

CONNECTED18

The Power of the Nudge

Designing Behavioral Interventions for Student Success



Nudging: It's Everywhere

A Look at Nudging in the News

The Economist

Nudge comes to shove

Policy makers around the world are embracing behavioural science

An experimental, iterative, data-driven approach is gaining ground

THE HILL

Want to boost your retirement savings? A little nudge can help

BY DAVID BLANCHETT, OPINION CONTRIBUTOR - DECEMBER 04, 2016 4:00 AM EST



ScienceDaily

Your source for the latest research news

SD Health Tech Enviro Society Quirky

Science News

from research organizations

Behavioral 'nudges' offer a cost-effective policy tool

Date: June 8, 2017

Source: Association for Psychological Science

Summary: Governments around the world have increasingly turned to behavioral science to help address various policy problems -- new research shows that some of the best-known strategies derived from behavioral science, commonly referred to as "nudges," may be extremely cost-effective.



View more

Governments around the world have increasingly turned to behavioral science to help address various policy problems -- new research shows that some of the best-known strategies derived from behavioral science, commonly referred to as "nudges," may be extremely cost-effective.

npr

the salt WHAT'S ON YOUR PLATE

EATING AND HEALTH

Food Pantries Try Nutritional Nudging To Encourage Good Food Choices

November 7, 2016 - 1:10 PM ET
Heard on All Things Considered

COURTNEY COLLINS

FROM KEBA



...to encourage good food choices. ...nutritional nudging ...to encourage good food choices.

An Introduction to Behavioral Economics

Defining 'Nudging'

nudge

verb | \ˈnɛʃ\

DEFINITION An intervention that tips the balance in favor of an optimal decision

An Introduction to Behavioral Economics

Defining 'Nudging'

Think of it this way

Small **changes** in an environment can make it **easier** for people to make **decisions** without taking away **choice**

An Example to Get Us Started

Coffee Punch Cards and the 'Illusion of Progress'



20%

Less time to complete the 12-stamp card with two bonus punches

Pulling Back the Curtain

Why Does a 'Trick' Like That Work?

cognitive bias

A mental shortcut that deviates
from rational thinking

Innate

Invisible

Irresistible

Environments Perfect for Nudging

Situations That Challenge Rational Decision-Making Processes

Nudges are good for decisions and actions that:

College is a textbook definition



Are complicated and new

"Wow, there are all these new responsibilities I've never had to deal with before."



Have consequences that are difficult to perceive

"Did I declare the right major?"



Have costs/benefits that are not easily understood

"Do I take out more loans now and pay them off later? Or do I take on more work study?"

What a Nudge Is NOT

Neither Text nor Shove, and Definitely Not a Miracle

A nudge is **NOT**...



Specific to any
one channel



Coercive



A **silver bullet**

Today's Focus

Five Cases of Nudging in Action



Cognitive Bias



Nudge Tactic

Drowning in Information Overload

Channeling Attention to What Matters



COGNITIVE BIAS

Cognitive depletion

- ▶ Overwhelming amounts of information fatigue our ability to make decisions



NUDGE TACTIC

Salience nudge

- ▶ Channels limited attention toward the most important information

Exhausting Your Mental Resources

Complicated Forms with Dense Terminology Fatigue Our Attention Spans



INCOME-DRIVEN REPAYMENT PLAN REQUEST:

Income-Based Repayment (IBR), Pay As You Earn, and Income-Contingent Repayment (ICR) plans for the William D. Ford Federal Direct Loan (Direct Loan) Program and Federal Family Education Loan (FFEL) Program

OMB No. 1845-0102
Form Approved
Exp. Date 11/30/2015

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

SECTION 1: BORROWER IDENTIFICATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN - -

Name

Address

City, State, Zip Code

Telephone - Primary

Telephone - Alternate

E-mail (optional)

SECTION 2: REPAYMENT PLAN OR RECERTIFICATION REQUEST

Before completing this form, carefully read the entire form. Return the completed form and any required documentation to the address shown in Section 7. You may be able to complete your request online by visiting StudentLoans.gov.

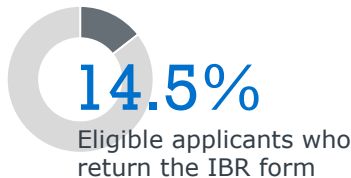
Other repayment plans may be available and may offer a lower monthly payment amount. You may pay more interest over time under an income-driven plan and may have to pay federal income tax on any loan amount forgiven under an income-driven plan. A calculator is available at StudentAid.gov/repayment-estimator to estimate your payment amounts under all available repayment plans.

