2012-03-26

Are Microfinance Institutions Immune to Science?: A Randomized Controlled Trial

Matthew R. Brigham
William T. Matthias
Chase Petrey
Daniel Nielson

Follow this and additional works at: https://scholarsarchive.byu.edu/fhssconference_studentpub

Part of the Political Science Commons

The Annual Mary Lou Fulton Mentored Research Conference showcases some of the best student research from the College of Family, Home, and Social Sciences. The mentored learning program encourages undergraduate students to participate in hands-on and practical research under the direction of a faculty member. Students create these posters as an aide in presenting the results of their research to the public, faculty, and their peers.

BYU ScholarsArchive Citation

This is brought to you for free and open access by the Family, Home, and Social Sciences at BYU ScholarsArchive. It has been accepted for inclusion in FHSS Mentored Research Conference by an authorized administrator of BYU ScholarsArchive. For more information, please contact scholarsarchive@byu.edu, ellen_amatangelo@byu.edu.
Are Microfinance Institutions effectively combatting poverty?

Theory

- Microfinance Institutions engage in cognitive dissonance and confirmation bias just like individuals do.
- Cognitive Dissonance: When confronted with credible scientific information inconsistent with their beliefs, Microfinance Institutions are more likely to rationalize their behavior and ignore the information.
- Confirmation Bias: When confronted with credible scientific information consistent with their beliefs, Microfinance Institutions are more likely to reinforce their beliefs.

Puzzle

Invitation to Partner

Email

Treatment Contained:

1. Positive Language
2. Negative Language
3. Control (neither)

Discussion

- Positive treatment was twice as likely to request information
- Microfinance Institutions may be biased against negative information about microfinance
- Donors and academics may have a harder time influencing Microfinance Institutions to pursue “best practices” in microfinance.

Methods

- Randomly assigned emails priming them with either positive or negative scientific information
- Asked if they would be interested in receiving information about impact evaluations in microfinance

Results

Emails by Treatment

<table>
<thead>
<tr>
<th>Percent Positive Responses</th>
<th>Positive</th>
<th>Negative</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>