



Simplicity as an Anti-Poverty Policy Tool

Lessons from Behavioral Economics for Simpler & Better Policy

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The Human Mind

The Psychological Mind

More information and choice may distort (or paralyze) decisions and reduce well-being



The Economic Mind

More information and choice improves decisions and well-being

Simpler policy is often better policy

Three Lessons for Simpler Policy Design

- 1** **Simplify program information**
Evidence from the Earned Income Tax Credit
- 2** **Simplify program structure & incentives**
Evidence from health insurance
- 3** **Simplify choice architecture**
Evidence from retirement savings

Policy Problem

Low Program Take-up

(Bhargava and Manoli, AER 2015)

Background

Large share of eligible individuals fail to claim significant government benefits for which they are eligible – e.g., 25% fail to claim EITC (US) credits amounting to an average of 1 month of income

Economic perspective – Eligible individuals don't take up because of program stigma or administrative enrollment costs

Behavioral perspective – Low take-up due to psychological frictions such as lack of program awareness, hassle costs associated with enrollment, and aversion to program complexity

Research Strategy

Randomize distribution of strategically modified EITC notices and claiming worksheets to 35k eligible non-claimants (\$26m benefits)

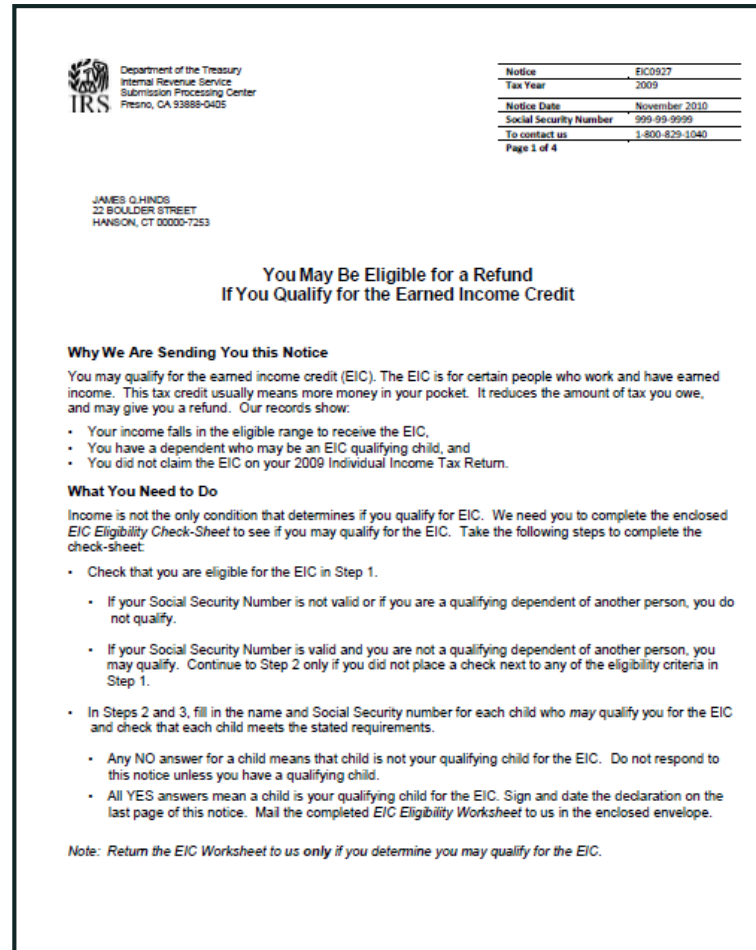
How important is informational complexity?

Simply receiving a second notice improved resulted in response of 0.22

Field Experiment w/ IRS

Simplicity & Program Take-up

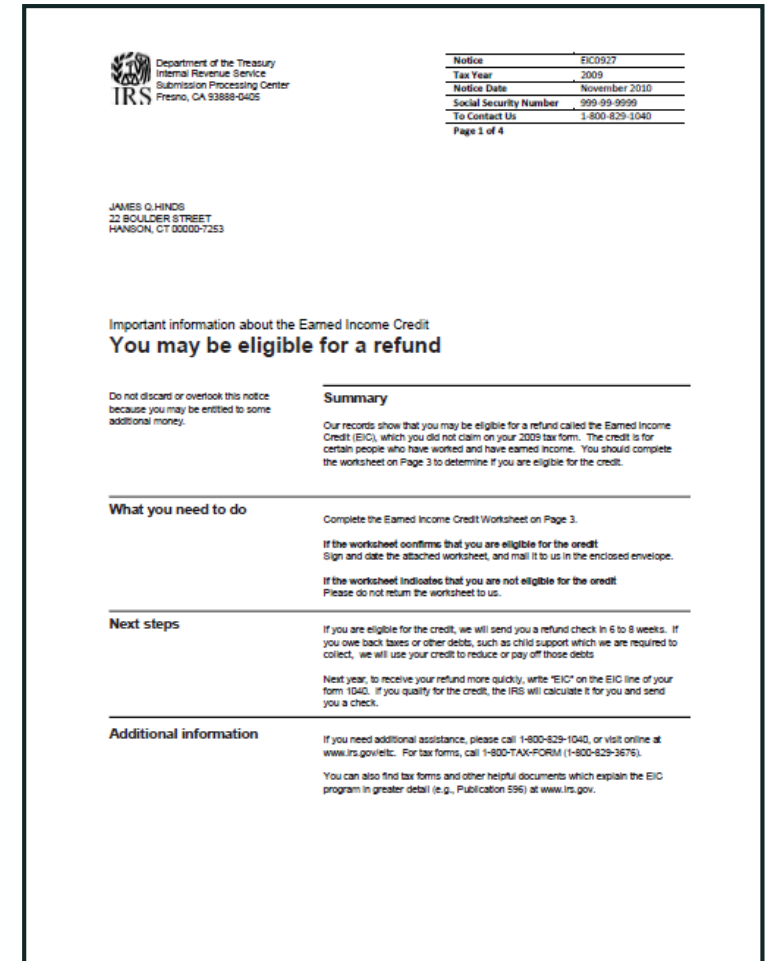
(Bhargava & Manoli 2015)



The image shows a complex IRS notice. It features the IRS logo and contact information for the Department of the Treasury, Internal Revenue Service, Submission Processing Center, Fresno, CA 93888-0405. A table in the top right corner lists: Notice EIC0927, Tax Year 2009, Notice Date November 2010, Social Security Number 999-99-9999, and To contact us 1-800-829-1040. Below this is the recipient's address: JAMES Q. HINDS, 22 BOULDER STREET, HANSON, CT 06030-7253. The main heading is "You May Be Eligible for a Refund If You Qualify for the Earned Income Credit". The notice is divided into sections: "Why We Are Sending You this Notice", "What You Need to Do", and "Additional information". The "What You Need to Do" section contains a list of steps and criteria for eligibility, including checking for a valid Social Security Number and completing an EIC Eligibility Worksheet. A note at the bottom states: "Return the EIC Worksheet to us only if you determine you may qualify for the EIC."

