

From: [Ayres, Ian](#)
To: [Ayres, Ian](#)
Subject: FW: more ayres spam 10/21/08
Date: Monday, August 31, 2009 11:51:22 AM
Attachments: [image010.png](#)

Sincerely,

Ian Ayres
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www.stickK.com (stickK to your goals)

From: Ian Ayres [mailto:Ian.Ayres@yale.edu]
Sent: Tuesday, October 21, 2008 9:27 AM
To: 'Ian Ayres'
Subject: more ayres spam

Dear Friends,

Here are links to my recent writings:

I was just in Los Angeles to speak about the release of this report: [A Study of Racially Disparate Outcomes in the Los Angeles Police Department](#), prepared for the ACLU of Southern California, available at www.aclu-sc.org (October 2008) (with Jonathan Borowsky). [Web Appendix \(Stata data and do files\)](#).

Abstract: This report analyzes pedestrian and motor vehicle stops of the Los Angeles Police Department over a one-year period: July 2003 to June 2004. We find prima facie evidence that African Americans and Hispanics are over-stopped, over-frisked, over-searched, and over-arrested. After controlling for violent and property crime rates in specific LAPD reporting districts, as well as a range of other variables, we find that: Per 10,000 residents, the black stop rate is 3,400 stops higher than the white stop rate, and the Hispanic stop rate is almost 360 stops higher. Relative to stopped whites, stopped blacks are 127% more likely and stopped Hispanics are 43% more likely to be frisked. Relative to stopped whites, stopped blacks are 76% more likely and stopped Hispanics are 16% more likely to be searched. Relative to stopped whites, stopped blacks are 29% more likely and stopped Hispanics are 32% more likely to be arrested. All of these disparities are statistically significant ($p < .01$). The findings of racial disparity are supported by ancillary analyses of investigative outcomes and officer race. We find that frisks and searches are systematically less productive when conducted on blacks and Hispanics than when conducted on whites: Frisked African Americans are 42.3% less likely to be found with a weapon than frisked whites and that frisked Hispanics are 31.8% less likely to have a weapon than frisked non-Hispanic whites. Consensual searches of blacks are 37.0% less likely to uncover weapons, 23.7% less likely to uncover drugs and 25.4% less likely to uncover anything else. Consensual searches of Hispanics similarly are 32.8% less likely to uncover weapons, 34.3% less likely to uncover drugs and 12.3% less likely to uncover anything else. It is implausible that higher frisk and search rates are justified by higher minority criminality, when these frisks and searches are substantially less likely to uncover weapons, drugs or other types of contraband. We also find that the black arrest disparity was 9 percentage points lower when the stopping officer was black than when the stopping officer was not black. Similarly, the Hispanic arrest disparity was 7 percentage points lower when the stopping officer was Hispanic than when the stopping officer was a non-Hispanic white. Taken as a whole, these results justify further investigation and corrective action.

Here are some reactions to the Report in today's news:



[ACLU says some LAPD officers still profile blacks and Latinos](#)

Contra Costa Times, CA - 17 hours ago

The 52-page, **ACLU**-sponsored report by Yale economist Ian Ayres stops short of accusing the department of widespread racial profiling but suggests prejudice ...

[ACLU report says LA police more likely to stop and search blacks ...](#) Baltimore Sun

[Report: LAPD Targets Blacks, Latinos For Arrest](#) CBS 2

[Study detects bias in LAPD](#) Los Angeles Daily News

[all 185 news articles »](#)

[Acusan al LAPD de prejuicio racial](#)

La Opinión, CA - 5 hours ago

Ian Ayres, profesor del Colegio de Derecho de Yale y autor del informe para ACLU, destacó que los resultados de ese análisis generan aún más preocupación de ...

[Acusan que prevalece perfil racial en LAPD](#)

Hoyinternet.com, CA - 6 hours ago

... ACLU que sugiere que "hay una fuerte evidencia que la discriminación juega un papel significativo en las paradas hechas por el LAPD", según Ian Ayres, ...

Here's a draft article suggesting that we should apply the powerful tool of randomized testing to lawmaking itself. [Randomizing Law](#), working paper (October 2008) (with Yair Listokin). Here's the abstract:

Government should embrace randomized trials of different laws and regulations as a tool for testing what works. Just as a random assignment of treatments is the most powerful method of testing for the causal impact of pharmaceuticals, randomly assigning individuals or firms to different legal rules can help resolve uncertainty about the consequential impacts of law. We propose the presumptive use of "Randomized Impact Statements" as prerequisites for regulations and even statutes to systematically assess the likely impact of legal change. Randomized control trials of statutory change can be used to assess enactments of new statutes as well as proposed repeals of old statutes. We consider circumstances in which the randomization technique is not well suited to assess legal impacts, as well as specific examples where the technique could provide legislators with valuable information about whether the proposed change is warranted.

