
Literature Report

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Abstract

The Long-Run Effects of Labor Migration on Human Capital Formation in Communities of Origin

- American Economic Journal: Applied Economics--2016---Taryn Dinkelman, Martine Mariotti

We provide new evidence of one channel through which circular labor migration has long-run effects on origin communities: by raising completed human capital of the next generation. We estimate the net effects of migration from Malawi to South African mines using newly digitized census and administrative data on access to mine jobs, a difference-in-differences strategy, and two opposite-signed and plausibly exogenous shocks to the option to migrate. Twenty years after these shocks, human capital is 4.8-6.9 percent higher among cohorts who were eligible for schooling in communities with the easiest access to migrant jobs.

The Long-Run Economic Consequences of High-Stakes Examinations: Evidence from Transitory Variation in Pollution

- American Economic Journal: Applied Economics--2016---Avraham Ebenstein, Victor Lavy, Sefi Roth

Cognitive performance during high-stakes exams can

be affected by random disturbances that, even if transitory, may have permanent consequences. We evaluate this hypothesis among Israeli students who took a series of matriculation exams between 2000 and 2002. Exploiting variation across the same student taking multiple exams, we find that transitory PM2.5 exposure is associated with a significant decline in student performance. We then examine these students in 2010 and find that PM2.5 exposure during exams is negatively associated with postsecondary educational attainment and earnings. The results highlight how reliance on noisy signals of student quality can lead to allocative inefficiency.

What Does Debt Relief Do for Development? Evidence from India's Bailout for Rural Households

- American Economic Journal: Applied Economics--2016---Martin Kanz

This paper studies the impact of debt relief, using a natural experiment arising from India's "Agricultural Debt Waiver and Debt Relief Scheme," one of the largest household-level debt relief initiatives in history. I find that debt relief has a substantial impact on household balance sheets, but does not affect savings, consumption and investment, as predicted by theories of debt overhang or balance sheet distress. Instead, debt relief

leads to greater reliance on informal credit, reduced investment, and lower agricultural productivity. Consistent with moral hazard generated by the bailout, beneficiaries are significantly less concerned about the reputational consequences of future default.

Buy the Book? Evidence on the Effect of Textbook Funding on School-Level Achievement

- American Economic Journal: Applied Economics--2016---Kristian L. Holden

This paper considers the effect of textbook funding on school-level test performance by using a quasi-experimental setting in the United States. I consider a lawsuit in California that provided a one-time payment of \$96.90 per student for textbooks if schools fell below a threshold of academic performance. Exploiting this variation with a regression discontinuity (RD) design, I find that textbook funding has significant positive effects on school-level achievement in elementary schools and has a high benefit-per-dollar. In contrast to elementary schools, I find no effect in middle and high schools though these estimates are very imprecise.

Does Early Life Exposure to Cigarette Smoke Permanently Harm Childhood Welfare? Evidence from Cigarette Tax Hikes

- American Economic Journal: Applied Economics--2016---David Simon

Evidence suggests that excise taxes on tobacco improve fetal health. However, it remains unknown if smoke exposure in early life causes lasting harm to children. I find that in utero exposure to a dollar increase in the state cigarette tax causes a 10 percent decrease in sick days from school and a 4.7 percent decrease in having two or more doctor visits. I present additional evidence for decreases in hospitalizations and asthma. This supports the hypothesis that exposure to cigarette smoke in utero and infancy carries significant medium-term costs, and that excise taxes can lead to lasting intergenerational improvements in well-being.

Habit Formation in Voting: Evidence from Rainy Elections

- American Economic Journal: Applied Economics--2016---Thomas Fujiwara, Kyle Meng, Tom Vogl

We estimate habit formation in voting--the effect of past on current turnout--by exploiting transitory voting cost shocks. Using county-level data on US presidential elections from 1952-2012, we find that rainfall on current and past election days reduces voter turnout. Our estimates imply that a 1-point decrease in past turnout lowers current turnout by 0.6-1.0 points. Further analyses suggest that habit formation operates by reinforcing the direct consumption value of voting and that our estimates may be amplified by social spillovers.

Patents as a Spur to Subsequent Innovation? Evidence from Pharmaceuticals

- American Economic Journal: Applied Economics--2016---Duncan S. Gilchrist

This paper examines how an incumbent's patent protection acts as an implicit subsidy toward non-infringing substitutes. I analyze whether classes of pharmaceuticals whose first entrant has a longer period of market exclusivity (time between approval and generic entry) see more subsequent entry. Instrumenting for exclusivity using plausibly exogenous delays in the development process, I find that a one-year increase in the first entrant's market exclusivity increases subsequent entry by 0.2 drugs. The effect is stronger for subsequent entrants that are lesser clinical advances, suggesting it is driven primarily by imitation.

Iron Deficiency and Schooling Attainment in Peru

- American Economic Journal: Applied Economics--2016---Alberto Chong, Isabelle Cohen, Erica Field, Eduardo Nakasone, Maximo Torero

Do nutritional deficiencies contribute to the intergenerational persistence of poverty by reducing the earnings potential of future generations? To address this question, we made available supplemental iron pills at a

health center in rural Peru and encouraged adolescents to take them via media messages. School administrative data provide novel evidence that reducing iron deficiency results in a large and significant improvement in school performance and aspirations for anemic students. Our findings demonstrate that combining low-cost outreach efforts and local supplementation programs can be an affordable and effective method of reducing rates of adolescent iron deficiency anemia.

The Impact of High School Financial Education: Evidence from a Large-Scale Evaluation in Brazil

- American Economic Journal: Applied Economics--2016---Miriam Bruhn, Luciana de Souza Leão, Arianna Legovini, Rogelio Marchetti, Bilal Zia

We study the impact of a comprehensive high school financial education program spanning 6 states, 892 schools, and approximately 25,000 students in Brazil through a randomized control trial. The program increased student financial proficiency by a quarter of a standard deviation and raised grade-level passing rates. Short-term financial behaviors, however, show mixed results with significant improvements in students' savings and budgeting as well as positive spillovers to parents, but also an increase in students' use of expensive credit to make consumer purchases.

Do Fiscal Rules Matter?

- American Economic Journal: Applied Economics--2016---Veronica Grembi, Tommaso Nannicini, Ugo Troiano

Fiscal rules are laws aimed at reducing the incentive to accumulate debt, and many countries adopt them to discipline local governments. Yet, their effectiveness is disputed because of commitment and enforcement problems. We study their impact applying a quasi-experimental design in Italy. In 1999, the central government imposed fiscal rules on municipal governments, and in 2001 relaxed them below 5,000 inhabitants. We exploit the before/after and discontinuous policy variation, and show that relaxing fiscal rules increases

deficits and lowers taxes. The effect is larger if the mayor can be reelected, the number of parties is higher, and voters are older.

The Impact of Disability Benefits on Labor Supply: Evidence from the VA's Disability Compensation Program

- American Economic Journal: Applied Economics--2016---David Autor, Mark Duggan, Kyle Greenberg, David S. Lyle

Combining administrative data from the US Army, Department of Veterans Affairs, and Social Security Administration, we analyze the effect of the VA's Disability Compensation (DC) program on veterans' labor force participation and earnings. We study the 2001 Agent Orange decision, a unique policy change that expanded DC eligibility for Vietnam veterans who served in theater but did not expand eligibility to other veterans of this era, to assess the causal effects of DC enrollment. We estimate that benefits receipt reduced veterans' labor force participation by 18 percentage points, though measured income net of transfer income rose on average.

The Long-Term Effects of the Printing Press in Sub-Saharan Africa

- American Economic Journal: Applied Economics--2016---Julia Cage, Valeria Rueda, Julia Cagé

This article investigates the long-term consequences of the printing press in the nineteenth century sub-Saharan Africa on social capital nowadays. Protestant missionaries were the first to import the printing press and to allow the indigenous population to use it. We build a new geocoded dataset locating Protestant missions in 1903. This dataset includes, for each mission station, the geographic location and its characteristics, as well as the printing-, educational-, and health-related investments undertaken by the mission. We show that, within regions close to missions, proximity to a printing press is associated with higher newspaper readership, trust, education, and political participation.

The Impact of Women's Health Clinic Closures on Preventive Care

- American Economic Journal: Applied Economics--2016---Yao Lu,David Slusky

We examine the impact of women's health clinic closures on women's preventive care use in Texas and Wisconsin using a unique policy context, data on clinic street addresses, and confidential respondent ZIP codes from the Behavioral Risk Factor Surveillance System. From a within-ZIP-code analysis, we conclude that an increase of 100 miles to the nearest clinic results in a decrease in the annual utilization rate of a clinical breast exam by 11 percent, a mammogram by 18 percent, and a Pap test by 14 percent. These estimates are generally larger for women of lower educational attainment.

Does Merger Simulation Work? Evidence from the Swedish Analgesics Market

- American Economic Journal: Applied Economics--2016---Jonas Bjo rnerstedt, Frank Verboven

We analyze a large merger in the Swedish market for analgesics (painkillers). The merging firms raised prices by 40 percent, and some outsiders raised prices by more than 10 percent. We confront these changes with predictions from a merger simulation model. With basic supply side assumptions, the models correctly or moderately underpredict the merging firms' price increase. However, they predict a larger price increase for the smaller firm, which was not the case in practice, and they underpredict the outsiders' responses. We consider several supply side explanations: a plausible cost increase after the merger and the possibility of partial collusion.

Regulation of Insurance with Adverse Selection and Switching Costs: Evidence from Medicare Part D

- American Economic Journal: Applied Economics--2016---Maria Polyakova

I take advantage of regulatory and pricing dynamics in Medicare Part D to explore interactions among adverse selection, inertia, and regulation. I first document novel evidence of adverse selection and switching frictions within Part D using detailed administrative data. I then estimate a contract choice and pricing model that quantifies the importance of inertia for risk sorting. I find that in Part D switching costs help sustain an adversely-selected equilibrium. I also estimate that active decision making in the existing policy environment could lead to a substantial gain in annual consumer surplus of on average \$400-\$600 per capita--20 percent to 30 percent of average annual spending.

Do Employer Pension Contributions Reflect Employee Preferences? Evidence from a Retirement Savings Reform in Denmark

- American Economic Journal: Applied Economics--2016---Itzik Fadlon, Jessica Laird, Torben Nielsen

This paper studies how firms set contributions to employer provided 401(k)-type pension plans. Using a reform that decreased the subsidy to contributions to capital pension accounts for Danish workers in the top income tax bracket, we provide strong evidence that employers' contributions are based on their employees' savings preferences. We find an immediate decrease in employer contributions to capital accounts, whose magnitude increased in the share of employees directly affected by the reform. This response was large relative to average employee responses within private IRA-type plans and was accompanied by a similar magnitude shift of employer contributions to annuity accounts.

Race, Ethnicity, and Discriminatory Zoning

- American Economic Journal: Applied Economics--2016---Allison Shertzer, Tate Twinam, Randall Walsh

Zoning policies can have marked impacts on the spatial distribution of people and land use, yet there is little systematic evidence on their origin. Investigating the causes of these regulations is complicated by the fact

that land use and zoning have been co-evolving for nearly a century. We employ a novel approach to overcome this challenge, studying the factors underpinning the introduction of comprehensive zoning in Chicago. We find evidence consistent with a precursor to exclusionary zoning as well as support for the hypothesis that industrial use zoning was disproportionately allocated to neighborhoods populated by ethnic and racial minorities.

Parental Job Loss and Children's Long-Term Outcomes: Evidence from 7 Million Fathers' Layoffs

- American Economic Journal: Applied Economics--2016---Nathaniel G. Hilger

How do parental layoffs and their large attendant income losses affect children's long-term outcomes? This question has proven difficult to answer due to the endogeneity of parental layoffs. I overcome this problem by exploiting the timing of 7 million fathers' layoffs when children are age 12-29 in administrative data for the United States. Layoffs dramatically reduce family income but only slightly reduce college enrollment, college quality, and early career earnings. These effects are consistent with a weak estimated propensity to spend on college out of marginal parental income. I find that larger effects based on firm closures stem from selection.

The Effect of Cash, Vouchers, and Food Transfers on Intimate Partner Violence: Evidence from a Randomized Experiment in Northern Ecuador

- American Economic Journal: Applied Economics--2016---Melissa Hidrobo, Amber Peterman, Lori Heise

Using a randomized experiment in Ecuador, this study provides evidence on whether cash, vouchers, and food transfers targeted to women and intended to reduce poverty and food insecurity also affected intimate partner violence. Results indicate that transfers reduce

controlling behaviors and physical and/or sexual violence by 6 to 7 percentage points. Impacts do not vary by transfer modality, which provides evidence that transfers not only have the potential to decrease violence in the short-term, but also that cash is just as effective as in-kind transfers.

Immigrants' Effect on Native Workers: New Analysis on Longitudinal Data

- American Economic Journal: Applied Economics--2016---Mette Foged, Giovanni Peri

Using longitudinal data on the universe of workers in Denmark during the period 1991-2008, we track the labor market outcomes of low-skilled natives in response to an exogenous inflow of low-skilled immigrants. We innovate on previous identification strategies by considering immigrants distributed across municipalities by a refugee dispersal policy in place between 1986 and 1998. We find that an increase in the supply of refugee-country immigrants pushed less educated native workers (especially the young and low-tenured ones) to pursue less manual-intensive occupations. As a result immigration had positive effects on native unskilled wages, employment, and occupational mobility. (JEL J15, J24, J31, J61, J62)

The Returns to Microenterprise Support among the Ultrapoor: A Field Experiment in Postwar Uganda

- American Economic Journal: Applied Economics--2016---Christopher Blattman, Eric P. Green, Julian Jamison, M. Christian Lehmann, Jeannie Annan

We show that extremely poor, war-affected women in northern Uganda have high returns to a package of \$150 cash, five days of business skills training, and ongoing supervision. Sixteen months after grants, participants doubled their microenterprise ownership and incomes, mainly from petty trading. We also show these ultrapoor have too little social capital, but that group bonds, informal insurance, and cooperative activities could be induced and had positive returns. When the control group received cash and training 20 months

later, we varied supervision, which represented half of the program costs. A year later, supervision increased business survival but not consumption. (JEL I38, J16, J23, J24, L26, O15, Z13)

Spring Forward at Your Own Risk: Daylight Saving Time and Fatal Vehicle Crashes

- American Economic Journal: Applied Economics--2016---Austin Smith

Daylight Saving Time (DST) impacts over 1.5 billion people, yet many of its impacts on practicing populations remain uncertain. Exploiting the discrete nature of DST transitions and a 2007 policy change, I estimate the impact of DST on fatal automobile crashes. My results imply that from 2002-2011 the transition into DST caused over 30 deaths at a social cost of \$275 million annually. Employing four tests to decompose the aggregate effect into an ambient light or sleep mechanism, I find that shifting ambient light only reallocates fatalities within a day, while sleep deprivation caused by the spring transition increases risk. (JEL I12, Q48, R41)

Market Impacts of a Nuclear Power Plant Closure

- American Economic Journal: Applied Economics--2016---Lucas Davis,Catherine Hausman

Falling revenues and rising costs have put US nuclear plants in financial trouble, and some threaten to close. To understand the potential private and social consequences, we examine the abrupt closure of the San Onofre Nuclear Generating Station (SONGS) in 2012. Using a novel econometric approach, we show that the lost generation from SONGS was met largely by increased in-state natural gas generation. In the twelve months following the closure, natural gas generation costs increased by \$350 million. The closure also created binding transmission constraints, causing short-run inefficiencies and potentially making it more profitable for certain plants to act noncompetitively. (JEL D24, L25, L94, L98, Q42, Q48)

Internal Labor Migration as a Shock Coping Strategy: Evidence from a Typhoon

- American Economic Journal: Applied Economics--2016---André Gröger,Yanos Zylberberg

We analyze how internal labor migration facilitates shock coping in rural economies. Employing high-precision satellite data, we identify objective variations in the inundations generated by a catastrophic typhoon in Vietnam and match them with household panel data before and after the shock. We find that, following a massive drop in income, households cope mainly through labor migration to urban areas. Households with settled migrants ex ante receive more remittances. Nonmigrant households react by sending new members away who then remit similar amounts than established migrants. This mechanism is most effective with long-distance migration, while local networks fail to provide insurance. (JEL J61, O15, P25, P36, Q54, R23)

Income Opportunities and Sea Piracy in Indonesia: Evidence from Satellite Data

- American Economic Journal: Applied Economics--2016---Sebastian Axbard

The effect of climatic variation on conflict and crime is well established, but less is known about the mechanism through which this effect operates. This study contributes to the literature by exploiting a new source of exogenous variation in climate to study the effect of fishermen's income opportunities on sea piracy. Using satellite data to construct a monthly measure of local fishing conditions it is found that better income opportunities reduce piracy. A wide range of approaches are employed to ensure that these effects are driven by income opportunities rather than other mechanisms through which climate could affect piracy. (JEL D74, J31, K42, O13, O17, Q22, Q54)

Beyond Statistics: The Economic Content of Risk Scores

- American Economic Journal: Applied Economics--2016---Liran Einav,Amy Finkelstein,Raymond Kluender,Paul Schrimpf

"Big data" and statistical techniques to score potential transactions have transformed insurance and credit markets. In this paper, we observe that these widely-used statistical scores summarize a much richer heterogeneity, and may be endogenous to the context in which they get applied. We demonstrate this point empirically using data from Medicare Part D, showing that risk scores confound underlying health and endogenous spending response to insurance. We then illustrate theoretically that when individuals have heterogeneous behavioral responses to contracts, strategic incentives for cream-skimming can still exist, even in the presence of "perfect" risk scoring under a given contract. (JEL C55, G22, G28, H51, I13)

The Returns to Medical School: Evidence from Admission Lotteries

- American Economic Journal: Applied Economics--2016---Nadine Ketel, Edwin Leuven, Hessel Oosterbeek, Bas van der Klaauw

We exploit admission lotteries to estimate the returns to medical school in the Netherlands. Using data from up to 22 years after the lottery, we find that in every single year after graduation doctors earn at least 20 percent more than people who end up in their next-best occupation. Twenty-two years after the lottery the earnings difference is almost 50 percent. Only a small fraction of this difference can be attributed to differences in working hours and human capital investments. The returns do not vary with gender or ability, and shift the entire earnings distribution. (JEL D44, I11, I26, J24, J31, J44)

Star Wars: The Empirics Strike Back

- American Economic Journal: Applied Economics--2016---Abel Brodeur, Mathias Lé, Marc Sangnier, Yanos Zylberberg

Using 50,000 tests published in the AER, JPE, and QJE, we identify a residual in the distribution of tests that cannot be explained solely by journals favoring rejection of the null hypothesis. We observe a two-humped camel shape with missing p-values between

0.25 and 0.10 that can be retrieved just after the 0.05 threshold and represent 10-20 percent of marginally rejected tests. Our interpretation is that researchers inflate the value of just-rejected tests by choosing "significant" specifications. We propose a method to measure this residual and describe how it varies by article and author characteristics. (JEL A11, C13)

Birthdays, Schooling, and Crime: Regression-Discontinuity Analysis of School Performance, Delinquency, Dropout, and Crime Initiation

- American Economic Journal: Applied Economics--2016---Philip J. Cook, Songman Kang

Dropouts have high crime rates, but is there a direct causal link? This study, utilizing administrative data for six cohorts of public school children in North Carolina, demonstrates that those born just after the cut date for enrolling in public kindergarten are more likely to drop out of high school before graduation and to commit a felony offense by age 19. We present suggestive evidence that dropout mediates criminal involvement. Paradoxically, these late-entry students outperform their grade peers academically while still in school, which helps account for the fact that they are less likely to become juvenile delinquents. (JEL H75, I21, J13, J24, K42)

The Contribution of the Minimum Wage to US Wage Inequality over Three Decades: A Reassessment

- American Economic Journal: Applied Economics--2016---David Autor, Alan Manning, Christopher Smith

We reassess the effect of minimum wages on US earnings inequality using additional decades of data and an IV strategy that addresses potential biases in prior work. We find that the minimum wage reduces inequality in the lower tail of the wage distribution, though by substantially less than previous estimates, suggesting that rising lower tail inequality after 1980 primarily reflects underlying wage structure changes rather than

an unmasking of latent inequality. These wage effects extend to percentiles where the minimum is nominally nonbinding, implying spillovers. We are unable to reject that these spillovers are due to reporting artifacts, however. (JEL J22, J31, J38, K31)

Understanding the Changing Structure of Scientific Inquiry

- American Economic Journal: Applied Economics--2016---Ajay Agrawal, Avi Goldfarb, Florenta Teodoridis

The fall of the Iron Curtain led to an influx of new mathematical ideas into western science. We show that research teams grew disproportionately in size in subfields of mathematics in which the Soviets were strongest. This is consistent with the knowledge burden hypothesis that an outward shift in the knowledge frontier increases the returns to collaboration. We also report additional evidence consistent with this interpretation: (i) The effect is present in countries outside the United States and is not correlated with the local population of Soviet scholars, (ii) Researchers in Soviet-rich subfields disproportionately increased their level of specialization. (JEL I23, O31, O33, P36)

Kwacha Gonna Do? Experimental Evidence about Labor Supply in Rural Malawi

- American Economic Journal: Applied Economics--2016---Jessica Goldberg

I use a field experiment to estimate the wage elasticity of employment in the day labor market in rural Malawi. Once a week for 12 consecutive weeks, I make job offers for a workfare-type program to 529 adults. The daily wage varies from the tenth to the ninetieth percentile of the wage distribution, and individuals are entitled to work a maximum of one day per week. In this context (the low agricultural season), 74 percent of individuals worked at the lowest wage, and consequently the estimated labor supply elasticity is low (0.15), regardless of observable characteristics. (JEL C93, J22, J31, O15, O18, R23)

The Long-Run Effects of Attending an Elite School: Evidence from the United Kingdom

- American Economic Journal: Applied Economics--2016---Damon Clark, Emilia Del Bono

This paper estimates the impact of elite school attendance on long-run outcomes including completed education, income, and fertility. Our data consist of individuals born in the 1950s and educated in a UK district that assigned students to either elite or non-elite secondary schools. Using instrumental variables methods that exploit the school assignment formula, we find that elite school attendance had large impacts on completed education. Surprisingly, there are no significant effects on most labor market outcomes except for an increase in female income. By contrast, we document a large and significant negative impact on female fertility. (JEL I21, I24, I26, J13, J16, J24, J31)

Wintertime for Deceptive Advertising?