Complex Notice

17%



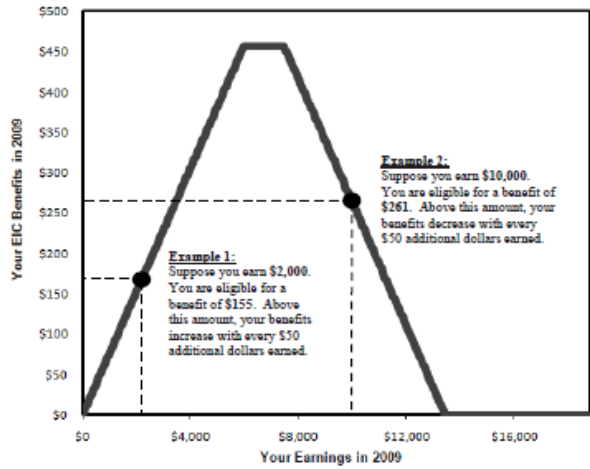
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Simple Notice

23%

DO YOU KNOW ABOUT THE EARNED INCOME CREDIT?

The Earned Income Credit (EIC) is designed to provide benefits to working individuals and families. The picture below describes how benefit amounts change based on your yearly earnings (note that the picture is drawn for a single filer with no dependents).

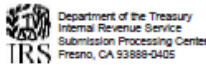


MYTHS AND REALITIES OF THE EIC

- Myth:** I cannot claim the EIC if I missed the April 15th deadline.
Reality: You can correct your tax return and claim the EIC up to 3 years after the April 15th deadline.
- Myth:** I need to have a bank account to receive EIC benefits.
Reality: A check for your EIC benefits can be mailed to you.
- Myth:** I can only claim the EIC if my income is very low.
Reality: You can claim the EIC as long as you have some earned income such as wage income or self-employment income.
- Myth:** My child is over 16, so I do not qualify for higher benefits.
Reality: I can only claim EIC benefits if I have children.
- Myth:** I cannot claim the EIC if I am unemployed or self-employed.
Reality: You can claim the EIC without children.
- Myth:** My child is over 16, so I do not qualify for higher benefits.
Reality: If your child is a full-time student or disabled, you may still qualify for higher benefits.

For IRS use only - Code F1

-4%



Notice	EIC0927
Tax Year	2009
Notice Date	November 2010
Social Security Number	999-99-9999
To Contact Us	1-800-829-1040
Page 1 of 4	

JAMES Q. HINDS
22 BOULDER STREET
HANSON, CT 06030-7253

Important information about the Earned Income Credit You may be eligible for a refund of up to \$3,043

Do not discard or overlook this notice because you may be entitled to some additional money.

Depending on your earnings and eligibility, your benefit can be up to \$3,043.

What you need to do

Complete the Earned Income Credit Worksheet on Page 3.

If the worksheet confirms that you are eligible for the credit, sign and date the attached worksheet, and mail it to us in the enclosed envelope.

If the worksheet indicates that you are not eligible for the credit, please do not return the worksheet to us.

Next steps

If you are eligible for the credit, we will send you a refund check in 6 to 8 weeks. If you owe back taxes or other debts, such as child support which we are required to collect, we will use your credit to reduce or pay off those debts.

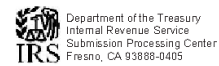
Next year, to receive your refund more quickly, write "EIC" on the EIC line of your form 1040. If you qualify for the credit, the IRS will calculate it for you and send you a check.

Additional information

If you need additional assistance, please call 1-800-829-1040, or visit online at www.irs.gov/eic. For tax forms, call 1-800-TAX-FORM (1-800-829-3676).

You can also find tax forms and other helpful documents which explain the EIC program in greater detail (e.g., Publication 596) at www.irs.gov.

+13%



Notice	EIC0927
Tax Year	2009
Notice Date	November 2010
Social Security Number	999-99-9999
To Contact Us	1-800-829-1040
Page 1 of 4	

JAMES Q. HINDS
22 BOULDER STREET
HANSON, CT 06030-7253

Important information about the Earned Income Credit You may be eligible for a refund of up to \$5,657

Do not discard or overlook this notice because you may be entitled to some additional money.

Depending on your earnings and eligibility, your benefit can be up to \$5,657.

What you need to do

Complete the Earned Income Credit Worksheet on Page 3.

If the worksheet confirms that you are eligible for the credit, sign and date the attached worksheet, and mail it to us in the enclosed envelope.

If the worksheet indicates that you are not eligible for the credit, please do not return the worksheet to us.

Next steps

If you are eligible for the credit, we will send you a refund check in 6 to 8 weeks. If you owe back taxes or other debts, such as child support which we are required to collect, we will use your credit to reduce or pay off those debts.

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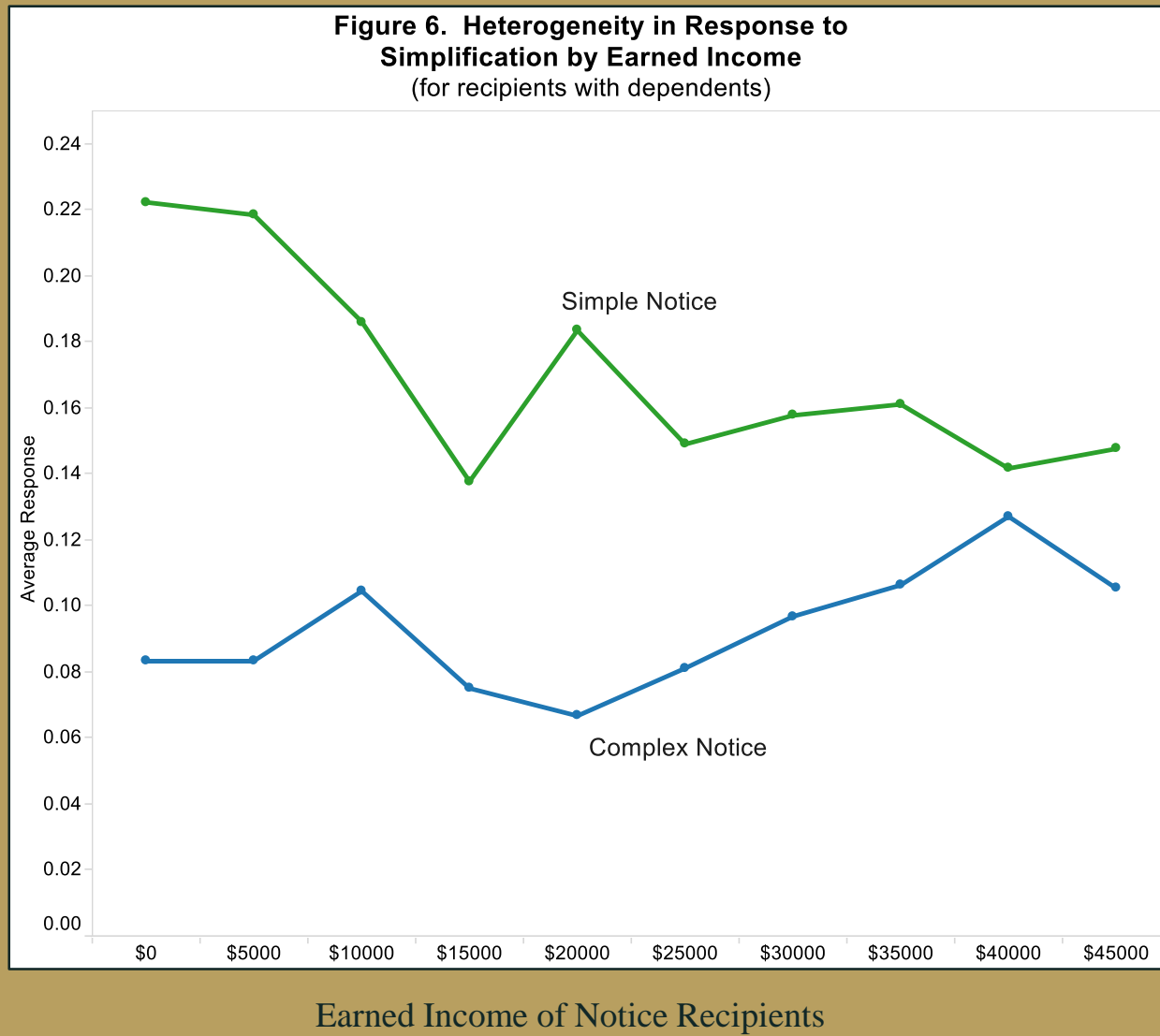
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+6%