[Adam Smith Meets Climate Change](#), SLATE www.slate.com/id/2200911/ (September 25, 2008) (with Doug Kysar). Here's a new way to convexify between warring camps on the difficult issue of how to allocate greenhouse gas entitlements.

Public Radio Commentary for [Marketplace](#) [New jingles may be coins in your pocket](#) (July 21, 2008) You can heaeme extoll Microsoft's experiment in compensating people for searching..

[Sell the Conventions](#) (Oct. 13, 2008) is my newest [Why Not? Column](#): in [Forbes](#) (with Barry Nalebuff). Barry and I have a surprising way that political parties can generate 100 million dollars. It is deeply connected to the Marketplace commentry in that both are just playing with the idea that our attention has a market value (suggesting I should be compensating you for reading this!)

Stephane Kenn graciously [translated into french](#) an early column I published in Forbes ([An Equity Kicker](#) 113 (May 19, 2008)).

And finally, you'll see below that I've been posting a lot (probably too much) at the [New York Times Freakonomics blog](#):



October 15, 2008, 1:16 pm

[My Wedding Ring](#)

By [Ian Ayres](#)

With great joy, I decided to put my wedding ring back on my finger this past weekend.

I had stopped wearing my ring because I was slightly embarrassed to live in a state where people like my sister couldn't marry the people they love.

But I have no reason now to be embarrassed on this score, because on Friday the Connecticut Supreme Court [struck down the statutory exclusion](#). You can read Justice **Palmer's** opinion [here](#). (Disclosure: An amicus brief was filed in the case on behalf of me and other Connecticut law professors, and my spouse, **Jennifer Gerarda Brown**, was the co-

author of another amicus brief.)

I view the legal exclusion of gay people from marriage as morally wrong; a form of invidious discrimination. Many people hold different substantive views about marriage equality.

But in this post, I want to focus on a different question: How should people respond to the legal option of taking a benefit that is invidiously denied others? It's a question that transcends the specific issue of same-sex marriage. You can also ask, for example, whether it would ever have been appropriate for whites to drink from a "whites only" water fountain. [Read more ...](#)

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• homosexuality, Ian Ayres, marriage



October 14, 2008, 12:55 pm

[Shiller's Subprime Solution\(s\)](#)

By [Ian Ayres](#)

In [my last post](#), I focused on what we still don't know about the causes of the subprime crisis.

But here I'll tell you about six solutions proposed by **Robert Shiller** in his book [The Subprime Solution](#). (He has also recently published [an op-ed in The Washington Post](#) and [an op-ed in The Wall Street Journal](#).)

Shiller separates the short-term need for a bailout from the need for long-term solutions. Much is being written now about short-term bailouts, and Shiller presciently has a chapter in his book on the inevitable need for cleaning up the past.

But this post responds to Shiller's suggestions about what we should do prospectively to make sure this doesn't happen again. For the long term, Shiller proposes "six major ways of improving the information infrastructure." Three of his proposals are directly related to providing the system with more information (quoting, but reordering, from *The Subprime Solution*, P. 122):

- 1) promoting comprehensive financial advice;
- 2) improving disclosure of information regarding financial securities; and
- 3) creating large national databases of fine-grained financial data.

[Read more ...](#)

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• finance, Ian Ayres, Robert Shiller



October 10, 2008, 2:00 pm

[What We Still Don't Know About the Mortgage Crisis](#)

By [Ian Ayres](#)

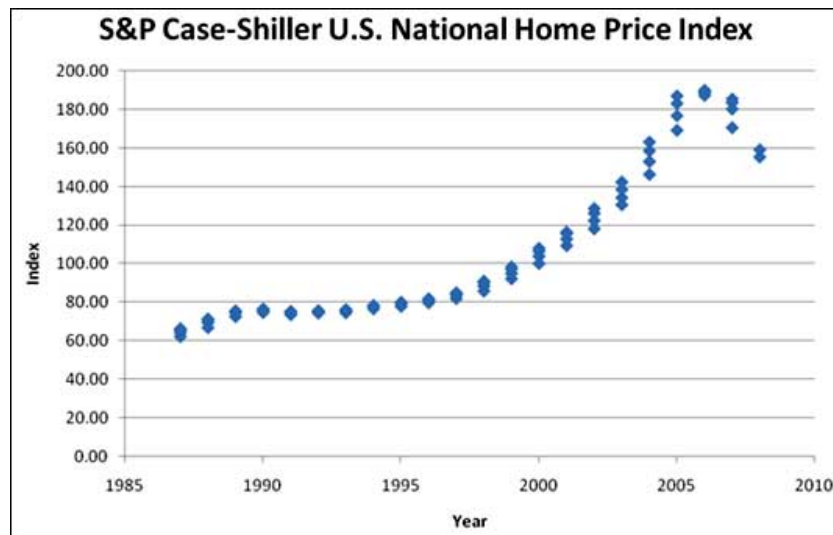
On Tuesday, September 16, at a rally at the Colorado School of Mines, **Barack Obama** criticized **John McCain**, saying:

Just today, Senator McCain offered up the oldest Washington stunt in the book: you pass the buck to a commission to study the problem. But here's the thing; this isn't 9/11. [We know how we got into this mess.](#)

It's one thing to criticize McCain for inaction, but I disagree with Obama's claim that we know how we got into this mess. In fact, if pushed, I would say I knew a lot more about the causes of 9/11 than I do about the causes of the mortgage crisis.

