

2015 AAEA & WAEA Joint Annual Meeting Post-Conference Workshop

Applying Behavioral and Experimental Economics to Food and Agri-Environmental Issues

Marriott Marquis, San Francisco, CA

July 29, 2015, 9.00 AM to 4.00 PM

Outline

This post-conference workshop brings together internationally-renowned experts to engage in lively presentations and discussions of how behavioral and experimental economics can explain the impact of economic behavior on food choice and landowner participation in agri-environmental programs. This workshop will be valuable to both experienced and new researchers in these areas. Additionally, the workshop will include a lunch format that will foster future high quality research in these areas by providing constructive feedback to the research plans and experimental designs of graduate students and young professionals.

For Questions Contact

Brenna Ellison (University of Illinois; Organizing Committee)

Carola Grebitus (Arizona State University; Co-Chair Organizing Committee)

Jayson Lusk (Oklahoma State University; Organizing Committee)

Bidisha Mandal (Washington State University; Organizing Committee)

Kent Messer (CBEAR - University of Delaware; Organizing Committee)

Christiane Schroeter (California Polytechnic State University, San Luis Obispo; Co-Chair Organizing Committee)

Program

9.00-9.05: Welcome

9.05-9.50: "Behavioral Economic Nutrition Interventions in the Grocery Store: Retail, Consumer, and Economic Sustainability", Collin Payne, New Mexico State University

9.50-10.35: "Habitual behavior in the context of diet" Michele Belot, University of Edinburgh

10.35-10.45: Coffee break

10.45-12.00: "Behavioral Nudges and Policy: Why choice matters and why it doesn't", David Just, Cornell University

12.00-1.15: Brown-bag Lunch featuring 'Graduate Student & Young Professional' - Networking Session (**for more information regarding abstract submission and stipends see callout next page**)

1.15-2.30: "Applying behavioral economics to improve environmental policy: knowns and unknowns" Paul Ferraro, Johns Hopkins University

2.30-2.40: Coffee break

2.40-3.25: "Are you going to eat that? Key insights from behavioral economics into food selection and intake decisions" Andrew Hanks, The Ohio State University

3.25-4.00: Panel Discussion

4.00: Closing

Workshop Fee: \$45, including coffee breaks and boxed lunch.

Sponsored by: AAEA Trust, AAEA-Food Safety & Nutrition Section, Center for Behavioral & Experimental Agri-Environmental Research (CBEAR), Cornell Center for Behavioral Economics in Child Nutrition Programs (BEN Center), Economic Research Service, USDA

2015 AAEA & WAEA Joint Annual Meeting Post-Conference Workshop

Applying Behavioral and Experimental Economics to Food and Agri-Environmental Issues

Marriott Marquis, San Francisco, CA

July 29, 2015; 9.00 AM to 4.00 PM

**Call for Research Proposals:
Networking Session Graduate Students & Young Professionals**

This workshop will include a lunch breakout session where graduate students and young professionals have the opportunity to discuss their research ideas with experienced researchers and receive constructive criticism regarding their experimental designs. Young professionals and graduate students currently planning a behavioural or experimental study are encouraged to submit an abstract related to their research. Accepted proposals will be discussed and feedback will be provided. The feedback will be provided in small groups that will be developed based on commonalities in research areas and/or research methodologies (i.e., lab experiments, field experiments, randomized controlled trials).

Four outstanding papers will be offered the opportunity to be part of an AAEA 2016 track session.

To have your research considered, please submit the following information **by May 15, 2015:**

An extended abstract (2 pages max; Times New Roman font, point size 12, 1.5 line spacing) including:

- Three key words that describe your research
- Two or three research questions you hope to answer with the research
- A description of your recruitment strategy
- Basic experimental instructions (if available and applicable)

Please send your 2-page abstract with the subject line “CfP AAEA Post-Conference Workshop” to Carola.Grebitus@asu.edu

Accepted submissions will be notified by May 30, 2015.

Workshop fee: \$45, including coffee breaks and boxed lunch.

Workshop stipends: Thanks to our generous sponsors, we are able to provide a total of \$5,000 in travel stipends/registration fee waivers divided among a selected number of graduate students and young professionals. To apply, submit one paragraph (no more than 200 words) explaining why you should be considered for the stipend and/ or waiver to Carola Grebitus (carola.grebitus@asu.edu). Participants of the networking session (group discussion) will have priority.

