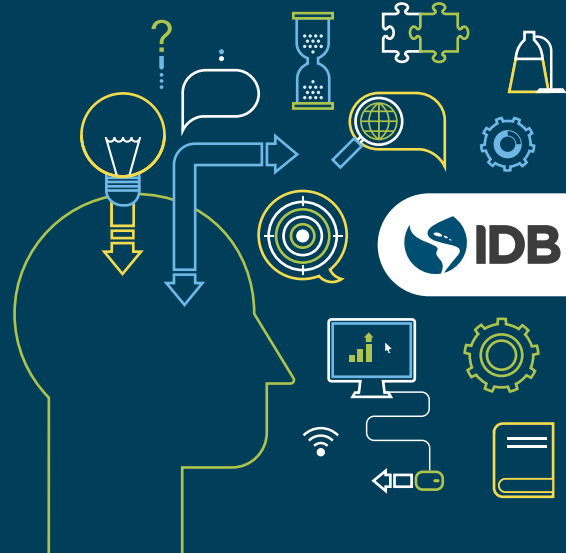


Can a Short Course on Behavioral Economics Improve How Public Servants Make Decisions?

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- > A short online course has increased participant performance on a test of applied reasoning and cognitive reflection by 0.87 standard deviations.
- > The improvement is evident in tasks closely related to the course content as well as in applied reasoning problems.
- > The course has enhanced reasoning abilities of the participants without altering their preferences for behavioral solutions.



CONTEXT

Over the past few decades, behavioral economics has shown that people systematically deviate from the rational agent model, and the field has focused on correcting the biases underlying the decisions of citizens and consumers. However, policymakers fall into the same patterns when they design and implement policies, and their errors can spread on a much larger scale. Public servants are not immune to loss aversion, overconfidence, or reliance on heuristics, biases that can result in poorly designed policies despite good intentions.

Fortunately, these biases are predictable and can thus be identified and corrected. Various studies suggest that it is possible to train cognitive reflection and that being aware of one's own biases reduces suboptimal behavior. If this is true for individuals, it is worth considering if it can be achieved among policymakers and whether knowledge of behavioral economics serves not only to diagnose the presence of biases but also to mitigate them.

The problem is that decision makers often work under constant crises, information overload, and tight deadlines, which push them toward automatic responses precisely when careful deliberation matters most. In this scenario, interventions are needed to help curb impulsivity and promote more careful analysis before decisions are made.

Key Concept

LOSS AVERSION



People value avoiding a loss more than acquiring an equivalent gain.



PROJECT

The Inter-American Development Bank is a leading provider of online training for public servants in Latin America and the Caribbean. In 2020, it launched its first Spanish-language course on behavioral economics, a free, self-paced program focused on public policy design. It combines reference materials

with activities based on real-world cases from the region, and each module concludes with a learning assessment.

This study focuses on the 21st edition of the course, which ran for six weeks in October and November 2024 with more than 1,400 registrants. The course has four modules, each requiring three to six hours. The first two introduce the core concepts of behavioral economics and compare them with the traditional economic model, which assumes fully rational decision makers. The third presents applied cases in tax compliance and health; and in the fourth, participants design a behavioral intervention through an interactive game.

To estimate the course's effect, participants were randomly assigned to either a treatment or control group and placed in virtual classrooms of up to 100 people, each containing members of a single group. The key difference between groups was the timing of their assessments: the control group took the exam before the course began while the treatment group took it upon completion. Since the assignment is random, any difference between the groups can be attributed to the course itself rather than to any pre-existing characteristics.

Key Concept

COGNITIVE REFLECTION TEST (CRT) AND SYSTEMS 1 AND 2



The CRT measures the tendency to inhibit the first intuitive response (System 1) in favor of deliberate reasoning (System 2). A low score indicates greater reliance on intuition.

The assessment has seven questions and does not repeat items from the module exams. Three questions measure cognitive reflection using the Cognitive Reflection Test (CRT), which assesses the tendency to override intuitive responses in favor of more deliberative reasoning, while three others are policy scenarios in which participants must apply the behavioral approach. The last question contrasts a structural tool with a behavioral one to determine whether the course shifts preferences toward the

latter. Attrition is high; of the 1,410 people enrolled, only 399 started the course and 202 completed it, a retention rate that is common in voluntary online training.



