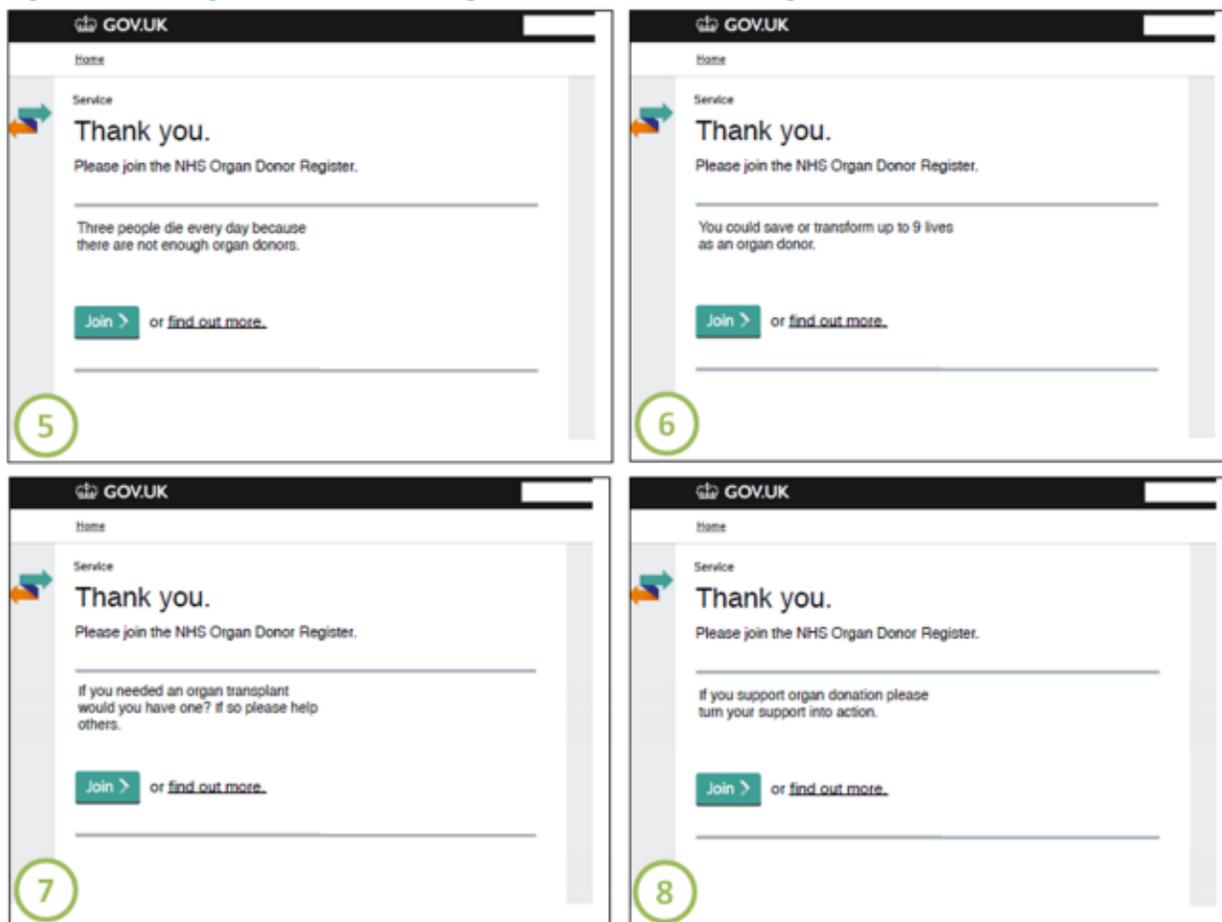




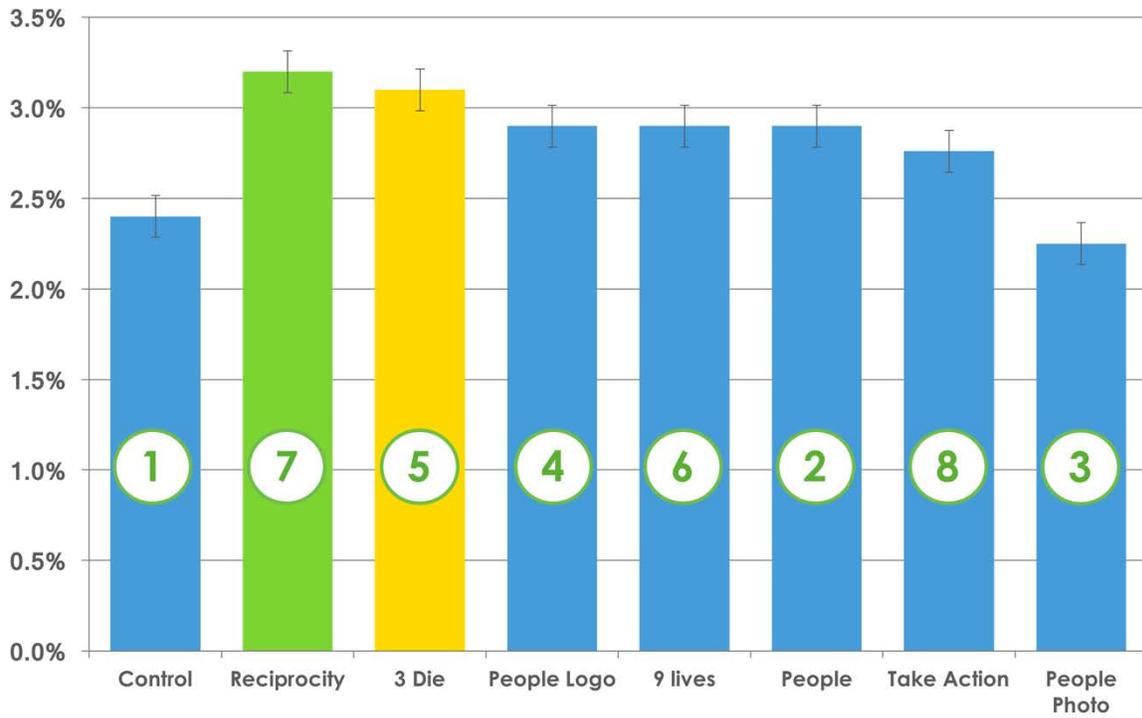
Figure A1.1 Eight versions of organ donation messages (continued)



Source: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/267100/Applying\\_Behavioural\\_Insights\\_to\\_Organ\\_Donation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267100/Applying_Behavioural_Insights_to_Organ_Donation.pdf), accessed 24 March 2017



Figure A1.2 Results of the U.K. Organ Donation Trial: Percent of People Registering as Organ Donors



Source: Adapted from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/267100/Applying\\_Behavioural\\_Insights\\_to\\_Organ\\_Donation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267100/Applying_Behavioural_Insights_to_Organ_Donation.pdf), accessed 24 March 2017



## Appendix 2 – Case Study: BIU – Increasing Online License Plate Renewals

Ontario – Behavioural Insights Unit

Project: Increasing online license plate sticker renewals

Behavioural principles used: salience, motivation

Although license plate sticker renewals can be completed online as of 2013, 89.9% of Ontarians still complete this process in-person, which is not only time consuming but costly for the government. The BIU and Rotman's Behavioural Economics in Action research centre worked together to design and run a trial to increase online renewals. They identified five barriers that prevented the channel shift from in-person to digital from occurring:

- the renewal form
- lack of awareness of online services
- privacy concerns with online transactions
