From: Ayres, Ian
To: Ayres, Ian;
Subject: more Ayres spam
Date: Monday, August 31, 2009 4:40:45 PM

Dear friends,

Since I last spammed you in October, most of my writing has been related to two new book manuscripts. But I have eked out a bit on the side.

Here's a wonderfully simple and powerful randomized experiment following in the large footsteps of Cialdini:
Evidence from Two Large Field Experiments that Peer Comparison Feedback Can Reduce Residential Energy Usage (working paper, July 16, 2009) (with Sophie Raseman & Alice Shih).

> By providing feedback to customers on home electricity and natural gas usage with a focus on peer comparisons, utilities can reduce energy consumption at a low cost. We analyze data from two large-scale, random-assignment field experiments conducted by utility companies providing electricity (the Sacramento Municipal Utility District (SMUD) and electricity and natural gas (Puget Sound Energy (PSE)), in partnership with a private company, Positive Energy/oPower, which provides monthly or quarterly mailed peer feedback reports to customers. We find reductions in energy consumption of 1.2% (PSE) to 2.1% percent (SMUD), with the decrease sustained over time (seven months (PSE) and twelve months (SMUD)).

Here's a largely private approach for mitigating one of the problems facing housing markets today. *Crazy Eddie's House Sale*, Slate (June 1, 2009), http://www.slate.com/id/2219369/ (with Daniel Markovits)

This oped argues that it's both constitutional and a good thing for a president to nominate justices to the Supreme Court *before* there is an opening: *Why not nominate vice justices for the Supreme Court?*, Los Angeles Times (May 7, 2009) (with Akhil Reed Amar).

Bruce and I are back at it again applying the voucher idea as a way to save investigative journalism: A National Endowment for Journalism, The Guardian (February 13, 2009) (with Bruce Ackerman)

And Barry Nalebuff and I continue to crank out our Why Not? Column in Forbes:

A Market Test for Credit Cards, Forbes (June 25, 2009) (with Barry Nalebuff)

This idea of mandating auctions before term changes is one of my favorite ideas of the last few months. The risk of losing a customer to a competitor would have a strong disciplining effect on gougers.

A Voluntary Gas Tax, Forbes (March 16, 2009) (with Barry Nalebuff)

Lumps sum prebates can bribe people to take on burden of a gasoline tax. A reward for energy conservation could be revenue neutral--and optional for drivers.

Your Personal Climate Exchange, Forbes (November 24, 2008) (with Barry Nalebuff)

You could pledge to lower your home energy use and buy and sell credits for it.

And finally, here are my New York Times Freakonomics posts:

August 26, 2009, *4:42 pm*

Statistical Slumps

By Ian Ayres

It was during a trip to the Boston Science Museum that I had an idea about calculating statistical slumps.

August 19, 2009, *2:11 pm*

Observational Detectives

By Ian Ayres

Lisa Sanders, the diagnosis columnist for New York Times Magazine (and, I should disclose, my close friend), has just published a truly interesting book, Every Patient Tells A Story, on how good doctors go about making difficult diagnoses.

August 13, 2009, *10:08 am*

The Value of Statistics

By Ian Ayres

Last week's excellent article on the just one sign of the market value of number crunching. As I wrote in the afterword to the paperback version of Super Crunchers:

July 24, 2009, *3:22 pm*

Swine Flu + Nightmare = Crazy Victims' Rights Idea

By Ian Ayres

I am writing this at 4:25 a.m. on Friday and I'm a bit woozy. On Wednesday afternoon, my body seriously crashed. On very short notice, my beloved spouse got me in to see to see a physician, who told me I definitely had a bad flu and the only one going around was the swine flu.

The good news is that I've been recovering just as quickly as I crashed. By Thursday morning, my 101.3 fever had broken, and while I still have a cough, the aches and chills are now largely gone. My body just feels extraordinarily tired. I tried going to sleep Thursday night without any cold medications.

July 21, 2009, *1:09 pm*

Should Antoine Walker Be Arrested for Bouncing Checks? (Should You?)

By Ian Ayres

I'm troubled by news reports that **Antoine Walker** was arrested for writing $1,000,000 in bad checks. The ex N.B.A. star — Employee Number 8 — was forced to do a perp walk as he apparently was led out of Harrah's Tahoe in handcuffs. The criminal complaint alleges that from July 27 to January 19, he wrote 10 separate $100,000 checks with insufficient funds to Caesars Palace, Planet Hollywood, and Red Rock Resort.

