Silvia Prina
Research Statement

I am a development economist whose research focuses on understanding the behavior of the poor for the purpose of uncovering potential strategies to improve their lives. The bulk of my work uses field experiments and rigorous empirical methods to study the impact of financial access on the welfare and decision making of the poor. My research highlights the role of networks and peers in shaping economic decisions and develops new empirical methods in this context.

My pre-tenure work focused on two main themes. The first studied the effects of access to savings accounts on saving and investment behavior and welfare of the poor. At the time, most of the literature on access to financial services in developing countries focused on relieving credit market constraints, particularly through microcredit, while the literature on access to savings accounts was limited. My research was among the first to provide evidence that access to savings accounts has important effects on poor households. In particular, my solo-authored study shows that there is untapped demand for savings accounts with minimal transaction costs and that the poor do save and make productivity-enhancing investments in human capital and health.[1] The second theme of my research investigated the determinants of investments in human capital and health, analyzing whether they can be changed, and showing what influences them. My studies, both theoretical and empirical, showed that income inequality and intergenerational mobility are linked to parents' fertility choices and investment in their children's education;[2] exposure to educated professionals matters for educational aspirations;[3] and social norms can mediate the effect of providing information on health behavior.[4]

My post-tenure work has advanced the literature on financial inclusion by showing that access to savings accounts impacts the poor's time and risk preferences, aspirations, and ability to smooth consumption. "The Effect of Saving on Risk Attitudes and Intertemporal Choices" with L. Carvalho and J. Sydnor (*Journal of Development Economics* 2016), answers the open question of whether access to savings accounts affects attitudes toward risk and intertemporal choices. Saving increases assets and reduces liquidity constraints, which may increase the willingness to take risks or to delay gratification. Also, work in psychology suggests that regularly saving may lower discount rates and increase self-control. Using a field and a lab-in-the-field experiment in Nepal this study shows that access to formal savings devices increases households' willingness to take risks and to delay gratification. "The Effects of Financial Inclusion on Children's Schooling, Parental Aspirations and Expectations," with C. Chiapa and A. Parker (*Journal of International Development* 2016), shows that access to savings accounts increases the schooling level of daughters and the educational aspirations and expectations parents have for them. This study contributes to the literature on the determinants of aspirations and expectations, which has mostly focused on the effect of role models, by highlighting an alternative driver. Financial access enables the poor to overcome scarcity and have greater cognitive resources to focus on their children's education. "Transitory Income Changes and Consumption Smoothing: Evidence from Mexico," with M. Angelucci, C. Chiapa, and I. Rojas (2nd revision requested at the *Journal of Public Economics)*, explores the link between the ability to smooth consumption and financial access. The permanent income hypothesis (PIH) predicts that transitory income changes should not affect consumption. Nevertheless, the literature documents the opposite. This study shows that cash

[1] "Banking the Poor via Savings Accounts: Evidence from a Field Experiment," *Journal of Development Economics*, 2015.
[2] "A Theory of Occupational Choice with Endogenous Fertility," with D. Mookherjee and D. Ray, *American Economic Journal: Microeconomics*, 2012.
[3] "The Effect of Social Programs and Exposure to Professionals on the Educational Aspirations of the Poor," with C. Chiapa and J.L. Garrido, *Economics of Education Review*, 2012.
[4] "The Importance of Parental Knowledge and Social Norms: Evidence from Weight Report Cards in Mexico," with H. Royer, *Journal of Health Economics*, 2014.

transfer recipients in Mexico smooth consumption without resorting to costly actions, such as financial, employment, health, or cognitive changes. Aside from providing support for the PIH, this paper highlights that the costs of accessing the transfer in the bank may help smooth consumption.

Post-tenure, I also started delving into the methodological aspects of evaluating interventions and designing incentives accounting for network change and spillover effects. A large literature studies how peer effects through social networks affect behavior and help spread innovations by exploiting only the pre-existing social network structure. However, networks may change in response to the introduction of such innovations. "The Interplay Among Savings Accounts and Network-Based Financial Arrangements: Evidence from a Field Experiment," with M. Comola (*The Economic Journal* 2023), is among the first studies to show that networks can be affected by interventions using detailed panel network data of all bilateral informal financial transactions before and after a randomized intervention that offered access to savings account. As the treatment allocation is independent across financial partners, it is possible to quantify social spillovers which operate through the observed network structure. A priori, spillover effects of financial access could either have positive or negative effects on third parties. While savings accounts might offer a partial substitute for informal financial arrangements, access to savings can foster asset accumulation and households with greater resources might increase transfers to others. Results show that financial access indeed changes the network: households offered access to a savings accounts increased their transfers to others, independent of the treatment status of the receiver. "Treatment Effect Accounting for Network Changes," with M. Comola (*Review of Economics and Statistics* 2021), builds on the intuition that network changes should be accounted for when evaluating interventions that introduce new products. It proposes a novel econometric model in which peer effects spread through a social-interaction structure that changes following the treatment and develops an innovative measure of the treatment effect that incorporates intervention-driven network changes. Results show that neglecting the network change results in an underestimation of the impact of the intervention and the role played by networks through which the intervention diffuses. This methodology can serve as a foundation for the design of successful interventions that take advantage of networks to spread innovations. In another study, I explore how peers influence the impact of incentives. The literature on the signaling effects of incentives focuses on the direct effects of incentives on their recipients, neglecting the spillover effects, which operate through observing peers' actions and incentives. "Incentives and Unintended Consequences: Spillover Effects in Food Choice," with M. Angelucci, H. Royer, and A. Samek (*American Economic Journal: Economic Policy* 2019), investigates whether spillover effects can undo the direct effect of incentives using a field experiment that randomizes recipients, the fraction of peers incentivized, and whether or not it can be observed that peers' choices are incentivized. It contributes to the literature by showing that making incentives public can reduce the take-up of the incentivized choice: that is, incentives can have unintended negative spillover effects.

