



Welcome to

# Applying Decision-Making Insights to Strengthen Anti-Poverty Efforts

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*This session will begin shortly.*

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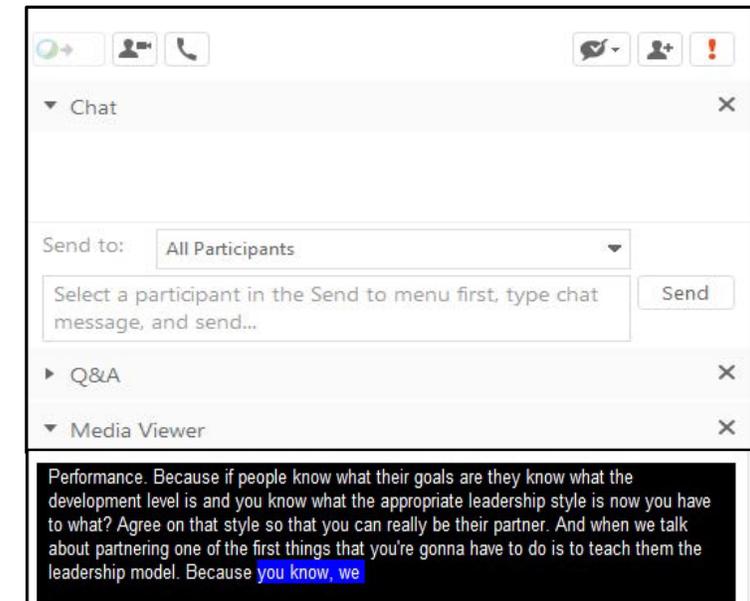
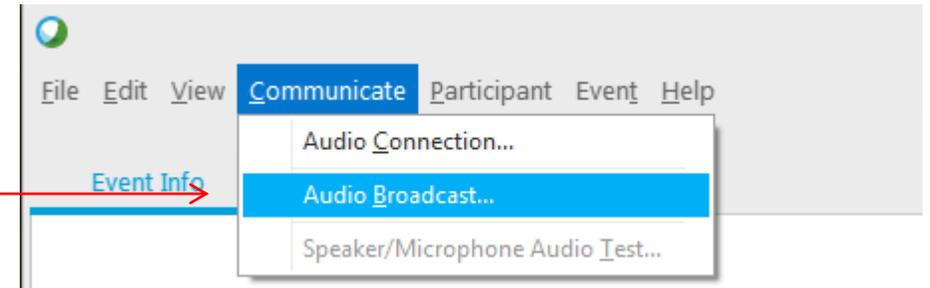


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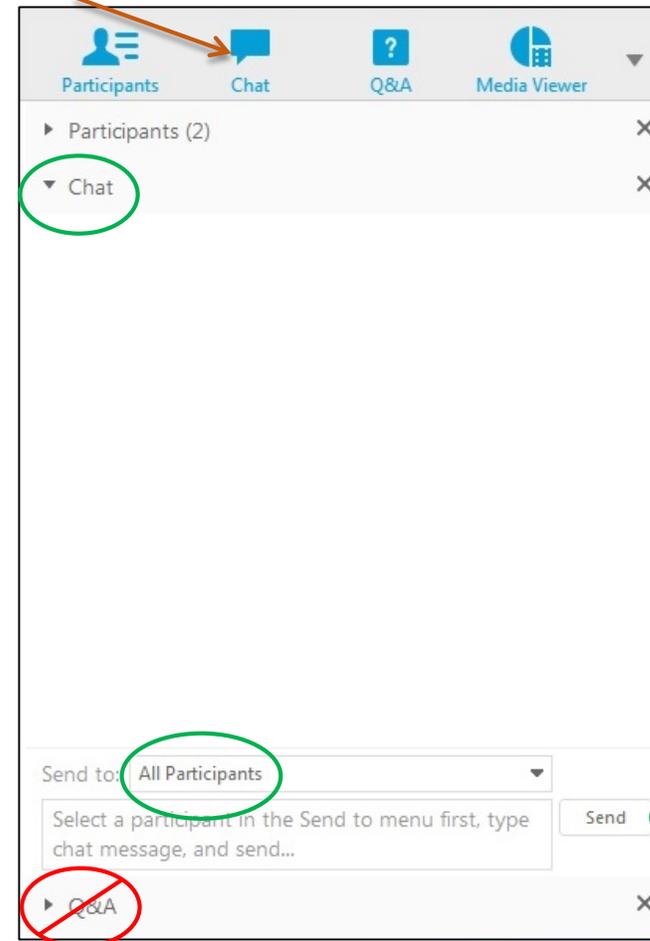


