

August 24, 2020

## Bad Incentives

Today we sent a student home from an exam. The student had informed us of possible exposure to COVID-19. The student was given a COVID-19 test four days previously, and there was still no reported result. The student was honest, having self-reported ... but the student will have to retake the exam another time. Had the student lied (or simply not informed us), the student might have possibly infected another group of students and the exam proctor ... or not.

Any set of university administrators that believes that they have appropriate protection plans for students returning to campus are fooling themselves. It is that simple. Your blogger's university has made copious plans for testing, reporting, and contact tracing, but most of these plans depend on the inherent honesty, and good behavior of the various members of the college community. Suppose that the exam is pivotal to the student's medical school or law school application. Suppose that the exam is pivotal to the student's retaining his or her financial support. The student will want to take the exam. We economists urge students to compare marginal benefits to marginal costs, but we do not teach them enough about externalities (i.e. the virus) that raise the marginal costs. The incentives for individual decisions here are ... bad.

In a July 21 article in *The Atlantic*, Professors Julia Marcus and Jessica Gold wrote, of the return to on-campus learning proposed by many universities:

Students will get infected, and universities will rebuke them for it; campuses will close, and students will be blamed for it [emphasis added]. Relying on the self-control of young adults, rather than deploying the public-health infrastructure needed to control a disease that spreads easily among people who live, eat, study, and socialize together, is not a safe reopening strategy—and yelling at students for their dangerous behavior won't help either.

<https://www.theatlantic.com/ideas/archive/2020/07/colleges-are-getting-ready-blame-their-students/614410/>

Your blogger has been saying this for months. YB has advocated online learning. YB has suggested a "stadium model" of campus entry with limited entry points and bar-coded "tickets". YB is tired of being a scold.

No one is happy with any of these proposals. No one wants to be scolded. Instead most universities have embraced a system of well-meaning but bad incentives ... leading to dangerous outcomes.

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