

THE DAILY CALLER



US

President Obama Orders Behavioral Experiments On American Public



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Reporter

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President Obama announced a new executive order on Tuesday which authorizes federal agencies to conduct behavioral experiments on U.S. citizens in order to advance government initiatives.

“A growing body of evidence demonstrates that behavioral science insights — research findings from fields such as behavioral economics and psychology about how people make decisions and act on them — can be used to design government policies to better serve the American people,” [reads the executive order](#), released on Tuesday.

The new program is the end result of a policy proposal the White House floated in 2013 entitled “Strengthening Federal Capacity for Behavioral Insights.”

According to a document released by the White House at that time, the program was modeled on one implemented in the U.K. in 2010. That initiative created a Behavioral Insights Teams, which used “iterative experimentation” to test “interventions that will further advance priorities of the British government.”

The initiative draws on research from University of Chicago economist Richard Thaler and Harvard law school professor Cass Sunstein, who was also dubbed Obama’s regulatory czar. The two behavioral scientists argued in their 2008 book “Nudge” that government policies can be designed in a way that “nudges” citizens towards certain behaviors and choices.

The desired choices almost always advance the goals of the federal government, though they are often couched as ways to cut overall program spending.

In its 2013 memo, which was reported by Fox News at the time, the White House openly admitted that the initiative involved behavioral experimentation.

“The federal government is currently creating a new team that will help build federal capacity to experiment with these approaches, and to scale behavioral interventions that have been rigorously evaluated, using, where possible, randomized controlled trials,” the memo read.

That document cited examples from the U.K. which showed that sending out a letter to late taxpayers which read “9 out of 10 people in Britain pay their taxes on time” led to a 15 percent increase in compliance.

The new executive order encourages federal agencies to “identify policies, programs, and operations where applying behavioral science insights may yield substantial improvements in public welfare, program outcomes, and program cost effectiveness,” as well as to “develop strategies for applying behavioral science insights to programs and, where possible, rigorously test and evaluate the impact of these insights.”

To jump-start the programs, agencies are encouraged to recruit behavioral science experts to join the federal government and to develop relationships with researchers in order to “better use empirical findings from the behavioral sciences.”

A fact sheet sent out by the White House on Tuesday shows that researchers at numerous universities and think tanks — from MIT, Harvard, and the Brookings Institute, to name a few — have signed on to the program.

The executive order specifically directs federal agencies to develop nudge programs that help individuals, families, communities and businesses “access public programs and benefits by, as appropriate, streamlining processes that may otherwise limit or delay participation.”

This can be achieved by “administrative hurdles, shortening wait times, and simplifying forms,” the order suggests.

The initiative also urges agencies to tinker with how information is presented to individuals, consumers, borrowers, and program beneficiaries.

The “content, format, timing, and medium by which information is conveyed” should be taken into consideration as those characteristics affect “comprehension and action by individuals.”

In programs that offer choices for consumers, agencies are instructed to “consider how the presentation and structure of those choices, including the order, number, and arrangement of options, can most effectively promote public welfare.”

The order also suggests that agencies fiddle with whether to label certain expenditures as “benefits, taxes, subsidies” or other incentives to “efficiently promote” programs.

President Obama’s federal health care law, Obamacare, is replete with “nudge” language and experimentation.

In its fact sheet, the White House noted that reminding individuals who had started to sign up for Obamacare led to a 13 percent increase in completed applications.

To help determine which presentation was more effective, the Department of Health and Human Services “sent one of eight behaviorally designed letter variants to each of more than 700,000 individuals who had already begun the health insurance enrollment process but had not yet completed an application.”

The most effective version of the letter generated the 13 percent improvement. Other less effective letters only increased enrollment rates by around four percent.

Another nudge contained in Obamacare was brought to light in the debate over whether the individual mandate contained in the law was a tax hike.

Republicans insisted that it was a tax increase, but the White House portrayed it as a penalty on the logic that the word “tax” has a negative connotation.

While the Obama administration touts nudge policies, others are hesitant to get on board.

“I am very skeptical of a team promoting nudge policies,” Michael Thomas, an economist at Utah State University, told Fox News in 2013.

“Ultimately, nudging...assumes a small group of people in government know better about choices than the individuals making them.”