I just read **Robert Shiller's** excellent book, *[The Subprime Solution](#)*, and he makes a powerful case that the end of the price bubble in residential real estate was the crucial triggering factor.

Indeed, the graph, based on the [Case/Shiller U.S. National Home Price Indices](#), is prima facie evidence of a bubble that expanded and popped:



The dramatic downturn in housing prices was the key trigger — causing an increase in mortgage defaults. But the next step in the meltdown seems to have been the byproduct of 1) high leverage at investment banks and other financial intermediaries and 2) uncertainty over how much of the default risk was held by particular intermediaries. [Read more ...](#)

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• [finance, Ian Ayres, Robert Shiller](#)



October 8, 2008, 1:28 pm

[Faith-Based Dieting](#)

By [Ian Ayres](#)



Photo: [davitydave](#)

John Dankosky recently interviewed me on *Where We Live*, his radio show, about using [stickK.com](#) as a dieting tool. (You can [listen to the interview here](#).)

What was really interesting about the discussion was my pairing with a group of people involved with Sister Talk — a faith-based approach to weight loss particularly developed to help African-American women. The opening to a [Hartford Courant article](#) describes Sister Talk this way:

You won't hear Weight Watchers spokeswoman **Sarah Ferguson** talking about **Jesus** walking on water to inspire her followers to stick to their diets.

But that's how the Rev. **Joy Wright** does it.

Delivering a taped sermon to a group of African-American women gathered in a Hartford church social hall, Wright, of the city's Phillips Metropolitan CME Church, tells the story of Christ's encounter with the disciple **Peter** in a boat. [Read more ...](#)

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- [God, Ian Ayres, incentives, religion, weight loss](#)



October 7, 2008, 3:43 pm

[Voting With Eyeballs](#)

By [Ian Ayres](#)

Barry Nalebuff and I just published [a column in Forbes](#) proposing a simple way to fund a substantial chunk of the presidential campaigns. It starts with the simple proposition that lots of people watched the political conventions — and eyeballs have value:



Photo: [net efekt](#)

Shortly after the Olympics pulled in an average of 27.5 million viewers per day over 16 days this summer, the Democrats reached an average of 22.5 million viewers over four days.

Barack Obama's acceptance speech drew 40 million viewers. **Sarah Palin** pulled in 37 million. Yet the parties gave away all that content for free.

What if the Democratic and Republican National Committees had decided to sell the broadcast rights to their conventions? What would that have been worth? NBC paid \$894 million to get a total of 435 million viewer-days out of the sports in Beijing. At \$2 per viewer-day, that suggests that the Democrats could have gotten \$180 million for their 90 million viewer-days. Now, a convention has fewer commercial opportunities, especially during the candidate's acceptance speech, and on the networks it's only on for a couple of prime-time hours each day; so let's knock that down to \$100 million. Still, that's a nice sum.

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- [2008 election, Advertising, Ian Ayres, Media](#)



October 6, 2008, 2:34 pm

[Free Super-Crunching Software](#)

By [Ian Ayres](#)

I probably have an unhealthy attraction to the powers of Excel. I taught my daughter how to use it when she was 7. When I teach corporate finance, I try to make sure that my law students come away from the course knowing how to crunch in Excel.

It would be embarrassing to teach students how to use Microsoft Word in a law-school course; but one of the goals of my corporate finance course is to make sure that they can comfortably manipulate its numerical cousin.

A middle-school math teacher recently told me that there are some things you can do on a graphing calculator that you just can't do in Excel. I'm pretty sure (like 99 percent sure) that this is not true. In fact, Microsoft has expanded the functionality of Excel so that it's starting to invade the domain of statistical packages.

The just-published (shameless plug) [paperback edition of *Super Crunchers*](#) has a new chapter that describes several different free tools that make it easier and easier to crunch numbers.

1. Microsoft has a new [data-mining add-in](#) that lets you run all kinds of cool statistical procedures inside Excel. Taking a page from the Google playbook, Microsoft is just giving this add-in away (but it only works if you've purchased the Office 2007 version of Excel).
2. Google (taking a page from its own playbook) is giving away [its Website Optimizer](#), which will let you run randomized experiments on your own web page.

