A NUDGE IN THE RIGHT DIRECTION
HOW UNDERSTANDING HUMAN BEHAVIOR CAN LEAD TO MORE EFFECTIVE GOVERNMENT

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PARTNERSHIP FOR PUBLIC SERVICE

Grant Thornton
The Partnership for Public Service is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works. The Partnership teams up with federal agencies and other stakeholders to make our government more effective and efficient. We pursue this goal by:

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- Identifying and celebrating government’s successes so they can be replicated across government.
- Advocating for needed legislative and regulatory reforms to strengthen the civil service.
- Generating research on, and effective responses to, the workforce challenges facing our federal government.
- Enhancing public understanding of the valuable work civil servants perform.

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The people of this nation depend on government to perform at the highest level. To optimize performance, some agencies are drawing on knowledge about human behavior to improve how they do business. By understanding how people process information and make decisions, and using that knowledge to inform how programs are designed and administered, those agencies are producing better results—often quickly and at little cost.

At the Department of Education, staff and a team of outside researchers sent personalized text messages over the summer to high school graduates who had been accepted to college, boosting how many enrolled in the fall. The Department of Defense increased the number of service members who enrolled in the Thrift Savings Plan, the federal government’s retirement program, by nudging them at a “reset” point in their life—as they transferred to a new base. And an easier to understand letter from the Department of Agriculture’s National School Lunch Program asking participants to verify their eligibility led to a higher response rate and fewer eligible participants losing access to the program.

While the application of behavioral insights has tremendous potential to improve the work of government, the movement is still in early stages.

To encourage more widespread use, the Partnership for Public Service and Grant Thornton hosted five workshops with federal employees between March and September 2020. The sessions examined how behavioral insights could improve processes and programs and deliver better agency performance.

This report presents the findings from those workshops, including insights from workshop presenters, many of whom are applying behavioral insights in their own agencies. It explains how behavioral insights can make government more effective; provides tips for choosing a behavioral insights project and getting leaders to buy in; describes how to test whether a behavioral insights project was successful; and offers guidance on how to build on the results of a test.
In the days leading up to the 2020 presidential election, an op-ed by the Center for Civic Design argued that good ballot design is the secret to a better democracy.1 “Most states use wordy, disorganized and complicated ballots that cause unnecessary errors and rejections ... [potentially] making all the difference in close races,” according to the non-profit whose mission is to help election officials deliver a better voter experience.

To design a better ballot, state election officials could use behavioral insights. These insights open a window into how people process information and make decisions, and agency personnel can use that knowledge to improve program design and service delivery. Often, small changes to processes and programs, at little or no financial cost, lead to much better outcomes.

In the case of ballots, the Center for Civic Design described how design changes could help ensure every ballot cast reflects the voter’s intent. Improvements include keeping instructions brief and putting them at the top of the ballot, and providing illustrations for clarity. Ballots also should list the candidates for each race in a single column, rather than side by side, to prevent voters from inadvertently selecting more than one candidate or voting for the wrong one.2

Many private sector companies understand the benefits of behavioral insights for their bottom lines, and the federal government can also use this approach to operate more effectively.

Grocery stores, for example, place high-margin items at eye level, knowing they are more likely to attract shoppers’ attention. Cable companies might offer a free month of premium channels, recognizing that even small inconveniences such as phoning a representative to cancel the service will prevent their customers from acting, so they start paying the extra charge.

The federal government already uses behavioral insights to allocate resources more efficiently, encourage more veterans to get flu shots and increase the number of unemployed individuals who enroll in job training classes. Expanded use throughout government could improve agencies’ service delivery and help more people.

We hope this report will shed light on the promise of behavioral insights and inspire federal program managers to incorporate them into their work. Doing so could produce markedly better results for the people of this nation, at little or no additional cost.

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2 Ibid.
The decisions we make every day, whether to give money to charity or schedule a yearly physical, are shaped by the way the choices are presented to us. Government could boost its effectiveness by understanding what factors influence behavior and using those insights to guide its interactions with the people it serves. That could result in spending tax dollars more efficiently or increasing the number of people who enroll in a federal program.

“Wherever there is a touch point between government and the public, behavioral insights have tremendous potential for easing friction and making the interaction smoother and more efficient,” said Russ Burnett, methods lead at the General Services Administration’s Office of Evaluation Sciences.

What Influences Behavior?