- American Economic Journal: Applied Economics--2016---Jonathan Zinman, Eric Zitzewitz

Casual empiricism suggests that deceptive advertising about product quality is prevalent, and several classes of theories explore its causes and consequences. We provide unusually sharp empirical evidence on its extent, mechanics, and dynamics. Ski resorts self-report substantially more natural snowfall than comparable government sources. The difference is more pronounced on weekends, despite third-party evidence that snowfall is uniform throughout the week—as one would expect given plausibly greater returns to exaggeration on weekends. Exaggeration is greater for resorts that plausibly reap greater benefits from it: those with expert terrain and those not offering money back guarantees. (JEL D83, L15, L83, M37, Z31)

Does Grief Transfer across Generations? Bereavements during Pregnancy and Child Outcomes

- American Economic Journal: Applied Economics--2016---Sandra Black, Paul Devereux, Kjell G Salvanes

Using population data from Norway, we examine the effects of stress induced by the death of the mother's parent during pregnancy on both the short-run and the long-run outcomes of the infant. Using a variety of empirical strategies to address the issue of nonrandom exposure to death during a pregnancy, we find small negative effects on birth outcomes. However, we find no evidence of adverse effects on adult outcomes. This suggests that, though there may be measurable effects on birth outcomes, acute psychological stressors during pregnancy have limited adverse consequences for the child's success in education and the labor market. (JEL I12, J13, J16)

Market-Based Lobbying: Evidence from Advertising Spending in Italy

- American Economic Journal: Applied Economics--2016---Stefano DellaVigna,Ruben Durante,Brian Knight,Eliana La Ferrara

We analyze a novel lobbying channel: firms shifting spending toward a politician's business in the hope of securing favorable regulation. We examine the evolution of advertising spending in Italy during 1993-2009, a period in which Berlusconi was in power three separate times, while maintaining control of Italy's major private television network, Mediaset. We document a significant pro-Mediaset bias in the allocation of advertising during Berlusconi's political tenure, especially for companies in more regulated sectors. We estimate that Mediaset profits increased by one billion euros during this period and that regulated firms anticipated sizeable returns, stressing the economic importance of this channel. (JEL D72, L51, L82, M31)

Immigrants Equilibrate Local Labor Markets: Evidence from the Great Recession

- American Economic Journal: Applied Economics--2016---Brian Cadena,Brian K. Kovak

This paper demonstrates that low-skilled Mexican-born immigrants' location choices respond strongly to changes in local labor demand, which helps equalize

spatial differences in employment outcomes for low-skilled native workers. We leverage the substantial geographic variation in labor demand during the Great Recession to identify migration responses to local shocks and find that low-skilled Mexican-born immigrants respond much more strongly than low-skilled natives. Further, Mexican mobility reduced the incidence of local demand shocks on natives, such that those living in metro areas with a substantial Mexican-born population experienced a roughly 50 percent weaker relationship between local shocks and local employment probabilities. (JEL E32, J15, J23, J24, J61, R23)

The Effect of Access to College Assessments on Enrollment and Attainment

- American Economic Journal: Applied Economics--2015---George Bulman

This paper examines if students' college outcomes are sensitive to access to college admissions tests. I construct a dataset of every test center location and district policy in the United States linked to the universe of individual testing records and a large sample of college enrollment records. I find evidence that SAT taking is responsive to the opening or closing of a testing center at a student's own or a neighboring high school and to policies that provide free in-school administration and default registration. Newly induced takers of high academic aptitude appear likely to attend and graduate from college. (JEL H75, I23, I28)

Racial Discrimination in Grading: Evidence from Brazil

- American Economic Journal: Applied Economics--2015---Fernando Botelho,Ricardo A. Madeira,Marcos A. Rangel

We investigate whether racial discrimination in the form of biased assessment of students is prevalent within Brazilian schools. Evidence is drawn from unique administrative data pertaining to eighth-grade students and educators. Holding constant performance in blindly-scored tests of proficiency and behavioral traits we find that blacks have lower teacher-assigned

math grades than their white classmates. Heterogeneity in differentials provides evidence both of robustness with respect to omission biases and of compatibility with predictions from models of statistical discrimination. (JEL I21, I24, J15, O15)

Professors in Core Science Fields Are Not Always Biased against Women: Evidence from France

- American Economic Journal: Applied Economics--2015---Thomas Breda, Son Thierry Ly

We investigate the link between how male-dominated a field is, and gender bias against women in this field. Taking the entrance exam of a French higher education institution as a natural experiment, we find that evaluation is actually biased in favor of females in more male-dominated subjects (e.g., math, philosophy) and in favor of males in more female-dominated subjects (e.g., literature, biology), inducing a rebalancing of gender ratios between students recruited for research careers in science and humanities majors. Evaluation bias is identified from systematic variations across subjects in the gap between students' nonanonymous oral and anonymous written test scores. (JEL I23, J16, J71)

Inputs in the Production of Early Childhood Human Capital: Evidence from Head Start

- American Economic Journal: Applied Economics--2015---Christopher R. Walters

This paper uses data from a randomized evaluation of Head Start to answer two questions: (i) How much do short-run causal effects vary across Head Start centers? and (ii) Do observed inputs explain this variation? I find that the cross-center standard deviation of cognitive effects is 0.18 test score standard deviations, which is larger than typical estimates of variation in teacher or school effectiveness. Centers offering full-day service and home visiting are more effective, while centers that draw more children from center-based preschool have smaller effects. Other key inputs, including the High/Scope curriculum, teacher education, and class

size are not correlated with Head Start effectiveness. (JEL H75, I21, I28, J13, J24)

The Judge, the Politician, and the Press: Newspaper Coverage and Criminal Sentencing across Electoral Systems

- American Economic Journal: Applied Economics--2015---Claire S. H. Lim, James M. Snyder, David Strömberg

We study how media environments interact with political institutions that structure the accountability of public officials. Specifically, we quantify media influence on the behavior of US state court judges. We analyze around 1.5 million criminal sentencing decisions from 1986 to 2006 and new data on the newspaper coverage of 9,828 trial court judges. Since newspaper coverage is endogenous, we use the match between newspaper markets and judicial districts to identify effects. We find that newspaper coverage significantly increases sentence length by nonpartisan elected judges for violent crimes. For partisan elected and appointed judges, there are no significant effects. (JEL D72, H76, K41, L82)

Checklists and Worker Behavior: A Field Experiment

- American Economic Journal: Applied Economics--2015---C. Kirabo Jackson, Henry Schneider

We analyze data from a field experiment in which an auto repair firm provided checklists to mechanics and monitored their use. Revenue was 20 percent higher during the experiment, and the effect is equivalent to that of a 1.6 percentage point (10 percent) commission increase. Checklists appear to boost productivity by serving both as a memory aid and a monitoring technology. Despite the large benefits to the firm, mechanics did not use checklists without the firm directly monitoring their use. We show that a moral hazard can explain why mechanics do not otherwise adopt checklists. (JEL C93, D82, L25, L81)

The Consequences of Teenage Childbearing before Roe v. Wade

- American Economic Journal: Applied Economics--2015---Kevin Lang,Russell Weinstein

Using five cycles of the National Survey of Family Growth, we estimate the effect of teen motherhood on education, labor market, and marriage outcomes for teens conceiving from 1940 through 1968. Effects vary by marital status at conception, socioeconomic background, and year. Effects on teens married at conception were limited. However, teen mothers conceiving premaritally obtained less education and had a weaker marriage market. Teen mothers of the 1940s-1950s, affected by subsequent economic and social changes, were disadvantaged in the labor market of the 1970s. In the 1960s, teens for whom motherhood would be costly increasingly avoided pregnancy. (JEL I21, J13, J16, J23, J24, N32)

Political Parties and Labor-Market Outcomes: Evidence from US States

- American Economic Journal: Applied Economics--2015---Louis-Philippe Beland

This paper estimates the causal impact of the party allegiance (Republican or Democratic) of US governors on labor-market outcomes. I match gubernatorial elections with March Current Population Survey (CPS) data for income years 1977 to 2008. Using a regression discontinuity design, I find that Democratic governors cause an increase in the annual hours worked by blacks relative to whites, which leads to a reduction in the racial earnings gap between black and white workers. The results are consistent and robust to using a wide range of models, controls, and specifications. (JEL D72, J15, J22, J31, R23)

Trade Liberalization and Markup Dispersion: Evidence from China's WTO Accession

- American Economic Journal: Applied Economics--2015---Yi Lu,Linhui Yu

In this paper, we empirically investigate whether trade liberalization affects markup dispersion, a potential source of resource misallocation. The identification uses China's WTO accession at the end of 2001. We show that trade liberalization reduces markup dispersion within a narrowly defined industry. We also examine both price and cost responses to trade liberalization, as well as heterogeneous effects across firms and across locations. Our study contributes to the literature by identifying another potential channel through which free trade benefits a nation. (JEL F13, L11, O14, O19, P23, P31, P33)

Unintended Effects of Anonymous Résumés

- American Economic Journal: Applied Economics--2015---Luc Behaghel,Bruno Crépon,Thomas Le Barbanchon

We evaluate an experimental program in which the French public employment service anonymized résumés for firms that were hiring. Firms were free to participate or not; participating firms were then randomly assigned to receive either anonymous résumés or name-bearing ones. We find that participating firms become less likely to interview and hire minority candidates when receiving anonymous résumés. We show how these unexpected results can be explained by the self-selection of firms into the program and by the fact that anonymization prevents the attenuation of negative signals when the candidate belongs to a minority. (JEL J15, J68, J71)

Saving Lives at Birth: The Impact of Home Births on Infant Outcomes

- American Economic Journal: Applied Economics--2015---N. Meltem Daysal,Mircea Trandafir,Reyn Van Ewijk

Many developed countries have recently experienced sharp increases in home birth rates. This paper investigates the impact of home births on the health of low-risk newborns using data from the Netherlands, the only developed country where home births are widespread. To account for endogeneity in location of

birth, we exploit the exogenous variation in distance from a mother's residence to the closest hospital. We find that giving birth in a hospital leads to substantial reductions in newborn mortality. We provide suggestive evidence that proximity to medical technologies may be an important channel contributing to these health gains. (JEL I11, I12, J13, J16)

Incentives, Commitments, and Habit Formation in Exercise: Evidence from a Field Experiment with Workers at a Fortune-500 Company

- American Economic Journal: Applied Economics--2015---Heather Royer, Mark Stehr, Justin Sydnor

Financial incentives have shown strong positive short-run effects for problematic health behaviors that likely stem from time inconsistency. However, the effects often disappear once incentive programs end. This paper analyzes the results of a large-scale workplace field experiment to examine whether self-funded commitment contracts can improve the long-run effects of an incentive program. A four week incentive program targeting use of the company gym generated only small lasting effects on behavior. Those that also offered a commitment contract at the end of the program, however, showed demand for commitment and significant long-run changes, detectable even several years after the incentive ended. (JEL D03, I10, J32)

The Rise of Fringe Competitors in the Wake of an Emerging Middle Class: An Empirical Analysis

- American Economic Journal: Applied Economics--2015---Alon Eizenberg, Alberto Salvo

The "emerging middle class" is a force of economic importance in many consumer markets around the globe. A striking phenomenon in some of these markets is the growth of "generic," low-price brands. This paper examines these phenomena in Brazil's large soft drink market. Our study draws on data sources that capture both social mobility and market outcomes. Our analysis suggests that the emergence of a price-sensitive, new middle class aided the staggering growth of a fringe of generic producers. Our estimated demand

model rationalizes a drastic price cut, led by Coca-Cola, that allowed it to contain the fringe's growth. (JEL D12, L11, L66, L81, M37, O12, O14)

Hassle Costs and Price Discrimination: An Empirical Welfare Analysis

- American Economic Journal: Applied Economics--2015---Guillermo Marshall

This paper studies a market where soda is sold in both refillable and nonrefillable bottles. Purchasing refillables is inconvenient but cheaper. Using a discrete choice model, I find that price-sensitive customers put less weight on the inconveniences of purchasing refillables. This implies that a retailer can target lower prices to price-sensitive customers using the refillable segment. I evaluate the overall welfare consequences of this market segmentation and find that both customer welfare and profits would decrease (by 12.61 and 4.21 percent, respectively) if the refillables were removed, as there would be an important market-shrinkage effect. (JEL D22, L13, L25, L81)

The Girl Next Door: The Effect of Opposite Gender Friends on High School Achievement

- American Economic Journal: Applied Economics--2015---Andrew Hill

This paper finds that a student's share of opposite gender school friends negatively affects high school GPA. It uses the gender composition of schoolmates in an individual's neighborhood as an instrument for the gender composition of an individual's self-reported friendship network. The effect occurs across all subjects for students older than 16, but only in mathematics and science for younger students. Additional results indicate effects may operate inside the classroom through difficulties getting along with the teacher and paying attention, and outside the classroom through romantic relationships. (JEL I21, J13, J16)

The Effect of Income on Religiousness

- American Economic Journal: Applied Economics--2015---Thomas Buser

How does income affect religiousness? Using self-collected survey data, we estimate the effects of income on religious behavior. As a source of exogenous income variation we use a change in the eligibility criteria for a government cash transfer in Ecuador and apply a regression discontinuity strategy to estimate causal effects. We find significant effects of income on religiousness. Families that earn more go to church more often. Families that earn more are also more likely to be members of an Evangelical community rather than of the mainstream Catholic Church. (JEL D14, H23, J12, J31, O15, Z12)

Development from Representation? A Study of Quotas for the Scheduled Castes in India

- American Economic Journal: Applied Economics--2015---Francesca Refsum Jensenius

This paper estimates the constituency-level development effects of quotas for the Scheduled Castes (SCs) in India, using a unique dataset of development indicators for more than 3,100 state assembly constituencies in 15 Indian states in 1971 and 2001. Matching constituencies on pretreatment variables from 1971, I find that 30 years of quotas had no detectable constituency-level effect on overall development or redistribution to SCs. Interviews with politicians and civil servants in 2010 and 2011 suggest that these findings can be explained by the power of political parties and the electoral incentives created by the quota system. (JEL D72, J15, O15, O17, Z13)

The Effect of Product Demand on Inequality: Evidence from the United States and the United Kingdom

- American Economic Journal: Applied Economics--2015---Marco Leonardi

Using Consumer Expenditure Survey data this paper shows that more educated workers demand more high-skill-intensive services and, to a lesser extent, more very low-skill-intensive services (such as personal services). Additional evidence at the Metropolitan Statistical Area (MSA) level shows that this "education elasticity

of demand" mechanism can explain part of the correlation between the share of college-educated workers in a city and the employment share of service industries. The parametrization of a simple model suggests that this induced demand shift can explain around 6.5 percent of the relative demand shift in the United States between 1984 and 2002. Similar results are provided for the United Kingdom. (JEL D12, J24, J31, L84)

Improving College Access and Success for Low-Income Students: Evidence from a Large Need-Based Grant Program

- American Economic Journal: Applied Economics--2015---Gabrielle Fack, Julien Grenet

Using comprehensive administrative data on France's single largest financial aid program, this paper provides new evidence on the impact of large-scale need-based grant programs on the college enrollment decisions, persistence, and graduation rates of low-income students. We exploit sharp discontinuities in the grant eligibility formula to identify the impact of aid on student outcomes at different levels of study. We find that the provision of 1,500 euros cash allowances to prospective undergraduate or graduate students increases their college enrollment rates by 5 to 7 percent. Moreover, we show that need-based grants have positive effects on student persistence and degree completion. (JEL H52, I22, I24, I28, J24)

Should Cash Transfers Be Conditional? Conditionality, Preventive Care, and Health Outcomes

- American Economic Journal: Applied Economics--2015---Orazio Attanasio, Veruska Oppedisano, Marcos Vera-Hernandez

We study a Conditional Cash Transfer program in which the cash transfers to the mother only depend on the fulfillment of the national preventive visit schedule by her children born before she registered in the program. We estimate that preventive visits of children born after the mother registered in the program are 50 percent lower because they are excluded from the

conditionality requirement. Using the same variation, we also show that attendance to preventive care improves children health. (JEL H23, I12, I18, I38, J13, J16, O15)

One Laptop per Child at Home: Short-Term Impacts from a Randomized Experiment in Peru

- American Economic Journal: Applied Economics--2015---Diether Beuermann, Julian Cristia, Santiago Cueto, Ofer Malamud, Yyannu Cruz-Aguayo

This paper presents results from a randomized controlled trial whereby approximately 1,000 OLPC XO laptops were provided for home use to children attending primary schools in Lima, Peru. The intervention increased access and use of home computers, with some substitution away from computer use outside the home. Children randomized to receive laptops scored about 0.8 standard deviations higher in a test of XO proficiency but showed lower academic effort as reported by teachers. There were no impacts on academic achievement or cognitive skills as measured by the Raven's Progressive Matrices test. Finally, there was little evidence for spillovers within schools. (JEL I21, I28, J13, O15)

Social Networks and the Decision to Insure

- American Economic Journal: Applied Economics--2015---Jing Cai, Alain de Janvry, Elisabeth Sadoulet

Using data from a randomized experiment in rural China, we study the influence of social networks on weather insurance adoption and the mechanisms through which they operate. To quantify network effects, the experiment provides intensive information sessions about the product to a random subset of farmers. For untreated farmers, the effect of having an additional treated friend on take-up is equivalent to granting a 13 percent reduction in the insurance premium. By varying the information available about peers' decisions and randomizing default options, we show that the network effect is driven by the diffusion

of insurance knowledge rather than purchase decisions. (JEL G22, O12, O16, P36, Q12, Q54, Z13)

Regulatory Redistribution in the Market for Health Insurance

- American Economic Journal: Applied Economics--2015---Jeffrey Clemens

Community-rating regulations equalize the insurance premiums faced by the healthy and the unhealthy. Intended reductions in the unhealthy's premiums can be undone, however, if the healthy forgo coverage. The severity of this adverse selection problem hinges largely on how health care costs are distributed across market participants. Theoretically, I show that Medicaid expansions can combat adverse selection by removing high cost individuals from the relevant risk pool. Empirically, I find that private coverage rates improved significantly in community-rated markets when states expanded Medicaid's coverage of relatively unhealthy adults. The effects of these health policy instruments are fundamentally linked. (JEL G22, G28, H51, H53, I13, I18, I38)

Do Opposites Detract? Intrahousehold Preference Heterogeneity and Inefficient Strategic Savings

- American Economic Journal: Applied Economics--2015---Simone Schaner

This paper uses a field experiment to test whether intrahousehold heterogeneity in discount factors leads to inefficient strategic savings behavior. I gave married couples in rural Kenya the opportunity to open both joint and individual bank accounts at randomly assigned interest rates. I also directly elicited discount factors for all individuals in the experiment. Couples who are well matched on discount factors are less likely to use costly individual accounts and respond robustly to relative rates of return between accounts, while their poorly matched peers do not. Consequently, poorly matched couples forgo significantly more interest earnings on their savings. (JEL D13, D14, J12, O12)

Legal Status and the Criminal Activity of Immigrants

- American Economic Journal: Applied Economics--2015---Giovanni Mastrobuoni, Paolo Pinotti

We exploit exogenous variation in legal status following the January 2007 European Union enlargement to estimate its effect on immigrant crime. We difference out unobserved time-varying factors by (i) comparing recidivism rates of immigrants from the "new" and "candidate" member countries; and (ii) using arrest data on foreign detainees released upon a mass clemency that occurred in Italy in August 2006. The timing of the two events allows us to setup a difference-in-differences strategy. Legal status leads to a 50 percent reduction in recidivism, and explains one-half to two-thirds of the observed differences in crime rates between legal and illegal immigrants. (JEL F22, K42, C41)

Channeling Remittances to Education: A Field Experiment among Migrants from El Salvador

- American Economic Journal: Applied Economics--2015---Kate Ambler, Diego Aycinena, Dean Yang

We implement a randomized experiment offering Salvadoran migrants matching funds for educational remittances, which are channeled directly to a beneficiary student in El Salvador chosen by the migrant. The matches lead to increased educational expenditures, higher private school attendance, and lower labor supply of youths in El Salvador households connected to migrant study participants. We find substantial "crowd-in" of educational investments: for each \$1 received by beneficiaries, educational expenditures increase by \$3.72. We find no shifting of expenditures away from other students, and no effect on remittances. (JEL F24, I21, I22, J13, O15, O19)

Labor Market Effects of Social Programs: Evidence from India's Employment Guarantee

- American Economic Journal: Applied Economics--2015---Clément Imbert, John Papp

We estimate the effect of a large rural workfare program in India on private employment and wages by comparing trends in districts that received the program earlier relative to those that received it later. Our results suggest that public sector hiring crowded out private sector work and increased private sector wages. We compute the implied welfare gains of the program by consumption quintile. Our calculations show that the welfare gains to the poor from the equilibrium increase in private sector wages are large in absolute terms and large relative to the gains received solely by program participants. (JEL I38, J31, J45, J68, O15)

The Role of Connections in Academic Promotions

- American Economic Journal: Applied Economics--2015---Natalia Zinovyeva, Manuel Bagues

This paper analyzes how evaluators' private information and subjective biases affect evaluations in academia. We use evidence from centralized selection exams in Spain, where evaluators are randomly assigned to promotion committees. Candidates are significantly more likely to be promoted when they are evaluated by an acquainted evaluator, but the source of the premium depends on the nature of this relationship. Our findings suggest that, when candidates are evaluated by their PhD adviser, a colleague or a coauthor, evaluation biases dominate the potential impact of informational gains. Weaker links, on the other hand, may improve the efficiency of the selection process. (JEL D82, I23, J44, M51)

Six Randomized Evaluations of Microcredit: Introduction and Further Steps

- American Economic Journal: Applied Economics--2015---Abhijit Banerjee, Dean Karlan, Jonathan Zinman

Causal evidence on microcredit impacts informs theory, practice, and debates about its effectiveness as a development tool. The six randomized evaluations in this volume use a variety of sampling, data collection, experimental design, and econometric strategies

to identify causal effects of expanded access to microcredit on borrowers and/or communities. These methods are deployed across an impressive range of locations--six countries on four continents, urban and rural areas--borrower characteristics, loan characteristics, and lender characteristics. Summarizing and interpreting results across studies, we note a consistent pattern of modestly positive, but not transformative, effects. We also discuss directions for future research. (JEL D14, G21, I38, O15, O16, P34, P36)