Complexity and EITC Take-up by Income



Program complexity disproportionately affects take-up of low earners

Three Lessons for Simpler Policy Design

- 1 Simplify program information
Evidence from the Earned Income Tax Credit
- 2 **Simplify program structure & incentives**
Evidence from health insurance
- 3 Simplify choice architecture
Evidence from retirement savings

Policy Problem

Sensible Health Plan Choices

(Bhargava, Loewenstein & Sydnor QJE forthcoming)

Background

Health landscape in US recently shifted towards greater choice (ACA - 46 plans, Medicare – 30 plans)

Economic perspective - expanding plan menus should spur insurer competition and lead to better choice

Behavioral perspective – Benefits of greater choice presume individuals make informed, sensible decisions

Research Strategy

Test financial efficiency of health plan choices by exploiting natural experiment created by insurance offering at Fortune 100 firm

The screenshot shows the HealthCare.gov website interface. At the top, there are navigation links for 'Learn', 'Get Insurance', and 'Log in'. Below this, there are tabs for 'Individuals & Families', 'Small Businesses', and 'All Topics'. A search bar is visible on the right. The main content area displays '31 Health Plans' with a list of categories: 'All plans (31)', 'Bronze Plans (9)', 'Silver Plans (9)', 'Gold Plans (9)', and 'Platinum Plans (4)'. Below the list, there are links for 'Insurance company', 'Blue Cross Blue Shield Louisiana', 'Louisiana Health Cooperative', and 'AAA Vantage Health Plan'. A prominent callout box states: 'All health plans must offer the same essential health benefits.' and lists benefits such as 'Doctor visits', 'Prescription drugs', 'Hospitalization', 'Maternity and newborn care', and 'Preventive care'. Below this, there is a section for 'Health plans for one individual, age 40, living in Acadia County, LA.' with a 'Change' button. It mentions a '\$95/month tax credit' and provides details for a 'Blue Max 80/60 \$5000' plan, including a 'Monthly premium' of '\$135/mo' and a 'Deductible' of '\$5,000/yr'. A table of 'Copayments/Coinsurance' is also shown, with values for 'Primary Doctor: 20%', 'Specialist Doctor: 20%', and 'Generic Prescription: 20%'. The 'Apply' button is highlighted in green.

1 Firm let employees “build” their own plan”

Plan Name	Deductible Individual / Family	Coinsurance (after deductible)	Out Of Pocket Max Individual / Family	Office Visit Copayment
Medical Option 01	\$350 / \$700	90%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 02	\$350 / \$700	90%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 03	\$350 / \$700	90%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 04	\$350 / \$700	90%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 05	\$350 / \$700	90%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 06	\$350 / \$700	90%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 07	\$350 / \$700	80%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 08	\$350 / \$700	80%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 09	\$350 / \$700	80%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 10	\$350 / \$700	80%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 11	\$350 / \$700	80%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 12	\$350 / \$700	80%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 13	\$500 / \$1,000	90%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 14	\$500 / \$1,000	90%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 15	\$500 / \$1,000	90%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 16	\$500 / \$1,000	90%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 17	\$500 / \$1,000	90%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 18	\$500 / \$1,000	90%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 19	\$500 / \$1,000	80%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 20	\$500 / \$1,000	80%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 21	\$500 / \$1,000	80%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 22	\$500 / \$1,000	80%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 23	\$500 / \$1,000	80%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 24	\$500 / \$1,000	80%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 25	\$750 / \$1,500	90%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 26	\$750 / \$1,500	90%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 27	\$750 / \$1,500	90%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 28	\$750 / \$1,500	90%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 29	\$750 / \$1,500	90%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 30	\$750 / \$1,500	90%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 31	\$750 / \$1,500	80%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 32	\$750 / \$1,500	80%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 33	\$750 / \$1,500	80%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 34	\$750 / \$1,500	80%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 35	\$750 / \$1,500	80%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 36	\$750 / \$1,500	80%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 37	\$1,000 / \$2,000	90%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 38	\$1,000 / \$2,000	90%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 39	\$1,000 / \$2,000	90%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 40	\$1,000 / \$2,000	90%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 41	\$1,000 / \$2,000	90%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 42	\$1,000 / \$2,000	90%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist
Medical Option 43	\$1,000 / \$2,000	80%	\$1,500 / \$3,750	\$15 primary care / \$40 specialist
Medical Option 44	\$1,000 / \$2,000	80%	\$2,500 / \$6,250	\$15 primary care / \$40 specialist
Medical Option 45	\$1,000 / \$2,000	80%	\$3,000 / \$7,500	\$15 primary care / \$40 specialist
Medical Option 46	\$1,000 / \$2,000	80%	\$1,500 / \$3,750	\$25 primary care / \$35 specialist
Medical Option 47	\$1,000 / \$2,000	80%	\$2,500 / \$6,250	\$25 primary care / \$35 specialist
Medical Option 48	\$1,000 / \$2,000	80%	\$3,000 / \$7,500	\$25 primary care / \$35 specialist

- **Deductible Choice:**
 - \$350
 - \$500
 - \$750
 - \$1,000
- **Coinsurance:**
 - 90%
 - 80%
- **Out-of-Pocket Maximum**
 - \$1,500
 - \$2,500
 - \$3,000
- **Office Visit Copayment**
 - \$15
 - \$25



48 Plan Options

Employees chose from standardized menus

Build Your Own Medical Option

1. Which annual deductible meets your needs?

(Remember, a lower deductible means lower out-of-pocket costs.)

Deductible	Individual/Family
<input type="radio"/> In Network	\$350 Individual; \$700 Family
<input type="radio"/> Out of Network	\$3,500 Individual; \$7,000 Family
<input type="radio"/> In Network	\$500 Individual; \$1,000 Family
<input type="radio"/> Out of Network	\$3,500 Individual; \$7,000 Family
<input type="radio"/> In Network	\$750 Individual; \$1,500 Family
<input type="radio"/> Out of Network	\$3,500 Individual; \$7,000 Family
<input type="radio"/> In Network	\$1,000 Individual; \$2,000 Family
<input type="radio"/> Out of Network	\$3,500 Individual; \$7,000 Family
<input type="radio"/> In Network	\$1,250 Individual; \$2,500 Family
<input type="radio"/> Out of Network	\$3,500 Individual; \$7,000 Family

Examples

- Bill knows that he'll need outpatient costs as low as possible-and does coverage option (\$350 deductible) but he'll also pay less down the road.
- Fiona has diabetes. She manages hospitalized if she doesn't eat right saved up, but that doesn't mean she's healthy. On the other hand, she doesn't like middle coverage options (\$500 deductible).
- Barb and her husband are healthy that an unexpected health care expense return for coverage with lower pay may be right for them.

