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Economics of Printing Quotas

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JCU's new printing policy has proven unexpectedly controversial. Communication from administration officials has described the goal of the new policy as a means to conserve resources, reduce wasteful printing and make our campus a greener place; hurt feelings and lost nickels aside, this is a noble ambition. The economics of printing quotas, however, suggests an outcome very different from what the administration intends.

Behavioral economists distinguish between two worlds in which we live: one governed by social norms and the other by market norms; each applying to various situations in life. If a friend offers to help move a couch into your new apartment or study for a big economics exam, offering a payment for the assistance seems unnecessary and even a little rude. Once market norms are introduced into social situations, the future of the relationship is often compromised.

In his best-selling book *Predictably Irrational*, economist Dan Ariely describes a day care center that suffered from this unfortunate mistake. Teachers, seeking to end their days in a timelier manner, devised a plan they believed would discourage tardy parents from picking up their children after an agreed-upon time. The new policy stipulated that past some point a fine would be imposed for tardiness. The result? Parents continued picking up their children late and felt much less guilty about doing it.

What does this have to do with JCU's new printing policy? Until recently, the market for campus printing was governed by social norms: print what you need but please do not be wasteful. Regretfully, a few of these social norms were violated, and administration officials call attention to reams of wasted paper for justification. Realistically, this waste was

more likely a product of a few bad apples than the community as a whole. The switch to the new printing quota, however, affects everyone on campus.

Officials also like to tout that the historic average number of pages printed on campus is only 325 per person, meaning most individuals will remain wholly unaffected by the change. What they may not realize is that the new \$25 allotment creates a new incentive to print as close to 500 pages by the end of the semester, even if most of those pages are wasteful, less individuals feel like they failed to get their money's worth. Now that social norms are out the window, users will feel justified in taking full advantage of their entire printing allotment.

And the heavy users who are afraid of exceeding the 500 page allotment? Many have already started hunting for loopholes – petitioning for an exemption from the Information Services department, for example. In an email exchange with Stephen Dubner, co-author of *Freakonomics*, he writes to me that the new policy is likely to backfire, adding that even without an exemption, heavy users may simply induce their friends or roommates into sharing unused pages; truly entrepreneurial students may undercut the administration's 5 cent per page price and print away.

The bad news is that when social norms collide with market norms, social norms go away for a long time. Going back to Ariely's day care - he explains that once the teachers realized their unintended mistake, they switched back to the old system, only to find the parents' behavior failed to revert back. At the end of this semester, the new printing system may turn out to be a major flop, but returning to the old tried and true system may not be a realistic option either.