

# Using Preference Estimates to Customize Incentives: An Application to Polio Vaccination Drives in Pakistan\*

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## Abstract

We use structural estimates of time preferences to customize incentives for a sample of polio vaccinators during a series of door-to-door vaccination drives in Pakistan. Our investigation proceeds in three stages. First, we measure time preferences using intertemporal allocations of vaccinations. Second, we derive the mapping between these structural estimates and individually optimal incentives given a specific policy objective. Third, we experimentally evaluate the effect of matching contract terms to individual discounting patterns in a subsequent experiment with the same vaccinators. This exercise provides a test of the specific point predictions given by structural estimates of time preference. We document present bias among vaccinators and find that tailored contracts achieve the intended policy objective of smoothing intertemporal allocations of effort.

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# 1 Introduction

Nearly every economic decision people make entails some tradeoff through time, whether it is consumption versus savings, doing a task now or later, building human capital, or investing in one's career. Characterizing such choices with structural models of discounting has been a core challenge for economists for much of the last century (leading contributions include Samuelson, 1937; Koopmans, 1960; Laibson, 1997; O'Donoghue and Rabin, 2001). The preference parameters governing such models are of unique value for understanding a broad range of behaviors, and so have received a great deal of empirical attention in both field and laboratory settings (examples include Hausman, 1979; Lawrance, 1991; Warner and Pleeter, 2001; Cagetti, 2003; Laibson, Repetto and Tobacman, 2005; Mahajan and Tarozzi, 2011; Fang and Wang, 2015; Harrison, Lau and Williams, 2002; Andersen, Harrison, Lau and Rutstrom, 2008; Andreoni and Sprenger, 2012a).

This paper investigates the possibility of structurally estimating discounting parameters and testing corresponding counterfactual predictions for behavior out-of-sample. Interestingly, very little research makes use of such potential value in the articulation and estimation of structural models of discounting. Structural estimates of discount factors or discount rates have been used for comparison to market interest rates (e.g., Hausman, 1979), for comparison across samples, time, or elicitation and estimation strategies (e.g., Coller and Williams, 1999; Frederick, Loewenstein and O'Donoghue, 2002; Meier and Sprenger, 2015; Andersen et al., 2008), to assess differences in patience across subpopulations (e.g., Kirby, Petry and Bickel, 1999; Tanaka, Camerer and Nguyen, 2010; Harrison et al., 2002; Dohmen, Falk, Huffman and Sunde, 2010; Lawrance, 1991; Warner and Pleeter, 2001), to conduct welfare analyses (e.g., Laibson, 1997), and to conduct standard counterfactual exercises without out-of-sample testing (e.g., for how price changes should alter demand (Mahajan and Tarozzi, 2011)). When structural estimates or related measures are used in out-of-sample exercises, the analysis has often been indirect, linking differences in measured patience to differences in other behaviors without an articulated model for the relationship (e.g., Chabris, Laibson, Morris, Schuldt and Taubinsky, 2008b; Meier

and Sprenger, 2008, 2012, 2010; Ashraf, Karlan and Yin, 2006; Dohmen, Falk, Huffman and Sunde, 2006; Castillo, Ferraro, Jordan and Petrie, 2011).<sup>1</sup> Though such correlational exercises yield valuable insights, they could potentially be made more powerful by directly employing the theoretical parameters in developing the out-of-sample prediction.<sup>2</sup>

In an important policy-relevant environment—the provision of door-to-door polio vaccinations in Pakistan—we elicit and structurally estimate intertemporal preference parameters for polio vaccinators. These preference parameters are subsequently used to construct *tailored intertemporal incentive contracts* for the same set of vaccinators. The tailored contract maps each vaccinator’s discount factor to an interest rate designed to achieve a specific policy objective for that individual. The structural estimates are critical as they are employed directly to tailor each vaccinator’s personalized contract.

Our project engages government health workers—termed Lady Health Workers (LHWs)—associated with polio eradication efforts for the Department of Health in Lahore, Pakistan. Polio is endemic in Pakistan. Of 350 new worldwide cases in 2014, 297 occurred in Pakistan, constituting a ‘global public health emergency’ according to the World Health Organization.<sup>3</sup> The disease largely affects children under five. The function of LHW vaccinators is to provide oral polio vaccine to children during government organized vaccination drives, which usually last two or more days and are conducted approximately every month. Vaccinators are given a supply of oral vaccine and a neighborhood map and are asked to travel door-to-door vaccinating children with a suggested target for vaccinations. Prior to our project there was no technology for monitoring vaccinators, and vaccinators self reported their achievements. As one might

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<sup>1</sup>One exception is Mahajan and Tarozi (2011) who use monetary measures for time inconsistency and purchase and treatment decisions for insecticide treated bednets together to estimate the extent of present bias and ‘sophistication’ thereof. This exercise can be thought of as articulating the relationship between the experimental measures of time inconsistency and contract choice to deliver estimates of present bias. One point noted by Mahajan and Tarozi (2011) is that the experimental measures wind up having limited predictive power for estimates of present bias that result from their structural exercise.

<sup>2</sup>Indeed, such exercises could by-and-large be conducted without appeal to structural estimation. Linking either non-parametric measures of discounting or structural parameters thereof to other behavior yields largely the same correlational insights if one does not articulate precisely how the structural parameters should predict behavior.

<sup>3</sup>Between 95 percent and 99 percent of individuals carrying polio are asymptomatic. One infection is therefore enough to indicate a substantial degree of ambient wild polio virus.

imagine, vaccinators often fell short of their suggested targets, but rarely reported doing so. This behavior is consistent with the large literature on public sector absence (Banerjee and Duflo, 2006; Banerjee, Duflo and Glennerster, 2008; Chaudhury, Hammer, Kremer, Muralidharan and Rogers, 2006; Callen, Gulzar, Hasanain and Khan, 2015).

Since our study requires implementing performance-based incentives, it hinges fundamentally on an accurate measure of productivity.<sup>4</sup> To this end we developed and introduced a high-resolution monitoring technology using smartphones. Each vaccinator in our sample is provided a smartphone, equipped with a reporting application that, as we discuss below, permits precise observation of when and where vaccinations are attempted.

With this monitoring technology in place, we introduce intertemporal bonus contracts designed to elicit the time preferences of the vaccinators. In particular, vaccinators set daily targets of  $v_1$  and  $v_2$  vaccination attempts on day 1 and day 2 of the drive, respectively. Vaccinators face an interest rate,  $R$ , such that a single vaccination that is allocated to day 2 reduces by  $R$  the number of vaccinations required on day 1. That is,  $v_1$  and  $v_2$  satisfy the intertemporal budget constraint

$$v_1 + R \cdot v_2 = V,$$

where  $V = 300$ . The bonus contract offers a fixed bonus of 1000 rupees (around \$10) for meeting *both* of their  $v_1$  and  $v_2$  vaccination target attempts over a two-day drive.<sup>5</sup> If either daily target,  $v_1$  or  $v_2$ , is not met, the bonus is not received.

Intertemporal allocations  $(v_1, v_2)$  can be used to structurally estimate discounting parameters for vaccinators. Experimental variation permits identification of an important behavioral

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<sup>4</sup>This links our work to a substantial body of recent research in development economics examining the role of incentives and monitoring in improving public sector performance (Bertrand, Burgess, Chawla and Xu, 2016; Basinga, Gertler, Binagwaho, Soucat, Sturdy and Vermeesch, 2011; Miller, Luo, Zhang, Sylvia, Shi, Foo, Zhao, Martorell, Medina and Rozelle, 2012; Olken, Onishi and Wong, 2014; Khan, Khwaja and Olken, 2015; Muralidharan and Sundararaman, 2011).

<sup>5</sup>Our bonus program paid vaccinators for attempted rather than successful vaccinations to avoid concerns that vaccinators, motivated by the incentives, would coerce individuals to receive vaccination. Details on the incentive program are provided in Section 2.2. Slightly more than half of vaccination attempts are successful, with slightly less than half of vaccination attempts reporting no child present. Appendix Figure A.6 reports vaccination behavior for each half-hour of the study, demonstrating limited variation in the proportion of successful and failed vaccination attempts throughout the work day.

aspect of intertemporal choice: the existence of present-biased preferences (Laibson, 1997; O’Donoghue and Rabin, 1999). Vaccinators are randomly assigned to make their allocation decision either in advance of the first day of the drive or immediately on day 1 itself. Additionally, vaccinators are randomly assigned an interest rate,  $R$ . Under specific structural assumptions, the experiment identifies a set of aggregate discounting parameters (for similar estimation strategies see Andreoni and Sprenger, 2012a; Augenblick, Niederle and Sprenger, 2015). Further, under additional assumptions, each vaccinator’s allocation identifies her individual discount factor.

We use the individual discounting parameters from an initial drive to tailor incentive contracts in a follow-up drive. Our exercise has a clear policy rationale. We envision a policymaker, endowed with information on workers’ time preferences, who would like to achieve a specific policy objective. We formalize the problem as maximizing policy preferences subject to a worker’s offer curve. The specific policy preferences we attempt to implement are Leontief preferences, where a policymaker wishes to ensure smooth provision of service through time.<sup>6</sup> The optimal policy is simple. To ensure smooth provision of service,  $v_1 = v_2$ , the policymaker must give each worker an interest rate equal to their discount factor. To provide proof-of-concept for such tailored contracting, we randomly provide half of vaccinators with a tailored contract and half with a random contract in the follow-up drive.

In a sample of 337 vaccinators, we document three principal results. First, on aggregate, a present bias exists in vaccination behavior. Vaccinators allocating in advance of day 1 of the drive allocate significantly fewer vaccinations to  $v_1$  than those allocating on the morning the drive actually commences. Corresponding estimates of present bias accord with those of prior laboratory exercises. Second, substantial heterogeneity in discounting is observed. This heterogeneity is important as it points to possible gains from individually-tailored contracts. Third, tailored contracts work. Relative to random contracts, vaccinators with tailored contracts provide significantly smoother service.

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<sup>6</sup>Our experiment also allows us to explore the viability of alternative policy preferences and tailored contracts such as a policy maker who wishes to maximize the total number of vaccinations.

This paper makes three contributions. First, our exercise uses field behavior about effort to examine non-standard time preferences, joining a growing literature which identifies present bias from non-monetary choices in field settings (see, e.g., Read and van Leeuwen, 1998; Sadoff, Samek and Sprenger, 2015; Read, Loewenstein and Kalyanaraman, 1999; Sayman and Onculer, 2009; Kaur, Kremer and Mullainathan, 2010, 2015; Carvalho, Meier and Wang, 2014).<sup>7</sup> Most closely related is the work of Kaur et al. (2010) and Kaur et al. (2015), who investigate the decisions of Indian data entry workers, also finding evidence of dynamic inconsistency and self-control problems at work. Documenting dynamic inconsistency outside of the laboratory and outside of the standard experimental domain of time dated monetary payments is particularly valuable given recent discussions on the elicitation of present-biased preferences using potentially fungible monetary payments (Cubitt and Read, 2007; Chabris, Laibson and Schuldt, 2008a; Andreoni and Sprenger, 2012a; Augenblick et al., 2015; Carvalho et al., 2014). As in prior research, our results show that when investigating non-monetary choices, dynamic inconsistency may well have empirical support (see, e.g., Augenblick et al., 2015; Carvalho et al., 2014; Augenblick and Rabin, 2015).

Second, we find that the predictions given by structural preference estimates are, in general, accurate. While a substantial literature provides evidence that preference measures correlate sensibly with economic behavior, this investigation is the first, to our knowledge, to test whether the specific point predictions for behavior given by an experimental preference measure are accurate. Indeed, we find evidence in Section 4.2.4 that the predictions given by our structural model offer advantages beyond prediction models optimized using machine learning techniques.

The third contribution of our paper is to show that preference measures can be used by principals to improve agents' incentives.<sup>8</sup> Much of the contract theory literature points to the

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<sup>7</sup>These studies include examination of present bias or dynamic inconsistency for food choices (Read and van Leeuwen, 1998; Sadoff et al., 2015); for highbrow and lowbrow movie choices (Read et al., 1999); for cafe reward choices (Sayman and Onculer, 2009); for completing survey items (Carvalho et al., 2014); and for fertilizer purchase decisions (Duflo, Kremer and Robinson, 2011). For discussion of this literature, see Sprenger (2015).

<sup>8</sup>A classic literature in personnel economics documents the potential benefits of implementing piece rates relative to lump sum payments (Lazear, 2000; Paarsch and Shearer, 1999; Shearer, 2004) and the elasticity of effort with respect to the piece rate (Paarsch and Shearer, 2009). Our focus is not on the incentive effects of piece rates, but rather the benefits of using preference estimates to customize incentives.

central role of preferences in determining the optimal design of incentives, focusing primarily on the role of risk preference in determining the optimal mix of performance and fixed pay. The relevant empirical literature, likewise, points to a role for risk preference in contractual settings (Jensen and Murphy, 1990; Haubrich, 1994; Akerberg and Botticini, 2002; Dubois, 2002; Bellemare and Shearer, 2013).<sup>9</sup> While these studies acknowledge the implications of heterogeneous preferences for contract design, they tend to focus on the risks faced by agents, rather than differences in preferences, because they tend to be more observable. Indeed, the unobservability of preferences poses a key obstacle to testing the optimality of contracts.<sup>10</sup>

Our approach complements this tradition by attempting to measure normally unobservable preferences and then using such measures in subsequent contract design. Rather than examining whether existing contracts are optimal, we derive the optimal compensation scheme given a policy instrument (the interest rate), a policy objective (smooth provision of service), and the measures of preferences, and then experimentally test whether the optimized scheme improves performance. Our tailored contracts provide a proof-of-concept that structural preference estimates based on experimental procedures can assist the design of incentives. The evidence suggests potential value in extending such efforts to other domains, contracts forms, and policy objectives. This opens additional possibilities for managers or policymakers to improve incentives and increase worker performance.

The paper proceeds as follows: Section 2 presents our experimental design and corresponding theoretical considerations for structurally estimating time preferences and tailoring contracts, Section 3 present results, Section 4 provides robustness tests, and Section 5 concludes.

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<sup>9</sup>Chiappori and Salanié (2003) provide a review of empirical tests of predictions from contract theory about the design of incentives.

<sup>10</sup> In a review of the literature, Prendergast (1999) summarizes this point: “While the conclusions taken from this literature could be correct, this seems a poor method of testing agency theory...because many of the factors relevant for choosing the level of compensation are unobserved; the optimal piece rate depends on risk aversion and the returns to effort, both of which are unknown to the econometrician...it is a little like claiming that prices are too high without knowing costs.” (p. 19)

## 2 Experimental Design and Structural Estimation

Our experiment has three core objectives: eliciting the time preferences of vaccinators; testing for present-biased behavior in the intertemporal allocation of work; and testing the point predictions of corresponding structural estimates using tailored contracts.

In order to achieve these objectives, the effort of vaccinators must be observable. Hence, the first component of our study is a smartphone monitoring application for tracking vaccination attempts. We describe this technology in a first sub-section, then we describe the design elements which allow for the identification of preferences and present bias, and then we proceed to tailored contracts. A fourth sub-section is dedicated to design details.

### 2.1 Vaccinations and Smartphone Monitoring

The Department of Health in Lahore, Pakistan, employs Lady Health Worker vaccinators throughout the city to conduct polio vaccination drives. Every month there is a vaccination drive that is at least two days long. Vaccinators are organized into teams of one senior worker and one junior assistant. These teams work together throughout the drive. Our experiment focuses on the incentives of the senior vaccinator.

Prior to our study, the standard protocol for vaccination drives was to provide each vaccinator a fixed target for total vaccinations over the drive and a map of potential households (called a “micro-plan”).<sup>11</sup> No explicit incentives for completing vaccinations were provided and vaccinators received a fixed daily wage of 100 rupees (around \$1). Vaccinators were asked to walk their map, knocking on each compound door, and vaccinating each child for whom parental permission was granted.<sup>12</sup> Vaccinating a child consists of administering a few drops of oral vaccine. As there is no medical risk of over-vaccination, vaccinators are encouraged to vaccinate every child for whom permission is granted. For each attempted vaccination, vaccinators were asked to mark information related to the attempt (number of children vaccinated, whether or

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<sup>11</sup>Appendix Figure A.1 provides an example of such a map.

<sup>12</sup>Appendix Figure A.2 provides an example of such a vaccination.



not all children were available for vaccination, etc.) in chalk on the compound wall.<sup>13</sup>

At the end of each day of the drive, vaccinators in each neighborhood convened at a local clinic with their supervisor and self-reported their vaccination activity for the day.<sup>14</sup> In principle, though a monitor could investigate the neighborhood chalk markings, in practice, this system provided for virtually no monitoring. There are reasons to believe that many reported vaccinations never actually took place.<sup>15</sup>

In collaboration with the Department of Health, we designed a smartphone-based monitoring system that allowed us to track the door-to-door activities of polio vaccinators. Each vaccinator in our study was given a smartphone equipped with a vaccination monitoring application. The vaccinator was asked to record information related to each vaccination attempt identical to what she had written in the chalk mark. Then she was asked to take a picture of the chalk mark and her current vial of vaccine. An image of the main page of the application is provided as Figure 1, Panel A. Data from the smartphone system were aggregated in real-time on a dashboard available to senior health administrators. This dashboard is depicted in Appendix Figure A.5.<sup>16</sup>

The smartphone system allows us to register vaccination attempts and provides a basis for creating intertemporal bonus contracts designed to elicit vaccinator time preferences. We next provide an outline of the bonus contracts.

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<sup>13</sup>Appendix Figure A.3 provides a picture of such a chalk marking.

<sup>14</sup>Appendix Figure A.4 provides a picture of the form capturing the self-reports. The second column records the number of vaccinations for the day. The seventh column reports the number of vials of vaccine used in the process.

<sup>15</sup>We attempted to independently audit vaccinators by following the trail of chalk markings, but our enumerators found the process too difficult to produce a reliable audit of houses visited. We do, however, know the targets associated with each micro-plan prior to our monitoring intervention and that vaccinators almost never reported failing to meet a target. Even with a bonus incentive and smartphone monitoring in place, we find that vaccinators on average achieve only 62 percent (s.d. = 58 percent) of the target given by their micro-plans. There is reason to expect that vaccinators would achieve a smaller share of their target with no incentive.

<sup>16</sup>This dashboard system is based on the technology described in Callen et al. (2015).

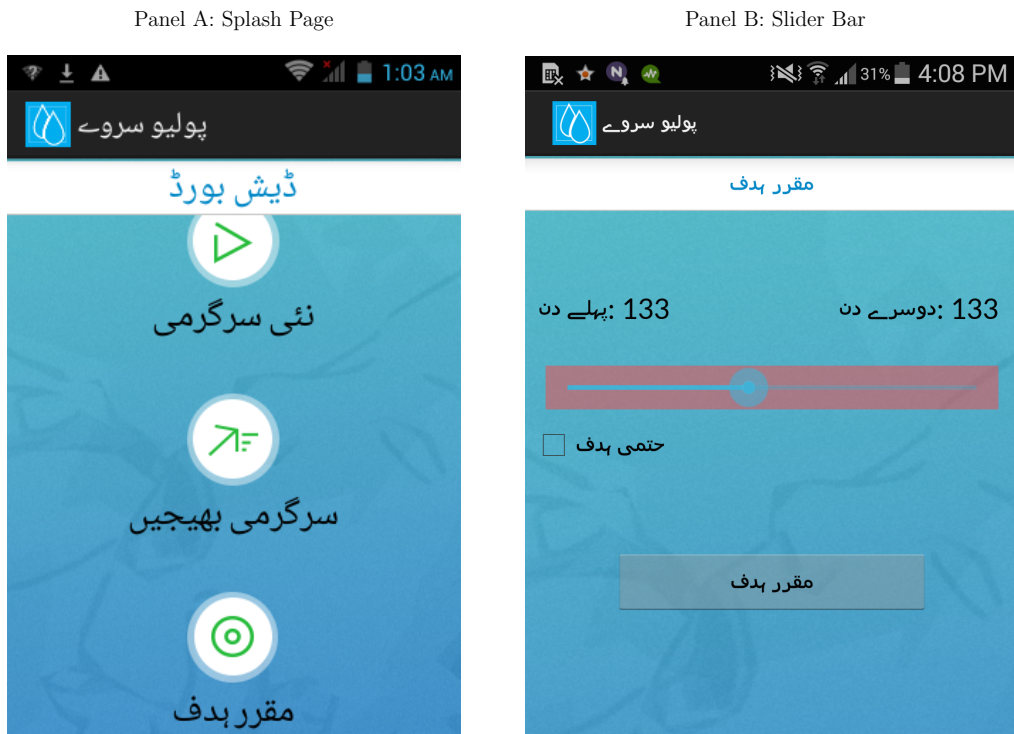


Figure 1: Vaccination Monitoring Smartphone App

*Notes:* The picture is of two screenshots from the smartphone app used by vaccinators. Panel A is depicted after partially scrolling down. The top bar in Panel A (white letters) translates to “polio survey.” The next panel down (blue letters) translates to “Dashboard” (literally transliterated). The black letters under the top button translate to “new activity”, the letters under the second button translate to “send activity” and the letters under the lowest button translate to “set target”. The blue letters in panel B translate to “set target”. The next line translates to “First day: 133; Second day: 133”. The text next to the box translates to “finalize target” and the black letters on the bar translate to “set target.”