What's Best for You?

Think about how likely it is you or a family member will need a major surgery. Also think about whether your deductible would cover more of your out-of-pocket costs later is higher costs in event of a major surgery.

[Continue](#) [Cancel](#)

1. Deductible 2. **Coinsurance** 3. Out-of-Pocket Maximum 4. Office Visit Copays Results

Build Your Own Medical Option

2. Which coinsurance option meets your needs?

(Remember, a higher coinsurance means higher paycheck costs.)

Coinsurance	
<input type="radio"/> In Network	90% Coinsurance
<input type="radio"/> Out of Network	60% Coinsurance
<input type="radio"/> In Network	80% Coinsurance
<input type="radio"/> Out of Network	50% Coinsurance

Examples

- Bill is expecting to have knee surgery soon and wants to minimize the significant cost to have after he meets his deductible. By choosing the higher (90%) coinsurance option, he'll share less of the cost of his surgery and the physical therapy that he knows he'll need. He knows he'll pay more from his paycheck for higher coverage, but that's a tradeoff he's willing to make in return for lower costs down the road.
- Fiona has diabetes-so even though she takes good care of herself, she worries about paying for a medical emergency. She's already planning on managing some of this risk with an option with a mid-range deductible. That's why she thinks the lower (80%) coinsurance option is probably right for her. Fiona may be a worrier but she's also smart when it comes to health care. Why pay extra for a higher coinsurance option when she's not 100% sure she'll ever need it?
- Barb and her husband rarely see the doctor-except for preventive screenings which are covered 100% by CVS Caremark. They don't expect to meet their deductible because they don't have many expenses. So why pay more for a higher coverage coinsurance option that they'll never use? For Barb, the lowest coverage coinsurance option (80%) is the best fit.

What's Best for You?

Think about how much care you expect to need after you meet your deductible. If it's a little-or you're not sure-then a higher coinsurance percentage may make sense. If it's a little-or you're not sure-then a lower coinsurance percentage may be better. Also remember that the difference in coinsurance for a \$100 service would only be a \$10 difference out of your pocket.

[Continue](#) [Back](#) [Cancel](#)

Home **Health and Insurance** Life Events Knowledge Center [Print](#)

Details of Medical Options You've Created

1. Deductible 2. **Coinsurance** 3. Out-of-Pocket Maximum 4. Office Visit Copays Results

Prices for [Redisplay](#) [Compare other details of these plans](#)
[Find a doctor or hospital](#)
[See what you'll pay for medical coverage from options available to you](#)

Your Plan Choices for Enrollment

	Option you've just built!	Build Another Option	Build Another Option
	United Build-Your-Own PPO 47 Edit This Option		

Your Answers

1. Which annual deductible meets your needs?	In Network \$1,000 Individual; \$2,000 Family Out of Network \$3,500 Individual; \$7,000 Family Change answer	----	----
2. Which coinsurance option meets your needs?	In Network 80% Coinsurance Out of Network 50% Coinsurance Change answer	----	----
3. Which out-of-pocket maximum meets your needs?	In Network \$2,500 Individual; \$6,250 Family Out of Network \$7,500 Individual; \$20,000 Family Change answer	----	----
4. What office visit copayment (copay) meets your needs?	In Network \$25 primary care; \$35 specialist Out of Network 50% coinsurance Change answer	----	----

Your Pay Period Price	\$81.56	----	----
	Choose		

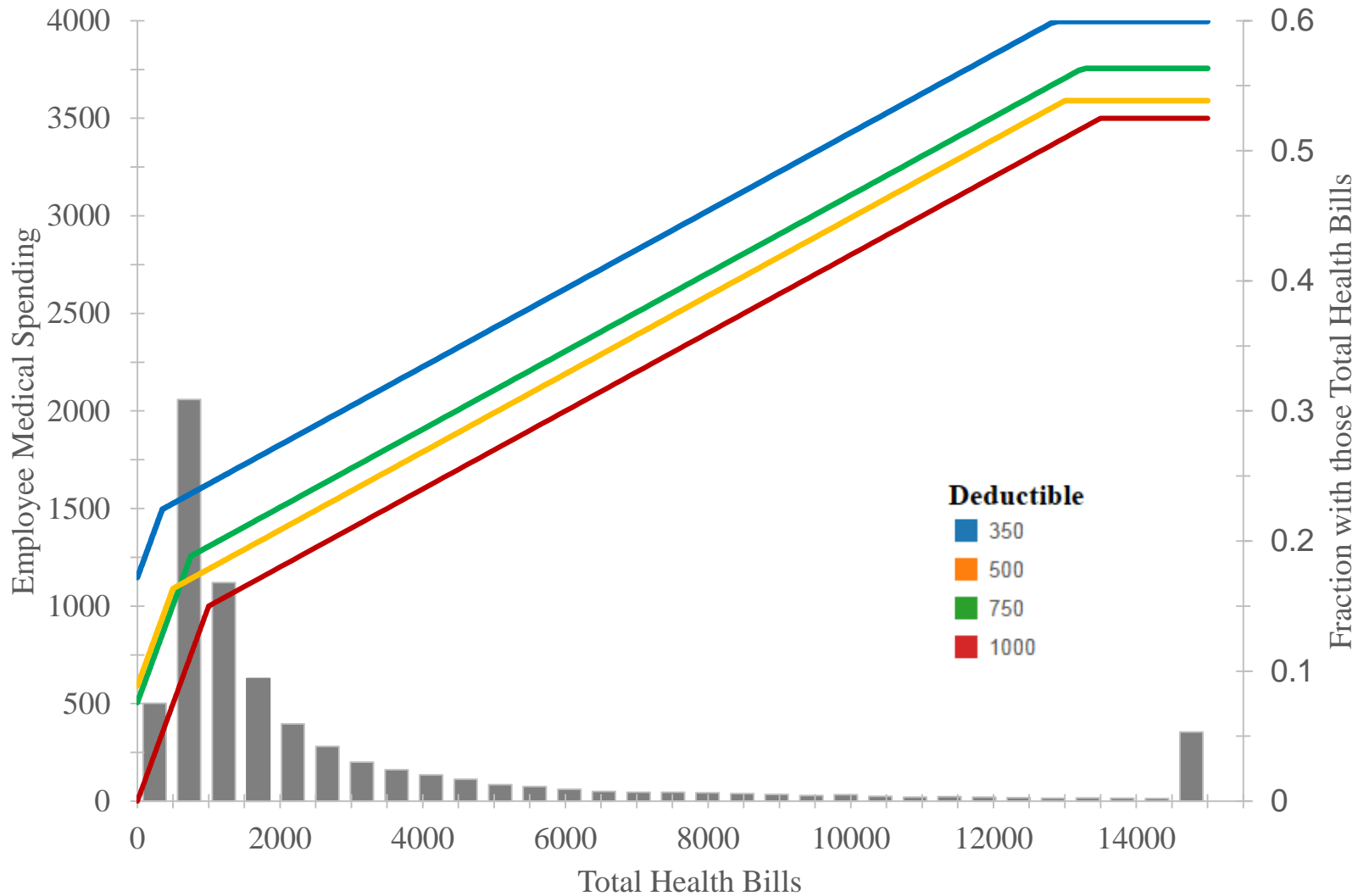
What Should I Do Next?