1. Please select the reason that you are completing this request by checking box a, b, or c, below.
- a. I am requesting a repayment plan based on my income - Check the plan(s) you are requesting below and then continue to item 2.

Income-Driven Repayment Plan	Direct Loan Program Loans	FFEL Program Loans
IBR	<input type="checkbox"/>	<input type="checkbox"/>
Pay As You Earn	<input type="checkbox"/>	Not Available
ICR	<input type="checkbox"/>	Not Available
I request that my loan holder determine which of the above plans I am eligible for, and place me on the plan with the lowest monthly payment amount.	<input type="checkbox"/> Only IBR is available for FFEL Program loans	

Your request will apply to all of your loans that are eligible for the plan you choose. You will need to choose a different repayment plan for loans that are not eligible for an income-driven repayment plan (see section 9) or those loans will be placed on the standard repayment plan.

- b. I am submitting annual documentation for the recalculation of my monthly payment amount under my current repayment plan - Continue to item 2.



Using Visual Design to Deploy Salience Nudges



**START
HERE**

This is the form for **Income Based Repayment**, a government program that means you can make more affordable payments on your student loan(s) for a while. This folder will help walk you through the application. If you have any questions don't hesitate to call us at (800) 236-2700.

1

Talk to us on the phone.

2

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN - -

Name

Address

City, State, Zip Code

Telephone - Primary

Telephone - Alternate

E-mail (optional)

3

Check the box to apply for lower student loan payments based on your income.

Income-Driven Repayment Plan	Direct Loan Program Loans	FFEL Program Loans
IBR	<input type="checkbox"/>	<input type="checkbox"/>
Pay As You Earn	<input type="checkbox"/>	Not Available
ICR	<input type="checkbox"/>	Not Available
<input type="checkbox"/>		
Only IBR is available for FFEL Program loans		

4

If no is already checked, check this box to ensure you receive the plan that will reduce your monthly payments the most.

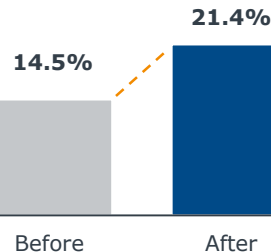
Just **so you know**, no matter what you choose for any of these questions, **you can always change it later.** ☺



ideas ⁴²

48%

Increase in completed applications



Source: ideas42, "Boosting Timely Loan Repayment: Education on Debt Relief Options," June 2016 Brief.

A Long and Confusing Form?

Sounds Familiar...

July 1, 2017 – June 30, 2018

Federal Student Aid FREE APPLICATION for FEDERAL STUDENT AID

FAFSA[®]

Step One (Student): For questions 1-31, leave any questions that do not apply to you (the student) blank. OMR # 1845-0001

Your full name (exactly as it appears on your Social Security card; if your name has suffix, such as Jr or III, include a space between your last name and suffix).

1. Last name 2. First name 3. Middle initial

Your permanent mailing address

4. Number and street (include apt. number)

5. City (and country if not U.S.) 6. State 7. ZIP code

8. Your Social Security Number **See Notes page 9.** 9. Your date of birth MONTH DAY YEAR 10. Your telephone number

Your driver's license number and driver's license state (if you have one)

11. Driver's license number 12. Driver's license state

13. Your e-mail address. If you provide your e-mail address, we will communicate with you electronically. For example, when your FAFSA has been processed, you will be notified by e-mail. Your e-mail address will also be shared with your state and the colleges listed on your FAFSA to allow them to communicate with you. If you do not have an e-mail address, leave this field blank.

14. Are you a U.S. citizen? Yes, I am a U.S. citizen (U.S. national). **Skip to question 16.** No, but I am an eligible noncitizen. **Fill in question 15.** No, I am not a citizen or eligible noncitizen. **Skip to question 16.**

15. Alien Registration Number

16. What is your marital status as of today? I am single. I am separated. I am married/ remarried. I am divorced or widowed.