Any webmaster who is not running randomized trials on different page content is making a serious mistake. [Read more ...](#)

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• data analysis, Google, Ian Ayres, schwag



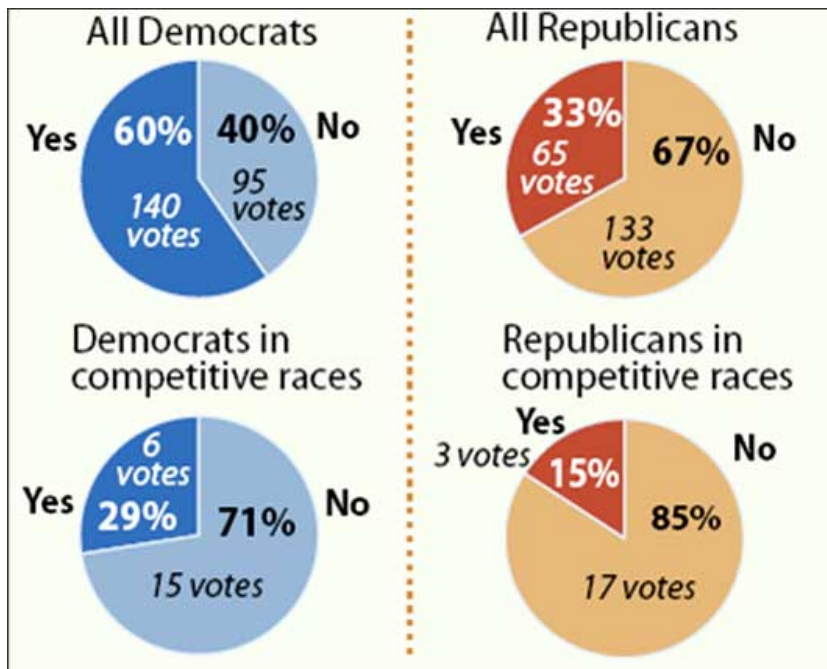
October 1, 2008, 1:58 pm

[Why Representatives Voted Against the Bailout — and a Suggestion on How to Change Their Minds](#)

By [Ian Ayres](#)

There have already been a number of good newspaper articles providing descriptive statistics that members with at-risk seats are more likely to vote against the House bill on Monday. Of the 19 most vulnerable house members, 13 [voted against the bill](#). A [Washington Post blog](#) said, “The [list of the 228 nays](#) reads like a virtual target list for the two parties.”

Congressional Quarterly provides these charts making the same point:



Alice Shih and I ran a simple (logistic) regression which confirms this result. We found that at-risk candidates were 16 percent more likely to vote against the bill than safer seats (and that Republicans were 33 percent more likely to vote “no” than Democrats). [Read more ...](#)

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• finance, government, Ian Ayres



September 29, 2008, 2:24 pm

[How Should We Allocate CO2 Permits?](#)

By [Ian Ayres](#)

Doug Kysar and I have [a piece in Slate](#) that suggests a way forward on the vexing problem of

how to allocate CO2 permits. The problem is that rich and poor countries want very different permit allocations:

Generally speaking, richer nations want permit allotments that track historic emissions rates — essentially locking in their economic advantage by awarding permits based on how much a country is already emitting. Developing countries, in contrast, want permits allocated according to population size, with every person on the planet getting equal emissions rights.

Some representatives from poorer nations also point to the fact that countries have not contributed equally to the existing problem of global warming. They argue that the countries most responsible for the current state of affairs, like the United States, should get the fewest permits, since they have already spent their share of the planet's GHG [greenhouse gas] budget.

The allocation stalemate is currently a deal killer. Of course, one response to the dispute is to convexify between the two systems: have some of the permits allocated according to historic use and others allocated according to justice concerns. We support this approach — but an important wrinkle is that we suggest branding the two types of permits: [Read more ...](#)

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- Ian Ayres, pollution



September 25, 2008, 1:21 pm

[A Decentralized Bailout](#)

By [Ian Ayres](#)

[Lucian Bebchuk](#) has a powerful idea for improving the government's purchase of troubled assets: "[A Plan for Addressing the Financial Crisis](#)." (It's fairly amazing that he's produced an article of this quality in such a short time.)

The government wants to inject liquidity into the market by buying troubled assets. But how can we be sure that it isn't overpaying for those assets and bestowing a massive gift on the sellers? In his paper, Bebchuk cites the Treasury's official statements, which talk about having an auction test:

The price of assets purchased will be established through market mechanism where possible, such as reverse auctions.

This sounds good in normal times, but the very crisis in liquidity might mean that reverse auctions would not produce an adequate price to actually help these firms. If the price is set at what others are willing to bid, then the government is not helping to shore up sub-fundamental pricing. [Read more ...](#)

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- [finance, Ian Ayres, lucian bebchuk](#)



September 17, 2008, 1:34 pm

[A Bumper Sticker That Saves Lives](#)

By [Ian Ayres](#)

I went to an interesting talk yesterday by a University of Chicago law professor named [Lior Strahilevitz](#). Lior has a radical proposal about the “How’s My Driving?” stickers that we often see affixed to the back bumpers of trucks.