[Return](#) to Medical page to make your choice or compare with your other options.

3 Nearly every low-deductible plan was “dominated”

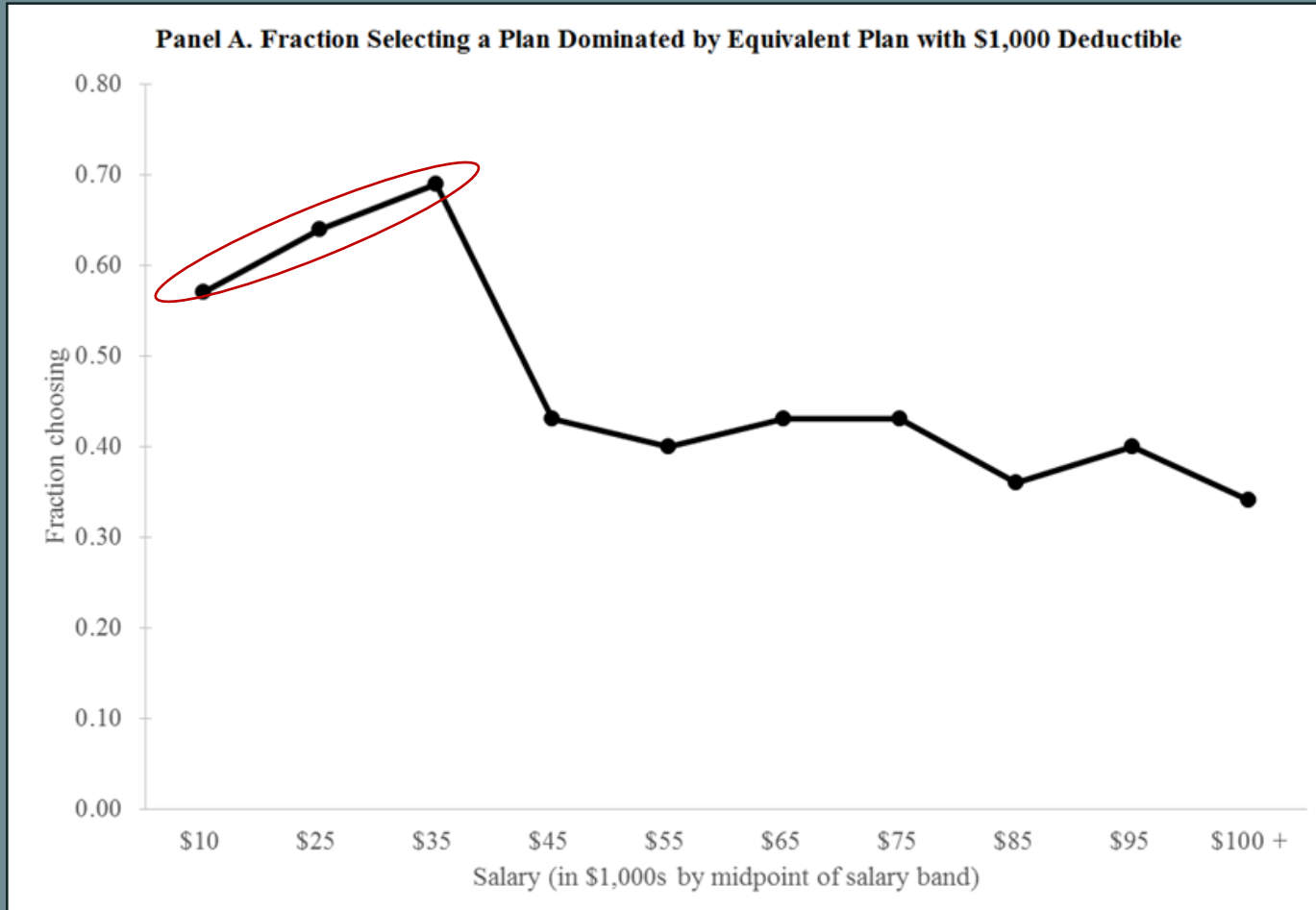
Total Employee Spending by Health Bills by Deductible

(Schedules depicted for 4 plans fixing Out-of-pocket max and coinsurance)



Employees would need to spend **\$600** in premiums to save an expected **\$250** (max of \$500)

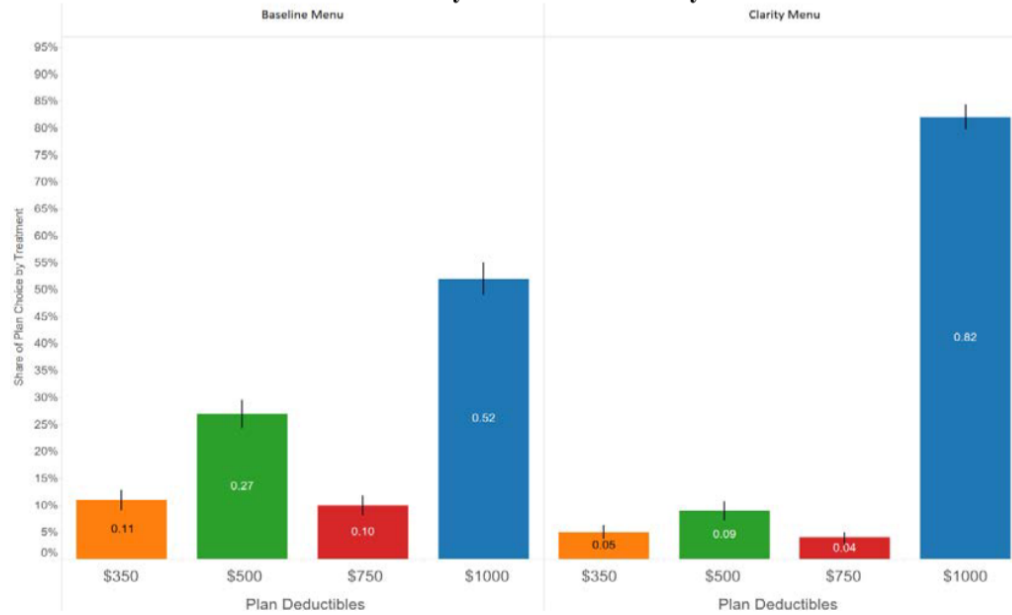
Dominated Plan Choice by Employee Salary



55% of employees chose dominated plans at a cost equivalent to 24% of premiums

Low earners more likely to choose dominated plans and less likely to subsequently switch