17. Month and year you were married, separated, divorced or widowed. MONTH YEAR

18. What is your state of legal residence? STATE 19. Did you become a legal resident of this state before January 1, 2017? Yes No

20. If the answer to question 19 is "No," give month and year you became a legal resident of that state. MONTH YEAR

21. Are you male or female? Male Female Register me:

22. If female, skip to question 23. Most male students must register with the Selective Service System to receive federal aid. If you are male, age 18-25 and not registered, fill in the circle and we will register you. **See Notes page 9.**

23. Have you been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid (such as grants, work study, or loans)? No Yes

Answer "No" if you have never received federal student aid or if you have never had a drug conviction for an offense that occurred while you were receiving federal student aid. Answer "Yes" for convictions and submit this application, and we will send you a worksheet to help you determine if your conviction affects your eligibility for aid. If you are unsure how to answer this question, call 1-800-433-3243 for help.

Some states and colleges offer aid based on the level of schooling your parents completed.

24. Highest school completed by Parent 1 Middle school or high High school College or beyond Other/unknown

25. Highest school completed by Parent 2 Middle school or high High school College or beyond Other/unknown

26. What will your high school completion status be when you begin college in the 2017-2018 school year?

High school diploma. **Answer question 27.** Home-schooled. **Skip to question 28.**

General Educational Development (GED) certificate or state certificate. **Skip to question 28.** None of the above. **Skip to question 28.**

FAFSA's Complexity Deters Aid-Eligible Students from Applying

23%

Percentage of students who cite insufficient information on how to apply for financial aid

42%

Percentage of Pell-eligible community college students who never complete a FAFSA

Davidson JC, "Why Community College Students Are So Poor But Only 16.9% Received Federal Pell Grants," Community College Journal of Research and Practice, 38, no. 7, (2013): 503-513; Sen-Gupta G, "Students Leave Over \$2.9 Billion In Free College Money On The Table," Nerdwallet, January 12, 2015, <http://www.nerdwallet.com/blog/nerdscholar/2015/afsa-college-money-left-on-table/>

Feeling Stuck with Decision Paralysis

Grease the Wheels by Asking About Intentions



COGNITIVE BIAS

Decision deferral

- ▶ Delaying action when faced with choices that are difficult to understand



NUDGE TACTIC

Mere-measurement effect

- ▶ When people are asked what they intend to do, they are more likely to follow through on the action

Text Messages: The Best Known Nudge Channel

Arapahoe Community College's Early Experiments Show Promising Results



Text-Messaging Campaign Pilots

Arapahoe Community College started designing campaigns with text-message nudges.

Appointment Reminder for
General Advising 11:00-
11:30 a.m.

You might be ready to
apply for graduation.

Significant Increase in Follow-Through

50%

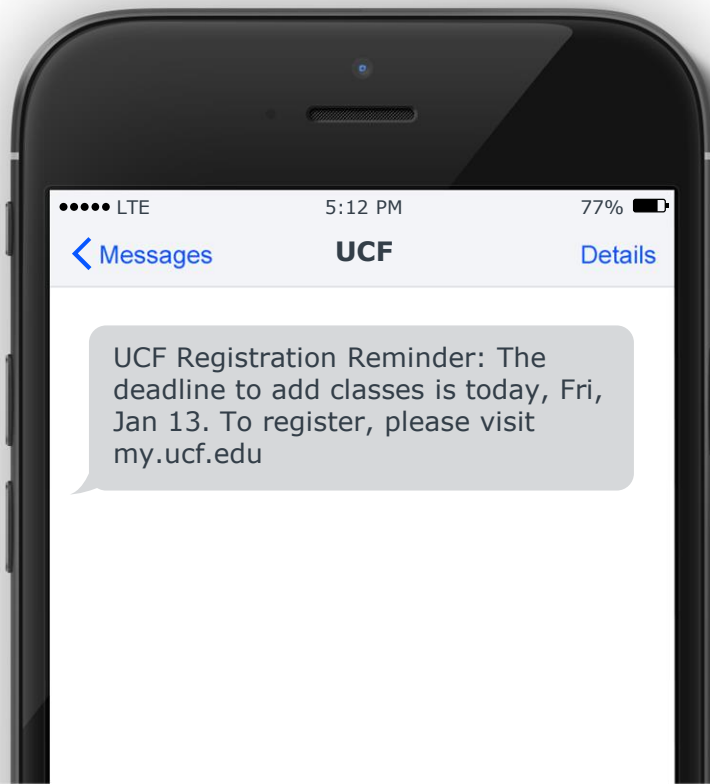
Students in the group who got text reminders to set an appointment with an academic advisor were 50% more likely to take action



Hear Arapahoe's case
study at 3:00 p.m.