## 2.2 Intertemporal Bonus Contracts

Vaccination drives in Lahore occur approximately once every month. Vaccination drives are at least two days long. Given the intertemporal nature of effort for these drives, we worked with the Department of Health to implement intertemporal bonus contracts in two-day drives in September, November and December of 2014.

The intertemporal bonus contracts required workers to complete a present value total of  $V = 300$  vaccination attempts in exchange for a fixed bonus of 1000 rupees. Vaccinators set daily targets,  $v_1$  and  $v_2$ , corresponding to vaccinations on day 1 and day 2 of the drive, respectively. If either of the vaccination targets,  $v_1$  or  $v_2$ , were not met, the 1000 rupees would not be received, and the vaccinator would receive only her standard wage.

Each vaccinator was randomly assigned an interest rate translating vaccinations on day 1 to vaccinations on day 2. For each vaccination allocated to day 2, the number of vaccinations allocated to day 1 would be reduced by  $R$ . Hence, the targets  $v_1$  and  $v_2$  satisfy the intertemporal budget constraint

$$v_1 + R \cdot v_2 = V.$$

This intertemporal bonus contract is identical to an experimental device termed a Convex Time Budget used to investigate time preferences (Andreoni and Sprenger, 2012a,b; Augenblick et al., 2015; Carvalho et al., 2014; Gine, Goldberg, Silverman and Yang, 2010).<sup>17</sup>

The intertemporal allocation  $(v_1, v_2)$  potentially carries information on the time preferences of each vaccinator. A more patient worker may wish to allocate more vaccinations to day 1, while a less patient worker may wish to allocate more vaccinations to day 2. In Section 4, we discuss alternative rationales for specific patterns of allocation behavior. Under the assumption that choices are driven by discounting, we next describe the relevant experimental variation

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<sup>17</sup>We also borrow an additional design element—minimum allocation requirements—from such studies. In order to avoid vaccinators allocating all their vaccinations to a single day of the drive, we placed minimum work requirements of  $v_1 \geq 12$  and  $v_2 \geq 12$ . The objective of minimum allocation requirements is to avoid confounds related to fixed costs. That is, by requiring vaccinators to work on both days of the drive, we avoid confounding extreme patience or extreme impatience with vaccinators simply not wishing to come to work on one of the two days.

and structural assumptions that permit us to identify discounting parameters at the aggregate and individual level.

### 2.2.1 Experimental Variation and Structural Identification

Our design generates two sources of experimental variation. First, each vaccinator is randomly assigned an interest rate,  $R$ , from the set  $R \in \{0.9, 1, 1.1, 1.25\}$ . These values were chosen following Augenblick et al. (2015). Operationally, experimental variation in  $R$  was implemented by providing each vaccinator with a slider bar on the introduction screen of the smartphone application. Figure 1, Panel B depicts the slider bar with an assigned interest rate,  $R$ , equal to 1.25. The vaccinator was asked to pull the slider bar to their desired allocation  $(v_1, v_2)$  and then submit. The allocation was required to be submitted before commencing vaccination.<sup>18</sup>

Second, each vaccinator was randomly assigned to either submit their allocation in advance of day 1 of the drive or on the morning of day 1. We term the first of these ‘Advance’ decisions and the second ‘Immediate’ decisions. The assignment to either the Advance or Immediate group was independent of the interest rate assignment. Section 2.4 describes the efforts taken to make everything else besides allocation timing equal between these conditions.

Random assignment to Advance or Immediate choice and random assignment of  $R$  are both critical design elements for identifying discounting parameters of interest. In particular, we assume that individuals minimize the discounted costs of effort subject to the intertemporal budget constraint provided by their bonus contract. We make two further structural assumptions. First, we assume a stationary, power cost of effort function  $c(v) = v^\gamma$ , where  $v$  represents vaccinations performed on a given day and  $\gamma > 1$  captures the convex costs of effort. Second, we assume that individuals discount the future quasi-hyperbolically (Laibson, 1997; O’Donoghue and Rabin, 1999). Hence, the worker’s disutility of effort can be written as

$$v_1^\gamma + \beta^{1_{d=1}} \delta \cdot v_2^\gamma.$$

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<sup>18</sup>One advantage of using slider bars over conventional price lists is that it potentially assists subject comprehension.

The indicator  $\mathbf{1}_{d=1}$  captures whether the decision is made in advance or immediately on day 1. The parameters  $\beta$  and  $\delta$  summarize individual discounting with  $\beta$  capturing the degree of present bias, active for vaccinators who make Immediate decisions, that is,  $\mathbf{1}_{d=1} = 1$ . If  $\beta = 1$ , the model nests exponential discounting with discount factor  $\delta$ , while if  $\beta < 1$  the decisionmaker exhibits a present bias, being less patient in Immediate relative to Advance decisions.

Minimizing discounted costs subject to the intertemporal budget constraint of the experiment yields intertemporal Euler equation

$$\left(\frac{v_1}{v_2}\right)^{\gamma-1} \frac{1}{\beta \mathbf{1}_{d=1} \delta} = \frac{1}{R}. \quad (1)$$

Taking logs and rearranging yields

$$\log \left( \frac{v_1}{v_2} \right) = \frac{\log \delta}{\gamma - 1} + \frac{\log \beta}{\gamma - 1} \mathbf{1}_{d=1} - \frac{1}{\gamma - 1} \log R.$$

If we assume that allocations satisfy the above equation subject to an additive error term,  $\epsilon$ , we arrive at the linear regression equation

$$\log \left( \frac{v_1}{v_2} \right) = \frac{\log \delta}{\gamma - 1} + \frac{\log \beta}{\gamma - 1} \mathbf{1}_{d=1} - \frac{1}{\gamma - 1} \log R + \epsilon, \quad (2)$$

which can be estimated with standard techniques. This formulation provides intuition for the identification of structural parameters from vaccinator allocations, and make clear the purpose of our experimental variation in  $R$  and  $\mathbf{1}_{d=1}$ . Variation in the interest rate,  $R$ , identifies the shape of the cost function,  $\gamma$ , while variation in  $\mathbf{1}_{d=1}$  identifies  $\beta$ . Note that  $\delta$  is identified from the average level of  $v_1$  relative to  $v_2$  when decisions are made in advance (i.e., identified from the constant). An identical strategy for structurally estimating time preferences was introduced in controlled experiments by Andreoni and Sprenger (2012a), and has precedents in a body of macroeconomic research identifying aggregate preferences from consumption data.<sup>19</sup>

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<sup>19</sup>See, for example, Shapiro (1984); Zeldes (1989); Lawrance (1991).

The above development delivers aggregate estimates of discounting parameters with each vaccinator’s allocation contributing a single observation to the aggregate. Exercises exploring heterogeneity in time preferences document substantial differences across people, even from relatively homogeneous populations (see e.g., Harrison et al., 2002; Ashraf et al., 2006; Meier and Sprenger, 2015). Given only a single observation per vaccinator, estimation of all parameters at the individual level is infeasible. However, we can calculate each vaccinator’s discount factor, which is either  $\delta_i$  for those who make Advance decisions or  $(\beta\delta)_i$  for those who make Immediate decisions. To make such a calculation, two further structural assumptions are required. First, we assume every vaccinator shares a common cost function,  $\gamma = 2$ , corresponding to quadratic cost. Second, we assume the intertemporal Euler equation (1) is satisfied with equality. Let  $R_i$  be the value of  $R$  assigned to individual  $i$ , let  $\mathbf{1}_{d=1,i}$  be their assignment to Advance or Immediate choice, and let  $(v_{1,i}, v_{2,i})$  be their allocation of vaccinations. Under the above assumptions, this equation holds:

$$\frac{R_i \cdot v_{1,i}}{v_{2,i}} = (\beta^{\mathbf{1}_{d=1,i}} \delta)_i. \quad (3)$$

The interest rate-adjusted ratio of allocated vaccinations identifies a discount factor for each individual,  $i$ .

The structural assumptions required for identification of aggregate and individual discount factors are potentially quite restrictive. Our research design, which involves tailoring contracts to individual discount factors, requires an ex-ante commitment to the specific functional forms of equations (1) and (3). Hence, for the purposes of estimation and tailoring, we analyze only these previously determined functional forms. In sub-section 4.1.2, we assess the validity of a set of required assumptions and present exploratory analysis related to alternative functional forms.<sup>20</sup>

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<sup>20</sup>In unreported results, we also attempted to estimate a variety of alternative functional forms. These estimates yield broadly similar aggregate conclusions and are available upon request.

### 2.3 Tailored Contracts

Under the set of structural assumptions above, each vaccinator's allocation in an intertemporal bonus contract identifies her discount factor for vaccinations, either  $\delta_i$  for those who make Advance decisions or  $(\beta\delta)_i$  for those who make Immediate decisions. We consider a policymaker who knows such preferences and wishes to achieve a specific policy objective. The policymaker has only one policy lever: manipulation of the interest rate,  $R_i$ , at the individual level. We formalize the problem as maximizing policy preferences,  $P(v_{1,i}(R_i), v_{2,i}(R_i))$ , subject to the vaccinator's offer curve. The problem is stated as

$$\max_{R,i} P(v_{1,i}^*(R_i), v_{2,i}^*(R_i)),$$

where  $(v_{1,i}^*(R_i), v_{2,i}^*(R_i))$  are defined as the solution to the vaccinator's minimization problem,

$$\begin{aligned} \min_{v_{1,i}, v_{2,i}} (v_{1,i})^\gamma + (\beta^{1_{d=1,i}} \delta)_i \cdot (v_{2,i})^\gamma \text{ s.t.} \\ v_{1,i} + R_i \cdot v_{2,i} = V. \end{aligned}$$

The solution maps the policy preferences into an interest rate for each vaccinator. One can consider many potential forms of policy preference, with policymakers desiring a variety of intertemporal patterns of effort. As proof-of-concept, we consider first a policy maker with one extreme form of preference,  $P(v_{1,i}(R_i), v_{2,i}(R_i)) = \min[v_{1,i}(R_i), v_{2,i}(R_i)]$ .<sup>21</sup> Such Leontief preferences correspond to a policymaker who desires perfectly smooth provision of service. This problem has an intuitive solution. The worker's intertemporal Euler equation (3) yields smooth provision,  $v_{1,i} = v_{2,i}$ , when  $R_i = (\beta^{1_{d=1,i}} \delta)_i$ . Hence, the tailored contracts give each vaccinator a value of  $R$  equal to their discount factor. Note that the structural discounting parameters are critical in this development. With information on discount factors, the policymaker can tailor contracts for each worker to achieve specific policy objectives.

<sup>21</sup>The ability of our data to speak to alternative policy preferences is discussed in section 4.2.5. Leontief preferences in this environment are extreme, but there is general interest in understanding mechanisms to drive smooth behavior, particularly for saving and for avoiding procrastination.

In a second two-day drive, we investigate the promise of tailored contracts. All vaccinators from the first drive were invited to participate in a second intertemporal bonus contract. Vaccinators were unaware that their previously measured behavior would be used to potentially inform their subsequent contracts. This sidesteps an important possibility that vaccinators might alter their first drive behavior in order to receive a more desirable interest rate in the second drive.

Half of vaccinators were given an individually tailored intertemporal bonus contract,

$$v_{1,i} + R_i^* \cdot v_{2,i} = V,$$

where  $R_i^* = (\beta^{1_{d=1,i}} \delta)_i$ , either  $(\beta \delta)_i$  or  $\delta_i$  depending on whether they made Immediate or Advance decisions.<sup>22</sup> Some vaccinators' allocation behavior in the first drive implied extreme discount factors and hence extreme values of  $R_i^*$ . Our tailoring exercise focused only on a Tailoring Sample of vaccinators with discount factors between 0.75 and 1.5.<sup>23</sup> Vaccinators outside of these bounds were given either the upper or lower bound accordingly. Section 4.2.4 discusses drawbacks and potential advantages of alternative approaches to tailoring based purely on prediction without imposing structure on the allocation problem.

The other half of vaccinators were given a random intertemporal bonus contract,

$$v_{1,i} + \tilde{R}_i \cdot v_{2,i} = V,$$

where  $\tilde{R}_i$  was drawn from a random uniform distribution  $U[0.75, 1.5]$ . The bounds on the distribution of  $\tilde{R}_i$  were determined to match the bounds on  $R_i^*$ , while the choice of a random uniform control—rather than a single value of  $\tilde{R}_i$  or some alternative distribution—was chosen to provide flexible scope for constructing a range of comparison groups for tailored interest rates by drawing subsets of vaccinators assigned to the  $\tilde{R}_i$  condition (see section 4.2.3 for details).

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<sup>22</sup>Note that this tailoring exercise requires that vaccinators remain in either the Immediate or Advance assignment across drives.

<sup>23</sup>Of our sample of 338 vaccinators, 57 exhibit discount factors outside of this range. The Tailoring Sample consists of the remaining 281 vaccinators.



We find our results are robust to a range of comparison groups.

Random assignment to tailoring in Drive 2 is stratified on the measure of absolute distance to equal provision  $|\frac{v_1}{v_2} - 1|$ , based on allocations from Drive 1.<sup>24</sup> This measure of distance to equal provision also serves as our eventual measure of distance from equal provision when analyzing the effect of assignment to tailoring in Drive 2. Stratifying assignment on key outcomes of interest is standard practice in the field experimental literature (Bruhn and McKenzie, 2009), as it generally increases precision in estimating treatment effects.

## 2.4 Design Details

Our experiment is divided into two drives. A first drive measures vaccinator time preferences and a second drive explores the potential of tailored contracts. Each drive is two days in length, beginning on Monday morning and ending on Tuesday evening. On the Friday preceeding both drives, our team trained vaccinators on operating the smartphone application and on submitting vaccinations. The first drive took place November 10-11, 2014 with training on November 7. The second drive took place December 8-9, 2014 with training on December 5.

### 2.4.1 Training and Allocation Decisions

On November 7, all vaccinators participating in the November 10-11 drive were required to attend training at one of three separate central locations in Lahore. In a two hour session, they were trained on the smartphone vaccination application and its correct use.

Independent of treatment status, vaccinators were also trained on the intertemporal bonus contracts and the process by which allocations were made and submitted. Hence, both Advance and Immediate vaccinators were given identical training and information on how to submit their allocations. Additionally, vaccinators with different interest rates were given identical information.

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<sup>24</sup>Specifically, subjects are divided into terciles by this measure, with a roughly even number in each bin being assigned to the tailoring and to the control condition.

At the end of the training, vaccinators assigned to Advance decision were asked to select their allocations. The decision screen for this group was activated and their allocations were recorded. Assistance was available from training staff for those who required it. Vaccinators assigned to Immediate decision were told they would select their allocations on Monday morning before beginning work. The decision screen for this group was activated on Monday morning and their allocations were recorded. A hotline number was provided if assistance was required for those in the Immediate condition.

The training activities on December 5, for the December 8-9 drive were identical. However, because vaccinators had previously been trained on the smartphone application, this portion of the training was conducted as a refresher.

#### **2.4.2 Experimental Timeline**

Figure 2 summarizes our experimental timeline and the sample for each vaccination drive of our study.

*Drive 0, Failed Drive, September 26-30, 2014:* We had hoped to begin our study on Friday, September 26th, 2014 with a training session. 336 vaccinators had been recruited, were randomized into treatments, and trained. Advance allocation decisions were collected from half of the subjects on Friday, September 26th. On Monday, September 29th, when we attempted to collect immediate allocation decisions, there was apparently a disruption in the mobile network that prevented 82 of 168 Immediate decision vaccinators from submitting their allocations. This caused us to abandon this drive for the purposes of measuring preferences for subsequent tailoring of contracts. The drive, however, was completed and intertemporal bonuses were paid. For the 82 individuals who did not make their allocations, we contacted them, allowed them to continue working, and paid bonuses for all. Figure 2 provides sample details. For completeness, we present data from Drive 0 in Appendix Table A.3, but do not use Drive 0 for the purposes

of tailoring contracts.<sup>25</sup>

*Drive 1, November 7-11, 2014:* Of the original 336 vaccinators in our failed drive, 57 did not participate in the next drive organized for November 7 - 11. We recruited replacements with the help of the Department of Health, identifying a total of 349 vaccinators to participate in the intertemporal bonus program. The entire sample was re-randomized into interest rate and allocation timing conditions. Training was conducted on November 7, and Advance allocation decisions were collected. The drive began on November 10, and Immediate allocation decisions were collected. 174 vaccinators were assigned to the Advance Choice condition and 175 were assigned to the Immediate Choice condition. While all 174 vaccinators in the Advance Choice condition provided an allocation decision, only 164 of 175 in the Immediate Choice condition provided an allocation. Because 11 vaccinators attrited from the Immediate Choice condition, we also provide bounds on the estimated effect of decision timing using the method of Lee (2009). In addition, for 232 vaccinators, we have allocation decisions in both the failed drive, Drive 0, and Drive 1, forming a potentially valuable panel of response. Figure 2 provides sample details.

*Drive 2, December 5-9, 2014:* Of the 338 vaccinators who participated in Drive 1 and provided an allocation, 337 again participated in Drive 2. These vaccinators were randomly assigned to be tailored or untailored in their Drive 2 bonus contracts. Importantly, vaccinators retained their Advance or Immediate assignment, such that Drive 2 delivers a 2x2 design for tailoring and allocation timing. This allows us not only to investigate the effect of tailoring, but also whether tailoring is more or less effective depending on when allocations are made (and hence whether present bias is active). Figure 2 provides sample details.

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<sup>25</sup>Appendix Table A.1 checks for balance by failure of the smartphone application in Drive 0. Only one of the eight comparison of means hypothesis tests reject equality at the 10 percent level.

**Objectives:** 1. Measure preferences  
2. Test for dynamic inconsistency

**Sample:** 336

**Notes:** 82 vaccinators of the 336 could not select task allocations because of a problem with the app.

**Sample Allocation:**

	R=0.9	R=1	R=1.1	R=1.25
Advance Choice	42	42	42	42
Immediate Choice	42	42	42	42

**Objectives:** 1. Measure preferences  
2. Test for dynamic inconsistency

**Sample:** 349

**Notes:** Preferences are estimated for 338 of the 349 vaccinators recruited. A panel for Drive 0 and Drive 1 is available for 232 vaccinators.

**Sample Allocation:**

	R=0.9	R=1	R=1.1	R=1.25
Advance Choice	43	46	40	45
Immediate Choice	41	46	38	39

**Objectives:** 1. Test tailored contracts  
2. Test tailoring by decision timing

**Sample:** Tailored (169), Untailored (168)

**Notes:** 337 of the 338 vaccinators participating in Drive 1 also participated in Drive 2 and were assigned to either Tailored or Untailored.

**Sample Allocation:**

	Tailored	Untailored
Advance Choice	85	88
Immediate Choice	84	80



Figure 2: Experiment Overview

*Notes:* This figure provides an overview of the timing and sample breakdown of the experiment. Assignment to the advance choice and immediate choice condition in Drive 2 is inherited from vaccination Drive 1. Note that: (i) 57 vaccinators participated only in Failed Drive 0; (ii) 6 vaccinators participated in Drive 1 only; (iii) 1 vaccinator participated in Failed Drive 0 and Drive 1, but not in Drive 2 (iii) 67 vaccinators participated in drives 2 and 3 only; (iv) 271 vaccinators participated in all three rounds.

### 2.4.3 Sample Details

Table 1 summarizes our sample of vaccinators from Drive 1 and provides tests of experimental balance on observables. Column (1) presents the mean and standard deviation for each variable; columns (2) - (9) present the mean and standard error for each of our eight treatment arms, and column 10 presents a p-value corresponding to a joint test of equality. Our sample is almost exclusively female, more than 90 percent Punjabi in all treatment arms, and broadly without access to formal savings accounts. Vaccinators are generally highly experienced with an average of 10.5 years of health work experience and 10.4 years of polio work experience. Consistent with randomization, of the 8 tests performed, only the test performed on an indicator variable equal to one for Punjabi subjects suggests baseline imbalance.

## 3 Results

Our project has two phases. The first phase focused on measuring intertemporal preferences. The second phase aimed specifically to test the effect of tailoring contracts.<sup>26</sup> We first report results related to the elicitation of intertemporal preference parameters, then evaluate the possibility of tailoring incentives based on individual preferences.