According to the Behavioural Insights Team, a British organization that uses behavioral science to improve public services, people are more likely to do something if it is easy, attractive, social and timely, or EAST. The Behavioural Insights Team, which originated in the U.K. prime minister’s office and has since expanded around the world, developed the EAST framework and presented it at our workshop series. It could be a valuable resource for government as agencies design public programs and engage with the people they serve.

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3 The Office of Evaluation Sciences is based at the General Services Administration and collaborates with federal agencies to identify what works, and how programs and processes can be improved.

Government should make it easy for people to act in ways that serve their interests, as well as the country’s, whether it is paying their taxes on time or enrolling in a benefits program for which they are eligible. People are more likely to complete a task if it requires little effort. Even small inconveniences can deter them from acting. Examples of agencies “making it easy” include simplifying processes, shortening messages to customers, requiring people to opt out of programs rather than opt in, and providing reminders.

In 2016, the Office of Evaluation Sciences partnered with the Department of Agriculture’s National School Lunch Program to increase the number of eligible participants who provide proof they qualify. To make sure only those people who are eligible receive a government-subsidized lunch, the USDA contacts some participants at random and asks them to confirm their eligibility. Prior research suggested many eligible families do not respond to these requests because the instructions are confusing, causing them to lose access to the program.

To address the problem, the USDA program revised its income verification request letter by using simpler language, adding a visual summary of the materials a household must provide and reminding beneficiaries they can take pictures of their documents and submit them by email if they prefer, rather than sending copies in the mail. The Office of Evaluation Sciences estimates the revised letter increased the response rate by 2.1%—a meaningful impact for a program that serves more than 30 million children each day.5

“Government gives people a large amount of information to process, often when they are already under duress, and the language can be based in statute and hard to understand,” said Michelle Beebe, division chief at the Department of Labor and a presenter at our workshop series. “Behavioral insights help you determine how to present the information in a way that helps people absorb it and achieve better results.”

Requiring people to opt out of a program rather than opt in is another way to make it easy to act in desirable ways. It is what is known as changing the default. For example, to encourage more people to save for their retirement, some companies automatically enroll new employees in the retirement plan unless they take the initiative to opt out, versus only enrolling new employees who take the initiative to opt in.

The federal government has had some success influencing behavior by changing defaults. In one case, the Office of Evaluation Sciences worked with the Office of Personnel Management to increase the number of federal job seekers who voluntarily submit demographic information in their applications. It is important for agencies to know who is applying so they can determine whether they are reaching a broad swath of people throughout the country and ensure the federal workforce is representative of the people it serves.

Before people can apply for their first federal job, they must complete a profile on OPM’s USAJOBS website. The profile contains basic information such as name, address and demographic information. When people apply for jobs, they have the option of submitting the demographic information from their profile with each application.

To determine how to get more people to submit demographic information, OPM and the Office of Evaluation Sciences tested two approaches; the status quo, where job applicants choose whether they want to submit demographic information with their application, or a new approach where demographic information is automatically included unless an applicant opts out. The results revealed how changing defaults can influence behavior: the rate of submission was 94 percentage points higher when applicants had to opt out than when they had to opt in (69.1% compared to 59.7%).6

Providing reminders is an inexpensive and effective way to help people keep track of deadlines and encourage them to act because, while people may intend to do something, busy lives can make it easy to forget.

Recently, the Social Security Administration sent letters to a random sample of Supplemental Security Income recipients, reminding them of their obligation to report any changes to their income. As SSI recipients’ incomes increase, their benefit declines, making it important for the Social Security Administration to have current data so its payouts are correct. The agency found that sending a simple reminder letter yielded results. Three months after the letters were mailed, people who received a letter were more likely to have reported earnings than those who did not (1.3% compared to 0.97%), and the Office of Evaluation Sciences estimates that the Social Security Administration saved $5.91 in overpayments for every $1 it spent mailing letters.7

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Make it Attractive

Making a choice attractive is another way to influence behavior, according to the Behavioural Insights Team's EAST framework. Using rewards and sanctions to influence behavior is one approach but catching someone's attention by sending a personalized message can also persuade them to act.

In a 2014 study, the Department of Education and a team of outside researchers found that sending personalized text messages over the summer to college-accepted high school graduates increased how many enrolled in the fall. The program was designed to combat “summer melt,” a situation where roughly one-third of recent graduates who are accepted and say they intend to go to college fail to enroll.