There is some initial evidence that these placards are “associated with [fleet accident reductions ranging from 20 percent to 53 percent](#).” The idea is that truck drivers who know that they might be reported for driving dangerously are less likely to violate the rules of the road.

If the bumper sticker can help truck drivers, maybe it can help the rest of us too. Lior has proposed “[‘How’s My Driving?’ for Everyone \(And Everything?\)](#)” — a system whereby the government requires all cars to carry such stickers.

Lior’s big idea is to supplement police surveillance with a system of coveillance (where citizens watch each other). The use of “How’s My Driving?” stickers can harness the value of “millions of daily stranger-on-stranger driving observations that presently go to waste.”

In the past, [Barry Nalebuff](#) and I have extolled the idea of “[black boxes](#)” for cars that would record the car’s speed and whether a seat belt was being used — data that could be downloaded later in the event of an accident. These black boxes are also used in truck fleets and have been shown to reduce accidents — again because drivers drive safer when they know that the black box will later rat them out to their employers. [Read more ...](#)

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- [bumper sticker, Ian Ayres](#)



September 5, 2008, 11:29 am

[Samuelson and Buckley at Yale](#)

By [Ian Ayres](#)

Wolfers’s view that [Paul Samuelson’s](#) *Economics* text book is “[the greatest economics textbook ever written](#)” is not universally shared.

In fact in 1951, before the book gained its iconic status, a young [William F. Buckley Jr.](#) devoted considerable energy to attacking it. A core part of Buckley’s book *God and Man at Yale* is an extended criticism of Yale’s decision to use Samuelson’s text in introductory economics.

Buckley was worried about the pernicious impact that Samuelson’s words could have on young minds. The Samuelson entry in Buckley’s index is larger than any other — and Buckley even included an appendix listing in column after column the names of universities that have adopted the wrongheaded text.

So what did Buckley find repellent in Samuelson?

In short, it's that Samuelson's analysis was tilted [against free enterprise and in favor of government regulation](#). Buckley said that Samuelson's "reliance on the state is complete." (Page 51)

Where Wolfers praised Samuelson's rhetorical power, Buckley viewed the sometimes homiletic argument as insidious. Here are a few of the Samuelson passages that drove Buckley to distraction:

Samuelson on the inheritance tax:

A naïve and uninspired physician in examining the two women in question [the heiress **Barbara Hutton** and a Woolworth salesgirl] might find little to choose from with respect to physique, I.Q., or temperament. [Read more ...](#)

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- Economics, Education, Ian Ayres



September 2, 2008, 11:58 am

[What Chance of Change Is Enough?](#)

By [Ian Ayres](#)

Obama in his [acceptance speech](#) included the lines:

But the record's clear: **John McCain** has voted with **George Bush** 90 percent of the time. Senator McCain likes to talk about judgment, but really, what does it say about your judgment when you think George Bush has been right more than 90 percent of the time? I don't know about you, but I'm not ready to take a 10 percent chance on change.

So here's a pop quiz: what percent of the time did Obama vote with George Bush? It would be kind of embarrassing for Obama to use this statistic if Obama or **Biden** voted with the Bush administration too often.

The same [study by Congressional Quarterly](#) estimates that Obama voted with Bush during the Bush era 40 percent of the time. (The study limited itself to votes which the Bush administration had taken a clear position on before the vote.) Obama's percentage was the eighth lowest in the Senate. But by Obama's reckoning, I guess a 60 percent chance of change is enough. Or maybe even a 48 percent chance of change is enough (Biden voted with Bush 52 percent of the time).

The [C.Q. web tool](#) is pretty cool because it lets you slice the data for the House and Senate in lots of different ways. The study also analyzed a "party unity" percentage. When a majority of Republicans voted one way and a majority of Democrats voted another way, what percentage of the time did a particular senator break with his or her party?

Obama's party unity score during the Bush era was 96 percent (ninth highest among Democrats). McCain's party unity score was 81 percent (the sixth lowest among Republicans).

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- 2008 election, Barack Obama, George W. Bush, voting



August 25, 2008, 11:52 am

[Who's the World's Fastest Runner?](#)

By [Ian Ayres](#)

Justin Wolfers's [excellent post](#) on **Usain Bolt**'s extraordinary 200-meter race mentions in passing that "it is only a fairly recent phenomenon that the 200-meter typically yields a faster average speed than the 100-meter sprint." We're living in a topsy-turvy world where the world-record pace is faster on a longer distance than a shorter distance.

