

# Nudging out the coronavirus with behavioral economics

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Human behavior is key in any pandemic. So how can a little nudge in the right direction change our behavior for the better? Researcher Nurit Nobel explains the science behind encouraging good behaviors—and



how it can help us during the pandemic.

Nudge theory is a concept used in behavioral economics that proposes ways to influence people's choices and behaviors through subtle changes in the environment or context where decisions are made. The term was coined by US economist Dr. Richard Thaler, one of the founding fathers of <u>behavioral economics</u> and the recipient of what is colloquially known as the Nobel Prize for Economics. Today his theories on nudging have gained wide-spread recognition and are used by governments and private actors around the world.

"Nudging is a tool to change behavior, when other tools, like mandates or incentives don't fit or aren't enough," says Nurit Nobel, a Ph.D. researcher at the Stockholm School of Economics, whose research focuses on nudging. "Nudging recognizes that <u>behavior change</u> is hard, and builds on psychological knowledge of the cognitive barriers that make it harder for us to make optimal decisions. These are called biases, and we all have them. Nudges tackle these biases head-on, to change <u>behavior</u>."

### Make good decisions simpler

One example is the so-called status-quo bias, Nobel explains. Essentially, we're often happy with what is already right in front of us. And since we have so many decisions to make on a day-to-day basis, we'll go with the default since it can save us energy and time. So making a good decision needs to be made as simple and energy-saving as possible.

In times of corona, nudging becomes particularly relevant and we can already see examples of it all over the world. The nudges can come from the government, private actors like shops or employers—or even from ourselves. Many supermarkets have painted lines or floor signs to mark distance between customers, municipalities might designate one-way



traffic on certain sidewalks to avoid people crossing paths and many of us choose a song—like Happy Birthday—to make sure we wash our hands at least 20 seconds. Or placing a hand sanitizer container in the entrance of your home.

"In a park in Denmark they created markings in the grass to signal distance from one group to another. People can go to the park with their immediate group of few friends or family, but they are encouraged to keep their distance to other groups," says Nurit Nobel. "Posters that show people how to wash hands properly are another great example—especially when they are perfectly visible at the right time, just as people are washing their hands."

## Social norms shape behavior

People like information to be easy, clear and visual, so posters should be designed keeping these behavioral principles in mind. Social norms are another form of nudge, Nobel adds:

"We are often influenced by how other people behave, and we take cues from them. In some countries, wearing a mask in public has become a new norm, because this is what you see when you leave the house."

Slowly these nudges can help create new, necessary habits. But Nurit Nobel stresses that nudges might not be enough. Instead, there is a need to carefully consider a host of measures with <u>public health</u>, economic and policy implications.

"One thing behavioral science reminds us of in this crisis is the need to carefully balance hope and worry in communication. We need to offer hope. If we paint the situation too grimly we risk people thinking 'well, nothing I do will matter anyway, so I may as way carry on as normal'. This is called 'learned helplessness'.



#### **Balance hope and worry**

At the same time, we also need people to worry, she says. That natural tendency towards overconfidence and optimism, called optimism bias, gives people a false sense of security. Recent studies about COVID-19 show that <u>young people</u> in particular feel that the situation isn't a major concern to them, since they tend to be healthy and are less likely to suffer a more serious form of the illness. And if people are not concerned, the risk is that they will not think this is important enough to act on.

"Both helplessness and optimism represent huge barriers against shaping the behaviors that are required to beat the coronavirus: staying home, washing hands and social distancing. So in everything we do and how we communicate, we need to remember this balance—give hope, but not too much so that people are complacent. Make people worry, but not too much so that they feel helpless. Hope and worry, find a way for this combination to coexist," Nurit Nobel concludes.

#### Provided by Stockholm School of Economics

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