Panel A. Menu Clarity and Plan Choice by Deductible



Panel B. Insurance Competence and Dominated Plan Choice

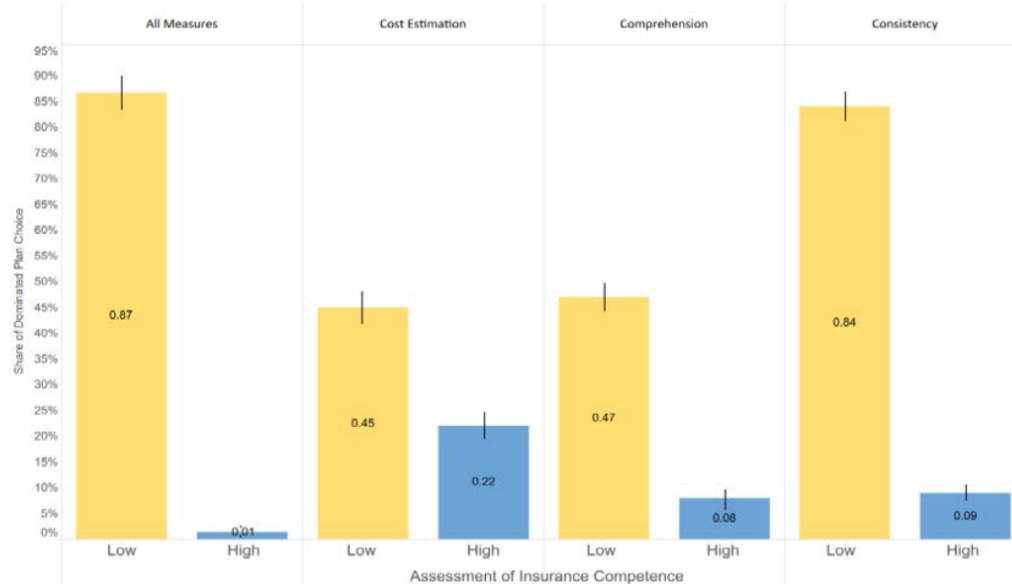
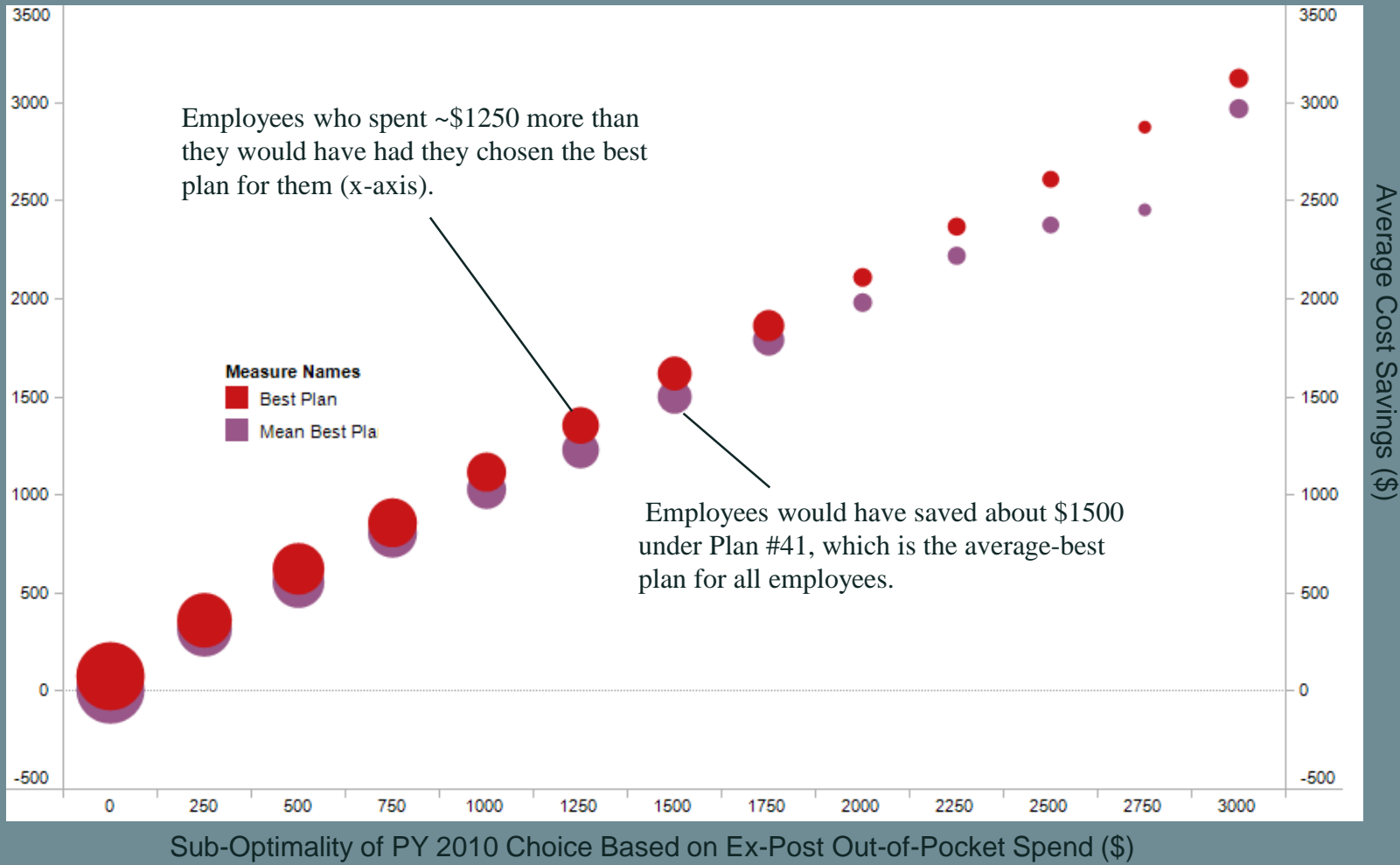


Figure V

Menu Clarity, Insurance Competence, and Plan Choice – Results from Experiment 2

Follow-up experiments suggest poor choices **not** caused by menu complexity but lack of insurance understanding

Counterfactual Savings w/ Single Best Plan



Policy Remedy #1 Restrict Menus

Single best-plan would have saved employees \$40m – nearly as much as choice w/ perfect foresight

Simplified Insurance Plans from Oscar

Choose your plan

All Oscar plans include the same great doctor network, great medical care, and great member experience.

Plus free perks

- 24/7 calls with a doctor
- \$240 in fitness rewards
- Checkup and preventive care
- Misfit Flash step tracker

\$267 /mo Simple Bronze You save \$95 in financial aid	\$6,850 yearly max \$20 primary care visits (2x) \$20 generic drugs \$20 lab tests from Quest	Select this plan View Plan Highlights
\$336 /mo Simple Silver You save \$95 in financial aid	\$5,900 yearly max Free primary care visits Free generic drugs Free lab tests from Quest	Select this plan View Plan Highlights
\$429 /mo Simple Gold You save \$95 in financial aid	\$3,000 yearly max Free primary care visits Free generic drugs Free lab tests from Quest	Select this plan View Plan Highlights
\$532 /mo Simple Platinum You save \$95 in financial aid	\$1,000 yearly max Free primary care visits Free generic drugs Free lab tests from Quest	Select this plan View Plan Highlights

Currently viewing [Simple plans](#) ▾

[Compare all plans](#)

Policy Remedy #2 Simplify Incentives

Simplifying, and standardizing, insurance structure may promote more efficient choices and utilization

Three Lessons for Simpler Policy Design

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Evidence from retirement savings**

