

### BEHAVIOURAL ECONOMICS

## Feel the nudge

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Energy efficiency is recognized as an important but underutilized route to lower energy consumption and greenhouse gas emissions at the household level. A key tool towards improving household energy efficiency is the residential energy audit: a professional assessment that identifies ways to reduce energy consumption and the likely cost-savings that could arise. However, uptake of such audits remains low, even among people who provisionally sign up for one. Now, Kenneth Gillingham at Yale University and Tsvetan Tsvetanov at the University of Kansas have implemented an intervention to see how information provision and a personal approach can affect the uptake of residential energy audits.

Working in partnership with an energy efficiency provision company, Next Step Living, the researchers target potential customers who have scheduled an audit, with the aim of converting a higher proportion of these leads into completed audits. They randomly assign customers to a treatment group, who receive a personalized letter two weeks before their scheduled audit; the control group receives no such letter. The letters are designed to inform the customer of how many other people in their community have already taken part in the programme and what the overall monetary and environmental benefits have been. They are also signed by the employee who originally contacted them. Gillingham and Tsvetanov find that the intervention leads to an overall increase in completed audits of 1.1%. Controlling for political, socio-economic and demographic factors, they also find that the household's political leanings have no influence on the outcome, but that the intervention is more effective among higher-income and Caucasian households. Finally, the researchers see a greater uptake among communities with a history of social ties to clean energy and among rural populations. The trial thus demonstrates a cost-effective way to increase the completion rate of energy efficiency audits and highlights community groups that could be more effectively targeted in future interventions.

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