The Miracle of Microfinance? Evidence from a Randomized Evaluation

- American Economic Journal: Applied Economics--2015---Abhijit Banerjee, Esther Duflo, Rachel Glennerster, Cynthia Kinnan

This paper reports results from the randomized evaluation of a group-lending microcredit program in Hyderabad, India. A lender worked in 52 randomly selected neighborhoods, leading to an 8.4 percentage point increase in takeup of microcredit. Small business investment and profits of preexisting businesses increased, but consumption did not significantly increase. Durable goods expenditure increased, while "temptation goods" expenditure declined. We found no significant changes in health, education, or women's empowerment. Two years later, after control areas had gained access to microcredit but households in treatment area had borrowed for longer and in larger amounts, very few significant differences persist. (JEL G21, G31, O16, O12, L25, I38)

The Impacts of Microcredit: Evidence from Ethiopia

- American Economic Journal: Applied Economics--2015---Alessandro Tarozzi, Jaikishan Desai, Kristin Johnson

We use data from a randomized controlled trial conducted in 2003-2006 in rural Amhara and Oromiya (Ethiopia) to study the impacts of increasing access to microfinance on a number of socioeconomic outcomes, including income from agriculture, animal husbandry,

nonfarm self-employment, labor supply, schooling and indicators of women's empowerment. We document that despite substantial increases in borrowing in areas assigned to treatment the null of no impact cannot be rejected for a large majority of outcomes. (JEL G21, I20, J13, J16, O13, O16, O18)

The Impacts of Microfinance: Evidence from Joint-Liability Lending in Mongolia

- American Economic Journal: Applied Economics--2015---Orazio Attanasio, Britta Augsburg, Ralph De Haas, Emla Fitzsimons, Heike Harmgart

We present evidence from a randomized field experiment in rural Mongolia to assess the poverty impacts of a joint-liability microcredit program targeted at women. We find a positive impact of access to group loans on female entrepreneurship and household food consumption but not on total working hours or income in the household. A simultaneously introduced individual-liability microcredit program delivers no significant poverty impacts. Additional results on informal transfers to families and friends suggest that joint liability may deter borrowers from using loans for noninvestment purposes with stronger impacts as a result. We find no difference in repayment rates between both types of microcredit. (JEL G21, I32, I38, J16, L26, O15, O16)

Estimating the Impact of Microcredit on Those Who Take It Up: Evidence from a Randomized Experiment in Morocco

- American Economic Journal: Applied Economics--2015---Bruno Crépon, Florencia Devoto, Esther Duflo, William Parienté

We report results from a randomized evaluation of a microcredit program introduced in rural areas of Morocco in 2006. Thirteen percent of the households in treatment villages took a loan, and none in control villages did. Among households identified as more likely to borrow, microcredit access led to a significant rise in investment in assets used for self-employment activities, and an increase in profit, but also to a reduction

in income from casual labor. Overall there was no gain in income or consumption. We find suggestive evidence that these results are mainly driven by effects on borrowers, rather than by externalities. (JEL D14, G21, J23, O12, O16, O18)

Microcredit Impacts: Evidence from a Randomized Microcredit Program Placement Experiment by Compartamos Banco

- American Economic Journal: Applied Economics--2015---Manuela Angelucci,Dean Karlan,Jonathan Zinman

We use a clustered randomized trial, and over 16,000 household surveys, to estimate impacts at the community level from a group lending expansion at 110 percent APR by the largest microlender in Mexico. We find no evidence of transformative impacts on 37 outcomes (although some estimates have large confidence intervals), measured at a mean of 27 months post-expansion, across 6 domains: microentrepreneurship, income, labor supply, expenditures, social status, and subjective well-being. We also examine distributional impacts using quantile regressions, given theory and evidence regarding negative impacts from borrowing at high interest rates, but do not find strong evidence for heterogeneity. (JEL C83, D14, G21, I31, J23, O12, O16)

The Impacts of Microcredit: Evidence from Bosnia and Herzegovina

- American Economic Journal: Applied Economics--2015---Britta Augsburg,Ralph De Haas,Heike Harmsgart,Costas Meghir

We use an RCT to analyze the impacts of microcredit. The study population consists of loan applicants who were marginally rejected by an MFI in Bosnia. A random subset of these were offered a loan. We provide evidence of higher self-employment, increases in inventory, a reduction in the incidence of wage work and an increase in the labor supply of 16-19-year-olds in the household's business. We also present some evidence of increases in profits and a reduction in consumption

and savings. There is no evidence that the program increased overall household income. (JEL C93, G21, I38, J23, L25, P34, P36)

Should Aid Reward Performance? Evidence from a Field Experiment on Health and Education in Indonesia

- American Economic Journal: Applied Economics--2014---Benjamin A. Olken,Junko Onishi,Susan Wong

We report an experiment in 3,000 villages that tested whether incentives improve aid efficacy. Villages received block grants for maternal and child health and education that incorporated relative performance incentives. Subdistricts were randomized into incentives, an otherwise identical program without incentives, or control. Incentives initially improved preventative health indicators, particularly in underdeveloped areas, and spending efficiency increased. While school enrollments improved overall, incentives had no differential impact on education, and incentive health effects diminished over time. Reductions in neonatal mortality in nonincentivized areas did not persist with incentives. We find no systematic scoring manipulation nor funding reallocation toward richer areas.

Citizenship, Fertility, and Parental Investments

- American Economic Journal: Applied Economics--2014---Ciro Avitabile,Irma Clots-Figueras,Paolo Masella

Citizenship rights are associated with better economic opportunities for immigrants. This paper studies how in a country with a large fraction of temporary migrants the fertility decisions of foreign citizens respond to a change in the rules that regulate child legal status at birth. The introduction of birthright citizenship in Germany in 2000, represented a positive shock to the returns to investment in child human capital. Consistent with Becker's "quality-quantity" model of fertility, we find that birthright citizenship leads to a reduction in immigrant fertility and an improvement in health

and socio-emotional outcomes for the children affected by the reform.

Price, Quality, and Variety: Measuring the Gains from Trade in Differentiated Products

- American Economic Journal: Applied Economics--2014---Gloria Sheu

This paper explores the gains from trade in differentiated products from three channels: decreases in price, improvements in quality, and increases in variety. Using data on Indian imports of computer printers from 1996 to 2005, a period of trade liberalization, I find that quality was the leading source of welfare gains. Consumers would require a 65 percent decrease in all 1996 prices to be as well off as they were with the quality available in 2005. The contribution of price was slightly smaller, while variety lagged farther behind. These effects varied across buyers, as gains were largest for small businesses.

Team Incentives for Education in Developing Countries: A Randomized Field Experiment in Benin

- American Economic Journal: Applied Economics--2014---Moussa Blimpo

I examine the impact of student incentives in Benin, using three different designs that can be implemented relatively cheaply and with administrative data. The first design is a standard incentive structure where students receive monetary rewards for reaching a performance target. In the other two designs, teams of four students receive incentives based on either their performance level as a group or in a team tournament scheme. I find a large and similar average treatment effect across designs, ranging from 0.27 to 0.34 standard deviations (Standard errors do not allow to rule out that the three designs are equally effective).

Moral Hazard and Claims Deterrence in Private Disability Insurance

- American Economic Journal: Applied Economics--2014---David Autor,Mark Duggan,Jonathan Gru-

ber

Exploiting within-firm, over-time variation in plan parameters for nearly 10,000 Long Term Disability (LTD) policies held by US employers, we present the first empirical analysis of the determinants of private LTD spells. We find that a shorter waiting period and a higher replacement rate increase the incidence of LTD spells. Sixty percent of the latter effect is due to the mechanical censoring of shorter spells, with the remainder due to the deterrence of spells that would have continued beyond the waiting period. Deterrence is driven primarily by a reduction in the incidence of shorter duration spells and less severe disabilities.

Private and Public Provision of Counseling to Job Seekers: Evidence from a Large Controlled Experiment

- American Economic Journal: Applied Economics--2014---Luc Behaghel,Bruno Cr?pon,Marc Gurgand

This paper reports the results of a large-scaled randomized controlled experiment comparing the public and private provision of counseling to job seekers. The intention-to-treat estimates of both programs are not statistically different, but more workers were enrolled in the private program, implying an effect per beneficiary that is twice as large under the public as under the private program. We find suggestive evidence that the private firms may have insufficiently mastered the counseling technology, and exercised less effort on those who had the best chance to find a job. This highlights the incentive problems in designing contracts for these services.

The Distributive Impacts of Financial Development: Evidence from Mortgage Markets during US Bank Branch Deregulation

- American Economic Journal: Applied Economics--2014---Ishani Tewari

Well-functioning credit markets play a key role in boosting overall economic growth, but their impact

on distributional outcomes is much less clear. I use a quasi-experimental setting provided by branch banking deregulation, an important episode of US financial development, to study the distributive impacts of finance. Following removal of geographic restrictions on banks in the 1980s and early 1990s, mortgage access increased for lower-middle income groups, young, and also black households. These effects were driven by commercial banks, the only financial institutions subject to the policy. Banks' new screening technologies may have been responsible for this expansion of credit.

Soil Endowments, Female Labor Force Participation, and the Demographic Deficit of Women in India

- American Economic Journal: Applied Economics--2014---Eliana Carranza

Differences in relative female employment by soil texture are used to explain the heterogeneous deficit of female children across districts within India. Soil texture varies exogenously and determines the depth of land tillage. Deep tillage, possible in loamy but not in clayey soil textures, reduces the demand for labor in agricultural tasks traditionally performed by women. Girls have a lower economic value where female labor opportunities are fewer. Consistently, higher relative female employment in agriculture improves the ratio of female to male children in districts that have a smaller fraction of loamy relative to clayey soils.

When the Floodgates Open: "Northern" Firms' Response to Removal of Trade Quotas on Chinese Goods

- American Economic Journal: Applied Economics--2014---Hale Utar

Using the dismantling of the Multi-fibre Arrangement quotas on Chinese textile products in conjunction with China's accession to the World Trade Organization (WTO), within firms adjustments to intensified low-wage competition is analyzed. Employing Danish employer-employee matched data covering from 1995 to 2007, the analysis shows a significant change in the

workforce composition of firms in response to heightened competition. Competition is found to negatively affect employment, value-added, and intangible assets of the Danish firms, and firms refocus away from products, where China's competitive advantage becomes higher. The results show an important role of the distributional impact of low-wage competition within firms in restructuring the industry.

Merit Aid, College Quality, and College Completion: Massachusetts' Adams Scholarship as an In-Kind Subsidy

- American Economic Journal: Applied Economics--2014---Sarah Cohodes,Joshua Goodman

We analyze a Massachusetts merit aid program that gives highscoring students tuition waivers at in-state public colleges with lower graduation rates than available alternative colleges. A regression discontinuity design comparing students just above and below the eligibility threshold finds that students are remarkably willing to forgo college quality and that scholarship use actually lowered college completion rates. These results suggest that college quality affects college completion rates. The theoretical prediction that inking subsidies of public institutions can reduce consumption of the subsidized good is shown to be empirically important.

Default Tips

- American Economic Journal: Applied Economics--2014---Kareem Haggag,Giovanni Paci

We examine the role of defaults in high-frequency, small-scale choices using unique data on over 13 million New York City taxi rides. Using a regression discontinuity design, we show that default tip suggestions have a large impact on tip amounts. These results are supported by a secondary analysis that uses the quasi-random assignment of customers to different cars to examine default effects on a wider range of fares. Finally, we highlight a potential cost of setting defaults too high, as a higher proportion of customers opt to leave no credit card tip when presented with the higher suggested amounts.

Race and College Success: Evidence from Missouri

- American Economic Journal: Applied Economics--2014---Peter Arcidiacono,Cory Koedel

Conditional on enrollment, African American students are substantially less likely to graduate from four-year public universities than white students. Using administrative micro-data from Missouri, we decompose the graduation gap into racial differences in four factors: (i) how students sort to universities, (ii) how students sort to initial majors, (iii) high-school quality, and (iv) other preentry skills. Preentry skills explain 65 and 86 percent of the gap for women and men respectively. A small role is found for differential sorting into college, driven by African Americans' disproportionate representation in urban schools and schools at the very bottom of the quality distribution.

The Impact of Attending a School with High-Achieving Peers: Evidence from the New York City Exam Schools

- American Economic Journal: Applied Economics--2014---Will Dobbie,Roland G. Fryer

This paper uses data from three prominent exam high schools in New York City to estimate the impact of attending a school with high-achieving peers on college enrollment and graduation. Our identification strategy exploits sharp discontinuities in the admissions process. Applicants just eligible for an exam school have peers that score 0.17 to 0.36 standard deviations higher on eighth grade state tests and that are 6.4 to 9.5 percentage points less likely to be black or Hispanic. However, exposure to these higher-achieving and more homogeneous peers has little impact on college enrollment, college graduation, or college quality.

Wells, Water, and Welfare: The Impact of Access to Groundwater on Rural Poverty and Conflict

- American Economic Journal: Applied Economics--2014---Sheetal Sekhri

This paper evaluates the impact of access to groundwater on poverty using data from rural India. The estimation exploits the fact that the technology required to access groundwater changes exogenously due to constraints imposed by laws of physics at a depth of eight meters. I find that rural poverty in areas where depth from surface is below the cutoff is 9 to 10 percent higher. Using survey data for a subsample of villages, I also show that disputes over irrigation water increase by 25 percent around the cutoff. Historical endowments of groundwater facilitate adoption of yield enhancing technologies over the long-run.

Cross-Border Media and Nationalism: Evidence from Serbian Radio in Croatia

- American Economic Journal: Applied Economics---2014---Stefano Della Vigna,Ruben Enikolopov,Vera Mironova,Maria Petrova,Ekaterina Zhuravskaya,Stefano Della Vigna

How do nationalistic media affect animosity between ethnic groups? We consider one of Europe's deadliest conflicts since WWII, the Serbo-Croatian conflict. We show that, after a decade of peace, cross-border nationalistic Serbian radio triggers ethnic hatred toward Serbs in Croatia. Mostly attracted by nonpolitical content, many Croats listen to Serbian public radio (intended for Serbs in Serbia) whenever signal is available. As a result, the vote for extreme nationalist parties is higher and ethnically offensive graffiti are more common in Croatian villages with Serbian radio reception. A laboratory experiment confirms that Serbian radio exposure causes anti-Serbian sentiment among Croats.

Child-Adoption Matching: Preferences for Gender and Race

- American Economic Journal: Applied Economics--2014---Mariagiovanna Baccara,Allan Collard-Wexler,Leonardo Felli,Lea Yarovitz

This paper uses a new dataset on child-adoption matching to estimate the preferences of potential adoptive parents over US-born and unborn children relinquished

for adoption. We identify significant preferences favoring girls and against African American children put up for adoption. These attitudes vary in magnitudes across different adoptive parents—heterosexual, same-sex couples, and single women. We consider the effects of excluding single women and same-sex couples from the process, and find that this would substantially reduce the overall number of adopted children.

Meet the Press: How Voters and Politicians Respond to Newspaper Entry and Exit

- American Economic Journal: Applied Economics--2014---Francesco Drago, Tommaso Nannicini, Francesco Sobbrino

This paper uses an original dataset covering the presence of local news in medium-large Italian cities in the period 1993–2010 to evaluate the effects of newspaper entry and exit on electoral participation, political selection, and government efficiency. Exploiting discrete changes in the number of newspapers, we show that newspaper entry increases turnout in municipal elections, the reelection probability of the incumbent mayor, and the efficiency of the municipal government. We do not find any effect on the selection of politicians. Competition plays a relevant role, as the effects are not limited to the first newspaper entry.

Persistence of Population Shocks: Evidence from the Occupation of West Germany after World War II

- American Economic Journal: Applied Economics--2014---Abel Schumann

In the immediate aftermath of World War II, millions of German expellees were resettled into the new borders of Germany, but not into the parts of Germany that were occupied by France. Using a spatial regression discontinuity framework, I estimate the persistence of the population shock over a 20-year-period. Between 1945 and 1950, the inflow of people increased the population in municipalities where expellees could settle by 21.6 percent. The difference in population levels is highly persistent and remained 17.8 percent in 1970.

The results suggest that population patterns in the region that I study were not determined by locational fundamentals.

Learning about an Infrequent Event: Evidence from Flood Insurance Take-Up in the United States

- American Economic Journal: Applied Economics--2014---Justin Gallagher

I examine the learning process that economic agents use to update their expectation of an uncertain and infrequently observed event. I use a new nation-wide panel dataset of large regional floods and flood insurance policies to show that insurance take-up spikes the year after a flood and then steadily declines to baseline. Residents in nonflooded communities in the same television media market increase take-up at one-third the rate of flooded communities. I find that insurance take-up is most consistent with a Bayesian learning model that allows for forgetting or incomplete information about past floods.

Effects of School Quality on Student Achievement: Discontinuity Evidence from Kenya

- American Economic Journal: Applied Economics--2014---Adrienne Lucas, Isaac Mbiti

The most desirable Kenyan secondary schools are elite government schools that admit the best students from across the country. We exploit the random variation generated by the centralized school admissions process in a regression discontinuity design to obtain causal estimates of the effects of attending one of these elite public schools on student progression and test scores in secondary school. Despite their reputations, we find little evidence of positive impacts on learning outcomes for students who attended these schools, suggesting that their sterling reputations reflect the selection of students rather than their ability to generate value-added test score gains.

Keeping It Simple: Financial Literacy and Rules of Thumb

- American Economic Journal: Applied Economics--2014---Alejandro Drexler, Greg Fischer, Antoinette Schoar

Micro-entrepreneurs often lack the financial literacy required to make important financial decisions. We conducted a randomized evaluation with a bank in the Dominican Republic to compare the impact of two distinct programs: standard accounting training versus a simplified, rule-of-thumb training that taught basic financial heuristics. The rule-of-thumb training significantly improved firms' financial practices, objective reporting quality, and revenues. For micro-entrepreneurs with lower skills or poor initial financial practices, the impact of the rule-of-thumb training was significantly larger than that of the standard accounting training, suggesting that simplifying training programs might improve their effectiveness for less sophisticated individuals.

The Global Economics of Water: Is Water a Source of Comparative Advantage?

- American Economic Journal: Applied Economics--2014---Peter Debaere

With newly available data, I investigate to what extent countries' international trade exploits the very uneven water resources on a global scale. I find that water is a source of comparative advantage and that relatively water abundant countries export more waterintensive products. Additionally, water contributes significantly less to the pattern of exports than the traditional production factors labor and physical capital. This suggests relatively moderate disruptions to overall trade on a global scale due to changing precipitation in the wake of climate change.

Distortions in the International Migrant Labor Market: Evidence from Filipino Migration and Wage Responses to Destination Country Economic Shocks

- American Economic Journal: Applied Economics---2014---David McKenzie, Caroline Theoharides, Dean Yang

We use an original panel dataset of migrant departures from the Philippines to identify the responsiveness of migrant numbers and wages to GDP shocks in destination countries. We find a large, significant response of migrant numbers to GDP shocks at destination, but no significant wage response. This is consistent with binding minimum wages for migrant labor. This result implies that labor market imperfections that make international migration attractive also make migrant flows more sensitive to global business cycles. Difference-in-differences analysis of a minimum wage change for maids confirms that minimum wages bind and demand is price sensitive without these distortions.

Demand Spillovers, Combative Advertising, and Celebrity Endorsements

- American Economic Journal: Applied Economics--2014---Craig L. Garthwaite

This paper studies the economic effects of endorsements. In the publishing sector, endorsements are found to be a business stealing form of advertising that raises title level sales without expanding the market size. If anything, the endorsements decrease aggregate adult fiction sales. This might be a result of the endorsed books being more difficult than those that otherwise would have been purchased. Economically meaningful sales increases are also found for nonendorsed titles written by endorsed authors. This spillover demand demonstrates the broad range of benefits of advertising for firms operating in a multiproduct brand setting.

Improving Educational Quality through Enhancing Community Participation: Results from a Randomized Field Experiment in Indonesia

- American Economic Journal: Applied Economics---2014---Menno Pradhan, Daniel Suryadarma, Amanda Beatty, Maisy Wong, Arya Gaduh, Armida Alisjahbana, Rima Artha

Education ministries worldwide have promoted community engagement through school committees. This paper presents results from a large field experiment testing alternative approaches to strengthen school committees in public schools in Indonesia. Two novel treatments focus on institutional reforms. First, some schools were randomly assigned to implement elections of school committee members. Another treatment facilitated joint planning meetings between the school committee and the village council (linkage). Two more common treatments, grants and training, provided resources to existing school committees. We find that institutional reforms, in particular linkage and elections combined with linkage, are most cost-effective at improving learning.

How Do Teachers Improve? The Relative Importance of Specific and General Human Capital

- American Economic Journal: Applied Economics---2014---Ben Ost

One of the most consistent findings in the literature on teacher quality is that teachers improve with experience, especially in the first several years. This study extends this research by separately identifying the benefits of general teaching experience and specific curriculum familiarity. I find that both specific and general human capital contribute to teacher improvement and that recent specific experience is more valuable than distant specific experience. This paper also contributes to a broader literature on human capital acquisition, as it is among the first to examine human capital specificity using a direct measure of productivity.

The Demand for Medical Male Circumcision

- American Economic Journal: Applied Economics---2014---Jobiba Chinkhumba, Susan Godlonton, Rebecca Thornton

This paper measures the demand for adult medical male circumcision using an experiment that randomly offered varying-priced subsidies and comprehensive information to 1,600 uncircumcised men in urban Malawi. We find low demand for male circumcision: only 3 percent are circumcised over a three month period. Despite the low overall level of take-up, both price and information are significant determinants of circumcision. Still, the main barriers to male circumcision-cultural norms and fear of pain-are not affected by prices or information. Significant demand generation efforts are needed for this HIV prevention strategy to be effective.