Not Just a Text Message

Experimenting with Text for a Registration Campaign



260

Students contacted

15

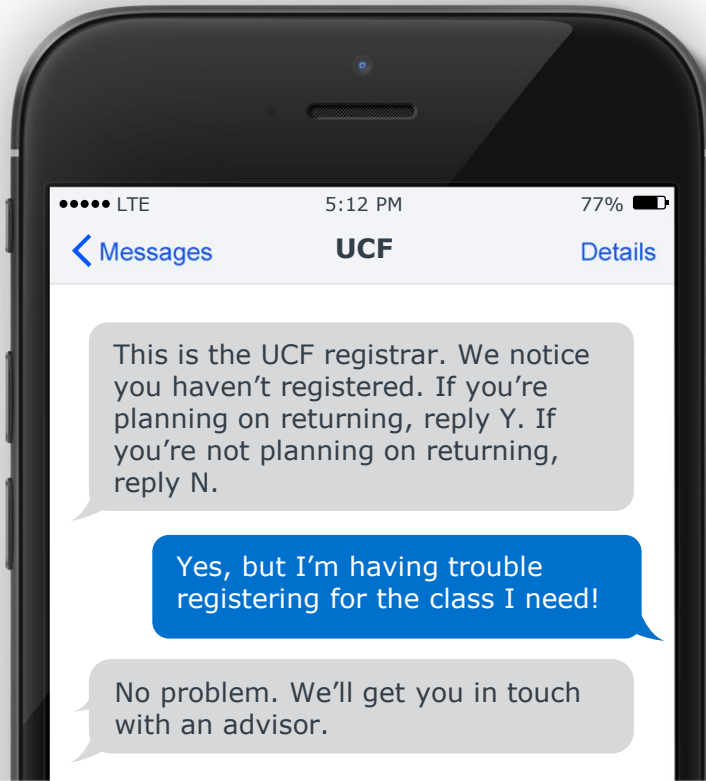
Students registered



Registration rate

Not Just a Text Message

Experimenting with Mere-Measurement Effect for a Registration Campaign



655

Students contacted

70%

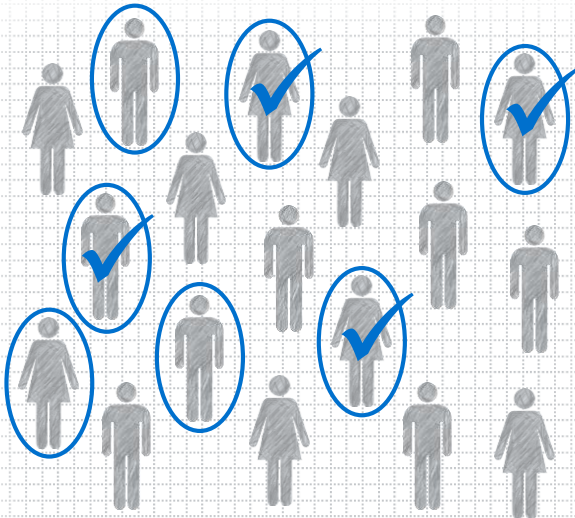
Response rate

458

Students registered

Designing a Mere-Measurement Nudge

Not Simply Phrasing Your Subject Line as a Question



Key Design Components

- ✓ Relevance to a targeted student population
- ✓ Urgency in timing
- ✓ Immediately actionable

Forgetting About Delayed Consequences

Making the Future Present



COGNITIVE BIAS

Present bias

- ▶ The tendency to favor immediate reward at the expense of long-term payoff



NUDGE TACTIC

Smart disclosure

- ▶ Frames trade-offs in concrete terms

‘Now’ Mentality Impacts Money Management

Overvaluing Immediate Rewards over Long-Term Financial Wellness

People Struggle to Prioritize Future Well-Being...



