

APPLICATION OF BEHAVIORAL ECONOMICS TO CHILD CARE

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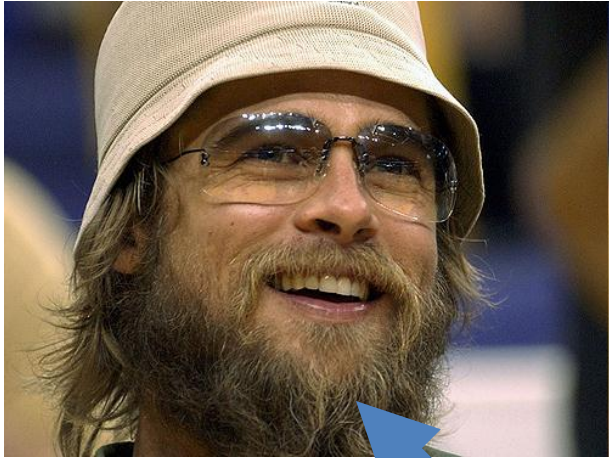
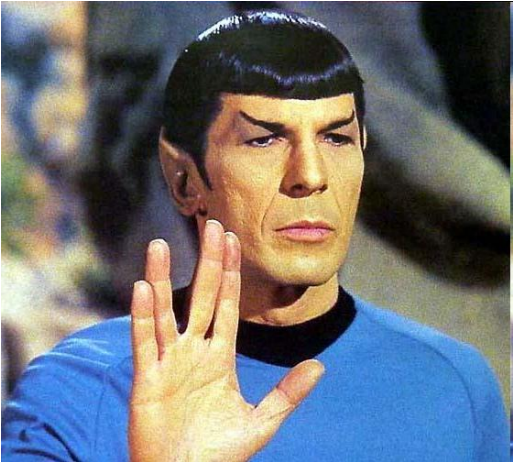
10/24/2012

OVERVIEW

- Intro to BE and diagnosis and design methodology
 - Examples of a few psychologies at play in the childcare domain
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- Behavioral mapping in the child care context
 - Lessons from current behavioral mapping



REPRESENTATION WE HAVE OF PEOPLE LEADS TO SOLUTIONS



odd choice.

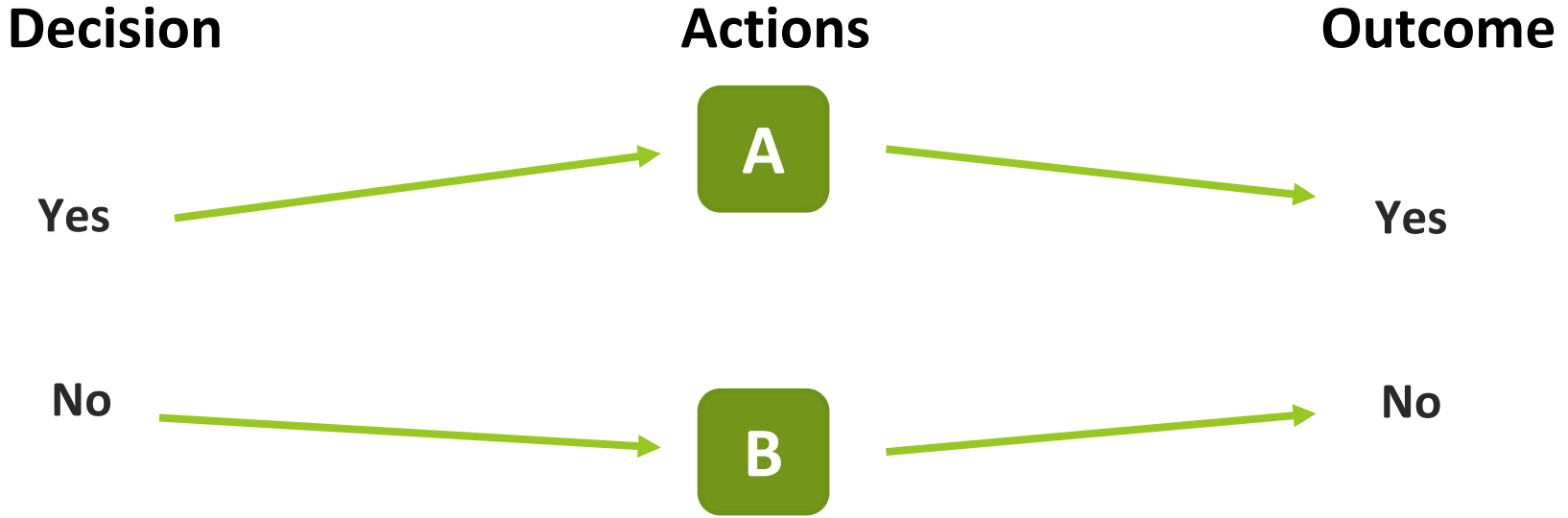


“Excellent airmen commit no errors.”