Do Male-Female Wage Differentials Reflect Differences in the Return to Skill? Cross-City Evidence from 1980-2000

- American Economic Journal: Applied Economics---2014---Paul Beaudry, Ethan Lewis

Male-female wage gaps declined significantly over the 1980s and 1990s, while returns to education increased. In this paper, we use cross-city data to explore whether, like the return to education, the change in the gender wage gap may reflect changes in skill prices induced by the diffusion of information technology. We show that male-female and education-wage differentials moved in opposite directions in response to the adoption of PCs. Our most credible estimates simply that changes in skill prices driven by PC adoption can explain most of the decline in the US male-female wage gap since 1980.

Testing Paternalism: Cash versus In-Kind Transfers

- American Economic Journal: Applied Economics---2014---Jesse Cunha

Welfare programs are often implemented in-kind to promote outcomes that might not be realized under

cash transfers. This paper tests whether such paternalistically motivated transfers are justified compared to cash, using a randomized controlled trial of Mexico's food assistance program. In relation to total food consumption, the in-kind transfer was infra-marginal and nondistorting. However, the transfer contained ten food items, and there was large variation in the extent to which individual foods were extra-marginal and distorting. Small differences in the nutritional intake of women and children under in-kind transfers did not lead to meaningful differential improvements in health outcomes compared to cash.

Human Capital and Productivity in a Team Environment: Evidence from the Healthcare Sector

- American Economic Journal: Applied Economics--2014---Ann P. Bartel,Nancy D. Beaulieu,Ciaran S. Phibbs,Patricia W. Stone

Using panel data from a large hospital system, this paper presents estimates of the productivity effects of human capital in a team production environment. Proxying nurses' general human capital by education and their unit-specific human capital by experience on the nursing unit, we find that greater amounts of both types of human capital significantly improve patient outcomes. Disruptions to team functioning attributable to the departure of experienced nurses, the absorption of new hires, and the inclusion of temporary contract nurses are associated with significant decreases in productivity beyond those attributable to changes in nurses' skill and experience.

Dynamic Implications of Subjective Expectations: Evidence from Adult Smokers

- American Economic Journal: Applied Economics--2014---Yang Wang

We set up a dynamic discrete choice model with subjective expectations data to explain adult smokers' find important differences between subjective survival probabilities and those estimated using observed mortality data. Subjectively, individuals attach less weight

to their health conditions and smoking choices and more weight to such factors as age, race, and parents' longevity. Moreover, adult smokers are found to care more about their health and to be more forward-looking than predicted by a rational expectations framework. We further show the importance of unobserved heterogeneity in agents' subjective survival probabilities, and discuss policy implications of subjective expectations.

Influenza Vaccination Campaigns: Is an Ounce of Prevention Worth a Pound of Cure?

- American Economic Journal: Applied Economics--2014---Courtney Ward

This paper estimates the overall impact and externality effects of an influenza vaccination program expanding coverage outside the typical target group. Using a triple-difference design, which exploits the introduction of a broad based vaccination program in Ontario and the quality of the vaccine from year to year, I link higher vaccination to health improvements. Results indicate coverage expansion leads to large excess gains for program-regions; benefits exhibit decreasing returns corresponding to a standard model of disease dynamics; and substantial external benefits accrue to older adults.

Small Steps for Workers, a Giant Leap for Productivity

- American Economic Journal: Applied Economics--2014---Igal Hendel,Yossi Spiegel

We document the evolution of productivity in a steel mini mill with fixed capital, producing an unchanged product with Leontief technology working 24/7. Despite almost unchanged production conditions, output doubled within the sample period (12 years). We decompose the gains into downtime reductions, more rounds of production per time, and more output per run. After attributing productivity gains to investment and an incentive plan, we are left with a large unexplained component. Learning by experimentation, or tweaking, seems to be behind the continual and gradual process of productivity growth. The findings suggest

that capacity is not well defined, even in batch-oriented manufacturing.

The Great Equalizer: Health Care Access and Infant Mortality in Thailand

- American Economic Journal: Applied Economics--2014---Jonathan Gruber,Nathaniel Hendren,Robert M. Townsend

This paper analyzes Thailand's 2001 healthcare reform, "30 Baht." The program increased funding available to hospitals to care for the poor and reduced copays to 30 Baht (~\$0.75). Our estimates suggest the supply-side funding of the program increased healthcare utilization, especially among the poor. Moreover, we find significant impacts on infant mortality. Prior to 30 Baht, poorer provinces had significantly higher infant mortality rates than richer provinces. After 30 Baht, this correlation evaporates to zero. The results suggest that increased access to healthcare among the poor can significantly reduce their infant mortality rates.

Awarding Price, Contract Performance, and Bids Screening: Evidence from Procurement Auctions

- American Economic Journal: Applied Economics--2014---Francesco Decarolis

This paper presents evidence on the perverse trade-off that first price auctions induce between low prices at the awarding stage and poor ex post performance when bids are not binding commitments. By exploiting the different timing with which first price auctions were introduced in Italy to procure public works, this study finds that at least half of the cost savings from lower winning prices are lost because of ex post renegotiation. Screening the lowest price bid for its responsiveness prevents performance worsening but also reduces the initial cost savings by a third and induces delays in awarding the contract.

Competitive Effects of Means-Tested School Vouchers

- American Economic Journal: Applied Economics--2014---David Figlio,Cassandra M. D. Hart

We use the introduction of a means-tested voucher program in Florida to examine whether increased competitive pressure on public schools affects students' test scores. We find greater score improvements in the wake of the program introduction for students attending schools that faced more competitive private school markets prior to the policy announcement, especially those that faced the greatest financial incentives to retain students. These effects suggest modest benefits for public school students from increased competition. The effects are consistent across several geocoded measures of competition and isolate competitive effects from changes in student composition or resource levels in public schools.

Child Gender and Parental Investments in India: Are Boys and Girls Treated Differently?

- American Economic Journal: Applied Economics--2014---Silvia Barcellos,Leandro Carvalho,Adriana Lleras-Muney

Previous research has not always found that boys and girls are treated differently in rural India. However estimates of the effect of gender on parental investments could be biased if girls end up in larger families due to son-biased stopping rules. Using a novel identification strategy that exploits that gender at conception is random, we document that boys receive more childcare time than girls, they are breastfed longer and they get more vitamin supplementation. Compared to other developing countries, boys have an advantage in height and weight relative to girls. Neither greater needs nor anticipated family size explain the results.

The Historically Evolving Impact of the Ogallala Aquifer: Agricultural Adaptation to Groundwater and Drought

- American Economic Journal: Applied Economics--2014---Richard Hornbeck,Pinar Keskin

Agriculture on the American Plains has been constrained historically by water scarcity. Post-WWII technologies enabled farmers over the Ogallala aquifer

to extract groundwater for large-scale irrigation. Comparing counties over the Ogallala with nearby similar counties, groundwater access increased agricultural land values and initially reduced the impact of droughts. Over time, land use adjusted toward water intensive crops and drought sensitivity increased. Viewed differently, farmers in nearby water-scarce areas maintained low-value drought-resistant practices that fully mitigate naturally higher drought sensitivity. The evolving impact of the Ogallala illustrates the importance of water for agricultural production, but also the large scope for agricultural adaptation to groundwater and drought.

Selection and Economic Gains in the Great Migration of African Americans: New Evidence from Linked Census Data

- American Economic Journal: Applied Economics--2014---William Collins, Marianne Wanamaker

The onset of World War I spurred the "Great Migration" of African Americans from the US South, arguably the most important internal migration in US history. We create a new panel dataset of more than 5,000 men matched from the 1910 to 1930 census manuscripts to address three interconnected questions: To what extent was there selection into migration? How large were the migrants' gains? Did migration narrow the racial gap in economic status? We find evidence of positive selection, but the migrants' gains were large. A substantial amount of black-white convergence in this period is attributable to migration.

Parental Education and Offspring Outcomes: Evidence from the Swedish Compulsory School Reform

- American Economic Journal: Applied Economics--2014---Petter Lundborg, Anton Nilsson, Dan-Olof Rooth

We use the Swedish compulsory school reform to estimate the causal effect of parental education on sons' outcomes. To this end, we use data from the Swedish military enlistment register on the entire population of

males and consider outcomes, such as cognitive skills, noncognitive skills, and various dimensions of health at the age of 18. We find positive effects of maternal education on sons' skills and health status but no effects of paternal education. One reason behind this result may be that the fathers affected by the reform did not face any labor market returns to their increased schooling.

Explaining Charter School Effectiveness

- American Economic Journal: Applied Economics--2013---Joshua Angrist, Parag Pathak, Christopher R. Walters

Lottery estimates suggest Massachusetts' urban charter schools boost achievement well beyond that of traditional urban public schools students, while nonurban charters reduce achievement from a higher baseline. The fact that urban charters are most effective for poor nonwhites and low-baseline achievers contributes to, but does not fully explain, these differences. We therefore link school-level charter impacts to school inputs and practices. The relative efficacy of urban lottery sample charters is accounted for by these schools' embrace of the No Excuses approach to urban education. In our Massachusetts sample, Non-No-Excuses urban charters are no more effective than nonurban charters

Getting beneath the Veil of Effective Schools: Evidence from New York City

- American Economic Journal: Applied Economics--2013---Will Dobbie, Roland G. Fryer

In this paper, we collect data on the inner-workings of 39 charter schools and correlate these data with school effectiveness. We find that traditionally collected input measures—class size, per-pupil expenditure, teacher certification, and teacher training—are not correlated with school effectiveness. In stark contrast, we show that an index of five policies suggested by qualitative research—frequent teacher feedback, the use of data to guide instruction, high-dosage tutoring, increased instructional time, and high expectations—explains approximately 45 percent of the variation in school

effectiveness. The same index provides similar results in a separate sample of charter schools.

Risk Protection, Service Use, and Health Outcomes under Colombia's Health Insurance Program for the Poor

- American Economic Journal: Applied Economics--2013---Grant Miller,Diana Pinto,Marcos Vera-Hernandez

Unexpected medical care spending imposes considerable financial risk on developing country households. Based on managed care models of health insurance in wealthy countries, Colombia's Régimen Subsidiado is a publicly financed insurance program targeted to the poor, aiming both to provide risk protection and to promote allocative efficiency in the use of medical care. Using a "fuzzy" regression discontinuity design, we find that the program has shielded the poor from some financial risk while increasing the use of traditionally underutilized preventive services—with measurable health gains.

Deterrence and Geographical Externalities in Auto Theft

- American Economic Journal: Applied Economics--2013---Marco Gonzalez-Navarro

Understanding the degree of geographical crime displacement is crucial for the design of crime prevention policies. This paper documents changes in automobile theft risk that were generated by the plausibly exogenous introduction of Lojack, a highly effective stolen vehicle recovery device, into a number of new Ford car models in some Mexican states, but not others. Lojack-equipped vehicles in Lojack-coverage states experienced a 48 percent reduction in theft risk due to deterrence effects. However, 18 percent of the reduction in thefts was displaced toward unprotected Lojack models in non-Lojack states, providing new evidence of geographical crime displacement in auto theft.

Employment, Wages, and Voter Turnout

- American Economic Journal: Applied Economics--2013---Kerwin Kofi Charles,Melvin Stephens

Using county-level data across several decades, and various OLS and TSLS models, we find that higher local wages and employment lower turnout in elections for governor, senator, US Congress and state House of Representatives, but have no effect on presidential turnout. We also find that the share of people voting in one election but not in another on the same ballot increases as local labor market conditions improve. We argue that these results are most consistent with information-based models of voting, and use individual level panel data to show that increased employment lowers media usage and political knowledge.

Immigrants' Labor Supply and Exchange Rate Volatility

- American Economic Journal: Applied Economics--2013---Arash Nekoei

Are an immigrant's decisions affected in real time by her home country's economy? I examine this question by exploiting exchange rate variations as exogenous price shocks to immigrants' budget constraints. I find that in response to a 10 percent dollar appreciation, an immigrant decreases her earnings by 0.92 percent, mainly by reducing hours worked. The exchange rate effect is greater for recent immigrants, married immigrants with absent spouses, Mexicans close to the border, and immigrants from countries with higher remittance flows. A neoclassical interpretation of these findings suggests that the income effect exceeds the cross-substitution effect. Remittance targets offer an alternative explanation.

Asymmetric Information between Employers

- American Economic Journal: Applied Economics--2013---Lisa Kahn

This study explores whether potential employers have the same information about worker ability as the incumbent firm. I develop a model of asymmetric learning

that nests the symmetric learning case and allows the degree of asymmetry to vary. I then show how predictions in the model can be tested with compensation data. Using the NLSY, I test the model and find strong support for asymmetric information. My estimates imply that in one period, outside firms reduce the average expectation error over worker ability by only a third of the reduction made by incumbent firms.

The Impact of Intergovernmental Transfers on Education Outcomes and Poverty Reduction

- American Economic Journal: Applied Economics--2013---Stephan Litschig, Kevin M. Morrison

This paper provides regression discontinuity evidence on development impacts of intergovernmental transfers. Extra transfers in Brazil increased local government spending per capita by about 20 percent over a 4 year period with no evidence of crowding out own revenue or other revenue sources. Schooling per capita increased by about 7 percent and literacy rates by about 4 percentage points. In line with the effect on human capital, the poverty rate was reduced by about 4 percentage points. Somewhat noisier results also suggest that the reelection probability of local incumbent parties in the 1988 elections improved by about 10 percentage points.

Can Informed Public Deliberation Overcome Clientelism? Experimental Evidence from Benin

- American Economic Journal: Applied Economics--2013---Thomas Fujiwara, Leonard Wantchekon

This paper studies the electoral effects of town hall meetings based on programmatic, nonclientelist platforms. The experiment involves the cooperation of leading candidates in a presidential election in Benin. A campaign strategy based solely on these meetings was assigned to randomly selected villages and compared to the standard strategy of clientelist rallies. We find that treatment reduces the prevalence of clientelism and does not affect turnout. Treatment also lowers the vote shares for the candidate with a political stronghold in the village and is more effective in

garnering votes in regions where a candidate does not have a political stronghold.

Information Asymmetries in Consumer Credit Markets: Evidence from Payday Lending

- American Economic Journal: Applied Economics--2013---Will Dobbie, Paige Marta Skiba

Information asymmetries are prominent in theory but difficult to estimate. This paper exploits discontinuities in loan eligibility to test for moral hazard and adverse selection in the payday loan market. Regression discontinuity and regression kink approaches suggest that payday borrowers are less likely to default on larger loans. A \$50 larger payday loan leads to a 17 to 33 percent drop in the probability of default. Conversely, there is economically and statistically significant adverse selection into larger payday loans when loan eligibility is held constant. Payday borrowers who choose a \$50 larger loan are 16 to 47 percent more likely to default.

Fuel Economy and Safety: The Influences of Vehicle Class and Driver Behavior

- American Economic Journal: Applied Economics--2013---Mark R. Jacobsen

Fuel economy standards change the composition of the vehicle fleet, influencing accident safety. The direction and size of the effect depend on the combination of vehicles in the fleet. I provide empirical estimates of vehicle safety across classes, accounting for unobserved driving behavior and selection. I apply the model to the present structure of US fuel economy standards, accounting for shifts in the composition of vehicle ownership, and estimate an adverse safety effect of 33 cents per gallon of gasoline saved. I show how two alternative regulatory provisions fully offset this effect, producing a nearzero change in accident fatalities.

Bringing Education to Afghan Girls: A Randomized Controlled Trial of Village-Based Schools

- American Economic Journal: Applied Economics--2013---Dana Burde, Leigh L. Linden

We conduct a randomized evaluation of the effect of village-based schools on children's academic performance using a sample of 31 villages and 1,490 children in rural northwestern Afghanistan. The program significantly increases enrollment and test scores among all children, but particularly for girls. Girls' enrollment increases by 52 percentage points and their average test scores increase by 0.65 standard deviations. The effect is large enough that it eliminates the gender gap in enrollment and dramatically reduces differences in test scores. Boys' enrollment increases by 35 percentage points, and average test scores increase by 0.40 standard deviations.

The Effects of "Girl-Friendly" Schools: Evidence from the BRIGHT School Construction Program in Burkina Faso

- American Economic Journal: Applied Economics--2013---Harounan Kazianga, Dan Levy, Leigh L. Linden, Matt Sloan

We evaluate a 'girl-friendly' primary school program in Burkina Faso using a regression discontinuity design. After 2.5 years, the program increased enrollment by 19 percentage points and increased test scores by 0.41 standard deviations. For those caused to attend school, scores increased by 2.2 standard deviations. Girls' enrollment increased by 5 percentage points more than boys' enrollment, but they experienced the same increase in test scores as boys. The unique characteristics of the schools are responsible for increasing enrollment by 13 percentage points and test scores by 0.35 standard deviations. They account for the entire difference in the treatment effects by gender.

How Does the Market Use Citation Data? The Hirsch Index in Economics

- American Economic Journal: Applied Economics--2013---Glenn Ellison

A large literature following Hirsch (2005) has proposed citation-based indexes of individuals' research output. This paper views Hirsch's index as one member of a larger class and examines how well different indexes align with labor market outcomes for young, tenured economists at 50 US departments. Variants that emphasize smaller numbers of highly-cited papers are more aligned with labor market outcomes than is Hirsch's original index. It also examines how the market assesses jointly authored work, and how indexes can be adjusted for differences in citations across fields and years of experience

Marriage Networks, Nepotism, and Labor Market Outcomes in China

- American Economic Journal: Applied Economics--2013---Shing-Yi Wang

This paper considers the role of marriage in improving labor market outcomes through the expansion of an individual's networks. I focus on the impact of the relationship with the father-in-law on a young man's career using panel data from China. The identification strategy isolates the network effects related to a man's father-in-law by examining the post-marriage death of a father-in-law. The estimates suggest that the loss of the father-in-law translates into a decrease in a man's earnings of 7 percent.

Private Information and the Allocation of Land Use Subsidies in Malawi

- American Economic Journal: Applied Economics--2013---B. Kelsey Jack

Efficient targeting of public programs is difficult when the cost or benefit to potential recipients is private information. This study illustrates the potential of self-selection to improve allocational outcomes in the context of a program that subsidizes tree planting in

Malawi. Landholders who received a tree planting contract as a result of bidding in an auction kept significantly more trees alive over a three year period than did landholders who received the contract through a lottery. The gains from targeting on private information through the auction represent a 30 percent cost savings per surviving tree for the implementing organization.

A Female Style in Corporate Leadership?

Evidence from Quotas

- American Economic Journal: Applied Economics--2013---David A. Matsa,Amalia Miller

This paper studies the impact of gender quotas for corporate board seats on corporate decisions. We examine the introduction of Norway's 2006 quota, comparing affected firms to other Nordic companies, public and private, that are unaffected by the rule. We find that affected firms undertake fewer workforce reductions than comparison firms, increasing relative labor costs and employment levels and reducing short-term profits. The effects are strongest among firms without female board members beforehand and are present even for boards with older and more experienced members afterward. The boards appear to be affecting corporate strategy in part by selecting like-minded executives.

Campaign Contributions over CEOs' Careers

- American Economic Journal: Applied Economics---2013---Adam Fremeth,Brian Kelleher Richter,Brandon Schaufele

Individuals dominate money in politics, accounting for over 90 percent of campaign contributions, yet studies of drivers of individuals' giving are scarce. We analyze data on all contributions made between 1991 and 2008 by all 1,556 people who became S&P 500 CEOs during that interval. We exploit variation in leadership status over these individuals' careers to identify that being an S&P 500 CEO causes a \$4,029 or 137 percent jump per election cycle in personal giving. While some fraction of CEOs' contributions can be attributed to long-standing preferences, the striking changes in behavior cannot be explained by these factors alone.

Teaching Practices and Social Capital

- American Economic Journal: Applied Economics--2013---Yann Algan,Pierre Cahuc,Andrei Shleifer

In cross-country data, teaching practices (such as copying from the board versus working on projects together) are related to various dimensions of social capital. In micro-data from three datasets, teaching practices are also strongly correlated with student beliefs about co-operation across schools within countries. To address omitted variable and reverse causality concerns, we show that, within schools, teaching practices also have an independent and sizeable effect on student beliefs. The evidence supports the idea that progressive education promotes the formation of social capital.

Experimental Evidence on the Effects of Home Computers on Academic Achievement among Schoolchildren

- American Economic Journal: Applied Economics--2013---Robert Fairlie,Jonathan Robinson

Computers are an important part of modern education, yet many schoolchildren lack access to a computer at home. We test whether this impedes educational achievement by conducting the largest-ever field experiment that randomly provides free home computers to students. Although computer ownership and use increased substantially, we find no effects on any educational outcomes, including grades, test scores, credits earned, attendance, and disciplinary actions. Our estimates are precise enough to rule out even modestly-sized positive or negative impacts. The estimated null effect is consistent with survey evidence showing no change in homework time or other "intermediate" inputs in education.