# Tips for Participating

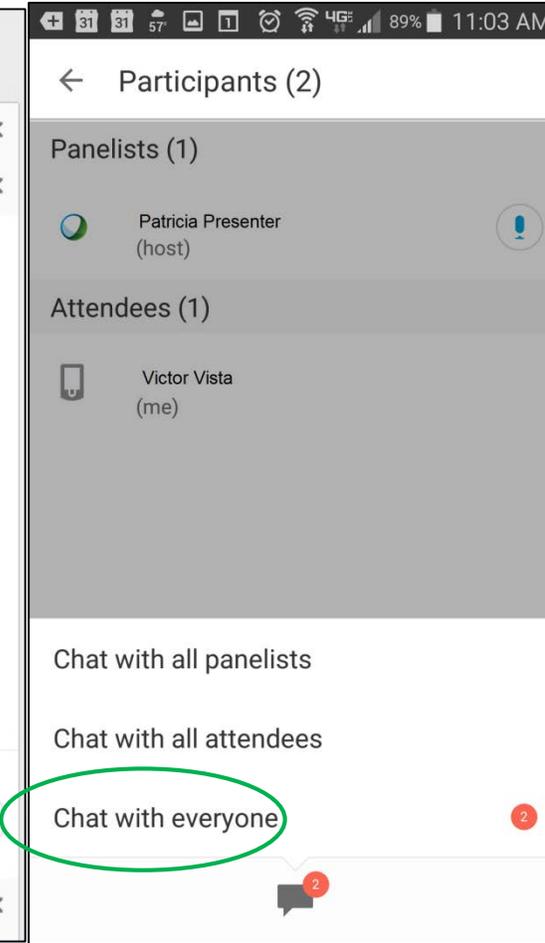
- Share comments and ideas in the Chat panel (send to “All Participants”)
- Ask questions in the Q&A panel (send to “All Panelists”)
- Some WebEx features are not available on mobile devices
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# Applying Decision-Making Insights to Strengthen Anti-Poverty Efforts

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# Session Goals

By the end of the webinar, you will be able to:

- Identify the factors that influence our ability to make informed decisions and why people in general often struggle in the face of complex decisions
- Explain how scarcity of various forms—financial, cognitive, even sleep deprivation—can inhibit our ability to make informed decisions
- Describe concrete solutions that address these behavioral obstacles and that aid people with decision-making
- Share new applications of behavioral insights to design scalable solutions across a range of poverty-related domains
- Connect concepts and solutions learned in this webinar to your VISTA service

# Today's Agenda

- How people make decisions
- Inhibitors of informed decision-making
- Strategies to support more informed decisions, and how they could address common challenges confronting the poor
- Q & A

# Today's Speaker



**Ben Castleman**

University of Virginia  
Nudge<sup>4</sup> Solutions Lab

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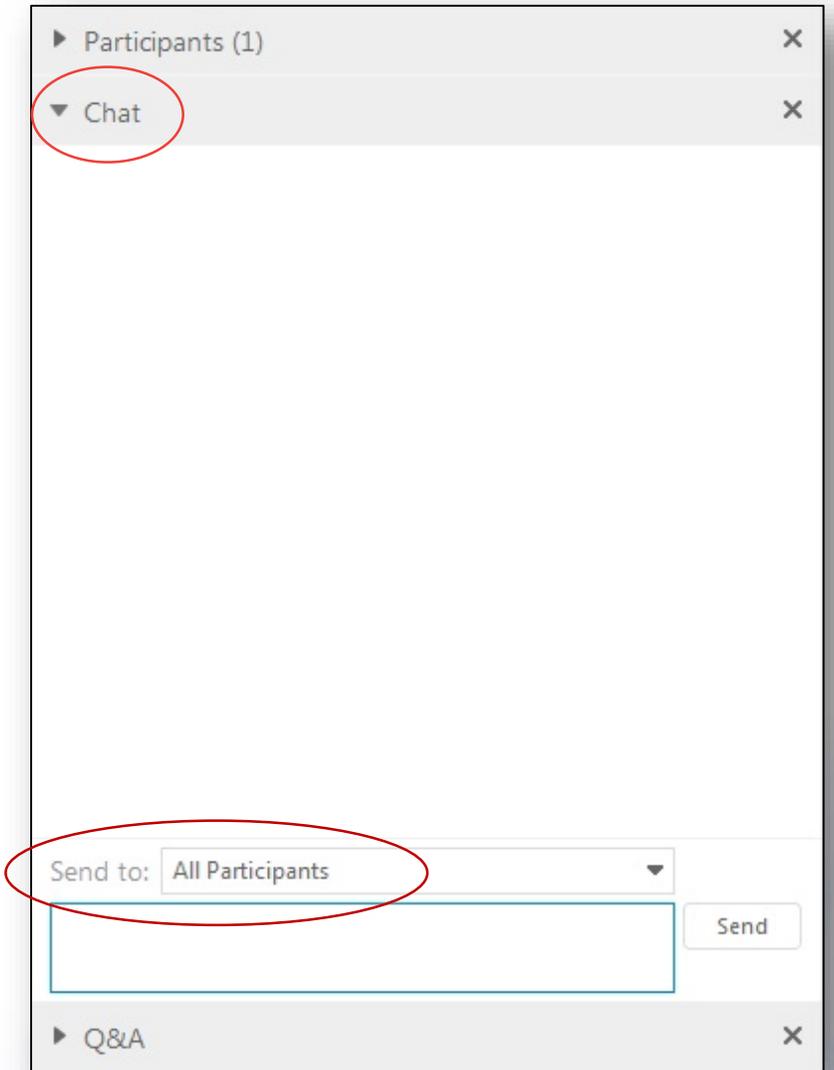
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# Confronting complex tasks and decisions