Policy Problem

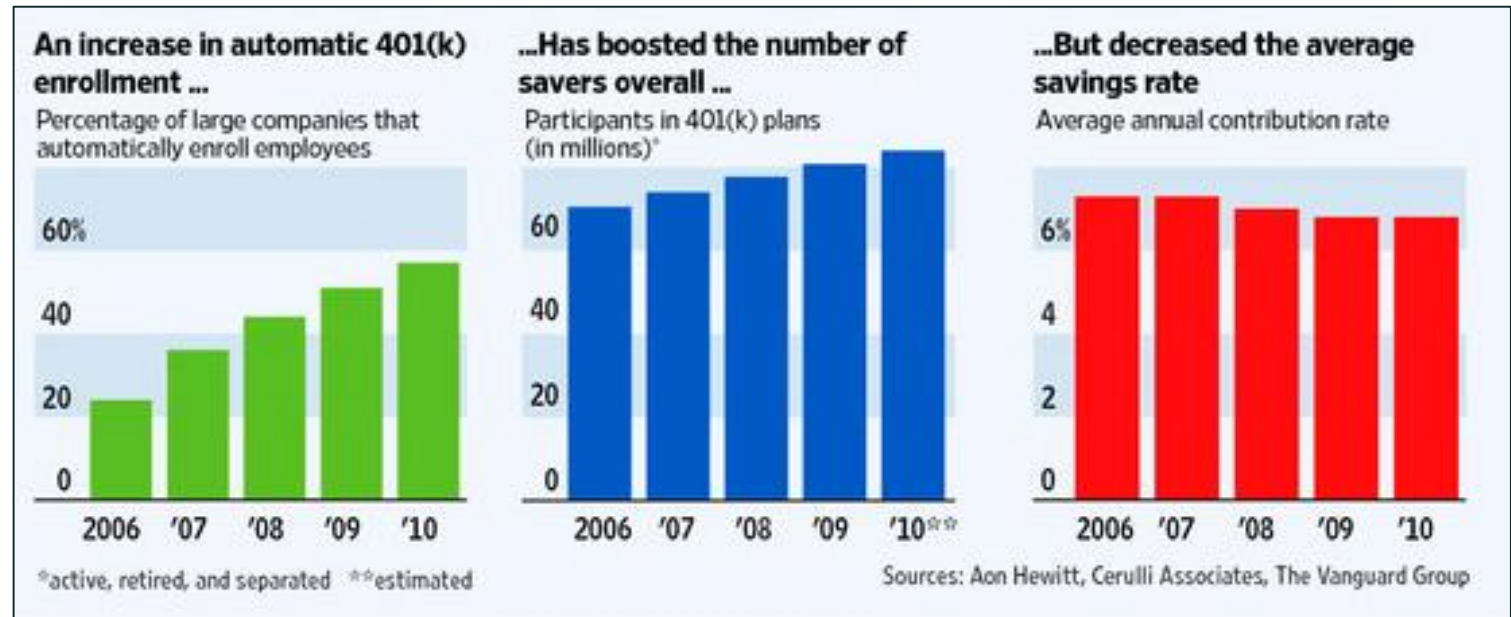
Low Employee Savings

Background

Large majority of US households have accumulated insufficient assets for a financially secure retirement and have low emergency liquidity

Introduction of 401(k) auto-enrollment sharply increased employee participation in retirement plans over past 15 years but savings has not improved...

(e.g., NIRS 2013 Report)

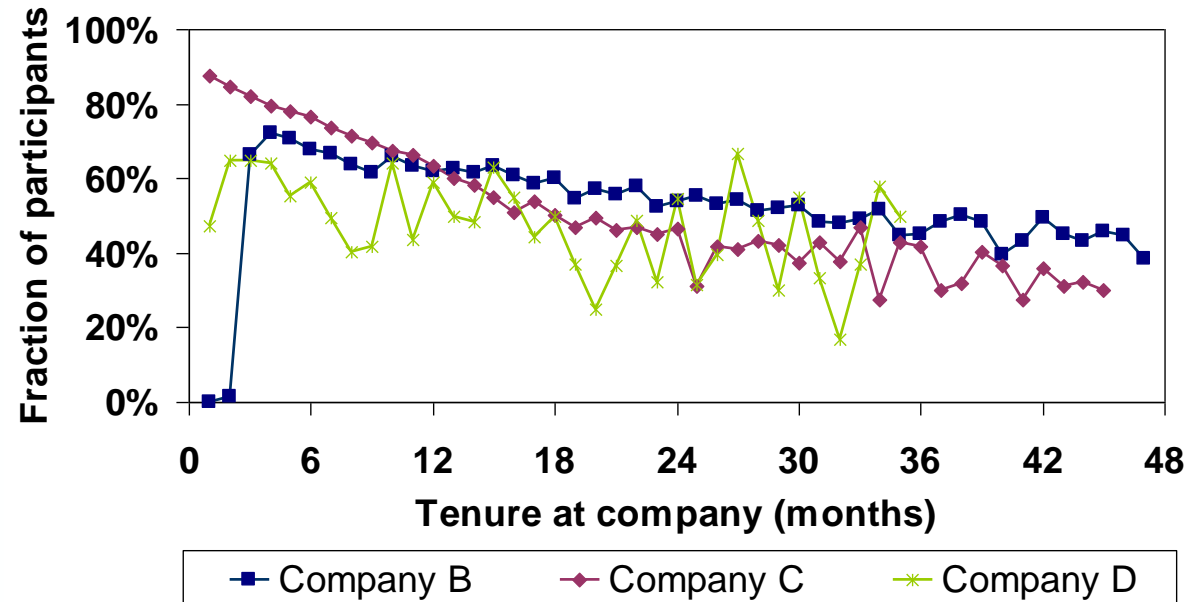


Lack of aggregate savings due in part to low defaults, consumer inertia

Policy Problem

Low Employee Savings

Fraction of participants hired during auto-enrollment at both default contribution rate and asset allocation



Plot from Choi et al. 2004

Research Strategy

Field experiment, in collaboration w/ Voya Financial, to explore sensitivity of savings to 401(k) plan incentives and choice architecture.

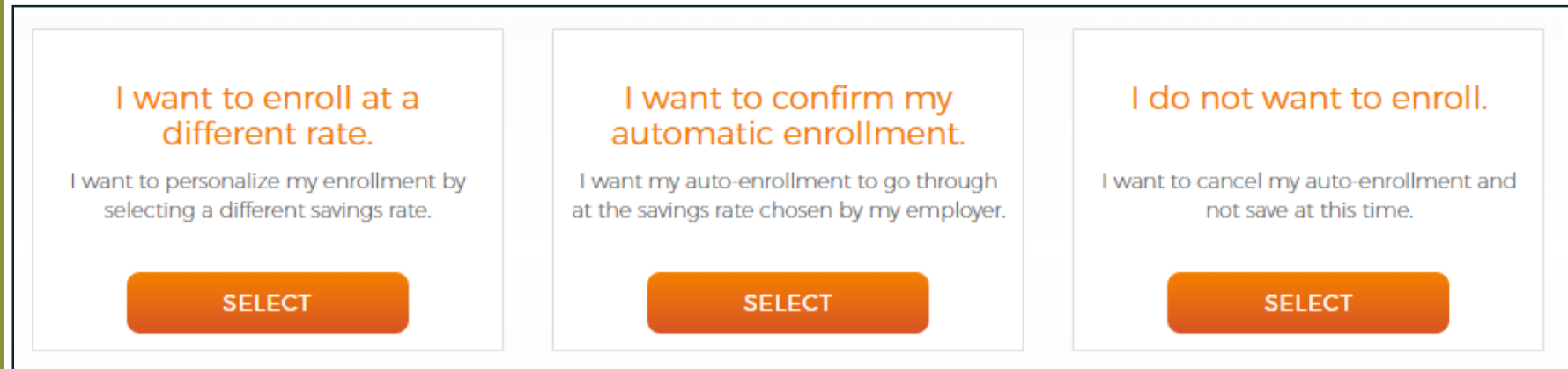
Does enrollment setting shape savings decisions?