When Bolt set a new world record in the 100-meter race last May, lots of people declared him to be the "[World's Fastest Man](#)." But to my mind, he didn't legitimately take that title — neither then nor last Saturday when he lowered his own 100-meter record to 9.69 seconds at the Olympics.

Even after Bolt's Olympic 100-meter, **Michael Johnson** had a strong claim to be the world's fastest.

One of the amazing things about Johnson's 1996 [world record in the 200 meters](#) is that his pace or average speed for the 200-meter record was faster than the average speed for the fastest 100 meters. Johnson, covering twice the distance and running the curve, was able to sustain an average speed of 9.66 seconds per 100 meters. At the time, **Donovan Bailey**'s world record in the 100 meters was 9.84 seconds. [Read more ...](#)

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- Ian Ayres, olympics, records, Usain Bolt



August 21, 2008, 2:05 pm

[Citizenship Flexibility at the Olympics Is a Good Thing](#)

By [Ian Ayres](#)

At a recent family sing-along in the upper peninsula of Michigan, we dusted off **John Lennon**'s "Imagine." The lyrics made me think about the Olympics. Could we imagine the Olympics without national teams?

Imagine a world where the best athletes are able to compete. This is definitely *not* the current Olympic system. The country quota system keeps many of the best athletes home. If I were the fifth-best backstroker in the world, I'd be upset that I couldn't compete because of when I was born.

But what about team sports? Ay, there's the rub. You may think that we'd have to do away with water polo and beach volleyball gold medals if we did away with national teams.

Maybe not.

The beginnings of a new trend are indirectly pushing us toward more meritocratic and less nation-centric Olympics. Citizenship is becoming more fluid for Olympic athletes and it's improving the quality of competition at the games in both individual and team events.

Take **Chris Kaman**, the American-born center for the Los Angeles Clippers. Kaman's parents and grandparents were also born in the U.S. But because of his great-grandparents, [Germany granted Kaman citizenship](#) — and he's been playing hoops for the German Olympic team. [Read more ...](#)

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- Ian Ayres, olympics



August 18, 2008, 1:55 pm

[Pray at the Pump](#)

By [Ian Ayres](#)

The [L.A. Times reports](#) on a group claiming that the recent reduction in gas prices was caused by prayer. “If the whole country keeps on praying, we can bring down prices even more — to even less than \$2,” says **Rocky Twyman**, founder of Pray at the Pump.

If prayer did cause the price to drop, did it do so through a shift in the demand curve or was it through a shift in the supply curve?

My sense is that the article is newsworthy because some people do not believe it is appropriate to pray for reduced prices. But praying for relief from crisis is a classic use of prayer. Georgia's governor, for example, recently [prayed for rain](#); some people believe that [it worked](#).

Others do not believe prayer to be effective. But [several studies](#) have run randomized trials to determine whether prayer (or what is sometimes called “distance healing”) can be effective. For example, a [small randomized study](#) in a coronary care unit found:

The therapeutic effects of intercessory prayer (IP) to the Judeo-Christian God, one of the oldest forms of therapy, has had little attention in the medical literature. [Read more ...](#)

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- gas prices, Ian Ayres, religion



August 11, 2008, 9:58 am

[Neither a Sidezoomer nor a Lineupper Be](#)

By [Ian Ayres](#)

Cynthia Gorney has [a great piece](#) in *The Times Magazine* about the ethical dilemma we all

face when the left lane of a multi lane highway is blocked and drivers need to merge to the right. Should you be considerate, move over early and queue up (and feel like a sucker as other drivers whiz past) — or should you not move over and try to squeeze in at the last second (and feel a bit sleazy for passing others)?

Gorney refers to people who sleeze by as “sidezoomers” and to those who move over early as “lineuppers.” Levitt [has written about this](#) and definitely sides with the lineuppers (and even supports traffic fines to deter sidezooming).

Barry Nalebuff and I thought about this problem a few years back when we were writing [Why Not?](#) (shameless plug). Here’s a solution that we drafted but left on the cutting room floor:

Since neither approach is satisfactory, we should look for a better answer. By this point it should be second nature to see that the problem is one of poor incentives. People who jump the queue don’t care sufficiently about how jumping slows down the other drivers. [Read more ...](#)

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- [Ian Ayres, incentives, traffic, transit](#)



August 5, 2008, 1:46 pm

[Obama and Me](#)

By [Ian Ayres](#)

I have an unusual connection with **Barack Obama**. Our careers intersected when we were both starting out. When he was President of the Harvard Law Review and I was a young law professor, the Review . . .When he was president of the *Harvard Law Review*, the *Review* published [a study of mine](#) testing for race and gender discrimination in new car negotiations. (I rummaged through old files hoping to find an acceptance letter with Barack’s signature, but alas have failed to uncover that treasure).