Young Adult Obesity and Household Income: Effects of Unconditional Cash Transfers

- American Economic Journal: Applied Economics--2013---Randall Akee,Emilia Simeonova,William Copeland,Adrian Angold,E. Jane Costello

We investigate the effect of household cash transfers during childhood on young adult body mass indexes (BMI). The effects of extra income differ depending on the household's initial socioeconomic status (SES). Children from the initially poorest households have a larger increase in BMI relative to children from initially wealthier households. Several alternative mechanisms are examined. Initial SES holds up as the most likely channel behind the heterogeneous effects of extra income on young adult BMI. (JEL D14, H23, H75, I12, J13, J15)

School Inputs, Household Substitution, and Test Scores

- American Economic Journal: Applied Economics--2013---Jishnu Das, Stefan Dercon, James Habyarimana, Pramila Krishnan, Karthik Muralidharan, Venkatesh Sundararaman

Empirical studies of the relationship between school inputs and test scores typically do not account for household responses to changes in school inputs. Evidence from India and Zambia shows that student test scores are higher when schools receive unanticipated grants, but there is no impact of grants that are anticipated. We show that the most likely mechanism for this result is that households offset their own spending in response to anticipated grants. Our results confirm the importance of optimal household responses and suggest caution when interpreting estimates of school inputs on learning outcomes as parameters of an education production function. (JEL D12, H52, I21, O15)

The Effect of Absenteeism and Clinic Protocol on Health Outcomes: The Case of Mother-to-Child Transmission of HIV in Kenya

- American Economic Journal: Applied Economics---2013---Markus Goldstein, Joshua Graff Zivin, James Habyarimana, Cristian Pop-Eleches, Harsha Thirumurthy

We show that pregnant women whose first clinic visit coincides with the nurse's attendance are 58 percentage

points more likely to test for HIV and 46 percent more likely to deliver in a hospital. Furthermore, women with high pretest expectations of being HIV positive, whose visit coincides with nurse attendance, are 25 and 7.4 percentage points more likely to deliver in a hospital and receive PMTCT medication, and 9 percentage points less likely to breast-feed than women whose visit coincides with nurse absence. The shortcomings that prevent pregnant women from testing on a subsequent visit are common in sub-Saharan Africa. (JEL I12, J16, O15)

Health, Height, Height Shrinkage, and SES at Older Ages: Evidence from China

- American Economic Journal: Applied Economics--2013---Wei Huang, Xiaoyan Lei, Geert Ridder, John Strauss, Yaohui Zhao

In this paper, we build on the literature that examines associations between height and health outcomes of the elderly. We investigate the associations of height shrinkage at older ages with socioeconomic status, finding that height shrinkage for both men and women is negatively associated with better schooling, current urban residence, and household per capita expenditures. We then investigate the relationships between pre-shrinkage height, height shrinkage, and a rich set of health outcomes of older respondents, finding that height shrinkage is positively associated with poor health outcomes across a variety of outcomes, being especially strong for cognition outcomes. (JEL I12, J14, O15, P36)

The Demand for, and Consequences of, Formalization among Informal Firms in Sri Lanka

- American Economic Journal: Applied Economics---2013---Suresh de Mel, David McKenzie, Christopher Woodruff

A field experiment in Sri Lanka provides informal firms incentives to formalize. Information about the registration process and reimbursement of direct costs does not increase registration. Payments equivalent to one-half to one month (alternatively, two months) of the median

firm's profits leads to registration of around one-fifth (alternatively, one-half) of firms. Land ownership issues are the most common reason for not registering. Follow-up surveys 15 to 31 months later show higher mean profits, but largely in a few firms that grew rapidly. We find little evidence for other changes in behavior, but formalized firms express more trust in the state. (JEL C93, D22, L25, L26, O14)

Making Yourself Attractive: Pre-marital Investments and the Returns to Education in the Marriage Market

- American Economic Journal: Applied Economics--2013---Jeanne Lafortune

I explore how a gender's scarcity may impact educational investments using exogenous variation in the marriage market of second generation Americans in early twentieth century. I find that worse marriage market conditions spur higher pre-marital investments: the effect for males is significant, while, for females, it is only observed in highly endogamous groups. When faced with an exogenously larger number of males per females, males' marriages appear to be less stable and more likely to involve natives and highly educated spouses, while women are less likely to work and, for those in high endogamous groups, marry more immigrants. (JEL C78, D83, J12, J16, N31)

Texting Bans and Fatal Accidents on Roadways: Do They Work? Or Do Drivers Just React to Announcements of Bans?

- American Economic Journal: Applied Economics--2013---Rahi Abouk, Scott Adams

Since 2007, many states passed laws prohibiting text messaging while driving. Using vehicular fatality data from across the United States and standard difference-in-differences techniques, bans appear moderately successful at reducing single-vehicle, single-occupant accidents if bans are universally applied and enforced as a primary offense. Bans enforced as secondary offenses, however, have at best no effect on accidents. Any reduction in accidents following texting bans is

short-lived, however, with accidents returning to near former levels within a few months. This is suggestive of drivers reacting to the announcement of the legislation only to return to old habits shortly afterward. (JEL D12, K42, R41)

Development Effects of Electrification: Evidence from the Topographic Placement of Hydropower Plants in Brazil

- American Economic Journal: Applied Economics--2013---Molly Lipscomb, Ahmed Mobarak, Tania Barham

We estimate the development effects of electrification across Brazil over the period 1960-2000. We simulate a time series of hypothetical electricity grids for Brazil for the period 1960-2000 that show how the grid would have evolved had infrastructure investments been made based solely on geography-based cost considerations. Using the model as an instrument, we document large positive effects of electrification on development that are underestimated when one fails to account for endogenous targeting. Broad-based improvement in labor productivity across sectors and regions rather than general equilibrium re-sorting appears to be the likely mechanism by which these development gains are realized. (JEL H54, L94, O11, O13, Q41, Q43)

The Gorbachev Anti-alcohol Campaign and Russia's Mortality Crisis

- American Economic Journal: Applied Economics--2013---Jay Bhattacharya, Christina Gathmann, Grant Miller

Political and economic transition is often blamed for Russia's 40 percent surge in deaths between 1990 and 1994. Highlighting that increases in mortality occurred primarily among alcohol-related causes and among working-age men (the heaviest drinkers), this paper investigates an alternative explanation: the demise of the 1985-1988 Gorbachev Anti-Alcohol Campaign. Using archival sources to build a new oblast-year dataset spanning 1978-2000, we find a variety of evidence suggesting that the campaign's end explains a large share

of the mortality crisis, implying that Russia's transition to capitalism and democracy was not as lethal as commonly suggested. (JEL D72, I12, I18, P26, P36)

Teaching the Tax Code: Earnings Responses to an Experiment with EITC Recipients

- American Economic Journal: Applied Economics--2013---Raj Chetty, Emmanuel Saez

We conducted a randomized experiment with 43,000 EITC recipients at H&R Block. Tax preparers gave simple, personalized information about the EITC schedule to half of their clients. We find no significant effects of information provision on earnings in the subsequent year in the full sample. Further exploration uncovers evidence of heterogeneous treatment effects on both self-employment income and wage earnings across the 1,461 tax preparers involved in the experiment. Providing information about tax incentives does not systematically effect earnings on average. However, tax preparers may influence their clients' earnings decisions by providing advice about how to respond to tax incentives. (JEL H23, H24, H26, J23, J31)

The Trouble with Boys: Social Influences and the Gender Gap in Disruptive Behavior

- American Economic Journal: Applied Economics--2013---Marianne Bertrand, Jessica Pan

This paper explores the importance of the home and school environments in explaining the gender gap in disruptive behavior. We document large differences in the gender gap across key features of the home environment -- boys do especially poorly in broken families. In contrast, we find little impact of the early school environment on noncognitive gaps. Differences in endowments explain a small part of boys' noncognitive deficit in single-mother families. More importantly, noncognitive returns to parental inputs differ markedly by gender. Broken families are associated with worse parental inputs, and boys' noncognitive development, unlike that of girls', appears extremely responsive to such inputs. (JEL I21, J12, J13, J16, Z13)

Real Wage Inequality

- American Economic Journal: Applied Economics--2013---Enrico Moretti

While nominal wage differences between skilled and unskilled workers have increased since 1980, college graduates have experienced larger increases in cost of living because they have increasingly concentrated in cities with high cost of housing. Using a city-specific CPI, I find that real wage differences between college and high school graduates have grown significantly less than nominal differences. Changes in the geographical location of different skill groups are to a significant degree driven by city-specific shifts in relative demand. I conclude that the increase in utility differences between skilled and unskilled workers since 1980 is smaller than previously thought based on nominal wage differences. (JEL J22, J23, J24, J31, R23, R31)

Barriers to Household Risk Management: Evidence from India

- American Economic Journal: Applied Economics--2013---Shawn Cole, Xavier Gine, Jeremy Tobacman, Petia Topalova, Robert Townsend, James Vickery

Why do many households remain exposed to large exogenous sources of nonsystematic income risk? We use a series of randomized field experiments in rural India to test the importance of price and nonprice factors in the adoption of an innovative rainfall insurance product. Demand is significantly price sensitive, but widespread take-up would not be achieved even if the product offered a payout ratio comparable to US insurance contracts. We present evidence suggesting that lack of trust, liquidity constraints, and limited salience are significant nonprice frictions that constrain demand. We suggest possible contract design improvements to mitigate these frictions. (JEL D14, D81, O12, O13, O16, O18, Q12)

Back on the Rails: Competition and Productivity in State-Owned Industry

- American Economic Journal: Applied Economics--2013---Sanghamitra Das,Kala Krishna,Sergey Ly-chagin,Rohini Somanathan

We use a proprietary dataset on the floor-level operations at the largest rail mill in India to study the response of productivity to the threat of entry. Output per active shift increased by 28 percent over 3 years with minimal changes in physical capital and employment. By combining data on the timing of various training programs in the mill with shift-level variation in worker composition, we are able to attribute over half of the higher productivity to training specifically targeted toward improving rail output. Our work suggests high returns to knowledge-enhancing investment in emerging economies. (JEL D22, D24, J24, L23, L32, L61, O14)

Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya

- American Economic Journal: Applied Economics--2013---Pascaline Dupas,Jonathan Robinson

Does limited access to formal savings services impede business growth in poor countries? To shed light on this question, we randomized access to noninterest-bearing bank accounts among two types of self-employed individuals in rural Kenya: market vendors (who are mostly women) and men working as bicycle taxi drivers. Despite large withdrawal fees, a substantial share of market women used the accounts, were able to save more, and increased their productive investment and private expenditures. We see no impact for bicycle taxi drivers. These results imply significant barriers to savings and investment for market women in our study context. (JEL D14, G21, J16, J23, O12, O14, O16)

Cognitive Abilities and Household Financial Decision Making

- American Economic Journal: Applied Economics--2013---Sumit Agarwal,Bhashkar Mazumder

We analyze the effects of cognitive abilities on two examples of consumer financial decisions where sub-optimal behavior is well defined. The first example features the optimal use of credit cards for convenience transactions after a balance transfer and the second involves a financial mistake on a home equity loan application. We find that consumers with higher overall test scores, and specifically those with higher math scores, are substantially less likely to make a financial mistake. These mistakes are generally not associated with nonmath test scores. (JEL D14, G21)

Do Oil Windfalls Improve Living Standards? Evidence from Brazil

- American Economic Journal: Applied Economics--2013---Francesco Caselli,Guy Michaels

We use variation in oil output among Brazilian municipalities to investigate the effects of resource windfalls on government behavior. Oil-rich municipalities experience increases in revenues and report corresponding increases in spending on public goods and services. However, survey data and administrative records indicate that social transfers, public good provision, infrastructure, and household income increase less (if at all) than one might expect given the higher reported spending. (JEL H41, H75, I31, O13, O15, O17, O18)

Slum Clearance and Urban Renewal in the United States

- American Economic Journal: Applied Economics--2013---William Collins,Katharine L. Shester

We study the local effects of a federal program that helped cities clear areas for redevelopment, rehabilitate structures, complete city plans, and enforce building codes. We use an instrumental variable strategy to estimate the program's effects on city-level measures of income, property values, employment and poverty rates, and population. The estimated effects on income, property values, and population are positive and economically significant. They are not driven by changes in demographic composition. Estimated effects on poverty reduction and employment are positive but

imprecise. The results are consistent with a model in which local productivity is enhanced. (JEL I32, N32, N92, R23, R38, R58)

Soap Operas and Fertility: Evidence from Brazil

- American Economic Journal: Applied Economics--2012---Eliana La Ferrara,Alberto Chong,Suzanne Duryea

We estimate the effect of television on fertility in Brazil, where soap operas portray small families. We exploit differences in the timing of entry into different markets of Globo, the main novela producer. Women living in areas covered by Globo have significantly lower fertility. The effect is strongest for women of lower socioeconomic status and in the central and late phases of fertility, consistent with stopping behavior. The result does not appear to be driven by selection in Globo entry. We provide evidence that novelas, and not just television, affected individual choices, based on children's naming patterns and novela content. (JEL J13, J16, L82, O15, Z13)

Estimating the Deterrent Effect of Incarceration Using Sentencing Enhancements

- American Economic Journal: Applied Economics--2012---David S. Abrams

Increasing criminal sanctions may reduce crime through two primary mechanisms: deterrence and incapacitation. Disentangling their effects is crucial for optimal policy setting. I use sentence enhancements due to the introduction of state add-on gun laws to isolate the deterrent effect of incarceration. Using cross-state variation in the timing of law passage dates, I find that the average add-on gun law results in a roughly 5 percent decline in gun robberies within the first 3 years. This result is robust to a number of specification tests and does not appear to be associated with large spillovers to other types of crime. (JEL K14, K42)

Can Compulsory Military Service Raise Civilian Wages? Evidence from the Peacetime Draft in Portugal

- American Economic Journal: Applied Economics--2012---David Card,Ana Rute Cardoso

We provide new evidence on the long-term impacts of peacetime conscription, using longitudinal data for Portuguese men born in 1967. These men were inducted at age 21, allowing us to use preconscription wages to control for ability differences between conscripts and nonconscripts. We find a significant 4-5 percentage point impact of service on the wages of men with only primary education, coupled with a zero effect for men with higher education. The effect for less-educated men suggests that mandatory service can be a valuable experience for those who might otherwise spend their careers in low-level jobs. (JEL J24, J31, J45)

Can Mobile Phones Improve Learning? Evidence from a Field Experiment in Niger

- American Economic Journal: Applied Economics--2012---Jenny C. Aker,Christopher Ksoll,Travis Lybbert

The returns to educational investments hinge on whether such investments can improve the quality and persistence of educational gains. We report the results from a randomized evaluation of an adult education program in Niger, in which some students learned how to use simple mobile phones (Project ABC). Students in ABC villages achieved test scores that were 0.19-0.26 standard deviations higher than those in standard adult education classes, and standardized math test scores remained higher seven months after the end of classes. These results suggest that simple information technology can be harnessed to improve educational outcomes among rural populations. (JEL D83, I21, O15, O33)

Longer-Term Impacts of Mentoring, Educational Services, and Learning Incentives: Evidence from a Randomized Trial in the United States

- American Economic Journal: Applied Economics--2012---Núria Rodríguez-Planas

This paper reports on a randomized evaluation of a program designed to improve high school graduation and postsecondary education enrollment among low-performing high school students. Treated youths were offered mentoring, educational services, and financial rewards. The program was evaluated when the youths were 19, 21, and 24 years old. Treated youths obtained their high school diplomas earlier and were more likely than controls to attend postsecondary education. Five years after the end of the program, we find no significant overall effects of this intervention on employment outcomes. The program improved outcomes to a greater extent for the female enrollees than the male ones. (JEL D83, I21, I28, J13)

Limited Insurance within the Household: Evidence from a Field Experiment in Kenya

- American Economic Journal: Applied Economics--2012---Jonathan Robinson

In developing countries, unexpected income shocks are common but informal insurance is typically incomplete. An important question is therefore whether risk-sharing within the household is effective. This paper presents results from a field experiment with 142 married couples in Kenya in which individuals were given random income shocks. Even though the shocks were small relative to lifetime income, men increase private consumption when they receive the shock but not when their wives do, a rejection of efficiency. Such behavior is not specific to the experiment-both spouses spend more on themselves when their labor income is higher. (JEL D14, D81, G22, O12, O16)

The Power of Political Voice: Women's Political Representation and Crime in India

- American Economic Journal: Applied Economics--2012---Lakshmi Iyer,Anandi Mani,Prachi

Mishra,Petia Topalova

Using state-level variation in the timing of political reforms, we find that an increase in female representation in local government induces a large and significant rise in documented crimes against women in India. Our evidence suggests that this increase is good news, driven primarily by greater reporting rather than greater incidence of such crimes. In contrast, we find no increase in crimes against men or in gender-neutral crimes. We also examine the effectiveness of alternative forms of political representation. Large scale membership of women in local councils affects crime against them more than their presence in higher-level leadership positions. (JEL D72, J16, K42, O15, O17)

Deregulation, Consolidation, and Efficiency: Evidence from US Nuclear Power

- American Economic Journal: Applied Economics--2012---Lucas Davis,Catherine Wolfram

Beginning in the late 1990s, electricity markets in many US states were deregulated, and almost half of the nation's 103 nuclear power reactors were sold to independent power producers. Deregulation has been accompanied by substantial market consolidation, and today the three largest companies control one-third of US nuclear capacity. We find that deregulation and consolidation are associated with a 10 percent increase in operating performance, achieved primarily by reducing the duration of reactor outages. At average wholesale prices, this increased operating performance is worth \$2.5 billion annually and implies an annual decrease of 35 million tons of carbon dioxide emissions. (JEL L11, L51, L94, L98, Q42, Q48)

Access, Sorting, and Achievement: The Short-Run Effects of Free Primary Education in Kenya

- American Economic Journal: Applied Economics--2012---Adrienne Lucas,Isaac Mbiti

We examine the impact of the Kenyan Free Primary Education program on student participation, sorting,

and achievement on the primary school exit examination. Exploiting variation in pre-program dropout rates between districts, we find that the program increased the number of students who completed primary school, spurred private school entry, and increased access for students from disadvantaged backgrounds. We argue that the program was welfare enhancing as it promoted educational access without substantially reducing the test scores of students who would have been in school in the absence of the program. (JEL H52, I21, I28, O15)

Are Big-Time Sports a Threat to Student Achievement?

- American Economic Journal: Applied Economics--2012---Jason Lindo, Isaac D. Swensen, Glen R. Waddell

We consider the relationship between collegiate football success and non-athlete student performance. We find that the team's success significantly reduces male grades relative to female grades, and only in fall quarters, which coincides with the football season. Using survey data, we find that males are more likely than females to increase alcohol consumption, decrease studying, and increase partying in response to the success of the team. Yet, females also report that their behavior is affected by athletic success, suggesting that their performance is likely impaired but that this effect is masked by the practice of grade curving. (JEL I21, L83)

Raising the Barcode Scanner: Technology and Productivity in the Retail Sector

- American Economic Journal: Applied Economics--2012---Emek Basker

Barcodes and barcode scanners transformed the grocery industry in the 1970s. I use store-level data from the 1972, 1977, and 1982 Census of Retail Trade, matched to data on store scanner installations, to estimate scanners' effect on labor productivity. I find that scanners increased a store's labor productivity, on average, by approximately 4.5 percent in the first few years.

The effect was larger in stores carrying more packaged products, consistent with the presence of network externalities. Short-run gains were small relative to fixed costs, suggesting that the impediment to widespread adoption of the new technology was profitability, not coordination problems. (JEL J24, L24, L81, O33)

How Large Are the Effects from Temporary Changes in Family Environment: Evidence from a Child-Evacuation Program during World War II

- American Economic Journal: Applied Economics--2012---Torsten Santavirta

During World War II, some 50,000 Finnish children were evacuated to Sweden and placed in foster families. The evacuation scheme limited sharply the scope for selection into foster care based on background characteristics. A first-come first-served policy was applied where the children were assigned a running number and processed anonymously. Using register and survey data, I examine the extent to which the foster environment affected later life outcomes of the Finnish child evacuees. The results show that nurture, the socioeconomic environment at early stages of life, has important effects on schooling. (JEL I21, J13, J24, N34, N44)

Sweetening the Deal? Political Connections and Sugar Mills in India

- American Economic Journal: Applied Economics--2012---Sandip Sukhtankar

Political control of firms is prevalent across the world. Evidence suggests that firms profit from political connections, and politicians derive benefit from control over firms. This paper investigates an alternative mechanism through which politicians may benefit electorally from connected firms, examining sugar mills in India. I find evidence of embezzlement in politically controlled mills during election years, reflected in lower prices paid to farmers for cane. This result complements the literature on political cycles by demonstrating how campaign funds are raised rather than used. Politicians may recompense farmers upon getting elected, possibly

explaining how they can get away with pilferage. (JEL D72, G34, L66, O13, O17, Q12, Q13)

Enforcement of Labor Regulation and Informality

- American Economic Journal: Applied Economics--2012---Rita Almeida, Pedro Carneiro

Enforcement of labor regulations in the formal sector may drive workers to informality because they increase the costs of formal labor. But better compliance with mandated benefits makes it attractive to be a formal employee. We show that, in locations with frequent inspections, workers pay for mandated benefits by receiving lower wages. Wage rigidity prevents downward adjustment at the bottom of the wage distribution. As a result, lower paid formal sector jobs become attractive to some informal workers, inducing them to want to move to the formal sector. (JEL J31, J63, J88, K31, O15)

When They're Sixty-Four: Peer Effects and the Timing of Retirement

- American Economic Journal: Applied Economics--2012---Kristine M. Brown, Ron Laschever

This paper examines the effect of peers on an individual's likelihood of retirement using an administrative dataset of all retirement-eligible Los Angeles teachers for the years 1998-2001. We use two large unexpected pension reforms that differentially impacted financial incentives within and across schools to construct an instrument for others' retirement decisions. Controlling for individual and school characteristics, we find that the retirement of an additional teacher in the previous year at the same school increases a teacher's own likelihood of retirement by 1.5-2 percentage points. We then explore some possible mechanisms through which this effect operates. (JEL H75, I21, J14, J26, J45)

The Economic Benefits of Pharmaceutical Innovations: The Case of Cox-2 Inhibitors

- American Economic Journal: Applied Economics--2012---Craig L. Garthwaite

Despite dramatic improvements in medical technology, little attention has been paid to the role of these innovations in improving economic outcomes. This study estimates the labor supply effects of Cox-2 inhibitors, a widely prescribed class of pharmaceuticals used for the treatment of chronic pain and inflammation and primarily marketed under the brand names Vioxx, Celebrex, and Bextra. This paper exploits the removal of Vioxx from the market in 2004 as an exogenous change in drug use. This removal was associated with a 0.35 percentage point decrease in overall labor force participation and \$19 billion in lost wages. (JEL I12, J22, L65, O31).