401(k) Enrollment Home Page

Default Contribution Rate: 3 percent

Matching Contribution: Dollar-for-Dollar up to 6 percent

(N = ~6900 pre-test using hypothetical plan choices)



53%

40%

7%

Preliminary Research

Choice Interface & Engagement

Preliminary – please do not cite
(Benartzi, Bhargava, Conell-Price,
& Mason, in progress)

How do people respond to changes in incentives?

Original Default Contribution Rate: 3 percent
Original Match: Dollar-for-Dollar up to 6 percent

New Default Contribution Rate: 3 percent
New Match: Dollar-for-Dollar up to 3 percent

Preliminary Research

Sensitivity to Match Generosity

<p>I want to enroll at a different rate.</p> <p>I want to personalize my enrollment by selecting a different savings rate.</p> <p>SELECT</p>	<p>I want to confirm my automatic enrollment.</p> <p>I want my auto-enrollment to go through at the savings rate chosen by my employer.</p> <p>SELECT</p>	<p>I do not want to enroll.</p> <p>I want to cancel my auto-enrollment and not save at this time.</p> <p>SELECT</p>
--	---	---

53%

40%

7%

-18%

+18%

No Change

I want to enroll at a different rate.

I want to personalize my enrollment by selecting a different savings rate.

SELECT

I want to confirm my automatic enrollment.

I want my auto-enrollment to go through at the savings rate chosen by my employer.

SELECT

I do not want to enroll.

I want to cancel my auto-enrollment and not save at this time.

SELECT

53%

40%

7%

I want to enroll at a different rate.

I want to personalize my enrollment by selecting a different savings rate.

SELECT

I want to confirm my automatic enrollment.

I want my auto-enrollment to go through at the savings rate chosen by my employer.

SELECT

I do not want to enroll.

I want to cancel my auto-enrollment and not save at this time.

SELECT

+3%

-3%

NC

What happens when we change **COLOR?**

I want to enroll at a different rate.

I want to personalize my enrollment by selecting a different savings rate.

SELECT

53%

I want to confirm my automatic enrollment.

I want my auto-enrollment to go through at the savings rate chosen by my employer.

SELECT

40%

I do not want to enroll.

I want to cancel my auto-enrollment and not save at this time.

SELECT

7%

Do it Myself

I want to personalize my enrollment by selecting a different savings rate.

SELECT

+10%

Do it for Me

I want my auto-enrollment to go through at the savings rate chosen by my employer.

SELECT

-8%

I Don't Want to Save

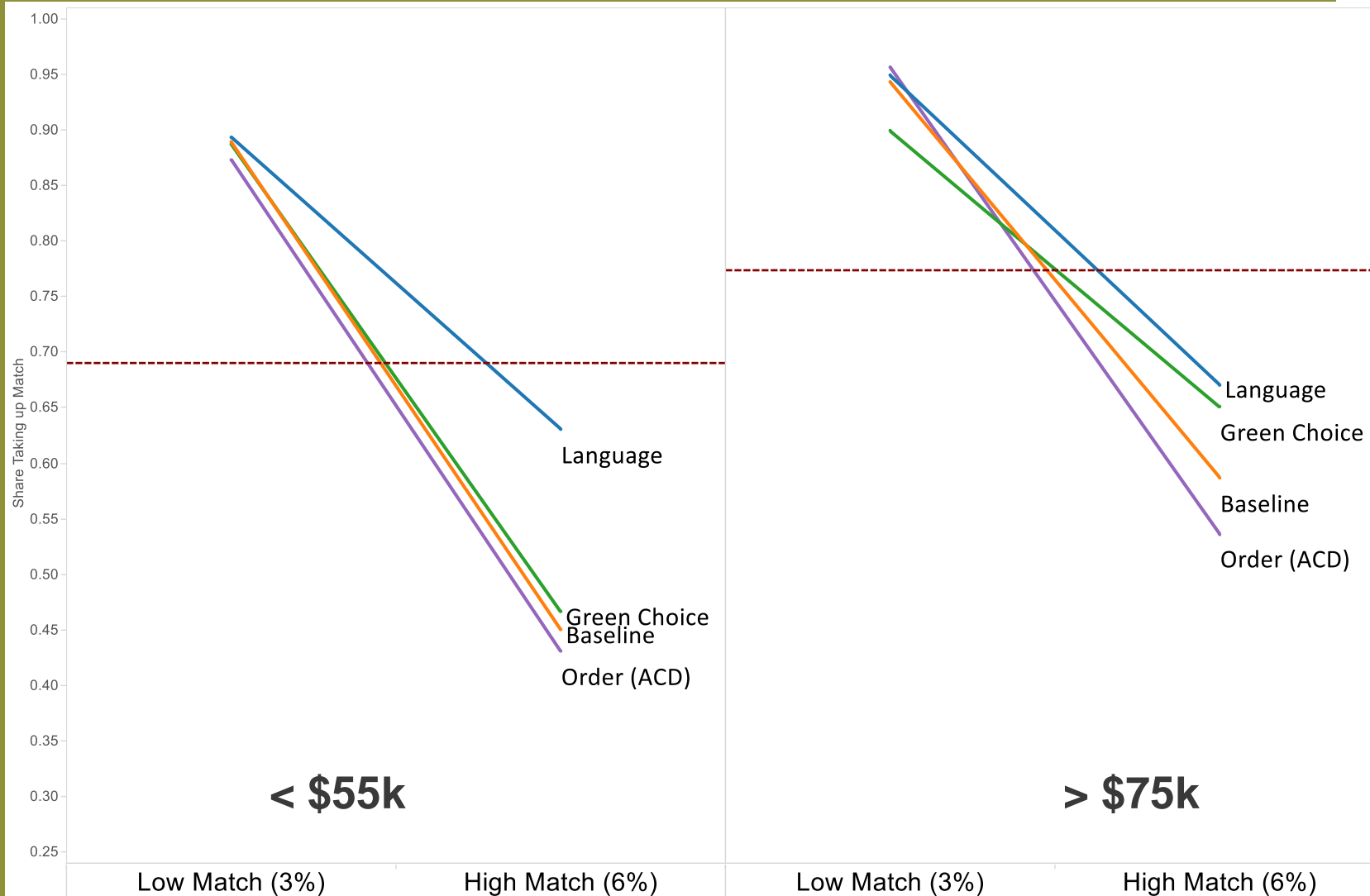
I want to cancel my auto-enrollment and not save at this time.

SELECT

-2%

What happens when we change LANGUAGE?

Take-up of Match by Income, Interface, and Match Generosity



Choice architecture may affect people differently across policy-relevant dimensions like income

Overall lessons for policy design

Simplify Disclosures

- Simplify visual presentation
- Use reminders
- Highlight relevant information
- Customize (or automatically populate)

Simplify Incentives & Program Structure

- Introduce defaults (but remember they are sticky)
- Restrict menus to suitable choices
- Simplify underlying structure of incentives

Simplify Choice Architecture

- Provide decision aids not just education
- Offer (customized) recommendations
- Iteratively test through randomized designs

Thank you
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