REPRESENTATION WE HAVE OF PEOPLE INSTEAD OF SITUATIONS ALSO LEADS TO SOLUTIONS

BEHAVIORAL MODEL



- We decide yes if $\text{benefits} > \text{costs}$
- Action naturally follows from decision

BEHAVIORAL MODEL

Decision

Actions

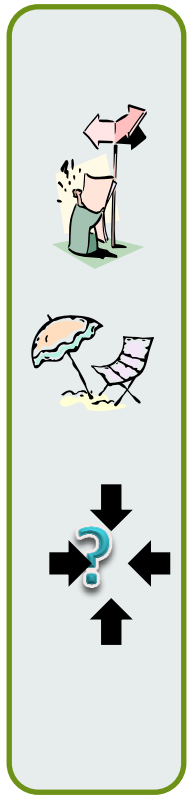
Outcome



Yes

No

???



A

B

Yes
No
???

Yes
No
???



Yes

No

Failed to choose, didn't consider at all

Process changes decision

THERE ARE MANY INFLUENCES ON DECISION MAKING AND ACTIONS

Attention: Focus & Neglect

- Passivity
- Focusing illusion
- Mindless behavior, automaticity, habits, limited attention
- Prescriptive / descriptive norms
- Implementation intentions

Time Inconsistency

- Discounting
- Self-control problems, procrastination
- Planning fallacy
- Conflicting identities

Barriers (& Routes) to Action

- Hassle factors
- Forgetting / inattention (& reminders)
- Darley/Batson – person vs. situation
- Social proof and social norms
- Channel factors
- Scarcity principle

Reevaluation

- Self-perception, self-fulfilling prophesy

Construal: What's in the Choice Set

- Acceptance (of what's presented..)
- Frames, sets, order/contrast effects
- What people know, remember, perceive, think about

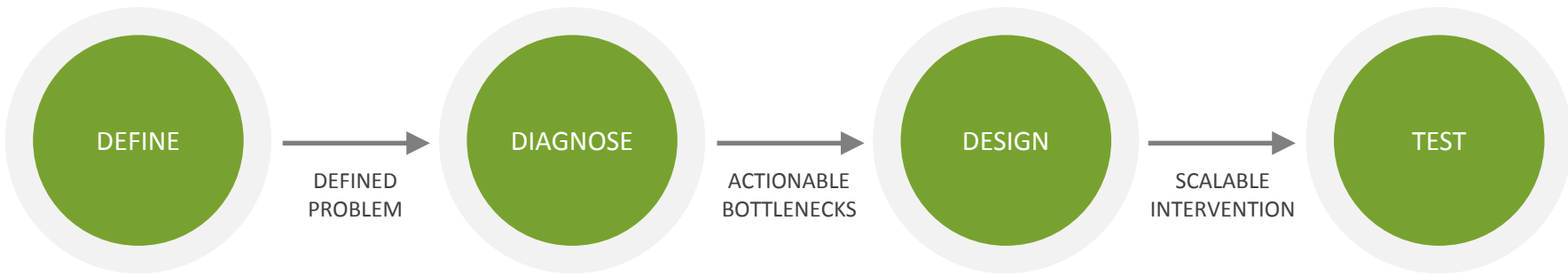
Situation: Influences of Context

- Proliferation of options & choice conflict
- Joint vs. separate evaluation, opportunity cost ignorance, weighting
- Prospect theory: reference points, loss aversion, endowment
- Local focus
- Mental accounting
- Social norms
- Visual cues

