ECON 339: Behavioral Economics

Take-Home Quiz 4

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1. NYSEG decides to partner with Nexamp Community Solar to try to increase the share of households who choose a (slightly more expensive) plan to get part of their electricity from Nexamp solar farms. The standard plan is electricity from fossil-fuels only. Currently, households are automatically put on the fossil-fuel only plan. In order to switch, households must call NYSEG in order to receive a form with all possible plan options (including other renewable energy sources). Households must then fill out and mail this form into NYSEG headquarters.

   NYSEG and Nexamp have chosen you to help them achieve their goal. Using the readings from class, what specific changes would you recommend to how households choose their NYSEG electricity plan?

   In particular, your response should include the following.

   1. For each change you recommend, name and define the mechanism used (e.g., framing, default, etc.) and the class reading(s) which supports why you think your proposed change will work.
   2. Predict (roughly) how large an effect you would expect from your proposed changes and why (drawing on magnitudes from effect sizes found in the readings).
   3. Identify at least 2 objections to your proposed changes. One practical and one ethical. Do you think these would prevent your changes from being implemented? Why or why not?
   4. A works cited page and appropriate in-text citations (any style).

   Reminder: Your response should be no more than 2 pages double-spaced and should appropriately cite readings from class (including a works cited section). You do not need to answer these points line by line. You can address the above points in any order as long as the writing is concise and clear.