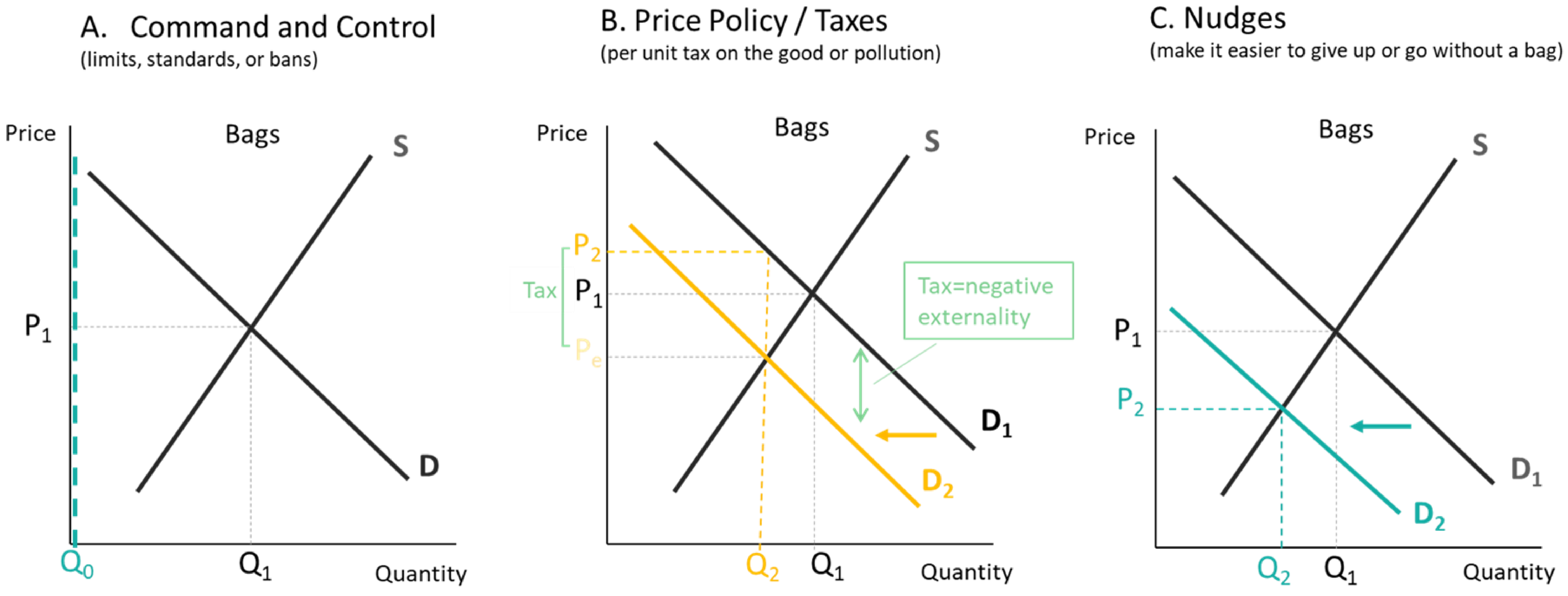

UE Figure S1 Ep5: Three Ways to Reduce Bag Usage. Panel A illustrates the impact of a ban on bags, which amounts to a standard, or limit, of zero units (Q_0). Panel B illustrates that a tax or fee on the consumer acts to decrease the demand curve. Assuming the initial price of bags is P_1, if the tax is set equal to the externality, this will reduce the quantity of bags sold to Q_2, which internalizes (or eliminates) the externality and increases the price paid to P_2 (the new equilibrium price (P_e) plus the tax). Panel C shows that nudges operate through demand. When demand falls, both the equilibrium price and quantity fall.