- perceived delay in obtaining renewals
- people's comfort with their habit of renewing in person

Three conditions were tested, in which messages on the exterior or centre of the form were revised.



Figure A2. Three Versions of Licence Plate Sticker Renewal Messages

Previous Messaging on Exterior of the Renewal Form

99999999 XXXXXXXX XXXX [Redacted] XXXXXXXZZZBXXXXXXXX

**ServiceOntario**  Ontario P.O. Box 9100/C.P. 9100  
Kingston, Ontario  
K7L 5K3

<b>CANADA</b>		<b>POSTES</b>
<b>POST</b>		<b>CANADA</b>
Postage paid Lettermail		Port payé Poste-lettres
<b>7318120</b>		

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**Click. Print. Drive.**  
Renew online and receive a 10-day extension  
[ServiceOntario.ca/PlateSticker](http://ServiceOntario.ca/PlateSticker)



**Cliquez. Imprimez. Prenez la route.**  
Renouvelez en ligne et recevez une prolongation de 10 jours  
[ServiceOntario.ca/Auto Collant](http://ServiceOntario.ca/AutoCollant)

---

XXXXXXXXXX (X)  
XX  
XX  
XX  
XX M1BXXXX

Condition 1: Changes to messaging on exterior of the renewal form

99999999 XXXXXXXX XXXX [Redacted] XXXXXXXZZZBXXXXXXXX

**ServiceOntario**  Ontario P.O. Box 9100/C.P. 9100  
Kingston, Ontario  
K7L 5K3

<b>CANADA</b>		<b>POSTES</b>
<b>POST</b>		<b>CANADA</b>
Postage paid Lettermail		Port payé Poste-lettres
<b>7318120</b>		

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**Click. Print. Drive.**  
Instant and easy renewal online at  
[ServiceOntario.ca/StickerRenewal](http://ServiceOntario.ca/StickerRenewal)



