Using Behavioral Economics to Do Good
WHAT IS ideas®?
Sendhil Mullainathan
Harvard University

Antoinette Schoar
MIT Sloan

Eldar Shafir
Princeton University
USING BEHAVIORAL ECONOMICS TO DO GOOD

Academic Theories -> REAL WORLD PROBLEMS -> To Help Millions of People

We work in the areas of:

- Criminal Justice
- Economic Opportunity
- Education
- Energy & Environment
- Health
“EXCELLENT AIRMEN COMMIT NO ERRORS”
CONTEXT MATTERS – A TON
odd choice.
TWO THINGS TO REMEMBER

Little Details

A Great Deal

A MASSIVE AMOUNT!
FOCUS FIRST ON PSYCHOLOGY – GET IT RIGHT
We define problems without assumptions and at the right level – not to narrowly and not too broadly.
We diagnose with the right psychology before we design solutions
We rigorously test our designs to ensure they have an effect, and to learn how to improve them.
CASE STUDY: AGE DISPERATE SEXUAL RELATIONSHIPS

Figure 1: HIV prevalence by age and sex, South Africa, 2012

- DEFINE
- DIAGNOSE
- DESIGN
- TEST
YAKHO ...
“SUGAR DADDIES”
DESTROY LIVES

FIGHTING DISEASE, FIGHTING POVERTY, GIVING HOPE
DIAGNOSE: RISK MISPERCEPTIONS

COMMON DIAGNOSIS

DIAGNOSE:
- RISK
- MISPERCEPTIONS

ALTERNATIVE DIAGNOSIS

DEFINE → DIAGNOSE → DESIGN → TEST
COMMON DIAGNOSIS

WRONG MENTAL MODEL:
Young women think older men are safer than younger men.

ALTERNATIVE DIAGNOSIS
Assumption 1: People who are promiscuous are more likely to have HIV/AIDS.

Assumption 2: Younger people are more promiscuous than older people.

Conclusion: Younger people are more likely to have HIV/AIDS.
### Design Goals
- Go beyond effects from classroom-based experiments
- Make understanding rapid and instinctual
- Generate excitement and peer-to-peer sharing of knowledge

### Design Solutions
- Gamification
- People better retain self-generated concepts (generative learning)
- Repeated exposure
- Immediate feedback

---

**Game Prototype: Mockup of Question**

Who is more likely to have HIV?
A man who is 38 years old, or a woman who is 36 years old?

- [ ] 38 year old man
- [ ] 36 year old woman

*A 36 year old woman is 48% more likely to have HIV*
CORRECTED MISPERCEPTIONS RELATED TO HIV PREVALENCE

Who is more likely to have HIV?

<table>
<thead>
<tr>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>10%</td>
<td>90%</td>
</tr>
<tr>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>70%</td>
<td>30%</td>
</tr>
<tr>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>

REDUCTION IN PERCEIVED IDEAL AGE OF PARTNER

Ideal partner is 3+ years older

<table>
<thead>
<tr>
<th>Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>30%</td>
<td>0%</td>
</tr>
</tbody>
</table>

TEST: KEY EXPERIMENT RESULTS
Girls in the treatment group were **significantly** more likely to answer correctly (85% versus 47%) even 3 months later.
TAKEAWAYS

• The mental models we use will dictate how we see the problem and consider solutions

• The context matters – a lot!

• The details, no matter how small, are important

• Get the psychologies right first, and then design
Financial Aid: Community College of Philadelphia

ideas42 is partnering with the Community College of Philadelphia to encourage academic success and degree completion
ongoing projects

Ford / MIT Fuel Economy Study

ideas42 is partnering with academics to examine how fuel economy and cost information affect vehicle-purchasing decisions
ONGOING PROJECTS

NYPD and NIJ: Hot Spot Policing

ideas42 is partnering with the University of Chicago and the NYPD to examine how impact zone policing works, and how to improve it.
ONGOING PROJECTS

Family Planning and Reproductive Health: MSI - Nepal

ideas42 is partnering with MSI-Nepal to increase uptake of family planning following the provision of safe abortion services in 36 clinics in urban and rural Nepal.
THANKS!

Come check us out at ideas42.org
Twitter: @ideas42