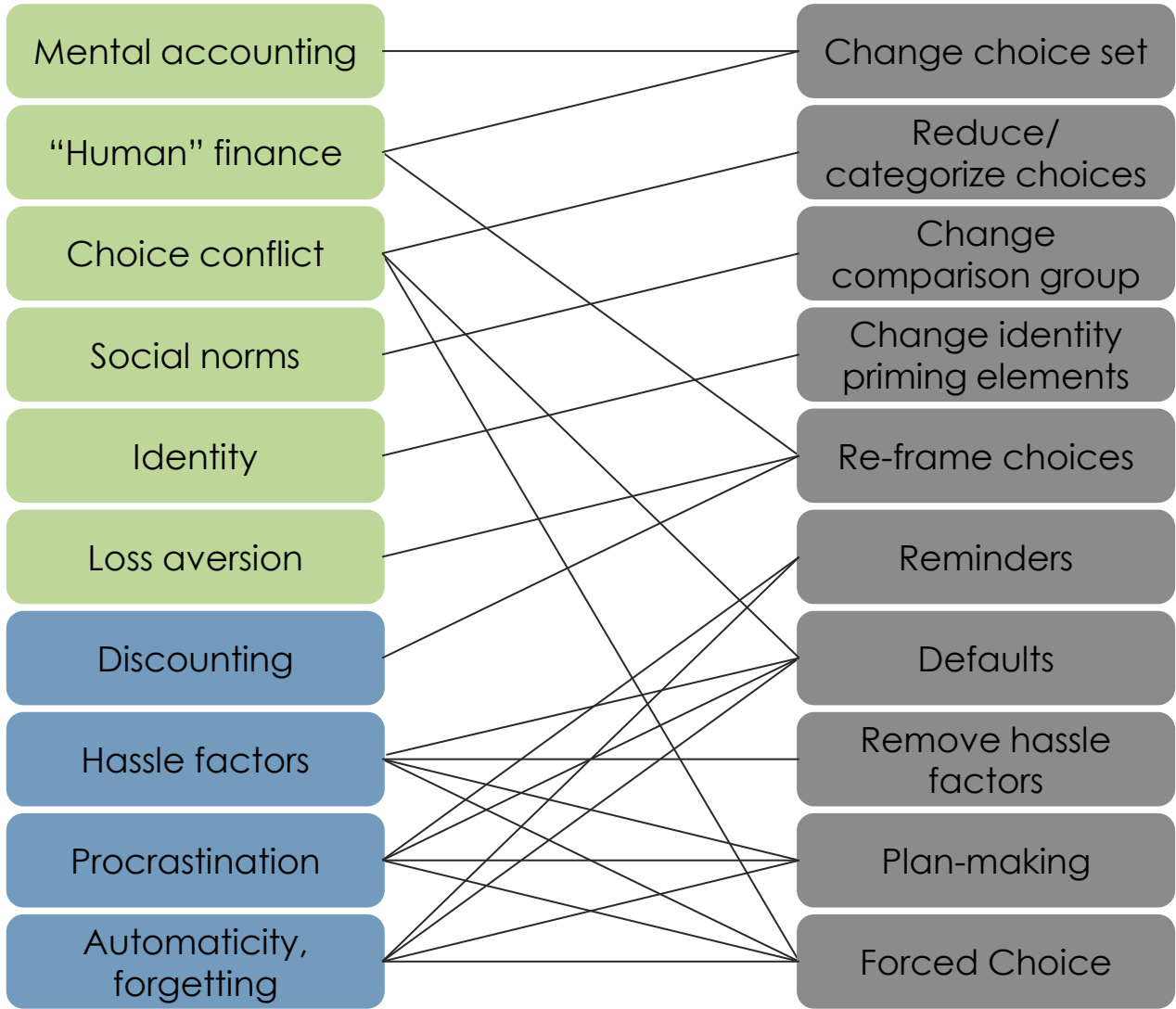
Person

- Misunderstanding compounding, unit confusion
- Overconfidence, probability perception
- Affect
- Identity
- Memory, remembering self makes the choice
- Goals

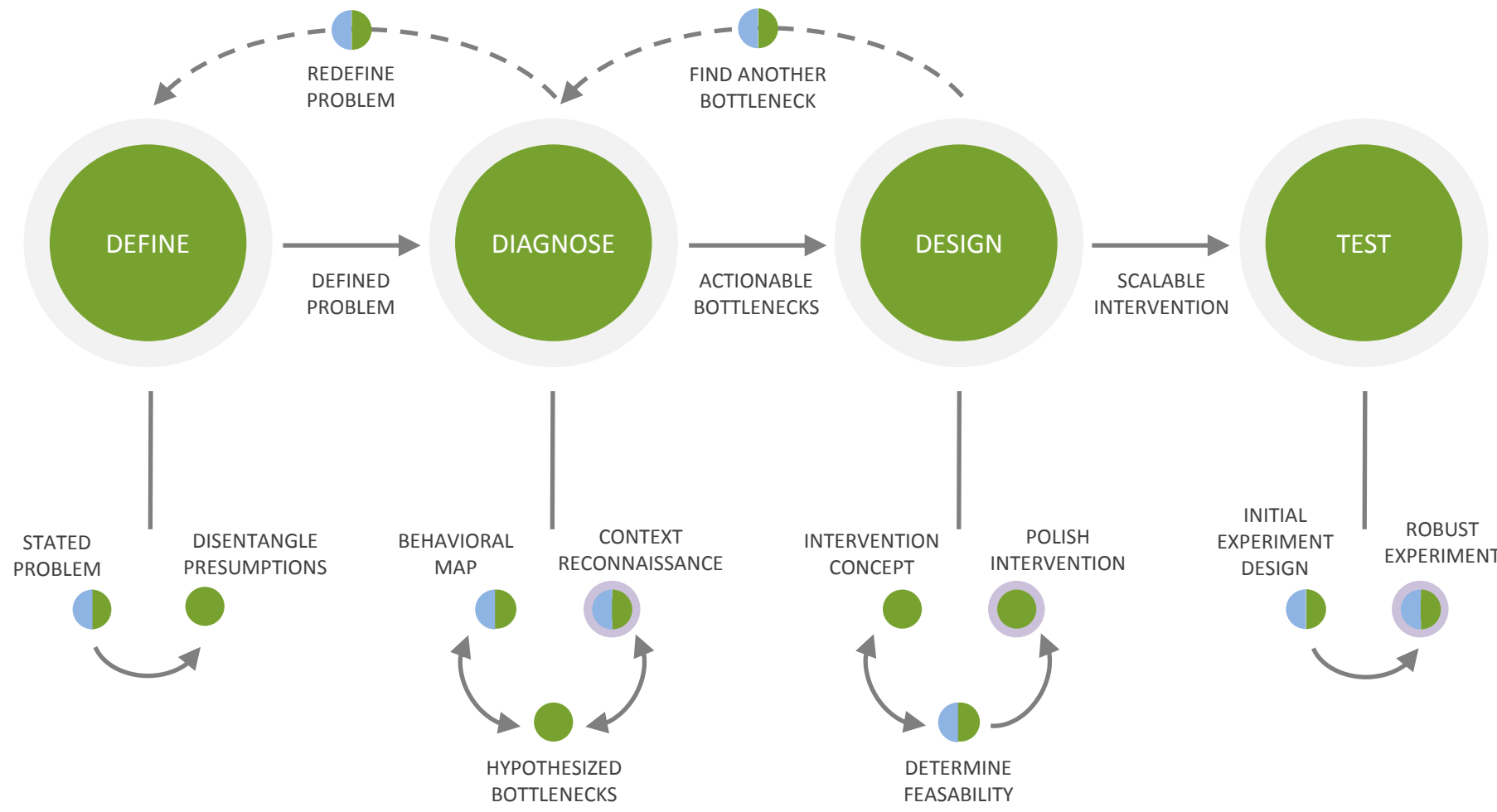
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DIAGNOSIS LEADS TO DESIGN