RESULTS

Participants in the treatment group outperformed those in the control group, answering nearly 1.3 more questions correctly out of the six evaluated, a gap equivalent to 0.87 of a standard deviation. A key concern in online courses is whether improvements reflect genuine learning or mere recall of recently seen content. To assess this, the index combines two types of questions that differ in how close they are to the course material. The behavioral scenario questions correspond to near transfer: although the cases are not identical to those covered in the modules, answering them requires applying the same behavioral concepts and tools the course emphasizes. The CRT questions represent a more distal, far transfer, since they involve abstract numerical reasoning that the course does not directly teach or provide repeated practice on, so higher scores there cannot reflect rehearsed material. Performance rose in both categories, by up to 54 percentage points (p.p.) on the behavioral questions and up to 20 pp. On the CRT items, pointing to a broader activation of reflective reasoning rather than simple memorization.

On the other hand, an analysis of replies to the seventh question, which compared a carbon tax with a labeling scheme from a behavioral perspective, showed no differences between groups. In other words, the course improved performance without inducing a bias in favor of behavioral tools.

Additionally, since the treatment group's responses come from the end of the course, one might be concerned that the gains are simply reflect fresh recall. However, accounting for the variation in the number of days between each module and the final exam, no recency effect is observed. The effect is not concentrated among participants who finished more recently, indicating that they reflect learning rather than short-term memory.



POLICY IMPLICATIONS

The results have direct implications for public administration: a modest, low-cost intervention can strengthen the tools civil servants use to navigate complex decisions. This makes behavioral economics training an attractive complement in the public sector, suggesting it is worth expanding similar efforts to systematically incorporated into capacity-building initiatives.

Future improvements will require larger, more representative samples, assessing retention months after the course, and, where possible, links between training and the observable behavior of officials on the job. In this way, training can move beyond theory and applied concepts toward genuinely improving how officials respond to real policy problems.