Limited Cognitive Horizon

Inability to envision the needs of their future selves



Time Inconsistency

Inability to prioritize future needs against current needs

...Leading Them to Spend Their Financial Aid Check Before the Term Ends



“Whenever financial aid refund checks went out, students were very happy at first, but then after a week or so, their attitude dropped and student culture shifted. **There was no approach to help students spend their money. They would get their aid, spend it, and then didn’t know what to do next.**”

Ilia Cordero, Assistant Director of Financial Aid Services
Valencia College

Expose Students to Smart Disclosure Nudges

Financial Literacy Interventions Support Better Student Decisions



Peer-to-Peer Financial Advising

Part-time students hired and trained as financial literacy ambassadors



Embedded Financial Literacy Curriculum

Online financial course modules embedded in FYE success course



Interactive Programming

Monthly skill shops and campus events like "Spooky Finances" haunted house and all-thrifty fashion show



On-Campus Reminders

Lunchboxes and vending machine stickers encouraging students to stretch their dollars

VALENCIA COLLEGE

31%

Drop in Valencia's **cohort default rate** since program launch in 2009



Want to learn more?
Attend Advancing Equity Pt. II at 3 p.m.

'This Will Take Only a Minute'

Breaking Projects Apart into Components



COGNITIVE BIAS

Planning fallacy

- ▶ Chronic underestimation of time involvement, which results in procrastination



NUDGE TACTIC

Segmentation effect

- ▶ Divides a large and complex task into manageable subtasks with intermediate deadlines



College: A Never-Ending Series of New Events

Time Management Is Difficult When Duration and Sequence Are Unclear

Accept your financial aid award

Pay enrollment deposit

Pay your tuition

Learn to use your LMS effectively

Submit your FAFSA for next year

Get a parking pass

Complete placement testing

Complete your medical paper

Register for orientation

Submit final transcripts

Come Week

Complete online modules

Complete student health insurance

Submit transcripts to earn credit

Apply for on-campus housing

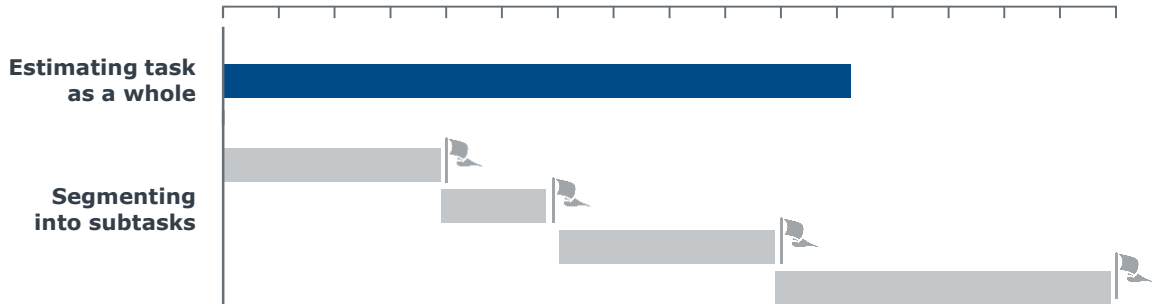
Get your books and supplies

Consider signing a student privacy waiver

The Causes of Planning Fallacy...

...and Ways to Combat Its Tendencies

Estimated Time to Completion



Optimism About Ourselves

We tend to believe in the best-case scenario and positively assess our own capabilities and drive.



Imagine Someone Else

We more accurately estimate for others than ourselves and consider possible setbacks more.



Reliance on Forward Thinking

Predictive thinking focuses on the future, obscuring past experiences.



Compare with Similar Past Experiences

Comparing past experiences with similar tasks results in more accurate estimates.

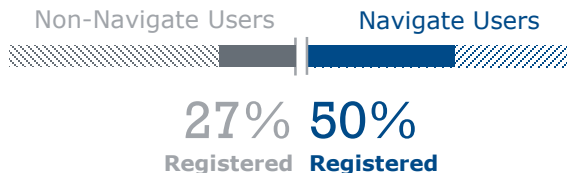
The Satisfaction of Checking it Off

Navigate's MyPath Segments Onboarding into Manageable Steps



Hear Pikes Peak
present at 3 p.m.