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<sup>26</sup>In addition, to test just the effect of providing the \$10 bonus, we randomly assigned 85 vaccinators in Drive 0 to carry a phone but not receive an incentive. 73 of these vaccinators also participated in Drive 1, retaining the same ‘phone only’ treatment status. In Drive 1, vaccinators in the ‘phone only’ group attempted 169.472 vaccinations (s.e. = 15.98) and vaccinators in the phone plus incentives group attempted 201.32 vaccinations (se = 7.73) yielding an estimated increase of 31.85 attempts (s.e. = 18.49,  $p = .09$ ). 49.3% of vaccination attempts were successful for the ‘phone only’ group while 49.1% of vaccinations were successful for the ‘phone plus incentives’ group. The difference in success rates between the two groups is small (0.2 percentage points) and statistically insignificant ( $p=0.69$ ). We discuss data on task completion in detail in Section 4.1.2 below.

Table 1: Summary Statistics and Covariates Balance

	Full Sample (1)	Advance Decision				Immediate Decision				p-value
		R=0.9 (2)	R=1 (3)	R=1.1 (4)	R=1.25 (5)	R=0.9 (6)	R=1 (7)	R=1.1 (8)	R=1.25 (9)	(10)
<i>Demographics</i>										
Gender (Female = 1)	0.985 [0.121]	1.000 (0.000)	1.000 (0.000)	1.000 (0.000)	0.978 (0.022)	0.975 (0.025)	0.978 (0.022)	0.947 (0.037)	1.000 (0.000)	0.284
Years of Education	10.415 [2.291]	10.767 (0.416)	10.652 (0.273)	10.650 (0.462)	10.279 (0.330)	9.850 (0.298)	10.565 (0.368)	10.184 (0.238)	10.282 (0.395)	0.500
Number of Children	3.424 [1.826]	3.419 (0.279)	3.422 (0.301)	3.538 (0.309)	3.286 (0.296)	3.605 (0.286)	3.391 (0.274)	3.421 (0.243)	3.333 (0.294)	0.997
Punjabi (=1)	0.952 [0.215]	0.930 (0.039)	0.932 (0.038)	1.000 (0.000)	0.955 (0.032)	0.950 (0.035)	0.978 (0.022)	0.917 (0.047)	0.947 (0.037)	0.022
<i>Financial Background</i>										
Has a Savings Account (=1)	0.269 [0.444]	0.310 (0.072)	0.250 (0.066)	0.275 (0.071)	0.302 (0.071)	0.350 (0.076)	0.283 (0.067)	0.189 (0.065)	0.179 (0.062)	0.630
Participated in a ROSCA (=1)	0.389 [0.488]	0.349 (0.074)	0.378 (0.073)	0.425 (0.079)	0.350 (0.076)	0.500 (0.080)	0.289 (0.068)	0.351 (0.079)	0.487 (0.081)	0.482
<i>Health Work Experience</i>										
Years in Health Department	10.520 [4.961]	10.605 (0.777)	10.578 (0.695)	10.211 (0.685)	11.549 (0.792)	9.050 (0.695)	10.678 (0.846)	10.395 (0.867)	11.026 (0.808)	0.456
Years as Polio Vaccinator	10.428 [4.727]	10.209 (0.758)	10.728 (0.689)	11.050 (0.668)	11.143 (0.743)	9.238 (0.689)	9.935 (0.713)	10.447 (0.858)	10.692 (0.751)	0.581
# Vaccinators	338	43	46	40	45	41	46	38	39	

*Notes:* This table checks balance across the eight treatment groups. Column 1 presents the mean for each variable based on our sample of 338 vaccinators. These 338 vaccinators comprise the estimation sample in Table 2, which reports tests of dynamic inconsistency. Standard deviations are in brackets. Columns 2 to 9 report the mean level of each variable, with standard errors in parentheses, for each treatment cell. For each variable, Column 10 reports the p-value of a joint test that the mean levels are the same for all treatment cells (Columns 2–9). The last row presents the number of observations in each treatment condition. A ROSCA is an informal Rotating Savings and Credit Association. Some calculations used a smaller sample size due to missing information. The proportion of subjects with missing information for each variable is never greater than 3.5 percent (8 vaccinators did not report whether they had participated in a ROSCA).

### 3.1 Elicitation of Time Preferences

#### 3.1.1 Aggregate Behavior

Figure 3 presents median behavior in the elicitation phase of our experiment, graphing the allocation to the sooner work date,  $v_1$ , for each interest rate.<sup>27</sup> Separate series are provided for Advance and Immediate choice. In Panel A we provide data for our Full Sample of 338 vaccinators who provided allocations in Drive 1. In Panel B we focus only on our Tailoring Sample

<sup>27</sup>We opt to provide medians as the average data are influenced by several extreme outliers in allocation behavior. Qualitatively similar patterns are, however, observed.

of 281 vaccinators, trimming 57 vaccinators with extreme allocation behavior that would imply individual discount factors from equation (3) outside of the range of  $[0.75, 1.5]$ . Two features of Figure 3 are notable. First, subjects appear to respond to the between-subject variation in interest rate. As the value  $R$  increases, vaccinations allocated to  $v_1$  count relatively less towards reaching the two-day target of  $V = 300$ . Vaccinators respond to this changing incentive by reducing their allocation of  $v_1$ . Second, there is a tendency of present bias. Vaccinators appear to allocate fewer vaccinations to  $v_1$  when making Immediate choice.

Table 2 presents corresponding median regression analysis for aggregate behavior in Drive 1.<sup>28</sup> We regress  $v_1$  on  $R$  and whether the allocation decision is immediate. Column (1) echoes the findings from Figure 3, Panel A, demonstrating that vaccinators allocated significantly fewer vaccinations to  $v_1$  as  $R$  increases and when the allocation decision is immediate. In our Full Sample, vaccinators assigned to Immediate choice allocate a median of 2.00 (s.e. = 1.13) fewer vaccinations to  $v_1$  than those assigned to Advance choice. Similar patterns are observed in column (2), focusing only on our Tailoring Sample. Vaccinators in the Tailoring Sample allocate a median of 3 fewer vaccinations to  $v_1$  when making immediate choice. As discussed in Section 2.4.2 above, 11 vaccinators attrited from the sample in the immediate choice condition in Drive 1. Bounding the effect of being assigned to the immediate choice condition on  $v_1$  allocations using the method of Lee (2009) provides a lower bound of  $-3.78$  tasks (s.e. = 2.06) and an upper bound of  $0.205$  (2.06) tasks.

### 3.1.2 Aggregate Preference Parameters

The raw data of Figure 3 and analysis of Table 2 indicate responsiveness of vaccinator behavior to our experimentally varied parameters,  $R$  and whether allocations are Immediate or Advance. Equation (2) links allocation behavior to these experimental parameters via a structural model of choice. In Table 3 we present parameter estimates from maximum likelihood estimations of equation (2) with  $\epsilon \sim N(0, \sigma^2)$  under a set of structural assumptions and sample restrictions.

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<sup>28</sup>Appendix Table A.3 presents identical analysis incorporating data from failed Drive 0, and identifies qualitatively similar effects.

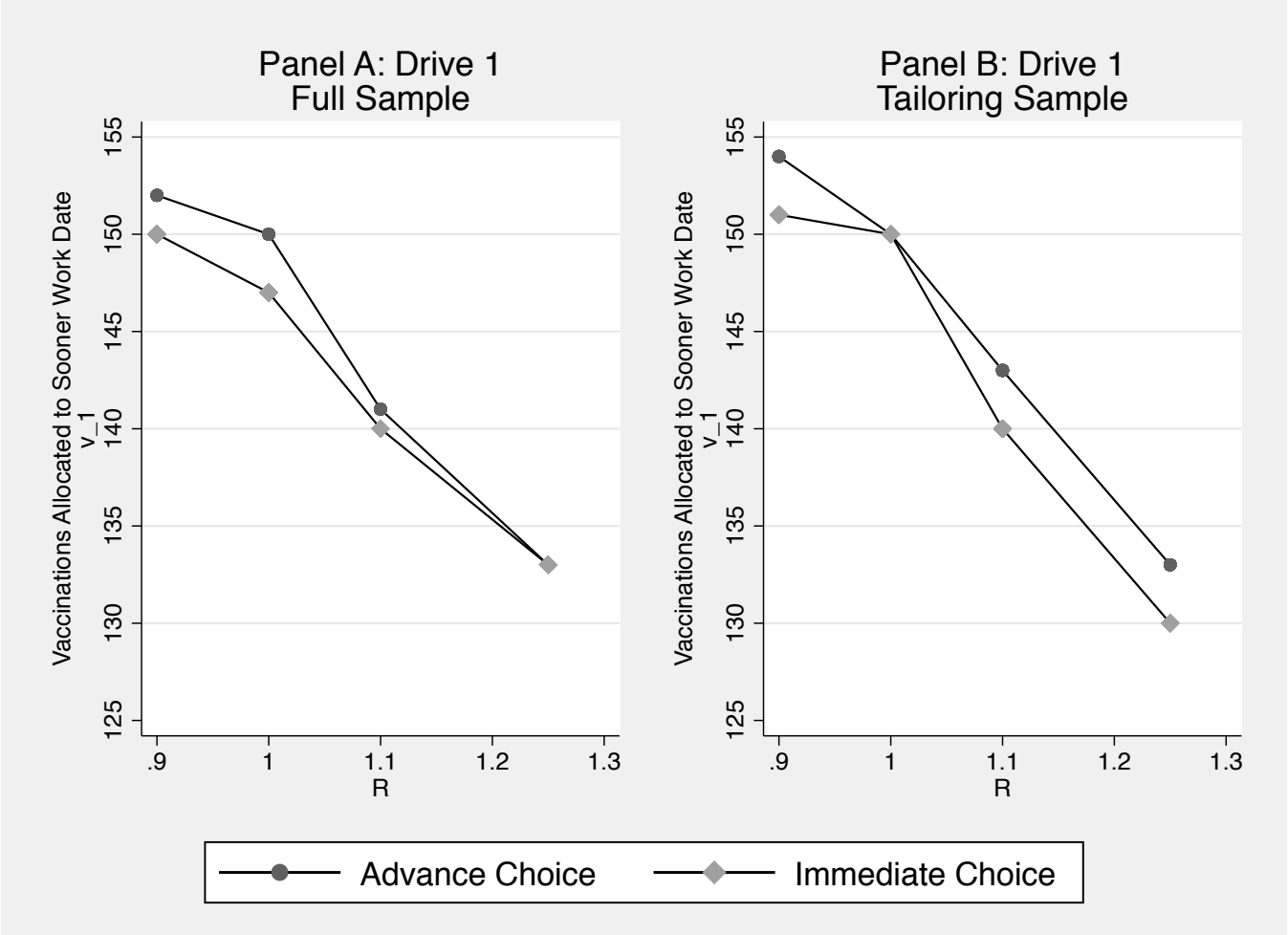


Figure 3: Aggregate Experimental Response

Notes: This figure examines whether tasks assigned to the sooner work date respond to the experimental variation in the interest rate  $R$  and in decision timing. Points in the plots are medians for each of the eight treatment groups respectively. Panel A depicts the Full Sample and Panel B depicts the tailoring sample (vaccinators with  $R^* < 0.75$  or  $R^* > 1.5$ ). Circles are advance choice groups and diamonds are immediate choice groups.



Table 2: Aggregate Drive 1 Behavior

Dependent variable:	Tasks Allocated to the First Day of the Drive ( $v_1$ )	
	Full Sample	Tailoring Sample
	(1) Median	(2) Median
Immediate Decision (=1)	-2.00* (1.13)	-3.00*** (0.91)
Interest Rate (R)	-54.29*** (4.38)	-66.67*** (3.66)
Constant	201.86*** (4.72)	216.33*** (3.93)
Median Advance Choice	146.5	148
# Observations	338	281

*Notes:* This table reports on the effects of decision timing and interest rate variation on vaccinations allocated to the first day of the drive during Drive 1. Median regression coefficients with standard errors are reported in parentheses. Immediate Decision is an indicator equal to one for vaccinators selecting their allocations on the morning of the vaccination drive. The interest rate  $R$  takes the values  $R \in \{0.9, 1, 1.1, 1.25\}$ . Table 3 provides corresponding between-subject structural preference parameter estimates of  $\beta$ ,  $\delta$ , and  $\gamma$ . *Levels of Significance:* \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

In columns (1) and (3) of Table 3, we present estimates restricting  $\gamma = 2$  (quadratic costs) for the Full Sample and the Tailoring Sample. These estimates serve as an aggregate benchmark for our individual analysis which calculates individual discount factors under the assumption of quadratic costs. In column (1), we estimate a daily  $\delta$  of 1.013 (0.018),  $\beta$  of 0.955 (0.037). Though we find an aggregate present bias parameter less than one, echoing the raw results, our estimate of  $\beta$  cannot be statistically distinguished from 1,  $\chi^2(1) = 1.50$ , ( $p = 0.22$ ). A similar finding is obtained when focusing only on the Tailoring Sample in column (3).

Table 3: Aggregate Parameter Estimates

	<u>Full Sample</u>		<u>Tailoring Sample</u>	
	(1)	(2)	(3)	(4)
$\beta$	0.955 (0.037)	0.878 (0.094)	0.977 (0.019)	0.957 (0.041)
$\delta$	1.013 (0.018)	0.934 (0.040)	1.029 (0.013)	0.983 (0.027)
$a$	-	-16.423 (0.493)	-	-33.452 (1.917)
$\gamma = 1 + 3 \cdot \frac{1}{1+\exp(a)}$	2	4	2	4
$\ln(\sigma)$	-1.049 (0.150)	-1.141 (0.183)	-1.838 (0.032)	-2.141 (0.044)
# Observations	338	338	281	281
Log-Likelihood	-125.092	-94.034	117.861	202.774

*Notes:* This reports structural estimates of  $\beta$ ,  $\delta$ , and  $\gamma$  obtained using Maximum Likelihood Estimation based on Equation (2). Standard errors are reported in parentheses. Estimates in columns (1) and (3) are obtained imposing the restriction  $\gamma = 2$ . Estimates in columns (2)-(4) remove this restriction.

In columns (2) and (4) of Table 3, we relax our restriction of quadratic costs and attempt to estimate the shape of the cost function. In these estimates we restrict  $\gamma \in [1, 4]$  by estimating the parameter of a box constraint,  $a$ , such that  $\gamma = 1 + 3 \cdot \frac{1}{1+\exp(a)}$ . This restriction ensures allocations are indeed minima (i.e.,  $\gamma > 1$ ) and allows costs to be substantially convex (i.e.,

up to quartic). Relaxing our restriction on  $\gamma$  alters somewhat the conclusions with respect to discounting. In particular,  $\beta$  and  $\delta$  are both estimated to be further from 1 in columns (2) and (4) relative to columns (1) and (3). In column (2), we estimate an aggregate  $\beta$  of 0.878 (0.094), close to the estimates from controlled laboratory choices over effort (Augenblick et al., 2015; Augenblick and Rabin, 2015). Once again, however, our estimate of  $\beta$  cannot be statistically differentiated from 1,  $\chi^2(1) = 1.69$ , ( $p = 0.19$ ).

It is important to note that in both columns (2) and (4) the cost parameter  $a$  is estimated to be in excess of -15, implying  $\gamma$  extremely close to 4. Estimating close to the edge of the box constraint may suggest some mis-specification in functional form or constraint choice. In section 4.1.2, we attempt to evaluate the appropriateness of our functional form assumptions and assess plausible alternative formulations. These exercises identify an important issue with respect to the estimates of Table 3: the estimated parameters predict more sensitivity to  $R$  than truly exists in the data.<sup>29</sup> This potential mis-specification presents a clear challenge for using individual preference parameters for tailored contracts. Having committed to a possibly mis-specified functional form ex-ante, any success in tailoring contracts should likely be viewed as a lower bound on the potential benefits of such initiatives.

### 3.1.3 Individual Preference Parameters

The aggregate estimates of Table 3 mask substantial heterogeneity across subjects. Following equation (3), we calculate individual discount factors for each vaccinator assuming quadratic costs. For those vaccinators assigned to Advance choice, this discount factor corresponds to  $\delta_i$ , while for those assigned to Immediate choice it corresponds to  $(\beta\delta)_i$ . In Drive 1, the median [25th-75th %-ile] discount factor in Advance choice is 1.015 [0.88, 1.18], while the median discount factor in Immediate choice is 1 [0.84, 1.21].

As noted above, an important minority of vaccinators have extreme discount factor calcu-

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<sup>29</sup>Appendix Figure A.7 reproduces Figure 3, with in-sample predictions from Table 3, columns (2) and (4). Though the estimates do match the responsiveness of behavior from  $R = 1$  to  $R = 1.1$ , they do not generate the lack of sensitivity for other changes in  $R$ .

lations. Fifty-seven of 338 subjects in Drive 1 have implied discount factors either above 1.5 or below 0.75.<sup>30</sup> We term such vaccinators the ‘Boundary Sample.’ As our tailoring exercise focuses on individuals with discount factors between 0.75 and 1.5, we restrict our individual analysis to the 281 vaccinators in the Tailoring Sample and discuss the Boundary Sample in robustness tests (see section 4.2). Figure 4 presents histograms of implied discount factors for the 281 Tailoring Sample vaccinators in Advance and Immediate decisions. Two features are notable. First, in both contexts substantial heterogeneity in discount factors is observed. The 25th to 75th percentile ranges from 0.92 to 1.15 in Advance choice and from 0.88 to 1.15 in Immediate choice. Second, a present bias is observed in the shape of the distributions. The one period discount factors are skewed below 1 in Immediate relative to Advance choice. A Kolmogorov-Smirnov test marginally rejects equality of distributions ( $D_{KS} = 0.15$ ,  $p = 0.09$ ).

The observed heterogeneity in discount factors across vaccinators resonates with prior exercises demonstrating heterogeneity of preferences even with relatively homogeneous samples (see e.g., Harrison et al., 2002; Ashraf et al., 2006; Meier and Sprenger, 2015). Further, this heterogeneity carries some promise for the possibility of individually-tailored contracts.

### 3.2 Tailored Contracts

Individual discount factors from Drive 1 in hand, we turn to the possibility of tailoring intertemporal contracts to individual preferences. Of the 281 vaccinators in the Tailoring Sample, 280 participated in Drive 2.<sup>31</sup> Of these, 142 vaccinators were assigned a value of  $R$  equal to their discount factor. That is, tailored vaccinators were assigned  $R_i^* = (\beta^{1_{d=1,i}} \delta)_i$ , which should induce equal provision of effort through time,  $v_{1,i} = v_{2,i}$ . The remaining 138 vaccinators serve as control and were assigned a uniform random interest rate  $\tilde{R}_i \in U[0.75, 1.5]$ .<sup>32</sup>

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<sup>30</sup>Such extreme behavior is slightly more pronounced in Immediate choice (34 vaccinators) relative to Advance choice (23 vaccinators), ( $t = 1.84$ ,  $p = 0.07$ ).

<sup>31</sup>Vaccinators from the boundary sample were allowed to participate in Drive 2 and were either assigned  $\tilde{R}_i \in U[0.75, 1.5]$  if they were in the untailored control group (31 subjects) or assigned  $R_i = 0.75$  or  $R_i = 1.5$  if they were in the tailored group and had  $R_i^* < 0.75$  (15 subjects) or  $R_i^* > 1.5$  (11 subjects). See section 4.2 for analysis of the boundary sample.

<sup>32</sup>As noted in section 2.3, assignment to the tailored or the untailored group was conducted via stratified randomization with strata based upon the tercile of differences from equal provision of effort in Drive 1.