What is a complex decision you encountered where you had trouble sorting out what choice to make?

*OR*

An intention you had a hard time following through on?



# A personal example

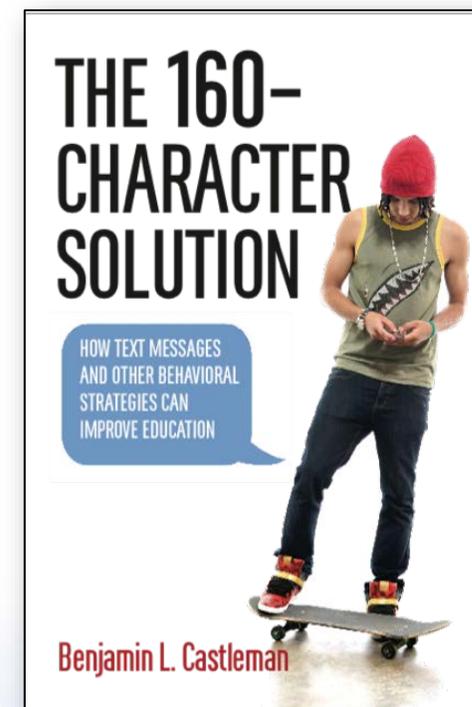
- In April 2015, I started writing a book...
- I would block out 3-hour chunks of my day to write, but kept getting distracted...



## Notifications

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# Common behavioral responses

- Commitments for the future can conflict with present impulses
- Distractions make it hard to devote adequate time to completing a task
- Being overly optimistic, we don't always set aside the time required



# The neurology of decision-making

- Traditional view of decision-making: impartial cost-benefit analysis
- In reality, impulses (that we may or may not be aware of) have a substantial influence on the decisions we make

