

# Big Hassle on the Decarbonization Frontier

## Abstract:

Hassle costs encompass several types of non-monetary transaction costs that arise in different contexts. They can be economically important and have been suspected to be the cause of the low take-up rate of governmental programs, technologies, or organizational practices. Although they are important economic barriers and determinants of welfare, they lack a formal definition in the economic literature. Moreover, precise measurements of such costs are lacking and there is little empirical evidence demonstrating the effectiveness of policy interventions designed to address them.

In this study, we first develop a framework to formalize the concept of hassle costs in a utility maximization framework. We relate hassle costs to the shadow cost of leisure. Second, we propose an experimental procedure to elicit the distribution of the *marginal hassle cost* (MHC) in a sample population. Third, we implement and validate our approach in a large-scale field experiment promoting the adoption of heat pump technology.

This job is joint work with Maya Papineau, Nicholas Rivers, Kareman Yassin.

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