



*Bridging Bright
Futures for Families*

**ERICSA
2024**

Grand Rapids

**ERICSA 61ST ANNUAL
TRAINING CONFERENCE & EXPOSITION
APRIL 7-11, 2024**

Behavioral Economics 101

Mayra Canela- San Joaquin County, California DCSS

Veronica Riley- Veronica Riley Training & Consulting



61ST ANNUAL
TRAINING
CONFERENCE
& EXPOSITION

**TRYING TO UNDERSTAND
SOMEONE'S BEHAVIOR
IS LIKE TRYING TO SMELL
THE COLOR 9.**



- BEHAVIORAL ECONOMICS OVERVIEW
- COMMON BOTTLENECKS
- STRATEGIES TO OVERCOME BOTTLENECKS IN CHILD SUPPORT

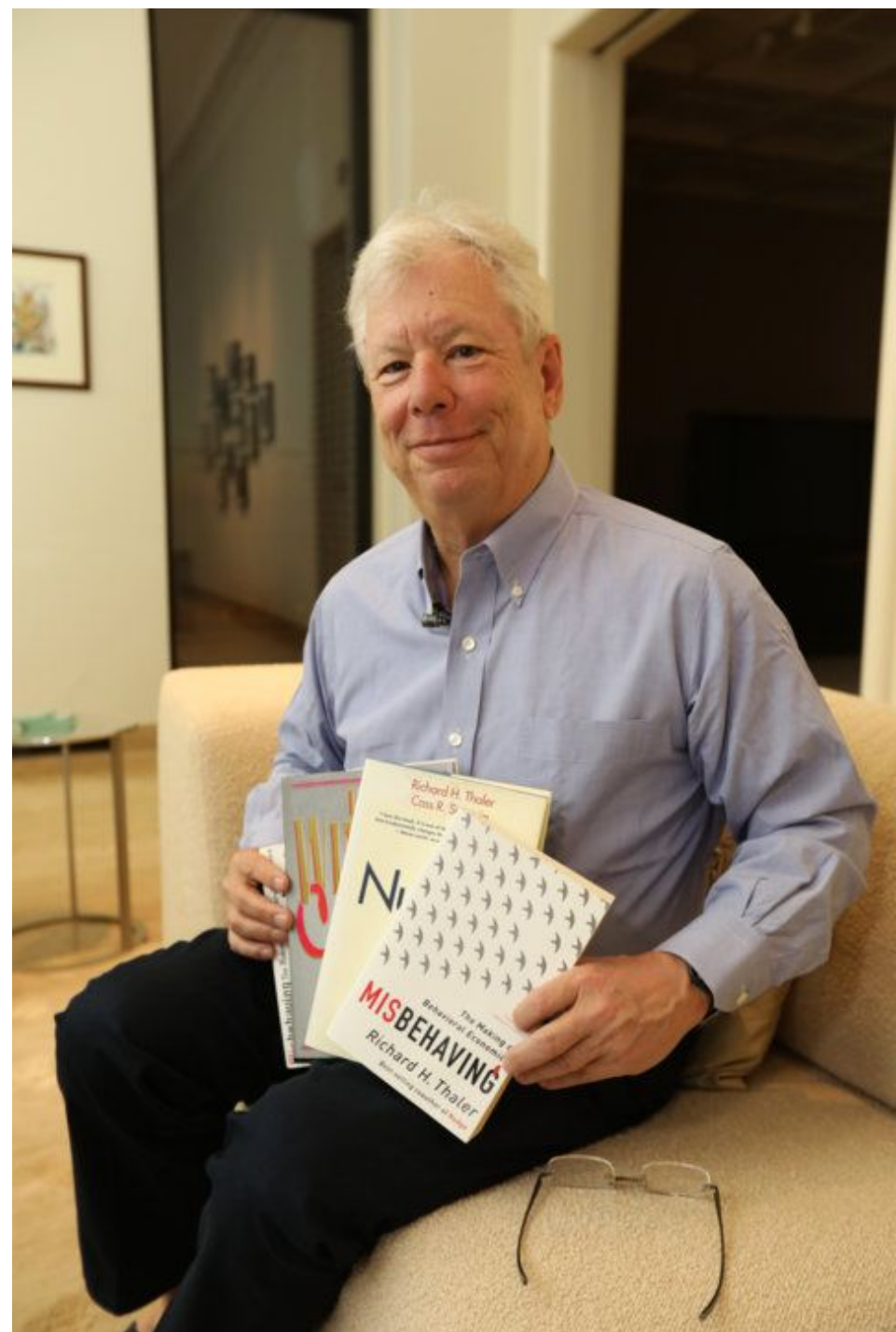


Behavioral Economics 101



RICHARD THALER

2017 NOBEL PRIZE IN ECONOMICS



From Homo Economicus to Homo Sapiens

Two Different Species?

Human Beings In
Traditional Economics



Human Beings in
Behavioral Economics.



What is Behavioral Economics???

- Studies the effects of psychological, social, cognitive, and emotional factors on the economic decisions of individuals

**EMOTIONAL,
PSYCHOLOGICAL,
SOCIAL AND
COGNITIVE FACTORS**

Framing- It Matters!



POLL QUESTION

Which of the following would be more likely to motivate you to bring a reusable bag when grocery shopping?

