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 rebates 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:

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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 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.

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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.

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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.

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**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?

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**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…

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**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. Calhoun.

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.
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 […]

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 […]

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 […]
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 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 [...]
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 starring in her own comedies. As an undergraduate at Barnard College, she has started posting to YouTube a series of [...]

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 [...]

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 [...]
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 [...]
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 [...]
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 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 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 [...]
three reasons:
First, [...]
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