

# DEFAULT EFFECT



## BACKFIRE

In many countries hundreds of thousands of people die every year waiting for organ donations. One strategy to increase organ donations has been to **automatically register people to donate in the event of their death**, but allowing people to opt out if they want to. Yet in 2018, when the Dutch government attempted to increase organ donation registration rates by [auto-enrolling](#) people onto the register. **It unexpectedly backfired. The number of residents who registered as non-donors spiked to roughly 40 times the number observed in previous months as a backlash to the mandate.**

People often do not save enough money towards their retirement meaning they will lack financial security in old age. A UK [trial](#) tried to encourage employees to save more into their pension, by **setting the default contribution rate at 12%**. For a take home income of £2000 this would mean putting £240 of it into a pension. **The strategy backfired; 60% of employees shifted to a much lower contribution rate and only 25% stayed at that rate.**

## NO IMPACT

Some people fail to save money for emergencies and have no 'rainy day' fund. When emergencies do occur, it makes paying for them difficult. **How could they be encouraged to save?**

In the US, individuals receive annual lump sum tax refunds if they overpay their taxes. The lump sum can be considerable. **Researchers thought it could offer a good opportunity to encourage people to put some of the lump sum into savings. Researchers [tested](#) to see if automatically paying a fraction of employees' tax refunds into US savings bonds would help people to build up their savings. Instead, they found that 80% of employees opted out of the proposition, often because they had definite plans on how they would spend their refunds; almost spending it before they received it.**

## MARGINAL IMPACT

Many consumers now order goods online and get them delivered straight to their door. This carries **environmental and social costs** - more delivery vans on the road increasing congestion, a bigger carbon footprint and less footfall on high streets. A recent [trial](#) attempted to increase the number of parcels picked up from a local hub, rather than be delivered direct to consumers' doors - an active last mile which is better for the environment and the local high street. In the research there were four groups; the control group where parcels were delivered to the door as usual, a group where parcel pick up was the default, a group who received a message emphasising the environmental gains of pick up; and a group who received a message emphasising the convenience of pick up. **Making pick up the default option was the least effective solution, raising pick up rates by only 7 percentage points.**

## VARYING IMPACT

The Covid-19 pandemic saw all nations scrambling to get their populations vaccinated quickly. In Sweden, **setting a default appointment for a Covid-19 vaccination had varying impacts by age group.** The region of Uppsala [gave residents](#) aged 16-17 and over 50 pre-booked appointments, whereas in the other 20 regions they had to phone to book. **The default had no impact on vaccination rates for people aged 50-59, but a large and significant effect on people aged 16-17.** The finding is consistent with defaults being most effective at changing behaviour when the individual is ambivalent about change

## MAJOR IMPACT

Generic drugs are notably cheaper than branded versions, yet almost always equally effective, so they can save healthcare systems and consumers considerable amounts of money. A team of researchers ran a **long-term [trial](#) to test whether they could encourage a higher rate of prescription of generic drugs.** Researchers made a tiny tweak to the prescription order system on the University of Pennsylvania Electronic Health Record system. When doctors select the drug they want to prescribe, they click on a drop-down menu. **Previously, branded drugs were listed at the top of that menu and generics at the bottom. The researchers flipped the order so that generic drugs were listed first** - effectively making them the default choice. It had an astounding effect. Before the trial began, the **generics prescribing rate was around 75%.** Immediately after the change to the drop-down order, **the generic prescribing rate increased rapidly to 98.4%** and remained there for the entire 2.5-year evaluation period.

Children often perform better in school if their parents are engaged and supportive. Schools wanted to be able to keep parents informed of their child's progress but struggled with low rates of sign up to updates. In a [trial](#) in schools in Washington D.C., **researchers tested how to increase the number of parents signing up to text message alerts about their child's academic progress.** They hypothesised that automatic sign-up would mean few would opt-out. Only **1% of parents who were asked whether they wanted to sign up to receive the alerts signed up.** With a simplified sign-up process, uptake rose to 8%. But **if parents were automatically signed up, participation rates jumped to 96%.**