The Power of the Nudge

Designing Behavioral Interventions for Student Success

Student Success Collaborative

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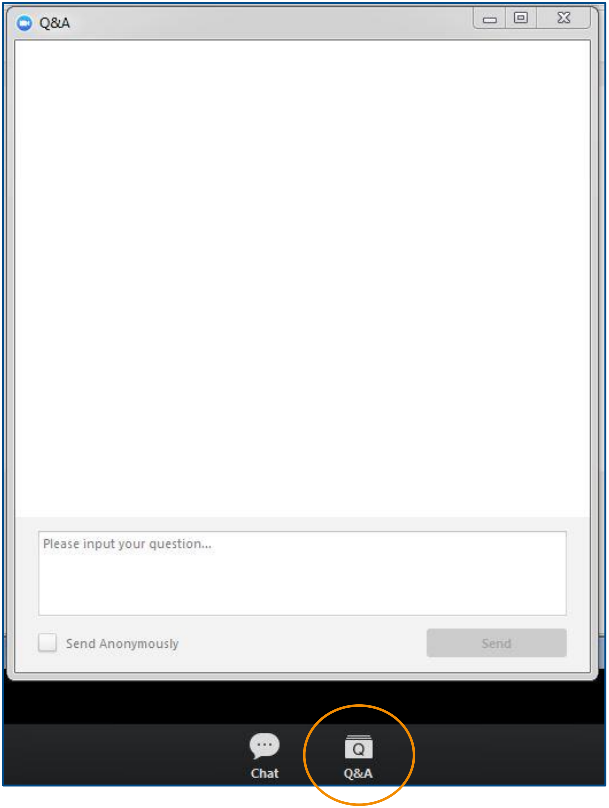
Asking a Question

To ask the presenter a question, navigate to the Q&A button at the bottom of your screen and type it into the Q&A Panel.

After the webinar, a member of our team will be in touch to follow-up on your questions individually.

Type your question here



EAB

Start with best practices research

- Research Forums for presidents, provosts, chief business officers, and key academic and administrative leaders
- At the core of all we do
- Peer-tested best practices research
- Answers to the most pressing issues

Then hardwire those insights into your organization using our technology & services

Enrollment Management

Our **Enrollment Services** division provides data-driven undergraduate and graduate solutions that target qualified prospective students; build relationships throughout the search, application, and yield process; and optimize financial aid resources.

Student Success

Members of the **Student Success Collaborative** use research, consulting, and an enterprise-wide student success management system to help students persist, graduate, and succeed.

Growth and Academic Operations

Our **Academic Performance Solutions** group partners with university academic and business leaders to help make smart resource trade-offs, improve academic efficiency, and grow academic program revenues.

1.2B+
Student interactions annually

1M+
Individuals on our student success management system

1,300+
Institutions we are proud to serve

1
Goal: Make education smarter

Your Speakers

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Associate Director

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Nudging: It's Everywhere

A Look at Nudging in the News

The Economist

Nudge comes to shove

Policymakers 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 - 04/23/17 06:00 AM EDT

ScienceDaily

Your source for the latest research news

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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 --

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 KERA

Defining ‘Nudging’

nudge

verb | \ˈnəj\

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

Source: Kivetz R, O Urminsky, and Y Zheng (2006), "The Goal-Gradient Hypothesis Resurrected: Purchase Acceleration, Illusionary Goal Progress, and Customer Retention," *Journal of Marketing Research*: February 2006, Vol. 43, No. 1, pp. 39-58.

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?"*

Source: Thaler R and C Sunstein, *Nudge: Improving Decisions About Health, Wealth, and Happiness*, New Haven, CT: Yale University Press, 2008.

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

1

Exhausting Your Mental Resources

Complicated Forms with Dense Terminology Fatigue Our Attention Spans

IDR

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	☐	☐
Pay As You Earn	☐	Not Available
ICR	☐	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.	☐ 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.