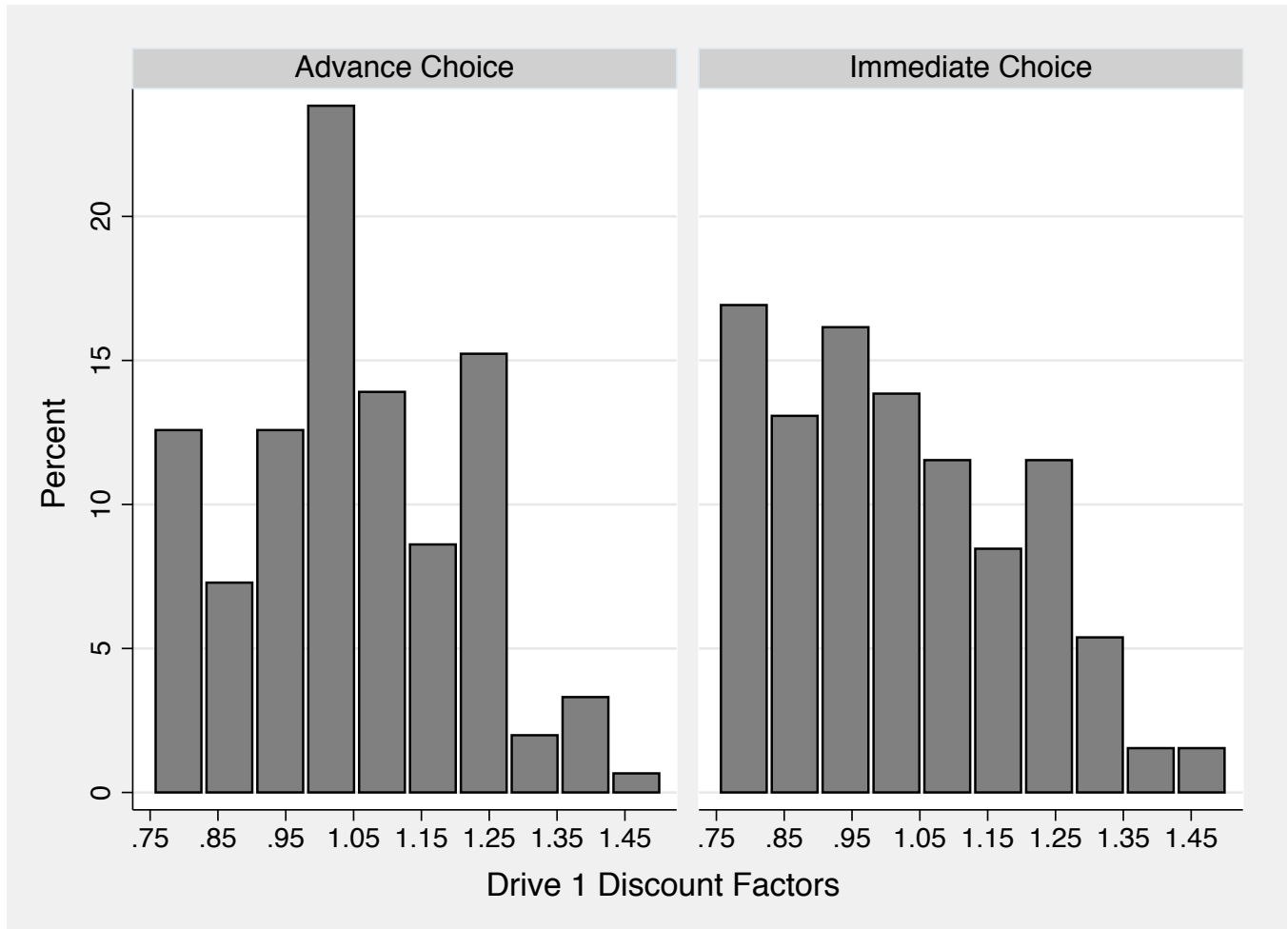


Figure 4: Individual Discount Factors in the Tailoring Sample

*Notes:* This figure provides histograms of one period discount factors separately for subjects in the Advance Choice condition (left panel) and the Immediate Choice condition (right panel). The sample is restricted to vaccinators in the Tailoring Sample (vaccinators with  $R_i^* \geq 0.75$  or  $R_i^* \leq 1.5$ ).

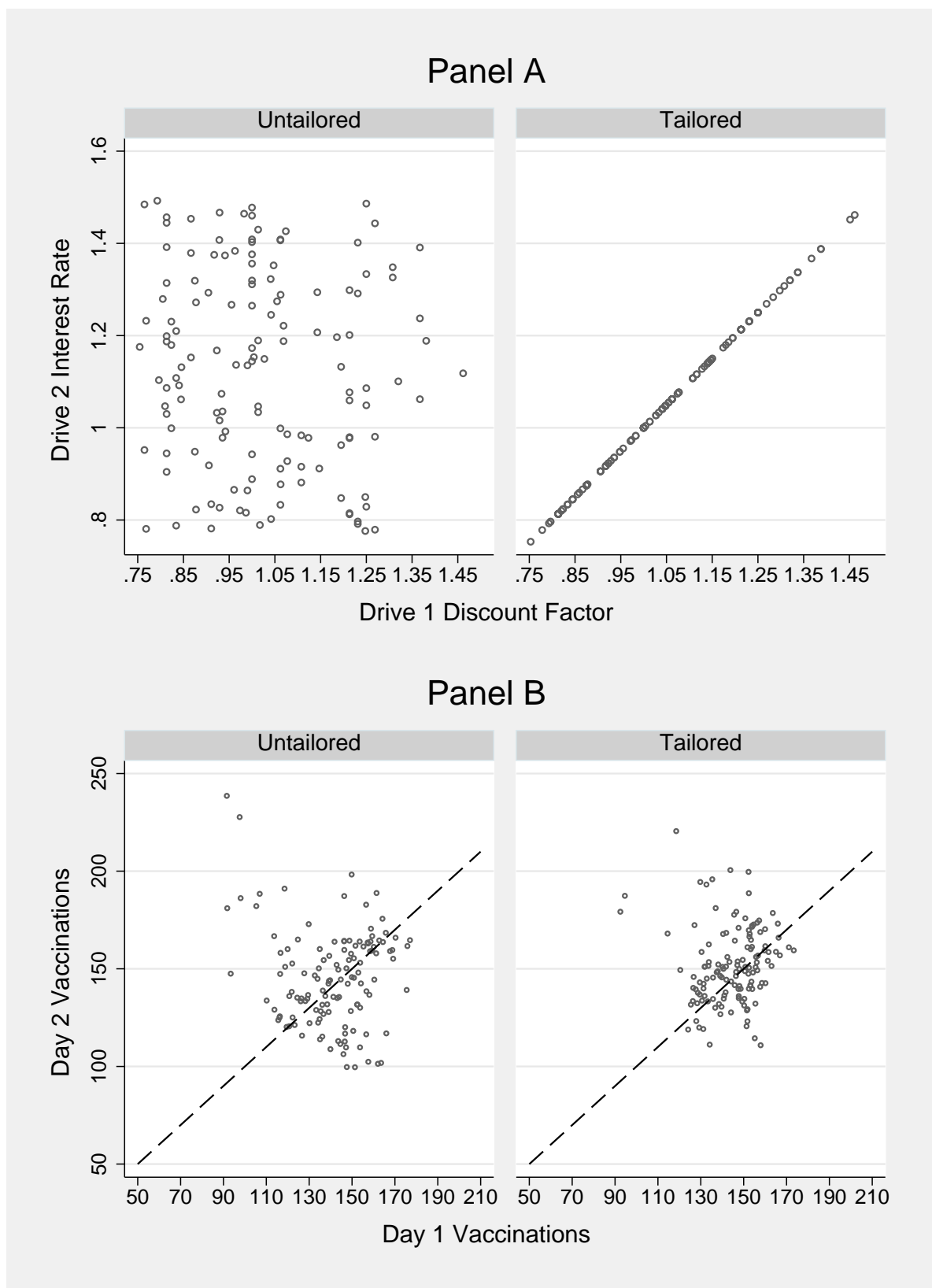


Figure 5: Discounting and Tailoring

Panel A of Figure 5 plots the individual discount factor measured during Drive 1 against the assigned  $R$  in Drive 2 separately for the tailored and untailored groups. In the left panel, by design, there is no clear relationship between discount factors and the assigned interest rates. In the right panel, there is a strict one-to-one mapping along the 45 degree line between discount factors and the Drive 2 interest rates, consistent with the assignment  $R_i^* = \beta^{1_{t=1,i}} \delta_i$  in the tailored group.

Panel B of Figure 5 plots vaccinations allocated to the first day of the drive against vaccinations allocated to the second day of the drive separately for the tailored and the untailored group. Notable from Figure 5 is the relative dispersion of the untailored controls around the 45-degree line of equal provision relative to the tailored treatments.

We examine differences in the distance from the 45-degree line of equal provision using the metric  $|\frac{v_{1,i}}{v_{2,i}} - 1|$ . The mean distance for the untailored group is 0.61 (s.d. = 3.64) while the mean distance for the tailored group is 0.14 (s.d. = 0.23),  $t_{278} = 1.53$ , ( $p = 0.13$ ). The lack of statistical significance is due primarily to several substantial distance outliers. Trimming the top and bottom 1% of the sample of Drive 2 allocations, the mean distance for the untailored group is 0.15 (s.d. = 0.19), while the mean distance for the tailored group is 0.10 (s.d. = 0.11),  $t_{265} = 3.10$ , ( $p < 0.01$ ).

In Table 4, we provide corresponding least squares regression analysis. Following best practice for such analysis (Bruhn and McKenzie, 2009), we control for fixed effects for each stratum in the stratified randomization. In column (1), we analyze all 280 subjects and note a sizable reduction in distance under tailoring that falls just outside the range of significance. Echoing our raw results, when excluding outliers in column (2), we find that tailoring serves to reduce distance from equal provision significantly by around six percentage points. Relative to the untailored controls, tailoring reduces distance from equal provision by around one-third, indicating substantial benefits to our tailored policy initiative. In column (3), we additionally control for the value of  $R_i^*$  or  $\tilde{R}_i$  assigned in Drive 2. This regression identifies whether tailoring generates more equal provision for a given value of  $R$ , and hence controls for any differences in

interest rates across tailored and untailored groups. Again, tailoring serves to reduce distance significantly.

Vaccinators assigned to Advance choice in Drive 1 remain in Advance choice in Drive 2, while those assigned to Immediate choice remain in Immediate choice. In columns (3)-(6) of Table 4, we examine differential effects of tailoring across these two groups. Given that the individual discount factors skew lower in Immediate choice, one might expect larger distance measures in Immediate controls (and hence greater benefits to tailoring). This is precisely what is observed. Untailored Immediate choice is associated with significantly larger distance measures and tailoring for Immediate choice significantly reduces these distances. In columns (5) and (6), excluding outliers, we find that tailoring in Immediate choice reduces distance from equal provision by around one-half. Note that this effect size (8.4 percentage points) is similar to the effect of moving a vaccinator from advance to immediate choice in the untailored group (8 percentage points). Tailoring in Advance choice appears to directionally reduce distance as well, but the effect is not significant, potentially due to the relatively small average distance measure identified in untailored Advance choice.

The findings of Table 4 indicate potential benefits to tailored policy initiatives. For a given interest rate, matching this interest rate to individual preferences generates smoother service provision. The effects are to reduce distance measures by around one-third on average and around one-half in Immediate choice. This suggests that policy makers wishing to alter intertemporal choices of workers may be able to achieve their goals through tailored contracts.

## 4 Robustness Tests and Additional Exercises

The analysis to this point indicates three key findings. First, there appears to be a present bias in vaccinator allocation behavior. Those individuals making Immediate choice allocate fewer vaccinations to  $v_1$  than those making Advance choice. Second, despite the general tendency towards less patience in Immediate choice, substantial heterogeneity in discounting is observed. Both of these effects resonate with prior experimental findings and highlight the potential for



Table 4: The Effect of Tailoring Intertemporal Incentives

Dependent variable:	$\left  \frac{v_{1,i}}{v_{2,i}} - 1 \right $					
	(1)	(2)	(3)	(4)	(5)	(6)
Tailored (=1)	-0.489 (0.321)	-0.059*** (0.019)	-0.049*** (0.018)	-0.070 (0.069)	-0.019 (0.019)	-0.014 (0.019)
Immediate Choice (=1)				0.982* (0.573)	0.125*** (0.035)	0.117*** (0.035)
Tailored x Immediate				-0.888 (0.604)	-0.090** (0.040)	-0.084** (0.040)
Constant	1.407 (0.860)	0.159*** (0.023)	0.022 (0.058)	0.873 (0.552)	0.094*** (0.026)	-0.004 (0.057)
Stratum FEs	Yes	Yes	Yes	Yes	Yes	Yes
Exclude 99th and 1st Percentiles	No	Yes	Yes	No	Yes	Yes
Drive 2 $R_i^*$ or $\tilde{R}_i$	No	No	Yes	No	No	Yes
R-Squared	0.035	0.060	0.082	0.053	0.142	0.154
Mean in Untailored Contract	0.612	0.153	0.153	0.612	0.153	0.153
Mean in Untailored Advance				0.089	0.089	0.089
Mean in Untailored Immediate				0.701	0.169	0.169
# Vaccinators	280	267	267	280	267	267

*Notes:* This table reports the effects of tailoring on the equality of effort provision over time. The measure  $\left| \frac{v_t}{v_{t+1}} - 1 \right|$  (the percentage difference between tasks allocated to day 1 and day 2 of the drive) reflects the distance of the task allocation  $(v_1, v_2)$  from equality  $(v_1 = v_2)$ . Column (1) reports a regression of this measure on an indicator equal to one for subjects in the tailored group. Column (2) reports estimates from the same specification excluding outliers. Column (3) controls for the interest rate assignment in round 2. Column (4) provides estimates on the same sample as column (1) interacting treatment with being in the immediate choice condition. Columns (5) and (6) apply the same restrictions to the sample as columns (2) and (3) respectively. Ordinary least squares regressions. Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

policy interventions tailored to individual preferences. Third, tailored contracts work. Those individuals given a tailored interest rate equal to their previously measured discount factor provide smoother service than untailored controls. In the following sub-sections, we explore robustness to a set of plausible alternative interpretations and provide a set of natural additional examinations.

## 4.1 Identification of Time Preferences and Present Bias

Our data show a general tendency towards greater impatience when choice is Immediate. Corresponding parameter estimates at the aggregate level and parameter calculations at the individual level reflect these patterns with present bias parameters that are less than one. We first examine the robustness of these results to estimation using only within-subject variation from our panel of subjects who participated in Drives 0 and 1, and who changed from Advance to Immediate choice. We then examine the validity of a set of structural assumptions required to infer discounting parameters from vaccinator allocation behavior.

### 4.1.1 Within-Subject Variation

When we examine Drive 1 alone, though the median data are suggestive of present bias and the aggregate estimate of  $\beta$  is less than one, we cannot reject  $\beta = 1$  in any specification. Importantly, the variation identifying present bias from Drive 1 alone is exclusively between subjects. Given the wide heterogeneity in observed patience regardless of decision timing, one may fail to statistically identify present bias even if it exists on average. Indeed, most studies of present bias and dynamic inconsistency are conducted as within-subject exercises, potentially because of such wide heterogeneity.

Fortunately, our failed Drive 0 and the corresponding re-randomization in Drive 1 allows us to identify present bias within-subject for vaccinators who changed from Advance to Immediate choice across drives. We re-conduct the analysis of Table 3, focusing on a panel of 126 vaccinators who changed between Advance and Immediate choice across Drives. Using

such within-subject variation, we reject the null hypothesis of no present bias at the 5% level. Moreover, the effect is robust to just examining those who transitioned from Advance to Immediate, or just those who transitioned from Immediate to Advance. See Appendix Table A.2 for details. One critique of our between-subject design is that all subjects in Immediate choice made their decisions on the same day. Some idiosyncratic shock on Day 1 of Drive 1 could lead to present bias. These findings indicate that if something specific is occurring on Day 1 of Drive 1, a similar shock must occur several weeks previously on Day 1 of Drive 0.<sup>33</sup>

The 126 vaccinators that change between Advance and Immediate choice also provide an opportunity to investigate present bias at the individual level. Following equation (3), we calculate a discount factor for each condition the vaccinator faces. The parameter  $\delta$  is identified as the discount factor from Advance choice while  $\beta$  is identified as the discount factor from Immediate choice divided by that of Advance choice. Interestingly, as in as in our analysis of discount factors, we find  $\delta$  is centered around 1 with a median value of 1.04, and that  $\beta$  is skewed below 1 with a median value of 0.95. Sixty-nine (54.8%) of 126 vaccinators have  $\beta < 1$ , 6 (4.8%) have  $\beta = 1$ , and 51 (40.5%) have  $\beta > 1$ . A sign test for the null hypothesis that the median  $\beta$  is equal to 1 yields a  $p$ -value of 0.12 (two-sided test).<sup>34</sup> Together, these results show that general patterns of present bias are observed at the aggregate and individual level when investigating only within-subject variation in a sub-sample of 126 vaccinators who change from Advance to Immediate choice across conditions. See Figure A.8 for graphical detail.

#### 4.1.2 Structural Assumptions

As in any structural exercise, a set of assumptions are required to infer discounting parameters from vaccinator allocation behavior. Six assumptions are relevant for the present discussion.

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<sup>33</sup>More concretely, if vaccinator A is assigned to advanced choice in Drive 0 and immediate choice in Drive 1, and vaccinator B is assigned to immediate choice in Drive 0 and advanced choice in Drive 1, then an idiosyncratic shock (say it is local to immediate choice, such as a revelation that it is raining on the first day of the drive) needs to affect vaccinator A when the drive starts during Drive 0 (in September) and vaccinator B when the drive starts during Drive 1 (in November). Randomization at the level of the vaccinator, among vaccinators all working in two neighborhoods in Lahore, narrows the set of plausible shocks that would satisfy these conditions.

<sup>34</sup>For the one-sided test with an alternative of  $\beta < 1$ , the  $p$ -value is 0.06. Excluding a single subject with  $\beta$  in excess of 19 reduces the two-sided (one-sided)  $p$ -value to 0.10 (0.05).

First, we assume a stationary cost function, constant across periods. Second, we assume that the only argument of the cost function is allocated vaccinations, ignoring idiosyncratic costs across time or individual. Third, we assume a homogeneous cost function, constant across individuals, governed by exponential parameter  $\gamma = 2$ . Fourth, we assume a deterministic environment with individuals being able to correctly and precisely forecast costs through time. Fifth, we assume that allocations provide insight into vaccination preferences without the possibility that subjects renege on their stated allocations. Sixth, we assume that the decision environment creates no biases in choice, such that preferences are directly revealed by allocation behavior. Violation of any of these assumptions would lead to misspecification and could lead to the misattribution of dynamically consistent preferences as present-biased. Each of these assumptions is investigated in turn, and, where appropriate, appeal is made to additional data sources.

*Stationarity of the Cost Function:* Our exercise assumes stationary costs. The extent to which vaccinators deviate from stationarity may influence their measured preferences. If sooner costs are forecasted to be more severe than later costs, vaccinators may appear disproportionately impatient, while if later costs are forecasted to be more severe, they may appear disproportionately patient. Further, if perceived costliness of vaccinations changes from Advance to Immediate choice, present bias measured by  $\beta$  is conflated with non-stationarity.

Importantly, our monitoring technology provides time-stamps and geo-stamps for vaccination activity. Time stamps are recorded every vaccination attempt, while geo-stamps are collected approximately every 10 vaccination attempts. This may provide independent means for assessing the costliness of tasks from time use. For each vaccinator, we identify the median time lapse between vaccination attempts and the median distance covered per 30 minute window each day.<sup>35</sup> Of our 338 vaccinators, measures for median time lapse between vaccination

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<sup>35</sup>We focus only on the distance traveled and time taken for vaccinations between 8 am and 6pm each day. The distribution of time taken and distance traveled carried some extreme outliers for some subjects. As such, we felt the median was an appropriate summary statistic. Though we had expected to receive geo-stamp data approximately every 10 vaccination attempts, when the monitoring data arrived we noted substantial variance

attempts are available for 277 on either Day 1 or Day 2 and for 228 vaccinators on both days of Drive 1.<sup>36</sup> Of our 338 vaccinators, measures for median distance traveled every 15 minutes are available for 274 on either Day 1 or Day 2 and for 224 vaccinators on both days of Drive 1.<sup>37</sup>

Vaccinators take around 3.4 minutes between vaccination attempts and walk around 0.06 miles per 15 minutes on Day 1. Focusing on individuals with measures on both days of the drive, we find that time taken and distance traveled are uncorrelated both with Advance choice and with discount factors within condition. Time and distance are also uncorrelated with Advance choice and discount factors on Day 2 of the drive. Further, differences in time taken or distance walked are statistically indistinguishable from zero, uncorrelated with allocation timing, and uncorrelated with discount factors within condition. These data indicate stability in required average effort per vaccination unrelated to assignment to Advance or Immediate choice, and that changes in efficacy are unrelated to measured preferences. This suggests that perceived changes in costs likely do not drive our measures of patience or our finding of present bias.<sup>38</sup> These results are all presented in Appendix Table A.4.

If Advance and Immediate choices were governed by different, but constant, cost functions, in the number of vaccinations with common geo-stamps and sequences of geo-stamps which ‘bounced’ back and forth between geographic coordinates. In order to not overstate subject movements, we opted to take average coordinates within a 15 minute window and calculate direct-line distance between window-average coordinates as our measures of distance.

<sup>36</sup>265 vaccinators have Day 1 lapse data while 240 have Day 2 lapse data. Of the 73 vaccinators with missing Day 1 data, 68 completed either zero or one vaccination on Day 1 such that time lapse between vaccination attempts is not calculable. The remaining 5 conducted vaccinations but did not have phones that interacted with the server to report time use. Of the 98 vaccinators with missing Day 2 data, 92 of them completed either zero or one vaccination on Day 2 and the remaining 6 did not have phones that interacted with the server to report time use. Those vaccinators who completed vaccinations but did not have interaction with the server had their vaccination records pulled manually from their phones after the drive.

<sup>37</sup>260 vaccinators have Day 1 distance data while 238 have Day 2 distance data. Of the 78 vaccinators with missing Day 1 data, 72 completed four or fewer vaccination attempts on Day 1 such that distance traveled between 15 minute windows is not calculable. The remaining 6 conducted vaccinations but either did not have phones that interacted with the server to report location or had faulty Global Position Systems (GPS) in their phones. Of the 100 vaccinators with missing Day 2 data, 96 of them completed four or fewer vaccination attempts on Day 2 and the remaining 4 did not have phones that interacted with the server to report location or had faulty GPS.