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A FEW EXAMPLES OF PSYCHOLOGIES THAT ARE AT PLAY IN CHILDCARE SELECTION

- Three example psychologies:
 - Social Norms
 - Identity
 - Hassle factors

EXAMPLE 1: SOCIAL NORMS

Commonly held understanding: People are impacted by the social norms of family, peer groups, etc.

Deeper understanding: People's perceptions of social norms are what matters, there are often competing social norm perceptions, and these perceptions are often surprisingly easy to influence.

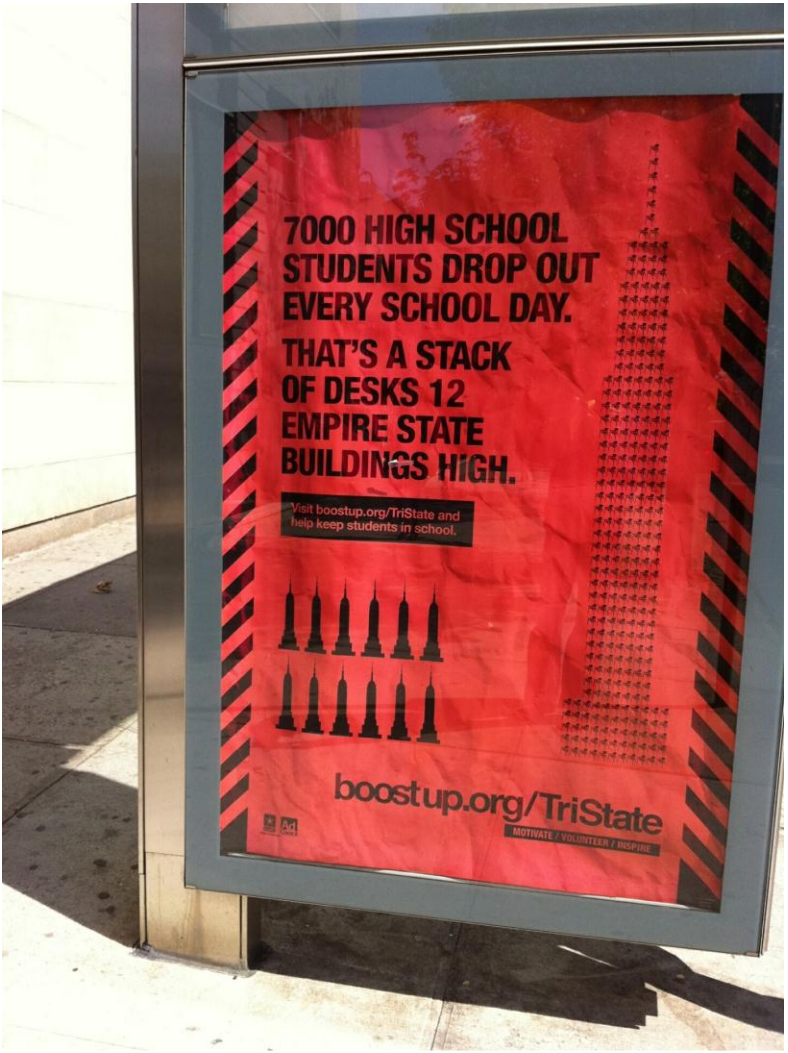
EXAMPLE 1: SOCIAL NORMS

“90% of people don’t use drugs.”



“A lot of people I know use drugs.”

EXAMPLE 1: SOCIAL NORMS



EXAMPLE 1: SOCIAL NORMS

Implications for Childcare:

- Can have a big Impact on the choice set that people consider when looking for referrals and advice on decision. Quality Rating Information Systems are not even in the choice set.
- Use existing perception of social norms to reach those that will influence parent (e.g. parent of parent, pediatrician)

EXAMPLE 2: IDENTITY

Commonly held understanding: A person's identity has an impact on decisions and actions.

Deeper understanding: People have multiple identities, these identities are malleable depending on context and priming, and have a surprisingly large impact on outcomes.

EXAMPLE 2: IDENTITY

Implications for Childcare:

- People have conflicting identities (e.g. parent, employee, benefit recipient, young person) depending on which identities are primed can have an impact on how much effort they put into searching or how much they care about quality ratings.
- Interventions that seek to prime identities that are more childcare aligned.