High Unemployment Yet Few Small Firms: The Role of Centralized Bargaining in South Africa

- American Economic Journal: Applied Economics--2012---Jeremy Magruder

South Africa has very high unemployment, yet few adults work informally in small firms. This paper tests whether centralized bargaining, by which unionized large firms extend arbitration agreements to nonunionized smaller firms, contributes to this problem. While local labor market characteristics influence the location of these agreements, their coverage is spatially discontinuous, allowing identification by spatial regression discontinuity. Centralized bargaining agreements are found to decrease employment in an industry by 8-13 percent, with losses concentrated among small firms. These effects are not explained by resettlement to uncovered areas, and are robust to a wide variety of controls for unobserved heterogeneity. (JEL J52, K31, L25, O14, O15)

Drug Innovations and Welfare Measures Computed from Market Demand: The Case of Anti-cholesterol Drugs

- American Economic Journal: Applied Economics--2012---Abe Dunn

The pharmaceutical industry is characterized as having substantial investment in R&D and a large number of

new product introductions, which poses special problems for price measurement caused by the quality of drug products changing over time. This paper applies recent demand estimation techniques to individual-level data to construct a constant-quality price index for anti-cholesterol drugs. Although the average price for anti-cholesterol drugs does not change over the sample period, I find that the constant-quality price index drops by 27 percent, a pace more in line with our expectations in such a dynamic segment of the industry. (JEL C43, L11, L65, O31)

Expansions in Maternity Leave Coverage and Children's Long-Term Outcomes

- American Economic Journal: Applied Economics--2012---Christian Dustmann,Uta Schöenberg,Uta Schoenberg

This paper evaluates the impact of three major expansions in maternity leave coverage in Germany on children's long-run outcomes. To identify the causal impact of the reforms, we use a difference-in-difference design that compares outcomes of children born shortly before and shortly after a change in maternity leave legislation in years of policy changes, and in years when no changes have taken place. We find no support for the hypothesis that the expansions in leave coverage improved children's outcomes, despite a strong impact on mothers' return to work behavior after childbirth. (JEL J13, J16, J22, J32)

The Opt-In Revolution? Contraception and the Gender Gap in Wages

- American Economic Journal: Applied Economics--2012---Martha Bailey,Brad Hershbein,Amalia Miller

Decades of research on the US gender gap in wages describes its correlates, but little is known about why women changed their career paths in the 1960s and 1970s. This paper explores the role of "the Pill" in altering women's human capital investments and its ultimate implications for life-cycle wages. Using state-by-birthcohort variation in legal access, we show that

younger access to the Pill conferred an 8 percent hourly wage premium by age 50. Our estimates imply that the Pill can account for 10 percent of the convergence of the gender gap in the 1980s and 30 percent in the 1990s. (JEL J13, J16, J31, J71, J24)

What Linear Estimators Miss: The Effects of Family Income on Child Outcomes

- American Economic Journal: Applied Economics--2012---Katrine Løken,Magne Mogstad,Matthew Wiswall

We assess the implications of nonlinearity for IV and FE estimation when the estimated model is inappropriately assumed to be linear. Our application is the causal link between family income and child outcomes. Our nonlinear IV and FE estimates show an increasing, concave relationship between family income and children's outcomes. We find that the linear estimators miss the significant effects of family income because they assign little weight to the large marginal effects in the lower part of the income distribution. We also show that the linear IV and FE estimates differ primarily because of different weighting of marginal effects. (JEL C26, D14, J12, J13)

What Makes Firm-Based Vocational Training Schemes Successful? The Role of Commitment

- American Economic Journal: Applied Economics--2012---Christian Dustmann,Uta Schöenberg,Uta Schoenberg

This paper studies a possible market failure in the firm-based vocational training market: training may be too complex to be specified in a contract so that it is legally enforceable, resulting in the inability of firms to commit to training provision. We present a model of firm provided training and show that training is substantially lower in the no commitment than in the commitment case. Thus, firm-based vocational training schemes are more successful in countries where commitment to training provision is more widespread. (JEL J24, L25, M12, M53)

Reexamining the Impact of Family Planning Programs on US Fertility: Evidence from the War on Poverty and the Early Years of Title X

- American Economic Journal: Applied Economics--2012---Martha Bailey

Almost 50 years after domestic US family planning programs began, their effects on childbearing remain controversial. Using the county-level roll-out of these programs from 1964 to 1973, this paper reevaluates their shorter and longer term effects on US fertility rates. I find that the introduction of family planning is associated with significant and persistent reductions in fertility driven both by falling completed childbearing and childbearing delay. Although federally funded family planning accounted for a small portion of the post-baby boom US fertility decline, my estimates imply that they reduced childbearing among poor women by 19 to 30 percent. (JEL I38, J12, J13, J18)

The Impact of Credit on Village Economies

- American Economic Journal: Applied Economics--2012---Joseph Kaboski,Robert Townsend

This paper evaluates the short- and longer term impact of Thailand's "Million Baht Village Fund" program, among the largest scale government microfinance initiatives in the world, using pre- and post-program panel data and quasi-experimental cross-village variation in credit per household. We find that the village funds have increased total short-term credit, consumption, agricultural investment, and income growth (from business and labor), but decreased overall asset growth. We also find a positive impact on wages, an important general equilibrium effect. The findings are broadly consistent qualitatively with models of credit-constrained household behavior and models of intermediation and growth. (JEL D14, G21, O12, O16, O18)

Risk Pooling, Risk Preferences, and Social Networks

- American Economic Journal: Applied Economics--2012---Orazio Attanasio,Abigail Barr,Juan-

Camilo Cardenas,Garance Genicot,Costas Meghir

Using data from an experiment conducted in 70 Colombian communities, we investigate who pools risk with whom when trust is crucial for enforcing risk pooling arrangements. We explore the roles played by risk attitudes and social networks. Both empirically and theoretically, we find that close friends and relatives group assortatively on risk attitudes and are more likely to join the same risk pooling group, while unfamiliar participants group less and rarely assort. These findings indicate that where there are advantages to grouping assortatively on risk attitudes those advantages may be inaccessible when trust is absent or low. (JEL C93, O12, O18, Z13)

Productivity Spillovers across Firms through Worker Mobility

- American Economic Journal: Applied Economics--2012---Andrey Stoyanov,Nick Zubanov

Using matched firm-worker data from Danish manufacturing, we observe firm-to-firm worker movements and find that firms that hired workers from more productive firms experience productivity gains one year after the hiring. The productivity gains associated with hiring from more productive firms are equivalent to 0.35 percent per year for an average firm. Surviving a variety of statistical controls, these gains increase with education, tenure, and skill level of new hires, persist for several years after the hiring was done, and remain broadly similar for different industries and measures of productivity. Competing explanations for these gains, knowledge spillovers in particular, are discussed. (JEL D24, J24, J62, L60, O33)

Indirect Effects of a Policy Altering Criminal Behavior: Evidence from the Italian Prison Experiment

- American Economic Journal: Applied Economics--2012---Francesco Drago,Roberto Galbiati

We exploit the 2006 Italian prison pardon to evaluate peer effects in criminal behavior. The pardon randomly

commutes actual sentences to expected sentences for 40 percent of the Italian prison population. Using prison and geographical origin to construct reference groups for former inmates, we find large indirect effects of this policy. In particular, we find that the reduction in the individuals' recidivism due to an increase in their peers' residual sentence is at least as large as their response to an increase in their own residual sentence. From this result we estimate a social multiplier in crime of two. (JEL D12, K42, Z13)

The Effect of Shift Structure on Performance

- American Economic Journal: Applied Economics---2012---Tanguy Brachet, Guy David, Andrea M. Drechsler

The effect of shift structure on worker performance and productivity is of increasing interest to firms and regulatory bodies. Using approximately 743,000 emergency medical incidents attended by 2,381 paramedics in Mississippi, we evaluate the extent that paramedics' performance toward the end of shifts is impacted by shift length. We find evidence that performance deteriorates toward the end of long shifts, and argue that fatigue is the mediating factor. Our calculations imply that such deterioration may result in a 0.76 percent increase in 30-day mortality. These findings have implications for workforce organization, calling attention to regulation designed to limit extended work hours. (JEL J22, J24, J28, J45, M12)

Cash Transfers, Behavioral Changes, and Cognitive Development in Early Childhood: Evidence from a Randomized Experiment

- American Economic Journal: Applied Economics---2012---Karen Macours, Norbert Schady, Renos Vakis

Cash transfer programs have become extremely popular in the developing world. A large literature analyzes their effects on schooling, health and nutrition, but relatively little is known about possible impacts on child development. This paper analyzes the impact of a cash

transfer program on early childhood cognitive development. Children in households randomly assigned to receive benefits had significantly higher levels of development nine months after the program began. There is no fade-out of program effects two years after the program ended. Additional random variation shows that these impacts are unlikely to result from the cash component of the program alone. (JEL H23, I15, J13, O15)

Castes and Labor Mobility

- American Economic Journal: Applied Economics---2012---Viktoria Hnatkovska, Amartya Lahiri, Sourabh Paul

We examine the relative fortunes of the historically disadvantaged scheduled castes and tribes (SC/ST) in India in terms of their education attainment, occupation choices, consumption and wages. We study the period 1983-2005 using household survey data from successive rounds of the National Sample Survey. We find that this period has been characterized by a significant convergence of education, occupation distribution, wages and consumption levels of SC/STs toward non-SC/ST levels. Using various decomposition approaches we find that the improvements in education account for a major part of the wage and consumption convergence. (JEL I24, O15, O17, Z13)

The Short- and Long-Term Career Effects of Graduating in a Recession

- American Economic Journal: Applied Economics---2012---Philip Oreopoulos, Till von Wachter, Andrew Heisz

This paper analyzes the magnitude and sources of long-term earnings declines associated with graduating from college during a recession. Using a large longitudinal university-employer-employee dataset, we find that the cost of recessions for new graduates is substantial and unequal. Unlucky graduates suffer persistent earnings declines lasting ten years. They start to work for lower paying employers, and then partly recover through a gradual process of mobility toward better

firms. We document that more advantaged graduates suffer less from graduating in recessions because they switch to better firms quickly, while earnings of less advantaged graduates can be permanently affected by cyclical downgrading. (JEL E32, I23, J22, J23, J31)

Partisan Grading

- American Economic Journal: Applied Economics--2012---Talía Bar, Asaf Zussman

We study grading outcomes associated with professors in an elite university in the United States who were identified—using voter registration records from the county where the university is located—as either Republicans or Democrats. The evidence suggests that student grades are linked to the political orientation of professors. Relative to their Democratic colleagues, Republican professors are associated with a less egalitarian distribution of grades and with lower grades awarded to black students relative to whites. (JEL D72, I23, J15)

An Empirical Investigation of the Option Value of College Enrollment

- American Economic Journal: Applied Economics--2012---Kevin Stange

This paper quantifies the option value arising from sequential schooling decisions made in the presence of uncertainty and learning about academic ability. College attendance has option value since enrolled students have the option, but not obligation, to continue in school after learning their aptitude and tastes. I estimate that option value accounts for 14 percent of the total value of the opportunity to attend college for the average high school graduate and is greatest for moderate-aptitude students. Students' ability to make decisions sequentially in response to new information increases welfare and also makes educational outcomes less polarized by background. (JEL D83, I23)

School Desegregation and Urban Change: Evidence from City Boundaries

- American Economic Journal: Applied Economics--2012---Leah Boustan

I examine changes in the city-suburban housing price gap in metropolitan areas with and without court-ordered desegregation plans over the 1970s, narrowing my comparison to housing units on opposite sides of district boundaries. Desegregation of public schools in central cities reduced the demand for urban residence, leading urban housing prices and rents to decline by 6 percent relative to neighboring suburbs. Aversion to integration was due both to changes in peer composition and to student reassignment to nonneighborhood schools. The associated reduction in the urban tax base imposed a fiscal externality on remaining urban residents. (JEL H75, I21, I28, J15, R23, R31)

When the Saints Go Marching Out: Long-Term Outcomes for Student Evacuees from Hurricanes Katrina and Rita

- American Economic Journal: Applied Economics--2012---Bruce Sacerdote

I examine long-term academic performance and college going for students affected by Hurricanes Katrina and Rita. Students who are forced to switch schools due to the hurricanes experience sharp declines in test scores in the first year following the hurricanes. However, by the third and fourth years after the disaster, evacuees displaced from Orleans Parish see a 0.18 standard deviation improvement in scores. Gains are concentrated among students initially in the lowest quintiles of the test score distribution. Katrina evacuees do not show gains in college going relative to earlier cohorts from their same pre-hurricane high schools. (JEL I20, Q54, R23).

Sorting in Experiments with Application to Social Preferences

- American Economic Journal: Applied Economics---2012---Edward P. Lazear, Ulrike Malmendier, Roberto Weber

Individuals sort into and out of economic environments based on their preferences and in response to relative prices. We demonstrate the importance of such sorting for the measurement of social preferences, using two laboratory experiments. First, allowing subjects to avoid environments in which sharing is possible significantly reduces sharing. This reveals the existence of a type of individual who shares reluctantly, preferring to avoid the opportunity to share. Second, after subsidizing the sharing environment, the aggregate amount shared increases, but less is shared, on average, by those who enter. Thus, subsidies intended to induce more sharing have weak effects since they attract those who share the least. (JEL C91, D12, D64)

Investing Cash Transfers to Raise Long-Term Living Standards

- American Economic Journal: Applied Economics--2012---Paul Gertler, Sebastian Martinez, Marta Rubio-Codina

Using data from a randomized experiment, we find that poor rural Mexican households invested part of their cash transfers from the Oportunidades program in productive assets, increasing agricultural income by almost 10 percent after 18 months of benefits. We estimate that for each peso transferred, households consume 74 cents and invest the rest, permanently increasing long-term consumption by about 1.6 cents. Results suggest that cash transfers can achieve long-term increases in consumption through investment in productive activities, thereby permitting beneficiary households to attain higher living standards that are sustained even after transitioning off the program. (JEL D14, H23, I38, O12)

Do Expert Reviews Affect the Demand for Wine?

- American Economic Journal: Applied Economics--2012---Richard Friberg, Erik Grönqvist

We examine the demand for wines in Sweden using five years of weekly data on sales, advertising, and expert reviews. The effect of a favorable review peaks in the week after publication with an increase in demand of

6 percent, and the effect remains significant for more than 20 weeks. We find small demand-enhancing effects of neutral reviews and no evidence of important negative effects from unfavorable reviews. Restrictions on the state-owned monopoly retailer and the exogenous timing of a subset of the reviews support a causal interpretation of the effects of reviews on demand. (JEL D12, L66, L81, M31, M37)

Are Female Leaders Good for Education? Evidence from India

- American Economic Journal: Applied Economics--2012---Irma Clots-Figueras

This paper shows that the gender of politicians affects the educational levels of individuals who grow up in the districts where these politicians are elected. A unique dataset collected on politicians in India is matched with individual data by cohort and district of residence. The political data allow the identification of close elections between women and men, which yield quasi-experimental election outcomes used to estimate the causal effect of the gender of politicians. Increasing female political representation increases the probability that an individual will attain primary education in urban areas, but not in rural areas, and not in the sample as a whole. (JEL D72, I20, J16, O15, O17)

Enhancing Cognitive Functioning: Medium-Term Effects of a Health and Family Planning Program in Matlab

- American Economic Journal: Applied Economics--2012---Tania Barham

It is believed that early life circumstances are crucial to success later in life. Yet causal evidence that the impacts of early childhood health interventions continue into late childhood and adolescence is sparse. This paper exploits a quasi-random placement of the Matlab Maternal and Child Health and Family Planning Program in Bangladesh to determine whether children eligible for child health interventions in early childhood had better cognitive functioning at ages 8-14. I find

a program effect of 0.39 standard deviations on cognitive functioning and similar effects for height and educational attainment (JEL I15, I18, J13, J18, O15).

Informal Taxation

- American Economic Journal: Applied Economics--2011---Benjamin Olken, Monica Singhal

Informal payments are a frequently overlooked source of local public finance in developing countries. We use microdata from ten countries to establish stylized facts on the magnitude, form, and distributional implications of this "informal taxation." Informal taxation is widespread, particularly in rural areas, with substantial in-kind labor payments. The wealthy pay more, but pay less in percentage terms, and informal taxes are more regressive than formal taxes. Failing to include informal taxation underestimates household tax burdens and revenue decentralization in developing countries. We discuss various explanations for and implications of these observed stylized facts. (JEL H24, H27, O12, O17, O23)

Public Provision and Protection of Natural Resources: Groundwater Irrigation in Rural India

- American Economic Journal: Applied Economics--2011---Sheetal Sekhri

This paper evaluates the effects of a public groundwater provision program on water tables in Northern India. I theorize that public provision leads to sustainable use of groundwater when the fixed costs for private well provision are high. I use village-level longitudinal data on aquifers and wells, and exploit the physical and technological limitations of surface pumps that generate a cost difference at a specific water depth to test this model. My findings suggest that public provision can be used as an alternative in scenarios where prohibitive monitoring costs might preclude the use of other regulatory approaches to prevent over-extraction. (JEL O13, O18, Q15, Q25, Q28, Q53, Q58)

Health Capital and the Prenatal Environment: The Effect of Ramadan Observance during Pregnancy

- American Economic Journal: Applied Economics--2011---Douglas Almond, Bhashkar Mazumder

This paper uses the Islamic holy month of Ramadan as a natural experiment in diurnal fasting and fetal health. Among births to Arab parents in Michigan, we find prenatal exposure to Ramadan results in lower birth weight. Exposure in the first month of gestation also reduces the number of male births. Turning to long-term "fetal origins" effects, we find Muslims in Uganda and Iraq are 20 percent more likely to be disabled as adults if early pregnancy overlapped with Ramadan. Estimated effects are larger for mental (or learning) disabilities. Our results suggest that relatively mild prenatal exposures can have persistent effects. (JEL I12, J16, O15, O17, Z12)

The Consumption Response to Seasonal Income: Evidence from Japanese Public Pension Benefits

- American Economic Journal: Applied Economics--2011---Melvin Stephens, Takashi Unayama

Japanese public pension benefits, which were distributed quarterly through February 1990, and every other month since then, induce substantial but predictable income fluctuations. The relative magnitude of the payments combined with the delay between payments yields a stronger test of the Life-Cycle/Permanent Income Hypothesis than in prior studies. Applying two identification strategies to monthly household panel data, we find that consumption significantly responds to quarterly benefit receipt. Additional analysis suggests that our findings cannot be explained by either liquidity constraints or precautionary savings motives. (JEL D12, D91, E21, H55)

Government Advertising and Media Coverage of Corruption Scandals

- American Economic Journal: Applied Economics--2011---Rafael Di Tella, Ignacio Franceschelli

We construct measures of the extent to which the four main newspapers in Argentina report government corruption on their front page during the period 1998-2007 and correlate them with government advertising. The correlation is negative. The size is considerable—a one standard deviation increase in monthly government advertising is associated with a reduction in the coverage of the government's corruption scandals of 0.23 of a front page per month, or 18 percent of a standard deviation in coverage. The results are robust to the inclusion of newspaper, month, newspaper \times president and individual-corruption scandal fixed effects, as well as newspaper \times president specific time trends. (JEL D72, K42, L82, M37, O17)

Climate Change, Mortality, and Adaptation: Evidence from Annual Fluctuations in Weather in the US

- American Economic Journal: Applied Economics--2011---Olivier Deschenes, Michael Greenstone

Using random year-to-year variation in temperature, we document the relationship between daily temperatures and annual mortality rates and daily temperatures and annual residential energy consumption. Both relationships exhibit nonlinearities, with significant increases at the extremes of the temperature distribution. The application of these results to "business as usual" climate predictions indicates that by the end of the century climate change will lead to increases of 3 percent in the age-adjusted mortality rate and 11 percent in annual residential energy consumption. These estimates likely overstate the long-run costs, because climate change will unfold gradually allowing individuals to engage in a wider set of adaptations. (JEL I12, Q41, Q54)

Subsidized Farm Input Programs and Agricultural Performance: A Farm-Level Analysis of West Bengal's Green Revolution, 1982-1995

- American Economic Journal: Applied Economics--2011---Pranab Bardhan, Dilip Mookherjee

We examine the role of delivery of subsidized seeds and

fertilizers in the form of agricultural minikits by local governments in three successive farm panels in West Bengal spanning 1982-1995. These programs significantly raised farm value added per acre, accounting for almost two-thirds of the observed growth. The estimates are robust to possible endogeneity of program placement, controls for farm and year effects, other programs of agricultural development, local weather, and price shocks. The effects of the kits delivery program overshadowed the effects of other rural development programs, including the tenancy registration program Operation Barga. (JEL O13, Q12, Q16, Q18)

Economic Shocks and Civil Conflict: A Comment

- American Economic Journal: Applied Economics--2011---Antonio Ciccone

Edward Miguel, Shanker Satyanath, and Ernest Sergenti (2004), henceforth MSS, argue that lower rainfall levels and negative rainfall shocks increase conflict risk in sub-Saharan Africa. This conclusion rests on their finding of a negative correlation between conflict in t and rainfall growth between $t - 1$ and $t - 2$. I show that this finding is driven by a (counterintuitive) positive correlation between conflict in t and rainfall levels in $t - 2$. If lower rainfall levels or negative rainfall shocks increased conflict, MSS's finding should have been due to a negative correlation between conflict in t and rainfall levels in $t - 1$. In the latest data, conflict is unrelated to rainfall. (JEL D74, E32, O11, O17, O47)

Re-examining Economic Shocks and Civil Conflict

- American Economic Journal: Applied Economics--2011---Edward Miguel, Shanker Satyanath

Miguel, Satyanath, and Ernest Sergenti (2004), henceforth MSS, show that economic growth is negatively related to civil conflict in Africa, using annual rainfall variation as an IV for growth. Antonio Ciccone (2011) argues that thanks to rainfall's mean-reverting nature, rainfall levels are preferable to annual changes. We make three points. First, MSS's findings hold using

rainfall levels as instruments. Second, Ciccone (2011) does not provide theoretical justification for preferring rainfall levels. Third, the first-stage relationship between rainfall and growth is weaker after 2000, suggesting that alternative instruments are needed when studying recent conflicts. We highlight the accumulating microeconomic evidence that adverse economic shocks lead to political violence. (JEL D74, E32, O11, O17, O47)

Government Transfers and Political Support

- American Economic Journal: Applied Economics--2011---Marco Manacorda,Edward Miguel,Andrea Vigorito

This paper estimates the impact of a large anti-poverty cash transfer program, the Uruguayan PANES, on political support for the government that implemented it. Using the discontinuity in program assignment based on a pretreatment eligibility score, we find that beneficiary households are 11 to 13 percentage points more likely to favor the current government relative to the previous government. Political support effects persist after the program ends. Our results are consistent with theories of rational but poorly informed voters who use policy to infer politicians' redistributive preferences or competence, as well as with behavioral economics explanations grounded in reciprocity. (JEL D72, H23, H53, I38, O15, O17)

Do Value-Added Estimates Add Value? Accounting for Learning Dynamics

- American Economic Journal: Applied Economics--2011---Tahir Andrabi,Jishnu Das,Asim Khwaja,Tristan Zajonc