<sup>38</sup>Ultimately, such stationarity is likely to be expected given that vaccinators are already well-versed in vaccination procedures, have an average of 10.5 years of experience as vaccinators, and received a half day’s training on the vaccination monitoring application.

this could result in another violation of stationarity. This possibility can be investigated directly in the data. Because we have experimental variation in interest rates in both Advance and Immediate choice, the cost parameter,  $\gamma$ , can be estimated for both conditions. In Appendix Table A.5, we report estimates of a single discount factor and  $\gamma$  for both Advance and Immediate choice. While costs are estimated to be similarly convex in both Advance and Immediate choice, discount factors vary in an economically meaningful way. Furthermore, while we fail to reject that the discount factor is equal to one in Advance choice, we reject the null hypothesis of one in Immediate choice. Appendix Table A.5 indicates that non-stationarity in discount factors is more apparent than non-stationarity in costs.

*Unobserved Idiosyncratic Costs:* We assume that vaccinations are the only argument of costs when identifying time preferences. However, there may be idiosyncratic costs across time or individuals that could influence measured patience. For example, a vaccinator with an appointment lasting 2 hours on Day 1 and no appointments on Day 2 may find it extremely costly to allocate vaccinations to Day 1. This may appear to the researcher as impatience, but only reflects the vaccinator’s idiosyncratic costs across days. Further, if such idiosyncratic events are easier to re-organize when making Advance choice, present bias may be conflated with ease of scheduling.

Here, again, the additional data on vaccinator time use available from the monitoring application is potentially valuable. We can investigate whether extended periods of non-vaccination exist and if they are correlated with measured preferences and allocation timing. As in the example above, a vaccinator with an extended period of non-vaccination may well be experiencing forecasted idiosyncratic costs unrelated to vaccinations. Appendix Table A.6 repeats the analysis from Appendix Table A.4, with dependent variables of the maximum daily time lapse between vaccination attempts and whether the longest daily break is in excess of two hours. Longest daily breaks are, on average, around 59 minutes on Day 1 with around 13% of vaccinators taking longest breaks in excess of 2 hours. Focusing on individuals

with measures on both days of the drive, we find that the length of longest breaks and the probability of 2 hour breaks are uncorrelated with Advance choice and uncorrelated with discount factors within condition. Almost identical patterns are observed on Day 2 of the drive. Differences in break behavior across days are statistically indistinguishable from zero, uncorrelated with allocation timing, and uncorrelated with discount factors within condition. These data suggest that idiosyncratic costs identified from taking extended breaks do not explain the extent of impatience in the sample, and that potential difficulties in rescheduling do not explain observed present bias.

*Deterministic Environment:* Our exercise assumes that individuals can perfectly forecast their own future costs of vaccination. A plausible alternative is that vaccinators don't precisely know how costly vaccinations will be. Vaccinators in the Immediate choice condition may have less uncertainty about things that could influence their productivities on the two days of the drive, such as a better weather forecast, or more confidence about their health status. The natural evolution of uncertainty through time may lead to differences in measured preference parameters across groups. Though the resolution of uncertainty may lead to apparent dynamic inconsistency, the direction is not clear. Some vaccinators may grow more patient as uncertainty is resolved, some less so.<sup>39</sup>

One potential, albeit imperfect, test for the effect of uncertainty in the environment is to examine differences in experience across individuals.<sup>40</sup> More experienced vaccinators may have a more complete understanding of the difficulty of tasks and may face less uncertainty when making allocation decisions. As noted before, vaccinators have an average of more than 10 years of experience in health work. In Table A.7, we separate our sample either at the median of experience (9 years) or at 15 years of experience.<sup>41</sup> Separating at the median, we find virtually no differences in estimated preferences. Separating at 15 years of experience,

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<sup>39</sup>Naturally, if shocks to costs do underly our observed differences in patience across individuals, one might not expect to be able to tailor contracts at the individual level over time with the success that we have.

<sup>40</sup>This test is imperfect as experience may correlate with other differences across vaccinators.

<sup>41</sup>Experience measures are available for 329 of 338 vaccinators in Drive 1.

we find that, if anything, more experienced subjects are somewhat more present-biased than their less experienced counterparts. This indicates that experienced individuals who are likely to have the least surprises in costs through time neither yield dramatically different estimates of patience, nor are they disproportionately likely to be dynamically consistent.

*Homogeneity of Cost Function:* Our aggregate exercise assumes homogeneous costs constant across subjects, and our individual elicitation assumes homogeneous quadratic costs. Though these assumptions allow for straightforward estimation and calculation of time preferences, any violation would lead us to confound differences in patience across individuals or across allocation timing with differences in costs. One natural view would be to assume that individuals do not discount at all,  $\delta = 1$  and  $\beta = 1$ , such that allocations identify only the shape of the cost function. In this case, when  $R = 1$ , all vaccinators, regardless of allocation timing, should exhibit  $v_1 = v_2 = 150$  for all values of  $\gamma$ .<sup>42</sup> Examining the Drive 0 and Drive 1 data, we find that for 163 vaccinators who were assigned  $R = 1$ , the mean allocation is  $v_1 = 140.84$  (*s.d.* = 24.76).<sup>43</sup> Though the median allocation is indeed 150, responses range widely with 5th-95th percentiles of response being 103 to 160. If heterogeneity in costs were driving response and discounting was not a key feature of the data, one would not expect to see this extent of variation in response when  $R = 1$ . Further, given random assignment to allocation timing, heterogeneity in costs does not easily rationalize the observed present bias in the data.

One additional point that warrants attention is that whenever we estimate the homogeneous cost function parameter,  $\gamma$ , substantial convexity in costs is estimated. Indeed, even with the relatively extreme curvature estimates, our estimated models predict more sensitivity to changing interest rates than exist in the data. We wondered whether one could identify subsets of vaccinators for whom behavior was more sensitive to price and hence curvature estimates were less convex. In Table A.9, we show that a subset of subjects, in particular those with more than 15 years of experience that are working in an urban environment, have substantially

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<sup>42</sup>This is because the Euler equation reduces to  $(\frac{v_1}{v_2})^\gamma = R = 1$ , which implies  $\frac{v_1}{v_2} = 1$ .

<sup>43</sup>42 of 163 vaccinators allocated exactly  $v_1 = v_2 = 150$ .



less convex cost functions relative to their less experienced or non-urban counterparts.<sup>44</sup> Albeit exploratory, such analysis suggests that vaccinators who are experienced vaccinators and who are in an environment where they can vaccinate rapidly, are indeed more sensitive to price changes and hence have less convex estimated costs. Though such a finding helps to understand the relative lack of price sensitivity in the broad sample<sup>45</sup>, it also indicates a potential misspecification in costs. Not only are costs likely to be heterogeneous, they are also likely to be more convex than our quadratic assumption for large swathes of our sample. Viewed in this light our relative success at tailoring contracts assuming quadratic costs and ignoring heterogeneity should likely be viewed as a lower bound on the promise of such exercises.

*Inability to Renege:* The contracts we implement to elicit preferences feature a completion bonus of 1000 rupees if both targets,  $v_1$  and  $v_2$ , are met. The bonus is sizable relative to daily earnings of 100 rupees prior to our study. The design choice of such a large bonus was made purposefully to prevent vaccinators from renegeing on their contract choices. At any given point in time, not completing allocated vaccinations generates a 1000 rupee penalty. As such, vaccinators should forecast that they will indeed complete the required vaccinations and allocate them according to their preferences. If vaccinators forecast not being able to complete the required vaccinations, then allocation choices may not reflect their true preferences, and hence be effectively cheap talk.<sup>46</sup>

Our monitoring application allows us to assess, ex-post, the extent to which vaccinators succeeded or failed to reach their allocated targets. We have comprehensive completion data for 288 of 338 vaccinators in Drive 1.<sup>47</sup> Of these 288, 142 (49.3%) met or exceeded their targets

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<sup>44</sup>We identify a vaccinator as working in an urban environment if the average distance traveled per vaccination attempt over the two days is less than 0.1 miles. Average distance traveled is the ratio of total distance traveled over the two days of the drive divided by the total number of vaccination attempts during the drive. We determine a vaccinator's position in space every 15 minutes while they are working as the average GPS coordinate recorded by their smartphone over that 15 minute interval. We calculate the total distance traveled as the sum of distances traveled between these average coordinates.

<sup>45</sup>That is, it may just be particularly difficult to move tasks through time for relatively inexperienced and non-urban subjects.

<sup>46</sup>Sizable bonuses to limit the possibility of renegeing are also implemented in Augenblick et al. (2015).

<sup>47</sup>The remaining 50 vaccinators did not activate their smartphone application or submitted zero vaccinations

of  $v_1$  and  $v_2$ . The data indicate that many who fell short came close to completion. 207 vaccinators (71.9%) met or exceeded their targets on one of the two days and an average of 75.5% of total target vaccinations were completed. Figure A.9 presents the histogram of average completion proportions across subjects.<sup>48</sup> Two hundred and two vaccinators (70.1%) completed an average of 70% or more of their target vaccinations. These ex-post completion rates indicate that a majority of vaccinators likely forecasted reaching their targets. Additionally, in Appendix Figure A.6 we plot for each half-hour of Drive 1 the total number of attempted vaccinations along with the probability of successful vaccination and the probability that no child was reported as present. Reporting that no child was present is likely to be less time consuming than a successful vaccination and easier to falsify. The vast majority of vaccination activity occurs before 3:00pm, and we find evidence that vaccinators' proportion of successful or failed vaccination attempts remains largely steady throughout the workday. This further suggests that allocated vaccination attempts are conducted with due diligence.

In Appendix Table A.8, we investigate the relationship between allocation timing, measured patience and completion rates. Two general patterns arise. First, vaccinators making advance choice are somewhat more likely to complete their targets; and, second, higher measured discount factors are related to higher completion rates, particularly for the second day of the drive. The observed correlation is consistent with the view that impatient vaccinators delay vaccinations believing they will complete them, but subsequently fail to follow through. Interestingly, the correlation between completion on both days and measured patience is somewhat stronger in Immediate choice ( $\rho = 0.24$ ,  $p < 0.01$ ) relative to Advance choice ( $\rho = 0.10$ ,  $p = 0.21$ ), suggesting that some failure to complete is linked to delay associated with present bias. For such patterns to exist without choices being informative of preference, some aspect of the decision environment would have to cause uninformative responses to appear less patient and disproportionately so in Immediate choice.

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on both days of the drive.

<sup>48</sup>Average completion proportions are calculated as  $1/2(\min(Completed_1/v_1, 1) + \min(Completed_2/v_2, 1))$

*Biases in Choice:* Our study assumes that the allocation environment itself induces no biases in choice such that vaccinator allocations are directly informative of preferences. A substantial literature in experimental economics suggests that aspects of the decision environment may deeply influence measures of preferences (for recent examples, see Harrison, Lau, Rutstrom and Sullivan, 2005; Beauchamp, Benjamin, Chabris and Laibson, 2015). One common view is that subjects are biased towards the middle of a choice set. In our environment, this could involve subjects opting for either equal allocations of  $v_1 = v_2$ , or choosing an allocation in the middle of their budget constraint,  $v_1 = Rv_2$ . Only 31 of 338 vaccinators (9%) exhibit  $v_1 = v_2$ . Taking a less conservative measure of  $v_2 - 2.5 \leq v_1 \leq v_2 + 2.5$ , we find that still only 58 of 338 vaccinators (17%) are within 5 vaccinations of  $v_1 = v_2$ .<sup>49</sup> Only 35 of 338 vaccinators (10.3%) exhibit  $v_1 = Rv_2$ . Taking a less conservative measure of  $Rv_2 - 2.5 \leq v_1 \leq Rv_2 + 2.5$ , we find that 83 of 338 vaccinators (25%) are within 5 vaccinations of  $v_1 = Rv_2$ .<sup>50</sup> Taken together, this suggests that biases towards the middle of the budget constraint or towards equal allocation are unlikely to be driving substantial portions of allocation behavior.

## 4.2 Tailoring Robustness Tests

Our Drive 2 data show that contracts tailored to individual preferences can yield policy benefits. Vaccinators who are given a value of  $R$  equal to their discount factor provide significantly smoother service. Here we examine robustness of this result to alternative comparison groups, alternative measures for smoothness in service provision, and alternative measures for treatment. We conclude the section by providing results from a set of additional exercises assessing the value of atheoretic approaches to tailoring, and the possibility for alternative interventions based on different policy preferences.

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<sup>49</sup>As an even less conservative measure, 145 of 338 (43%) satisfy  $v_2 - 10 \leq v_1 \leq v_2 + 10$ .

<sup>50</sup>As an even less conservative measure, 137 of 338 (40.5%) satisfy  $Rv_2 - 10 \leq v_1 \leq Rv_2 + 10$ .

#### 4.2.1 Alternative Comparison Groups

Our results demonstrate that, relative to a comparison group with uniform random values of  $R$ , tailoring serves to reduce distance to the policy target by around one-third. A natural question is whether these tailoring benefits are observed relative to alternative controls. In Appendix Table A.10 and Appendix Figures A.10 and A.11, we present three additional analyses. A first natural control is the use of a single value of  $R$  applied to all individuals. Unfortunately, it is not possible to compare only a single value of  $R$  given our uniform random assignment protocol. However, we can examine a section of the untailored group around a given value. In column (1) of Table A.10, we repeat the analysis of Table 4, column (3), but use as the comparison group only those untailored vaccinators who received a value of  $R$  within one standard deviation of their group's mean  $R_i^*$  of 1.036. Tailoring continues to decrease the distance from smooth provision relative to this more limited control group. Appendix Figure A.10 provides corresponding graphical analysis. In column (2), we repeat this analysis excluding those individuals from the untailored group who randomly received a value of  $\tilde{R}_i$  within 0.10 of their true value of  $R_i^*$ . The benefits of tailoring are observed with increased precision.<sup>51</sup> A second potential control group would be a subset of the untailored group who receive the same distribution of  $R$  as those in the tailored group. Matching on the 1st, 5th, 10th, 25th, 50th, 75th, 95th and 99th percentiles, column (3) and Appendix Figure A.11 demonstrate that relative to a control group receiving a matched distribution of  $R$ , tailoring continues to significantly reduce the distance from smooth provision.

#### 4.2.2 Alternative Measures for Smooth Provision

Our analysis measures the distance to equal provision using the metric  $|\frac{v_{1,i}}{v_{2,i}} - 1|$ . In Table A.11, we reconduct the analysis of Table 4, using five alternate measures for smoothness. Panel A presents the Euclidean distance to the 45 degree line,  $\frac{|v_{1,i} - v_{2,i}|}{\sqrt{2}}$ . Panel B presents

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<sup>51</sup>Comparing tailored individuals to those who received close to the untailored group's mean value of  $R_i^*$  is important because, in principle, the mean value of  $R^*i$  should yield smooth provision for the average subject. Not only is the average distance for these comparison groups substantial, 0.132 to 0.150, but the tailoring yields additional benefits at the individual level by leveraging the heterogeneity in discount factors across vaccinators.

the Euclidean distance normalized by the total number of vaccinations allocated,  $\frac{|v_{1,i} - v_{2,i}|}{\sqrt{2(v_{1,i} + v_{2,i})}}$ . Panel C presents the number of sooner vaccinations that would need to be reallocated to reach the 45 degree line,  $|v_{1,i} - \frac{300}{1+R}|$ . Panel D presents probit regressions for needing to reallocate more than 25 vaccinations,  $|v_{1,i} - \frac{300}{1+R}| > 25$ . And finally, Panel E presents the value of the policymaker's objective function,  $\min[v_{1,i}, v_{2,i}]$ . Across all specifications, the main conclusions are reproduced. However, the results with respect to additional tailoring benefits in Immediate choice fall, at times, outside the range of statistical significance. These alternative measures of smooth provision indicate that our results on the potential benefits of tailoring are not an artifact of how one measures the outcome of interest.

#### 4.2.3 Alternative Sample Restrictions and Treatment Measures

Our tailoring exercise focused on vaccinators with discount factors between 0.75 and 1.5. Of 337 vaccinators in Drive 2, 280 satisfied this requirement. Those vaccinators whose discount factors fell outside of this range were given either  $R = 0.75$  or  $1.5$  depending on which bound they were closest to. For such individuals, tailoring is not a binary treatment, but rather a continuous difference between their discount factor and the exogenously given one. Indeed, for all vaccinators in the untailored group, treatment is also a continuous measure. In Table A.12, Panel A, we reconduct the analysis of Table 4 using as the measure of treatment the absolute difference between each vaccinator's discount factor and their assigned interest rate, which we label *Tailor Intensity*. The main results are reproduced; the closer discount factors are to interest rates, the smoother is provision.<sup>52</sup> In Panel B, we include those individuals in the Boundary Sample with discount factors that lie outside of the bounds of interest rate assignment. Including these observations does not alter the conclusions; however, it should be noted that treatment is no longer orthogonal to individual preferences as extremely patient and impatient vaccinators will receive larger treatment intensity on average.<sup>53</sup>

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<sup>52</sup>Restricting attention only to the untailored group reveals directionally similar, though insignificant, results across all specifications.

<sup>53</sup>Using the indicator for tailoring would not be an appropriate solution to this problem as tailored vaccinators with extreme patience or impatience may actually receive interest rates that are further from their policy-optimal

#### 4.2.4 Atheoretic Approaches

Our exercise demonstrates that structural estimates of time preferences can be useful in predicting subsequent behavior. An alternative to developing a structural model of choice would rely on the researcher recovering the relationship between key parameters of interest,  $R$  and  $\mathbf{1}_{d=1}$ , and behavior, and developing a subsequent prediction without filtering the relationship through the structural model.

We examine one example of such an exercise. For Drive 1 behavior, we recover the relationship between  $v_1$  and  $R$  and  $\mathbf{1}_{d=1}$  by conducting a lasso regression with penalty parameter chosen via 10-fold cross validation (Tibshirani, 1996) of  $v_1$  on a cubic polynomial in  $R$  interacted with  $\mathbf{1}_{d=1}$ .<sup>54</sup> The corresponding selected lasso coefficients deliver an atheoretic representation of the most predictive (in terms of cross-validated mean squared error) relationship between  $v_1$  and key parameters of interest in Drive 1. Given the values of  $R$  and  $\mathbf{1}_{d=1}$  provided in Drive 2 and the Drive 1 lasso coefficients, we predict the Drive 2 value of  $v_1$  for each individual.<sup>55</sup> Similarly, we predict Drive 2 value of  $v_1$  from the assigned values of  $R$  and  $\mathbf{1}_{d=1}$  and the individual discount factor identified in Drive 1. In Appendix Figure A.12 we examine the predictive validity of the structural versus the non-structural approaches by plotting predicted and actual values of  $v_1$  in Drive 2 for the 337 subjects who participated in both Drive 1 and Drive 2. We also provide non-parametric lowess curves for the relationship between predicted and actual values.<sup>56</sup> Notable from Appendix Figure A.12 is the generally close adherence between structurally predicted and actual values. The lowess line follows the 45 degree line of perfect prediction through the majority of the space. Less adherence is observed between non-structural predictions and actual behavior. The structural predictions deliver higher correlations with real behavior ( $\rho = 0.18$ ) than do the non-structural predictions ( $\rho = 0.16$ ) and lower bias in prediction (27.9 vs. 32).

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interest rates than those in the untailored condition.

<sup>54</sup>The provided regressors are a constant and normalized values of  $R, R^2, R^3, \mathbf{1}_{d=1}, R \times \mathbf{1}_{d=1}, R^2 \times \mathbf{1}_{d=1}$ , and  $R^3 \times \mathbf{1}_{d=1}$ . The lasso regression and cross-fold validation procedure were implemented using the glmnet package in R.

<sup>55</sup>Note that this prediction will be identical for all vaccinators given the same value of  $R$  and  $\mathbf{1}_{d=1}$ , and hence will mispredict any heterogeneity across vaccinators.

<sup>56</sup>The lasso procedure on Drive 1 selects an intercept and  $R$  as delivering coefficients of sufficient size given the cross-validated constraint choice.

However, the root mean squared error is lower for the non-structural predictions (32.8 vs 39.1). Hence, on the basis of bias and correlation, our structural exercise outperforms the machine learning lasso algorithm trained on Drive 1.

#### 4.2.5 Alternative Policy Preferences

While our results suggest that tailored contracts can improve success in achieving a Leontief policy objective, a natural question is whether this approach could be put to use to achieve other policy objectives. Ultimately, any attempt to tailor contracts will rely on whether initially elicited preferences are stable. If vaccinator time preferences are stable, then changes in incentives will have predictable effects on behavior.

To provide a general assessment of the promise of alternative policy objectives, we examine the stability of identified discount factors across Drives 1 and 2 by calculating

$$\frac{R \cdot v_1}{v_2} = \beta^{\mathbf{1}_{d=1}} \delta,$$

for each vaccinator in each Drive. Figure A.13 presents the calculated discount factors for Drive 1 and Drive 2 along with the 45 degree line for 317 of 337 vaccinators.<sup>57</sup> The correlation in discount factors across rounds is  $\rho = 0.41$ , ( $p < 0.01$ ), indicating stability in preferences.<sup>58</sup> Our findings correspond with those of Meier and Sprenger (2015), who investigate subjects participating in an identical monetary discounting experiment approximately one year apart and identify a one-year correlation of around 0.5 for monetary choices. The level of correlation in discount factors across drives indicates stability in preferences such that alternative policy objectives may also be achievable with tailored contracts.<sup>59</sup>

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<sup>57</sup>Eliminated from the figure and from our calculations of stability are 20 vaccinators with discount factors in excess of two in one or both drives.

