Thinking Like a Behavioral Economist

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Does the world need another acronym?
This talk

Think like a Behavioral Economist

Understand the WEIRD problem

BE + SBCC
Thinking Like a Behavioral Economist

Behavioral Science in Action
How many animals did Moses take into the Ark?
How many animals did Moses take into the Ark?
Take out your phone and look at the number of the last person you called.
“Reuse your towel to help the environment.”

“..the majority of guests reuse their towels.”

“Reuse your towel to help the environment.”

“..the majority of guests reuse their towels.”

“Reuse your towel to help the environment..”

37%

43%

“..the majority of guests reuse their towels..”

49%

“..the majority of guests in your room reuse their towels..”

Rational
“Predictably Irrational”
Behavioral Economics
and the W.E.I.R.D problem
“Predictably Irrational”
But context and scarcity can shift the weighting and availability.
Assume you were given a choice.

60 USD today

75 USD next month
Assume you were given another choice.

60 USD in 6 months

75 USD in 7 months
One month today is not the same as one month half a year from now.

A psychological poverty trap?
Understanding context and scarcity matters.
About Busara Center for Behavioral Economics
Our mission is to advance and apply behavioral science in pursuit of poverty alleviation.
Country Offices

Project Presence

69 active projects
112 completed projects
3 decision labs
145 full-time staff
BE + SBCC

What’s different? What’s the same?
Good economists copy, great economists steal
Where’s the economics?
Modeling

Prediction based on individual utility maximization
Modeling

Prediction based on individual utility maximization

Data

Measures, labs, big-data
Modeling

Prediction based on individual utility maximization

Data

Measures, labs, big-data

Causality

The “R” word
What you’ll get working with a behavioral economist:
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Frequent misuse of the word “qualitative research”
What you’ll get working with a behavioral economist:

- Laser-focus on mechanisms driving individual behavior
- Unreasonable obsession with causality
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- Frequent misuse of the word “qualitative research”
- An incomplete model of human behavior
What you’ll get working with a behavioral economist:

Laser-focus on mechanisms driving individual behavior
Unreasonable obsession with causality
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New jargon to impress your friends
Frequent misuse of the word “qualitative research”
An incomplete model of human behavior
(Hopefully) some new tools to solve the same problems
How to incorporate Behavioral Economics into your work.
Biases you’ll see at SBCC
A practical guide
Social Herding
Planning Fallacy
In-group / Out-group identity
Reference Dependent Preferences
Choice Overload
Our Concept

How do we bring this #OzoneHeroes idea to life?

By partnering with the creators of the world’s most beloved superheroes: Marvel.
Does the world need another acronym?
What lessons can we learn about combining new disciplines into SBCC?
Thank You!

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