



For Immediate Release  
June 22, 2010

Contact: Jamie Wimberly  
(202) 483-4443

## **EcoAlign Releases Report “Nudges for Energy Conservation” to Highlight Role of Behavioral Change in Energy Conservation Programs**

---

***Fifth report in Project Energy Code series helps program designers  
to “bridge the green gap” and is available for free at [www.ecoalign.com](http://www.ecoalign.com)***

**Washington, D.C.** – EcoAlign, a strategic marketing agency focused on energy and the environment, released its fifth Project Energy Code report titled, “Nudges for Energy Conservation,” written by Dean Karlan, Professor of Economics, Yale University.

The report notes that while many individuals have goals to save energy, in practice they often fall short of these goals. Behavioral economics can help businesses and government agencies to better understand why individuals fail to follow through. The report explains why “nudges” work, what makes for a good “nudge” and how we can employ “nudges” to create measurable energy conservation savings.

A “nudge” is a mechanism to promote desirable outcomes while respecting individual choices. Nudges work by shifting the way in which people make choices and by helping people to follow through on their decisions. Nudges work through recognition that it matters how a decision is framed, through “commitment devices,” and through a change in the “defaults” (starting points) for decision making. Research in behavioral economics is revealing how a nudge can affect energy consumption without forcing people to behave in pre-determined ways.

As more energy usage information becomes available through advanced metering and the smart grid, nudges can be used by energy utilities and others in the design of energy efficiency programs and innovative electricity prices. The report’s author concludes that, “Nudges can help individuals achieve their goals by aligning their short-term and long-term incentives, changing their perceptions of success and failure, or helping them to understand how to accomplish their goals.”

“There is a kernel of transformation in Dr. Karlan’s analysis; namely, how revolutionary would it be for utilities and other program designers to first inquire what residential consumers’ energy consumption goals are, design a customized program around those goals, and to pro-actively help consumers meet those goals?” stated Nat Treadway, Managing Partner of DEFEG LLC.

The report provides insight to help utilities, other energy service businesses and policymakers to close the “green gap” – an oft-occurring behavior that EcoAlign has identified in which there is a gap between consumers’ stated intentions and their actual behaviors.

The report is part of Project Energy Code, a research program developed by EcoAlign, which provides ongoing analysis of consumer motivations and engagement with regard to energy consumption and the environment from an approach grounded in social sciences.

A full report is available **at no charge** by visiting EcoAlign's website at [www.ecoalign.com](http://www.ecoalign.com).

#### About Dean Karlan

Dean Karlan is Professor of Economics at Yale University. His research focuses on microeconomic issues of public policies, and much of his work uses behavioral economics insights and approaches to examine economic and policy issues relevant to developing countries as well as to domestic charitable fundraising, political participation, and household financial decision making.

#### About EcoAlign

EcoAlign ([www.ecoalign.com](http://www.ecoalign.com)) is the foremost energy and environment marketing agency that aligns corporate and consumer behavior with the future of energy and environment via innovative marketing and communications strategies.

###