- A) You will get charged 5 cents for a plastic bag.
- B) You will get a 5 cent credit if you bring your own bag.

Behavioral Bottlenecks

- Choice/Cognitive Overload
- Psychology of Scarcity
- Ostrich Effect
- Negative Identity Priming
- Procrastination
- Prospective Memory
- Status Quo Bias
- Present Bias
- Social Norms & Social Proof

Choice/Cognitive Overload

- When there are too many choices, people can become overwhelmed and chose poorly or make no choice at all
- When conditions overburden a person's cognitive resources, their mental processes and decision making quality, satisfaction, etc., may decline



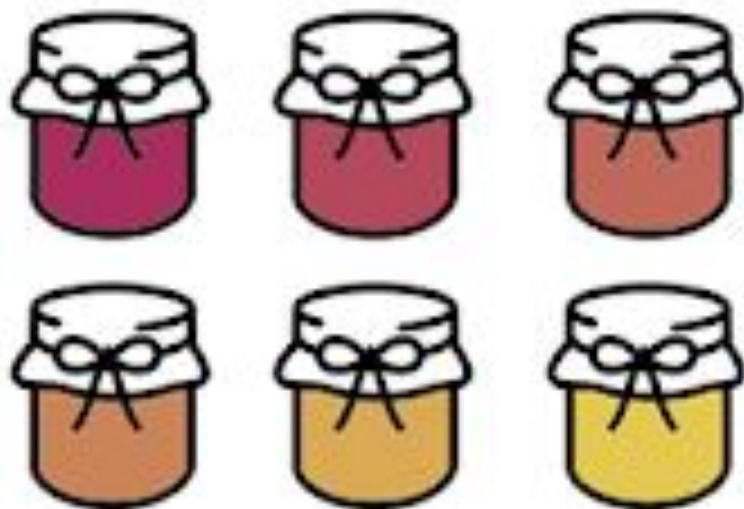
Too many choices?



24 choices of jam

attracted 60% of the shoppers

3% of shoppers bought jam



6 choices of jam

attracted 40% of the shoppers

30% of shoppers bought jam



Psychology of Scarcity

- Resource scarcity (e.g., money, time) creates its own mindset, changing how people look at problems and make decisions

Hidden Brain: Episode 65- Tunnel Vision



PROBLEM?

WHAT PROBLEM....