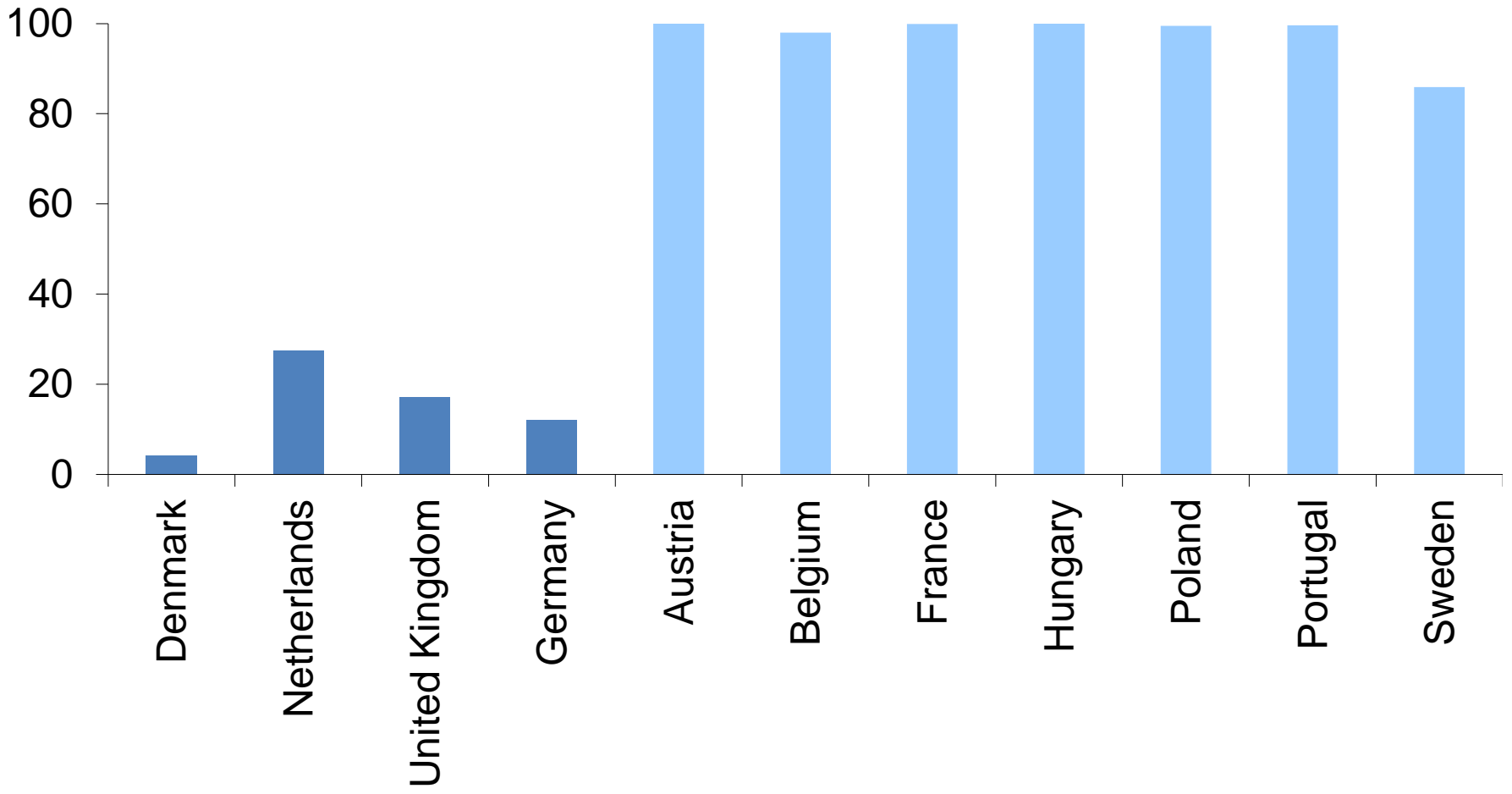
EXAMPLE 3: HASSLE FACTORS

Commonly held understanding: Hassle factors have a cost in time and effort that have real economic cost to people that should be factored into how people make decisions.

Deeper understanding: Hassle factors have an impact on behavior that is usually disproportional to the economic costs. Hassle factors exacerbate other psychologies (e.g. procrastination, prospective memory, inattention).