My experience in publishing in Obama’s volume (104) has virtually no relevance to the current election. But three memories might have some interest to someone outside my genetic pool:

1. The *Review* took the unusual step of hiring a statistician to do an independent analysis of my econometrics. Back in 1991, it was unusual for law reviews to publish number crunching. At the time, I was slightly perturbed that I had to clear a hurdle that other authors did not.

But in retrospect, the hiring showed an admirable prudence. The law review suspected that my findings on discrimination would draw a lot of attention and they wanted to make sure that the results were solid. Obama probably took part in this decision.

2. Obama also probably took part in the *Review*’s decision to publish the article. (Again I’m not sure whether he participated. But given the timing of the acceptance and his position, it is likely). **John Nann**, an associate librarian at Yale Law School was nice enough to compile this list of articles published in Barack’s year and the number of citations: [Read more ...](#)

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- **Barack Obama, Ian Ayres**



July 25, 2008, 10:36 am

“Creative Capitalism”: The Blog

By [Ian Ayres](#)

A [speech that Bill Gates gave at Davos](#) (and which Steve Levitt [likes](#)) is now being debated in an ongoing [blog](#) by an amazing cast of characters — including, to name a few, **Lawrence Summers, Richard Posner, Michael Kinsley, Steven Landsburg, Michael Kremer, and Ed Glaeser**. They are engaged in a lively discussion about whether corporate capitalism can be reinvented and reoriented with a combination of incentives and recognition to make progress on under-addressed social problems.

This is not a love fest for Gates and the potential millions that his foundation could bestow on academics, but a free-wheeling debate on whether our current corporate model is broken.

I’m impressed because it’s hard to disagree with potential funders.

Years ago when I was teaching at another university, I was invited to a special seminar presented by a multi-millionaire heir. The heir argued that the natural rate of interest was 5 percent because the natural life of a generation was 20 years and 5 percent is the reciprocal of 20. I’m pretty sure that this is nonsense on stilts. The audience (which included more than one Nobel prize winner) faced a real dilemma. Do you tell someone who could give you millions that he or she has a foolish idea?

- [Comments \(8\)](#)

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- **Bill Gates, capitalism, Ian Ayres**



July 23, 2008, 2:43 pm

Google Should Give You Some of Its Ad Revenue

By [Ian Ayres](#)

Here’s a link to [a Marketplace radio commentary](#) that aired yesterday in which I argue that search engines should give you a cut of their ad revenue when you click through on an ad. Microsoft’s cashback system pays you if you click through and buy. But just the act of consuming the ad should have some value even if you don’t buy.

We’re used to thinking of Paypal and Google checkout as micro-payment services, but they can also become micro-compensation services. If you watch a commercial on Google TV, Google could credit your account.

I’ve written [a \(long\) academic article](#) showing how compensated calling could be easily incorporated into the current “do not call” regs — so that you could even set whatever price you wanted to listen to telemarketing calls. (I’ve also published OpEds on the idea [here](#) and

[here](#).) Instead of making an all-or-nothing choice about whether to block all telemarketing calls, a lot of consumers would prefer to set an intermediate price and just block those calls that aren't willing to pay their price.

Compensated advertising fits perfectly with Google's revolutionary model. It gives advertisers even better incentives to make ads relevant for specific consumers. Compensated ads are literally valuable.

Of course you have to worry about moral hazard. Some consumers will insincerely click through just to get the compensation. But advertisers have simple counter strategies to limit these shenanigans — such as limiting the total compensation or blocking consumers who click but never buy. [Read more ...](#)

- [Comments \(38\)](#)

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- Advertising, Google



July 8, 2008, 2:27 pm

[What's Your Wilhelm Scream?](#)

By [Ian Ayres](#)

Jack Hitt turned me on to this cool YouTube compilation of "Wilhelm Screams."

The Wilhelm Scream is probably the [most repeated stock](#) sound effect — having been jammed into more than 100 different movies. We've all heard it dozens of times (for example, in just about every **Spielberg** movie) without realizing it.

This got me thinking: What are other examples of attributes or messages that are there for all to see but are only appreciated by the cognoscenti? (I love [software Easter Eggs](#) too. But they don't count because they are not really there for anyone to see unless we're told that striking particular bizarre keys will produce a [flight simulator](#).)

A couple come immediately to mind: [Read more ...](#)

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July 1, 2008, 1:52 pm

[Can a Draft Regression Outpredict NBA Experts?](#)

By [Ian Ayres](#)

The NBA draft this year provides a vivid real world test of whether very simple regressions can out-predict experts on a central business decision — the NBA draft.

Chris Doughty, a 2008 industrial and operations engineering graduate of the University

of Michigan, pointed me to [a cool regression analysis](#) of the great **John Hollinger**. Using data from current NBA players, Hollinger sees how well the players' college stats explain their subsequent performance in the NBA.

