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SMALL CHANGES FOR BIG IMPACTS

BEHAVIOURAL INSIGHTS FOR COMMUNITY CHANGE

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The second in a series on trends in Community Innovation, this paper covers the field of Behavioural Insights, Behavioural Economics, and Behavioural Psychology. By applying these lenses to the work of community change we can understand why people make the decisions they do and identify small, specific changes that we can make for big changes in behaviour.

Why is it that despite our best efforts, issues like poverty, homelessness, crime, and isolation persist in our communities? Have we not been trying hard enough? Have previous attempts been misguided? Or, are these issues endemic to human communities? For those who feel frustrated or at a loss for how to approach social change when previous attempts have made no difference, the field of Behavioural Insights offers a new lens through which we can understand why people make the decisions they do, why old patterns like poverty and crime persist, and more importantly through which we can see new possibilities for change. This paper provides a starting point for community changemakers to explore this field and understand how they might get started in applying this lens to understand the causes, contributions, and potential opportunities for community change.

USING BEHAVIOURAL INSIGHTS FOR COMMUNITY CHANGE

At the core of community change are individual behaviours. Whether we're interested in reducing crime rates, encouraging participation in community activities, increasing physical activity, or helping people save for their future, much of our work as community changemakers focuses on how we can support people to do things that benefit themselves and others.

For example, what would you do to increase the number of people who register as organ donors? Organ donation has the potential to save lives but not everyone who supports organ donation registers to be a donor. In the United Kingdom in 2013, for example, while 9 out of 10 people supported organ donation fewer than a third of people were registered (Harper). Perhaps an awareness campaign might help motivate people to take action, or maybe creating opportunities for people to register when they see their physician or renew their driver's license. But what if there was something much less expensive that

could have a greater impact?

One study published in *Science Magazine* in 2003 sought to understand that very question. The authors particularly wanted to know why countries like Denmark, the Netherlands, the UK and Germany had organ donation consent rates well below 30%, and other neighbouring countries like Austria, Belgium, France, and Sweden had rates at or above 98%. The critical difference they found was not culture, geography, or history, but the use of defaults. The countries with high consent rates used an 'opt-out' system, meaning that people are organ donors unless they register to not be. The countries with low consent rates used an 'opt-in' system, meaning that people are not organ donors unless they explicitly register to become one (Johnson).

This example is striking because we often assume that people's behavior is driven by their preferences – if people want to be organ donors they will do so, and if they do not they will also do so. Instead, this study shows that our behaviours may be much less strongly linked to preferences that we think, and instead are highly dependent on environmental factors such as the choices we are presented with, what we see other people doing, and how information is given to us. **The promise of Behavioural Insights work is that by understanding our collective cognitive biases we might effect radical changes in behavior through simple changes to our environments.**

UNDERSTANDING BEHAVIOURS

Applying Behavioural Insights (or its close relatives Behavioural Economics and Behavioural Psychology) to community change starts from some important premises:

1. That we often mistakenly believe that both our decisions as well as others' are rational (i.e., well considered and consistent with our beliefs)
2. That in fact our behaviours and others' are highly influenced by our environments
3. That understanding how our environments influence our behaviours in consistent and predictable ways will enable us to design environments that lead to desirable behaviours.

Applying a Behavioural Insights lens to the work of community change gives us a different perspective and set of possibilities for effecting change. While many change efforts often focus on building awareness and desire for change (e.g. 'educating' people about the importance of eating fruits and vegetables), applying a Behavioural Insights lens helps us consider alternate possibilities like making fruits and vegetables easier to access (e.g. at the checkout counter in grocery stores) or in making it harder to get alternatives (e.g. moving unhealthy snacks to the back of the store).