Each student in the study received up to 10 text messages, reminding them of the tasks they needed to complete before beginning classes in the fall. The messages were personalized, and each student received information about the requirements of the college he or she planned to attend. When the Office of Education Sciences evaluated the program, it found that the text messages increased college enrollment by 3.1 percentage points—a meaningful impact, particularly given the small cost of administering the initiative.8

Make it Social

The behavioral sciences literature suggests people want to appear honest. They are also influenced by what their peers think, say and do. Appealing to those tendencies can be a powerful way to influence behavior and is part of what the Behavioural Insights Team's EAST framework calls “making it social”—meaning harnessing social influences.

When vendors sell to the government through the Federal Supply Schedules, a class of government contracts, they are required to pay a fee to offset program administration costs. Vendor fees are determined by the quantity of their sales, and vendors are asked to self-report their sales to GSA. Because fees are determined by sales, vendors have a financial incentive to underreport, even though reporting accurately is required by law.

To nudge vendors to report their sales accurately, GSA tested a simple modification to its data entry form: it placed a signature box at the beginning of the form, asking vendors to promise that the information they were about to enter was accurate.9 In just one quarter, vendors signing the revised form reported median sales that were $445 higher than vendors who completed the old form without a signature box. That amounted to an extra $1.59 million in fees for the federal government.10

Telling people how their behavior compares to their peers can also influence their actions. For example, if people believe their peers behave honestly, they are more likely to do the same.

In 2015, New Mexico’s Department of Workforce Solutions, the state’s labor agency, used this behavioral insight to reduce unemployment insurance fraud and overpayments.11

Unemployment insurance is susceptible to improper payments because the system relies on applicants to accurately report their employment status. If people were to report they were laid off when they quit, or that they were unemployed when they really had part-time work, their payment would be too high.

To encourage people applying for unemployment insurance to report their status accurately, the department informed them that most people in their community behave honestly. Applicants applying online received a

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10 There is also evidence in the behavioral sciences literature that placing a signature box at the beginning of a form, rather than the end, yields more honest responses.

pop-up notification before entering their status that read: “9 out of 10 people in [applicant’s county] report their earnings accurately. Please report all information accurately.” If an applicant applied over the phone, a customer service representative delivered the same prompt.

The nudge proved effective: The department estimates it resulted in a 25% increase in the number of applicants in the target population reporting their unemployment status accurately, reducing improper payments to state residents.

Combating fraud can be expensive, and it often involves trying to recoup money that has already gone out the door. By contrast, behavioral approaches are preventive and often comparatively cheap.

“As opposed to paying and chasing, the application of behavioral insights enables agencies to prevent fraud before it occurs by changing people’s behavior,” said Linda Miller, former assistant director of forensic audits and investigative service at the Government Accountability Office. “As a method to prevent fraud perpetrated through misrepresentation of self-reported information, using behavioral insights is the gold standard for encouraging people to be more honest.”

Federal agencies made an estimated $175 billion in improper payments in fiscal 2019, and elevated spending due to the COVID-19 pandemic threatens to drive the number higher.12 By “making it social,” agencies can help ensure relief is going to the people who need it the most, while being good stewards of taxpayer money.

Whether or not someone acts is influenced by when they are asked, so the Behavioural Insights Team’s EAST framework suggests “making it timely.” That means prompting people to act when they are most receptive. For example, research suggests people are more likely to change their behavior at transition points in life, such as a birthday, a new year or after starting a new job.

To boost participation in the Thrift Savings Plan, the federal government’s retirement program, the Department of Defense gave service members who transferred to a new base the opportunity to enroll at their orientation session. The goal was to prompt service members to plan for their retirement at a “reset” point in their life. It paid dividends, increasing the likelihood of enrollment by more than 8 percentage points.13


Given the potential for behavioral insights to improve the work of government, often at very low cost, all managers should have this tool on their radar. Behavioral insights can help agencies tackle important challenges, improving processes and programs critical to the mission. Yet applying behavioral insights will work better in some contexts than others. The most promising applications are to challenges that are behavioral in nature, and for which easily accessible data is available to track the results.

TIPS FOR IDENTIFYING A GOOD BEHAVIORAL INSIGHTS PROJECT

Since applying behavioral insights works best when a behavioral obstacle is at the root of a problem, considering the possible causes of an organization’s challenge is important. In other words, managers should ask themselves if there is a behavioral element to the challenge they are facing.

