



# SMALL STEPS: BIG CHANGES

**Governments have traditionally made use of three tools to induce desired behaviour from citizens – regulation, taxation, and provision of information. In June 2010, the coalition government established the Behavioural Insights Team, based in No.10 Downing Street and the Cabinet Office, with a mandate to help citizens to make better decisions for themselves by adding a fourth tool, the application of psychology and behavioural economics.**

Calling upon the vast academic literature looking at ‘non-standard’ decision making, beliefs and preferences, the team has since worked across almost every area of domestic policy. Drawing insights from this literature, it is often possible to make seemingly trivial changes to a policy and produce large results.

For example, around a million self-assessment taxpayers are late in filing each year and are contacted by HMRC with a reminder. Although many people are late in payment, the vast majority of people pay on time, something which late payers may not be aware of. When reminder letters were modified to include a simple message – that “9 out of 10 people in your town have already paid their tax” – 83 per cent of people who received this letter

responded, compared to 67 per cent of those who received the old letter. Just this small change, which cost close to nothing to implement and little to test, could save the Exchequer £30 million a year.

Developing this kind of behavioural intervention is not sufficient. They must be tested and for that reason the use of randomised controlled trials (RCTs) to evaluate our interventions is one of the team’s most important roles. Now, through our “Test, Learn, Adapt” paper, the cross-government Trial Design Advisory Panel, and the new “What Works” network, these techniques are being adopted more widely across governments both in the UK and elsewhere.

Despite the team’s successes there is much work left to be done. Human behaviour is a wonderful and complex thing, and understanding its origins and how it can be changed to “improve health, wealth and happiness”, is a monumental task that requires engagement not just with the academic literature, but with academics themselves – from eminent professors to PhD students at the cutting edge.

For the last year and a half the team has run a Research Fellow programme. The aim of the scheme has been to get some of the brightest PhD students, whose

research interests aligned with the team’s work programme, directly involved in government policy. PhD students, usually in their second and third years, join the team for three months and work alongside one of the Behavioural Insights Team’s full time behavioural economists or policy advisors. Typically, Research Fellows will help develop new policies by drawing on their and the team’s knowledge of the behavioural literature, and will then support the team to run randomised controlled trials, often in partnership with another organisation or government department.

The programme has been fantastic for the Behavioural Insights Team, demonstrated by the fact that several former Research Fellows now work (part-time) for the team. The CMPO’s Michael Sanders and Raj Chande have been particular stars of the Research Fellowship programme and have helped to push forward work in areas as diverse as charitable giving, access to higher education, employment and growth.

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