A Behavioural Insights lens can also help us reexamine the services we provide to community members and the way that we deliver them. If we want to improve sign-up and use of social programs like early childhood savings programs, food banks and pantries, or tax clinics, we can start by examining the barriers that block people from using these services: mental, emotional, physical, and social. The broader body of work of Behavioural Insights consistently shows that barriers like the need to fill out forms, attend appointments, or make conscious decisions to participate can all block people from using services, even if they value the service and intend to use it.

We may not need to change hearts and minds to change our communities. Instead, applying a Behavioural Insights lens might reveal that the design of a form, the way we talk about disability, or the

location of a community center in our community might have an outsized effect on the impacts we hope to make. Simply put, learning about and seeking to apply Behavioural Insights in your work may help you deliver greater impact with less effort.

> **Learning about and seeking to apply behavioural insights may help you deliver greater impact with less effort.**

BEHAVIOURAL INSIGHTS PRINCIPLES FOR COMMUNITY CHANGE

One helpful place to start for community changemakers is to explore some of the common ways that the study of behavioural psychology suggests our environments influence our behavior in relatively consistent ways. Understanding these biases can give changemakers a starting point for examining whether these biases may be at play in their own work and finding ways to overcome them to create change. The following are three of those concepts that may be most foundational to the work of community change.

Default Bias – "People pick the easiest option to avoid complex decisions. Defaults provide a cognitive shortcut and signal what people are supposed to do." (Centre for Advanced Hindsight)

Each additional choice or action we need to take profoundly affects our behaviour. The organ donation study mentioned earlier is one of the most striking examples of this bias in action. In the work of community change we often find ourselves asking people to make conscious choices such as signing up for a Registered Education Savings Plan (RESP), 529 plan, or other programs. Instead, understanding that the default option is likely to be the one that is taken gives us new ways of approaching these issues. What if families were automatically enrolled for registered education savings at birth, or if residents were automatically enrolled for supportive programs with the option to withdraw at any time? We might need to restructure the systems and supports we provide to make the desired decision the default, but doing so may have a much greater impact on behaviour than running an awareness campaign.

With this bias in mind, explore the defaults that are at play in your community and how they relate to the change you are trying to create. If no one in our community starts a conversation with us, we are defaulted into isolation. If I must fill out a form or sign up for a program, I am defaulted into not participating. A default requires no action, but in many situations we can affect what the default is. Consider the following: **What are the default choices that people in your issue area are given, and are they the ones that are most beneficial?**

Friction Costs – "People can be deterred from taking action by seemingly small barriers." (Centre for Advanced Hindsight)

A close relative of Default Bias, this principle highlights the importance of minimizing the barriers that people face to making beneficial choices or introducing barriers to deter action. Automatically renewing subscription plans are a great example of this principle in action – placing the onus on the subscriber to cancel a subscription, rather than allowing her to buy the number of installments that she needs is a fantastic way to encourage people to continue their subscriptions.

In a similar example, families who are signing up for the Canada Learning Bond, or CLB (an early childhood education savings program and government contribution), need to complete at least the following steps to access this money: (The Canada Learning Bond – Canada.ca)

1. Find out that the CLB exists
2. Decide to get a CLB
3. Get identification for their child (birth certificate or Social Insurance Number)
4. Open an RESP
5. Complete a CLB application form
6. Respond to any questions or issues that arise while the application is being reviewed
7. Provide updates if their contact information changes at any time (e.g. if the family moves)
8. Withdraw the CLB money when appropriate

Regardless of whether each of these steps is necessary for the CLB to achieve the desired social impact, each step creates a barrier that is likely to deter people from successfully completing the process. With this bias in mind, examine your own community and the change that you are focused on. What frictions are present, and are there any that can be removed? What are all of the steps and decisions that someone needs to make to support the social change that you are trying to effect, and how might you reduce these frictions?

“What are all of the steps and decisions that someone needs to make to support the social change that you are trying to effect?”