To illustrate this point, Lindsay Moore of the Behavioural Insights Team described at our workshop in March 2020 how a problem can be caused by institutional, situational or behavioral factors. For example, if fewer low-income people than expected are enrolling in a job training program, the reason could be behavioral. For instance, they might be deterred by a confusing enrollment form. The problem could also be situational, such as limited public transportation near the job training facility. Or it could be institutional, such as income eligibility limits that were set too low, preventing many candidates with slightly higher incomes from participating.

If lower than expected participation is due to a confusing enrollment form, the problem is ripe for a behavioral solution. If, on the other hand, it is situational or institutional, applying behavioral insights to the problem is unlikely to do much good.

One way to diagnose why a program is underperforming, or how it might be improved, is to engage its customers. That could mean holding focus groups, doing structured interviews or observing people as they participate in a program, to identify problem areas and understand the user’s perspective.

“There are some cases where you can tell immediately that a project is ripe for a particular type of behavioral intervention,” said Michael Hand, evidence lead at the Office of Evaluation Sciences. “But more common is the situation where it isn’t clear what the bottlenecks are. We and the program staff might have some guesses, but we need to develop the type of knowledge you get by systematically examining the experiences of participants in a program. Identifying bottlenecks can be challenging and time-consuming, but it’s important.”
For Low-Cost Applications of Behavioral Insights, Draw on Administrative Data

Using behavioral insights can be low-cost in two ways. First, the behavioral intervention is often inexpensive, such as sending emails or text messages to nudge people to do something. Importantly, evaluating whether the behavioral intervention worked—whether that nudge improved outcomes for people—can also be low-cost, especially if the program is already collecting relevant data.

Often, the main expense of an evaluation is the cost of collecting new data, such as administering surveys. But when behavioral insights are applied in situations where program data (often called administrative data) are already being collected, it can drop the cost to nearly zero.

For example, in 2018, the Center for Program Integrity within the Centers for Medicare and Medicaid Services used a mail campaign to test if it could prevent health care providers from overprescribing quetiapine, a medication used to treat schizophrenia.

Using administrative data CMS already collects, the agency identified the top 5% highest-volume prescribers of the medication in the Medicare Part D program. Then the agency mailed half of those prescribers a letter informing them their prescription rates were higher than those of their peers, and the other half a control letter describing an unrelated Medicare regulation. Nine months later, CMS reviewed the prescription data again to determine if the intervention worked. The agency found that prescribers who received the letter comparing their prescription rates to those of their peers prescribed 11% less quetiapine, with no adverse effects on patient health.14

By designing a behavioral intervention drawing on administrative data already being collected, CMS was able to launch its project quickly, administer it at little extra cost, and test whether the intervention worked.

“One reason we’re able to do low-cost, rapid behavioral experiments is we exploit existing data,” said one of our workshop presenters, adding that fielding new surveys is expensive and time-consuming. “I’m often surprised and delighted by the amount of data programs are already collecting as part of their routine programmatic operations, and it can easily be repurposed to test behavioral insights. It’s a zero-cost way to learn more and to improve a program.”

Applying behavioral insights to a program or process can often be done quickly and at little cost. Yet government does not always embrace experimentation, and resistance to change can be an issue.

To win leadership support for making a behavioral change to a program or process, program managers should emphasize how better outcomes can advance key agency objectives, including leadership priorities or the goals in an agency’s strategic plan.

Leaders may also be more inclined to greenlight a behavioral insights project if it is small and low-risk—for example, initially testing a behavioral intervention on a fraction of program participants rather than the entire population. A “foot in the door” strategy can help leaders get used to experimentation within their organizations, leading to more experimentation in the future.

One workshop presenter who proposed a behavioral insights project was immediately told agency leaders would not approve, “but that turned out not to be true,” she said. “We began the conversation with leadership by saying, ‘We only want to conduct a pilot to determine whether it makes sense to roll out on a wider scale.’” She added, “based on the data you get back, you can have that bigger conversation about whether to apply the intervention to your entire program. Starting with a small trial made a huge difference for us.”

Finally, behavioral insights might be an unfamiliar concept to leaders, so it is vital to carefully frame what the approach is and how it can improve agency performance.

At the Washington Metropolitan Area Transit Authority, a project is underway to determine whether behavioral insights can reduce assaults on bus drivers. Before launching the project, Jayme Johnson, WMATA’s director of change management in the Rail Operations Control Center, met with a range of stakeholders to pitch the idea, get their input and answer their questions. Johnson’s outreach included sitting down with the chief operating officer and taking Metro Transit Police officers out for coffee.