EXAMPLE 3: HASSLE FACTORS

Organ Donation Rates

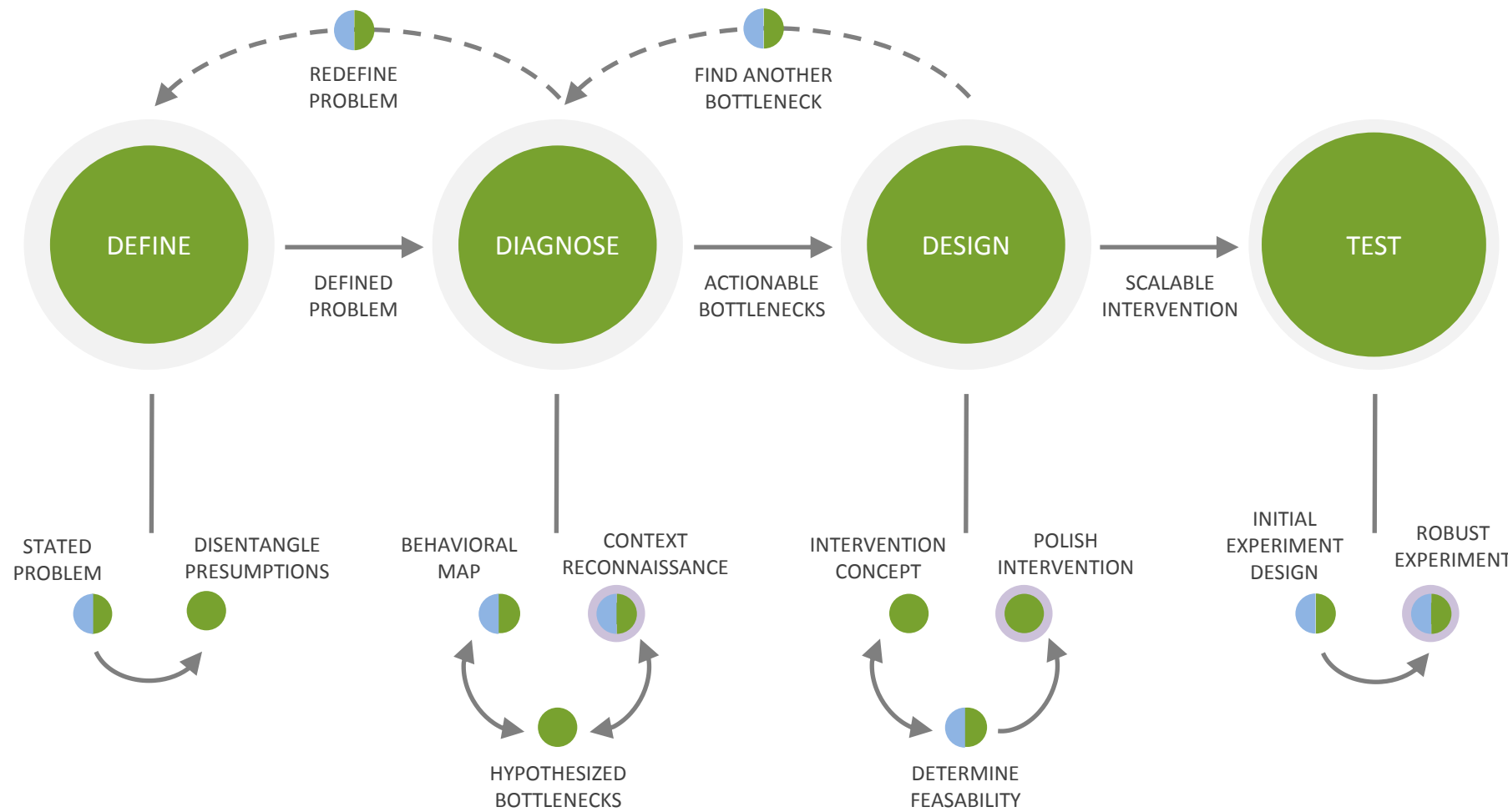


EXAMPLE 3: HASSLE FACTORS

Implications for Childcare:

- Small hassles; such as multi step process to understand what ratings mean, poor internet search optimization, or multiple state government websites on childcare; cause an “outsized” impact on incredibly important decision.
- The user experience design matters a great deal.