Friction costs also suggest that education or information are not always the solution to a given social challenge, though it is often a default for many of us. When people don’t act (e.g. by signing up for a CLB, or donating to our cause, or connecting with a neighbor) many changemakers assume that a lack of information or understanding of the benefits are to blame. However, as the CLB example illustrates, simply knowing about and understanding the benefits of a CLB are but one step in a much larger process.

Herding – “People tend to do what others are doing.”

(Centre for Advanced Hindsight)

Though we may think that we make our decisions as individuals, in fact we are highly influenced by our perceptions of what others are doing. (Banerjee) Whether we pay taxes, give money to charity, help our neighbours, go out to eat at restaurants, bicycle instead of taking the car, and recycle, may all be strongly influenced by what we believe others are doing.

If you live in Canada you may have seen the following in your notice of assessment from the Canada Revenue Agency: “Only one out of 10 individuals who owe tax do not pay on time” (Sanderson). This is a great example of the government using the Herding principle to influence behaviour in a desired direction. Telling you that the majority of people pay their taxes on time helps correct any misperceptions you might have about others’ behaviour (i.e. ‘paying my taxes late is no big deal, everyone does it.’) and also clearly signals that most people are doing what is desired. Similarly, if your utility bills tell you how your usage compares to others in your neighbourhood, this is another action based on the Herding principle. By making it clear what

> 'normal' use looks like, heavy users of these utilities may be encouraged to find ways to reduce their use. After all, if everyone else on your block is able to find ways to use less water, why aren't you?
>
> So, if we're trying to encourage community members to change their behaviour, drawing attention to what others are doing may be very powerful. This is most important when the desired behaviour is not a visible one. Imagine that we are trying to create a more inclusive, connected community, and one of the things we want to encourage is community members inviting others to their homes for dinner. This action, while powerful, is not openly visible to the rest of the community. To make this action visible we might provide participants in the program with a sign they can put on their lawn indicating that they have taken part or give them ways to share their experiences on social media.

The field of Behavioural Insights has surfaced many of these principles. If we are trying to encourage people to save more, we might make use of Loss Aversion: "People tend to try to prevent losses more than they try to make gains" (Centre for Advanced Hindsight). Rather than showing what people could save, we could instead show them what they effectively 'lose' by not saving. Similarly, if we're trying to encourage people to reduce household waste, we might tap into our understanding of Decision Paralysis: "When given too many options people tend to make the easiest decision, which is often no decision at all" (Centre for Advanced Hindsight). Rather than ask people to reflect on all the different ways that they might reduce household waste, we might see better results if we gave them two or three simple ones.

There are many more of these principles, and they provide a quick and actionable starting point for changemakers interested in new ways of approaching social change. If those above have been helpful, some of the best collections include a set of flash cards created by the Centre for Advanced Hindsight or Dr. Alain Samson's Mini Encyclopedia of Behavioral Economics.

CAVEATS AND LIMITATIONS

For those who are interested in exploring the potential of the lens of Behavioural Insights, there are some important caveats to bear in mind. First, while the principles described give us a helpful way of understanding behaviours and potential interventions, they are not wholly predictive. They don't tell us the *extent to which* changing defaults, frictions, or reinforcing social norms will change behaviour, merely that they are likely to and have in other situations. Similarly, in complex change situations it can be hard to conclusively assess which Behavioural Insights principle is dominant in creating the observed behaviours, so we will still have to determine that for ourselves.

Consequently, the field of Behavioural Insights focuses on scientific forms of testing and knowledge generation, such as Randomized-Control Trials. By carefully controlling and changing specific variables in a given process or environment (e.g. experimenting with four different messages to accompany notices of assessment) we can determine what the most effective interventions are, *and* at which points in the process our interventions have the greatest effect. However, in highly complex change situations where there are numerous competing influences and confounding factors, this level of specificity may not be achievable or practical. As well, many community changemakers may not have access to the time or resources needed to conduct trials with the same depth and rigour.