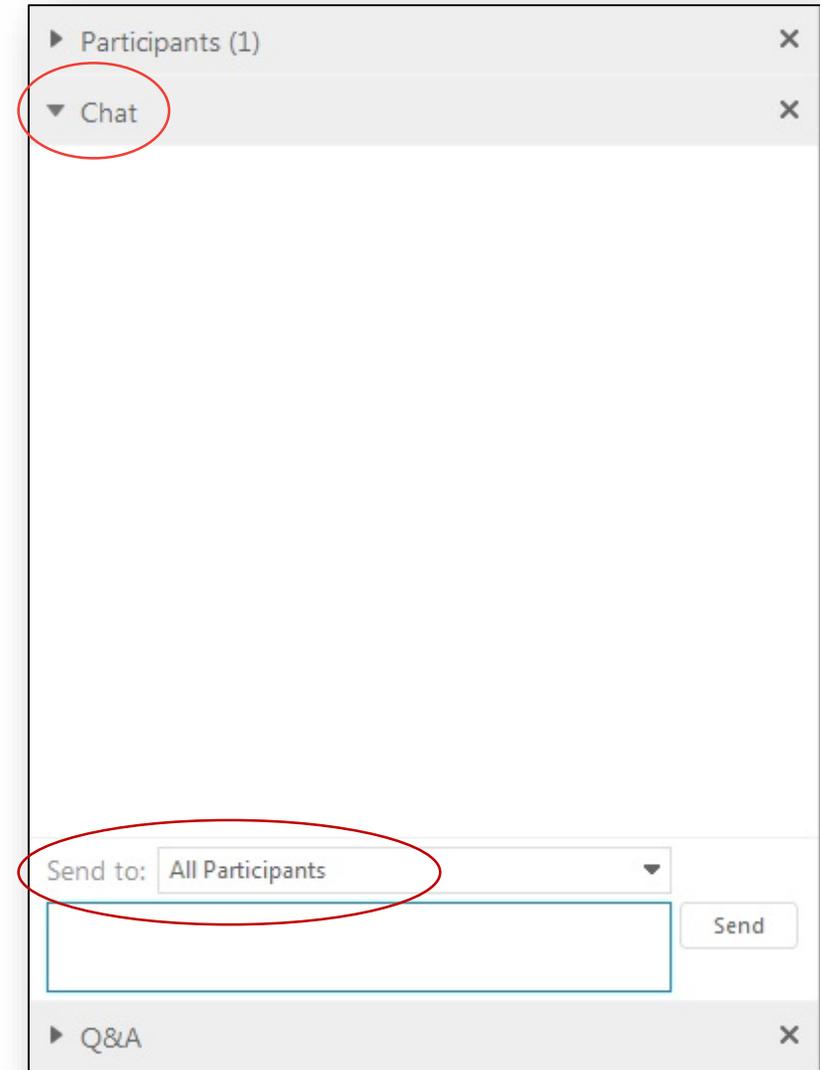


# Decision-making tendencies

- Ways our impulses affect the decisions we make:
  - Present impulses outweigh future goals
  - Simplifying strategies when faced with complex choices
  - Sticking with the status quo

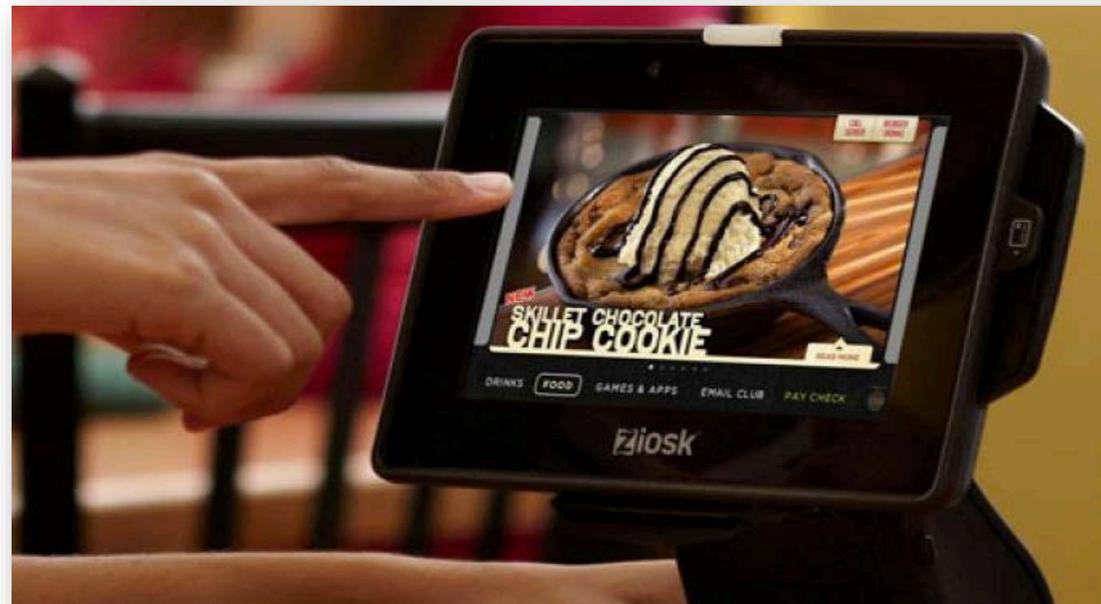
# Present impulses vs. Future goals

What goals, personal or professional, have you set for yourself in the past six months?



# Present impulses vs. Future goals

We gravitate towards immediate needs or enjoyable stimuli even if they are in conflict with longer term objectives



# Simplifying strategies

- Use mental short-cuts to make choices when a more informed decision would require us to wade through complex information
- Anchors: Net price vs. sticker price of college



# Sticking with the status quo

We put off making any decision at all when choices are complex or we are faced with competing distractions



# Catalysts of careful decision making

- Complex decisions still get made; complex tasks still get done
- Factors that support careful decision-making
  - Motivation - belief that investing time and energy will yield positive benefits
  - Urgency - impending deadlines
  - Salience - consequences of not completing the task are apparent and substantial

# Inhibitors of careful decision making

- Several factors can also inhibit us from making careful decisions.
  - Limited attention
  - Choice overload
  - Adolescence
  - Scarcity

