

Subjective knowledge promotes active choice



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Decision makers are more likely to choose an option when it is designated the default, whatever that option happens to be. Because such default bias is robust, the strategic designation of a default option is arguably the best known and most widely-used behavioral tool that policymakers have used to nudge people's choices. For this reason, understanding the moderators of default behavior can aid policymakers in improving choice architecture across diverse settings and populations. We hypothesize that subjective knowledge – decision-makers' beliefs about their degree of relevant knowledge – moderates default behavior. In two experiments, we demonstrate that default effects are less pronounced when individuals feel relatively knowledgeable about financial matters, independent of their actual knowledge. Our results suggest that policymakers can promote more active decision making by boosting target individuals' feelings of subjective knowledge, independently of, or in addition to educating them with relevant objective information.