**Cliquez. Imprimez. Prenez la route.**  
Renouvellement instantané et facile  
[ServiceOntario.ca/Renouvellement-de-la-Vignette](http://ServiceOntario.ca/Renouvellement-de-la-Vignette)

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XXXXXXXXXX (X)  
XX  
XX  
XX  
XX M1BXXXX



Figure A2. Three Versions of Licence Plate Sticker Renewal Messages (continued)

Previous Messaging on Centerfold of the Renewal Form

**ServiceOntario**

**Left it to the last minute? No problem.**

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**Vous avez attendu la dernière minute? Pas de problème.**



**Click. Print. Drive.**  
Print and carry your online receipt, valid for 10 days from your expiry date. It's proof you've renewed until your sticker arrives in the mail.

Visit us at  
[ServiceOntario.ca/PlateSticker](http://ServiceOntario.ca/PlateSticker)

**Cliquez. Imprimez. Prenez la route.**  
Imprimez votre reçu électronique et gardez-le sous la main. Il est valide pendant 10 jours à partir de la date d'expiration. C'est la preuve que vous avez renouvelé votre vignette en attendant de la recevoir par la poste

Visitez  
[ServiceOntario.ca/AutoCollant](http://ServiceOntario.ca/AutoCollant)

Condition 2: messaging on centerfold of the renewal form

**ServiceOntario**

**Discover the convenience of renewing online!**

**Découvrez la convenance du renouvellement en ligne!**

**Why go online?**

1. Save travel time
2. Save waiting time
3. Renew from the comfort of your home, 24/7
4. Easy and safe – just like online banking
5. Instant confirmation and legal proof of renewal

 **What are you waiting for? Visit us at**  
[ServiceOntario.ca/RenewSticker](http://ServiceOntario.ca/RenewSticker)

**Pourquoi aller en ligne ?**

1. Épargnez le temps de déplacement
2. Épargnez le délai d'attente
3. Remplacez du confort de votre maison, 24/7
4. Facile et sûr – comme banque en ligne
5. Confirmation instantanée et preuve légale de renouvellement

**Qu'attendez-vous? Visitez**  
[ServiceOntario.ca/Renouveler-la-Vignette](http://ServiceOntario.ca/Renouveler-la-Vignette)



Figure A2. Three Versions of Licence Plate Sticker Renewal Messages (continued)

Condition 3: messaging on centerfold of the renewal form

**ServiceOntario**

**Don't miss out on the convenience of renewing online!**  
**Découvrez la convenance du renouvellement en ligne!**

**Renewing in person:**  
1. Travel to ServiceOntario centre (20 minutes)  
2. Wait in line (15 minutes)  
3. Talk to agent (5 minutes)  
4. Travel back to home/office (20 minutes)  
**Total estimated time: 1 hour or more**

**Renouvellement en personne:**  
1. Voyage pour entretenir le bureau d'Ontario (20 minutes)  
2. Attente dans la ligne (15 minutes)  
3. Entretien à l'agent (5 minutes)  
4. Voyage de nouveau à la maison/au bureau (20 minutes)  
**Temps total: 1 heure ou plus**

**Renewing online:**  
**Total estimated time: 10 minutes or less**  
in the convenience of your home, 24/7, instant, easy and safe.

**Renouvellement en ligne:**  
**Temps total: 10 minutes ou moins**  
dans la commodité de votre maison, 24/7, instant, facile et sûr.

**14 DEC**

**What are you waiting for? Visit us at**  
**[ServiceOntario.ca/RenewOnline](http://ServiceOntario.ca/RenewOnline)**

**Qu'attendez-vous? Visitez**  
**[ServiceOntario.ca/Renouveler-en-Ligne](http://ServiceOntario.ca/Renouveler-en-Ligne)**

Source: <https://www.ontario.ca/page/behavioural-insights-pilot-project-license-plate-sticker-renewal>, accessed 24 March 2017

The trial ran for 8 weeks, exposing a total of 626,212 vehicle owners to one of the four possible messages (the control or 1 of the 3 conditions.) The results, in the percentage of those who used online renewals after seeing the message, were as follows:

- 10.3% for the control condition
- 11.6% for Condition 1
- 14.6% for Condition 2
- 13.3% for Condition 3

Additionally, the results showed that Condition 2 was most effective not only in increasing the number of online renewals, but also in reducing the number of late renewals regardless of the channel used. Throughout the 8-week trial, the pilot saved the government approximately \$28,053 by reducing the number of in-person transactions in favour of online transactions. Based on these results, there are estimated cost savings of \$612,196 per year if Condition 2 were to be widely implemented.