Another challenge is incorporating these principles into the creation of new programs and services. Changemakers and innovators are often focused on creating new programs and services, rather than modifying existing ones. In a situation like this, Behavioural Insights principles don't tell us their relative value, importance, or the tradeoffs involved in our situation. For example, if creating an effective default requires significantly more resources on our part, how do we know that the extra effort is worth the social benefit?

A final caveat is that while the field of Behavioural Insights suggests that while people's values and preferences may actually play less of a role in their decisions than we assume, there are situations where these factors do play a prominent role. Other fields, like User Experience Design, focus on the desirability and usability of products, services, and experiences to create things that people actually enjoy and will use. For example, we might believe that having people share that they have signed up for a Canada Learning Bond on social media would be a great way to encourage others to do the same, per the Herding principle. However, since eligibility for the CLB depends on having a family income below a certain income threshold, people may not feel comfortable sharing with others that they have signed up. Similarly, defaulting people into a program that they find irritating - just consider all of the mailing lists that you are currently on that you don't remember signing up for - is a recipe for people to be frustrated and angry with you, even if it does lead to a desirable behaviour. People's preferences do still matter when designing change.

This also raises moral and ethical questions surrounding using an understanding of Behavioural Psychology to influence behaviour. Critics, like Margaret Wente of the Globe and Mail, argue that this approach puts too much power in the hands of governments and others who use these insights. One issue Wente describes is, "that 'soft paternalism' can morph pretty quickly into 'soft authoritarianism,' exemplified by people who are dogmatic, self-righteous and wrong." (Wente) Certainly, any time we make a decision about what is 'right' or 'good' as changemakers and work to create that change, we are asserting our perspective over others. This is not just an ethical issue with Behavioural Insights, but a broader ethical issue with influencing others to change. However, one important underpinning behind all of the principles described here is that people still have the right and ability to make their own choices. Even in countries where organ donation is 'opt-out,' there are those who choose not to participate. This too is why it is important to be able to unsubscribe from mailing lists, to choose not to donate at the grocery checkout, and so on. In implementing Behavioural Insights principles, then, a gut-check for changemakers is: **Does this take away an individual's ability to choose?**

Despite these caveats and limitations, Behavioural Insights provide a helpful lens through for examining our work: encouraging us to look for environmental factors that influence the decisions that our community members make, rather than merely assuming that their decisions are solely based on internal factors. Are we creating frictions that steer people away from 'good' behaviour? Are we missing an opportunity to default people into a helpful program? Could we be signaling and making visible when people are doing something beneficial for our community to encourage others to do the same? These are helpful questions that give us new ways of looking at persistent problems.

"Despite these caveats and limitations, Behavioural Insights provide a helpful lens for examining our work"

The field's rigour also challenges us to examine what we believe to be true about the ways people make decisions in our community. Testing in a rigourous way, measuring results, and changing small variables can help us as changemakers hone in on what the most important contributing factors to our community change efforts are, rather than relying on anecdotal or biased information. Examining our efforts from this lens might help us focus our efforts on the small changes that really matter.

GOING DEEPER WITH BEHAVIOURAL INSIGHTS

There are several resources for those who are interested in exploring and working with Behavioural Insights. Institutes such as Behavioural Economics in Action at Rotman (BEAR) or the Centre for Advanced Hindsight at Duke University actively work across all sectors to apply Behavioural Insights principles and approaches to complex social challenges. For community-based changemakers, partnering with these institutes can offer valuable expertise while providing institutes with a real-world container for change and learning. As well, the resources these institutes produce give helpful starting points for learning more about and applying this work.

There are also many accessible and engaging books that have been written on the subject for the general public, including:

> *Nudge* by Richard Thaler and Cass Sunstein explores how 'choice architecture:' structuring the choices that we provide ourselves and others, can lead to individual and collective wellbeing.
>
> *Predictably Irrational* by Dan Ariely uncovers the systemic and predicable biases that underlie or decisions, and how understanding these biases can lead us to encouraging different behaviours.

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