



# American Economic Journal: Applied Economics

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Benjamin Olken, Editor

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AEJApp-2020-0587 “The Role of Regret in Prize-Linked Savings: Experimental Evidence from Kenya”

Dear Drs. Abraham, Akbas, Ariely, and Jang:

I write you in regards to manuscript AEJApp-2020-0587 entitled “The Role of Regret in Prize-Linked Savings: Experimental Evidence from Kenya” which you submitted to the *American Economic Journal: Applied Economics*.

I have now received reports from two expert reviewers, whose reports you can find attached. I have also reviewed your paper myself.

Both reviewers agree that the question you study—on whether prize-linked savings accounts—increases savings, is an interesting comment. But, as you can see from the reports, the referees have a number of concerns about the paper. Both referees worry about the statistical power of your study—R1, for example, notes that you would be unable to statistically detect a 30 percent increase in savings, which seems problematic. This is important for studies that find null reports. Both R1 and R2 also raise external validity concerns—R1 noting that this isn’t a “real” bank product with the usual features, and R2 noting the unusual sample and a variety of other unusual features of the account. Finally, R2 discusses the fact that most savings papers now focus on total savings, not just savings in a particular account, which makes sense from an economics perspective.

On net, both referees recommend I reject the paper, and I have decided to follow their advice and reject.

I’m sorry this letter doesn’t bring better news. Unfortunately *AEJ Applied* can only publish only 6 percent of the manuscripts we receive. Thank you for considering *AEJ Applied* for the publication of your research, and I hope the outcome of this specific submission will not discourage you from the submission of future manuscripts.

Sincerely,

Benjamin Olken  
Editor, *American Economic Journal: Applied Economics*

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