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The Chicago Booth Review Features IPA Research on Debt Traps

The Chicago Booth Review features IPA research by our founder Dean Karlan, Sendhil Mullainathan, and Benjamin N. Roth on loan forgiveness while highlighting why so many people struggle to escape debt. To test the idea of “debt traps” the researchers paid off the high-interest debt of market vendors in the Philippines and India and found that most of the participants were back in debt within six weeks.

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