# Scarcity



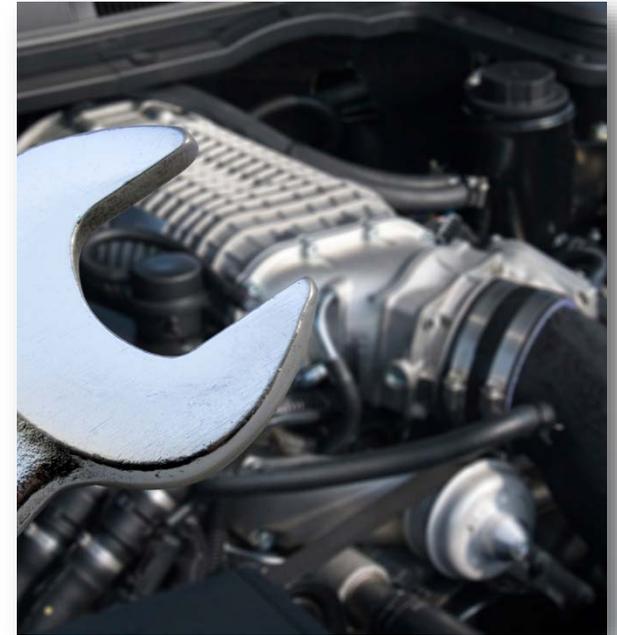
- Each of these inhibitors is a form of scarcity: attentional scarcity, cognitive scarcity, developmental scarcity
- Scarcity is like a tax on our cognitive bandwidth, limiting the amount of thought we can devote to a given decision

# Financial scarcity

- Poverty is a pernicious form of scarcity, negatively impacting people's cognitive performance and decision making
- As more cognitive capacity is devoted to monetary concerns, cognitive performance suffers
- People in poverty often have less room for error if the decision they make results in a negative outcome

# Financial scarcity

Imagine that your car has some trouble, which requires a **\$300** service. Your auto insurance will cover half the cost. You need to decide whether to go ahead and get the car fixed, or take a chance and hope that it lasts for a while longer. How would you go about making such a decision?



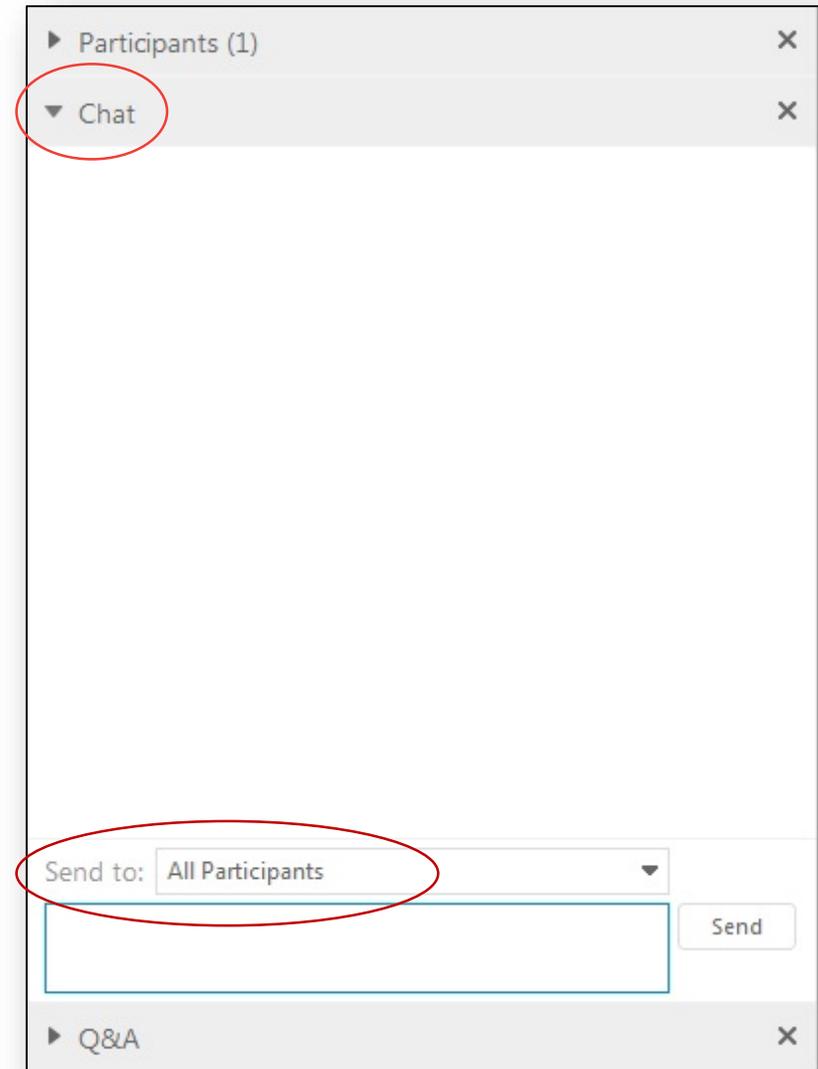
# Financial scarcity

Imagine that your car has some trouble, which requires a **\$3000** service. Your auto insurance will cover half the cost. You need to decide whether to go ahead and get the car fixed, or take a chance and hope that it lasts for a while longer. How would you go about making such a decision?



# Chat Question

What forms of scarcity affect the people that your VISTA project serves?



