

Abstract:

Deadlines are a pervasive feature of economic life. We study how the behavioral consequences of deadlines are shaped by limitations in memory and attention. We provide a simple theoretical framework to study the role of deadlines in such environments and test the model's key comparative statics with a randomized field experiment. In our model, an agent has to decide when to fulfill a task that requires costly effort provision. Postponing can be beneficial due to fluctuations in effort costs, but bears the risk that the task drops off the top of the agent's mind. We analyze how deadlines influence the timing and overall likelihood of task complete. In the second part of our paper, we test the key qualitative predictions of our model in a large-scale field experiment with patients of a German dental clinic. In the experiment, we exogenously vary how people are reminded about the need to arrange a new check-up appointment. We randomize both the deadline for arranging a check-up and patients' incentives to arrange an appointment. Our empirical results indicate that relatively tight deadlines encourage patients to make their check-ups earlier and at an overall higher frequency. This is further corroborated by two complementary surveys in which we examine people's perceptions of reminders, deadlines, and their interaction with cognitive constraints.