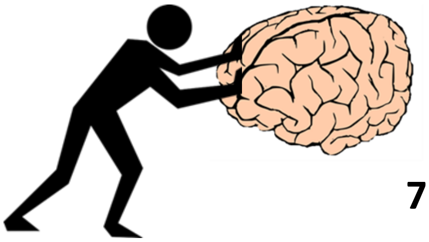

How to Hijack your Brain!

7 cognitive biases and strategies to overcome them

Framing: We have irrational emotional reactions to the way that choices are presented. These unconscious reactions impact the choices we ultimately make.

- Strategy: Improve outcomes for families and individuals with low incomes by paying extra attention to the way we present information and opportunities. De-stigmatize services and benefits, promote more constructive interpersonal interactions, and put decision-making back in the hands of families whenever possible.

Loss aversion: We value losses and gains differently- studies suggest that losses are twice as powerful, psychologically, as gains. So, we strongly prefer avoiding losses rather than receiving gains.

- Strategy: Framing opportunities as a potential loss, rather than a gain, may be a more effective approach- i.e. “Space is limited- don’t miss out!”, or “Is homeownership passing you by?”

Social proof: We look to the behavior of our peers to inform our decision-making. We tend to conform to the same behavior our peers are engaged in.

- Strategy: Find ways to connect participants with successful peers through story-telling, peer support groups, social media, etc. Communicate in ways that highlight and normalize the behaviors and outcomes you want to see.

Slack: Poverty is unforgiving, leaving no room for error or risk—no slack. Many of the negative effects of poverty stem from those unforgiving conditions and the havoc that follows unanticipated “shocks,” or adverse events in a family’s life.

- Strategy: Build an adequate cushion of time, money, attention, and other critical resources into your program so participants have enough slack to weather unexpected events.

Choice architecture: Relatively small modifications to the way options are presented to a decision-maker can have large impacts. Setting a default option, forcing people to choose between taking advantage of an opportunity or not and reminding people what they'll lose if they opt out all have powerful effects.

- Strategy: Take a closer look at how you present choices. Think about including a default option. Ask people to affirmatively choose between opportunities that will help them move forward and remaining with the status quo. Remind them of what they'll miss if they choose not to participate in something that could benefit them.

Mental accounting: We mentally allocate our money to different "accounts" based on where it came from and what we intend to use it for. Even though money is always interchangeable, once we allocate it to a mental account we perceive it as being separate and non-transferable.

- Strategy: Help participants understand mental accounting so they can use it to their advantage. Guide participants through an assessment of their own mental accounting process and support them in making adjustments. Make it easy for participants to name their savings or credit-building account based on their current goal(s). When communicating with participants, refer back to their goal(s) often.

Costs: Individuals and families — especially those experiencing poverty — endure a variety of burdens on their time, attention, and cognition. These costs add hassles and create complexity.

- Strategy: Identify the cognitive, time, and attention-based burdens imposed by our programs and services, and find creative ways to reduce or eliminate them. Integrate and co-locate programs whenever possible.

Let's keep this conversation alive! Join us and post your ideas, examples, or resources in our collaborative toolkit at: **http://bit.ly/REConfBehaviorToolkit**