Book Review: Choice Architecture?
Nudge Describes How to Improve Decision Making

By Robert Rader
Executive Director, CABE

I read Nudge because I had heard that those in the White House were reading the book. It has become well-known in many circles because of its premise, that, when people are provided with good choices, positive results can be had. I wanted to see if this suggestion, which would appear to be mostly common sense, could play a significant role in education matters. Besides, I received the book from my son David as a birthday present.

Okay, I understand that you might not understand what “choice architecture” is. But, it is at the core of many of the decisions that we make in life and in education.

Two heavyweight thinkers, Richard H. Thaler, a professor of Behavioral Science and Economics and director of the Center for Decision Research at the University of Chicago’s School of Business and Cass R. Sunstein, the Felix Frankfurter Professor of Law at Harvard Law School, have teamed up to write a book about, well, yes, how choice architecture affects the decisions we make and how we can improve decisions in many areas of our lives.

“Choice architecture” refers to how we frame the choices we have when faced with making decisions. For example, when students eat at your school cafeteria, you hope that they will choose the healthiest foods available. The management of the cafeteria has a number of ways to arrange the food, everything from randomly, to ways designed to maximize the profit of the cafeteria to encouraging the purchase of the healthiest foods. The power of the “choice architect” is in determining how best to put out the food.

One would hope that the food is arranged in a way to encourage students to buy the healthiest available. This would not include putting the desserts up front or putting French fries at eye level. Carrot sticks might be the better choice to encourage.

In looking at just these types of questions, researchers found that they were “able to increase or decrease the consumption of many food items by as much as 25 percent. The lesson: “school children, like adults [in say, supermarkets], can be greatly influenced by small changes in the context. The influence can be exercised for better or worse.” In this example, a good result would be students eating healthier.

That, in a nutshell, is what Nudge is all about. With many examples from everyday life, the two authors describe how choices are presented and their contexts will help determine the decisions that are made.

Thaler and Sunstein believe that to “nudge”, that is, to “alert, remind, or mildly warn another” is a way of exercising what they call “libertarian paternalism”. In this they argue that they are encouraging the use of nudges in how we make our choices for the good of the person making the choice or even of society as a whole.

Probably the best example of using nudges has to do with new employees. Those who are told of their opportunity to invest in a retirement account are much less likely to enroll and invest than those who are automatically enrolled upon employment. This is “libertarian paternalism”—the employee need not actually use his money to invest, but by being enrolled, he or she is much more likely to do so.

We use this idea at CABE. Board chairs are considered part of our Board Chair listserv, unless they opt out. Some who start off skeptical may find that once they start getting these emails, they will find them useful. If they had to opt in, they might never get the chance to know.

Part of the author’s idea is that while people try to make their best choices, sometimes they don’t realize what is in their best interests. They also sometimes make decisions based on biases and tendencies that might not be the best way to choose.

By using the best choice architecture, especially when faced with lots of options, people are “nudged” into making the best decisions. If you’ve been asked to pick mutual funds from the lists of hundreds made available to you in a 401(k) plan, you can easily get lost in the decision making. The new groups of funds (continued on back)
that are targeted to say, retirement in 2020, is a form of nudging that may help ease the confusion.

A Nudge Towards Graduation?

After we saw the graduation rates last month for Connecticut students, we may want to use “nudging” to encourage students to go to college. One idea, developed by an administrator in San Marcos, Texas with a largely minority population, was that, in order to graduate, a student must complete an application to a nearby community college. Just filling out the application, graduating and having taken a standardized test is “tantamount to acceptance.”

The administrator got help from the community college so that students understood financial aid opportunities and guidance counselors told students that the difference in what they could make as college graduates as opposed to just getting their high school diploma was the difference between a Mercedes and a Kia (something the students readily understood).

The result: from 2004 to 2005, the percentage of San Marcos High students who went to Texas colleges rose by 11 percent. Now, many Texas high schools have similar programs.

One nudge that is built into the secondary school initiative launched by Commissioner McQuillan and the State Board of Education is that the “default” program for all students is putting them on the track to college. This is an example of choice architecture that encourages a good outcome.

Other School Issues

While Nudge is not the most exciting book I ever read, it provides some good ideas about how we can shape our society to encourage good behavior. It provides a strategy that could help with some of the Legislature’s desire to make changes in public education. Rather than implementing mandates, one idea in the book concerns identifying and measuring issues, which, when addressed, can lead to better results. For example, calling attention to issues concerned with in-school suspension, rather than mandating the solution, might lead to better results as boards examine the issue.

Boards and superintendents can look at the decisions that they ask students and parents to make and determine whether they need a little encouragement to make the best decisions. Just encouraging good choices, like in the cafeteria, can make a big difference in students’ lives.

I would encourage board members and superintendents to read the parts of Nudge that interest them. As choice architects, boards and superintendents have the opportunity to shape decisions in ways that work for students, their parents and their communities.

Encouragement without mandates. That’s a good recipe for success anywhere.