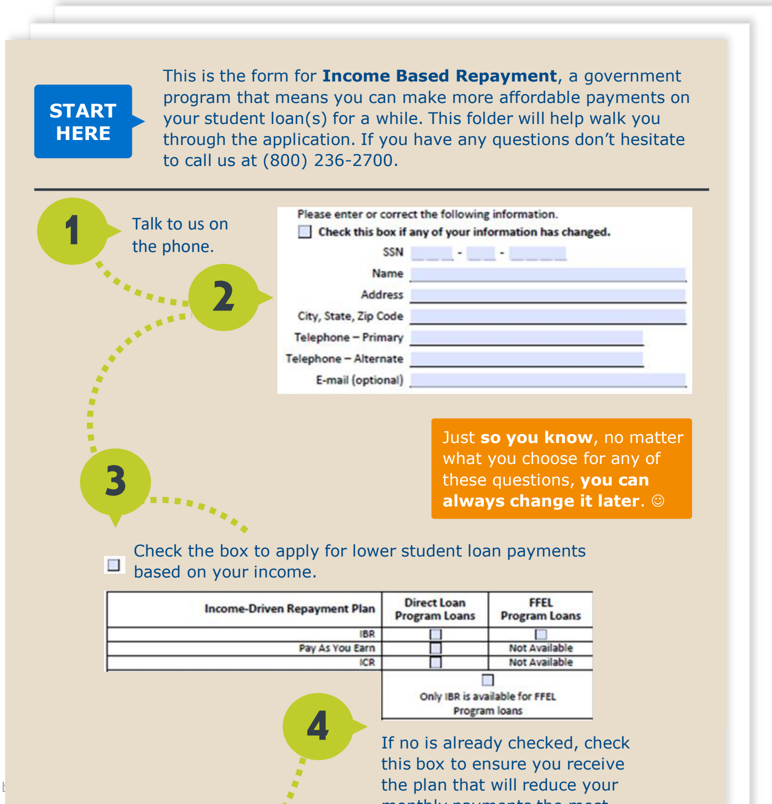
b. ☐ I am submitting annual documentation for the recalculation of my monthly payment amount under my current repayment plan – Continue to item 2.

GREAT LAKES

14.5%
Eligible applicants who return the IBR form

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

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)

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

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	☐	☐
Pay As You Earn	☐	Not Available
ICR	☐	Not Available
	☐ 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

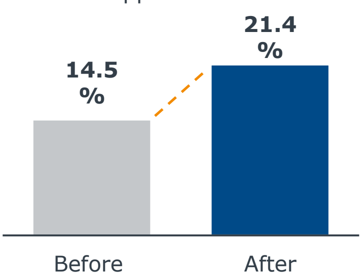
GREAT LAKES

\+

ideas42

48%

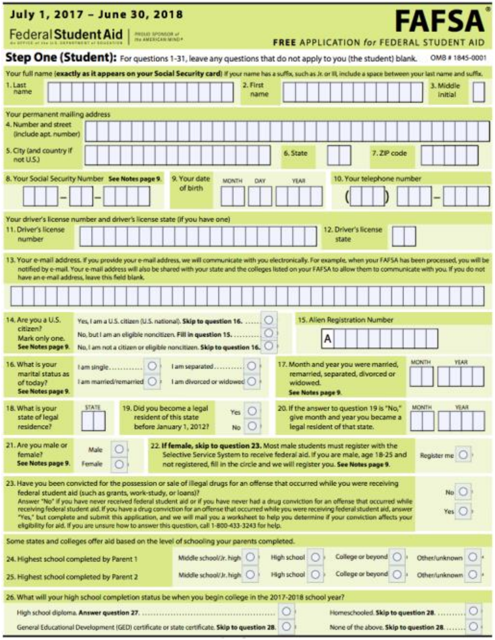
Increase in completed applications



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

A Long and Confusing Form?