# Strategies to support more informed decision-making

- **Defaults:** change status quo if people make no decision
- **Commitment devices:** help people commit to their future goals

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- **Commitment devices:** help people commit to their future goals
- **Prompts:** nudge people to follow through on their intentions
- **Choice architecture:** change how options are presented

# Strategies to support more informed decision-making

- **Defaults:** change status quo if people make no decision
- **Commitment devices:** help people commit to their future goals
- **Prompts:** nudge people to follow through on their intentions
- **Choice architecture:** change how options are presented
- **Framing:** change how information is framed
- **Simplification:** simplify information or choices
- **Reduce hassles:** eliminate barriers to program participation

# How do we help low-wage workers accumulate savings?

- **Policy challenge:** How do we encourage higher rates of saving?



# How do we help low-wage workers accumulate savings?

- **Default strategies:**
  - Make paycheck direct depositing the default option
  - Automatically enroll children in savings accounts (w/ auto deposit)
- **Commitment device strategies:**
  - SALO alternative to payday lending
  - Save More Tomorrow retirement planning



# How do we help low-wage workers accumulate savings?

- **Prompts strategies:**
  - Text reminders for people to contribute to financial savings accounts



# How do we improve health outcomes among low-income populations?



- **Policy challenge:** How do we encourage healthier lifestyles and preventive medical care?

# How do we improve health outcomes among low-income populations?



- **Choice architecture strategies:**
  - Change the type of food students encounter in the cafeteria—  
intrusive salad bar, fruit at the register

# How can we improve education for low-SES children?

- **Policy challenge:** How do we help students and families access high-quality school environments where they are better positioned for success?



# How can we improve education for low-SES children?

- **Prompts strategies:**
  - Texting parents pre-literacy strategies to use with young children

Monday: FACT: Beginning word sounds are essential for reading. You can help your child learn to read by saying the beginning sound of words. "Read" starts w/ "rrr."

Wednesday: TIP: Say two words to your child that start with the same sound, like happy & healthy. Ask: can you hear the "hhh" sound in happy & healthy?

# How can we increase uptake of available social programs?



- **Policy challenge:** How do we encourage families to participate in social programs that benefit their children?

# How do we get kids to access meal programs?

- **Policy challenge:** How do we get kids to participate in school breakfast, and lunch programs?



# How can we increase uptake of available social programs?

- **Prompts strategies:**
  - Sending people reminders can help them avoid procrastinating on a task they intend to complete
- **Hassle reduction strategies:**
  - Eliminating application barriers can help people take advantage of social programs



# How do we help incarcerated youth and adults transition back into society?

- **Policy challenge:** How do we support incarcerated people more smoothly transition back into society and reduce recidivism rates?



# How do we help incarcerated youth and adults transition back into society?

- **Reduce hassles:**
  - Make it easy for inmates to identify areas of personal concern and find relevant community supports
- **Prompts:**
  - Remind individuals about resources in their community
  - Make it easy to connect to case workers remotely

**COLLEGE**  Depending on your academic background, a variety of college opportunities are available to you.

**WHAT KIND OF SCHOOL IS RIGHT FOR ME?**

-  **VOCATIONAL SCHOOL**  
Offers training for a specific trade or job skill. This can get you into the workplace quicker. But these programs may not accept financial aid.
-  **COMMUNITY COLLEGE**  
Often close to home, and you only need a GED to enroll.
-  **BACHELOR'S DEGREE**  
Helps you get better jobs with higher salaries, but takes longer to complete.

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**WHAT STEPS SHOULD I TAKE?**

- 1 APPLY FOR FINANCIAL AID**  
You may be able to receive free grants for college even if you've been in jail.
- 2 SEARCH FOR COLLEGE OPTIONS**  
Use [COLLEGESCORECARD.ED.GOV](http://COLLEGESCORECARD.ED.GOV) to research and compare colleges, including how much graduates earn from these colleges
- 3 DECIDE WHETHER TO TAKE SAT/ACT**  
Some colleges require it. For free SAT test prep, go to [bit.ly/freeSATPrep](http://bit.ly/freeSATPrep)