For example, here's his analysis of the 2006 draft ranked in descending order of predicted play:

Top-rated perimeter players of recent drafts			
Player	Proj. Yr 3	Year	Actual order
Rudy Gay	16.21	2006	<i>Morrison</i>
Marcus Williams	15.52	2006	<i>Roy</i>
Rajon Rondo	15.23	2006	<i>Randy Foye</i>
Shawne Williams	14.37	2006	Gay
Brandon Roy	14.17	2006	Redick
Jordan Farmar	14.07	2006	Brewer
Hassan Adams**	13.79	2006	<i>Rodney Carney</i>
Renaldo Balkman	13.75	2006	Williams

Hollinger's regression analysis suggests that **Rudy Gay**, **Marcus Williams**, and newly minted NBA champion **Rajon Rondo** should have been the top three picks — where as the actual top three were **Adam Morrison** (who Hollinger rates as 14th best player), **Brandon Roy**, and **Randy Foye**.

Comparing the NBA success of his system's predictions to the actual draft, Hollinger concludes, "while the system isn't perfect, it's a clear improvement on what actually took place." Even armed with this statistical analysis, many teams continue to go with their gut. [Read more ...](#)

• [Comments \(26\)](#)



June 23, 2008, 1:24 pm

[Rebound Rates](#)

By [Ian Ayres](#)

The Celtics' demolition of the Lakers reminds me that the sport announcers would do well to put more emphasis on "rebound rates." Like [putt probabilities](#), the rebound rate basically tells you the probability that a team will get the next rebound.

Can you answer a fairly simple question: In the NBA if a team misses a shot, what is the probability that it will get the (offensive) rebound?

Most people I've asked think the probability is 10 percent or less. But it's closer to 30 percent.

Game six was extraordinary not just because the Lakers had only two offensive rebounds, but because they shot so poorly ([42.2](#)) — so there were plenty of misses to rebound — and had only two offensive rebounds. As the great [John Hollinger summed up](#):

[F]or the game [Los Angeles] had only two compared to 34 defensive boards for Boston. That's a 6 percent rebound rate if you're scoring at home; normally the offensive team gets around 30 percent.

One question that occurs to me is whether Lakers' low number of offensive rebounds was just a matter of bad luck. [Read more ...](#)

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June 18, 2008, 1:46 pm

[Putt Probabilities](#)

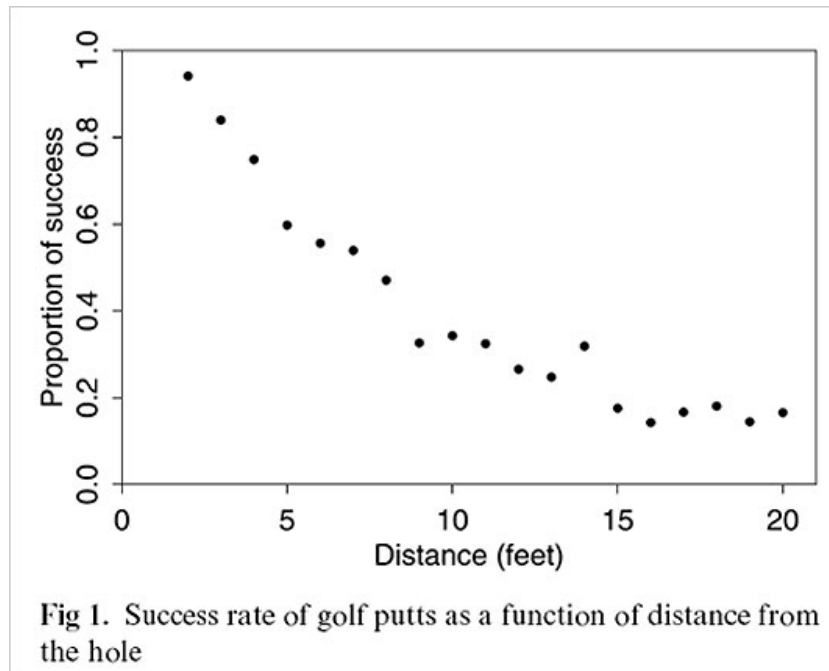
By [Ian Ayres](#)

Like many others, I was incredibly jazzed by [Tiger's victory on Monday](#).

But I was frustrated that the commentators routinely failed to mention the [putting distance to the hole](#). It would be nice to know, "It looks like **Rocco** has a 25-foot putt." But I, for one, would like commentators to go further and routinely give us information about the probable outcome of the next stroke. If the golfer is putting, I want to know the probability that the put will go in.

Analogous information is an old hat in basketball. When **Kevin Garnett** goes to the free-throw line, we are told what his FT percentage has been this season and in the playoffs (and in this very game).

Putting is not as standardized as shooting a free throw. But it would be useful to know that pros generally only make 60 percent of five puts. At least that's what's shown [in this article](#) (based on pre 1995 data):



[Read more ...](#)

• [Comments \(25\)](#)

Sincerely,

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