<sup>58</sup>Including the remaining 20 extreme vaccinators, the correlation changes substantially to  $\rho = 0.01$ , ( $p = 0.87$ ). It should be noted that the correlation in identified discount factors is substantially higher in the tailored condition,  $\rho = 0.67$ , ( $p < 0.01$ ), relative to the untailored condition,  $\rho = 0.17$ , ( $p < 0.05$ ). We believe this is due to some sensitivity of behavior to extreme values of  $R$  in Drive 2. For untailored subjects who coincidentally receive a value of  $\tilde{R}_i$  within 0.25 of their value of  $R_i^*$ , the correlation in discount factors is  $\rho = 0.53$ , ( $p < 0.01$ ).

<sup>59</sup>One natural alternative is to maximize performance, regardless of timing. In such a case, we consider a policymaker with linear preferences,  $P(v_1, v_2) = v_1 + v_2$ , who wishes to maximize the total number of completed

## 5 Conclusion

This paper seeks to understand whether the predictions given by structural models of time preferences are empirically valid. In the context of polio vaccination in Pakistan, we examine whether preferences elicited from intertemporal bonus contract choice can be used subsequently to effectively tailor contracts. We document three primary results. First, a present bias in allocation behavior exists. Second, substantial heterogeneity in elicited preferences is observed. Third, and most importantly, corresponding predictions are indeed empirically valid. Vaccinators who receive tailored contracts are one-third closer to the policy objective relative to their untailored counterparts.

To date, little research makes use of the predictive value of structural discounting estimates. Our results show not only that estimates are predictive, but also that useful parameter estimates are identifiable from a very limited number of experimental choices. This suggests that the substantial effort of articulating and estimating structural models in this domain has been well-invested.

This paper also speaks to a recent discussion on the external validity of experimentally administered randomized control trials. Developing structural models through which to interpret experimental treatment effects potentially provides a means for generalizing results to other settings (Acemoglu, 2010; Banerjee, Chassang and Snowberg, 2016).<sup>60</sup> In our setting, translating from our reduced form experimental treatment effects to a structural model of choice requires a set of potentially strong (and implausible) assumptions.<sup>61</sup> Nonetheless, the finding of predictive validity in this case suggests there is indeed potential for using structure as a means of increasing the external validity of results obtained from a single sample.

Separately, our results link to the growing literature on the personnel economics of the state

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vaccinations regardless of timing. Maximizing this objective function subject to the vaccinator's offer curve, yields an optimal  $R_{max}^* = \sqrt{\beta^{1_{t=1}}\delta(1 + \beta^{1_{t=1}}\delta)} - \beta^{1_{t=1}}\delta$ . Unfortunately, our assigned values of  $R$  are generally quite far from  $R_{max}^*$  making it difficult to test for the possibility of a maximizing contract.

<sup>60</sup>Attanasio and Meghir (2012), Duflo, Hanna and Ryan (2012), and Duflo, Greenstone, Pande and Ryan (2016) provide examples in development of using experiments to estimate key policy parameters.

<sup>61</sup>Banerjee et al. (2016) discuss how the plausibility of such identifying assumptions might limit external validity.



(Ashraf, Bandiera and Lee, 2015; Bertrand et al., 2016; Finan, Olken and Pande, Forthcoming; Dal Bó, Finan and Rossi, 2013; Deseranno, 2016; Callen, Gulzar, Hasanain, Khan and Rezaee, 2016). This literature emphasizes the idea that states play a vital role in delivering services and facilitating economic growth, and so their internal dynamics should be studied with the same degree of attention as has been applied to firms. Within this literature, there is interest in understanding whether heterogeneity in competencies and in motivation of state actors is linked to meaningful differences in state performance or service provision (Ashraf et al., 2015; Dal Bó et al., 2013; Deseranno, 2016; Callen et al., 2016). We take the additional step of asking not only whether this heterogeneity matters for outcomes, but also whether it can be acknowledged and reflected in the design of individual incentives.

There are a number of clear limitations to our study which should be addressed by future research. First, and most importantly, future research should seek to gain more precise estimates of preferences. Our exercise requires restrictive assumptions that could be relaxed in the presence of more data. If our results point to a lower bound in the promise of tailored contracts, it is important to know how much more can be achieved. Second, alternative policy objectives and contract types should be investigated to ensure robustness of the identified predictive validity. Our findings have natural extensions to piece rate contracts, multi-period settings, and alternative policy targets that are worthy of study. Third, our study sidesteps the critical issue of incentive compatibility by not informing subjects of Drive 2 when Drive 1 preferences are elicited. The mechanism design problem of eliciting preferences and tailoring on said preferences with complete information will be critical if one wishes to implement tailored contracts repeatedly in the field.

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## A Appendix

### A.1 Appendix Figures

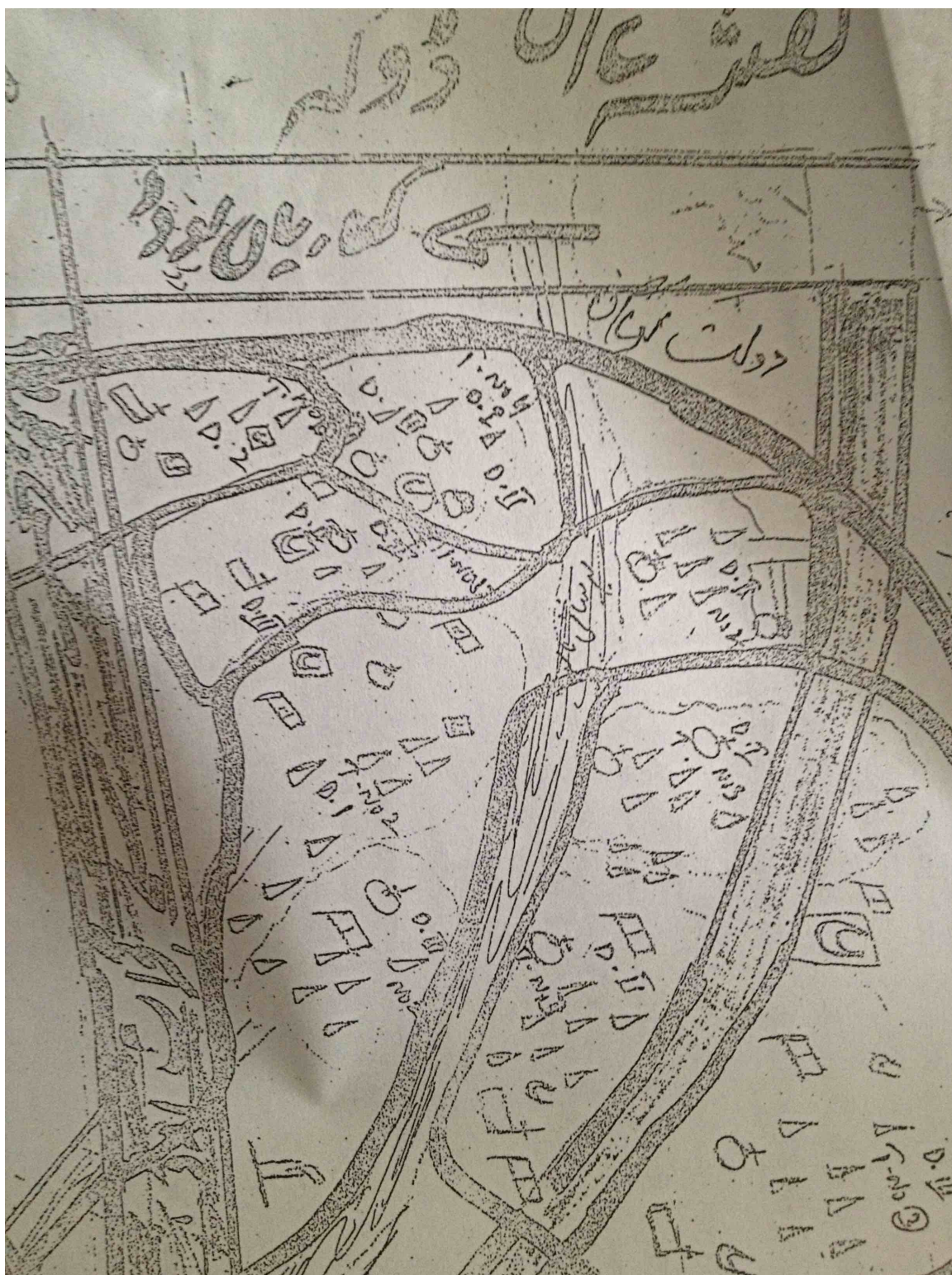


Figure A.1: Map Given to Vaccinators to Plan Route





Figure A.2: Picture of a Door-to-Door Vaccination During a Drive





Figure A.3: Chalk Marking to Record Visit by Vaccination Team



**Area Incharge - Daily Teams' Data Compilation Sheet**

ایریا انچارج - ٹیموں کی روزانہ کارکردگی کی شیٹ

Campaign Round: III Day 123 Catch-up

(Sheet to be filled by the Area In-Charge daily)

District: ڈیپٹی Tehsil: ڈیپٹی UC: ڈیپٹی

No of Teams: 7 Mobile: 6 Fixed: 1 Transit Team: 0

Date: 20/8/19

Team No.	Team Leader and Team Member Name	Daily target children	Children vaccinated by teams		Total No. of house holds visited	Total No. of house holds with 2 or more married couples	Missed children recorded on the back of tally sheet	No. of children vaccinated by transit teams	No. of Mobile / Migratory Children Covered	No. of AFP cases reported	No. of Zero Dose Children	OPV risk status	OPV risk status to show any risk with OPV risk status	Target children and vaccine distribution record	Signature of team member
			0-6 Months	6-59 Months											
1	محمد علی	130													
2	محمد علی	140													
3	محمد علی	158													
4	محمد علی	167													
5	محمد علی	134													
6	محمد علی	154													
7	محمد علی	0													
8	محمد علی														
9	محمد علی														
10	محمد علی														
	<b>Total</b>	<b>883</b>													

**Four Stages of (VVM)**

1. 2. 3. 4.

نام ایریا انچارج: محمد علی Name of Area In Charge: محمد علی

دستخط ایریا انچارج: محمد علی Signature of Area In Charge: محمد علی

Figure A.4: End-of-Day Compilation of Self-Reports by Vaccination Teams



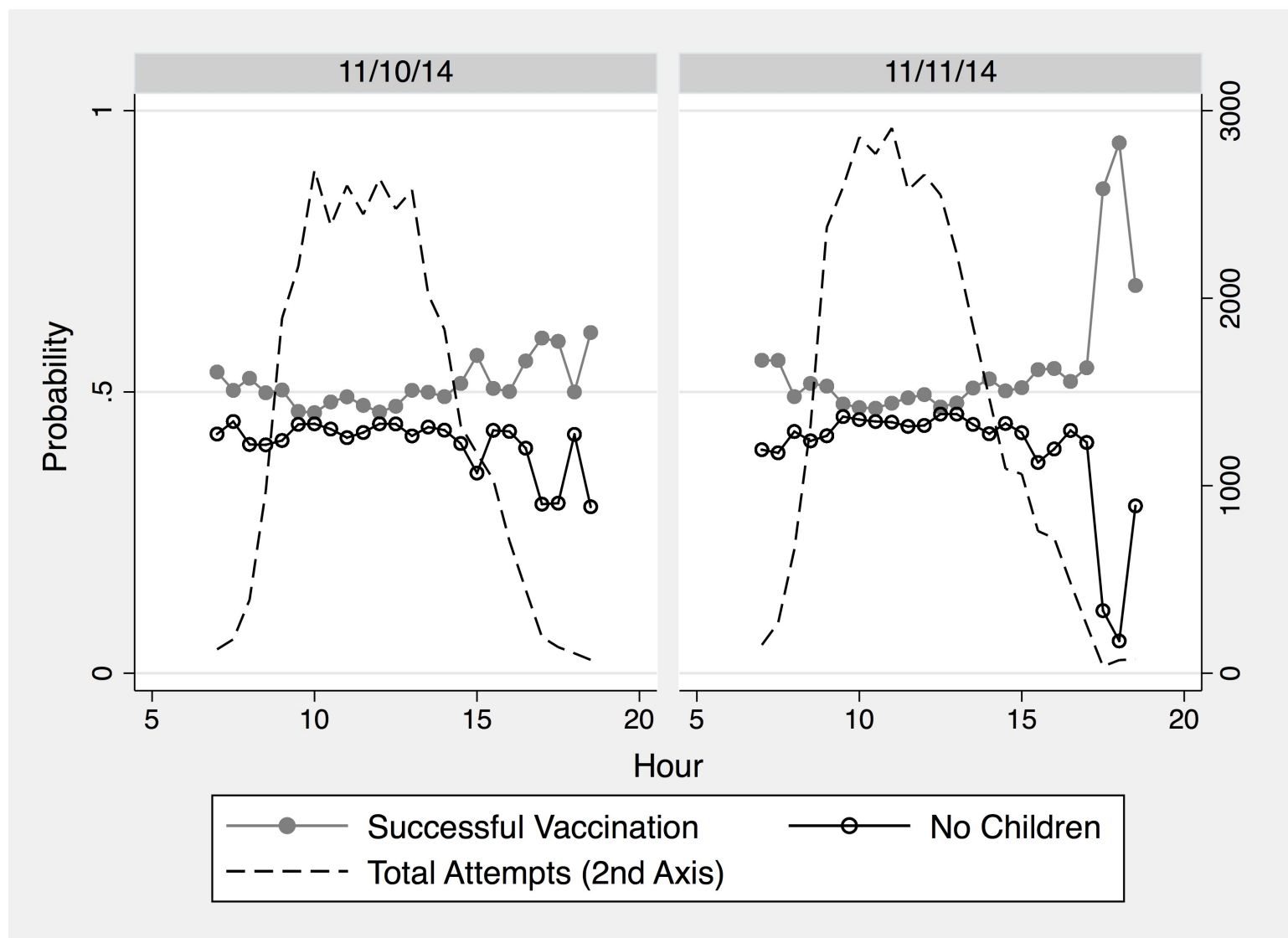


Figure A.6: Drive 1 Vaccination Activity

*Notes:* The solid light grey circles are the share of all vaccination attempts that reflect a successful vaccination during the indicated hour. The hollow dark black circles are the share of all vaccination attempts that report no children being available during the attempt. These quantities are compared against the left axis. The dotted line indicates the total number of vaccination attempts for all vaccinators in the sample. This quantity is compared against the right axis.



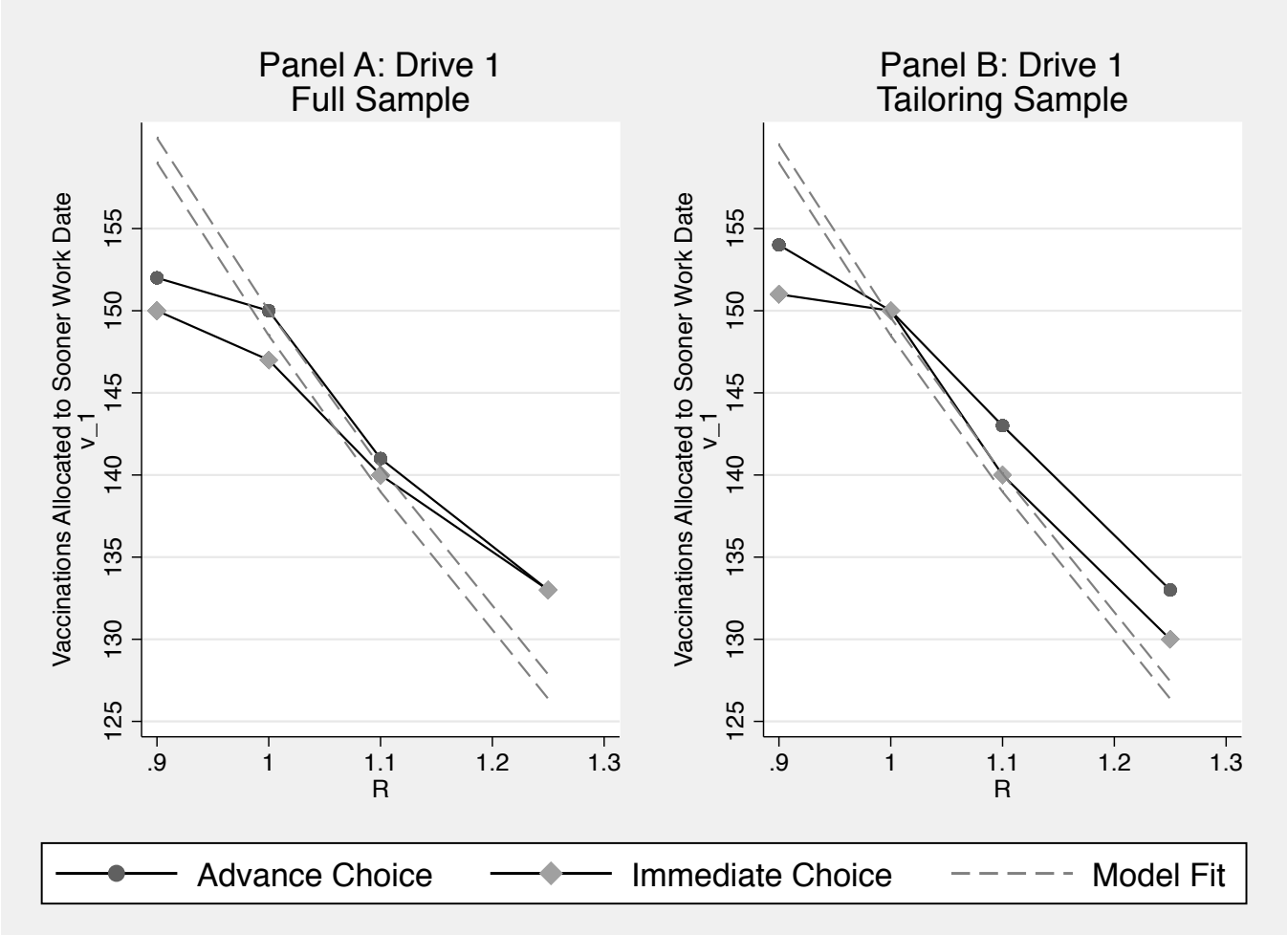


Figure A.7: Predicted and Actual Experimental Response

Notes: Points in the plots are medians for each of the eight treatment groups respectively. Panel A depicts the Full Sample and Panel B depicts the tailoring sample (vaccinators with  $R^* < 0.75$  or  $R^* > 1.5$ ). Circles are advance choice groups and diamonds are immediate choice groups. The series for model fit corresponds to predictions from Table 3, columns (2) and (4).