This paper illustrates the central role of persistence in estimating and interpreting value-added models of learning. Using data from Pakistani public and private schools, we apply dynamic panel methods that address three key empirical challenges: imperfect persistence, unobserved heterogeneity, and measurement error. Our estimates suggest that only one-fifth to one-half of learning persists between grades and that private

schools increase average achievement by 0.25 standard deviations each year. In contrast, value-added models that assume perfect persistence yield severely downward estimates of the private school effect. Models that ignore unobserved heterogeneity or measurement error produce biased estimates of persistence. (JEL I21, J13, O15)

Financial Constraints and Inflated Home Prices during the Real Estate Boom

- American Economic Journal: Applied Economics--2011---Itzhak Ben-David

During the housing boom, financially constrained home buyers artificially inflated transaction prices in order to draw larger mortgages. Using transaction data from Illinois that includes sellers' offers to inflate prices, I estimate that in 2005-2008, up to 16 percent of highly leveraged transactions had inflated prices of up to 9 percent. Inflated transactions were common in low-income neighborhoods and when intermediaries had a greater stake or an informational advantage. Borrowers who inflated prices were more likely to default, but their mortgage rates were not materially higher. Property prices in areas with a high rate of past price inflation exhibited momentum and high volatility. (JEL D14, E31, R31)

Low-Skilled Immigration and the Labor Supply of Highly Skilled Women

- American Economic Journal: Applied Economics--2011---Patricia Cortés,José Tessada

Low-skilled immigrants represent a significant fraction of employment in services that are close substitutes of household production. This paper studies whether the increased supply of low-skilled immigrants has led high-skilled women, who have the highest opportunity cost of time, to change their time-use decisions. Exploiting cross-city variation in immigrant concentration, we find that low-skilled immigration increases average hours of market work and the probability of working long hours of women at the top quartile of the wage distribution. Consistently, we find that women in this group decrease

the time they spend in household work and increase expenditures on housekeeping services. (JEL J16, J22, J24, J61)

Marrying Up: The Role of Sex Ratio in Assortative Matching

- American Economic Journal: Applied Economics--2011---Ran Abramitzky,Adeline Delavande,Luis Vasconcelos

We assemble a novel dataset to study the impact of male scarcity on marital assortative matching and other marriage market outcomes using the large shock that WWI caused to the number of French men. Using a difference-in-differences approach, we find that postwar in regions with higher mortality rates: men were less likely to marry women of lower social classes; men were more likely and women less likely to marry; out-of-wedlock births increased; divorce rates decreased; and the age gap decreased. These findings are consistent with men improving their position in the marriage market as they become scarcer. (JEL J12, J16, N34)

Are High-Quality Schools Enough to Increase Achievement among the Poor? Evidence from the Harlem Children's Zone

- American Economic Journal: Applied Economics--2011---Will Dobbie,Roland G. Fryer

Harlem Children's Zone (HCZ), an ambitious social experiment, combines community programs with charter schools. We provide the first empirical test of the causal impact of HCZ charters on educational outcomes. Both lottery and instrumental variable identification strategies suggest that the effects of attending an HCZ middle school are enough to close the black-white achievement gap in mathematics. The effects in elementary school are large enough to close the racial achievement gap in both mathematics and ELA. We conclude with evidence that suggests high-quality schools are enough to significantly increase academic achievement among the poor. Community programs appear neither necessary nor sufficient. (JEL H75, I21, I28, J13, R23)

Subsidizing Vocational Training for Disadvantaged Youth in Colombia: Evidence from a Randomized Trial

- American Economic Journal: Applied Economics--2011---Orazio Attanasio,Adriana Kugler,Costas Meghir

This paper evaluates the impact of a randomized training program for disadvantaged youth introduced in Colombia in 2005. This randomized trial offers a unique opportunity to examine the impact of training in a middle income country. We use originally collected data on individuals randomly offered and not offered training. The program raises earnings and employment for women. Women offered training earn 19.6 percent more and have a 0.068 higher probability of paid employment than those not offered training, mainly in formal-sector jobs. Cost-benefit analysis of these results suggests that the program generates much larger net gains than those found in developed countries. (JEL I28, J13, J24, O15)

Returns to Local-Area Health Care Spending: Evidence from Health Shocks to Patients Far from Home

- American Economic Journal: Applied Economics--2011---Joseph J. Doyle

Health care spending varies widely across markets, and previous research finds little evidence that higher spending translates into better health outcomes. The main innovation in this paper exploits this cross-sectional variation in hospital spending in a new way by considering emergency patients who are exposed to healthcare systems when they are far from home. Visitors to Florida who become ill in high-spending areas have significantly lower mortality rates compared to visitors in lower spending areas. The results are robust within groups of similar visitors and within groups of destinations that appear to be close demand substitutes -- areas that likely attract similar visitors. (JEL H75, I11, I18)

Do Social Connections Reduce Moral Hazard? Evidence from the New York City Taxi Industry

- American Economic Journal: Applied Economics--2011---C. Kirabo Jackson, Henry Schneider

This study investigates the role of social networks in aligning the incentives of agents in settings with incomplete contracts. Specifically, the study examines the New York City taxi industry where taxis are often leased and lessee-drivers have worse driving outcomes than owner-drivers due to moral hazard. Using within-driver variation and instrumental variable strategies to remove selection, we find that drivers leasing from members of their country-of-birth community exhibit significantly reduced effects of moral hazard, representing an improvement of almost one-half of a standard deviation of the outcome measures. Screening is ruled out as an explanation, and other mechanisms are investigated. (JEL D82, D86, L92, Z13)

Corrigendum: Mechanisms and Impacts of Gender Peer Effects at School

- American Economic Journal: Applied Economics--2011---Victor Lavy, Analía Schlosser

Mechanisms and Impacts of Gender Peer Effects at School

- American Economic Journal: Applied Economics--2011---Victor Lavy, Analía Schlosser

We present in this paper evidence about the effects and mechanisms of gender peer effects in elementary, middle, and high schools. For identification, we rely on idiosyncratic variations in gender composition across adjacent cohorts within the same schools. We find that an increase in the proportion of girls improves boys and girls' cognitive outcomes. These academic gains are mediated through lower levels of classroom disruption and violence, improved inter-student and student-teacher relationships, and lessened teachers' fatigue. We find no effect on individual behavior, which suggests that the positive effects of girls on classroom environment are mostly due to compositional change. (JEL I21, J16)

The Wrong Side(s) of the Tracks: The Causal Effects of Racial Segregation on Urban Poverty and Inequality

- American Economic Journal: Applied Economics--2011---Elizabeth Oltmans Ananat

A striking negative correlation exists between an area's residential racial segregation and its population characteristics, but it is recognized that this relationship may not be causal. I present a novel test of causality from segregation to population characteristics by exploiting the arrangements of railroad tracks in the nineteenth century to isolate plausibly exogenous variation in areas' susceptibility to segregation. I show that this variation satisfies the requirements for a valid instrument. Instrumental variables estimates demonstrate that segregation increases metropolitan rates of black poverty and overall black-white income disparities, while decreasing rates of white poverty and inequality within the white population. (JEL I32, J15, N31, N32, N91, N92, R23)

Peers, Neighborhoods, and Immigrant Student Achievement: Evidence from a Placement Policy

- American Economic Journal: Applied Economics--2011---Olof Åslund, Per-Anders Edin, Peter Fredriksson, Hans Grönqvist

We examine to what extent immigrant school performance is affected by the characteristics of the neighborhoods that they grow up in. We address this issue using a refugee placement policy that provides exogenous variation in the initial place of residence in Sweden. The main result is that school performance is increasing in the number of highly educated adults sharing the subject's ethnicity. A standard deviation increase in the fraction of high-educated in the assigned neighborhood raises compulsory school GPA by 0.8 percentile ranks. Particularly for disadvantaged groups, there are also long-run effects on educational attainment. (JEL I21, J15, R23)

Schooling and the Vietnam-Era GI Bill: Evidence from the Draft Lottery

- American Economic Journal: Applied Economics--2011---Joshua Angrist, Stacey Chen

Draft-lottery estimates of the causal effects of Vietnam-era military service using 2000 census data show marked schooling gains for veterans. We argue that these gains can be attributed to Vietnam veterans' use of the GI Bill rather than draft avoidance behavior. At the same time, draft lottery estimates of the earnings consequences of Vietnam-era service are close to zero in 2000. The earnings and schooling results can be reconciled by a flattening of the age-earnings profile in middle age and a modest economic return to the schooling subsidized by the GI Bill. Other long-run consequences of Vietnam-era service include increases in migration and public sector employment. (JEL H52, I22, I23, J24, J31, J45)

Conscription and Crime: Evidence from the Argentine Draft Lottery

- American Economic Journal: Applied Economics--2011---Sebastian Galiani, Martín Rossi, Ernesto Schargrodsky

We estimate the causal effect of mandatory participation in military service on individuals' subsequent involvement in criminal activities. To identify this causal effect, we exploit the random assignment of young men to conscription in Argentina through a draft lottery. Using a dataset that includes draft eligibility, participation in military service, and criminal records, we find that conscription increases the likelihood of developing a criminal record. The effects are significant not only for cohorts that provided military service during wartime, but also for those that served during peacetime. Our results do not support the introduction of conscription for anti-crime purposes. JEL (H56, K42, O17)

Purchasing Power Parity Exchange Rates for the Global Poor

- American Economic Journal: Applied Economics--2011---Angus Deaton, Olivier Dupriez

The global poverty count uses a common global poverty line, often referred to as the dollar-a-day line, currently \$1.25 at 2005 international prices, whose construction and application depends on purchasing power parity (PPP) exchange rates for consumption. The price indexes that underlie the PPPs used for this purpose are constructed for purposes of national income accounting, using weights that represent patterns of aggregate consumption, not the consumption patterns of the global poor. We use household surveys from 62 developing countries to calculate global poverty-weighted PPPs and to calculate global poverty lines and new global poverty counts. (JEL C43, E21, F31, I32, O15)

Improving the Design of Conditional Transfer Programs: Evidence from a Randomized Education Experiment in Colombia

- American Economic Journal: Applied Economics--2011---Felipe Barrera-Osorio, Marianne Bertrand, Leigh Linden, Francisco Perez-Calle

Using a student level randomization, we compare three education-based conditional cash transfers designs: a standard design, a design where part of the monthly transfers are postponed until children have to re-enroll in school, and a design that lowers the reward for attendance but incentivizes graduation and tertiary enrollment. The two nonstandard designs significantly increase enrollment rates at both the secondary and tertiary levels while delivering the same attendance gains as the standard design. Postponing some of the attendance transfers to the time of re-enrollment appears particularly effective for the most at-risk children. (JEL H23, I21, I22, J13, O15)

The Price of Political Opposition: Evidence from Venezuela's *Maisanta*

- American Economic Journal: Applied Economics--2011---Chang-Tai Hsieh, Edward Miguel, Daniel

In 2004, the Hugo Chávez regime in Venezuela distributed the list of several million voters who had attempted to remove him from office throughout the government bureaucracy, allegedly to identify and punish these voters. We match the list of petition signers distributed by the government to household survey respondents to measure the economic effects of being identified as a Chávez political opponent. We find that voters who were identified as Chávez opponents experienced a 5 percent drop in earnings and a 1.3 percentage point drop in employment rates after the voter list was released. (JEL D72, O17)

Do Teenagers Respond to HIV Risk Information? Evidence from a Field Experiment in Kenya

- American Economic Journal: Applied Economics--2011---Pascaline Dupas

We use a randomized experiment to test whether and what information changes teenagers' sexual behavior in Kenya. Providing information on the relative risk of HIV infection by partner's age led to a 28 percent decrease in teen pregnancy, an objective proxy for the incidence of unprotected sex. Self-reported sexual behavior data suggests substitution away from older (riskier) partners and toward same-age partners. In contrast, the official abstinence-only HIV curriculum had no impact on teen pregnancy. These results suggest that teenagers are responsive to risk information, but their sexual behavior is more elastic on the intensive than on the extensive margin. (JEL D83, I12, J13, O12)

Transactional Sex as a Response to Risk in Western Kenya

- American Economic Journal: Applied Economics--2011---Jonathan Robinson, Ethan Yeh

Though formal and informal sex work has long been identified as crucial for the spread of HIV/AIDS, the nature of the sex-for-money market remains poorly understood. Using a unique panel dataset constructed

from 192 self-reported diaries, we find that women who engage in transactional sex substantially increase their supply of risky, better compensated sex to cope with unexpected health shocks, particularly the illness of another household member. These behavioral responses entail significant health risks for these women and their partners, and suggest that these women are unable to cope with risk through other consumption smoothing mechanisms. (JEL I12, J16, O15)

Traffic Congestion and Infant Health: Evidence from E-ZPass

- American Economic Journal: Applied Economics--2011---Janet Currie, Reed Walker

We exploit the introduction of electronic toll collection, (E-ZPass), which greatly reduced both traffic congestion and vehicle emissions near highway toll plazas. We show that the introduction of E-ZPass reduced prematurity and low birth weight among mothers within 2 kilometers (km) of a toll plaza by 10.8 percent and 11.8 percent, respectively, relative to mothers 2-10 km from a toll plaza. There were no immediate changes in the characteristics of mothers or in housing prices near toll plazas that could explain these changes. The results are robust to many changes in specification and suggest that traffic congestion contributes significantly to poor health among infants. (JEL I12, J13, Q51, Q53, R41)

Menstruation, Sanitary Products, and School Attendance: Evidence from a Randomized Evaluation

- American Economic Journal: Applied Economics--2011---Emily Oster, Rebecca Thornton

Policy-makers have cited menstruation and lack of sanitary products as barriers to girls' schooling. We evaluate these claims using a randomized evaluation of sanitary products provision to girls in Nepal. We report two findings. First, menstruation has a very small impact on school attendance. We estimate that girls miss a total of 0.4 days in a 180 day school year. Second, improved sanitary technology has no effect on

reducing this (small) gap. Girls who randomly received sanitary products were no less likely to miss school during their period. We can reject (at the 1 percent level) the claim that better menstruation products close the attendance gap. (JEL I21, J13, J16, O12)

The Labor Market Returns to Cognitive and Noncognitive Ability: Evidence from the Swedish Enlistment

- American Economic Journal: Applied Economics--2011---Erik Lindqvist,Roine Vestman

We use data from the Swedish military enlistment to assess the importance of cognitive and noncognitive ability for labor market outcomes. The measure of noncognitive ability is based on a personal interview conducted by a psychologist. We find strong evidence that men who fare poorly in the labor market—in the sense of unemployment or low annual earnings—lack noncognitive rather than cognitive ability. However, cognitive ability is a stronger predictor of wages for skilled workers and of earnings above the median. (JEL J24, J31, J45)

Minimum Wages and Firm Profitability

- American Economic Journal: Applied Economics--2011---Mirko Draca,Stephen Machin,John van Reenen

We study the impact of minimum wages on firm profitability, exploiting the changes induced by the introduction of a UK national minimum wage in 1999. We use pre-policy information on the distribution of wages to implement a difference-in-differences approach. Minimum wages raise wages, but also significantly reduce profitability (especially in industries with relatively high market power). This is consistent with a simple model where wage gains from minimum wages map directly into profit reductions. There is some suggestive evidence of longer run adjustment to the minimum wage through falls in net entry rates. (JEL J31, J38, L25)

Are Restaurants Really Supersizing America?

- American Economic Journal: Applied Economics--2011---Michael Anderson,David A. Matsa

While many researchers and policymakers infer from correlations between eating out and body weight that restaurants are a leading cause of obesity, a basic identification problem challenges these conclusions. We exploit the placement of Interstate Highways in rural areas to obtain exogenous variation in the effective price of restaurants and examine the impact on body mass. We find no causal link between restaurant consumption and obesity. Analysis of food-intake micro-data suggests that consumers offset calories from restaurant meals by eating less at other times. We conclude that regulation targeting restaurants is unlikely to reduce obesity but could decrease consumer welfare. (JEL I12, I18, L51, L66)

Aftershocks: The Impact of Clinic Violence on Abortion Services

- American Economic Journal: Applied Economics--2011---Mireille Jacobson,Heather Royer

Between 1973 and 2003, abortion providers in the United States were the targets of over 300 acts of extreme violence. Using unique data on attacks and on abortions, abortion providers, and births, we examine how anti-abortion violence has affected providers' decisions to perform abortions and women's decisions about whether and where to terminate a pregnancy. We find that clinic violence reduces abortion services in targeted areas. Once travel is taken into account, however, the overall effect of the violence is much smaller. (JEL I11, J13, K42)

Was There Really a Hawthorne Effect at the Hawthorne Plant? An Analysis of the Original Illumination Experiments

- American Economic Journal: Applied Economics--2011---Steven Levitt,John List

The "Hawthorne effect" draws its name from a landmark set of studies conducted at the Hawthorne plant

in the 1920s. The data from the first and most influential of these studies, the "Illumination Experiment," were never formally analyzed and were thought to have been destroyed. Our research has uncovered these data. Existing descriptions of supposedly remarkable data patterns prove to be entirely fictional. We do find more subtle manifestations of possible Hawthorne effects. We also propose a new means of testing for Hawthorne effects based on excess responsiveness to experimenter-induced variations relative to naturally occurring variation. (JEL C90, J24, J28, M12, M54, N32)

Caste as an Impediment to Trade

- American Economic Journal: Applied Economics--2011---Siwan Anderson

We compare outcomes across two types of villages in rural India. Villages vary by which caste is dominant (owns the majority of land): either a low or high caste. The key finding is that income is substantially higher for low-caste households residing in villages dominated by a low caste. This seems to be due to a trade breakdown in irrigation water across caste groups. All else equal, lower caste water buyers have agricultural yields which are 45 percent higher if they reside in a village where water sellers are of the same caste compared to one where they are not. (JEL O12, O13, O17, O18, Q15, R23, Z13)

Factor Immobility and Regional Impacts of Trade Liberalization: Evidence on Poverty from India

- American Economic Journal: Applied Economics--2010---Petia Topalova

This paper uses the 1991 Indian trade liberalization to measure the impact of trade liberalization on poverty, and to examine the mechanisms underpinning this impact. Variation in sectoral composition across districts and liberalization intensity across production sectors allows a difference-in-difference approach. Rural districts, in which production sectors more exposed to liberalization were concentrated, experienced slower decline in poverty and lower consumption growth. The

impact of liberalization was most pronounced among the least geographically mobile at the bottom of the income distribution, and in Indian states where inflexible labor laws impeded factor reallocation across sectors. (JEL F13, I32, O15, O18, O19, O24)

Trade Adjustment and Human Capital

Investments: Evidence from Indian Tariff Reform

- American Economic Journal: Applied Economics--2010---Eric Edmonds,Nina Pavcnik,Petia Topalova

Does trade policy influence schooling and child labor in low-income countries? We examine this question in the context of India's 1991 tariff reforms. While schooling increased and child labor declined in rural India in the 1990s, these trends are attenuated in districts with employment concentrated in industries losing tariff protection. As the loss of protection causes a relative rise in poverty in affected districts, families reduce schooling to save schooling costs. Girls disproportionately bear the burden of helping their families cope with poverty. (JEL F13, F16, I21, J13, J82, O15, O19)

Beyond Signaling and Human Capital: Education and the Revelation of Ability

- American Economic Journal: Applied Economics--2010---Peter Arcidiacono,Patrick Bayer,Aurel Hizmo

We provide evidence that college graduation plays a direct role in revealing ability to the labor market. Using the NLSY79, our results suggest that ability is observed nearly perfectly for college graduates, but is revealed to the labor market more gradually for high school graduates. Consequently, from the beginning of their careers, college graduates are paid in accordance with their own ability, while the wages of high school graduates are initially unrelated to their own ability. This view of ability revelation in the labor market has considerable power in explaining racial differences in wages, education, and returns to ability. (JEL D82, I21, I23, J24, J31)

The Flattening Firm and Product Market Competition: The Effect of Trade Liberalization on Corporate Hierarchies

- American Economic Journal: Applied Economics--2010---Maria Guadalupe, Julie Wulf

This paper establishes a causal effect of product market competition on various characteristics of organizational design. Using a unique panel dataset on firm hierarchies of large US firms (1986-1999) and a quasi-natural experiment (trade liberalization), we find that competition leads firms to flatten their hierarchies: firms reduce the number of positions between the CEO and division managers, and firms increase the number of positions reporting directly to the CEO. The results illustrate how firms redesign their organizational structure through a set of complementary choices in response to changes in their environment. We discuss several possible interpretations of these changes. (JEL D23, F13, G34, M12, M51)

Minimum Wages and Earnings Inequality in Urban Mexico

- American Economic Journal: Applied Economics--2010---Mariano Bosch, Marco Manacorda

This paper analyzes the contribution of the minimum wage to the well documented rise in earnings inequality in Mexico between the late 1980s and the early 2000s. We find that a substantial part of the growth in inequality, and essentially all of the growth in inequality in the bottom end of the distribution, is due to the steep decline in the real value of the minimum wage. (JEL J31, J38, O15, O17, O18, R23)

School Competition and Efficiency with Publicly Funded Catholic Schools

- American Economic Journal: Applied Economics--2010---David Card, Martin D. Dooley, A. Abigail Payne

We study competition between two publicly funded school systems in Ontario, Canada: one that is open to all students, and one that is restricted to children of

Catholic backgrounds. A simple model of competition between the competing systems predicts greater effort by school managers in areas with more Catholic families who are willing to switch systems. Consistent with this insight, we find significant effects of competitive pressure on test score gains between third and sixth grade. Our estimates imply that extending competition to all students would raise average test scores in sixth grade by 6 percent to 8 percent of a standard deviation. (JEL I21, I22, H75, Z12)

(Over)insuring Modest Risks

- American Economic Journal: Applied Economics--2010---Justin Sydnor

Despite the large literature on anomalies in risky choice, very little research has explored the relevance of these insights in real insurance markets. This paper uses new data on consumers' choices of deductibles for home insurance to provide evidence that a surprising level of risk aversion over modest stakes is a reality in the market. Most customers purchase low deductibles despite costs significantly above the expected value. Fitting these choices to a standard model of risk aversion yields implausibly large measures of risk parameters. Potential explanations and the implications of these results for understanding the market for insurance are discussed. (JEL D14, D81, G21, G22)