“The idea of behavioral insights has an academic bent to it, which in a highly operational environment might be viewed with suspicion or associated with inaction—too much thinking, not enough doing,” said Johnson. “So, it’s important to frame your project in a way that’s not intimidating, that relies on a simple narrative about how organizational performance might be improved.”
TESTING WHETHER A BEHAVIORAL INTERVENTION WORKED

While making behaviorally informed changes to programs or processes can lead to better outcomes, not every behavioral intervention works as planned.

For example, the Department of Housing and Urban Development, seeking to promote energy efficiency in the homes of HUD-assisted residents, mailed residents letters informing them how their energy use compared to their more energy-efficient neighbors. With HUD responsible for paying the energy bills of its residents, less consumption could mean significant cost-savings. Despite the fact that residents who used a lot of energy received letters informing them their neighbors were more energy-efficient, the intervention did not reduce energy use, the housing agency found.

Other agencies had similar unexpected findings. The Centers for Disease Control and Prevention found no evidence its outreach to pregnant women led to more women getting flu shots. Emails the Department of Veterans Affairs sent to newly discharged service members did not increase the VA health benefit enrollment rate. And, in an example shared by one of our workshop presenters, a $2 incentive intended to increase participation in a major national health survey had the opposite effect, offending recipients who saw it as wasteful and unnecessary government spending.

To determine if changes to a program or process work—that is, produce results that are better than the old way of doing things—it is important to evaluate the intervention. The evaluation results can tell a program manager what to do next, including whether to make the change permanent or scrap it and go back to the drawing board.

“We may think we have a good idea, but we don’t actually know until we have good evidence,” said Russ Burnett of the Office of Evaluation Sciences. “Testing is a good way to generate evidence so we can make informed decisions.”

Randomized Control Trials

The most common way to rigorously test whether a behavioral insights intervention worked or not is to run a randomized control trial.

Randomized control trials, or RCTs, enable evaluators to pinpoint the effect of an intervention on an outcome and rule out the possibility that some other factor caused the result.

An evaluator can determine whether the behavioral intervention works by randomly assigning some people to a test group and other people to a control group and then comparing outcomes. For example, to determine whether shortening a form can increase the number of people who complete and submit it, an evaluator would randomly select some people to receive the shorter form and other people to receive the original form. Then the evaluator would compare the completion rates of the two groups. Assigning people to groups at random ensures the only difference between the groups is the intervention they receive.

Testing the effectiveness of a behavioral intervention with a randomized control trial is not prohibitively complicated and often can be done inexpensively. Yet, to ensure the evaluation is designed and conducted properly, it is useful for program managers to consult with their agency’s evaluation experts. They could also contact academic researchers who have experience running these types of trials.

Whether test results reveal that a behavioral intervention worked or not, program managers have important decisions to make.

If a program or process change works as expected, program managers should consider whether to scale up to apply it to more people. Cost, in dollars and staff time, along with how much of an impact the intervention had on behavior, are key considerations.

If a behaviorally informed change to a process or program was not found to have produced better results, there is value in that information as well. Finding no impact, what researchers call “null results,” can also be informative, shedding light on what works and what does not, and signaling to program managers they need to develop a different approach.

“The null results are an inevitable part of the experimental process,” said Jessica Leight, academic affiliate at the Office of Evaluation Sciences. “In the absence of a null result, it’s easy to imagine investing a great deal of time and resources into a program modification that does not produce the desired effect.”

No matter what an evaluation finds, ongoing iteration is key.

“Experimentation and testing do not need to be a ‘one and done,’” said Kelly Bidwell, director of the Office of Evaluation Sciences. “Continue to update your hypotheses, think about what else you want to learn and consider going in a different direction depending on your test results.”

The start of the Biden administration will mean new priorities for many federal agencies, even as they continue their ongoing work to combat the COVID-19 pandemic and its health and economic fallout.

As with any change in administration, the turnover will be a valuable opportunity for agencies to take a fresh look at their programs, identify what is working and what is not, and strive to improve results for the people of this country.

As agencies engage in that important work, our report highlights how behavioral insights can help. It demonstrates how federal managers can use what is known about human behavior to improve how their processes and programs are designed and delivered, often quickly and at little cost.

While the application of behavioral insights has boosted government performance, government could be more effective if behavioral insights were used more widely than they are today. When it comes to the potential impact of this approach, we are closer to the starting line than the finish line.

We hope this report inspires managers who administer and oversee vital programs to act—considering there is little to lose, and much to gain, by applying behavioral insights in their agencies.
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