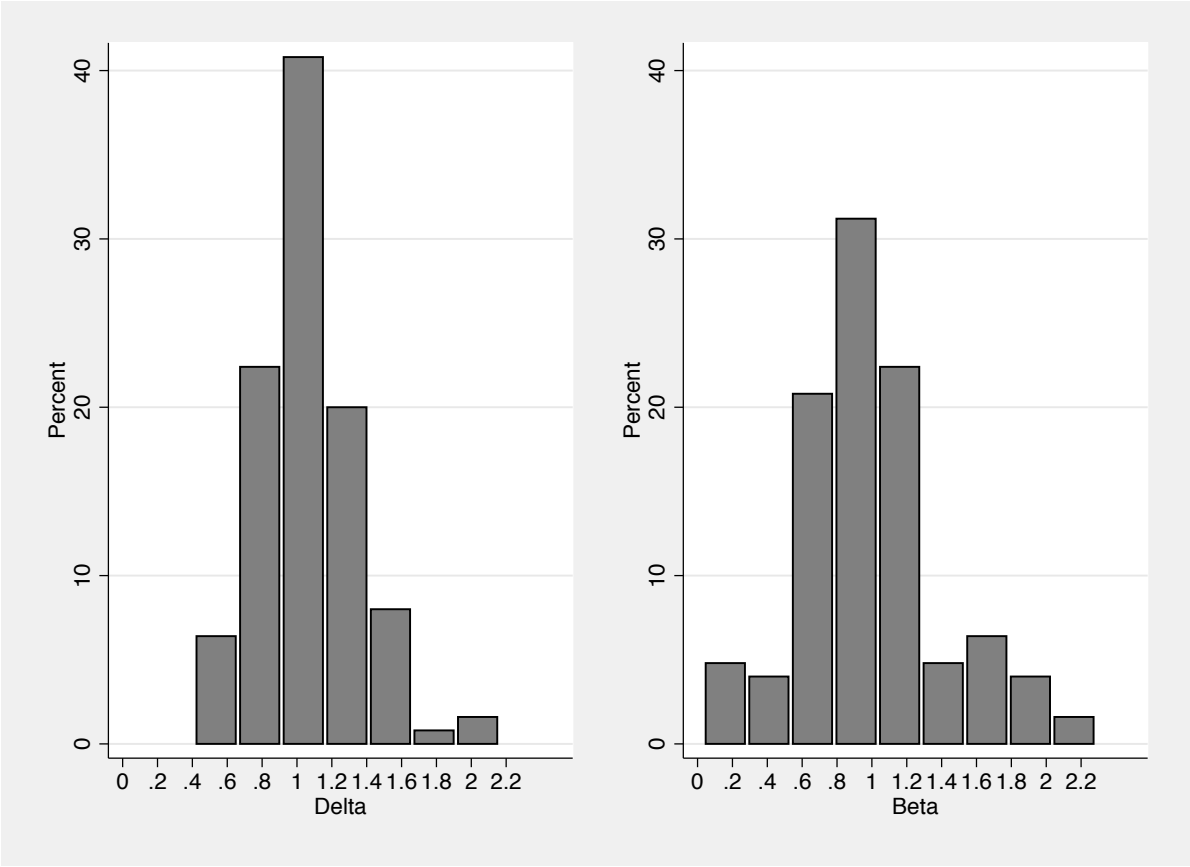


Figure A.8: Within-Subject Parameter Calculations

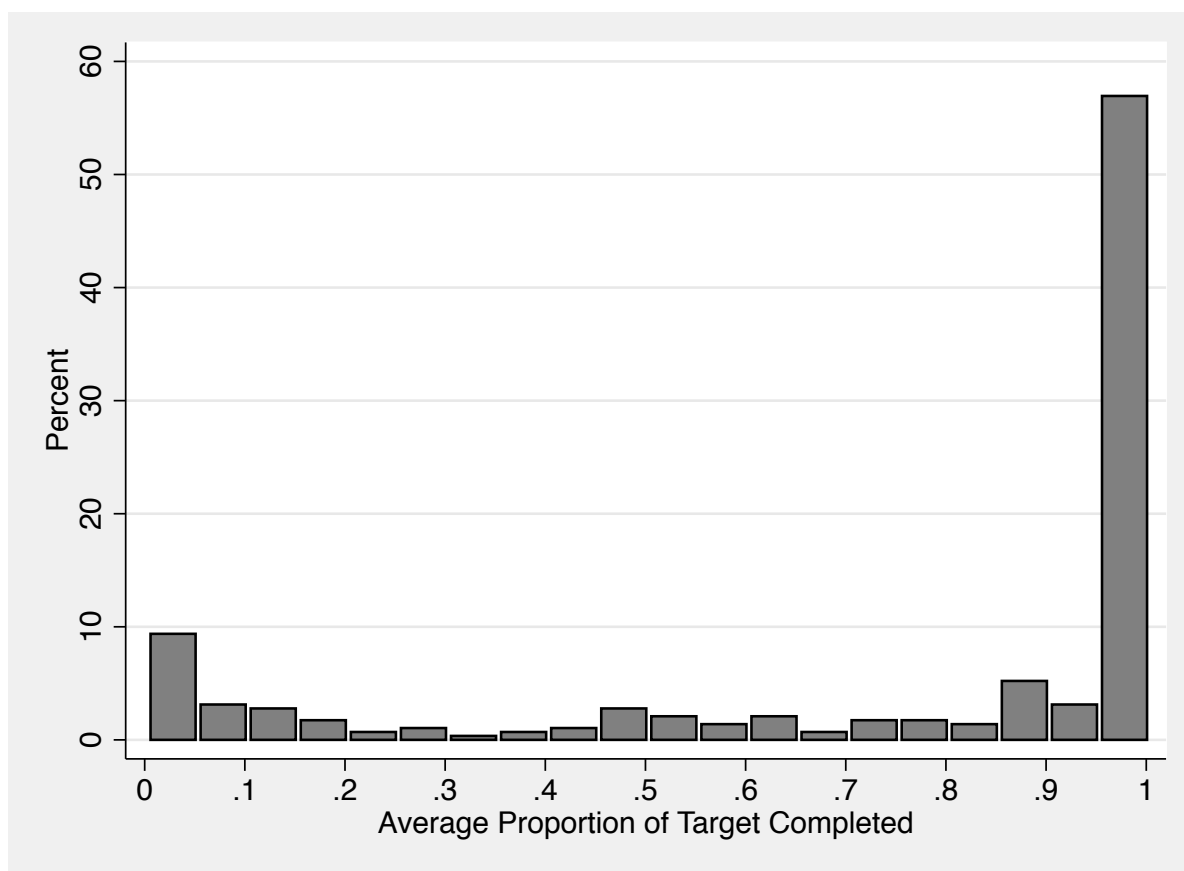


Figure A.9: Individual Completion Rates

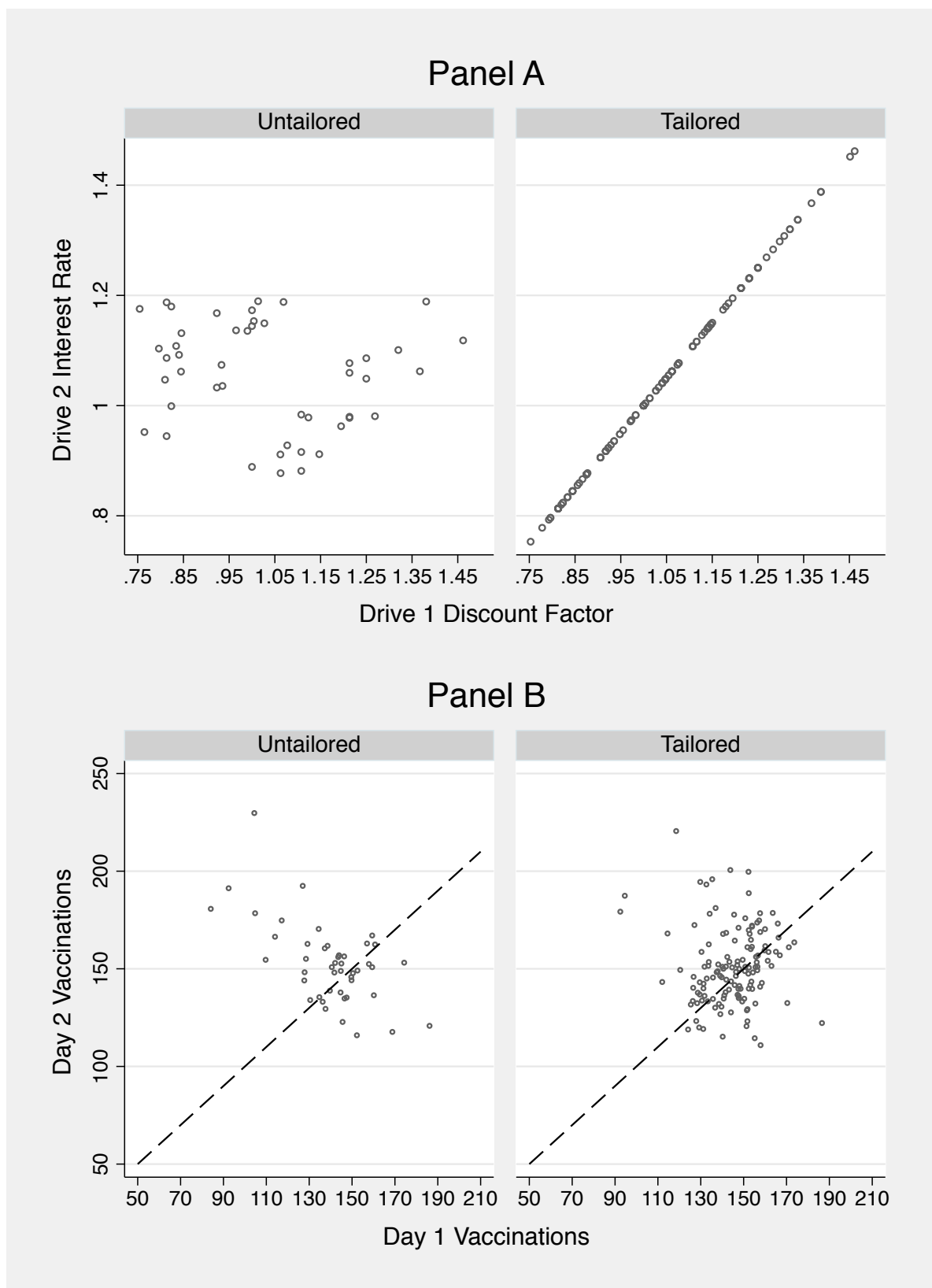


Figure A.10: Alternative Control Group:  $\tilde{R}_i \in +/\pm 1$  s.d of Mean  $R_i^*$

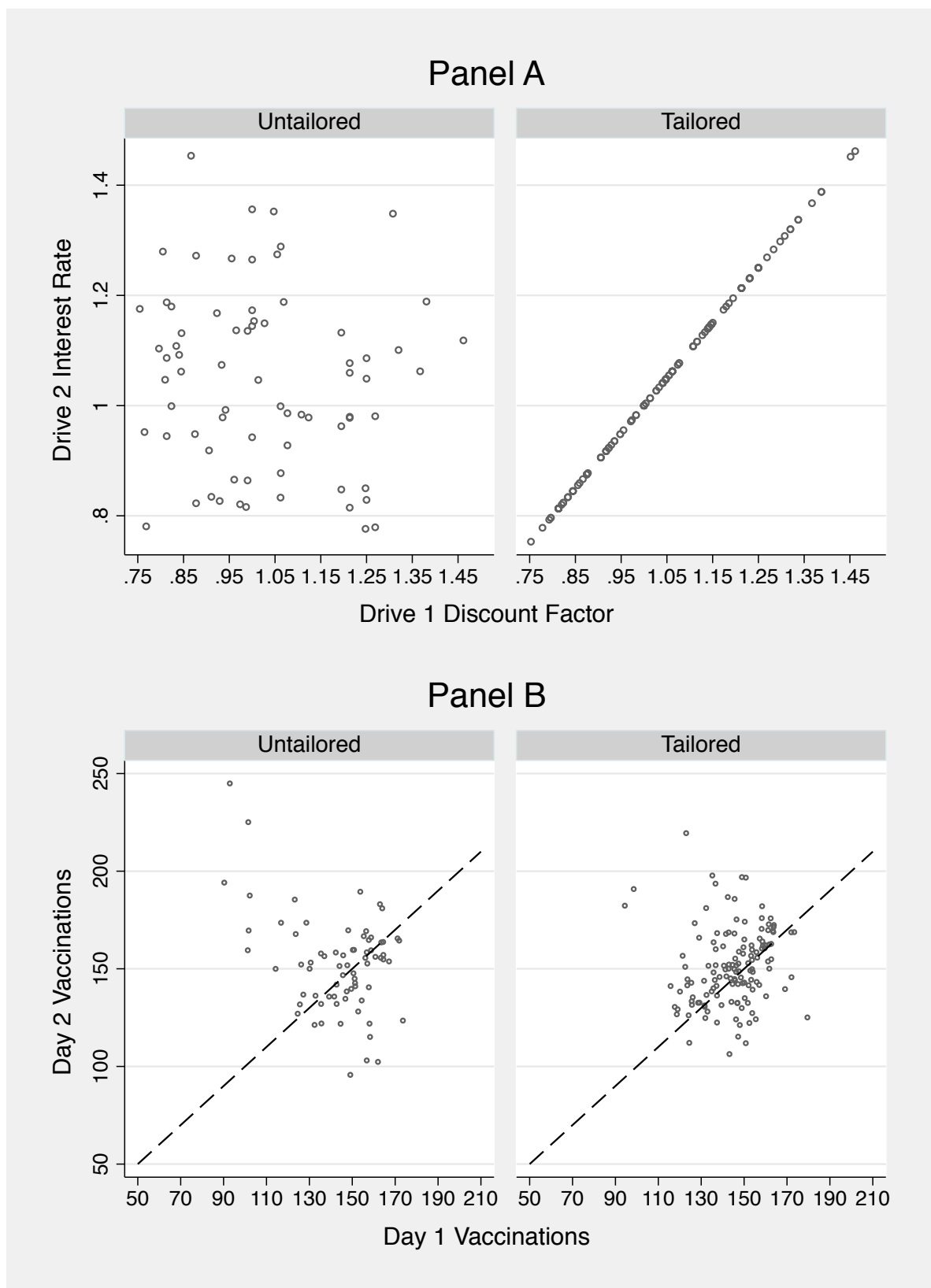


Figure A.11: Alternative Control Group: Matched Distribution

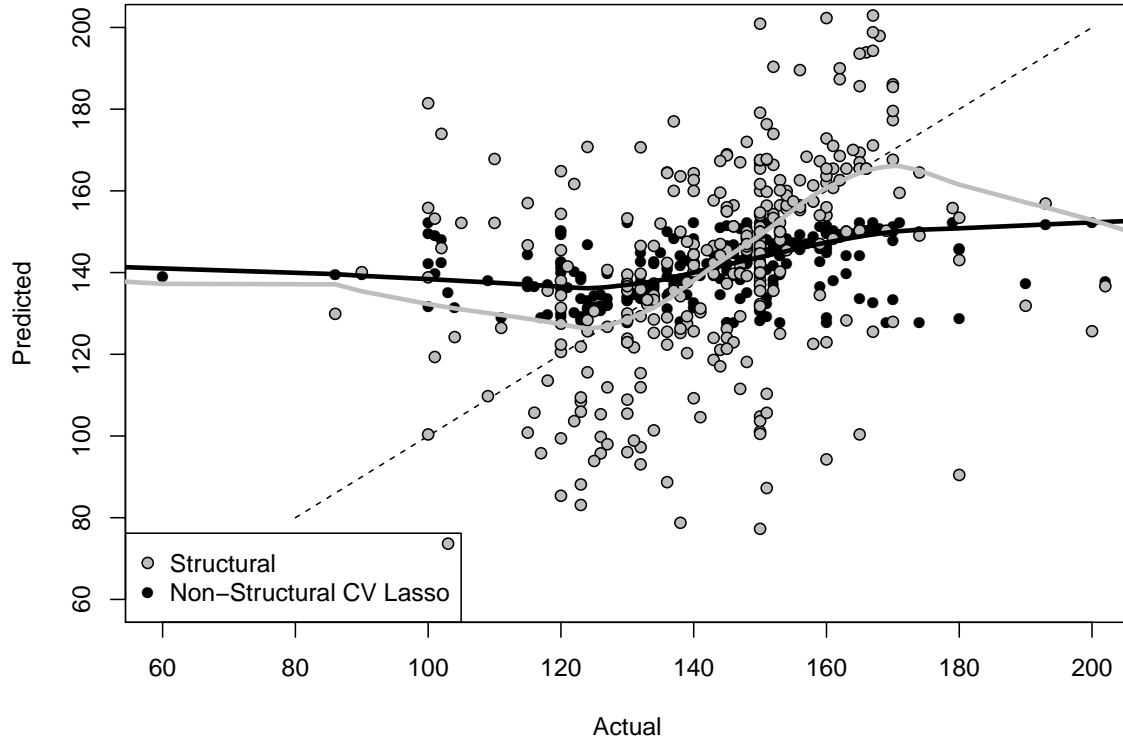


Figure A.12: Structural and Non-Structural Prediction

*Notes:* Predicted and actual Drive 2 value of  $v_1$  for structural and non-structural models. Structural prediction based on individual discount factor calculated from Drive 1. Non-structural prediction based on lasso regression of  $v_1$  on cubic polynomial in  $R$  interacted with  $\mathbf{1}_{d=1}$  from Drive 1. Lowess curves for non-parametric adherence to 45-degree line of perfect prediction.

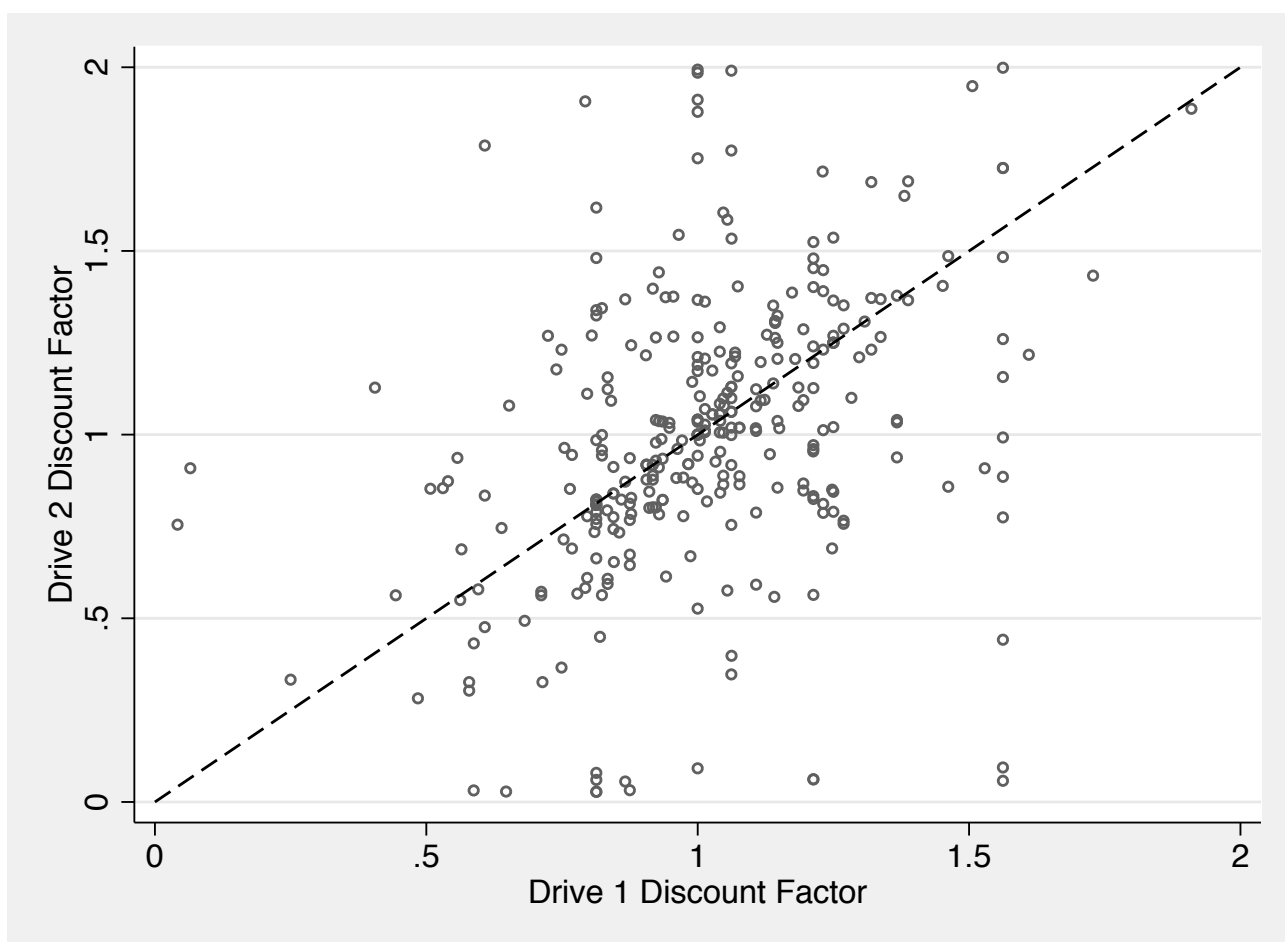


Figure A.13: Stability of Preferences

*Notes:* Drive 1 and Drive 2 discount factors calculated from equation (3) for each allocation. Figure includes 317 of 337 vaccinators present in both drives. Excluded are 20 vaccinators with calculated discount factors in excess of 2 in one or both drives. Correlation:  $\rho = 0.41$ , ( $p < 0.01$ ).

## A.2 Appendix Tables

Table A.1: Testing Whether Failure to Set in Drive 0 Was Systematic

	Did Not Fail (1)	Failed (2)	p-value (3)
Gender (Female = 1)	0.965 (0.020)	1.000 (0.000)	0.082
Years of Education	10.294 (0.220)	10.146 (0.185)	0.608
Number of Children	3.268 (0.239)	3.388 (0.188)	0.695
Punjabi (=1)	0.952 (0.023)	0.975 (0.018)	0.440
Has a Savings Account (=1)	0.317 (0.052)	0.305 (0.051)	0.867
Participated in a Rosca (=1)	0.446 (0.055)	0.378 (0.054)	0.380
Years in Health Department	10.135 (0.554)	10.886 (0.547)	0.337
Years as Polio Vaccinator	9.994 (0.538)	10.531 (0.502)	0.467
# Vaccinators	86	82	

*Notes:* This table tests whether the failure of the smartphone app during Drive 0 was systematic. Standard errors reported in parentheses. Column 3 reports a p-value corresponding to the null that the mean in the Did Not Fail group is equal to the Failed group.