Government Spending and Legislative Organization: Quasi-experimental Evidence from Germany

- American Economic Journal: Applied Economics--2010---Peter Egger, Marko Koethenbueger

This paper presents empirical evidence of a positive effect of council size on government spending using a dataset of 2,056 municipalities in the German state of Bavaria over a period of 21 years. We apply a regression discontinuity design to avoid an endogeneity bias. In particular, we exploit discontinuities in the legal rule that relate population size of a municipality in order to council size to identify a causal relationship between council size and public spending, and find a robust

positive impact of council size on spending. Moreover, we show that municipalities primarily adjust current expenditure in response to a rise in council size. (JEL D72, H72, R51)

Put Your Money Where Your Butt Is: A Commitment Contract for Smoking Cessation

- American Economic Journal: Applied Economics--2010--Xavier Gine, Dean Karlan, Jonathan Zinman

We designed and tested a voluntary commitment product to help smokers quit smoking. The product (CARES) offered smokers a savings account in which they deposit funds for six months, after which they take a urine test for nicotine and cotinine. If they pass, their money is returned; otherwise, their money is forfeited to charity. Of smokers offered CARES, 11 percent took up, and smokers randomly offered CARES were 3 percentage points more likely to pass the 6-month test than the control group. More importantly, this effect persisted in surprise tests at 12 months, indicating that CARES produced lasting smoking cessation. (JEL D12, I12, O15)

The Importance of Being Wanted

- American Economic Journal: Applied Economics--2010--Quy-Toan Do, Tung Phung

We identify birth wantedness as a source of better child outcomes. In Vietnam, the year of birth is widely believed to determine success. As a result, cohorts born in auspicious years are 12 percent larger. Comparing siblings with one another, those of auspicious cohorts are found to have two extra months of schooling. The Vietnamese horoscope being gender-specific, this difference will be shown to be driven by birth planning. Children born in auspicious years are more likely to have been planned, thus benefiting from a more favorable growth environment. (JEL J12, J13, O15, P23, Z13)

Does Wage Persistence Matter for Employment Fluctuations? Evidence from Displaced Workers

- American Economic Journal: Applied Economics--2010--Johannes Schmieder, Till von Wachter

Previous literature has found that tight labor market conditions during a job raise wages. Using the Displaced Worker Survey from 1984 to 2006, we show that wage gains associated with good labor market conditions disappear at job loss. We also find that workers with higher wages due to tight past labor market conditions face higher risk of layoff. These findings suggest an important role of persistent rigidities in the wage setting process that are related to layoff decisions. This supports the notion that downward rigid employment contracts help explain the Shimer (2005) "puzzle" of low wage relative to employment fluctuations. (JEL J31, J41, J63)

Information, Direct Access to Farmers, and Rural Market Performance in Central India

- American Economic Journal: Applied Economics--2010--Aparajita Goyal

This paper estimates the impact of a change in procurement strategy of a private buyer in the central Indian state of Madhya Pradesh. Beginning in October 2000, Internet kiosks and warehouses were established that provide wholesale price information and an alternative marketing channel to soy farmers in the state. Using a new market-level dataset, the estimates suggest a significant increase in soy price after the introduction of kiosks, supporting the predictions of the theoretical model. Moreover, there is a robust increase in area under soy cultivation. The results point toward an improvement in the functioning of rural agricultural markets. (JEL O13, O18, Q12, Q13)

Information from Markets Near and Far: Mobile Phones and Agricultural Markets in Niger

- American Economic Journal: Applied Economics--2010--Jenny C. Aker

Price dispersion across markets is common in developing countries. Using novel market and trader-level data, this paper provides estimates of the impact of mobile phones on price dispersion across grain markets in Niger. The introduction of mobile phone service between 2001 and 2006 explains a 10 to 16 percent reduction in grain price dispersion. The effect is stronger for market pairs with higher transport costs. (JEL O13, O33, Q11, Q13)

Microfinance Games

- American Economic Journal: Applied Economics--2010---Xavier Gine,Pamela Jakiela,Dean Karlan,Jonathan Morduch

Microfinance banks use group-based lending contracts to strengthen borrowers' incentives for diligence, but the contracts are vulnerable to free-riding and collusion. We systematically unpack microfinance mechanisms through ten experimental games played in an experimental economics laboratory in urban Peru. Risk-taking broadly conforms to theoretical predictions, with dynamic incentives strongly reducing risk-taking even without group-based mechanisms. Group lending increases risk-taking, especially for risk-averse borrowers, but this is moderated when borrowers form their own groups. Group contracts benefit borrowers by creating implicit insurance against investment losses, but the costs are borne by other borrowers, especially the most risk averse. (JEL D82, G21, G31, O16)

Do Temporary-Help Jobs Improve Labor Market Outcomes for Low-Skilled Workers? Evidence from "Work First"

- American Economic Journal: Applied Economics--2010---David Autor,Susan Houseman

Temporary-help jobs offer rapid entry into paid employment, but they are typically brief and it is unknown whether they foster longer term employment. We utilize the unique structure of Detroit's welfare-to-work program to identify the effect of temporary-help jobs on labor market advancement. Exploiting the rotational assignment of welfare clients to numerous nonprofit

contractors with differing job placement rates, we find that temporary-help job placements do not improve and may diminish subsequent earnings and employment outcomes among participants. In contrast, job placements with direct-hire employers substantially raise earnings and employment over a seven quarter follow-up period. (JEL J22, J23, J24, J31, J68)

Why Have College Completion Rates Declined? An Analysis of Changing Student Preparation and Collegiate Resources

- American Economic Journal: Applied Economics--2010---John Bound,Michael Lovenheim,Sarah Turner

Rising college enrollment over the last quarter century has not been met with a proportional increase in college completion. Comparing the high school classes of 1972 and 1992, we show declines in college completion rates have been most pronounced for men who first enroll in less selective public universities and community colleges. We decompose the decline into the components due to changes in preparedness of entering students and due to changes in collegiate characteristics, including type of institution and resources per student. While both factors play some role, the supply-side characteristics are most important in explaining changes in college completion. (JEL I23)

US Environmental Regulation and FDI: Evidence from a Panel of US-Based Multinational Firms

- American Economic Journal: Applied Economics--2010---Rema Hanna

This paper measures the response of US-based multinationals to the Clean Air Act Amendments (CAAA). Using a panel of firm-level data over the period 1966-1999, I estimate the effect of regulation on a multinational's foreign production decisions. The CAAA induced substantial variation in the degree of regulation faced by firms, allowing for the estimation of econometric models that control for firm-specific characteristics and industrial trends. I find that the CAAA caused regulated multinational firms to increase their

foreign assets by 5.3 percent and their foreign output by 9 percent. Heavily regulated firms did not disproportionately increase foreign investment in developing countries. (JEL F23, K32, L51, Q52, Q53, Q58)

Service Delivery and Corruption in Public Services: How Does History Matter?

- American Economic Journal: Applied Economics--2010---Priyanka Pandey

This paper provides microlevel evidence of how past institutions impact present economic outcomes. It looks at the impact of colonial land tenure institutions on local governance and education outcomes in northern India. Outcomes are worse in villages that belong to areas with a history of concentration of power with the elites. Such areas continue to retain a greater political presence of socially and economically dominant classes. Future research should examine the success of policies that attempt to break such persistence through empowerment of nonelite groups. (JEL D02, H70, I20, N35, N45, O15, O18)

Teacher Incentives

- American Economic Journal: Applied Economics--2010---Paul Glewwe,Nauman Ilias,Michael Kremer

We analyze a randomized trial of a program that rewarded Kenyan primary school teachers based on student test scores, with penalties for students not taking the exams. Scores increased on the formula used to reward teachers, and program school students scored higher on the exams linked to teacher incentives. Yet most of the gains were focused on the teacher reward formula. The dropout rate was unchanged. Instead, exam participation increased among enrolled students. Test scores increased on exams linked to the incentives, but not on other, unrelated exams. Teacher attendance and homework assignment were unaffected, but test preparation sessions increased. (JEL I21, I28, J13, O15)

Dynamics of the Gender Gap for Young Professionals in the Financial and Corporate Sectors

- American Economic Journal: Applied Economics---2010---Marianne Bertrand,Claudia Goldin,Lawrence Katz

The careers of MBAs from a top US business school are studied to understand how career dynamics differ by gender. Although male and female MBAs have nearly identical earnings at the outset of their careers, their earnings soon diverge, with the male earnings advantage reaching almost 60 log points a decade after MBA completion. Three proximate factors account for the large and rising gender gap in earnings: differences in training prior to MBA graduation, differences in career interruptions, and differences in weekly hours. The greater career discontinuity and shorter work hours for female MBAs are largely associated with motherhood. (JEL J16, J22, J31, J44)

Freedom Fries

- American Economic Journal: Applied Economics--2010---Guy Michaels,Xiaojia Zhi

Do firms always choose the cheapest suitable inputs, or can group attitudes affect their choices? To investigate this question, we examine the deterioration of relations between the United States and France from 2002-2003, when France's favorability rating in the US fell by 48 percentage points. We estimate that the worsening attitudes reduced bilateral trade by about 9 percent and that trade in inputs probably declined similarly, by about 8 percent. We use these estimates to calculate the average decrease in firms' willingness to pay for French (or US) commodities when attitudes worsened. (JEL D24, F13, F14, L14, L21)

Malaria Eradication in the Americas: A Retrospective Analysis of Childhood Exposure

- American Economic Journal: Applied Economics--2010---Hoyt Bleakley

This study uses the malaria-eradication campaigns in the United States (circa 1920) and in Brazil, Colombia, and Mexico (circa 1955) to measure how much childhood exposure to malaria depresses labor productivity. The campaigns began because of advances in health technology, which mitigates concerns about reverse causality. Malarious areas saw large drops in the disease thereafter. Relative to non-malarious areas, cohorts born after eradication had higher income as adults than the preceding generation. These cross-cohort changes coincided with childhood exposure to the campaigns rather than to pre-existing trends. Estimates suggest a substantial, though not predominant, role for malaria in explaining cross-region differences in income. (JEL I12, I18, J13, O15)

Malaria Eradication and Educational Attainment: Evidence from Paraguay and Sri Lanka

- American Economic Journal: Applied Economics--2010---Adrienne Lucas

Mid-twentieth century malaria eradication campaigns largely eliminated malaria from Paraguay and Sri Lanka. Using these interventions as quasi-experiments, I estimate malaria's effect on lifetime female educational attainment through the combination of pre-existing geographic variation in malarial intensity and cohort exposure based on the timing of the national anti-malaria campaigns. The estimates from Sri Lanka and Paraguay are similar and indicate that malaria eradication increased years of educational attainment and literacy. The similarity of the estimates across the countries reinforces our confidence in the validity of the identification strategy. (JEL I12, I18, I21, J16, O15, O18)

Early-Life Malaria Exposure and Adult Outcomes: Evidence from Malaria Eradication in India

- American Economic Journal: Applied Economics--2010---David Cutler, Winnie Fung, Michael Kremer, Monica Singhal, Tom Vogl

We examine the effects of exposure to malaria in early childhood on educational attainment and economic

status in adulthood by exploiting geographic variation in malaria prevalence in India prior to a nationwide eradication program in the 1950s. We find that the program led to modest increases in household per capita consumption for prime age men, and the effects for men are larger than those for women in most specifications. We find no evidence of increased educational attainment for men and mixed evidence for women. (JEL I12, I18, I21, O15, O18)

Ability, Gender, and Performance Standards: Evidence from Academic Probation

- American Economic Journal: Applied Economics--2010---Jason Lindo, Nicholas Sanders, Philip Oreopoulos

We use a regression discontinuity design to examine students' responses to being placed on academic probation. Consistent with a model of introducing performance standards, we find that being placed on probation at the end of the first year discourages some students from returning to school while improving the GPAs of those who do. We find heterogeneous responses across prior academic performance, gender, and native language, and discuss these results within the context of the model. We also find negative effects on graduation rates, particularly for students with the highest high school grades. (JEL I23, J16)

Modern Medicine and the Twentieth Century Decline in Mortality: Evidence on the Impact of Sulfa Drugs

- American Economic Journal: Applied Economics--2010---Seema Jayachandran, Adriana Lleras-Muney, Kimberly V. Smith

This paper studies the contribution of sulfa drugs, a groundbreaking medical innovation in the 1930s, to declines in US mortality. For several infectious diseases, sulfa drugs represented the first effective treatment. Using time-series and difference-in-differences methods, we find that sulfa drugs led to a 24 to 36 percent decline in maternal mortality, 17 to 32 percent decline in pneumonia mortality, and 52 to 65 percent decline in

scarlet fever mortality between 1937 and 1943. Altogether, sulfa drugs reduced mortality by 2 to 3 percent and increased life expectancy by 0.4 to 0.7 years. We also find that sulfa drugs benefited whites more than blacks. (JEL I12, L65, N32, N72)

Information, Preferences, and Public Benefit Participation: Experimental Evidence from the Advance EITC and 401(k) Savings

- American Economic Journal: Applied Economics--2010---Damon Jones

Within a field experiment, I present a treatment group with reductions in information, administrative, stigma, and procrastination costs associated with the Advance EITC. The treatment increases Advance participation from 0.3 to 1.2 percent. Another treatment simultaneously encourages 401(k) savings, increasing 401(k) participation from 46 to 50 percent. However, there is no additional increase in Advance participation when coupled with the 401(k) treatment, casting doubt on a long-term forced savings motive. The results indicate that EITC recipients actively forgo the Advance. Further work is needed to identify what underlies these preferences. Possible explanations include uncertainty and/or short-term forced savings motives. (JEL D14, D82, H23, H24, H31)

Promoting Healthy Choices: Information versus Convenience

- American Economic Journal: Applied Economics--2010---Jessica Wisdom, Julie S. Downs, George Loewenstein

Success in slowing obesity trends would benefit from policies aimed at reducing calorie consumption. In a field experiment at a fast-food sandwich chain, we address the effects of providing calorie information, mimicking recent legislation, and test an alternative approach that makes ordering healthier slightly more convenient. We find that calorie information reduces calorie intake. Providing a daily calorie target does as well, but only for non-overweight individuals. Making

healthy choices convenient reduces intake when the intervention is strong. However, a milder implementation reduces sandwich calories, but does not reduce total calories due to compensatory effects on side orders and drinks. (JEL I12, I18, L81)

Disclosure by Politicians

- American Economic Journal: Applied Economics--2010---Simeon Djankov, Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer

We collect data on the rules and practices of financial and conflict disclosure by members of Parliament in 175 countries. Although two-thirds of the countries have some disclosure laws, less than one-third make disclosures available to the public, and less than one-sixth of potentially useful information is publicly available in practice, on average. Countries that are richer, more democratic, and have free press have more disclosure. Public disclosure, but not internal disclosure to parliament, is positively related to government quality, including lower corruption. (JEL J13, I21, I12)

An Empirical Analysis of the Gender Gap in Mathematics

- American Economic Journal: Applied Economics--2010---Roland G. Fryer, Steven Levitt

We document and analyze the emergence of a substantial gender gap in mathematics in the early years of schooling using a large, recent, and nationally representative panel of US children. There are no mean differences between boys and girls upon entry to school, but girls lose more than two-tenths of a standard deviation relative to boys over the first six years of school. The ground lost by girls relative to boys is roughly half as large as the black-white test score gap that appears over these same ages. We document the presence of this gender math gap across every strata of society. We explore a wide range of possible explanations in the data, including less investment by girls in math, low parental expectations, and biased tests, but find little support for these theories. Moving to cross-country comparisons, we find earlier results linking the gender

gap in math to measures of gender equality are sensitive to the inclusion of Muslim countries, where, in spite of women's low status, there is little or no gender gap in math. (JEL I23, J26)

Identification of Social Interactions through Partially Overlapping Peer Groups

- American Economic Journal: Applied Economics--2010---Giacomo De Giorgi, Michele Pellizzari, Silvia Redaelli

In this paper, we demonstrate that, in a context where peer groups do not overlap fully, it is possible to identify all the relevant parameters of the standard linear-in-means model of social interactions. We apply this novel identification structure to study peer effects in the choice of college major. Results show that one is more likely to choose a major when many of her peers make the same choice. We also show that peers can divert students from majors in which they have a relative ability advantage, with adverse consequences on academic performance, entry wages, and job satisfaction. (JEL I23, J24, J31, Z13)

The Effect of Bans and Taxes on Passive Smoking

- American Economic Journal: Applied Economics--2010---Jerome Adda, Francesca Cornaglia

We evaluate the effect of smoking bans and excise taxes on the exposure to tobacco smoke of nonsmokers, and we show their unintended consequences on children. Smoking bans perversely increase nonsmokers' exposure by displacing smokers to private places where they contaminate nonsmokers. We exploit data on bio-samples of cotinine, time use, and smoking cessation, as well as state and time variation in anti-smoking policies across US states. We find that higher taxes are an efficient way to decrease exposure to tobacco smoke. (JEL D12, H25, I12, I18, J13)

Parental Education and Child Health: Evidence from a Natural Experiment in Taiwan

- American Economic Journal: Applied Economics--2010---Shin-Yi Chou, Jin-Tan Liu, Michael Grossman, Ted Joyce

In 1968, the Taiwanese government extended compulsory education from 6 to 9 years and opened over 150 new junior high schools at a differential rate among regions. Within each region, we exploit variations across cohorts in new junior high school openings to construct an instrument for schooling, and employ it to estimate the causal effects of mother's or father's schooling on infant birth outcomes in the years 1978-1999. Parents' schooling does cause favorable infant health outcomes. The increase in schooling associated with the reform saved almost 1 infant life in 1,000 live births. (JEL I12, I21, J12, J13, R23)

Intergenerational Networks, Unemployment, and Persistent Inequality in South Africa

- American Economic Journal: Applied Economics--2010---Jeremy Magruder

This paper examines the importance of network-based intergenerational correlations in South Africa. I use longitudinal data on young South Africans to examine the covariance of children's employment with the usefulness of parents in their job search. I find that fathers serve as useful network connections to their sons (not daughters), and that mothers do not seem to be useful network connections. The father-son effect is robust to alternate explanations of specific human capital and correlated networks. The size of this effect is large. Present fathers' utility as network connections may be responsible for a one-third increase in their sons' employment rates. (JEL D31, J12, J13, J24, J62, O15, Z13)

Parents' Incomes and Children's Outcomes: A Quasi-experiment Using Transfer Payments from Casino Profits

- American Economic Journal: Applied Economics--2010---Randall Akee, William

E. Copeland, Gordon Keeler, Adrian Angold, E. Jane Costello

We examine the role an exogenous increase in household income, due to a government transfer unrelated to household characteristics, plays in children's long-run outcomes. Children in affected households have higher levels of education in their young adulthood and a lower incidence of criminality for minor offenses. Effects differ by initial household poverty status. An additional \$4,000 per year for the poorest households increases educational attainment by one year at age 21, and reduces the chances of committing a minor crime by 22 percent for 16 and 17 year olds. Our evidence suggests improved parental quality is a likely mechanism for the change. (JEL D14, H23, I32, I38, J13)

The Changing Consequences of Attending Historically Black Colleges and Universities

- American Economic Journal: Applied Economics--2010---Roland G. Fryer, Michael Greenstone

Using nationally representative data files from 1970s and 1990s college attendees, we find that in the 1970s matriculation at historically black colleges and universities (HBCUs) was associated with higher wages and an increased probability of graduation, relative to attending a traditionally white institution. By the 1990s, there is a wage penalty resulting in a 20 percent decline in the relative wages of HBCU graduates between the two decades. There is modest support for the possibility that the relative decline in wages associated with HBCU matriculation is partially due to improvements in TWIs' effectiveness at educating blacks. (JEL I23, J15, J24, J31)

Prize Structure and Information in Tournaments: Experimental Evidence

- American Economic Journal: Applied Economics--2010---Richard Freeman, Alexander Gelber

This paper examines behavior in a tournament in which we vary the tournament prize structure and the available information about participants' skill at the task

of solving mazes. The number of solved mazes is lowest when payments are independent of performance; higher when a single, large prize is given; and highest when multiple, differentiated prizes are given. This result is strongest when we inform participants about the number of mazes they and others solved in a pre-tournament round. Some participants reported that they solved more mazes than they actually solved, and this misreporting also peaked with multiple differentiated prizes. (JEL D82)

Age at Arrival, English Proficiency, and Social Assimilation among US Immigrants

- American Economic Journal: Applied Economics--2010---Hoyt Bleakley, Aimee Chin

Are the English proficiency and social outcomes of US immigrants the result of their cultural preferences or of more fundamental constraints? Using 2000 census microdata, we relate the English proficiency, marriage, fertility, and residential location variables of immigrants to their age at the time of arrival in the United States, and, in particular, whether that age fell within the "critical period" of language acquisition. We interpret the differences between younger and older arrivers as effects of English language skills and construct an instrumental variable for English language skills. Two-stage-least-squares estimates suggest English proficiency increases the likelihood of divorce and intermarriage. It decreases fertility and, for some, ethnic enclave residence. (JEL J11, J13, J61, R23, Z13)

Present-Biased Preferences and Credit Card Borrowing

- American Economic Journal: Applied Economics--2010---Stephan Meier, Charles Sprenger

Some individuals borrow extensively on their credit cards. This paper tests whether present-biased time preferences correlate with credit card borrowing. In a field study, we elicit individual time preferences with incentivized choice experiments, and match resulting time preference measures to individual credit reports

and annual tax returns. The results indicate that present-biased individuals are more likely to have credit card debt, and to have significantly higher amounts of credit card debt, controlling for disposable income, other socio-demographics, and credit constraints. (JEL D12, D14, D91)

Externalities in the Classroom: How Children Exposed to Domestic Violence Affect Everyone's Kids

- American Economic Journal: Applied Economics--2010---Scott Carrell, Mark Hoekstra

There is a widespread perception that externalities from troubled children are significant, though measuring them is difficult due to data and methodological limitations. We estimate the negative spillovers caused by children from troubled families by exploiting a unique dataset in which children's school records are matched to domestic violence cases. We find that children from troubled families significantly decrease the reading and math test scores of their peers and increase misbehavior in the classroom. The achievement spillovers are robust to within-family differences and when controlling for school-by-year effects, providing strong evidence that neither selection nor common shocks are driving the results. (JEL D62, I21, J12, J13, K42)