July 10, 2009, *11:43 am*

When Credit Card Companies Compete, You Win

By Ian Ayres

Barry Nalebuff and I have a new column in *Forbes* ("A Market Test for Credit Cards") which criticizes some aspects of the recent credit-card legislation as being too anti-market.

June 30, 2009, *12:22 pm*

So Long and Thanks for All the F-Tests

By Ian Ayres

I've been reading a truly excellent book by Joshua Angrist and Jorn-Steffen Pischke called *Mostly Harmless Econometrics: An Empiricist's Companion*. It's not written for a general audience, but if you pulled an A- or better on a college-level econometrics course (and if you love *Freakonomics*), then this is the book for you. It should be required reading for anyone who is trying to write an applied dissertation. It is the rare book that captures the feeling of how to go about trying to attack an empirical questio; and it does this by working through two or three dozen of the neatest empirical papers of the last decade (often coauthored by Angrist). It is also peppered with references to **Douglas Adams**'s writing — so what's not to like?

June 19, 2009, *1:06 pm*

Vegetarianism as a Sometimes Thing

By Ian Ayres

I'm toiling away this summer writing a book about commitment contracts. And out of the blue, I received an email from an aspiring economist (who is planning to apply to PhD programs this fall), named **Matt Johnson**, who has an interesting new wrinkle. Matt writes…

June 5, 2009, *2:03 pm*

Fun With WolframAlpha

By Ian Ayres

The jury's still out on whether WolframAlpha.com will turn into a tool that is useful to solve real world computational problems, but it certainly is fun to play with.

June 2, 2009, *2:33 pm*

D.I.Y. Home Price Protection

By Ian Ayres

Daniel Markovits and I have a new piece in Slate arguing that sellers could use a fairly simple escrow agreement to provide buyers with price protection.

June 1, 2009, *2:54 pm*

A Traffic Sign for John C. Calhoun

By Ian Ayres

New traffic signs have appeared on the drive to my son's school that perplex me and have me thinking of **John C. Calhoon**.

May 21, 2009, *9:50 am*

More Good News

By Ian Ayres

Just before Christmas, I reported that the CBOE's Volatility Index (^VIX) had fallen from "an apocalyptic 80 percent" to a merely extraordinary 45 percent.

And I said:

When it drops below 30 percent, it will be a strong indication that the market correction is complete and we're back to business as usual.

Happily, we're going to get a chance to see if I was right.

May 8, 2009, *10:16 am*

An Heir and a Spare

By Ian Ayres

Akhil Amar and I just published an op-ed piece in the Los Angeles Times suggesting that President Obama might nominate two justices for the Supreme Court:

Souter's formal letter to Obama indicates that he will step down at the end of this term — presumably late June. But nothing prevents the president from nominating now and [...]

May 5, 2009, *12:41 pm*

John Donohue Elected to the American Academy of Arts and Sciences

By Ian Ayres

A hidden side of Freakonomics is the extraordinary mesh of collaboration that has grown up around the movement. There is no better example of this collaboration than my colleague and good friend John Donohue, who has coauthored with Levitt (on abortion), Ayres (on guns), and Wolfers (on the death penalty). There is simply no finer [...]

April 28, 2009, *1:22 pm*

Akhil Amar Got There First

By Ian Ayres

Once again, Catherine Rampell has an interesting Economix post ("Minority Rules: Sex Ratios and Suffrage") describing a new empirical analysis arguing that "jurisdictions that granted women the right to vote earlier generally had lower concentrations of women." Why?

[M]en had much to lose by enfranchising women. … The relative scarcity of women in the West [...]

April 24, 2009, *1:52 pm*

Yes, Part II

By Ian Ayres

In a recent post, I extolled the virtues of Robert Cialdini's Yes!: 50 Scientifically Proven Ways to Be Persuasive. The book is wonderfully designed in 50 short chapters to describe the results of 50 different randomized field experiments. The format of, say, 1,800 words per chapter is a bit unusual. But I found it a [...]

April 23, 2009, *1:55 pm*

A Financial Engine Shut-off Switch

By Ian Ayres

AOL Autos has a great article on new technologies that shut off your engine if you fail to make payments on your car loan.