Table A.2: Within-Subject Parameter Estimates

	Complete Panel (1)	No Change (2)	Change (3)	Immediate → Advance (4)	Advance → Immediate (5)
$\beta$	0.737 (0.100)	0.755 (0.153)	0.719 (0.130)	0.585 (0.221)	0.848 (0.100)
$\delta$	0.955 (0.041)	0.931 (0.060)	0.981 (0.056)	1.029 (0.064)	0.944 (0.085)
$a$	-15.715 (0.477)	-14.049 (1.003)	-15.516 (0.362)	-30.333 (2.923)	-17.487 (0.263)
$\gamma = 1 + 3 \cdot \frac{1}{1+\exp(a)}$	4	4	4	4	4
$\ln(\sigma)$	-0.778 (0.127)	-0.872 (0.184)	-0.711 (0.170)	-0.397 (0.197)	-1.325 (0.105)
# Observations	464	212	252	112	140
# Vaccinators	232	106	126	56	70
Log-Likelihood	-297.467	-116.020	-178.460	-114.456	-13.099
$H_0 : \beta = 1$	$\chi^2(1) = 6.945$ ( $p < 0.01$ )	$\chi^2(1) = 2.585$ ( $p = 0.11$ )	$\chi^2(1) = 4.707$ ( $p < 0.05$ )	$\chi^2(1) = 3.529$ ( $p < 0.10$ )	$\chi^2(1) = 2.303$ ( $p = 0.13$ )

*Notes:* This table reports structural estimates of  $\beta$ ,  $\delta$ , and  $\gamma$  obtained using Maximum Likelihood Estimation based on Equation (2) and using data both from Drive 0 and Drive 1. Standard errors are reported in parentheses. Column (1) reports estimates for all vaccinators who participated in both Drive 0 and Drive 1. Column (2) restricts the sample to vaccinators who participated in both rounds but whose decision timing assignment did not switch. Column (3) restricts the sample to vaccinators who participated in both rounds but whose decision timing switched. Column (4) uses the subset of vaccinators who switched from Immediate to Advance Choice. Column (5) uses the subset of vaccinators who switched from Advance to Immediate Choice.

Table A.3: Aggregate Drive 0 and 1 Behavior

Dependent variable:	Tasks Allocated to the First Day of the Drive ( $v_1$ )	
	Full Sample	Tailoring Sample
	(1) Median	(2) Median
Immediate Decision (=1)	-2.00** (0.95)	-3.00*** (0.88)
Interest Rate (R)	-40.00*** (6.04)	-60.00*** (4.12)
Constant	188.00*** (6.06)	210.00*** (4.34)
Median Advance Choice	150	150
# Observations	622	475

*Notes:* This table reports on the effects of making Immediate allocation decisions and interest rate on Drive 0 and Drive 1 vaccinations allocated to the first day of the drive. Median regression coefficients with standard errors reported in parentheses. Standard errors are clustered at the vaccinator level. Clustered standard errors for quantile regressions are calculated using the approach in Parente and Santos Silva (2016). Immediate Decision is an indicator equal to one for vaccinators selecting their allocations on the morning of the vaccination drive. The interest rate  $R$  takes the values  $R \in \{0.9, 1, 1.1, 1.25\}$ . *Levels of Significance:* \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

Table A.4: Testing Stationarity of Costs Across Days

<i>Panel A: Time Lapse Between Vaccinations (in minutes)</i>								
Dependent variable:	Day 1 Med.	Time Lapse		Day 2 Med.	Time Lapse		Day 1 - Day 2 Med.	Time Lapse
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Advance Choice (=1)	0.519 (2.492)	1.134 (1.163)	1.011 (1.045)	-0.910 (3.164)	-1.161 (3.324)	-0.829 (3.182)	2.295 (3.527)	1.840 (3.343)
Discount Factor			-3.697 (3.504)			10.004 (8.247)		-13.701 (9.000)
Constant	3.370* (1.851)	1.422*** (0.084)	5.337 (3.708)	4.447* (2.372)	4.540* (2.501)	-6.053 (6.558)	-3.118 (2.501)	11.390 (7.581)
R-Squared	0.000	0.004	0.016	0.000	0.001	0.013	0.002	0.022
# Observations	265	228	228	240	228	228	228	228
<i>Panel B: Distance Walked Between Vaccinations (in Kilometers)</i>								
Dependent variable:	Day 1 Med.	Distance		Day 2 Med.	Distance		Day 1 - Day 2 Med.	Distance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Advance Choice (=1)	0.039 (0.075)	0.065 (0.078)	0.058 (0.071)	-0.173 (0.154)	-0.168 (0.163)	-0.153 (0.146)	0.233 (0.181)	0.211 (0.162)
Discount Factor			-0.210 (0.236)			0.515 (0.518)		-0.726 (0.571)
Constant	0.058** (0.026)	0.037*** (0.010)	0.260 (0.249)	0.215 (0.153)	0.198 (0.163)	-0.348 (0.390)	-0.161 (0.163)	0.607 (0.465)
R-Squared	0.001	0.003	0.012	0.006	0.005	0.020	0.008	0.031
# Observations	260	224	224	238	224	224	224	224

*Notes:* This table reports on the relationship between decision timing and the one period discount factor with two proxies of the cost of performing a vaccination (the amount of time that lapses between vaccinations and the distance traveled between vaccinations). Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

Table A.5: Testing Stationarity of Costs Across Conditions

	Drive 1		
	Advance and Immediate	Advance	Immediate
	(1)	(2)	(3)
Discount Factor	0.877 (0.046)	0.934 (0.040)	0.820 (0.080)
$a$	-23.416 (1.906)	-18.828 (0.322)	-15.385 (0.670)
$\gamma = 1 + 3 \cdot \frac{1}{1+\exp(a)}$	4	4	4
$\ln(\sigma)$	-1.138 (0.185)	-1.662 (0.080)	-0.879 (0.222)
# Observations	338	174	164
Log-Likelihood	-94.806	42.226	-88.490
$H_0 : \text{Discount Factor} = 1$	$\chi^2(1) = 7.17$ ( $p < 0.01$ )	$\chi^2(1) = 2.66$ ( $p = 0.10$ )	$\chi^2(1) = 5.04$ ( $p = 0.02$ )

*Notes:* This table reports structural estimates of an exponential discount factor,  $\delta$ , and  $\gamma$  obtained using Maximum Likelihood Estimation based on Equation (1). Standard errors are reported in parentheses.

Table A.6: Testing for Idiosyncratic Shocks

<i>Panel A: Maximum Daily Time Lapse Between Vaccinations (in Minutes)</i>								
Dependent variable:	Max Day 1 Time Lapse			Max Day 2 Time Lapse			Day 1 - Day 2 Max Time Lapse	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Advance Choice (=1)	-0.702 (9.783)	0.578 (9.104)	0.739 (9.026)	8.067 (8.885)	5.274 (9.114)	5.574 (9.021)	-4.695 (12.319)	-4.836 (12.211)
Discount Factor			4.831 (14.139)			9.054 (15.570)		-4.223 (19.824)
Constant	59.258*** (7.920)	54.880*** (7.254)	49.764*** (15.266)	53.437*** (5.178)	54.362*** (5.404)	44.774*** (15.351)	0.518 (8.724)	4.990 (20.662)
R-Squared	0.000	0.000	0.000	0.003	0.001	0.003	0.001	0.001
# Observations	265	228	228	240	228	228	228	228
<i>Panel B: Maximum Time Lapse &gt; 2 hours</i>								
Dependent variable:	Max Day 1 Lapse > 2hr.			Max Day 2 Time Lapse > 2hr.			Day 1 > 2hr. - Day 2 > 2hr.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Advance Choice (=1)	0.051 (0.045)	0.042 (0.047)	0.044 (0.047)	0.026 (0.041)	0.001 (0.042)	0.002 (0.041)	0.041 (0.060)	0.042 (0.060)
Discount Factor			0.053 (0.077)			0.032 (0.071)		0.021 (0.100)
Constant	0.133*** (0.029)	0.127*** (0.032)	0.071 (0.085)	0.103*** (0.028)	0.109*** (0.030)	0.075 (0.075)	0.018 (0.043)	-0.004 (0.111)
R-Squared	0.005	0.004	0.005	0.002	0.000	0.001	0.002	0.002
# Observations	265	228	228	240	228	228	228	228

*Notes:* This table reports on the relationship between decision timing and the one period discount factor with two proxies for experiencing a shock during the drive (the maximum time lapse between vaccinations and whether a lapse of more than 2 hours occurred). Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

Table A.7: Testing for Deterministic Environment

	Drive 1			
	Experience < 9 Years	Experience ≥ 9 Years	Experience < 15 Years	Experience ≥ 15 Years
	(1)	(2)	(3)	(4)
$\beta$	0.883 (0.123)	0.890 (0.147)	0.932 (0.102)	0.784 (0.226)
$\delta$	0.965 (0.058)	0.886 (0.054)	0.924 (0.045)	0.899 (0.089)
$a$	-19.367 (3.371)	-24.158 (1.963)	-16.058 (0.657)	-14.380 (0.737)
$\gamma = 1 + 3 \cdot \frac{1}{1+exp(a)}$	4	4	4	4
$ln(\sigma)$	-1.203 (0.298)	-1.081 (0.236)	-1.259 (0.207)	-0.874 (0.332)
# Observations	149	180	248	81
Log-Likelihood	-32.129	-60.907	-39.645	-44.123
$H_0 : \beta = 1$	$\chi^2(1) = 0.90$ ( $p = 0.34$ )	$\chi^2(1) = 0.56$ ( $p = 0.45$ )	$\chi^2(1) = 0.45$ ( $p = 0.50$ )	$\chi^2(1) = 0.91$ ( $p = 0.34$ )

*Notes:* This reports structural estimates of  $\beta$ ,  $\delta$ , and  $\gamma$  obtained using Maximum Likelihood Estimation based on Equation (2). Standard errors are reported in parentheses.

Table A.8: Testing for Completion

Dependent variable:	$Completed_1 \geq v_1$ & $Completed_2 \geq v_2$		$Completed_1 \geq v_1$		$Completed_2 \geq v_2$		Average Proportion Completed	
Advance Choice (=1)	0.097 (0.059)	0.098* (0.058)	0.038 (0.057)	0.039 (0.057)	0.085 (0.058)	0.087 (0.057)	0.098** (0.042)	0.098** (0.042)
Discount Factor		0.323*** (0.093)		0.110 (0.097)		0.436*** (0.087)		0.173** (0.069)
Constant	0.445*** (0.041)	0.111 (0.104)	0.616*** (0.040)	0.503*** (0.111)	0.534*** (0.041)	0.084 (0.100)	0.706*** (0.031)	0.527*** (0.080)
R-Squared	0.009	0.042	0.002	0.006	0.007	0.068	0.019	0.037
# Observations	288	288	288	288	288	288	288	288

*Notes:* This table reports on the relationship between decision timing and the one period discount factor with whether vaccinators completed their vaccination tasks. Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

Table A.9: Parameter Estimates by Urban and Experienced

	(1)	(2)	(3)
$\beta$	1.002 (0.049)	1.003 (0.049)	1.013 (0.050)
Experienced Urban Group (=1)	0.024 (0.132)		
$\delta$	0.981 (0.031)	0.993 (0.032)	0.978 (0.031)
Experienced Urban Group (=1)		-0.060 (0.072)	
$a$	-182.100 (25.909)	-18.056 (0.335)	-15.733 (0.276)
Experienced Urban Group (=1)			14.357 (2.195)
$\gamma = 1 + 3 \cdot \frac{1}{1+\exp(a)}$ (Rural Sample:)	4	4	4
$\gamma = 1 + 3 \cdot \frac{1}{1+\exp(a)}$ (Urban Sample:)			3.395
$\ln(\sigma)$	-2.170 (0.052)	-2.172 (0.052)	-2.170 (0.052)
# Vaccinators	203	203	203
Log Likelihood	152.424	152.904	152.521

*Notes:* This reports structural estimates of  $\beta$ ,  $\delta$ , and  $\gamma$  obtained using Maximum Likelihood Estimation based on Equation (2). Experienced Urban Group is a dummy equal to one for vaccinators whose average travel per vaccination attempt is less than 0.1 kilometers and who have more than 15 years of experience in the health department. Standard errors are reported in parentheses.

Table A.10: Tailoring with Alternative Controls

Dependent variable:	$\left  \frac{v_{1,i}}{v_{2,i}} - 1 \right $		
Comparison group:	Untailored with $\tilde{R}_i \in +/\!- 1$ s.d of Mean $R_i^*$	Untailored with $\tilde{R}_i \in +/\!- 1$ s.d of Mean $R_i^*$ $ R_i^* - \tilde{R}_i  > 0.10$	Untailored with Matched Distribution of $\tilde{R}_i$
	(1)	(2)	(3)
Tailored (=1)	-0.039* (0.021)	-0.052** (0.025)	-0.047** (0.022)
Constant	0.200*** (0.071)	0.231*** (0.074)	0.085 (0.072)
Stratum FEs	Yes	Yes	Yes
Exclude 99th and 1st Percentiles	Yes	Yes	Yes
Drive 2 $R_i^*$ or $\tilde{R}_i$	Yes	Yes	Yes
R-Squared	0.081	0.086	0.071
Mean in Untailored Contract	0.132	0.150	0.143
# Vaccinators	194	181	207
# Untailored Vaccinators	59	46	72

*Notes:* This table reports the effects of tailoring on the equality of effort provision over time. The measure  $\left| \frac{v_t}{v_{t+1}} - 1 \right|$  (the percentage difference between tasks allocated to day 1 and day 2 of the drive) reflects the distance of the task allocation  $(v_1, v_2)$  from equality  $(v_1 = v_2)$ . Mean (standard deviation)  $R_i^*$  in untailored group = 1.036 (0.165). Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

Table A.11: Robustness Tests for Tailoring Intertemporal Incentives

<i>Panel A: Dependent variable</i> $\frac{ v_{1,i}-v_{2,i} }{\sqrt{2}}$						
	(1)	(2)	(3)	(4)	(5)	(6)
Tailored (=1)	-1.758 (4.588)	-4.480** (1.954)	-4.481** (2.068)	-2.401 (2.302)	-1.703 (2.176)	-1.868 (2.229)
Immediate Choice				20.994*** (5.856)	10.365*** (3.335)	10.597*** (3.449)
Tailored x Immediate				2.127 (9.793)	-6.026 (4.084)	-6.220 (4.136)
Constant	31.386*** (7.334)	16.399*** (2.296)	16.412** (6.857)	19.464*** (6.433)	10.992*** (2.777)	14.128** (6.671)
<i>Panel B: Dependent variable</i> $\frac{ v_{1,i}-v_{2,i} }{\sqrt{2(v_{1,i}+v_{2,i})}}$						
	(1)	(2)	(3)	(4)	(5)	(6)
Tailored (=1)	-0.014 (0.015)	-0.018*** (0.007)	-0.016** (0.007)	-0.009 (0.008)	-0.007 (0.007)	-0.007 (0.008)
Immediate Choice				0.080*** (0.022)	0.038*** (0.012)	0.037*** (0.012)
Tailored x Immediate				-0.008 (0.032)	-0.024* (0.014)	-0.023* (0.014)
Constant	0.103*** (0.023)	0.057*** (0.008)	0.033 (0.022)	0.058*** (0.020)	0.037*** (0.010)	0.025 (0.022)
<i>Panel C: Dependent variable</i> $ v_{1,i} - \frac{300}{1+R} $						
	(1)	(2)	(3)	(4)	(5)	(6)
Tailored (=1)	-2.612 (3.282)	-3.789*** (1.410)	-3.445** (1.459)	-1.959 (1.643)	-1.509 (1.575)	-1.405 (1.591)
Immediate Choice				16.650*** (4.496)	7.990*** (2.451)	7.844*** (2.509)
Tailored x Immediate				-0.867 (6.891)	-4.972* (2.938)	-4.850 (2.974)
Constant	22.736*** (5.301)	12.014*** (1.682)	7.571 (4.735)	13.340*** (4.501)	7.849*** (2.048)	5.871 (4.622)
<i>Panel D: Dependent variable</i> $ v_{1,i} - \frac{300}{1+R}  > 25$						
	(1)	(2)	(3)	(4)	(5)	(6)
Tailored (=1)	-0.454** (0.191)	-0.654*** (0.221)	-0.578*** (0.216)	-0.282 (0.317)	-0.282 (0.314)	-0.235 (0.309)
Immediate Choice				0.920*** (0.272)	0.720** (0.283)	0.697** (0.286)
Tailored x Immediate				-0.275 (0.408)	-0.676 (0.462)	-0.653 (0.460)
Constant	-0.639*** (0.206)	-0.887*** (0.239)	-1.568** (0.637)	-1.231*** (0.304)	-1.312*** (0.335)	-1.812*** (0.665)
<i>Panel E: Dependent variable</i> $\min\{v_{1,i}, v_{2,i}\}$						
	(1)	(2)	(3)	(4)	(5)	(6)
Tailored (=1)	7.210** (3.512)	8.112*** (2.051)	2.540* (1.416)	4.764* (2.650)	4.381* (2.643)	0.843 (1.567)
Immediate Choice				-20.562*** (5.042)	-11.804*** (3.492)	-6.815*** (2.332)
Tailored x Immediate				4.672 (7.206)	8.194** (4.052)	4.037 (2.806)
Constant	126.824*** (5.181)	136.728*** (2.645)	208.758*** (4.541)	138.343*** (4.905)	142.870*** (3.359)	210.228*** (4.433)
Stratum FEs	Yes	Yes	Yes	Yes	Yes	Yes
Exclude 99th and 1st Percentiles	No	Yes	Yes	No	Yes	Yes
Drive 2 R	No	No	Yes	No	No	Yes
# Vaccinators	280	267	267	280	267	267

*Notes:* This table reports the effects of tailoring on the equality of effort provision over time using several different measures of the distance of the task allocation  $(v_1, v_2)$  from equality  $(v_1 = v_2)$ . Column (1) reports a regression of this measure on an indicator equal to one for subjects in the tailored group. Column (1) reports a regression of this measure on an indicator equal to one for subjects in the tailored group. Column (2) reports estimates from the same specification excluding outliers. Column (3) controls for the interest rate assignment in round 2. Column (4) provides estimates on the same sample as column (1) interacting treatment with being in the immediate choice condition. Columns (5) and (6) apply the same restrictions to the sample as columns (2) and (3) respectively. Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .



Table A.12: Alternate Treatment Measures and Sample Restrictions

<i>Panel A: Tailoring Intensity</i>						
Dependent variable:	$\left  \frac{v_{1,i}}{v_{2,i}} - 1 \right $					
	(1)	(2)	(3)	(4)	(5)	(6)
Tailor Intensity	2.521 (2.057)	0.164** (0.065)	0.110* (0.063)	0.078 (0.188)	0.124 (0.081)	0.089 (0.076)
Immediate Choice				-0.065 (0.312)	0.071*** (0.023)	0.068*** (0.022)
Tailor Intensity x Immediate				4.537 (3.809)	0.071 (0.133)	0.057 (0.131)
Constant	0.780* (0.457)	0.104*** (0.018)	-0.009 (0.058)	0.765 (0.482)	0.067*** (0.020)	-0.018 (0.058)
# Vaccinators	280	267	267	280	267	267
<i>Panel B: Tailoring Intensity and Boundary Sample</i>						
Dependent variable:	$\left  \frac{v_{1,i}}{v_{2,i}} - 1 \right $					
	(1)	(2)	(3)	(4)	(5)	(6)
Tailor Intensity	1.200 (1.006)	0.151** (0.069)	0.124* (0.065)	-0.038 (0.127)	0.054 (0.060)	0.025 (0.054)
Immediate Choice				0.094 (0.202)	0.066*** (0.025)	0.064** (0.025)
Tailor Intensity x Immediate				2.075 (1.848)	0.148 (0.119)	0.154 (0.114)
Constant	0.712* (0.368)	0.152*** (0.026)	0.044 (0.065)	0.652* (0.369)	0.119*** (0.026)	0.016 (0.063)
# Vaccinators	337	320	320	337	320	320
Stratum FEs	Yes	Yes	Yes	Yes	Yes	Yes
Exclude 99th and 1st Percentiles	No	Yes	Yes	No	Yes	Yes
Drive 2 $R$	No	No	Yes	No	No	Yes

*Notes:* This table reports the effects of tailoring on the equality of effort provision over time. The measure  $\left| \frac{v_t}{v_{t+1}} - 1 \right|$  reflects the distance of the task allocation  $(v_1, v_2)$  from equality  $(v_1 = v_2)$ . Column (1) reports a regression of this measure on an indicator equal to one for subjects in the tailored group. Column (2) reports estimates from the same specification excluding outliers. Column (3) controls for the interest rate assignment in round 2. Column (4) provides estimates on the same sample as column (1) interacting treatment with being in the immediate choice condition. Columns (5) and (6) apply the same restrictions to the sample as columns (2) and (3) respectively. Heteroskedasticity robust White standard errors reported in parentheses. \* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

report\* $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .