

Front Matter

Source: The Quarterly Journal of Economics, Feb., 2009, Vol. 124, No. 1 (Feb., 2009)

Published by: Oxford University Press

Stable URL: https://www.jstor.org/stable/40506222

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at https://about.jstor.org/terms



Oxford University Press is collaborating with JSTOR to digitize, preserve and extend access to $\it The\ Quarterly\ Journal\ of\ Economics$

THE

QUARTERLY JOURNAL OF ECONOMICS

FOUNDED 1886

Volume	CXX	ΚIV	February 2	009	Issue 1
ARTICLES					
Thomas Lemieux Performance Pay	1				
B. Douglas Bern Beyond Revealed for Behavioral We	51				
PATRICK BAYER, I Building Crimina	105				
ARIEL T. BURSTEI Foreign Know-Ho	149				
			CHUA, AND COLIN F. CAM Dynamic Saving Experim		197
DREW FUDENBERG Repeated Games					233
OLIVER HART Hold-up, Asset Ov	vnershi	p, and Referei	nce Points		267
	,		LL, AND PAOLO SODINI by Individual Investors		301
SEEMA JAYACHAN					
from Maternal M		•	nvestments: Evidence		349
FERNANDO FERREIRA AND JOSEPH GYOURKO Do Political Parties Matter? Evidençe from U.S. Cities					399
ERRATUM					
			TO CHRISTOPHER WOODR S: Evidence from a Field		423
PUBLISH	ED	FOR	HARVARD	UNI	VERSITY
BY THE	MIT	PRESS,	CAMBRIDGE,	MASSAC	CHUSETTS

QJE 124(1) 1–423 (2009) ISSN 0033-5533

No. 496

The Quarterly Journal of Economics

Board of Editors

Robert J. Barro Elhanan Helpman Lawrence F. Katz

Associate Editors

Peter Klenow George Akerlof Stephen Coate Alberto Alesina Janet Currie Robert Margo **Edward Miguel** Pol Antràs Glenn Ellison Ernst Fehr Edward O'Donoghue Andrew Atkeson Drew Fudenberg Esteban Rossi-Hansberg Marianne Bertrand Claudia Goldin **Bruce Sacerdote** Timothy Besley Charles Jones Michael Waldman David Card

In association with the Harvard Department of Economics and Invited Readers.

Assistant Editor Trina Ott

Volume 124, Number 1 (February 2009)

Copyright 2009 by the President and Fellows of Harvard College and the Massachusetts Institute of Technology. All rights reserved. Reproduction or translation of any part of the work beyond that permitted by Sections 107 or 108 of the United States Copyright Law without the permission of the copyright owner is unlawful.

Permission to photocopy articles for internal or personal use or the internal or personal use of specific clients is granted by the copyright owner for libraries and other users registered with the Copyright Clearance Center (CCC), provided that the per-copy fee of \$10.00 is paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923. The fee code for users of the CCC's Transactional Reporting Service is 0033-5533/09 \$10.00. For those organizations that have been granted a photocopy license with CCC, a separate system of payment has been arranged. Address all other inquiries to Subsidiary Rights Manager, MIT Press Journals, 238 Main St., Suite 500, Cambridge, MA 02142-1046. Fax: (617) 258-5028; e-mail: journals-rights@mit.edu.

Statement on dissemination of data: The QJE strongly urges authors to make their data available for public use, and the QJE web site can be used for this purpose. This availability is important for replication and extension of research findings. We also recognize that good incentives for generating and assembling data entail an interval of private use and that sometimes this private use extends beyond the first application of the data in an initial article. However, in the longer run, the creator of a data set is also benefited by wide dissemination use, and citation of the data that have been generated.

QUARTERLY JOURNAL OF ECONOMICS

	_		~-	-	-
•	\mathbf{R}	יויי	""		

Performance Pay and Wage Inequality	1
B. DOUGLAS BERNHEIM AND ANTONIO RANGEL Beyond Revealed Preference: Choice-Theoretic Foundations for Behavioral Welfare Economics	51
PATRICK BAYER, RANDI HJALMARSSON, AND DAVID POZEN Building Criminal Capital behind Bars: Peer Effects in Juvenile Corrections	105
ARIEL T. BURSTEIN AND ALEXANDER MONGE-NARANJO Foreign Know-How, Firm Control, and the Income of Developing Countries	149
ALEXANDER L. BROWN, ZHIKANG ERIC CHUA, AND COLIN F. CAMERER Learning and Visceral Temptation in Dynamic Saving Experiments	197
DREW FUDENBERG AND DAVID K. LEVINE Repeated Games with Frequent Signals	233
OLIVER HART Hold-up, Asset Ownership, and Reference Points	267
LAURENT E. CALVET, JOHN Y. CAMPBELL, AND PAOLO SODINI Fight or Flight? Portfolio Rebalancing by Individual Investors	301
SEEMA JAYACHANDRAN AND ADRIANA LLERAS-MUNEY Life Expectancy and Human Capital Investments: Evidence from Maternal Mortality Declines	349
FERNANDO FERREIRA AND JOSEPH GYOURKO Do Political Parties Matter? Evidence from U.S. Cities	399
ERRATUM	
SURESH DE MEL, DAVID MCKENZIE, AND CHRISTOPHER WOODRUFF Returns to Capital in Microenterprises: Evidence from a Field	
Experiment	423