The devices, which are required by a growing number of subprime loan contracts, are the product of a revolution in telematics — the blending of telecommunications and wireless technology.

The devices are usually [...]

April 22, 2009, *2:52 pm*

Real Commitment at the OMB

By Ian Ayres

Catherine Rampell had a nice post last week over at Economix ("Do It Or Pay") telling of NPR's recent interview with **Peter Orszag**, the director of the White House's Office of Management and Budget, in which Orszag talks about writing an exercise contract exactly like what my beloved stickK.com offers:

April 16, 2009, *10:14 am*

Teenage Virgins II

By Ian Ayres

In my last post, I argued that (the truly excellent show) Friday Night Lights might unwittingly be exacerbating the mistaken idea that the vast majority of high-schoolers have sex. I worried that this discrepancy between what adolescents believe (virgins are rare) and the truth (high-school virgins are the norm) is a dangerous combination.

Here's why I'm [...]

April 14, 2009, *3:49 pm*

Friday Night Lights and the Teenage Virgin

By Ian Ayres

I'm a huge fan of Friday Night Lights — to the point that when a student makes an especially good point in class, I sometimes intone "Clear eyes, full heart," emulating the coach in the series.

But it was with some sadness that I watched a couple weeks ago an episode in which Julie, the coach's [...]

April 7, 2009, *2:20 pm*

Money-Back Guarantees

By Ian Ayres

John Dunn/The New York Times Courtney Paris

Oklahoma's loss in the N.C.A.A. tournament raises interesting questions of both economics and law. The Sooners's star player, Courtney Paris, promised before the tournament to pay back her scholarship if the Sooners didn't win the championship. As an economist, I can't wait to find out whether Paris will [...]

March 30, 2009, *12:15 pm*

And Sarah

By Ian Ayres

My family is somewhat obsessed with all things Sarah Dooley. We were first won over by her oddly moving songs. Check out this love song, "Watching Goonies at My House."

But she is also writing and staring in her own comedies. As an undergraduate at Barnard College, she has started posting to YouTube a series of [...]

March 27, 2009, *2:39 pm*

Can the Hair Club for Men Help Solve the Food Safety Problem?

By Ian Ayres

Here's a post I coauthored with Peter Siegelman (an economist who teaches at University of Connecticut law school) who is one of my earliest and most frequent coauthors (see, for example, here and here).

Screenshot from YouTube.com.

By now, virtually everyone in the country has heard that the Peanut Corporation of America knowingly shipped peanut products contaminated [...]

March 23, 2009, *11:43 am*

Thank God It Was $65 Billion

By Ian Ayres

When Bernie Madoff turned himself in, his firm owed investors $65 billion, but had only about a billion dollars on hand. Never before have we seen anything close to a $64 billion fraud. But in an important sense, the unprecedented vastness of Bernie Madoff's fraud is a good thing.

"If I hadn't invested in Madoff, [...]

March 18, 2009, *3:34 pm*

A Coasean Sign

By Ian Ayres

Last fall, I spoke at an SPSS conference in Las Vegas. As I was heading home, I saw a sign on a convenience store (right next to Bally's) that made me do a double-take. I got so interested that after a couple of blocks, I convinced my driver to turn around and let me go [...]

March 10, 2009, *2:44 pm*

Want A Politically Viable Gas Tax? Make It Voluntary

By Ian Ayres

Like Greg Mankiw, I think it's a no-brainer that we should raise the gas tax. But it's incredibly difficult to muster the political will to impose a traditional tax. (Witness California's inability to increase the state gas tax by a measly 12 cents.)

Last year, Robert Samuelson (and a host of others) proposed a contingent tax [...]

February 25, 2009, *2:20 pm*

"This Is No Picnic for Me Either, Buster": Obama and *Outliers*

By Ian Ayres

My favorite Obama quotation is not one of his most poetic:

My mother [would] … wake me up at 4:30 in the morning, and we'd sit there and go through my lessons. And I used to complain and grumble. And she'd say, "Well this is no picnic for me either, buster."

He had me at "buster." I [...]