Ostrich Effect

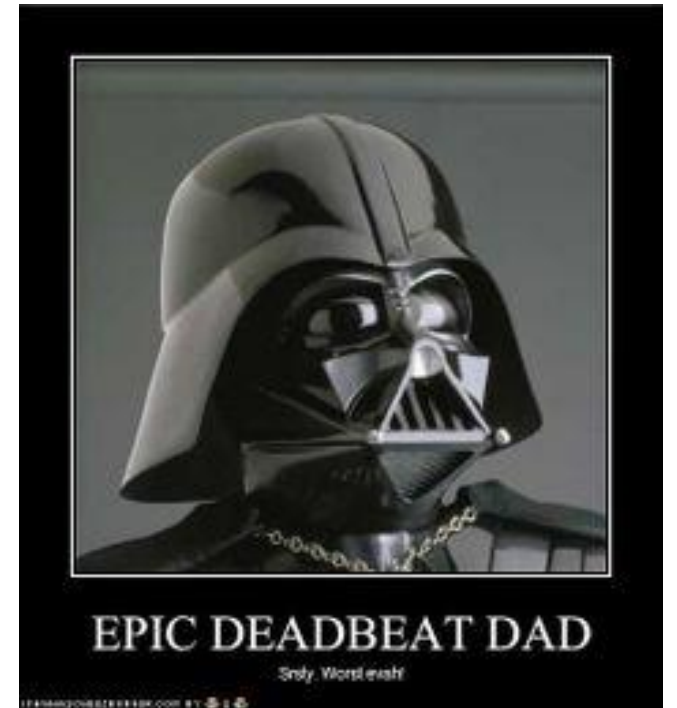
- When people avoid what they think will be bad news

[Hidden Brain: You 2.0- The Ostrich Effect](#)



Negative Identity Priming

- When communication conveys the agency views the customer negatively



ME: LOSE WEIGHT



**INNER ME: DRINK A CUP OF
RANCH**

Procrastination

Procrastination

- Putting off action until a later time, sometimes failing to do it at all



Prospective Memory

- Remembering to perform a planned action or intention at the appropriate time



Status Quo Bias

- For better or worse, people tend to go along with the status quo or an implied “recommendation”



Present Bias

- Weighing present concerns more than future ones. We make plans to do unpleasant tasks “tomorrow”...
- ...and make the same choice when “tomorrow” becomes “today”



Looking For Where
I Asked For Your
Opinion

Social Norms & Social Proof



Social Norms & Social Proof

- People often take their behavioral cues from social norms- the perceived behavior of others in their community
- Social proof is descriptive, accurate information about how peers behave in a similar situation/endorsement

SOCIAL NORMS

Social norms are the unspoken rules that govern how people interact with each other. They can vary from culture to culture, and even from group to group within a culture.

DEFINITION

Social norms serve as a social glue, providing a shared understanding of appropriate behavior and facilitating social cohesion. They encompass a wide range of expectations, from basic manners and etiquette to cultural and moral values. Social norms are learned and reinforced through socialization processes, including family, education & media.

EXAMPLES

- Greeting people when you see them.
- Saying "thank you" for favors.
- Holding the door open for others.
- Standing up when someone else enters the room.
- Offering to help someone carrying something heavy.

SOCIAL PROOF:

The psychological theory that people are influenced by others' actions and will conform to others' actions in order to have similar results.





WHAT IS SOCIAL PROOF?



Engagement

Likes, shares, comments, etc.



User-generated content

Reviews, social media posts, comments, etc.



Stamps

Security seals, accreditations, "as seen in" banners, etc.



Wisdom of the crowd

Followers, downloads, user metrics, etc.



RATIONAL

STABLE PREFERENCES
ACCUMULATES INFO
ACCURATE
REFLECTIVE
DELIBERATE
SLOW



DISCONNECT

ORGANIZATIONS TALK
TO SPOCK
BUT CONSUMERS
OFTEN MAKE
DECISIONS LIKE
HOMER.