About the Speakers (in order of appearance)

Dr. Collin R. Payne, New Mexico State University
Behavioral Economic Nutrition Interventions in the Grocery Store:
Retail & Consumer Sustainability



Abstract: We introduce a framework for understanding how behavioral economic nutrition interventions in grocery stores can be sustainable for retailers and consumers. Specifically, we detail the financial resources from which a consumer can draw and explain how these resources are used to for planned and unplanned purchases. Considering that consumer’s budgets are usually fixed by the time they reach the grocery store, yet half of that budget is unplanned, in-store behavioral economic nutrition interventions may be able to shift purchases towards an intended target—in this case, fresh fruits and vegetables—without increasing budgets. Fresh fruits and vegetables represent a higher margin product item for grocery stores (vs. packaged and processed foods), which would financially benefit from increased produce purchasing even if consumer’s budgets stayed the same. To this end, we provide evidence of produce purchase increases in grocery stores without increasing consumer budgets using behavioral economic nutrition interventions that are salient, easy-to-understand, and easy for shoppers to compare their own behavior against what behavior is suggested. Finally, we discuss what is needed to make these types of interventions sustainable for retailers and consumers.

Bio: Dr. Collin R. Payne is an Associate Professor of Marketing at New Mexico State University. He currently studies consumer psychology generally and how to increase consumer purchase and consumption of fruits and vegetables specifically. These studies have also been featured in media outlets such as The New York Times, The Los Angeles Times, USATODAY, Men’s Health, Women’s Health, Redbook, and Shape Magazine. He collaborates with both public and private funding agencies as well as large market research companies who all seek to understand better and change marketing environments to increase consumer health.

Dr. Michèle Belot, University of Edinburgh
Habitual behavior in the context of diet



Abstract: We will discuss the behavioural economics approach to dietary choices and present the results of two experiments. The first experiment was conducted in 31 primary schools in England to test the effectiveness of different temporary incentive schemes on increasing the choice and consumption of fruit and vegetables at lunchtime. Our results show that incentives can work, at least temporarily, to increase healthy eating but that there are large differences in effectiveness between schemes. The second experiment was conducted among students at the University of Edinburgh and aims at understanding the relationship between chronic stress and health-related behaviours. We conducted a randomised controlled trial sending half of 144 students to a 4-week stress reduction programme based on mindfulness practice, while the remaining sample was asked to watch a weekly historical TV documentary. We collected detailed data on stress and health-related behaviours that are used to document the relationship between the two.

Bio: Michèle Belot is Professor of Economics at the University of Edinburgh. She received her PhD in Economics from Tilburg University in 2003 and has held previous academic positions at the University of Essex and at the University of Oxford. Her research interests are in behavioural economics and, more specifically, in health-related behaviours. She has conducted a number of field experiments to understand the drivers of unhealthy habits, with a specific interest in low SES populations and children.

Dr. David Just, Cornell University
Why Choice Matters and Why it Doesn't: An Application to Food Policy



Abstract: In the attempt to curb the obesity crisis, policymakers are taking ever stronger measures. Recently this has resulted in several high profile cases of backlash, with consumers complaining that their choices are being limited. Despite this, there is strong evidence that most food choices are not deliberative and can be influenced by very small changes in the environment. If choices are so malleable, why do consumers hold them so dear? Building on prior work demonstrating the impact of emotional responses to policy, we demonstrate how well intentioned policies can be weakened or even backfire. By expanding the scope of welfare analysis, we argue that effective policy must account for the emotional and behavioral responses of those directly impacted. This means policies that achieve goals by persuasion, empathy or motivation may often be much more effective than those achieving their goals through confrontation, restriction or compulsion.

Bio: David R. Just uses the tools of psychology and economics to find why we eat and what we can do about it. He is currently a professor in the Charles H. Dyson School of Applied Economics and Management and the director of the Cornell Center for Behavioral Economics in Child Nutrition Programs, David has conducted dozens of field and laboratory experiments identifying the subtle factors in the environment that can lead children and adults to make the healthy choice. His work on behavioral economics and food assistance programs has shown how low cost solutions—like placing fruit in an attractive bowl—can lead consumers to make healthier choices without reducing overall availability of choices, or breaking the program budget. David's research has been published in scores of research articles. His research has won numerous awards, including being recognized in Discover Magazine's list of top science stories. His work has been reported in numerous media outlets including the NPR, Wall Street Journal, New York Times, US News and World Reports, Newsweek, Washington Post among many others. David received his PhD and MS degrees in Agricultural and Resource Economics from the University of California, Berkeley, and a Bachelor's degree in Economics from Brigham Young University.