February 18, 2009, *12:36 pm*

Put Your Money Where Your B-Tush Is

By Ian Ayres

Thanks to The Times's nice writeup ("Dieting? Put Your Money Where Your Fat Is"), an Internet company that I helped found, www.stickK.com, has been getting a spike in commitment contracts. As readers of this blog know, stickK (shameless plug) is a commitment store that helps you stick to your goals. We'll elicit support from your [...]

February 17, 2009, *12:11 pm*

A Voucher System for Investigative Reporting

By Ian Ayres

Dozens of proposals are floating around suggesting different ways to fix what seems to be the broken business model for newspapers. Michael Kinsley's Op-Ed, working backwards from the gross numbers, provides a devastating critique of the claim that micropayments on the Internet could save the industry:

Micropayment advocates imagine extracting as much as $2 a month [...]

February 11, 2009, *10:07 am*

Our Daily Bleg: Happy Meal Toys

By Ian Ayres

Here's a bleg asking what happened the last time you ordered a Happy Meal at McDonald's. I'm particularly interested in whether you were asked a toy question and how it was framed.

Here in Connecticut, when I drive through, I'm sometimes asked whether the toy is for a boy or a girl. Sometimes [...]

February 6, 2009, *2:20 pm*

I Pay Them to Leave

By Ian Ayres

A business exec told me that he thinks of consulting firms a bit like Charlie Sheen thinks about prostitutes. When I asked him to explain, he said that

when Sheen was being sentenced for using a prostitute, the judge asked him why a man like him would have to pay for sex. And Sheen reportedly [...]

February 2, 2009, *1:32 pm*

Airlines and Opting Ethics

By Ian Ayres

Here's a post with my co-author and colleague at Yale Law School, Jonathan Macey. Jon is the author of the just-published book Corporate Governance: Promises Kept, Promises Broken.

Airlines and Opting Ethics

By Ian Ayres and Jonathan Macey

Some airlines and travel sites are trying to goose their revenues by running a new opt-out insurance scam. As [...]

January 26, 2009, *1:20 pm*

Mike D'Antoni and the Difference Between a Concealed Handgun and LoJack

By Ian Ayres

John Donohue and I have weighed in again on the concealed-handgun debate. (You can read previous writings on this subject here, here, and here.) This time we have responded to an empirical article by Carlisle Moody and Thomas Marvell, who claim they are "confident" that "the evidence, such as it is, seems to support the [...]

January 22, 2009, *2:25 pm*

Shove

By Ian Ayres

Last November, I had the chance to go to Dubai for the first time to participate in the World Economic Forum Summit on the Global Agenda. Peter Ubel

One of the most interesting people I met there was Peter Ubel, a practicing physician who is also trained in the ways of behavioral economics and psychology (here's Peter's [...]

January 21, 2009, *10:52 am*

Our Daily Bleg: Did Your Kids' School Broadcast Obama's Speech?

By Ian Ayres

My kids' schools never stopped class to listen to President Bush's inauguration speech; but my sense in Connecticut is that many public and private schools stopped normally scheduled classes to listen to Obama's inauguration speech. News articles suggested that many schools considered his inauguration address a teachable moment.

The empiricist in me wonders whether this [...]

January 6, 2009, *9:42 am*

Comment, Comment on the Wall, Are You Community or Not at All

By Ian Ayres

One of the coolest things about posting at Freakonomics is the chance to be educated by your high-quality comments, which add to our posts and sometimes correct our mistakes.

But to be honest, every once in a while I have been depressed by the harsh general tone of criticism. (For example, the comments here got [...]

January 5, 2009, *3:30 pm*

Investment Tips for Retirees Worried About Inflation

By Ian Ayres

As I was getting coffee in the faculty lounge, I started talking to a senior colleague who is nearing retirement. He said that he avoided a lot of the

market pain of the last year because he had only about 25 percent of his savings in stock. (Now with the market drop, he has an [...]

December 24, 2008, *10:54 am*

Good Economic News for the Holidays: Volatility Is Down

By Ian Ayres

One of the most important but underreported financial indicators is the CBOE's Volatility Index (^VIX), which measures the market's expectation of future volatility in stock prices. (The CBOE has written a nice technical white paper describing how it is calculated, here.) Traditionally, the annualized volatility of the S&P 500 has been 20 percent, but [...]