As financial access tools and technology evolved, my research on financial access started contributing to the emerging literature on digital credit and mobile money. Digital loans are a source of fast, short-term credit for millions of people. While digital credit broadens market access and reduces frictions, default rates are high. My work explores how information provision and loan delivery speed can improve access to credit for the poor while avoiding costly defaults. "Digital Credit, Learning, and the Value of Credit Bureaus," with A. Burlando and M. Kuhn (forthcoming at the *Oxford Review of Economic Policy*), uses a unique dataset of digital loans from a Mexican lender to show that information provided by credit bureaus can improve repayments for digital lenders by reducing asymmetric information. "Too Fast Too Furious? Digital Credit Speed and Repayment Rates," with A. Burlando and M. Khun (under review at the *Journal of Development Economics)*, explores whether one distinguishing feature of digital credit—the speed of delivery of funds—affects loan repayment. Despite the rapid growth of this market, this question remains unanswered. Combining administrative data from a digital lender with a quasi-experimental identification strategy, the study offers the first piece of evidence that reducing the speed of delivery of digital loans increases the likelihood that loans are repaid. Furthermore, "Migration, Money Transfers and Mobile Money: Evidence from Niger," with J. Aker and J. Welch (*American Economic Review Papers and Proceedings* 2020), investigates why mobile money adoption in West Africa remains low despite high mobile ownership and the importance of remittances in this economy. It shows that while demand for sending and receiving remittances in Niger is substantial, fewer than 3% of households use mobile money. And it suggests that a primary barrier to adoption is likely to be the density of the agent network. "Can a Budget-Recording Tool Teach Financial Skills to Youth? Evidence from a Financial Diaries Study," with V. Frisancho and A. Herrera (resubmitted, *Journal of Economic Behavior and Organization*), shows that a low-cost mobile app to record daily financial transactions improves youth's financial literacy and behavior in Peru.

Finally, I have started on a new line of work on the impact of biases and social norms on society. The effect of negative shifts in public opinion on the labor market outcomes of minorities is unknown. "Public Opinion, Racial Bias, and Labor Market Outcomes," with K. Majlesi and P. Sullivan (2^{nd} revision requested at *Nature Human Behavior*), fills this gap. The exogenous nature of the COVID-19 pandemic, combined with the fact that it worsened public opinion about a single racial minority group, creates a unique opportunity for investigating the effects of changes in racial attitudes on U.S. labor market outcomes. This study offers the first piece of evidence on the detrimental effects that increases in racial bias against Asians had on their employment and earnings, particularly for those in occupations with a higher likelihood of face-to-face interactions. I am also working on a project that combines expertise from engineering, mathematics, and behavioral sciences to enhance the accuracy of pandemic network modeling by incorporating endogenous changes in social norms and peer's behavior and exploiting variation over space and time.

My future research will contribute to the financial access literature by exploring gender biases in digital finance and identifying interventions to reduce defaults and protect borrowers. I will also continue developing empirical methods to examine the role of networks and peers. Finally, I plan on studying the effects of racial bias and public opinion on racial identity.

Overall, my scholarship has generated 1,201 citations (h-index of 13 and i10-index of 15). I have built a strong record of post-tenure collaborative work on funded research conducted in partnership with diverse public and private sector institutions to get access to data and conduct field experiments. I have been a Co-Principal Investigator on several grants from institutions such as the National Bureau of Economic Research (NBER), the Center for Effective Global Action (CEGA) at the University of California – Berkeley, and Innovations for Poverty Action (IPA). In addition, at Northeastern University I received seed funding from the Office of the Provost. Since 2022, I have served as Co-Editor of *Labour Economics*, the journal of the European Association of Labour Economists. I am a Faculty Affiliate of the Jameel Poverty Action Lab (J-PAL), a Research Fellow at the Institute of Labor Economics (IZA), and an Invited Researcher for the Inclusive Financial Innovation Initiative at J-PAL. I received numerous seminar invitations from national institutions including the NBER, the University of California–Berkeley, Ohio State University, Rutgers University, University of Southern California, and international institutions in Germany, Mexico, India, Italy, Ireland, Portugal, Switzerland, and the UK. I was invited to give the JGBS Inspiration lecture at Jindal Global University in India, and to be a plenary session panelist at the 7th European Research Conference on Microfinance. I also served on the program committee of the North East Universities Development Consortium (NEUDC) conference in 2022 (Yale University), 2021 (Boston University), and 2020 (Dartmouth College), and as chair of conference sessions including the American Economic Association Annual Meetings (2022), the NEUDC (2020-22), and the World Congress of the Econometric Society (2020). Finally, in 2022, I was invited by the American Economic Association Mentoring Program to be a mentor to Ph.D. students and assistant professors.