

You are What Your Parents Expect: Height and Local Reference Points*

Fan Wang

March 17, 2022

Abstract

Recent estimates are that about 150 million children under five years of age are stunted, with substantial negative consequences for their schooling, cognitive skills, health, and economic productivity. Therefore, understanding what determines such growth retardation is significant for designing public policies that aim to address this issue. We build a model for nutritional choices and health with reference-dependent preferences. Parents care about the health of their children relative to some reference population. In our empirical model, we use height as the health outcome that parents target. Reference height is an equilibrium object determined by earlier cohorts' parents' nutritional choices in the same village. We explore the exogenous variation in reference height produced by a protein-supplementation experiment in Guatemala to estimate our model's parameters. We use our model to decompose the impact of the protein intervention on height into price and reference-point effects. We find that the changes in reference points account for 65% of the height difference between two-year-old children in experimental and control villages in the sixth annual cohort born after the initiation of the intervention.

JEL: I15, D8, D9, O15

Keywords: Early Childhood, Height, Reference Points, Nutrition, Anthropometrics

*Fan Wang: Department of Economics, University of Houston, Houston, Texas, USA (email: fwang26@uh.edu)
We thank Hello, here is some text without a meaning. This text should show what a printed text will look like at this place. If you read this text, you will get no information. Really? Is there no information? Is there a difference between this text and some nonsense like “Huardest gefburn”? Kjift – not at all! A blind text like this gives you information about the selected font, how the letters are written and an impression of the look. This text should contain all letters of the alphabet and it should be written in of the original language. There is no need for special content, but the length of words should match the language.

1 Introduction

2 The Model

3 Data

4 Results

5 Conclusion

[?]

References