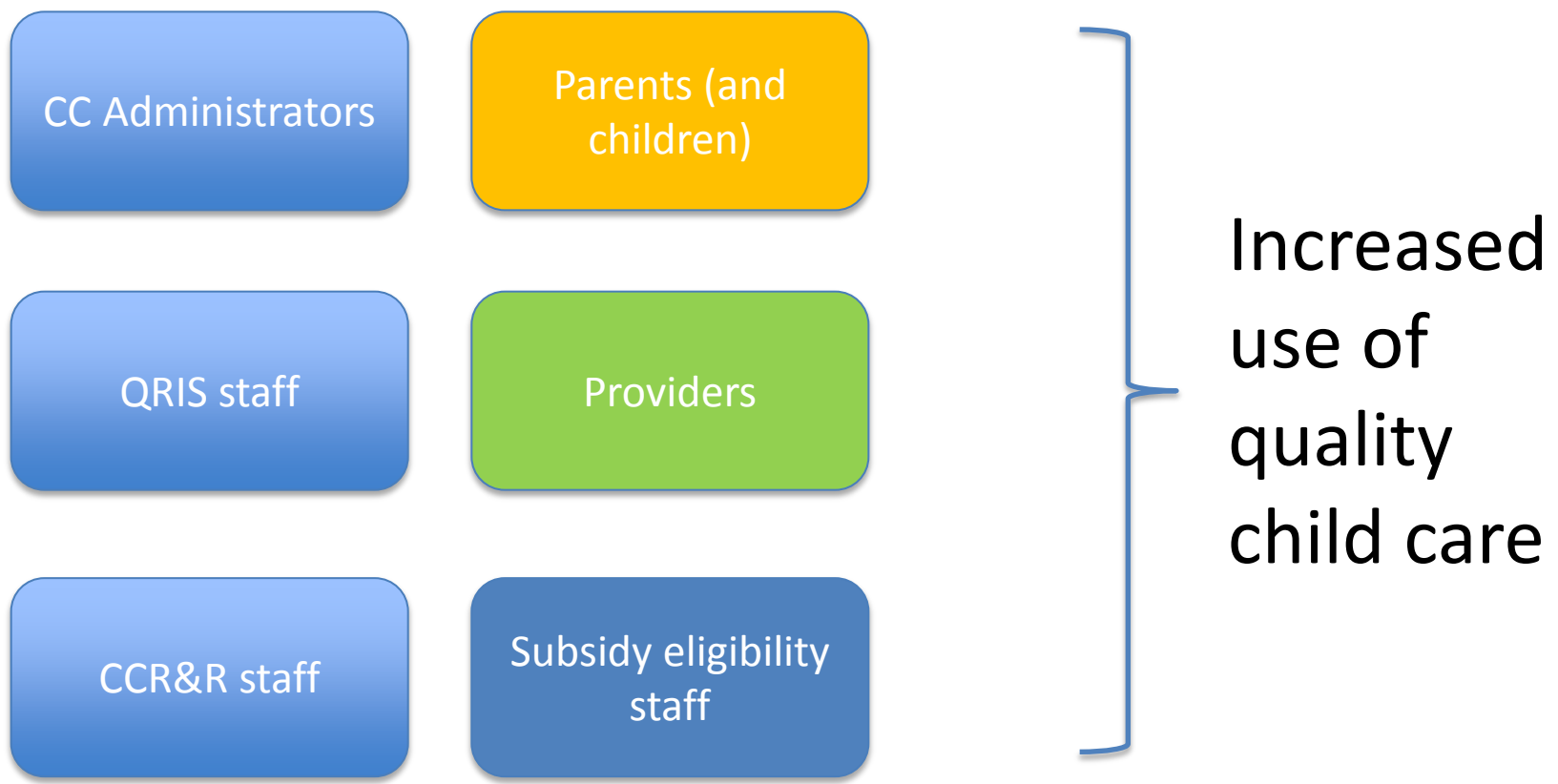
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OVERVIEW

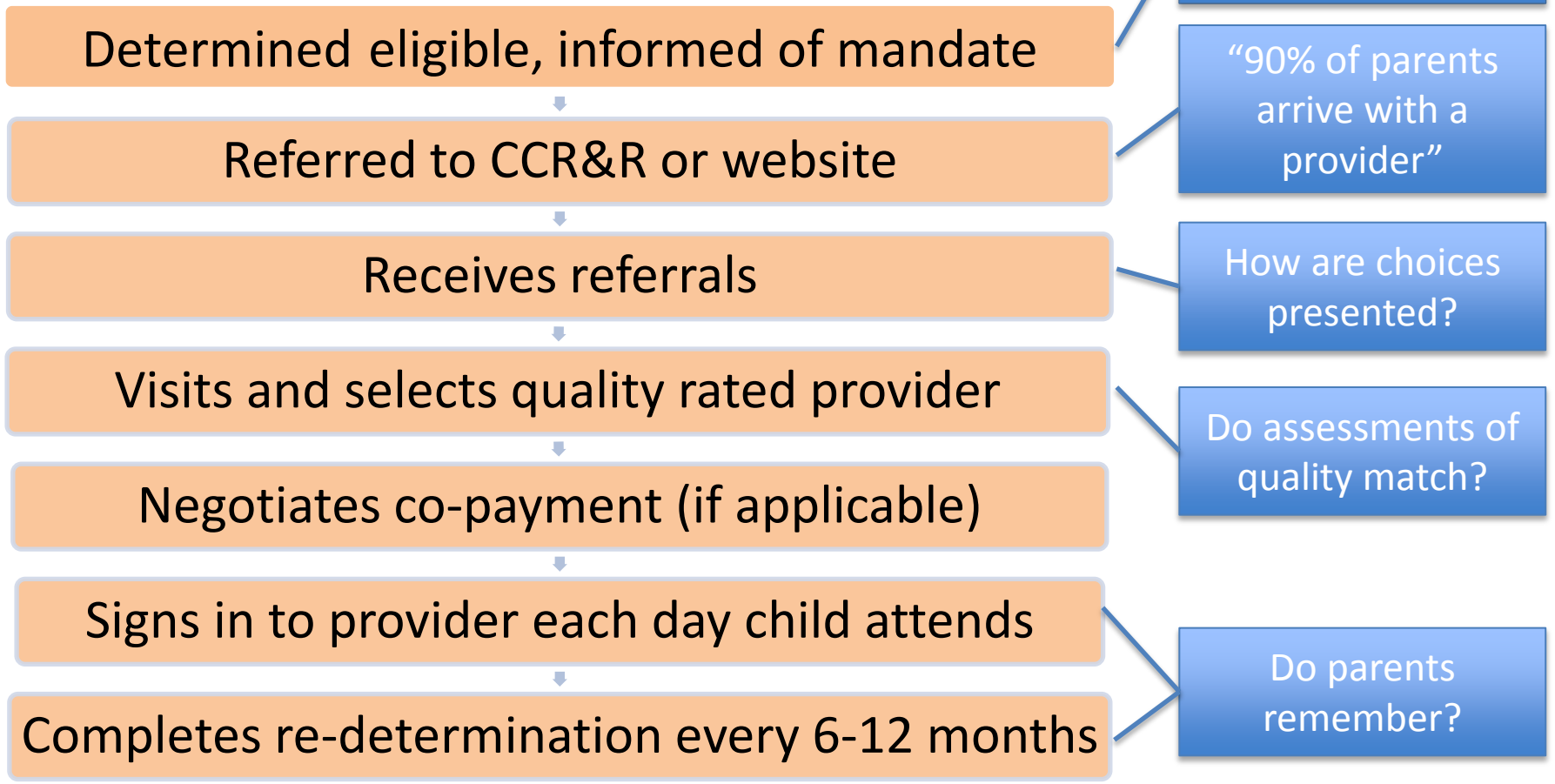
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BEHAVIORAL MAPPING IN CHILD CARE CONTEXT



