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Temperature and Decisions: Evidence from 207,000 Court Cases[†]

By Anthony Heyes and Soodeh Saberian*

We analyze the impact of outdoor temperature on high-stakes decisions (immigration adjudications) made by professional decision-makers (US immigration judges). In our preferred specification, which includes spatial, temporal, and judge fixed effects, and controls for various potential confounders, a 10°F degree increase in case-day temperature reduces decisions favorable to the applicant by 6.55 percent. This is despite judgements being made indoors, "protected" by climate control. Results are consistent with established links from temperature to mood and risk appetite and have important implications for evaluating the influence of climate on "cognitive output."
(*JEL* K37, K41, Q54)

We investigate the link from outdoor temperature to decisions made by experienced professional decision-makers, working in good-quality, climate-controlled, indoor spaces. If decisions with durable consequences are systematically influenced by irrelevant factors, the potential for welfare loss is obvious. The question we investigate is the following: do decision outcomes, the substance of which have nothing to do with contemporaneous temperature, depend causally on how hot it is outside on the day the decision is made? Examining the universe of files (just under 207,000) evaluated over a four-year period by the 266 immigration court judges at the 43 US Federal Immigration Courthouse locations spread across most major US cities our answer is a resounding yes—with high significance and robustness, and a substantial effect size. As such, we evidence a subtle and pernicious channel through which variations in climate (across space and through time) can damage well-being, by influencing decisions.

The analysis contributes to our developing understanding of how decisions can be sensitive to apparently irrelevant considerations. For example, Mani et al. (2013)

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Health Care Spending and Utilization in Public and Private Medicare[†]

By Vilsa Curto, Liran Einav, Amy Finkelstein, Jonathan Levin, and Jay Bhattacharya*

We compare health care spending in public and private Medicare using newly available claims data from Medicare Advantage (MA) insurers. MA insurer revenues are 30 percent higher than their health care spending. Adjusting for enrollee mix, health care spending per enrollee in MA is 9 to 30 percent lower than in Traditional Medicare (TM), depending on the way we define "comparable" enrollees. Spending differences primarily reflect differences in health care utilization, with similar reductions for "high-value" and "low-value" care, rather than health care prices. We present evidence consistent with MA plans encouraging substitution to less expensive care and engaging in utilization management. (*JEL* G22, H44, H51, I11, I13)

A long-standing question in economics concerns the appropriate roles of the public sector and private sector in providing services that society has decided are essential. This question comes up in many contexts, including education, utilities, transportation, and pensions. It is especially relevant in health care, where the United States is unusual among developed countries in its distinctive mix of public and private health insurance. Comparisons of public and private health insurance systems are difficult, however, since they typically do not operate at a similar scale, for the same population, in the same markets, or with the same health care providers.

The US Medicare program in recent years has been an exception because of the "side by side" operation of public and private insurance programs. While Traditional Medicare (TM) offers publicly administered insurance, a significant fraction of the

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