Sounds Familiar…



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/fafsa-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

Source: Greenwald A, M Klinger, M Vande Kamp, and K Kerr. (1988). "The self-prophecy effect: Increasing voter turnout by vanity-assisted consciousness raising." Unpublished manuscript, University of Washington, Seattle.

Text Messages: The Best Known Nudge Channel

Arapahoe Community College's Early Experiments Show Promising Results

ACC
ARAPAHOE COMMUNITY COLLEGE

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.

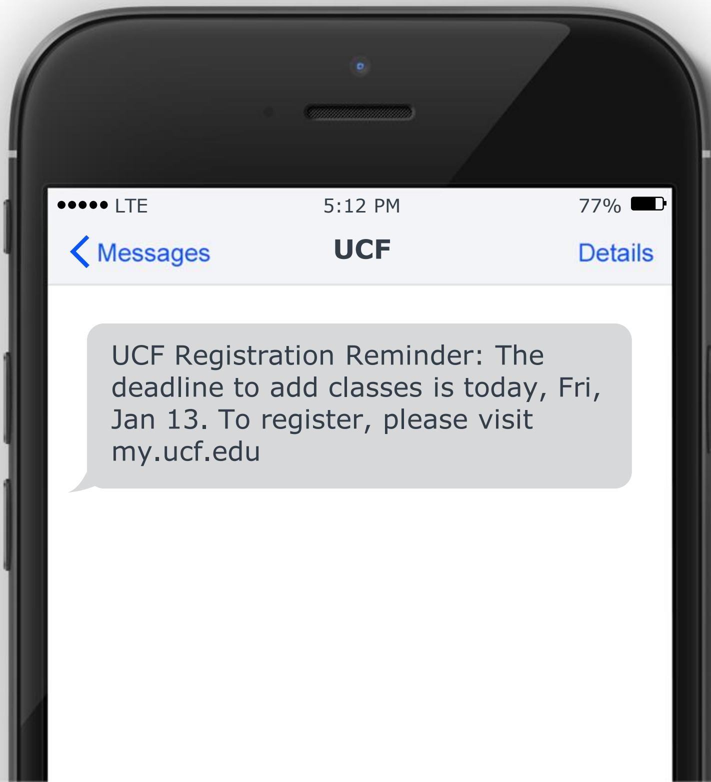
Significant Increase in Follow-Through

50%

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

Not Just a Text Message

Experimenting with Text for a Registration Campaign



UCF

260
Students contacted

15
Students registered

6%
Registration rate

Not Just a Text Message

Experimenting with Mere-Measurement Effect for a Registration Campaign

655
Students contacted

Not Just a Text Message

Experimenting with Mere-Measurement Effect for a Registration Campaign

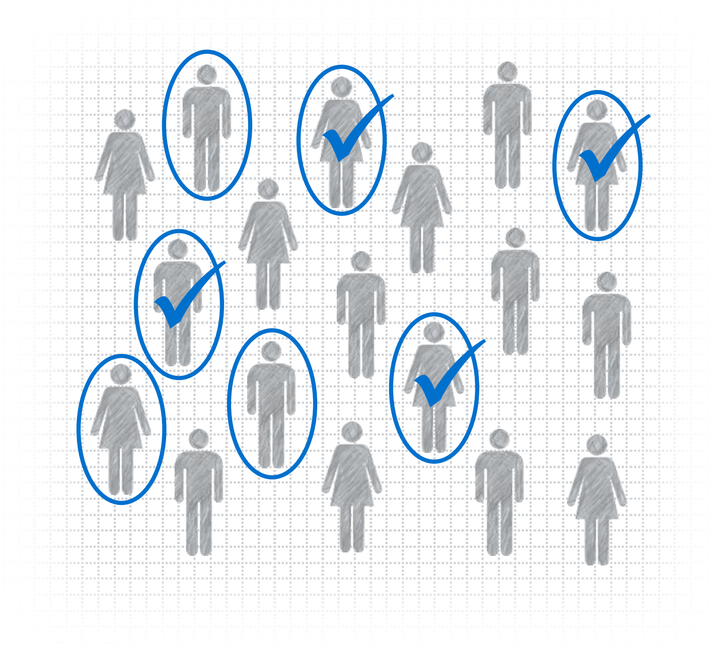
655
Students contacted

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

Consequences of Loans Are Distantly Felt

Excessive Debt Accumulated Because Pain Comes Later

Total Student Debt

$1.3 Trillion

Average Debt Burden: **$30,000**

Standard Repayment: **10 years**

Current Requirements:
Entrance Counseling

- × Only teaches a glossary of terms
- × Isn’t tailored to students’ individual circumstances
- × Provides no guidance on right mix of college funding sources

