

Economics 3710
Economic Analysis of Canadian Public Issues
Spring 2012

Tuesday, February 7, 2012

Readings: *Nudge*, Chapters 6 through 12.

Discussion Questions #5

Chapters 6-9

1. Why are people so prone to underinvest in their pensions?
2. Why is Save More Tomorrow appear to be so promising in changing people's behaviour?
3. What are some important features of plans and programs that allow people to save for retirement and to invest appropriately?
4. On page 133, the authors talk about using visual cues to inform people about the implications of their investment strategies. What do you think about this?
5. Subprime lending is bad. Comment.
6. What is the benefit of the RECAP (Record, Evaluate, Compare Alternative Prices) plan in credit markets?

Chapters 10-12

7. What are some of the features that are important in designing all programs to be beneficial for the people they are designed to serve (e.g., drug plans, organ donations, etc).
8. In the Western World, there has been a marked reduction in the number of adults smoking. Given what you have learned so far in this book, explain why this has happened.
9. Why do people in Lethbridge continue to use the centralized green bins, even though this is likely a very poor economic decision.
10. Say you were responsible for designing a program to reduce the number of pick up trucks on the streets of Southern Alberta. Using what you have learned about choice architecture, what would you do?