Policies, Programs, Mandates, and Resources

STEPS FOR SUBSIDY-HOLDING PARENTS SELECTING CARE



Client Name : [REDACTED] (Client ID# [REDACTED]) Referrals Made On :April 23,
2012,:00:00:00

Printed By :Administrative User on April 23, 2012,:13:34:20

ID: [REDACTED] NAME: [REDACTED] Business Name: [REDACTED]
Address: [REDACTED] Unit# [REDACTED]
City: [REDACTED] State: [REDACTED] Zip: [REDACTED]

Contact Person	Primary Phone
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[REDACTED]

Type Of Care	Regulation Status	Total Licensed Capacity
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Family Child Care Regulated/Licensed 8

Ages Served

1 year ~ 12 years

Quality Indicators QRS Step 1

Session 1 Shift

Days	Days Open: Monday Tuesday Wednesday Thursday Friday
	Time Open: 6:30 AM 6:30 AM 6:30 AM 6:30 AM 6:30 AM
	Time Closed: 5:00 PM 5:00 PM 5:00 PM 5:00 PM 5:00 PM

Rates AgeGroup - Rate (Amount/RateUnit)

Elementary Schools	Coffin , Harriet Beecher Stowe
Environment	Fenced Yard , Lead Safe , No Pets , Non Smoking , Outdoor Play , Peanut Free
Meals	Breakfast , Morning Snack , Lunch , Afternoon Snack , USDA Food Program
Policies	Written Contract , Written Handbook , Provider takes paid vacations , Paid Holidays , Family Vacation Allowance , Takes Paid & Unpaid Vacations or 1/2 Paid
Safety	CPR/First Aid Training , Liability Insurance , Audio Monitor , Video Monitor-view child within home/center , Basic Water Safety Certified
Training	13- 40 hours of workshops and training
Education	Some College, Child Related , Maine Roads to Quality Registry
Experience	10-20 Years Experience , Family Child Care Experience
Activities Offered	Music & Movement , Art & Crafts , Cooking , Story Time , Preschool Curriculum , Field Trips , Cultural Activities

NACCRRAware Provider Profile List

Client Name : [REDACTED] Client ID# [REDACTED]) Referrals Made On :April 23,
2012,:00:00:00

Printed By :Administrative User on April 23, 2012,:14:17:16

ID: [REDACTED] NAME: [REDACTED] Business Name: [REDACTED]
Address: [REDACTED] Unit#: [REDACTED]
City: [REDACTED] State: [REDACTED] Zip: [REDACTED]

Primary Phone	Secondary Phone	Email
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[REDACTED]

Type Of Care	Total Licensed Capacity	Total Desired Capacity
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Family Child Care 6 6

Ages Served	Regulation Status
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1 month 2 weeks ~ 12 years Regulated/Licensed

License Type	6 children, 1 adult
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Quality Indicators

Session 1 Shift

Days	Days Open: Monday Tuesday Wednesday Thursday Friday Time Open: 7:00 AM 7:00 AM 7:00 AM 7:00 AM 7:00 AM Time Closed: 5:00 PM 5:00 PM 5:00 PM 5:00 PM 5:00 PM
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Care Available	Accepts Children:Both FT & PT, Duration:Full Year, Before School, After School
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Rates	<u>AgeGroup - Rate (Amount/RateUnit)</u> 6 wks - 12 months - \$145.00 Weekly FT 13 months - 2 1/2 years - \$145.00 Weekly FT 2 1/2 years - 5 years - \$145.00 Weekly FT (1st - 5th grade) - \$50.00 Weekly PT, \$125.00 Weekly FT Kindergarten - \$50.00 Weekly PT, \$125.00 Weekly FT
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Environment	Outdoor Play , Lead Safe , Non Smoking , Pets , Fenced Yard , School Bus Route , Dog(s) , Cat(s) , Small group size
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Meals	Breakfast , Morning Snack , Lunch , Afternoon Snack , USDA Food Program
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Financial Assistance

Policies	Multi-Child Discount , Paid Holidays and sick days . Parents pay if family does on
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LESSONS FROM BEHAVIORAL MAPPING

- Choose an issue of the appropriate scale
- Look for standardized processes
- Ideally, want adequate participation data to point to drop off in process; and outcome data that is accessible and of good quality
- If context of BIAS, need short timeline between intervention and outcome of interest, adequate sample size to detect effects, and organization open to iterative process

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