Deploying a Smart Disclosure Nudge

Indiana University's Annual Loan Letter Puts Debt in Concrete Terms

Dear Cody,

This is a personalized summary of your estimated current student loan indebtedness. This information is being provided to you before you take on additional debt for the upcoming academic year.

Estimated Student Debt Burden

$12,000

Estimated Monthly Payment–All Loans

Monthly Payment Amount $138.10

Standard Repayment Term . . . 10 years

Assumed interest rate 6.8%

To learn more about managing your student debt, visit http://moneysmarts.iu.edu

~$100M

Reduction in student loans over 4 years

45%

Percentage of students who graduate with no debt (compared to 30% nationally)

Source: http://www.chronicle.com/article/Sending-Students-a-Letter/237028

‘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

4

Source: Forsyth D and C Burt (2008), “Allocating time to future tasks: The effect of task segmentation on planning fallacy bias.” Memory & Cognition:2008, Vol. 36, No. 4, pp. 791-798.

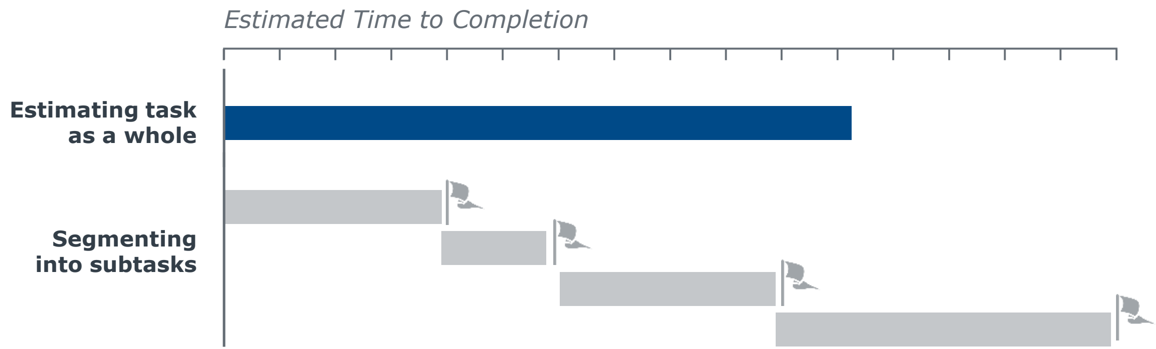
College: A Never-Ending Series of New Events

Time Management Is Difficult When Duration and Sequence Are Unclear

- Pay your tuition
- Pay enrollment deposit
- Learn to use your LMS effectively
- Accept your financial aid award
- ubmit your FAFSA for ext year
- Get a parking pass
- Complete placement testing
- Complete your medical pape
- Register for orientation
- Submit final transcripts
- come Wee
- Submit transcripts to earn credit
- Complete online modules
- lete student hea insu nce
- 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