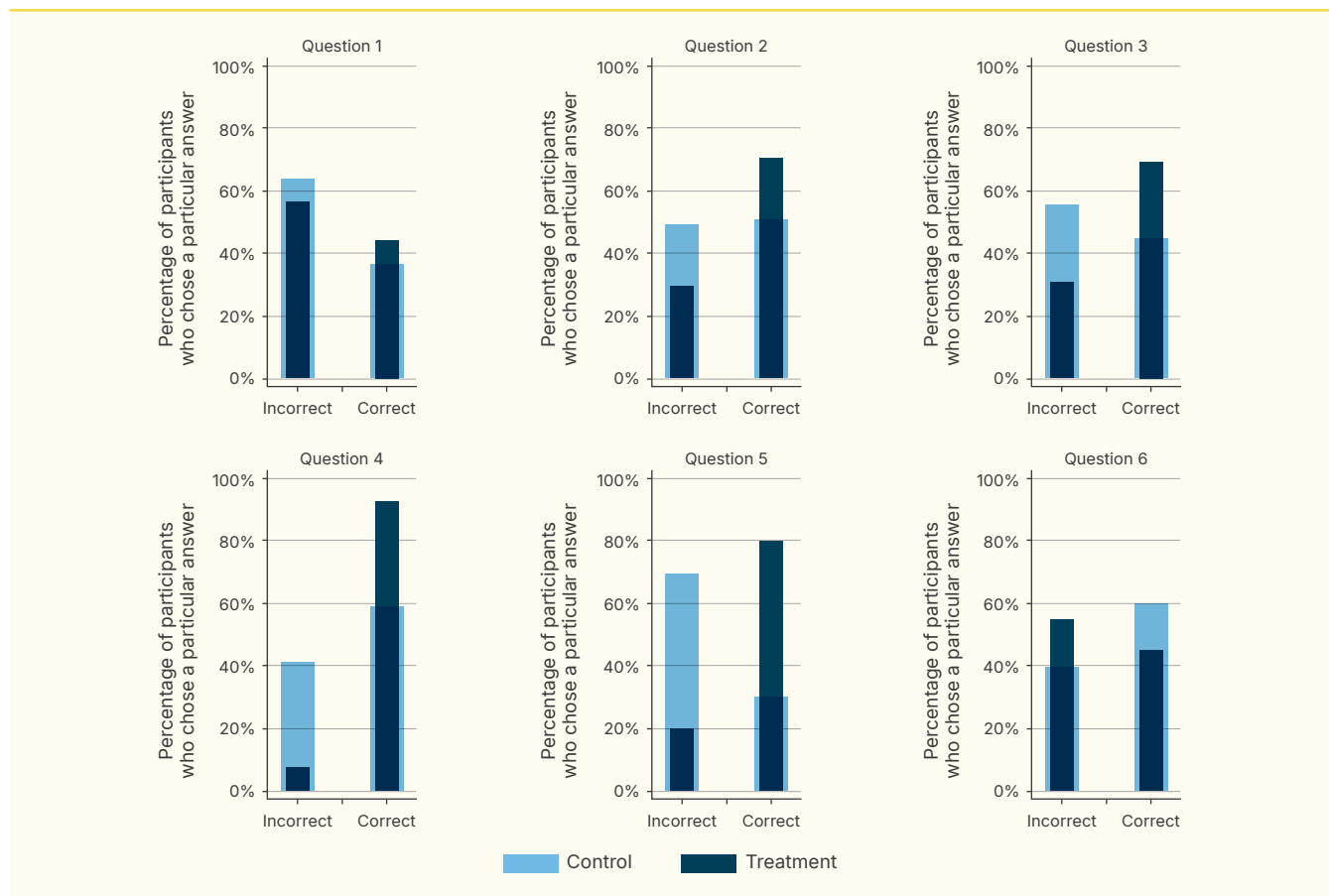
Key Concept

FRAMING

The way a given option is presented can change the decision.



FIGURE 1. Correct and Incorrect Answers, Questions 1–6 (by group)

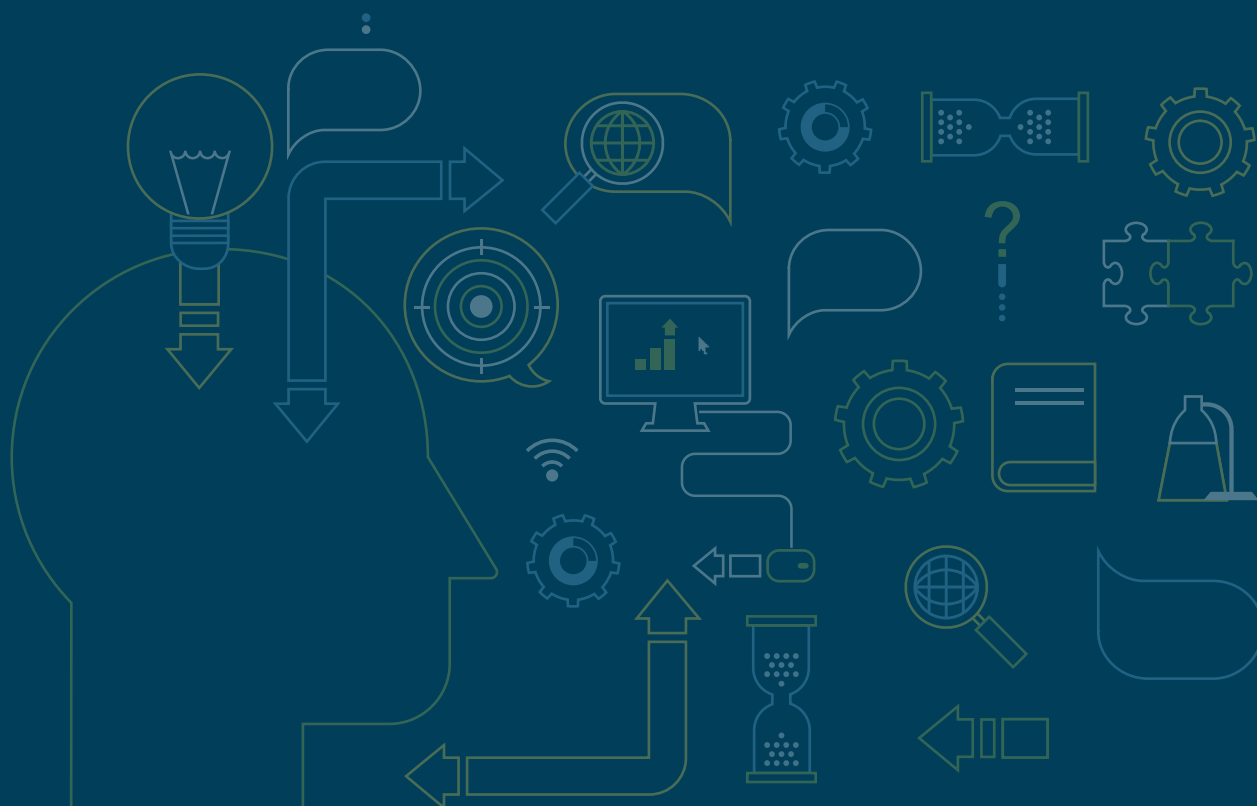


FULL STUDY

Márquez, K. and C. Scartascini. 2026. "Training Minds, Shaping Policies: Evidence from a Behavioral Economics Course for Public Officials." *Journal of Economic Psychology* 102924. <https://doi.org/10.1016/j.joep.2026.102924>.

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