

# THE AMERICAN ECONOMIC REVIEW

## Editor

PINELOPI KOUJIANOU  
GOLDBERG

## Coeditors

MARIANNE BERTRAND  
MARTIN EICHENBAUM  
HILARY HOYNES  
LUIGI PISTAFERRI  
DEBRAJ RAY  
LARRY SAMUELSON  
ANDRZEJ SKRZYPACZ

## Managing Editor

STEVEN M. STELLING

## Assistant Managing Editor

KELLY MARKEL

## Board of Editors

MARK AGUIAR  
POL ANTRÁS  
SANDRA BLACK  
SIMON BOARD  
CRAIG BURNSIDE  
ARIEL BURSTEIN  
STEVEN CALLANDER  
GARY CHARNES  
SYLVAIN CHASSANG  
DORA COSTA  
MIGUEL COSTA-GOMES  
DIRK ENGELMANN  
HANMING FANG  
TIMOTHY FEDDERSEN  
MICHAEL FISHMAN  
WILLIAM FUCHS  
GAUTAM GOWRISANKARAN  
DAVID GREEN  
VERONICA GUERRIERI  
IGAL HENDEL  
ALI HORTAÇSU  
SHACHAR KARIV  
NAVIN KARTIK  
BRIAN KNIGHT  
BOTOND KÖSZEGI  
ILAN KREMER  
ARVIND KRISHNAMURTHY  
JONATHAN LEVIN  
GILAT LEVY  
HAMISH LOW  
SHELLY LUNDBERG  
MATTHEW MITCHELL  
DILIP MOOKHERJEE  
GIUSEPPE MOSCARINI  
PHILIP OREOPOULOS  
ROHINI PANDE  
JONATHAN PARKER  
PARAG PATHAK  
NINA PAVCNİK  
FABRIZIO PERRI  
RICARDO REIS  
JESSE ROTHSTEIN  
FIONA SCOTT MORTON  
RAJIV SETHI  
JÓN STEINSSON  
AMIR SUFI  
CHRISTOPHER TIMMINS  
SARAH TURNER  
ERIC VERHOOGEN  
LISE VESTERLUND  
LEEAT YARIV

December 2013

VOLUME 103, NUMBER 7

## Articles

- Adverse Selection and Inertia in Health Insurance  
Markets: When Nudging Hurts  
*Benjamin R. Handel* 2643
- Using Differences in Knowledge Across  
Neighborhoods to Uncover  
the Impacts of the EITC on Earnings  
*Raj Chetty, John N. Friedman,  
and Emmanuel Saez* 2683
- Intertemporal Price Discrimination in Storable  
Goods Markets  
*Igal Hendel and Aviv Nevo* 2722
- Two Perspectives on Preferences  
and Structural Transformation  
*Berthold Herrendorf, Richard Rogerson,  
and Ákos Valentinyi* 2752
- “Reverse Bayesianism”: A Choice-Based Theory of  
Growing Awareness  
*Edi Karni and Marie-Louise Vierø* 2790
- Dynamic Deception  
*Axel Anderson and Lones Smith* 2811
- Debt Contracts with Partial Commitment  
*Natalia Kovrijnykh* 2848
- Information and Quality When Motivation is  
Intrinsic: Evidence from  
Surgeon Report Cards  
*Jonathan T. Kolstad* 2875
- When Do Secondary Markets Harm Firms?  
*Jiawei Chen, Susanna Esteban,  
and Matthew Shum* 2911
- Time as a Trade Barrier  
*David L. Hummels and Georg Schaur* 2935
- Vertical Integration and Exclusivity in Platform  
and Two-Sided Markets  
*Robin S. Lee* 2960

Conclusions Regarding Cross-Group Differences in  
Happiness Depend on Difficulty of Reaching Respondents  
*Ori Heffetz and Matthew Rabin* 3001

### Shorter Papers

The Demand for Youth: Explaining Age Differences in the Volatility of Hours  
*Nir Jaimovich, Seth Pruitt, and Henry E. Siu* 3022

News, Noise, and Fluctuations: An Empirical Exploration  
*Olivier J. Blanchard, Jean-Paul L'Huillier, and Guido Lorenzoni* 3045

Polarization and Ambiguity  
*Sandeep Baliga, Eran Hanany, and Peter Klibanoff* 3071

Social Preferences under Risk: Equality of Opportunity versus Equality of Outcome  
*Kota Saito* 3084

Taxes, Cigarette Consumption, and Smoking Intensity: Reply  
*Jérôme Adda and Francesca Cornaglia* 3102

The following Statement of Ownership, Management and Circulation is provided in accordance with the requirements, as contained in 39 U.S.C. 3658. The *American Economic Review* is owned, managed and published by the American Economic Association, a nonprofit scientific organization, located at 2014 Broadway, Suite 305, Nashville, Davidson County, TN 37203-2425. The Editor is Professor Pinelopi Goldberg, *American Economic Review*, 2403 Sidney Street, Suite 260, Pittsburgh, PA 15203. During the preceding twelve months the average number of copies printed for each issue was 8,615; the average paid circulation, 7,810; the average free distribution, 144; the average number of copies distributed 7,954. Corresponding figures for August 2013, the issue published nearest to filing date: total number of copies printed, 7,998; total paid circulation, 7,296; total free distribution, 170; total distribution, 7,466.

Information on how to submit a manuscript is available online:  
<http://www.aeaweb.org/aer/submissions.php>

It is the policy of *The American Economic Review* to publish papers only if the data used in the analysis are clearly and precisely documented and are readily available to any researcher for purposes of replication. Details of the computations sufficient to permit replication must be provided. The Editor should be notified at the time of submission if the data used in a paper are proprietary or if, for some other reason, the requirements above cannot be met.