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DISSERTATION ABSTRACTS:

“The Girl Scout Cookie Phenomenon: Peer Pressure in Grassroots Fundraising”

We use a laboratory experiment to study the dynamics of favor-trading in support of a public good, as may happen when peer-to-peer fundraising occurs within a social network. We find that the ability to practice targeted reciprocity increases contributions to the public good by 14%, and that subjects discriminate by rewarding group members who have been generous and withholding rewards from ungenerous group members. At least some of this reciprocal behavior is rooted in other-regarding preferences. When someone is excluded from the “circle of reciprocity,” he gives much less to the public good than he does in other settings. We do not find evidence of indirect reciprocity. We find two behavioral types in each treatment, which differ in their baseline giving but not in their tendency to reciprocate. In each treatment, 61-73% of subjects are of the “low contributing” type. There is some stability in types: a subject of the “low” type in one treatment is much more likely (as compared to a “high” type subject) to be “low” type in the other treatments.

“Evaluating Causal Effects of the Conservation Reserve Program on Later Land Use”

The Conservation Reserve Program (CRP) retires agricultural land to meet an array of policy goals, including protecting the environment and improving long-run productivity of farmland. Does having been in the CRP have effects on a parcel's land use that persist even after that parcel leaves the program? I answer this question by comparing 1996 land use of land that was in the CRP in previous years to land that was never in the CRP. Selection is a serious issue, since farmers are likely to put their least productive land into the program. For this reason, I provide analyses using different sets of CRP and non-CRP land. I use several techniques, including regressions and matching, to show that ex-CRP land is more likely to be farmed than the most comparable non-CRP land (land that faced similar transition costs and likely had similar unobservable characteristics). This supports the idea that the CRP improves low-quality land and thus increases the returns to agriculture, making the land more attractive to farm. While this may reduce environmental benefits of the program, I also find that farmed ex-CRP land may be more likely to undertake conservation practices than other land.

“Learning from Mistakes: What Do Inconsistent Choices over Risk Tell Us?” (Published with Ragan Petrie, *Journal of Risk and Uncertainty*, Vol. 38 No. 2 (April 2009), 143-158.)

We implement a risk experiment that allows for judgment errors to investigate who makes mistakes and whether it matters. The experiments are conducted with a random sample of the adult population in Rwanda, and data on financial decisions are collected. We find a high proportion of inconsistent choices, with over 50% of the participants making at least one mistake. Importantly, errors are informative. While risk aversion alone does not explain financial decisions, risk aversion and inconsistent choices interact in significant and sensible ways. As we would expect, risk-averse individuals are more likely to belong to a savings group and less likely to take out an informal loan. For those more likely to make mistakes, however, as they become more risk averse, they are less likely to belong to a savings group and more likely to take up informal credit, suggesting that mistakes correlate with less than optimal behavior.