EENEE POLICY BRIEF 1/2017

MAY 2017

Does Nudging Change Educational Decisions?

Mette Trier Damgaard [Aarhus University – mdamgaard@econ.au.dk] Helena Skyt Nielsen [Aarhus University – hnielsen@econ.au.dk]

Educational decisions involve immediate costs and potential future benefits. Research suggests that behavioral barriers such as lack of self-control, limited attention, and social norms are likely to influence choices. This raises the question whether low-cost "nudges" can improve people's educational choices. While interventions targeting cognitive or attentional limitations seem to be effective, it is too soon to provide recommendations on how to introduce nudges in the education sector.

The recent round of PISA scores reveals persistent and increasing underachievement among youths in many European countries. Hence, the EU target of less than 15 percent low performers in each of the assessment areas has moved further away. In addition, recent research has emphasized the need for a stronger focus on non-cognitive or socio-emotional skills from early life throughout the educational career.

These issues point at a need for knowledge about how to gently push youths towards greater skill attainment, more long-sighted educational decisions and lower drop-out rates.

BEHAVIORAL BARRIERS LIKELY TO INFLUENCE EDUCATIONAL DECISIONS

Research in economics and psychology has identified a number of important behavioral barriers that influence decision making – for example, self-control problems (i.e. the inability to control emotions and behavior when facing temptations and impulses), loss aversion, social preferences, biased beliefs, default bias (i.e. the tendency for people to stick to the default option), as well as cognitive and attentional limitations. These barriers may be particularly relevant for educational decisions that are taken at young ages when the brain is not yet fully developed. Self-control problems are, for example, especially pronounced for children and adolescents and can explain why some students do not study adequately or drop out of school. Some behavioral barriers (e.g. lack of selfcontrol or cognitive and attentional limitations) are also correlated with low socio-economic status (SES), which could make it more difficult to influence the behavior of this group with traditional policy tools (e.g. taxes, subsidies, and bans) because the presence of behavioral barriers alters the response to these policies.

TO NUDGE OR NOT TO NUDGE?

Nudging interventions alter people's behaviors in a predictable way without forbidding any options or significantly changing their economic incentives. Examples include the use of reminders, intermediate deadlines, changing default settings, new framing of information, etc. (see Figure overleaf). Policies using nudging have received a lot of attention from both academics and policy makers in recent years because of typically low implementation costs and early promising results. However, some have argued that nudges may influence people to make decisions that are not in their best interest and that the long-term effects may not be positive. As an alternative, some scholars have advocated to boost policies that mitigate behavioral biases by improving decision-making capabilities.



LITTLE NUDGING IN EDUCATION

Very few field interventions in education have used pure nudges such as defaults, deadlines, social nudges, priming, reminders, and framing. Therefore, it would be premature to make a general assessment of their effectiveness at this point. For some types of nudges, in particular social nudges and priming, it appears to matter greatly how they are being applied and effects may even be counterproductive.

ATTENTIONAL INTERVENTIONS SHOW PROMISE

Nudges and behavioral interventions show some promise in terms of triggering positive behavioral changes, although evidence so far is modest. Positive results are typically found for the interventions providing reminders, easy access to information, boosting of decision-making capabilities and assistance, coaching, and mentoring. Common for these interventions is that they target attentional and cognitive limitations (sometimes in addition to other behavioral biases) and often have the potential to improve decision making.

WHO BENEFITS?

Generally, interventions seem most effective at changing the behavior of individuals who are close to behaving as desired. There is also some evidence that many of the interventions are most effective for students with low SES, perhaps because the scope for improvements is greatest for this group.

IMPLICATIONS FOR POLICY?

So far, research does not provide clean recommendations for introducing nudges in the education sector in the EU because of:

1. a general lack of research testing nudges and therefore a lack of firm conclusions about their effects;

2. potential issues of external validity in relation to randomized controlled trials;

3. little evidence from the European context.

Hence, further high-quality research on nudging and other behavioral interventions in different European countries and contexts is warranted.

For more details see: Mette Trier Damgaard, Helena Skyt Nielsen, *The use of nudges and other behavioural approaches in education*. EENEE Analytical Report 29, February 2017, http://www.eenee.de/dms/EENEE/Analytical_Reports/EENEE_AR29.pdf.

European Expert Network on Economics of Education (EENEE) Funded by the European Commission, DG Education and Culture



EENEE publications and further information at: http://www.eenee.org. – Coordination: Ifo Institute – Leibniz Institute for Economic Research at the University of Munich e.V., Poschingerstr. 5, 81679 Munich, Germany, Phone: +49-89-9224-1388, E-mail: eenee@ifo.de. © EENEE 2017. All rights reserved. Opinions expressed in this brief are those of the author(s) alone and not of the European Commission.

EENEE POLICY BRIEF 1/2017