Dr. Paul Ferraro, Johns Hopkins University

Applying behavioral economics to improve environmental policy: knowns and unknowns



Abstract: Applications of behavioral economics are an increasingly popular means to influence behaviors in the context of social programs. Scholars have published dozens of articles demonstrating cost-effective interventions based on insights from behavioral economics. Governmental and nongovernmental agencies have established in-house teams to apply insights from behavioral economics to encourage and enable individuals to make decisions that improve private and social welfare. Despite the apparent success of such activities, the literature has largely ignored issues related to: (i) the persistence of the induced behavioral changes over longer-term horizons; (ii) the impacts among producers or, more generally, experienced agents acting in competitive environments; (iii) the interactions among behavioral interventions and between behavioral interventions and more traditional economic instruments (i.e., the degree to which they are substitutes or complements); and (iv) the impacts of behavioral economics-based interventions when agents can recognize these interventions and are aware of their intent (e.g., “I know you set the default as ‘opt out’ to encourage me to participate.”). New studies that address these issues are presented and gaps in our knowledge identified.

Bio: Paul J. Ferraro is the Bloomberg Distinguished Professor of Water and Environmental Economics at Johns Hopkins University, Regents Professor of Economics and Environmental Policy at Georgia State University, and Co-Director of the Center for Behavioral and Experimental Agri-Environmental Research (C-BEAR). He received his PhD (’01) from Cornell University, and an MS (’94) and a BA (biology and history; ’90) from Duke University. Grounded in the behavioral sciences, his research focuses on the design and empirical evaluation of environmental programs, with a particular focus on programs that affect ecosystem services. Ferraro is a Senior Science Fellow with the World Wildlife Fund and a Humanitas Visiting Professor at the University of Cambridge. He serves on a wide range of advisory and editorial boards, and has served as a Fulbright Scholar, the Kathryn S. Fuller Science for Nature Visiting Scientist, and one of five Science Advisors to the Global Environment Facility. He and his co-authors publish in wide range of scholarly journals in economics, political science, and interdisciplinary sciences and their research has been reported in popular outlets such as The New York Times, National Public Radio and Science magazine. Ferraro has received his university’s Outstanding Faculty Achievement Award and Provost’s Faculty Fellow award, and he and his co-authors received the National Academy of Sciences Cozzarelli Prize for a publication of “outstanding scientific excellence and originality.”

Dr. Andrew Hanks, The Ohio State University

Are you going to eat that? Key insights from behavioral economics into food selection and intake decisions



Abstract: Economic models of food demand often overlook two key aspects of consumer behavior: 1) food choice can be influenced by factors such as the immediate environment, social pressure, and salience; and 2) individuals do not always eat all of the food they purchase or select. Behavioral economics has provided important insights into food selection and intake decisions highlighting the need to expand the traditional models in order to construct appropriate food demand functions. Furthermore, the food selection decision is not a sufficient condition for intake. While it is a necessary condition, there are still factors, both economic and psychological, that determine whether or not an individual will eat the chosen food, followed by the equally, or even more important question, how much will be eaten.

The purpose of this presentation is to strengthen the case for drawing on insights from behavioral economics to motivate food choice models, and why the intake decision should not be overlooked. In addition, potential applications to public policy that leverage these behavioral insights, and preserve the original choice set, will be discussed

Bio: Andrew (Drew) Hanks, PhD, is Assistant Professor of Consumer Sciences in the Department of Human Sciences. He joined the faculty in the College of Education and Human Ecology in 2014. As a behavioral economist, Dr. Hanks extends traditional economic models of decision making to capture psychological aspects of consumer choice. His primary research interests are in consumer food choice and intake and the economic and psychological factors that influence these decisions. He also is interested in the differences in food choice and intake that arise based on cultural heritage and social background. His research has led him to conduct studies in a variety of settings including restaurants, grocery stores and homes. In 2011, Dr. Hanks received an MS in Statistics and PhD in Economics from Washington State University. From 2011 to 2014, he was the research director for the Cornell Center for Behavioral Economics in Child Nutrition Programs and lead analyst for the Cornell Food and Brand Lab. In this capacity he published numerous articles on the behavioral economics of food choice and presented his research to audiences such as food service managers, academics, and government officials.