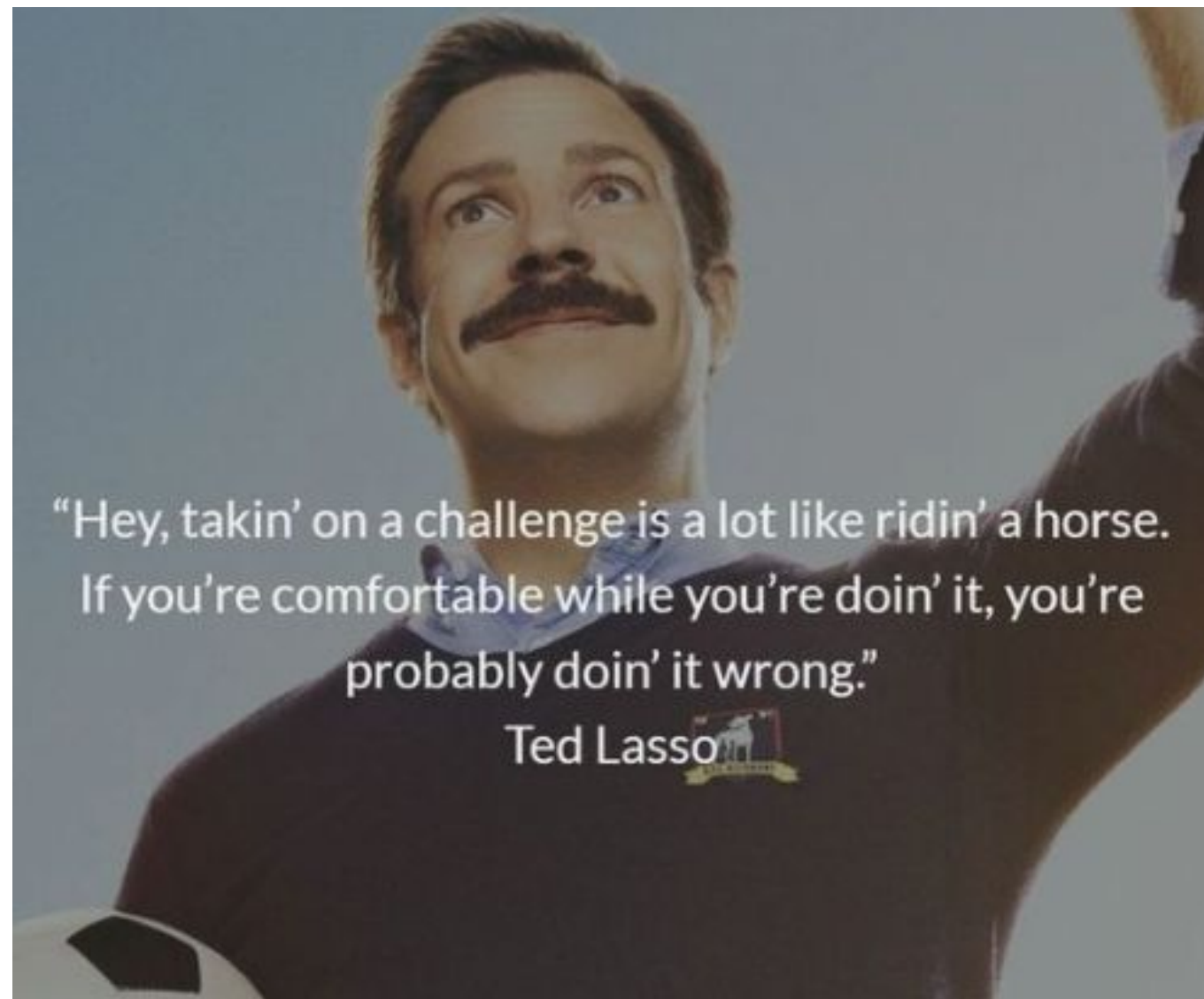
EMOTIONAL

INTUITION
DOESN'T PLAN
IMMEDIATE
GRATIFICATION
AUTOMATIC RESPONSE
EFFORTLESS
FAST



PICK ONE BEHAVIORAL
BOTTLENECK & SOMETHING
THAT YOU CAN DO TO WORK
ON IT.

WRITE IT DOWN.
TELL YOUR NEIGHBOR.



CONTACT US:

MAYRA CANELA
SAN JOAQUIN COUNTY, CALIFORNIA DCSS
MCANELA@SJGOV.ORG

VERONICA RILEY
VERONICA RILEY TRAINING & CONSULTING
VERONICARILEYMPA@GMAIL.COM
[HTTPS://WWW.VERONICARILEY.COM/](https://www.veronicariley.com/)

THANK YOU!



**ERICSA
2024**



**61ST ANNUAL
TRAINING
CONFERENCE
& EXPOSITION**