Optimism About Ourselves → **Imagine Someone Else**

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

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

Reliance on Forward Thinking → **Compare with Similar Past Experiences**

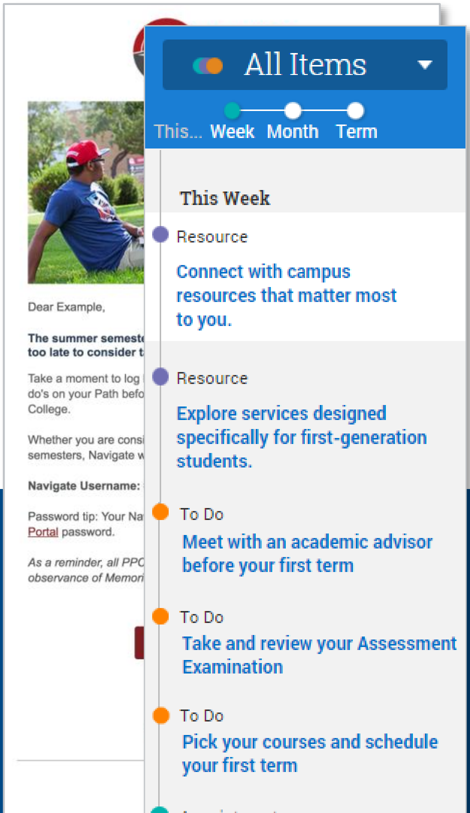
Predictive thinking focuses on the future, obscuring past experiences.

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

Source: Buehler R, D Griffin, and M Ross (1994), "Exploring the 'Planning Fallacy': Why People Underestimate Their Task Completion Times," *Journal of Personality and Social Psychology*: 1994, Vol. 67, No. 3, pp. 366-381.

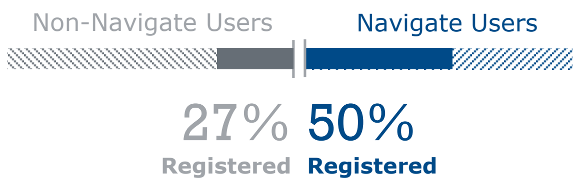
The Satisfaction of Checking it Off

Navigate’s MyPath Segments Onboarding into Manageable Steps



PIKES PEAK COMMUNITY COLLEGE

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]

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

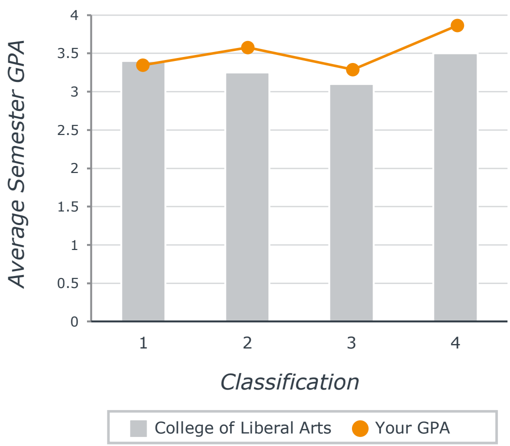
The Irresistible Allure of Comparing Yourself

Purdue's Forecast Encourages Students to Compare Course Grades

The Setup

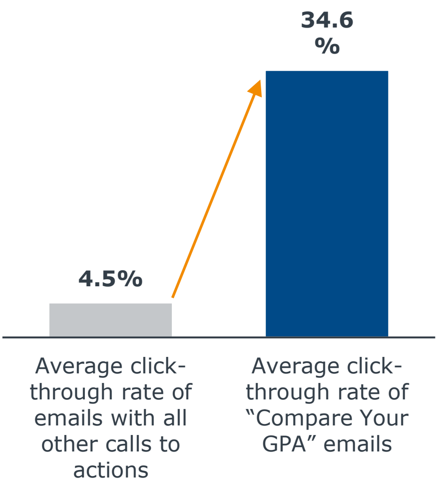
Email nudges were sent to students once each semester, encouraging them to check their own GPA by comparing it to their classmates' grades

Compare Your GPA



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!

Please Fill Out the Exit Survey!

- As you exit the webconference, you will receive an email with a link to our survey.
- Please take a minute to provide your thoughts on the presentation.

THANK YOU!

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