

Put Your Money Where Your Butt Is: A Commitment Contract for Smoking Cessation

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If smokers are well aware of the negative impacts of smoking, why don't they quit? While nicotine substitutes and counseling have been dominant in smoking cessation programs in developed countries, these programs are costly and often not accessible for the rural poor in developing countries. Researchers Xavier Giné, Dean Karlan, and Jonathan Zinman designed an alternative approach: a commitment contract that provides financial incentives for smokers to quit. The CARES product (Committed Action to Reduce and End Smoking) was introduced and evaluated in the Philippines. The researchers find evidence supporting its effectiveness, offer suggestions on future research and recommendations on how to improve smoking cessation programs.

Testing Commitment Devices

Researchers started with a sample of 2,000 smokers in the Philippines. Some were randomly assigned the opportunity to voluntarily sign the CARES commitment contract to stop smoking. Signing the contract committed them to making weekly deposits into a savings account, and after six months, they underwent a urine test for nicotine. Clients who passed the six-month test received the balance of their deposits; those who failed (or did not take) the test forfeited the entire balance to charity. The bank provided a deposit collection service to randomly assigned clients; all other clients were responsible for visiting the branch to make deposits. A second treatment group received pocket-sized, graphic depictions of the negative health impacts of smoking ("cue cards"). In summary, subjects were randomly assigned to one of four groups: 1a) CARES with deposit collection; 1b) CARES without deposit collection; 2) Cue cards; or 3) Control.

Results

The results suggest that CARES helps smokers quit. The researchers paid close attention to the impact being offered treatment had on smoking cessation, whether or not the product was taken up, in addition to the impact actual program participation had for clients. After six months, smokers who had been randomly offered CARES were 3.3 to 5.8 percentage points (pp) more likely to pass

the urine test than the control group. A second "surprise" test at 12 months revealed similar results: 3.5 to 5.7 pp. Even more striking results were found when researchers narrowed the analysis to only those smokers who chose to participate after being offered CARES. Those who used CARES were 31 to 53 pp more likely to pass the 12 month urine test than the control group. The CARES product also outperformed other smoking cessation treatments: in the experiment, cue card holders exhibited significant increases in test passage rates at six months, but not at 12 months. The size of the effect for CARES users was also greater than the effect generally attributed to nicotine replacement therapy in separate randomized controlled trials.

Policy Implications

The results show that the CARES product did help people quit smoking, and in a way that passes a social cost-benefit test. But despite its treatment effects, a large proportion (66%) of CARES clients failed to quit, leaving room for further research. The paper identifies four areas requiring future examination: 1) generalizing results, by identifying the "types" of smokers who participated and benefited most from the program; 2) testing whether commitment contracts complement or substitute for other smoking cessation treatments; 3) studying what constitutes optimal design of an anti-smoking commitment contract (deposit collectors, financial incentives, account terms); and 4) determining what drives program take-up.