**WHERE TO GET HELP APPLYING FOR COLLEGE AND FINANCIAL AID**

**COMMUNITY COLLEGE OF ALLEGHENY COUNTY**  
808 Ridge Avenue  
Pittsburgh, PA 15212  
**(412) 237-9525**

**LIGHT OF LIFE RESCUE MISSION**  
10 E. North Avenue  
Pittsburgh, PA 15212  
**(412) 258-6100**

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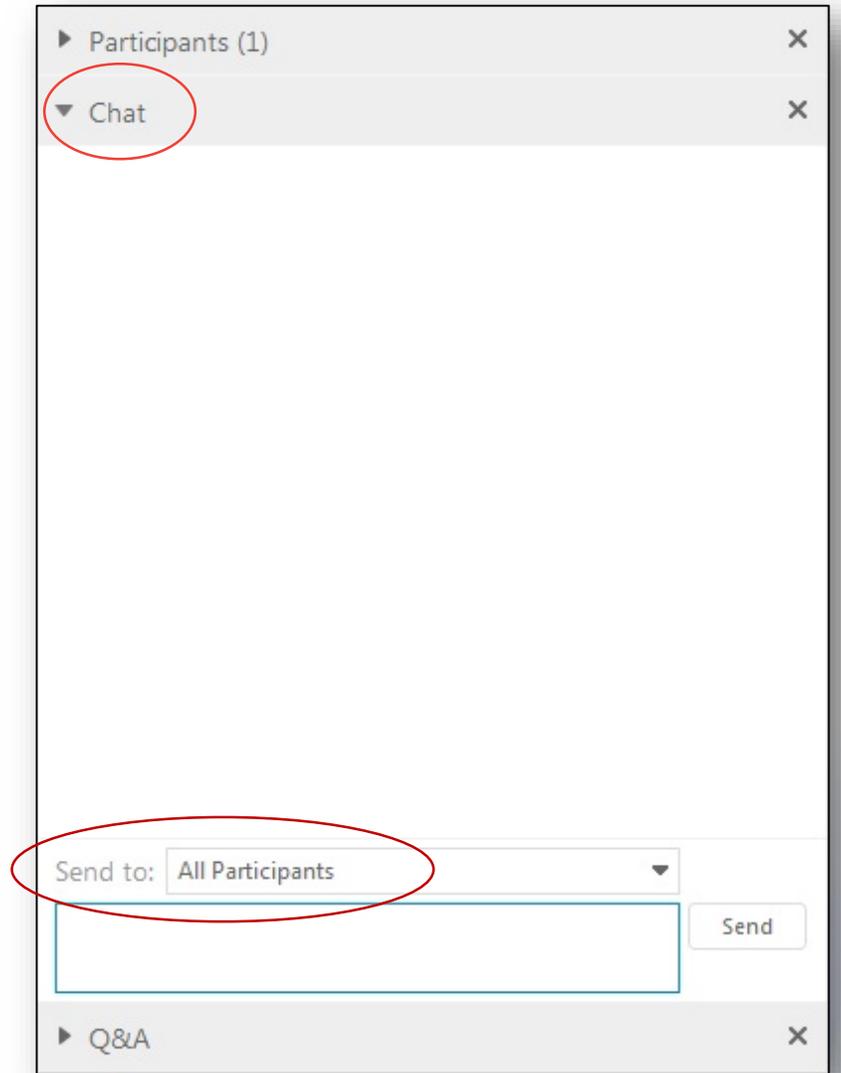
# How do we help participants in workforce development programs?



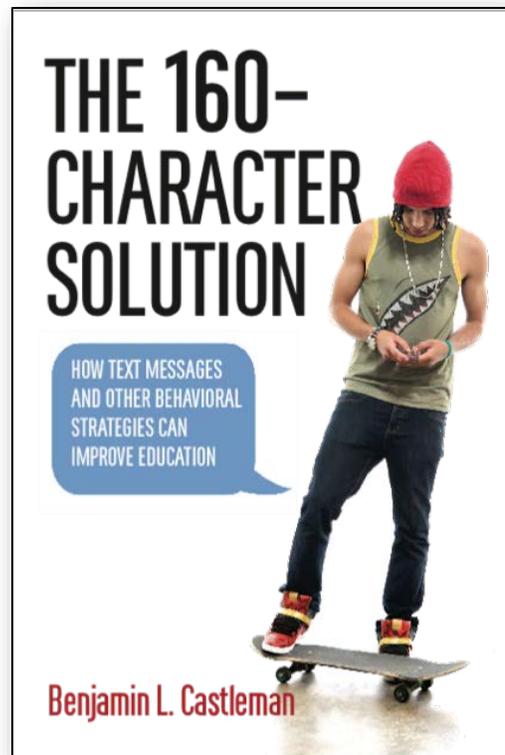
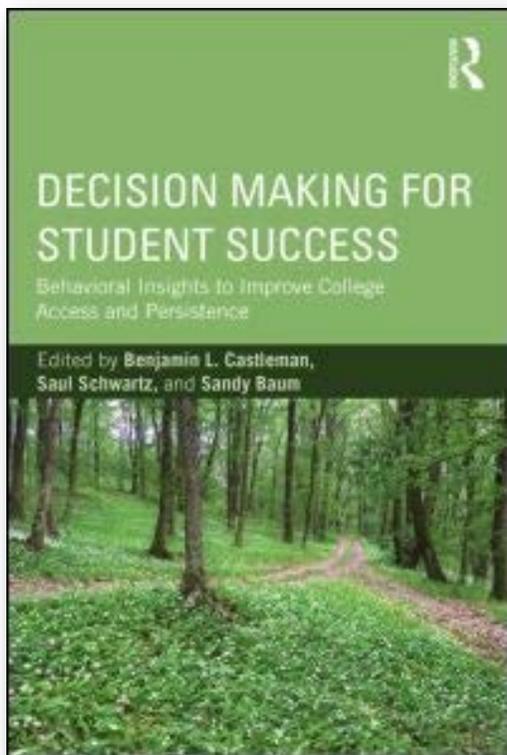
- **Policy challenge:** How do we help unemployed and underemployed people find good job and training opportunities?