December 18, 2008, *9:48 am*

The Art of SATergy

By Ian Ayres

My son took the SSAT exam this past Saturday. And while I was sitting in the Choate athletic facility waiting for him to finish, I remembered that Avinash Dixit and Barry Nalebuff's new book, The Art of Strategy, has a great example concerning standardized testing. Game theory is so powerful it can help you figure [...]

December 17, 2008, *9:30 am*

Dubai, Shanghai, Mumbai, or the Highway

By Ian Ayres

In early December, I spoke at a Yale Law School breakfast on the current financial crisis — focusing on Robert Shiller's book, The Subprime Solution. (Several of my earlier posts — here and here — were actually preparation for my presentation.) The first question to Shiller from the audience began: "Lots of my investment-banker friends [...]

December 16, 2008, *11:15 am*

An All-Pay Auction

By Ian Ayres

Martin Shubik invented a famous game-theory exercise, sometimes called "the dollar auction," where a teacher auctions off a $20 bill to the highest bidder. Bids have to be in round dollar amounts, but the twist is that both the highest and the second-highest bidder have to pay. When uninitiated students start to play this game, [...]

December 9, 2008, *2:45 pm*

What Do Neil Patrick Harris and Jennifer Gerarda Brown Have in Common?

By Ian Ayres

See more Jack Black videos at Funny or Die.
In "Proposition 8 — The Musical," Neil Patrick Harris argues "there's money to be made" — from weddings (and subsequent divorces) if California legalizes same-sex marriage. But my coauthor Jennifer Gerard Brown beat him to the punch. In "Competitive Federalism and the Legislative Incentives to Recognize Same-Sex [...]

December 2, 2008, *9:45 am*

Who Killed Jdimytai Damour?

By Ian Ayres

Like many others, I've had a difficult time during this Thanksgiving weekend to get my mind around the tragic trampling of Wal-Mart employee Jdimytai Damour. Did people keep shopping? Did the Valley Stream store make any sales before the police closed it down? Who put up the sign outside the store saying "Blitz Line Starts [...]

December 1, 2008, *1:45 pm*

Will Obama Reduce the Chance That You Are Called for Jury Duty?

By Ian Ayres

Photo: Tom Lemo

One of the changes that the "Yes We Can" movement has already wrought is a substantial increase in voter registration — particularly in swing states. In Virginia, for example, the number of registered voters increased by almost 10 percent.

Since voter-registration lists are also used to construct juror lists, a possible benefit of this [...]

November 25, 2008, *9:55 am*

Recourse, Of Course

By Ian Ayres

Martin Feldstein has written another Wall Street Journal op-ed (here's an NBER version) extending his idea for stabilizing home prices. Steven Levitt has written about Feldstein's basic idea before. The basic idea is for the government to provide low-interest loans to mortgage holders in return for mortgage debt:

The federal government would offer any [...]

November 18, 2008, *3:19 pm*

Larry Summers for Treasury Secretary

By Ian Ayres

Larry Summers

There is a lot of speculation about whether President-elect Barack Obama will choose Larry Summers to be his Treasury Secretary. But some people are openly opposing Summers's appointment, in part because of controversial comments he made about women in science.

It's a close question, but I'm hoping that Obama appoints Summers. I have

three reasons:
First, [...]

November 14, 2008, *2:03 pm*

A Commitment Device for Energy Conservation

By Ian Ayres

There's lots of evidence that commitment contracts can help people change behavior with regard to all kinds of things (like savings and smoking cessation). But since participation is voluntary, a huge question is whether you can get people to sign up. This is more than an academic question for me, since the answer will help [...]

November 6, 2008, *12:53 pm*

A Hidden Side of Eugene O'Neill's *Hughie*?

By Ian Ayres

I just saw a wonderful performance of Eugene O'Neill's Hughie at the Long Wharf Theatre. (If you're within driving distance of New Haven, I recommend that you go see it before it closes on November 16.) The entire play, which runs about an hour, is set in the lobby of a shabby hotel (O'Neill describes [...]

October 22, 2008, *1:47 pm*

A Political "Do Not Call" List

By Ian Ayres

Dean Karlan has just published a cool op-ed in the Financial Times making the case for voting-commitment contracts. (Disclosure and shameless plug: Dean and I are both co-founders of stickK.com, the free commitment service where anyone can make a binding commitment to vote on November 4th.)
For the academics out there, Happy New Year!
Sincerely,

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