Applicants Were **Twice as Likely** to Register if They Used Navigate



And More Likely to Complete Essential Tasks

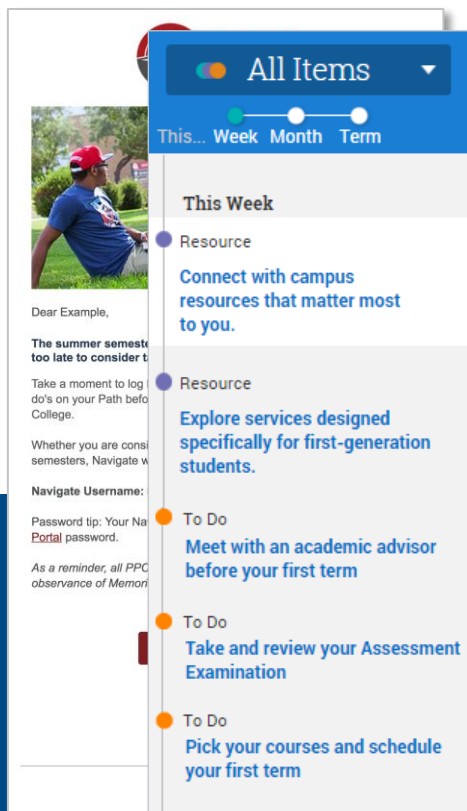
16%

Increase in **FAFSA Applications**¹

(2,331 FAFSA link clicks from Navigate MyPath)

7%

Increase in **advising sessions for new students**¹



All Items ▾

This... Week Month Term

This Week

- Resource
Connect with campus resources that matter most to you.
- Resource
Explore services designed specifically for first-generation students.
- To Do
Meet with an academic advisor before your first term
- To Do
Take and review your Assessment Examination
- To Do
Pick your courses and schedule your first term

1) Increases from fall 2016 to fall 2017

Fear of Missing Out, or 'FOMO'

Using Social Conformity for Good



COGNITIVE BIAS

Herding

- ▶ Interpreting the actions of others—especially a large group—as the right actions



NUDGE TACTIC

Social norming

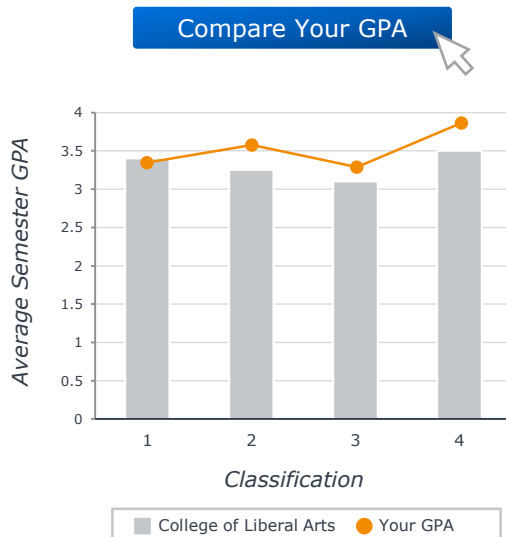
- ▶ Leverages people's tendency to conform to others' actions to produce a desired behavior

The Irresistible Allure of Comparing Yourself

Purdue's Forecast Encourages Students to Compare Course Grades

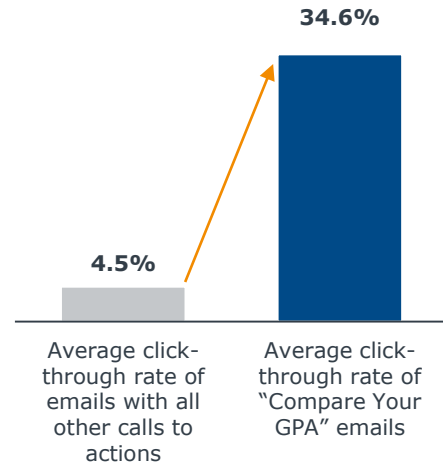
The Setup

Email nudges were sent to students once each semester, encouraging them to check their own GPA by comparing it to their classmates' grades



PURDUE
UNIVERSITY

Campaign Results



Taking Social Norming to the Next Step

Creating Behavioral Change Through Injunctive Norming



Descriptive norm

States objective behavior so students can perceive actions of others more accurately

Seventy-two percent of Whitehurst students devote 2 hours a week per class to studying.



Injunctive norm

Observes a socially approved behavior, implying that certain behaviors are more desirable than others

Students who seek tutoring finish the semester with an average 0.25 point higher GPA. Schedule a tutoring appointment now: <http://whu.edu/tutor>

What Not to Do When Nudging

Instead, Prioritize Precision, Concision, and Connection



Kitchen sink
approach



Over-nudging



Displace **existing**
support services

Where to Go from Here

'Nudging' Your Student Success Challenges



**Think About Barriers
and Bottlenecks**



**Talk to Your Students
and Look at Your Data**



Get Started



Share Your Nudges

Have you already been deploying nudges but didn't know it?
Email ayi@eab.com and let us know!



Washington DC | Richmond | Birmingham | Minneapolis

202-747-1000 | eab.com