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Nominations & Appointments

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The White House

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For Immediate Release

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Executive Order -- Using Behavioral Science Insights to Better Serve the American People

EXECUTIVE ORDER

USING BEHAVIORAL SCIENCE INSIGHTS TO

BETTER SERVE THE AMERICAN PEOPLE

A growing body of evidence demonstrates that behavioral science insights -- research findings from fields such as behavioral economics and psychology about how people make decisions and act on them -- can be used to design government policies to better serve the American people.

Where Federal policies have been designed to reflect behavioral science insights, they have substantially improved outcomes for the individuals, families, communities, and businesses those policies serve. For example, automatic enrollment and automatic escalation in retirement savings plans have made it easier to save for the future, and have helped Americans accumulate billions of dollars in additional retirement savings. Similarly, streamlining the application process for Federal financial aid has made college more financially accessible for millions of students.

To more fully realize the benefits of behavioral insights and deliver better results at a lower cost for the American people, the Federal Government should design its policies and programs to reflect our best understanding of how people engage with, participate in, use, and respond to those policies and programs. By improving the effectiveness and efficiency of Government, behavioral science insights can support a range of national priorities, including helping workers to find better jobs; enabling Americans to lead longer, healthier lives; improving access to educational opportunities and support for success in school; and accelerating the transition to a low-carbon economy.

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States, I hereby direct the following:

Section 1. Behavioral Science Insights Policy Directive.

(a) Executive departments and agencies (agencies) are encouraged to:

- (i) identify policies, programs, and operations where applying behavioral science insights may yield substantial improvements in public welfare, program outcomes, and program cost effectiveness;
- (ii) develop strategies for applying behavioral science insights to programs and, where possible, rigorously test and evaluate the impact of these insights;
- (iii) recruit behavioral science experts to join the Federal Government as necessary to achieve the goals of this directive; and
- (iv) strengthen agency relationships with the research community to better use empirical findings from the behavioral sciences.

(b) In implementing the policy directives in section (a), agencies shall:

- (i) identify opportunities to help qualifying individuals, families, communities, and businesses access public programs and benefits by, as appropriate, streamlining processes that may otherwise limit or

delay participation -- for example, removing administrative hurdles, shortening wait times, and simplifying forms;

(ii) improve how information is presented to consumers, borrowers, program beneficiaries, and other individuals, whether as directly conveyed by the agency, or in setting standards for the presentation of information, by considering how the content, format, timing, and medium by which information is conveyed affects comprehension and action by individuals, as appropriate;

(iii) identify programs that offer choices and carefully consider how the presentation and structure of those choices, including the order, number, and arrangement of options, can most effectively promote public welfare, as appropriate, giving particular consideration to the selection and setting of default options; and

(iv) review elements of their policies and programs that are designed to encourage or make it easier for Americans to take specific actions, such as saving for retirement or completing education programs. In doing so, agencies shall consider how the timing, frequency, presentation, and labeling of benefits, taxes, subsidies, and other incentives can more effectively and efficiently promote those actions, as appropriate. Particular attention should be paid to opportunities to use nonfinancial incentives.

(c) For policies with a regulatory component, agencies are encouraged to combine this behavioral science insights policy directive with their ongoing review of existing significant regulations to identify and reduce regulatory burdens, as appropriate and consistent with Executive Order 13563 of January 18, 2011 (Improving Regulation and Regulatory Review), and Executive Order 13610 of May 10, 2012 (Identifying and Reducing Regulatory Burdens).

Sec. 2. Implementation of the Behavioral Science Insights Policy Directive. (a) The Social and Behavioral Sciences Team (SBST), under the National Science and Technology Council (NSTC) and chaired by the Assistant to the President for Science and Technology, shall provide agencies with advice and policy guidance to help them execute the policy objectives outlined in section 1 of this order, as appropriate.

(b) The NSTC shall release a yearly report summarizing agency implementation of section 1 of this order each year until 2019. Member agencies of the SBST are expected to contribute to this report.

(c) To help execute the policy directive set forth in section 1 of this order, the Chair of the SBST shall, within 45 days of the date of this order and thereafter as necessary, issue guidance to assist agencies in implementing this order.

Sec. 3. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to a department or agency, or the head thereof; or


(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.


- (b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.
- (c) Independent agencies are strongly encouraged to comply with the requirements of this order.
- (d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.


BARACK OBAMA

THE WHITE HOUSE,
September 15, 2015.

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