

Authors

Dean Karlan
Northwestern University

Jonathan Zinman
Dartmouth College



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**BORROW LESS TOMORROW:
BEHAVIORAL APPROACHES TO DEBT REDUCTION**

Dean Karlan and Jonathan Zinman

Hovey House
140 Commonwealth Avenue
Chestnut Hill, MA 02467
Tel: 617-552-1762
<http://fip.bc.edu>

Dean Karlan is president, founder, and executive director of Innovations for Poverty Action (IPA) and a professor of economics at Yale University. Jonathan Zinman is a research affiliate of IPA and an associate professor of economics at Dartmouth College. The research reported here was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Financial Literacy Research Consortium (FLRC) and FINRA Investor Education Foundation. The opinions and conclusion expressed are solely those of the authors and do not represent the opinions or policy of SSA, any agency of the federal government, the FLRC, FINRA Investor Education Foundation, IPA, Yale University, Dartmouth College, or Boston College. The authors are indebted to Shlomo Benartzi and Dick Thaler for helpful discussions and their pioneering work on Save More Tomorrow™. The authors would like to thank David Matsa and conference participants in the NBER Law and Economics Group for helpful comments. They would also like to thank Brooke Berman, Selvan Kumar, Becca Lowry, Gautam Nair, Rebecca Rouse, and other IPA staffers for research support and fieldwork. Finally, they would like to thank the leaders and staff at the Community Action Project of Tulsa County in Tulsa, Oklahoma for helping develop and pilot-test Borrow Less Tomorrow.

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Borrow Less Tomorrow: Behavioral Approaches to Debt Reduction

Mounting evidence suggests that behavioral factors depress wealth accumulation. Although much research and policy focuses on asset accumulation, for many households debt decumulation is more efficient. Yet the mass market for debt reduction services is thin. So we develop and pilot test Borrow Less Tomorrow (BoLT), a behavioral approach to debt reduction that combines a simple decision aid, social commitment, and reminders. Results from a sample of free tax-preparation clients with eligible debt in Tulsa (N=465) indicate strong demand for debt reduction: 41% of those offered BoLT used it to make a plan to accelerate debt repayment. Using random assignment to BoLT offers, we find weak evidence that the BoLT package offered reduces credit card debt.

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