## Appendix 3 – Case Study: Increasing enrolment in RESPs<sup>23</sup>

*Organization: Omega Foundation*

*Location: Canada*

*Project: Increasing the number of lower-income families that open RESPs for their children*

*Behavioural principles used: simplification, personalization*

In 2009, the Omega Foundation, a non-profit which promotes financial self-sufficiency through microfinance, savings and financial literacy, launched the SmartSAVER program. This program seeks to expand access to education savings programs by children and youth from low-income families. In particular, the SmartSAVER program focussed on increasing the amount of lower-income families that open a RESP (Registered Education Savings Plan) for their children, which would provide them access to the Canada Learning Bond (CLB) and Canada Education Savings Grant (CESG.) Both grants are provided by the federal government to lessen the burden of financing education for families in Canada.

The SmartSAVER program aimed to reduce barriers to application by using simplification and more personalized, targeted awareness campaigns. SmartSAVER applied the following behavioural interventions:

- Working with financial institutions to overcome process barriers to opening an RESP
- Developing easy-to-understand RESP information tailored to lower-income consumers
- Creating multi-media online information resources to improve understanding of RESP benefits
- Marketing RESPs for lower-income families through ethnic media and social networking
- Engaging community organizations to promote enrolment in the CLB

Although the SmartSAVER did not include a randomized control trial or official experimental design, its pilot in Toronto witnessed an 11-percentage point increase in uptake amongst eligible families from 28% to 39%. The program was

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<sup>2</sup> The Omega Foundation, <http://www.theomegafoundation.ca/>

<sup>3</sup> *Insights to Impact: Harnessing Behavioural Science to Build Financial Well-Being*, Prosper Canada and Deloitte LLP.



in pilot between 2009 and 2012 and has since grown to become a full-time program. SmartSAVER is a great example of behavioural insights being applied by non-government organizations to encourage uptake on beneficial government offerings and services, and improve the lives of everyday citizens.



## Appendix 4 – Case Study: Improving Digital Cash Transfers in Kenya<sup>4</sup>

*Organizations: Consultative Group to Assist the Poor (CGAP), World Food Programme (WFP) Kenya*

*Location: Kenya*

*Project: Identifying and mitigating risks faced by recipients of a digital cash transfer program for food assistance*

WFP Kenya, a branch of the United Nations, and the Government of Kenya jointly launched Cash for Assets, a conditional cash transfer program that provides households in arid and semi-arid regions with assistance to purchase food. The program was a shift away from in-kind food aid, which limited diversity in food consumption for citizens and also presented a potential social stigma as recipients would not be able to purchase food in the same way as the rest of the general population.

The digital cash transfer program met several hurdles in its delivery, as recipients were overcharged or treated unfairly by merchants. Unreliable service hours, battery problems, and forgetting card PINs also attributed to problems faced by the digital cash transfer recipients. CGAP supported WFP in conducting two mystery shopping trials to better understand the risks and difficulties that recipients of the program were exposed to, and how they could be mitigated.

The mystery shopping trials unveiled the following:

- Merchants charged more for consumers using cards compared to those paying in cash
- Not all merchants protected consumer PIN information, as some merchants entered the PIN themselves or asked consumers to leave their PIN with the merchant
- Itemized receipts from POS systems increased consumer price awareness, as they could better recall the cost of items purchased
- A time difference of one year between the first trial and the second trial did not show improvement on the above issues

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<sup>4</sup> *Behavioural Insights and Public Policy: Lessons From Around the World*, OECD Publishing.



Based on the findings above, CGAP and WFP Kenya recommended five key policy changes that would protect consumers in Kenya and create an improved user experience for recipients of the digital cash transfers.

- **Prevent discrimination:** currently, digital cash transfer recipients are given a WFP-branded bank card. By changing this to a regular bank card, consumers would be less exposed to unfair treatment such as increased prices or service fees from merchants.
- **Integration of an interoperable multi-provider payment platform:** consumers are currently restricted to banking agents at a single bank, which makes it difficult for recipients across different geographic regions to access their benefits. By looking into multi-provider payment platforms, consumers can choose from a range of providers and channels to access their digital cash transfers and/or receive support as required.
- **Prevent unauthorized charges:** mandate itemized receipts from merchants, which can strengthen consumers' ability to protect themselves against unfair charges and develop better price awareness for their purchases.
- **Protect consumer's information:** merchants and agents should receive thorough training on standard transaction procedures, ID verification, and proper card and PIN handling, to reduce unsafe practices in shopping transactions.
- **Targeted training and capacity building:** consumers should also be trained on how to protect their information, focussing on PIN protection. Consumers should receive information on how to memorize their PIN, enter their PIN discreetly, protect their funds, and use proper mechanisms to report misconduct or concerns.