Chapter 1: “Criminal Registries, Notification, and Optimal Avoidance” (Job Market Paper)

This paper studies the effect of community notification of criminal registries on neighbor behavior and shows that notification is not always optimal. I model notification as generating opposing externalities. Informed neighbors are harder to victimize without getting caught, which generates deterrence. But once informed, agents face private incentives to protect themselves through costly avoidance measures, thereby placing their neighbors at higher risk. My main results highlight the symbiotic relationship between government imposed penalties and notification policies. I prove that notification with too light of a penalty reduces is bad for the community. Criminals cannot be deterred with light penalties despite the higher probability of detection, and so the informed cower indoors; anyone venturing outside is an easy target. Conversely, there always exists a penalty severe enough to ensure that notification improves the community’s welfare. With severe penalties, informed neighbors economize on costly avoidance strategies, further helping to deter crime and protect their community. Therefore, the government’s decision to notify communities of criminals in their midst depends in part on how severely they want to penalize repeat offenders.

Chapter 2: “The Economics of Performance Ratings” (with Lones Smith)

Performance ratings can act as both signals and incentive devices; how effectively can they perform both tasks? We develop a continuous time model of an economy composed of agents who receive utility from performance ratings. The performance score is a function of ability and costly effort. Ratings update continuously with new performance score realizations while individual abilities also evolve.

Restricting attention to a class of linear updating rules motivated by practical rating systems, we study the information and incentive effects of ratings in a rational expectations equilibrium. We show that the rating system designer faces a tradeoff between providing information and incentives. If effort is desired, the optimal rating system places more weight on recent output scores than the Bayesian rating system, thereby making ratings less informative signals of underlying ability.

Chapter 3: “When Should the Government Disclose Criminal History?”
Should the government reveal a criminal’s identity immediately upon first conviction, or should criminals get a second chance before being publicly outed? I show that the government faces a tradeoff between deterring first time convicts and repeat offenders in making this decision. Immediate disclosure generates large deterrence effects for those without any criminal history because future wages and utility from social interactions can be lost with just one conviction. Repeat offenders, however, commit more crimes because they have less to lose: another conviction cannot make them any less employable or desirable as a neighbor. Allowing criminals a second chance can help the government deter repeat offenders by holding some punishment in reserve. I show it is optimal for the government to give criminals a second chance when 1) perceived non-criminals earn sufficiently higher wages than known felons, 2) the additional benefit of revealing criminal status to the public on detection rates is small, and 3) agents care enough about the future.