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Edited by David Leonhardt

The Up hot

A Better Government, One Tweak at a Time

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Economic View

By JUSTIN WOLFERS

Google's home page is simple, clean and beautiful. It's functional. It's efficient. It works. It's everything that government is not. But that might be about to change, as the federal government is slurping Google's secret sauce.

That secret sauce is an idea called A/B testing. Want to figure out if a bigger search button leads to more searches? Try an experiment in which you randomly show some users a big search button and others a smaller button. Carefully track what each group does and choose whichever size button yields the best outcomes.

Google's experiments have revealed something that social scientists have long known: Small changes in how choices are presented can lead to big

changes in behavior. Good design matters. And good design is not a question of aesthetics, but rather something that is revealed by careful testing of one idea against another. The idea is to let hard data judge what works.

It's a lesson not lost on the White House, which last year assembled a group that officials are calling the **Social and Behavioral Sciences Team**, but which many know as the "Nudge Unit." They're a group of policy wonks — psychologists, economists, political scientists, lawyers and doctors — whose task is to design a better government. As Google demonstrates, good design doesn't cost much — it's no more expensive to send an effective email than an ineffective one — and so it is worth experimenting to figure out what works.

They've been at it for a year now, and they recently released their first report detailing the dozens of small tweaks they have put into effect. Importantly, each tweak is subject to the sort of A/B testing that guides Google's engineers.

The results so far are impressive, suggesting that their work is going to save millions and possibly billions of dollars. And because the cost of these tweaks is so low, even moderate impacts yield extraordinarily high benefit-cost ratios.

In one case, the researchers tweaked some of the printers (but not others) linked to some Department of Agriculture computers so that whenever someone tried to print a single-sided document, a pop-up message appeared to remind them how to make two-sided printing their default. On the printers they tweaked, 52 percent of all print jobs were double-sided, compared with 46 percent on the others. This increase of 6 percentage points may not sound like much, until you realize that around 18 billion pages roll off federal government printers each year, according to the Social and Behavioral Sciences Team report, suggesting that carrying this out across the entire federal government could save more than half a billion pages a year.

In another experiment, researchers sent high school seniors text messages

in the summer after they graduated, reminding them of the next steps required to enroll in college. A full 68 percent of those students randomly chosen to receive these texts subsequently enrolled in college, compared with 65 percent among those who didn't get any reminders. The effect was particularly large for low-income and first-generation students. If a rise of 3 percentage points in college-going doesn't excite you, realize that this is the result of only eight text messages at a total cost of about \$7 a student, making it one of the highest bang-for-your-buck educational interventions tested. Certainly eight text messages are a more cost-effective way of promoting college than offering thousands of dollars in grant and scholarship aid.

Small nudges can also help make people more honest. In one ingenious tweak, the research team added a prompt at the beginning of a federal-vendor tax collection form asking vendors to promise to report the truth. Those who were randomly selected to use this new form reported more taxable sales relative to those who used the old form. In just three months of using this form on just one small and obscure tax provision, this box caused people to volunteer an additional \$1.6 million in taxes. Expanding this idea could potentially bring in billions of dollars in extra revenue.

Too often the government's good intentions are buried by bureaucrats who make programs dreadfully difficult to understand, leading too few people to use them. For instance, if you are struggling to repay your student loans, you can apply to have your monthly payments reduced to a more manageable share of your income. The idea is that you still repay your debt, but you do so more slowly. The problem is that few people are aware of this possibility, and so few apply. That's a shame, because the federal government actually knows who is struggling to repay their loans and could help them directly. A targeted email sent to a random subset of these people led many more to apply for relief compared with those who didn't get an email.

Other experiments focused on ways to increase savings among members of the military. The government offers generous savings plans, but less than

half of all service members have signed up. When service members transferred to Joint Base Myer–Henderson Hall in Virginia were prompted to make an active choice as to whether to enroll, there was a sharp increase in signups. By contrast, those transferred to Fort Belvoir in Virginia, Fort Bragg in North Carolina or Fort Meade in Maryland received no such prompt, and there was no rise in enrollments.

Various other experiments demonstrated that a well-drafted letter could lead to an increase in health care enrollment; an effective email could lead people to join their workplace savings plan; a shorter web address could make people more willing to make online payments; telling people they had a “two out of three” chance was more persuasive than a “66 percent” chance; and veterans were more likely to engage with a program if you told them they had earned it, rather than that they were eligible for it.

Perhaps as important, there were nudges that weren’t effective. For instance, doctors who wrote a lot of prescriptions were sent letters telling them that they were prescribing more drugs than their peers, but those letters didn’t change their behavior. That idea didn’t work, so it was time to try something else.

To hear the wonks themselves tell the story, their secret sauce is using academic research to imagine better ways of doing business. Perhaps. But to my eye, the big idea is simpler: It’s not about knowing how to do better, it’s about testing what works. Experiment relentlessly, keep what works and discard what doesn’t. Following this recipe may yield a government that’s just like Google: clear, user-friendly and unflinchingly effective.

Justin Wolfers is a senior fellow at the Peterson Institute for International Economics and professor of economics and public policy at the University of Michigan. Follow him on Twitter at [@justinwolfers](#)

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