# Applying behavioral insights to your VISTA project

How could you apply some of the behavioral strategies we discussed to your VISTA project?



# Want to learn more?



**Ben Castleman**



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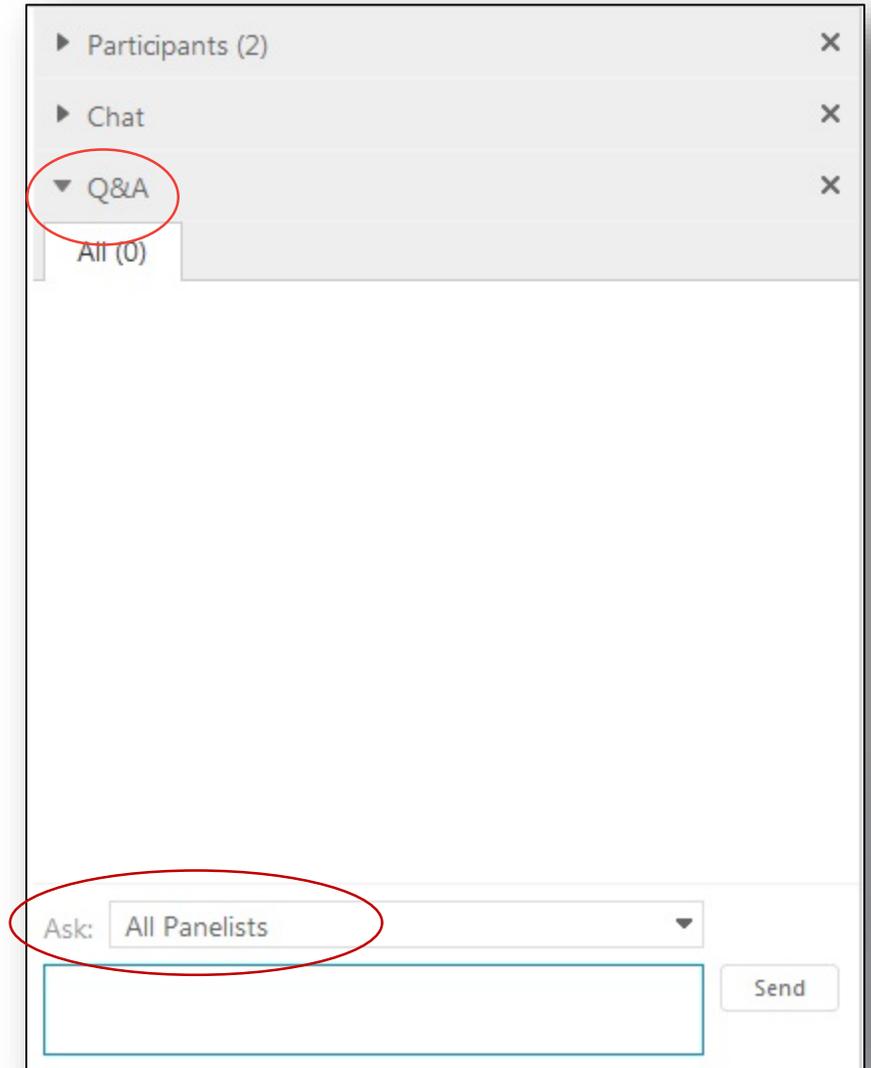
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# Evaluation

- Please take a few moments to share your feedback through the quick poll on the right side of the screen.
- How can we improve these sessions? What topics should we include in future webinars?
- Thank you very much for your time and participation!

# Questions ?

- To ask a question verbally, call in using the number on this slide and press \*1
- To ask a question electronically, use the Q&A feature located in the bottom right corner of the screen. Please ask “All Panelists”



# Thank You for Your Participation!

If you have further questions or for more information, contact us:

[VISTAwebinars@cns.gov](mailto:VISTAwebinars@cns.gov)

**Our next webinar:**

**Improve Your Giving and Receiving Feedback Skills – Dec 12**

**Generating In-Kind Resources for your Organization – Dec 18**

**Mental Health, Stress and Resilience Q&A Session – Dec 19**

2:00pm Eastern

*Visit the Webinars page on the VISTA Campus for a complete schedule of VISTA webinars*

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