

Authors

Xavier Giné
World Bank

Jessica Goldberg
University of Maryland

Dan Silverman
Arizona State University

Dean Yang
University of Michigan

Revising Commitments: Field Evidence on the Adjustment of Prior Choices

Xavier Giné, Jessica Goldberg, Dan Silverman, and Dean Yang*

January 2016

Abstract

We implement an artefactual field experiment in rural Malawi to study revisions of prior choices regarding future income receipts. This allows examination of intertemporal choice revision and its determinants. New tests provide evidence of self-control problems for some participants. Revisions of money allocations toward the present are positively associated with refined measures of present-bias from an earlier survey, and with the randomly assigned closeness in time to the first possible date of money disbursement. We find little evidence that revisions of allocations toward the present are associated with spousal preferences for such revision, household shocks, or the financial sophistication of respondents.

Keywords: commitment, hyperbolic preferences, lab experiment, consumption smoothing, self-control, Malawi

JEL codes: D81, D91, O10

* Giné: Development Economics Research Group, World Bank and BREAD (ginex@worldbank.org); Goldberg: Department of Economics, University of Maryland (goldberg@econ.umd.edu); Silverman: Department of Economics, Arizona State University and NBER (silver34@asu.edu); Yang: Ford School and Department of Economics, University of Michigan, NBER, and BREAD (deanyang@umich.edu). Niall Keefe, of Innovations for Poverty Action, was instrumental to the design and implementation of this study. We thank him for his important contributions to this project. We also thank James Anderson, Stefano DellaVigna, Pascaline Dupuis, Yoram Halevy, Vivian Hoffmann, Glenn Harrison, Pam Jakiela, Damon Jones, David L. Levine, Stephen Meier, Ted Miguel, Matthew Rabin, and participants in several seminars for their many helpful comments. We thank Louise Brune, Jason Kerwin, and Prachi Jain for excellent research assistance.

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January 01, 2016