

We can use nudges to construct our 'choice environment' to improve wellbeing

Jul 6 2011

In this latest Behavioural Public Policy article, the LSE's <u>Paul Dolan</u>, a former member of the Government's Behavioural Insights Team, summarises why he thinks nudges work.

Did you skip the gym again last night? Did you buy and then devour that giant size chocolate bar on special offer for a pound? Such choices might make you happier, but they might not. In fact, you might be behaving in all sorts of ways that are not consistent with your overall happiness. As an academic interested in human behaviour and happiness, I care about that. Policy-makers care too, of course. For decades, they have provided us with more *information* about the risks of particular behaviours and have used a range of financial and legal incentives that change the consequences of our behaviour. But these interventions can only get us so far and they nearly always widen the gap between rich and poor.



In contrast to models of rational choice suggesting that we respond to information and incentives in very considered and thoughtful ways, recent behavioural insights suggest that human behaviour is actually led by our emotional and fallible brain, and influenced greatly by the context or environment in which many of our decisions are taken. Behaviour is not so much thought about; it simply comes about.

I have been involved in translating the lessons from the behavioural sciences into practical policy tools. This has resulted in **MINDSPACE**, a nine letter mnemonic for the most robust effects that influence behaviour in largely automatic ways. We are heavily influenced by:

- The Messenger as much as by the message itself;
- Predictable mental shortcuts to Incentives, such as allocating money to different mental accounts;
- What others do and the Norms around us;
- The **Default**: we do not opt-in to pension plans but we would not opt-out of them either;
- The Salience (the novelty and intelligibility) of the information presented to us;
- Unconscious **Priming** effects from words, colours, pictures, sounds and smells;
- Our feelings: by what psychologists call Affect;
- The Commitments we make, especially when they are made public;
- Our **Ego**: to feel good about ourselves and to behave consistently.

Recent behavioural insights shift the policy focus to behaviour that is largely automatic and influenced by context and the 'choice architecture'. There are some complex political and ethical issues here, but one thing is certain – we are being influenced – and influencing others – all the time. The choice environment is rarely neutral and choice architects will always be shaping decisions whether they (or we) like it or not. Given the importance of context on our behaviour, I would argue that where possible, we should be doing what we can to construct the choice environment in ways that are more likely to improve wellbeing – as people experience their lives – rather than worsen it.

It is surely hard to disagree with that.