

FRONT POCKET

■ HOW TO BUY A HOME IN THE U.S., WHEN ORGANIC FOOD IS WORTH THE EXPENSE, FREE TEXTBOOKS, AND MORE



How to buy a will of iron

You can be a better person—by putting your money where your mouth is

It's about this time of year that you realize that yet again, you're going to fail to keep your New Year's resolution. So here's some good news: If you want to lose weight, quit smoking, or achieve some other difficult goal, you can now go out and buy yourself a will of iron.

How? By putting some money on the line the next time you resolve to do a little self-improvement. If you do, you're much more likely to succeed.

Gary Charness and Uri Gneezy, both professors of economics at the University of California, showed that students who were paid \$100 to go to the gym for four weeks went twice as often as those who weren't paid. The icing on the cake? The students kept going even after the payments stopped.

Bribery can help us overcome even long-established weaknesses. When the staff health-care costs at Wesley Willows, a non-profit retirement community in Rockford, Ill., started getting out of hand due to rampant obesity, the company decided it had to convince its employees to lose weight. Management hired a weight-loss consultant to pay employees cold hard cash for every pound they lost. In the first six months the company spent \$12,000 on the program—and saved more than \$180,000 in health-care costs.

Cases like this suggest that one way to stick to a New Year's resolution is simply to pay yourself for being good—perhaps by promising yourself a new set of golf clubs if you meet your goal. But research suggests that taking out a contract in which you *lose* money for *not* reaching a goal is even more effective than a reward. That's because humans are wired in such a way that the pain from loss is more intense than the joy we get from gain. So if you pledge to give away \$1,000 if you don't lose 10 kg by swimsuit season, you're more likely to be successful than if you got a \$1,000 reward for meeting your goal.

But if you pledge to give away money for missing your goal, how can you make sure you'll follow through? Look no further than StickK.com, a new website that lets you make a contract with yourself. It's the brainchild of Dean Karlan, a Yale economics professor, and Ian Ayres, a law professor who teaches at Yale's school of management. The goal of

StickK is to act like a conscience-for-hire. When you sign up, you state your goal—lose 5 kg, kick smoking, or whatever—and pledge a bond for a certain amount of money. If you're not successful at meeting your goal, you lose the bond.

Will StickK make us all better people? John Lynham, an economist at the University of California, says it depends. His research found that many of us are still doomed to overestimate our own resolve, even if our money is on the line. Because of that tendency, he thinks most people who take out a contract on StickK.com will kiss at least some of their money goodbye.

But that doesn't mean the money is wasted. "Most people won't meet their goals," says Lynham, "but I still think they'll lose more weight than they would otherwise." **DUNCAN HOOD**

PUT A CONTRACT ON YOURSELF

StickK.com can help you lose weight, stop smoking, exercise more or meet another goal by putting some of your own hard-earned cash at stake. The site allows you to post a cash bond which will automatically go to a charity, a friend, an enemy, or even an anti-charity (such as a tobacco company lobby group) if you don't meet your goal. The site's services are free, and it encourages you to enlist an independent "referee" to confirm your success. It even includes support networks for common goals to help cheer you along.