

Learning to Mend Misbehaving Mindsets

Owen Ambur, December 11, 2017

In *Misbehaving: The Making of Behavioral Economics*, Nobel prize-winning author Richard H. Thaler suggests policies can be crafted to minimize the predictable mistakes people make. Toward that end, he has no interest in telling people what to do but seeks to help them achieve their *own* goals. (p. 325)

In *Mindset - The New Psychology of Success: How We Can Learn to Fulfill Our Potential*, Carol S. Dweck notes that vows to act are often useless. However, probability for success can be increased by making concrete plans that can be visualized in terms of when, where, and how they will be carried out. (p. 238)

Regarding prospects for success, Thaler asserts, "The only protection against overconfidence is to systematically collect data that can prove you wrong." Moreover, as he quotes his colleague Linda Ginzel, "If you don't write it down, it doesn't exist." (pp. 355 & 356)

Strategy Markup Language ([StratML](#)) is an international standard ([ISO 17469-1](#)) for the documentation of strategic plans. As an open, [machine-readable](#) data standard, it facilitates the sharing of such information with others whose engagement may be required. It is especially applicable to organizations whose plans and reports should be matters of public record, due to consumption of public resources.

With reference to *public goods*, Thaler observes some people may initially act cooperatively even if doing so is not in their self-interest. (p. 144) Economically speaking, the rational strategy is to contribute nothing, and in such circumstances, research has shown cooperation steadily falls, from about 50 percent to virtually nil. (p. 145) The implication is clear: Positioning as public goods those that require personal productivity is a self-defeating fool's errand.

With respect to retirement plans, for example, Thaler notes lower-paid employees need "more than just talking. They needed a plan." (p. 317)

In *Connected: How Your Friends' Friends' Friends Affect Everything You Feel, Think, and Do*, [Nicholas Christakis and James Fowler](#) suggest, "To reduce poverty, we should focus not merely on monetary transfers or even technical training; we should help the poor form new relationships with other members of society." (p. 302)

As constructs for establishing relationships among people, Thaler says, "most organizations have an urgent need to *learn how to learn*, and then to commit to this learning in order to accumulate knowledge over time. At the very least this means trying new things and keeping track of what happens. Even better would be to run actual experiments." (p. 356)

[Justice Brandeis suggested](#) a "state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country." For that to occur, the Federal Government should not stand in the way by forcing the entire country to adopt unproven, politically polarizing, and potentially counterproductive policies.

However, the States should voluntarily adopt the good practice required of Federal agencies by [section 10](#) of the GPRA Modernization Act (GPRAMA), which is to publish their strategic and performance plans and reports in machine-readable format, like StratML. Doing so will enable the documentation, benchmarking, comparison, and analysis of experimental, continuously improving, evidence-based social welfare programs.