# **Behavioral Economics of Education**

# ERASMUS SCHOOL OF ECONOMICS

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Kennismarkt OCW 2015

#### Paper



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Impressive paper, must-read: IZA paper 8853.

Many interesting insights and important lessons for both policy makers, teachers, and parents.

#### **Perhaps one thing I disagree**



Abstract:

"While the field has been successfully applied to many areas, education has, so far, received less attention"

# **Structure of my discussion**



General observations on the field.

A few Dutch examples.

Some ideas to make behavioral economics of education even more useful.

#### Many success stories...



but learning about 'failures' at least as important.

# Example:

Study by Roel van Elk, Marc van der Steeg, Dinand Webbink on 'wijkschool' in Rotterdam.

Intervention: services and coaching to increase school enrolment and employment among youth at risk.

# Do not assume generalizability



# But test it!

# Results oftentimes are context-dependent in surprising ways.

# When testing, do broad measurement



We should go beyond standard set of outcomes!

Examples:

Ludwig et al. study: 'Becoming a Man'-intervention, including character or values education, such as 'fistexercise'.

Study in UK, using day out with class as incentive to perform well.

# When testing, consider long-term effects



Many studies restricted to test scores and drop out.

Longer-term success sometimes much smaller:

- teaching to the test
- intertemporal substitution



# Example

Lavy's recent study on performance pay for teachers.

Short-run: higher test scores.

But how about the long-run?

#### Long-run effects quite spectacular



4%-points higher enrolment in university.

15 years later: on average 7% higher earnings.

Lower unemployment, smaller incidence of disability.

#### **Behavioral interventions may backfire**



Should one always try and help to temporarily overcome behavioral biases while in school/university?

Example: Midterms and short blocks in university education.

Need to work on one's biases is taken away.

Signaling value of the study decreases.

# **Future of behavioral economics of education**



Future is bright, both internationally as well as in NL.

Many active scholars (Maastricht, Amsterdam, CPB, Rotterdam).

Ministry is open to experimentation and willing to take a coordinating role.