

# Investing in Humans

Alison McLean  
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Maybe it's time  
for a new  
approach to  
understanding  
how people  
**actually**  
behave.



# Time for a rethink?

## Traditional Approach

Assumes that people:

- Are **rational** & have set preferences
- Seek to **maximise utility**, i.e. do whatever is in their best interest

To change behaviour...



Provide **information** to help people better understand costs



Use **financial incentives**: change the relative 'prices' of costs and benefits

## Behavioural Science Approach

Understands that people:

- Are **not always rational**
- Are hugely affected by seemingly irrelevant "**contextual**" factors

To change behaviour...



Change the context in which people make decisions ("**nudge**")

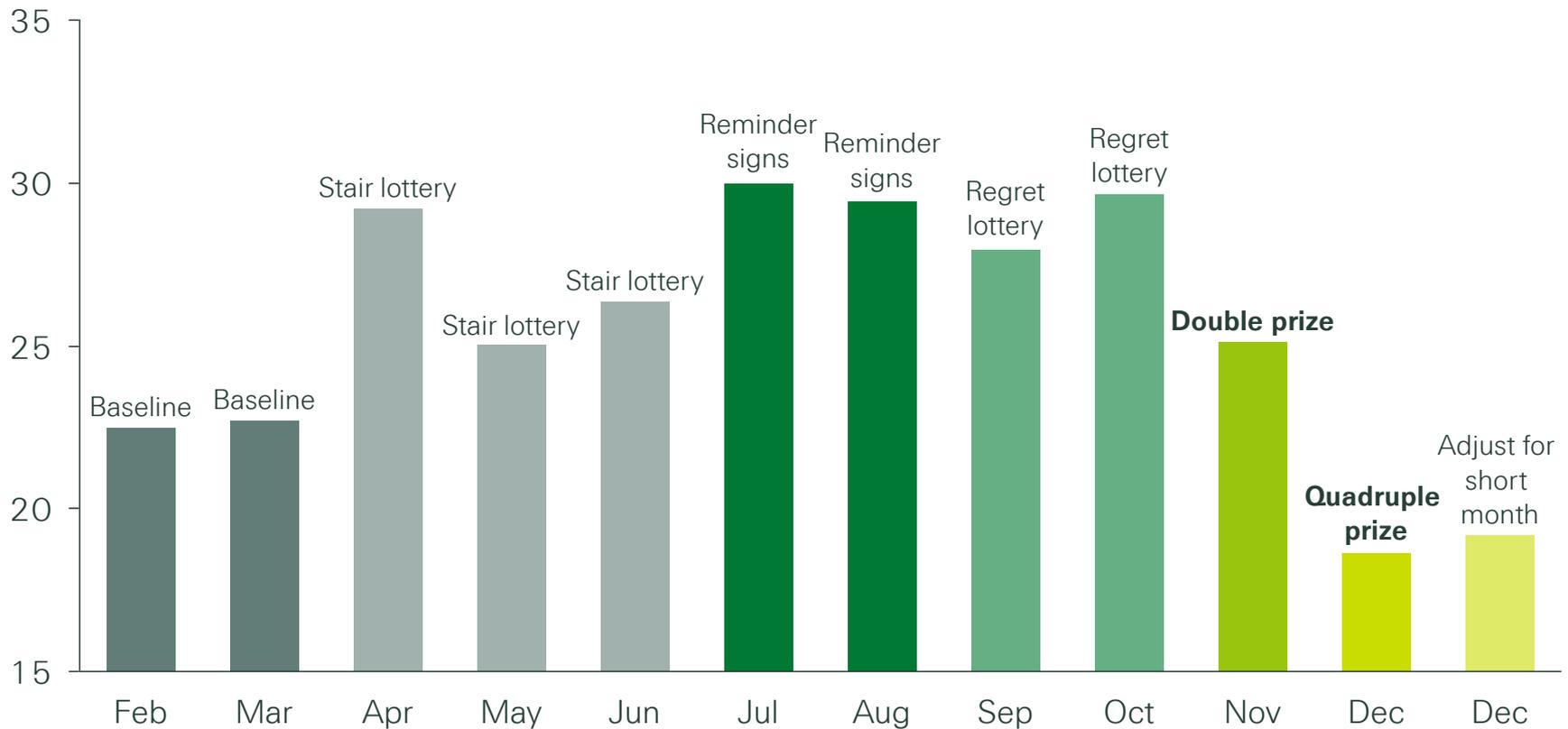


**Test** everything in the real world and measure if it has an impact

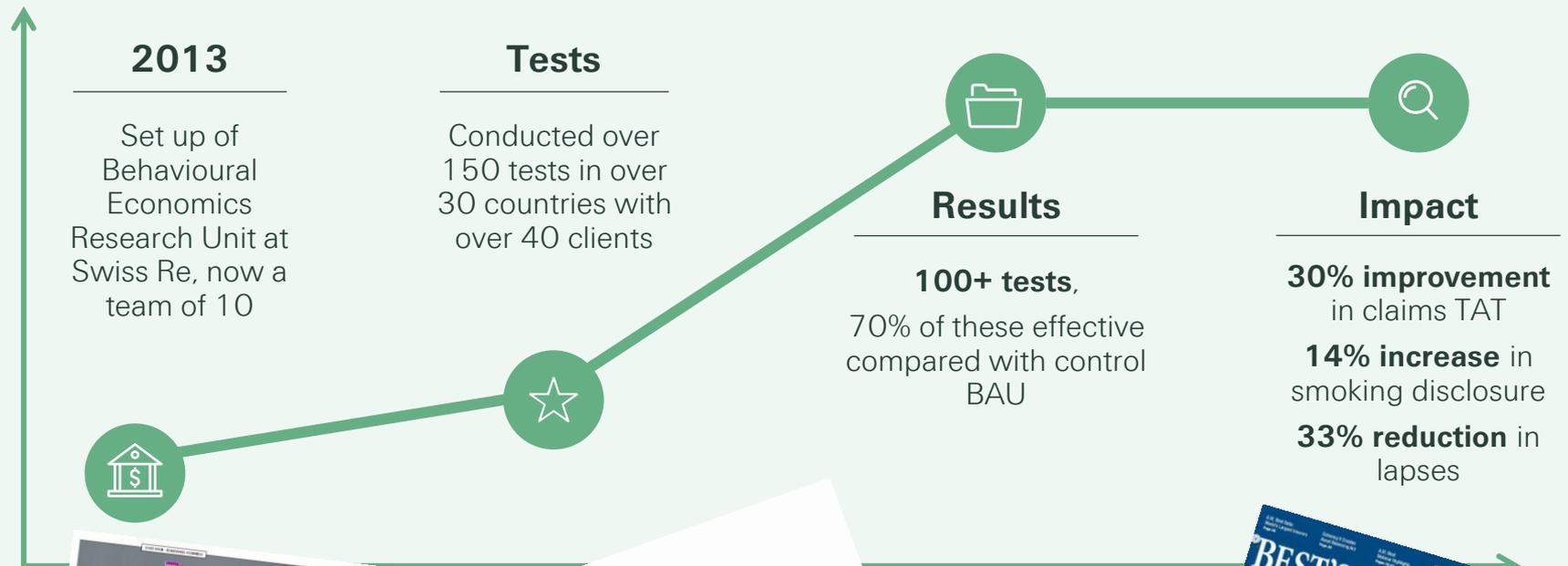
# The first case study

Bigger financial incentives don't always increase the desired behaviour

Average number of stair journeys made by people using the stairs



# The journey of behavioural economics in insurance



Have you ever  
been frustrated  
that people  
don't behave as  
we expect?





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